



**COUNTY GOVERNMENT OF
KAJIADO**

**COUNTY BUDGET REVIEW AND OUTLOOK
PAPER 2019**

*Fostering Socio-Economic and Political Growth for Sustainable
Development*

September 2019

FOREWORD

The 2019 County Budget and Outlook Paper (CBROP) has been prepared in accordance with the Public Finance Management (PFM) Act, 2012 Section 118. This Paper provides an analysis of the 2018/19 Financial Year (FY) and highlights the recent economic development and outlook including resource mobilization framework for the coming financial year 2020/21.

The county while implementing the 2018/19FY budget adhered to the fiscal responsibility principles set out in the PFM Act, 2012 Section 107(2). The county's total budget was Kshs.9.6billion where Kshs.3.8billion (39 percent) was allocated to development expenditure, Kshs.2.8billion (30 percent) to Operation and Maintenance (OM) and Kshs.3.0billion (31 percent) to Personnel Emoluments. A review of fiscal performance indicates that, actual expenditure totalled to Kshs.8.7billion representing an absorption rate of 89.5 percent. Further, actual development was Kshs.2.88 billion (76 percent performance), OM was Kshs.2.73 billion (96 percent performance) while Personnel Emoluments was 2.99 billion (99.7 percent performance). Conversely, the county performed well in Own Source Revenue (OSR) where a total of Kshs.1.14billion was collected compared to Kshs.680million realized in 2017/18FY.

Although there was a shortfall in OSR collection coupled with rising expenditure pressures, the county's fiscal performance was generally satisfactory. The county will in the next FY implement strategies/measures which will enhance revenue collection and minimize non-core expenditures.

The county envisages a total budget of Kshs.9.9billion during the 2020/21FY budget. This will comprise of 66 percent equitable share, 18 percent from OSR and 10 percent conditional grants from the National Government and development partners. The County intends to reduce by half the balance brought forward to Kshs.600 million. The county while preparing the 2020/21FY budget will put emphasis on priority programmes/projects that will contribute to the realization of the county's development agenda.

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ACKNOWLEDGEMENT

The 2019 Kajiado CBROP provides actual fiscal performance, recent economic and aggregate county government ceiling for the 2020/21 Medium Term budget. It also gives a highlight of how the actual performance for the 2018/19FY affected compliance with fiscal objectives as well as fiscal responsibility principles set out in the 2019 County Fiscal Strategy Paper (CFSP).

The preparation of this 2019 CBROP was through a collaborative effort from various stakeholders. I wish to acknowledge the Governor of Kajiado County, H.E Joseph Ole Lenku and His Deputy Martin Moshisho for their invaluable support and leadership in the preparation of this document. I appreciate the County Secretary Mr. Lenku Seki and County Executive Committee Members (CECMs) in charge of various county departments for their support and contribution throughout the process. Special thanks goes to the CECM for Finance, Economic Planning and ICT for his guidance during the formulation of this Paper. I also wish to recognize the advice of the County Assembly through the leadership of the Hon. Johnson Osoi and the House Committee in charge of Budget and Appropriation lead by Mr. Henry Kimiti.

Special appreciation goes to my fellow Chief Officers for their commitment and collaboration during the preparation of this document. Not forgetting to acknowledge the directors and Sector Working Groups (SWGs) for their tireless effort and timely provision of their departmental reports which greatly informed the preparation of this Paper.

I wish to thank the Director and the entire staff of Budget and Economic Planning for their tireless effort in formulating and compiling this 2019 CBROP.

Last but not the least, I wish to extend my sincere appreciation to the entire staff the County Government of Kajiado (CGK) for their dedication to public service. I appeal to all readers to provide comments which will help us improve the preparation of subsequent documents.

May the Almighty God bless you all!

Mr. Sankaire Tima

CHIEF OFFICER – FINANCE AND ECONOMIC PLANNING

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ACRONYMS

ADP	Annual Development Plan
BPS	Budget Policy Statement
CBROP	County Budget Review and Outlook Paper
CBR	Central Bank Rate
CFSP	County Fiscal Strategy Paper
CG	County Government
CIDP	County Integrated Development Plan
ECDE	Early Childhood Development Education
FY	Financial Year
GDP	Gross Domestic Product
GoK	Government of Kenya
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
KDSP	Kenya Devolution Support Programme
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
PFMA	Public Financial Management Act
RMLF	Road Maintenance Fuel Levy Fund
SBP	Single Business Permit
SDGs	Sustainable Development Goals
SSA	Sub-Saharan African

I. INTRODUCTION

Chapter Overview

This chapter provides a highlight of the objectives of preparing the County Budget Review and Outlook Paper (CBROP), the legal justification and structure of the sections of the document.

Objectives of CBROP

1. The objective of the 2019 CBROP is to provide a detailed review of the 2018/19FY fiscal performance for the county government and evaluate how this performance impacts on the fiscal objectives as well as fiscal responsibility principles spelt out in the in the 2019 County Fiscal Strategy Paper (CFSP).
2. This 2019 CBROP is one of the key statutory document that will inform the preparation of the 2020 CFSP. It will also give a highlight of the progress in the implementation of the county's strategic priorities and other projects prioritized by the county government in the medium term.
3. The strategic priorities focused by the county government in the 2018/19FY were: Agriculture and livestock development; Improved water access, sanitation and environment; Improved health care access and quality; and Infrastructural development to support economic growth.
4. This CBROP also outlines fiscal measures in both revenue and expenditure to be executed by the county government in order to actualize the planned county's strategic priorities. These priority areas have to be aligned to the Sustainable Development Goals (SDGs); the Kenya Vision 2030 and its medium term plan III; the Big Four Agenda; the 2018-2022 County Integrated Develop Plan (CIDP) and the Annual Development Plan.
5. The budget process targets to promote the efficient and effective utilization of resources as required by the PFM, Act 2012. To realize resource requirement for the 2020/21FY budget and the medium term, the county government will continue to implement prudent measures geared towards enhancing Own Source Revenue (OSR) and rationalization of expenditures. In view of this, this CBROP gives an aggregate ceiling for the county government which will inform the preparation of the 2020/21FY budget and the medium term. The ceiling is guided by the overall resource envelope that is informed by the macroeconomic and fiscal outlook presented in section III and IV of this paper.

6. Having provided the above brief introduction, the rest of the document is organized as follows: Section II provides a review of county's fiscal performance; Section III gives recent economic development and outlook; Section IV covers the proposed resource allocation framework and Section V presents the conclusion.

Legal Framework

7. The County Budget Review and Outlook Paper has been prepared in accordance with Section 118 of the Public Financial Management Act, 2012. The law states that:
 - The County Treasury shall prepare and submit to the County Executive Committee for approval in each financial year, a County Budget Review and Outlook Paper by 30th September of that year.
 - County Executive Committee shall consider the CBROP with a view to approving it with or without amendments, not later than fourteen days after its submission.
8. Not later than seven days after the CBROP has been approved by Executive committee, the County Treasury shall:
 - Submit the paper to the Budget and appropriation Committee of the County Assembly to be laid before the County Assembly; and
 - Publish and publicize the paper not later than fifteen days after laying the Paper before County Assembly.
9. In preparing its county Budget Review and Outlook Paper, the County Treasury shall specify—
 - the details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
 - the updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
 - information on: any changes in the forecasts compared with the County Fiscal Strategy Paper; or how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

II. REVIEW OF COUNTY FISCAL PERFORMANCE FOR THE 2018/19 FY

Overview

10. This section gives a highlight of the fiscal performance for the period 2018/19 FY. It also provides causes of the recorded performance and proposed strategies of enhancing the fiscal performance in future.
11. 2018/19 FY revised estimates totaled to Kshs.9.61 billion of revenue that includes equitable share of Kshs.5.997 billion representing 62.4 percent of the total revenue; Own Source Revenue amounting to Kshs.1.58 billion which is 16.5 percent of the total revenue; and Kshs.823 million conditional grants which is 8.5 percent of the total revenue.
12. Kajiado County received an equitable share of Kshs.5.997 billion translating to 100 percent performance. Further analysis of conditional grants indicates an absorption rate of 79.3 percent. Actual performance was as follows: Road Maintenance Levy Fund (RMLF) Kshs.157.9 million; Kenya Urban Support Programme Kshs.307.2 million; Kenya Devolution Support Programme (KDSP) Kshs.66.2 million; and health conditional grants at Kshs.50.3 million as indicated in Table 1.
13. The County Government recorded an increase in Own Source Revenue from Kshs.680 million in 2017/18 FY to Kshs.1.143 billion in 2018/17 FY, representing a 68 per cent increase and 72 percent performance against the target.
14. The total aggregate expenditure for 2018/19 FY was Kshs.8.59 billion against a target of Kshs.9.61 billion of the revised estimates, representing an 89.5 per cent absorption rate. Actual expenditure for 2018/19 FY was categorized as follows: actual Operations and maintenance amounted to Kshs.2.73 billion, 96 per cent absorption rate; compensation of employees at Kshs.2.987 billion, 99.7 per cent absorption rate; and development actual expenditure of Kshs.2.88 billion, recording 76 per cent absorption rate.
15. Preparation and implementation of the 2018/19 FY budget complied with all the fiscal responsibility principles indicated in PFM Act, 2012.

Table 1: Aggregate Fiscal Performance 2017/18 FY– 2018/19 FY

	2017/18FY		2018/19 FY		Deviation	% Growth	% Actual Performance	% Contribution to CR
	Approved Estimates	Actual Performance	Approved Estimates	Actual Performance				
Revenue Summary								
GOK Transfer/Equitable Share	5,768,200,000	5,768,200,000	5,997,400,000	5,997,400,000	-	3.97	100.00	67.1
Local Revenue	1,040,794,334	680,475,029	1,583,856,996	1,143,632,904	440,224,092	68.06	72.21	7.9
GRANTS-	381,102,715	312,795,678	823,995,907	653,769,744	186,834,136	109.01	79.34	4
DANIDA	25,719,948	13,945,701	26,277,348	16,607,973.00	26,277,348	19.09	63.20	0.2
WB-Universal THC	42,954,113	19,524,597	62,478,710	20,943,747.50	49,762,186	-34.87	20.35	0.2
User fee reimbursement	16,955,365	16,311,160	28,197,865	12,716,523.75	7,254,118	28.40	74.27	0.2
World Bank grants to supplement HCF	37,645,000	5,185,931	-	-	-	-100.00	-	0.1
Road Maintenance Fuel Levy Fund	188,008,411	188,008,411	157,906,319.00	157,906,320.00	(1)	-16.01	100.00	2.2
Grants for Development of Youth Polytechnics	26,990,230	26,990,230	40,345,000.00	30,460,475.00	9,884,525	12.86	75.50	0.3
Kenya Devolution Support Programme	42,829,648	42,829,648	64,324,384.00	66,231,532.00	(1,907,148)	54.64	102.96	0.5
Kenya Urban Support Projects	-	-	307,160,300.00	307,150,300.00	10,000	0	100.00	0.0
Agricultural Sector Development Support Programme	-	-	20,305,981.00	7,392,954.00	12,913,027	-	36.41	0.0
Kenya Climate Smart Agriculture	-	-	117,000,000.00	34,359,919.00	82,640,081	-	29.37	0.0
Bal B/F	997,910,841	-	1,200,000,000.00	797,550,812.00	402,449,188	-	66.46	0.0
Total	8,188,007,890	6,761,470,707	9,605,252,903.00	8,592,353,460.25	1,029,507,415.75	27.08	89.45	
Expenditure Summary								
Compensation of Employees	2,007,274,084	1,809,228,189	2,995,973,958	2,987,734,764.20	8,239,194	65.14	100	35

Operations and Maintenance	2,347,201,364	2,160,487,766	2,839,987,864	2,726,782,364.90	113,205,499	26	96	32
Acquisition of Assets	2,655,902,268	1,256,344,409	3,769,291,081	2,877,836,331.00	891,454,750	129.06	76	33
Total	7,010,377,716	5,226,060,364	9,605,252,903.00	8,592,353,460.10	1,012,899,443	64.41	89	

Source: Kajiado County Treasury

The County's Fiscal Performance 2018/19 FY

16. This section provides detailed overview of the revenue and expenditure performance of the county for the year 2018/19. It reviews the deviations of the actual revenue and expenditure from the approved budgeted estimates.

County Revenue Performance

17. The county collected a total of Kshs.1.14billion as Own Source Revenue (OSR) in 2018/19FY against a target of Kshs.1.58billion representing a 72 percent performance. This indicated a revenue shortfall of Kshs.440million. Comparing this performance with the previous year shows that a growth of 68 percent was realized compared to Kshs.680million collected in 2017/18 FY. The increase is associated with strengthened revenue reforms. Revenue performance analysis by category and stream is detailed in Table 2.
18. Analysis of sectoral OSR performance shows that Lands and Physical Planning; Trade, Culture, Tourism and Wildlife; Roads, Transport, Public Works, Housing and Energy; Medical Services, Public Health and Sanitation are the major contributors of own source revenue. The actual sectoral revenue collection is Kshs.341million; Kshs.259million; Kshs.215million and Kshs.160million respectively.
19. The highest performing revenue stream in the previous financial year was single business permit (Kshs.231million), land rates (Kshs.177million) and building plan approval (Kshs.157million).
20. Revenue performance analysis is as illustrated in table 2.

Table 2: Revenue Analysis

Collection Stream	Revenue Type	2017/18 FY			2018/19FY			Growth
		Approved Estimates	Actual Performance	% Performance	Approved Estimates	Actual Performance	% Performance	
TRADE, CULTURE, TOURISM AND WILDLIFE	S.B.P	195,006,134	189,064,755	97	317,111,114	230,471,175	73	22
	S.B.P Application fee	1,393,508	0	0	2,104,197	-	0	0
	Penalties	3,107,753	0	0	4,692,707	4,855,200	103	0
	Barter Market	30,393,947	22,203,270	73	45,894,860	21,318,460	46	-4
	Occupancy Fee	1,707,903	0	0	2,578,934	-	0	0
	Weight and Measures	1,356,817	542,000	40	2,048,794	1,319,540	64	143
	Tourism	0	0	0	-	-	0	0
	Market Stall	2,050,890	599,599.00	29	3,096,844	734,900	24	23
	Miscellaneous (Trade)	0	3,039,625	0	-	-	0	0
	Co-operative and marketing	226,293.00	0	0	-	-	0	0
	Subtotal	235,243,245	215,449,249	92	377,527,450	258,699,275	69	20
LANDS AND PHYSICAL PLANNING	Quarry Chips	7,808,836	0	0	11,791,342	-	0	0
	Plot Rent	37,036,620	44,685,813	121	55,925,296	33,854,741	61	-24
	Search cert and consent	0	0	0	-	-	0	0
	Sewerage	709,410.00	20,000.00	3	1,071,209	300,000	28	0
	Sand Fees	180,271,615	80,826,000	45	257,110,140	87,951,500	34	9
	Burial Fees/Noise Pollution	32,364.00	0	0	48,870	-	0	0
	Land Penalty	201,369.00	157,000.00	78	304,067	-	0	-100
	Mortuary fee	11,600.00	0	0	17,516	-	0	0
	Land rates	153,737,975	50,645,086	33	250,599,314	176,976,031	71	249
	Survey Fees	1,268,820	0	0	1,915,918	-	0	0
	Ballast Cess	8,046,050	10,267,750	128	12,149,536	9,674,800	80	-6
	Pozzolana Cess	6,862,943	0	0	10,363,044	-	0	0
Dumping fee	15,161.00	0	0	22,893	31,820	139	0	

Collection Stream	Revenue Type	2017/18 FY			2018/19FY			Growth
		Approved Estimates	Actual Performance	% Performance	Approved Estimates	Actual Performance	% Performance	
	Fire Inspection Fee	0	0	0	-	-	0	0
	Limestone/royalties	32,466,583	9,579,061	30	49,024,540	32,690,449	67	241
	Royalties soda ash	0	0	0	-	-	0	0
	Other Property charges	10,145,897	0	0	15,320,304	-	0	0
	Subtotal	438,615,243	196,180,710	45	665,663,989	341,479,341	51	74
ROADS, TRANSPORT, PUBLIC WORKS, HOUSING AND ENERGY	Car/Bus Park	7,023,000	21,726,834	309	10,604,730	22,412,280	211	3
	Motorcycle sticker	359,600.00	0	0	542,996	898,610	165	0
	Tuk tuk Sticker	0	0	0		-	0	0
	Impounding Fee	517,238.00	0	0	781,029	200,000	26	0
	Parking & Transit	28,493,138	28,210,480	99	43,024,638	30,357,350	71	8
	Table	159,732.00	0	0	241,195	-	0	0
	Delivery	227,058.00	0	0	342,858	-	0	0
	Taxi	214,600.00	0	0	324,046	-	0	0
	Building Plan Approval	96,921,760	65,668,396	68	131,251,858	157,451,625	120	140
	Change of user	291,160.00	0	0	439,652	494,200	112	0
	Residential Rates	0.00	0	0	-	2,846,347	0	0
Subtotal	134,207,286	115,605,710	86	187,553,002	214,660,412	114	86	
PUBLIC SERVICE, ADMINISTRATION AND CITIZEN PARTICIPATION	Promotion	12,604,877	0	0	19,033,364	32,402,060	170	0
	Branding	0	0	0	-	-	0	0
	Sign Post Fee/billboards	17,570,018	34,426,000	196	26,530,727	35,656,950	134	4
	Film and TV documentary	169,128.00	0	0	255,383	298,625	117	0
	Religious meetings	0	0	0	-	-	0	0
	Miscellaneous (communication)	0	25,328,180	0	-	-	0	0
	Flyers Fee	1,034,256	0	0	1,561,727	1,803,415	115	0
Subtotal	31,378,279	59,754,180	190	47,381,201	70,161,050	148	17	

Collection Stream	Revenue Type	2017/18 FY			2018/19FY			Growth
		Approved Estimates	Actual Performance	% Performance	Approved Estimates	Actual Performance	% Performance	
AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVE DEVELOPMENT	Agricultural Produce	21,260,949	5,773,465	27	32,104,033	19,924,920	62	245
	Livestock Vaccination	3,846,040	0	0	5,807,520	-	0	0
	Sheep/Goat Cess	4,655,410	11,135,970	239	7,029,669	5,633,150	80	-49
	Hides & Skin	516,246.00	0	0	779,531	-	0	0
	ATC	663,624.00	0	0	1,002,072	-	0	0
	Poultry cess	134,857.00	0	0	203,634	-	0	0
	Manure cess	221,067.00	0	0	333,811	-	0	0
	AMS	1,651,234	0	0	2,493,363	-	0	0
	Slaughter Fee	11,935,320	11,349,585	95	18,022,333	15,382,210	85	36
	Cattle Cess/sale yards	6,509,951	0	0	9,830,026	14,831,950	151	0
	Permit fee	0	0	0		-	0	0
	Sale of tender documents	728,033.00	0	0	1,099,330	-	0	0
	Miscellaneous (Agriculture)	0	4,637,340	0		-	0	0
	Bus Park	27,675,025	0	0	43,140,016	21,188,000	49	0
	Marketing/Cooperative	109,376.00	0	0	506,860	-	0	0
Subtotal	79,907,132	32,896,360	41	122,352,198	76,960,230	63	134	
MEDICAL SERVICES, PUBLIC HEALTH AND SANITATION	Food Hygiene License	16,829,083	15,035,110	89	25,411,915	20,284,600	80	35
	Health Clearance	8,695,331	495,500.00	6	13,129,950	657,000	5	33
	Sanitary Inspection Fee	5,723,747	3,974,400	69	8,642,858	6,029,700	70	52
	General Hospital fee	46,489,464	34,154,370	73	70,199,091	58,174,019	83	70
	Occupation certificate	2,914,500	0	0	4,400,895	3,031,300	69	0
	Medical Certificate	3,314,585	0	0	5,005,023	4,005,500	80	0
	NHIF Reimbursement (Mbuji Moja)	0	0	0		67,522,507	0	0
	Others (Public Health)	0	1,595,260	0	-	-	0	-100
	Miscellaneous (Health)	0	1,234,200	0	-	-	0	0

Collection Stream	Revenue Type	2017/18 FY			2018/19FY			Growth
		Approved Estimates	Actual Performance	% Performance	Approved Estimates	Actual Performance	% Performance	
	Subtotal	83,966,710	56,488,840	67	126,789,732	159,704,626	126	183
WATER, IRRIGATION, ENVIRONMENT AND NATURAL RESOURCES	Water	552,972.00	0	-	834,988	-	0	0
	Water Bowser	0	0	-	-	-	0	0
	Water Supply and Administration	0	0	-	-	-	0	0
	Subtotal	552,972.00	0.00	0	834,988	-	0	0
EDUCATION AND VOCATIONAL TRAINING	Registration of Institutions	577,564.00	337,980.00	59	872,122	308,390	35	-9
	Subtotal	577,564.00	337,980.00	59	872,122	308,390	35	-9
YOUTH, SPORTS, GENDER AND SOCIAL SERVICES	Social services	0	1,206,500.00	-	-	790,000	0	-35
	Liquor license	36,345,903	2,555,500	7	54,882,314	20,869,580	38	717
	Subtotal	36,345,903	3,762,000	10	54,882,314	21,659,580	39	476
GRAND TOTAL		1,040,794,334.00	680,475,029.00	65	1,583,856,996	1,143,632,904	72	68

Source: Kajiado County Treasury

Key Issues Limiting Optimal Own Source Revenue Performance

21. There exist a number of challenges that hinder collection of Own Source Revenue by the county government including:

- Unexploited revenue potential within the county;
- Inadequate civic education to rate payers;
- Weak enforcement of the existing laws and regulations to enhance compliance;
- Inadequate capacity of the revenue personnel therefore affecting revenue analysis and reporting;
- Lack of a data management system on existing and potential revenue sources to facilitate realistic targeting;
- Mobility challenges and vastness of the county;
- Revenue leakage and system fraud.

22. The County Government implemented the following revenue reforms and strategies, which translated to an increase in OSR:

- Continuous automation of revenue streams to enhance efficiency in collection and reporting. This will further seal revenue leakages;
- Strengthening the County Inspectorate Unit that oversees enforcement;
- Recent recruitment of revenues officers to enhance capacity of the revenue directorate and on job trainings to equip them with requisite skills in handling their assignments;
- Continuous follow-up of debtors and rates in default;
- Ongoing operational risk assessment of revenue system to address any risks.

Strategies to enhance Own Source Revenue collection

23. The following strategies are set for implementation to address OSR shortfalls:

- Enactment of relevant legal framework and policies to support revenue collection;
- The County Treasury will continually automate all revenue streams to enhance revenue collection and further strengthen revenue administration by integrating a management information system to prevent fraud;

- Revenue mapping with a view of capturing all ratable properties and businesses within Kajiado County so as to widen the revenue base and baseline data for future forecasting;
- The county will develop a debt collection framework to enhance payment of outstanding debts especially with main corporates and companies within the county;
- The county will facilitate an enabling environment to attract potential investors in the county;
- Continued capacity building of revenue human resource to address capacity gaps in revenue administration and management;
- Development of the county valuation roll and finalization of plot validation process to define all the ratable properties for enhanced revenue collection;
- Disciplinary action on any staff engaged in corruption and malpractice and to strictly deal with tax evasion cases to seal revenue loopholes; and
- Implementation of performance appraisal of officers under the directorate of revenue to ensure maximum productivity is measured and improved.

County Expenditure Performance

24. Kajiado County realized a total expenditure Kshs.8.59 billion for FY 2018/19 against a revised target of Kshs.9.61 billion. This represents an 89.5 per cent absorption rate of the allocated resources.
25. Recurrent expenditure amounted to Kshs.5.71 billion against a revised budget estimate of Kshs.5.84 billion indicating an absorption rate of 98 percent. Expenditure on Operations and Maintenance (O&M) recorded 96 percent absorption while Personnel Emoluments (P&E) was 99.7 percent. An analysis of development expenditure indicates an absorption of Kshs.2.88 billion against a target of Kshs.3.77 billion at a rate of 76 percent.
26. Further analysis of departmental recurrent performance shows reflects a high absorption rate with majority of departments recording over 80 per cent, with the exception of Lands, Physical Planning and Urban Development at 55.2 per cent.

27. In regards to development expenditure, the following departments recorded the highest absorption: County Treasury (98.8 per cent); Water, Irrigation Environment and Natural Resources (88.3 per cent); and Roads, Transport, Public Works Housing and Energy (86.6 per cent). Departments that recorded an under performance in absorption of capital expenditure include: Lands and Physical Planning (11.9 per cent); Youth, Sports, Gender and Social Services (17.9 per cent); and Agriculture, Livestock, Fisheries and Cooperative development (38.3 per cent).

Table 3: Expenditure Analysis

DEPARTMENT / SECTOR/ENTITY		CFSP 2018 Ceiling	Budget Estimates 2018/19	Actual Expenditure 2018/19	Deviation from CFSP	% Deviation from CFSP	Deviation from Approved Estimates	Absorption Rate
OFFICE OF THE GOVERNOR	SUB-TOTAL	206,643,871	348,254,944	347,939,328	-141,611,073	-68.5290455	-315,616	100
	P.E Gross	64,058,512	74,183,768	74,179,152	-10,125,256	-15.8062616	-4,616	100.0
	O.M. Gross	142,585,359	274,071,176	273,760,176	-131,485,817	-92.2155102	-311,000	99.9
	Dev. Gross	0	0	-	0	0	0	0.0
COUNTY PUBLIC SERVICE BOARD	SUB-TOTAL	114,096,428	107,803,496	113,070,112	6,292,932	5.51545049	5,266,616	104.9
	P.E Gross	44,210,628	44,423,496	44,391,475	-212,868	-0.48148604	-32,021	99.9
	O.M Gross	69,885,800	63,380,000	68,678,637	6,505,800	9.30918727	5,298,637	108.4
	Dev. Gross	0	0	0	0		0	0.0
EDUCATION AND VOCATIONAL TRAINING	SUB-TOTAL	623,100,172	771,687,131	741,134,274	-148,586,959	-24	-30,552,857	96.0
	P.E Gross	241,171,325	328,377,888	328,374,098	-87,206,563	-36	-3,790	100.0
	O.M. Gross	113,338,617	156,464,243	191,421,670	-43,125,626	-38	34,957,427	122.3
	Dev. Gross	268,590,230	286,845,000	221,338,506	-18,254,770	-7	-65,506,494	77.2
MEDICAL SERVICES, PUBLIC HEALTH AND SANITATION	SUB-TOTAL	2,165,120,897	2,397,624,366	2,344,822,597	-232,503,469	-10.7385906	-52,801,769	97.8
	P.E Gross	1,300,651,036	1,418,904,477	1,418,023,644	-118,253,441	-9.09186536	-880,833	99.9
	O.M. Gross	522,861,924	592,219,889	626,140,090	-69,357,965	-13.2650633	33,920,201	105.7
	Dev. Gross	341,607,937	386,500,000	300,658,863	-44,892,063	-13.1413994	-85,841,137	77.8
YOUTH, SPORTS, GENDER AND SOCIAL SERVICES	SUB-TOTAL	192,520,492	309,537,073	182,339,758	-117,016,581	-60.7813639	-127,197,316	58.9
	P.E Gross	31,431,367.00	38,949,180	38,876,842	-7,517,813	-23.9181866	-72,339	99.8
	O.M Gross	73,789,125	139,087,893	119,897,993	-65,298,768	-88.4937554	-19,189,900	86.2
	Dev. Gross	87,300,000	131,500,000	23,564,923	-44,200,000	-50.6300115	-107,935,077	17.9
AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVE DEVELOPMENT	SUB-TOTAL	559,557,781	545,404,483	431,598,813	14,153,298	2.52937203	-113,805,670	79.1
	P.E Gross	174,027,753	189,030,812	189,017,859	-15,003,059	-8.62107264	-12,953	100.0
	O.M Gross	135,530,028	161,373,671	167,847,697	-25,843,643	-19.0685735	6,474,026	104.0
	Dev. Gross	250,000,000	195,000,000	74,733,257	55,000,000	22	-120,266,743	38.3

DEPARTMENT / SECTOR/ENTITY		CFSP 2018 Ceiling	Budget Estimates 2018/19	Actual Expenditure 2018/19	Deviation from CFSP	% Deviation from CFSP	Deviation from Approved Estimates	Absorption Rate
WATER, IRRIGATION ENVIRONMENT AND NATURAL RESOURCES	SUB-TOTAL	399,969,519	531,620,449	502,746,253	-131,650,930	-32.9152406	-28,874,196	94.6
	P.E Gross	42,864,090	75,529,576	76,944,429	-32,665,486	-76.2071142	1,414,853	101.9
	O.M .Gross	114,765,429	145,090,873	151,098,682	-30,325,444	-26.4238489	6,007,809	104.1
	Dev. Gross	242,340,000	311,000,000	274,703,142	-68,660,000	-28.3320954	-36,296,858	88.3
ROADS, TRANSPORT, PUBLIC WORKS, HOUSING AND ENERGY	SUB-TOTAL	506,688,006	1,008,517,929	903,299,090	-501,829,923	-99.0412081	-105,218,839	89.6
	P.E Gross	68,870,266	72,232,468	72,647,731	-3,362,202	-4.88193555	415,263	100.6
	O.M Gross	74,117,056	93,379,142	100,775,933	-19,262,086	-25.9887356	7,396,791	107.9
	Dev. Gross	363,700,684	842,906,319	729,875,426	-479,205,635	-131.758244	-113,030,893	86.6
PUBLIC SERVICE, ADMINISTRATION AND CITIZEN PARTICIPATION	SUB-TOTAL	698,078,358	479,019,628	445,895,809	219,058,730	31.3802494	-33,123,819	93.1
	P.E Gross	410,298,957.80	189,909,062	188,503,292	220,389,896	53.7144664	-1,405,770	99.3
	O.M. Gross	287,779,400.00	274,110,566	244,607,120	13,668,834	4.7497611	-29,503,446	89.2
	Dev. Gross	0	15,000,000	12,785,397	-15,000,000	0	-2,214,603	85.2
COUNTY TREASURY	SUB-TOTAL	687,346,530	1,642,164,945	1,567,874,725	-954,818,415	-138.913688	-74,290,220	95.5
	P.E Gross	128,904,518	209,159,524	201,791,908	-80,255,006	-62.2592654	-7,367,616	96.5
	O.M. Gross	448,192,012	403,011,399	348,155,793	45,180,613	10.0806378	-54,855,606	86.4
	Dev. Gross	110,250,000	1,029,994,022	1,017,927,024	-919,744,022	-834.234941	-12,066,998	98.8
TRADE, CULTURE, TOURISM AND WILDLIFE	SUB-TOTAL	204,226,705	199,729,132	185,185,379	4,497,573	2.20224529	-14,543,753	92.7
	P.E Gross	55,019,545	41,205,992	41,119,359	13,813,553	25.1066289	-86,633	99.8
	O.M Gross	44,207,160	52,023,140.00	56,549,177	-7,815,980	-17.6803486	4,526,037	108.7
	Dev. Gross	105,000,000	106,500,000	87,516,843	-1,500,000	-1.42857143	-18,983,157	82.2
LANDS AND PHYSICAL PLANNING	SUB-TOTAL	210,768,003	464,969,302	117,087,415	-254,201,299	-120.607159	-347,881,887	25.2
	P.E Gross	77,290,153	33,492,536	33,461,414	43,797,617	56.6664902	-31,122	99.9
	O.M Gross	51,516,466	109,516,466	45,458,323	-58,000,000	-112.585364	-64,058,143	41.5
	Dev. Gross	81,961,384	321,960,300	38,167,678	-239,998,916	-292.819501	-283,792,622	11.9
COUNTY ASSEMBLY	SUB-TOTAL	726,131,089	798,920,025	709,359,908	-72,788,936	-10.0242142	-89,560,117	88.8
	P.E Gross	249,160,393	280,575,179	280,403,562	-31,414,786	-12.6082583	-171,617	99.9

DEPARTMENT / SECTOR/ENTITY		CFSP 2018 Ceiling	Budget Estimates 2018/19	Actual Expenditure 2018/19	Deviation from CFSP	% Deviation from CFSP	Deviation from Approved Estimates	Absorption Rate
	O.M Gross	376,970,696	376,259,406.00	332,391,073.60	711,290	0.18868578	-43,868,332	88.3
	Dev. Gross	100,000,000.00	142,085,440.00	96,565,272.00	-42,085,440	-42.08544	-45,520,168	68.0
CONDITIONAL GRANTS	SUB-TOTAL	1,156,028,892	823,995,907	325,234,468	332,032,985	28.7218587	-498,761,439	39.5
	P.E Gross	2,887,958,544	2,995,973,958	2,987,734,764.20	-108,015,414	-3.74019961	-8,239,194	99.7
	O.M Gross	2,861,567,964.72	2,839,987,864	2,726,782,364.90	21,580,101	0.75	-113,205,499	96
	Dev. Gross	2,700,750,234.80	3,769,291,081	2,877,836,331.00	-1,068,540,846	(39.56)	-891,454,750	76
GRANT TOTAL		8,450,276,743.32	9,605,252,903	8,592,353,460.10	-1,154,976,160	(13.67)	-1,012,899,443	89.5

Source: Kajiado County Treasury

III. RECENT ECONOMIC DEVELOPMENT AND OUTLOOK

Overview

28. This section provides an analysis of the economic environment in which the county operates. It presents an analytical review and projection of the global, regional, national and county macroeconomic variables that influence and affect the county in particular and the country in general. The macroeconomic variables mainly considered in this section include the Gross Domestic Product (GDP), Inflation and Employment rates, Interest rates and Exchange rates and money supply.

Overview of Recent Development

29. Kenya has continued to record a slow economic growth of 5.6 percent in the first quarter of 2019 compared to a growth of 6.5 percent in the corresponding quarter of 2018. This was mainly supported by growth in the service sector industry; wholesale, transportation, accommodation and food services as well as financial and insurance.

30. The real Gross Domestic Product (GDP) expanded by 6.3 percent in 2018 compared to 4.9 percent in 2017 to 4.9 percent in 2017. This growth is attributed to a relatively stable macroeconomic environment in the year under review. Inflation remained low at 4.7 percent compared to 8.0 percent in 2017.

Global Economic Growth Outlook

31. The global economy showed a slowed growth in 2018 with an expansion of 3.6 percent compared to 3.8 percent growth in 2017. The slowed economic growth is attributed to trade tensions between leading economies which influence supply chains, climate change and political risks and conflicts. The effects of these factors is expected to spill over to 2019. The IMF forecasts global economy to grow by 3.2 percent in 2019. There is an expected recovery in 2020 with forecasted economic growth of 3.5 percent from the expected recovery in investments, manufacturing and world trade.

32. The Sub-Saharan Africa, economies are expected to grow at an average rate of 3.4 percent in 2019 and 3.6 percent in 2020. The slow economic growth is expected to be influenced by the

strong growth in non-resource-intensive countries which is offset by weak performance by the continent's largest economies.

33. The East Africa economies registered an estimated growth of 5.7 percent, slightly less than the 5.9 percent in 2017 and the highest among many African regions. This is supported by a stable macroeconomic environment, ongoing infrastructural investments and a strong private consumption. The region is prone to a number of challenges ranging from internal wars, lack of peace and stability. Despite the challenges imminent in the region, economic growth is projected to remain strong, at 5.9 percent in 2019 and 6.1 percent in 2020.

Domestic Economic Growth Outlook

34. The economy grew by 5.3 percentage in the first quarter of 2019 as compared to growth in 2018 of 6.5 percent. This was mainly contributed by underperformance in the agricultural sector owing to erratic weather condition. Growth in the outlook is expected to rise owing to the large scale infrastructural investment, manufacturing sector and a stable macroeconomic environment. The 2019 economic growth is therefore estimated at 6.0 percent from a growth of 6.8 percent in 2018.
35. Despite the subdued economic performance resulting from a constrained agricultural and manufacturing sector, Kenya's economic growth over the medium term is estimated at 6.1 percent in 2019/20 FY and to grow to 7.0 percent by 2021/22. This growth is supported by investments in strategic sectors across the economy including agriculture, tourism, benefits of regional integration and external trade and increased consumption, and access to credit. This will therefore support the business environment, create employment, and enhance incomes.

Recent Developments

Recent Sectoral Developments

36. Agriculture sector is estimated to have expanded by 5.3 per cent in the first quarter of 2019 compared to 7.5 per cent in the same quarter of 2018. The slowed performance was mainly on account of delayed rains that characterized the quarter under review and curtailed agricultural production. The sector's performance was hampered by contractions in production of coffee, dairy and sugarcane during the same period.
37. The manufacturing sector is estimated to have grown by 3.2 per cent in the first quarter of 2019 compared to a growth of 3.8 per cent in a similar quarter of 2018. The growth was slow in both manufacture of food and non-food activities. Credit extended to the manufacturing sector by commercial banks expanded by 7.1 per cent in the period under review compared to a growth of 12.1 per cent in the first quarter of 2018.
38. The construction sector grew by 5.6 per cent in the review quarter compared to a growth of 6.6 per cent in the corresponding quarter of 2018. The growth was supported by the continued construction of the second phase of the Standard Gauge Railway (SGR) and other public infrastructural developments especially road construction. Credit advanced to the construction sector declined by 1.0 per cent in the quarter under review, reflecting a general slowdown in construction activities.
39. Electricity and water sector registered a decelerated growth of 6.1 per cent in the first quarter of 2019 compared to a growth of 6.5 per cent in the same quarter of 2018. In the electricity supply subsector, growth was driven by generation of electricity from renewable sources which are cheaper to produce relative to non-renewable sources.
40. The performance of transportation and storage sector recorded a slower growth of 6.7 per cent in the first quarter of 2019 compared to 8.5 per cent registered in the same period of 2018. The growth was supported by increased volume of port goods that grew by 8.7 per cent during the quarter to stand at 8.3 million tonnes. Credit to the sector decreased by 0.7 per cent from KSh.517.1 billion in the first quarter of 2018 to KSh.513.5 billion in the period under review.

41. The growth of Accommodation and Food Service activities is estimated to have expanded by 10.1 per cent in the first quarter of 2019 from a growth of 13.1 per cent in same quarter of 2018. The sector has remained stable over the last three years. In the three-year period, the sector expanded at an average of 14.7 per cent. The total number of tourist arrivals through the Jomo Kenyatta International Airport and Moi International Airport declined by 0.5 per cent.
42. Financial and insurance sector recorded a decelerated growth of 5.0 per cent in the quarter under review from a growth of 5.2 per cent in the corresponding quarter of 2018. Broad money supply (M3) expanded from KSh 3,035.4 billion as at March 2018 to KSh 3,415.3 billion as at March 2019.
43. Central Bank Rate (CBR) was reviewed downwards to 9.0 per cent in March 2019 from 9.5 per cent in March 2018. The 91 days Treasury bill rates decreased from 8.02 per cent in March 2018 to 7.08 per cent in March 2019. Similarly, interbank rates declined from 4.09 per cent in March 2018 to 3.72 per cent in March 2019.

Recent County Developments

Investing in agricultural transformation and food security

44. Major achievements in the sector include livestock vaccination where over a million livestock were vaccinated against diseases. Most of the other sectoral projects are still ongoing. The sector is also implementing climate smart agriculture with an aim of enhancing resilience among communities against effects of climate change. The county invested in hay production by construction of a 5,000 capacity hay storage facility at the demo farm and fencing of Isinya and Oloseous holding grounds. The projects are at different levels of completion. Hay harvesting equipment also have been procured and are awaiting delivery. Distribution of 1,500kg of hay seeds to farmers to enhance hay production.

Infrastructural development

45. To enhance connectivity across the county 723 km of road was gravelled, approximately 1 Km of road in Ongata Rongai was tarmacked and road drainage system constructed. To promote

green energy, installed 32 floodlights and 263 solar powered street lights. Rehabilitation and maintenance of various infrastructural projects.

46. Other key infrastructural projects include the Ngong stadium, Kajiado stadium, Ngong market, Kitengela market, Kiserian market projects that are different levels of completion.

Enhancing access to basic and tertiary education.

47. The county has continued to implement infrastructural projects to improve the learning environment across the county. This includes construction of ECDE centres and classes, fencing, ablution blocks, laboratories, administration blocks and libraries. Further, the county disbursed education bursary amounting to Kshs.80 million to needy and bright students in secondary schools and colleges.

48. To impact vocational and entrepreneurial skills, the county renovated, upgraded and equipped polytechnics in the county.

Investing in accessible, quality and affordable healthcare services

49. To provide quality, and affordable healthcare services and in order to promote well-being for healthy lives for all in the county a number of interventions have been implemented: the health sector carried out 232 integrated community outreaches; conducted 120 support supervisions visits by CHMT, SCHMTs, HMTs; 232 Community awareness on NCDs, CDs and NTDs; conducted one (1) immunization mop up exercise with 88% of children that were fully immunized; ensured that 80% of TB defaulters were traced and referred as a preventive measure; and drafted a 10 year Health Sector Plan.
50. On health infrastructure, equipping and construction of various medical facilities is at different levels. The sector has been able to see the completion of some projects namely: equipping at Ole Kasasi Dispensary, construction of Murantawua maternity wing; renovation of Ereteti Dispensary; rehabilitation of Olorika Dispensary; rehabilitation of Olorika Dispensary; and fencing and construction of staff houses at Ewaso Kedong Dispensary. Progress has also been actualized in hospitals through; the installation of CT scan and MRI at Kajiado Hospital and upgrading of the level 4 hospitals countywide

Creation of a suitable business environment

51. With a view of providing conducive environment for business community/traders, the county government rehabilitated Kajiado market (almost complete) and construction of market stalls/shades in Matasia and Entasopia markets as well as construction of one storey-building in Kiserian market are ongoing.

Empowerment of Special Interest Groups

52. The county initiated the implementation of ‘Tujiajiri’ programme in collaboration with Kenya Commercial Bank (KCB) where 300 youths were trained. Specifically, they were trained on welding and fabrication, carpentry and joinery, masonry, plumbing, catering and solar installation to encourage self-employment.

53. 125 youth and women groups benefited from the Kajiado County Youth and Women Enterprise Fund where each group was issued a total of Kshs. 100,000. The money helped the groups engage in entrepreneurial activities.

54. Persons Living with Disability (PWDs) benefited from the Disability Fund which provides capital to individuals and groups to operate income generating activities. Through partnerships with partners, the PWDs were also provided with 50 assorted assistive devices.

County Economic Outlook and Policies

55. As the County Government continues to put measures in place to enhance local revenue collection, focus will be given on ways of sustaining the overall budgetary financing due to the consistent decline on the overall allocation to counties by the National Government. This will be addressed by among other strategies;

- i. Growing of the County’s Own Source Revenue,
- ii. Resource mobilization from partners to finance the county development plan,
- iii. Efficiency in use of public resources to avoid wasteful expenditure, and
- iv. Enhanced performance management to support service delivery at all levels of government.

56. Additionally, the county will formulate and implement conducive policies that promote growth of business.

57. Monitoring and evaluation will go a long way in improvement and management of programmes/projects and provide data necessary for planning.

Risks to the Outlook

58. The macroeconomic outlook is not without risks that are both internal and external. Risks are triggered by the global economic performance, regional as well as the country's macroeconomic environment.

Risk	Impact	Mitigation Measure
Public expenditure pressures/ fiscal risks	Growing wage bill; increased demand for recurrent expenditure; Constrained development budget	Enhanced financial management; Austerity measures and reducing expenditure on non-core functions
Reduction in funding from National Government	High expenditure demands compared to funding	Enhancement of own source revenue collection; Mobilization of resources from partners
Under performance in own source revenue	Underfinancing of planned programmes and projects	Realistic Own source revenue forecasting and targeting
Pending bills	Ever recurring demand for additional resources to clear outstanding bills; Constrained business environment in the private sector	Profile pending bills with an aim of prioritising as a first charge in the budget
Climate change	Drought, floods, hunger, diseases etc; Shifts in government priorities as a result of emerging issues	Integration of climate change mitigation programmes in county programmes; Allocate substantial resources towards emergencies; Partnerships with organisations to intervene

IV. RESOURCE ALLOCATION FRAMEWORK

Overview

59. This section forms the basis of the County Government revenues for the Financial Year 2020/21 and the medium term. The projected expenditure ceiling is set to provide an outlay of resources in terms of personnel emoluments, operations and maintenance and development for the medium term. The figures will provide the basis for setting expenditure limits or ceilings for each county department/entities and shall be firmed up in the 2020 County Fiscal Strategy Paper.

Adjustment to the FY 2019/20 Budget

60. The 2019/20 Medium Term Fiscal Framework was prepared when the Division of Revenue Bill 2019 and the County Allocation of Revenue Bill 2019 had not been enacted. The resolution of the dispute and subsequent enactment of the County Allocation of Revenue Act (CARA) 2019 has seen an increase of the allocations to county governments from the initial Kshs.310 billion to Kshs.378.4billion. This therefore calls for revision of the county budget to accommodate the additional resources.

61. The County Treasury will during the 2019/20 financial year focus on enhancing efficiency in public financial management by putting in place mechanism to promote revenue collection, reporting and accounting. On the other hand, the County will continue to observe fiscal responsibility principals stipulated in the PFM Act, 2012.

62. The county will therefore continue to address the challenge of pending bills by addressing the root cause to ensure that they are reduced overtime. In the implementation of the 2019/20 budget, pending bills becomes a first charge in the budget before initiating new budgetary commitments. To realise the county government development objective, there is need to put more focus into completion of ongoing projects to ensure that they are operational and that there is value for money as planned during the design of the project.

63. During the implementation of the 2019/20 budget, the County Treasury will continue to undertake close monitoring of revenue and expenditure performance with a view to inform

adjustments so that the county leaves within its means. County Treasury will therefore issue guidelines from time to time to inform adjustments to the budget especially on trade-offs and reallocations of the existing budgetary provisions supported by austerity measures instituted on less productive areas of spending across the Government.

The Medium Term Fiscal Framework

64. The 2020/21 -2022-23 Medium Term expenditure is aimed at fostering social economic development for suitable growth as enshrined in the County Integrated Development Plan (2018-2022). The county will remain focused in implementing programmes and projects outlined in the county's blue print.
65. During the medium term, the County Treasury will spearhead prudence management of public resources. Measures will be put in place to enhance efficiency in use of public resources, minimise on wasteful expenditures with a focus on core programmes that address poverty reduction and enhancement of income among residents. On the other hand, efficiency in local revenue mobilization, sealing revenue leakage and fraud, full automation and a focus on exploration of underutilized revenue streams.
66. The County Government will further ensure that resource allocation is guided by priorities identified in the 2018-2022 CIDP to realise the planned objectives. The 2020/21 MTEF will focus on the following thematic areas.
- i. Food security and improved nutrition;
 - ii. Ensuring healthy lives and promoting well-being for all;
 - iii. Ensuring` availability and sustainable management of water and sanitation for all;
 - iv. Infrastructural development to support economic growth; and
 - v. Supporting value addition to increase income.

FY 2020/2021 Budget Framework

67. Financing of the 2020/21 -2021/22 Medium Term Expenditure Framework will be anchored on the theme of 'Fostering Social economic and political development for sustainable growth.

In order for the County Government to remain on its development track, selection and resource allocation to programmes and projects will be guided by:

- i. Linkage of the programme with the 2018-2022 CIDP, the ‘Big Four’ agenda and the objectives of Third Medium-Term Plan of Vision 2030;
- ii. Degree to which a programme addresses job creation and poverty reduction;
- iii. Degree to which the programme is addressing the core mandate of the County Department;
- iv. Expected outputs and outcomes from a programme; and
- v. Cost effectiveness and sustainability of the programme.

68. The County’s flagship projects and other strategic sector projects will receive priority in resource allocation to ensure that they are completed and that planned project objectives are achieved. Project evaluation will be undertaken to inform additional resource allocation, timeframe and implementation. County flagship projects to be financed will include food security initiatives; construction of the Kajiado Technical University; upgrading of the Kajiado level 5 hospital; Integrated solid waste management, and construction of sewerage system; construction of mega dams; and *Unganisha* urban road programme.

69. Implementation of performance contracting will be enhanced to support service delivery and efficiency in delivering results. The government will continue to bank fiscal gains during the medium term in revenue collection, mobilization of budgetary support from partners and be ensuring efficient use of public resources. Specific measures will entail continuous revenue collection monitoring through enforcement, training of staff, full revenue automation and reporting.

70. The revenue projection for the 2020/21 financial year is estimated at Kshs.9.98 billion and comprises of the equitable share amounting to Kshs.6.6 billion and local revenue amounting to Kshs.1.79 billion. Conditional grants are estimated at Kshs.994 million financed by both Government of Kenya and other development partners.

71. The County Government will prepare a balanced budget during 2020/21 Financial Year as required in the PFM Act, 2012. The total expenditure is estimated at Kshs.9.98 billion. This

comprises of recurrent expenditure of Kshs.6.8 billion reflecting 68 percent allocation of the total county budget and a total of Kshs.3.2 billion allocated to the development budget representing 32 percent of the county's resource envelope. The estimated allocation of personnel emoluments is Kshs.3.6 billion (36 percent) while operations is allocated Kshs.3.2 billion representing 32 percent of the total budget.

72. Financing of various County Government funds will be enhanced during the medium term with availability of resources. These include:

- i. Bursary Fund which is established to support needy and bright students to access education;
- ii. Emergency Fund which is established to finance unforeseen events and occurrences that are not budgeted for;
- iii. Kajiado Youth and Women Fund Enterprise Development Fund
- iv. Disability Fund
- v. Car Loan & Mortgage Fund

73. The County will observe the fiscal responsibility principles set in the Public Finance Management Act, 2012 in preparation of the 2020/21 budget. The County will enhance efficiency and effectiveness in management of public resources and ensure adherence to conditions and agreements signed with partners to ensure smooth implementation of donor funded programmes.

74. As the County Government prepares a balance budget, implementation of the overall transformative agenda as spelt out in the CIDP 2018-2022 more resources are required. The County will therefore will develop a framework to engage partners locally and internationally to mobilize resources needed to implement the programmes and projects.

75. The aforementioned context has been used to develop the following medium term expenditure framework to form the basis for resource mobilization and allocation.

Table 4: Medium Term Expenditure Framework Ceilings (Ksh)

	Approved Estimates	Budget Estimates	Projections	
	2019/20	2020/21	2021/22	2022/23
Revenue Summary				
Equitable share	6,297,803,101	6,585,573,750.00	6,750,213,094.00	6,918,968,421.00
Local Revenue	1,793,857,006	1,799,238,577.00	1,804,636,293.00	1,810,050,202.00
Conditional Grants	994,780,936.00	994,780,936.00	994,780,936.00	994,780,936.00
Balance B/F	1,200,000,000.00	600,000,000.00	300,000,000.00	150,000,000.00
Total	10,286,441,043	9,979,593,263	9,849,630,322	9,873,799,559
Expenditure Summary				
Personnel Emoluments	3,430,989,522.00	3,602,538,998.10	3,782,665,948.01	3,971,799,245.41
Operations and maintenance	2,893,656,301.00	3,183,584,420.75	2,865,834,519.68	2,673,267,857.61
Development	3,961,795,220.00	3,193,469,844.17	3,201,129,854.81	3,228,732,455.70
Total	10,286,441,043.00	9,979,593,263.02	9,849,630,322.50	9,873,799,558.72

Source: Kajiado County Treasury

V. CONCLUSION

54. The county government will strive to maintain fiscal discipline in order to attain fiscal consolidation to concentrate resources that will implement core government programmes and projects. The 2020/21 budget will be a balanced budget to ensure that the total county revenue is deployed in to finance the expenditure.
55. The two outer years' projections will be adjusted to align the resource needs required to implement core projects and any unforeseen macroeconomic shifts in the economy.
56. The county will enhance implementation of performance contracts for efficiency in service delivery in the public service. One of the areas where performance based management critical is on Own Source Revenue to sustain the gains made in the 2018/19 financial year.
57. The county government will continue embracing private-public partnership and creation of a conducive environment for business to thrive. This will be achieved through equity and fairness in distribution of resources and prioritization of development based on thematic approach for a particular financial year.