November 2016

REPUBLIC OF KENYA

BARINGO COUNTY GOVERNMENT

COUNTY TREASURY AND ECONOMIC

COUNTY FISCAL STRATEGY PAPER

2017/2018

“Consolidating the gains made in Socio-economic investments with focus on sustained development”

Foreword

The County Fiscal Strategy Paper (CFSP) for 2017/18 financial year is developed in accordance with the requirements of the Public Finance Management (PFM) Act 2012; Section 117. This fiscal strategy paper is framed against a broad fiscal policy and reform measures underpinning the budget for the year 2017/18. It outlines expenditures on priority programmes and allocation of resources as per CIDP (2013-2017), ADP 2017/18 and Sector plans.

The fiscal strategy paper takes cognizance of the reality of scarce resource and the fact that there is need to invest on high impact programmes within a framework of sustainable fiscal stance.

From the time devolution begun, the county government has financed a massive number projects and improvement of services to her citizens, with a particular focus on the poor population who are largely engaged in the agricultural sector. We have done so in a sustainable way, ensuring that public finances remained healthy as we continue doing our part in building the society envisioned in the Sustainable Development Goals (SDGs), the Kenya Vision 2030, County CIDP (2013-2017) and Sector Plans.

The 2017 Medium Term Budget Policy Statement provides a roadmap to safeguard the county public finances. The county has ensured that fiscal principles is adhered to and that budgeting for the next financial year greatly focuses on ongoing programmes and projects as the first priority as well as embarking on long-term expenditure planning and alignment with the national government's policy objectives.

In considering these proposals, we must emphasize that containing expenditure growth will not compromise front-line services. Key social programmes will be protected and the county government will continue to roll out its capital investment programme especially in infrastructure development towards provision of clean water; and expansion and upgrading of road network to remain competitive in doing business and communication. The infrastructure is a lifeline and a key economic enabler. In this regard, a comprehensive program on water supplies and harvesting as well as road infrastructure will be rolled out in the fiscal year as spelt in the Governor's manifesto.

The 2014 CFSP identified the following eight enablers whose implementation has laid a firm foundation for sustainable economic growth under the MTEF Period 2013-2017. The 2017 CFSP has taken cognizant of the need to maintain the accelerated growth momentum by adopting an integrated sectoral approach. It is in this view that the enablers have been reviewed to three sectoral themes to realize efficiency, and effectiveness in resource allocation and utilization. These themes and respective sector enablers are enumerated below:

Theme I: Improve the Standard and Sustainability of Quality Life

Enabler 1) Investing in reviving, maintaining and expansion of existing irrigation schemes, water supplies and sanitation systems; effective environmental and natural resource management. This is central in promoting sustainable livelihood of County residents;

Enabler 2) investing in key infrastructural facilities including- opening of rural access roads, improving existing rural and urban roads including upgrading of urban roads to Bitumen level and leveraging on Information Communication and Technology (ICT) in development

Enabler 3) Promoting sports, culture and social inclusion through development of sport infrastructure, talent development, culture; and social programs for women, youth, vulnerable groups;

Enabler 4) Promoting a transformative education system by investing in ECDE, Vocational Training Centres, and bursary fund for financing access to education

Enabler 5) Investing in quality, affordable and accessible (curative, preventive and rehabilitative) healthcare services through infrastructural development including upgrading of Kabarnet and Eldama Ravine County hospital to a level five and five Sub-county hospitals to level four, equipping existing hospitals and health facilities; strengthening staff levels as well as ensuring reliable supply of pharmaceuticals and non-pharmaceuticals;

Theme II: Moving the Economy up the Value Chain: emphasize is on increasing value chain for wealth and employment creation.

Enabler 1) Investing in agricultural transformation, including opening up of land under irrigation, subsidized farm preparation and inputs, livestock upgrading, creating disease free zones, value addition and fisheries and management of land, spatial and town planning, land banks for strategic developments, and urban development

Enabler 2) Create conducive business environment through investments in enterprise development, tourism, value addition and collaboration with national government to promote peace and security

Theme III: Strengthen Institutional & Implementation Capacity

Enabler1) Investing in county governance structures and institutional frameworks to enhance service delivery through; effective policy formulation; co-ordination; citizen engagement and building a competent, responsive and accountable county public service

Finally, I would like to express my gratitude to all those who participated in this year's budget process including County Assembly Members, development partners, the private sector, civil society and the public forums who have continued providing valuable comments.

Geoffrey K. Bartenge
County Executive
Treasury and Economic Planning

Acknowledgment

This is the fourth county fiscal strategy paper to be tabled in county assembly, it outlines the broad strategic issues and medium term fiscal framework, together with a summary of county spending plans, as a basis for the 2017/18 budget. We expect the document to improve the public's understanding of County's public finances and guide public debate on economic and development matters.

The overriding policy thrust of 2017 Fiscal Strategy Paper is to effectively resource allocate for socio economic development by focusing on economic policies and structural reforms aimed at facilitating private sector to expand, promote productivity and build the resilience necessary for employment creation and poverty reduction while lying emphasis for excellence in service delivery. We are grateful to His Excellency the Governor together with the county executive committee for insightful leadership and policy guidance.

The preparation of the 2017 CFSP was achieved through consultation and co-operation between members of the public, Development partners, the County Treasury and all County sector working groups as well as the Budget Policy Statement (BPS) 2017. Much gratitude and appreciation goes to national treasury through BPS, County Budget and Economic Forum, and other development agencies which provided invaluable input and other comments to this CFSP. Lastly, we appreciate the commitment and input from the public forum consultations that helped shaped this document.

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The document is also available on the website www.baringocounty.go.ke

Abbreviation and Acronyms

ADP	Annual Development Plan
BPS	Budget Policy Statement
CBR	Central Bank Rate
CBROP	County Budget Review and Outlook Paper
CCTV	Closed-Circuit Television
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development plan
CIDP	County Integrated Development Plan
CLMC	County Livestock Marketing Council
COP	Conference of Parties
CRA	Commission on Revenue Allocation
ECDE	Early Childhood Education Development
GDP	Gross domestic product
ICT	Information and Communication Technology
IFMIS	Integrated Financial management Information System
JICA	Japanese
KBRR	Kenya Banks Reference Rate
KNBS	Kenya National Bureau of Statistics
KRA	Kenya Revenue Authority
KVDA	Kerio Valley Development Authority
LMA	Livestock Markets Association
LMA	Local Market Association
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NCD	Non Communicable Diseases

NGCDF	National Government Constituency Development Fund
NSE	Nairobi Stock Exchange
NYS	National Youth Service
PFM	Public Finance Management Act
RVWSB	Rift Valley Water Services Board
SDGs	Sustainable Development Goals

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Legal basis of CFSP

Section 117 of the Public Finance Management Act, 2012, provides that the County Treasury shall prepare and submit to the County Executive Committee a County Fiscal Strategy Paper (CFSP) for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year. In preparing the Paper:

(1)The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement;

(2) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term;

(3) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing from and within for the subsequent financial year and over the medium term; and

(4) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of:

(a) The Commission on Revenue Allocation;

(b) The public;

(c) Any interested persons or groups; and

(d) Any other forum that is established by legislation.

(5) 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.

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

(7) The County Treasury shall publish and publicize the County Fiscal Strategy Paper within

National and County Government Fiscal Responsibility Principles

In order to ensure prudence and transparency in management of resources, the County Treasury shall be guided by the fiscal responsibility principles as spelt out the PFM Act 2012, section 107 and that;

i. Over the Medium Term, a minimum of 30 percent of the County budget shall be allocated to development expenditures

ii. The County Government's expenditure on wages and benefits for county public officers shall not exceed thirty five(35) percent of the County revenue.

iii. Upon approval of the borrowing framework by Parliament, over the Medium Term, the county government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure. Short term borrowing shall be for purposes of cash management.

iv. Public debt and obligations shall be maintained at a sustainable level as approved by the County Assembly

v. Fiscal risks shall be managed prudently

vi. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in future

I. OVERVIEW

1. The 2017 County fiscal Strategy Paper (CFSP) is the fourth to be prepared by the county treasury in accordance with section 117 of the Public Finance Management (PFM)Act, 2012. The 2017 CFSP has taken cognizant of the need to maintain the accelerated growth momentum an integrated sectoral approach. It is in this view that the 8 enablers adopted under the MTEF Period 2013-2017/18 has been reviewed to three sectoral themes to realize efficiency, effectiveness in resource allocation and utilization.
2. The themes and respective sector enablers adopted under the 2017 CFSP are summarized as follows:

Theme 1: Improve the Standard and Sustainability of Quality Life

Enabler 1) Investing in reviving, maintaining and expansion of existing irrigation schemes, water supplies and sanitation systems; effective environmental and natural resource management. This is central in promoting sustainable livelihood of County residents;

Enabler 2) investing in key infrastructural facilities including- opening of rural access roads, improving existing rural and urban roads including upgrading of urban roads to Bitumen level and leveraging on Information Communication and Technology (ICT) in development

Enabler 3) Promoting sports, culture and social inclusion through development of sport infrastructure, talent development, culture; and social programs for women, youth, vulnerable groups;

Enabler 4) Promoting a transformative education system by investing in ECDE, Vocational Training Centres, and bursary fund for financing access to education

Enabler 5) Investing in quality, affordable and accessible (curative, preventive and rehabilitative) healthcare services through infrastructural development including upgrading of Kabarnet and Eldama Ravine County hospital to a level five and five Sub-county hospitals to level four, equipping existing hospitals and health facilities; strengthening staff levels as well as ensuring reliable supply of pharmaceuticals and non-pharmaceuticals;

Theme 2: Moving the Economy up the Value Chain:

Emphasize is on increasing value chain for wealth and employment creation.

Enabler 1) Investing in agricultural transformation, including opening up of land under irrigation, subsidized farm preparation and inputs, livestock upgrading, creating disease free zones, value addition and fisheries and management of land, spatial and town planning, land banks for strategic developments, and urban development

Enabler 2) Creating conducive business environment through investments in enterprise development, tourism, value addition and collaboration with national government to promote peace and security

Theme 3: Strengthen Institutional & Implementation Capacity

Enabler1) Investing in county governance structures and institutional frameworks to enhance service delivery through; effective policy formulation; co-ordination; citizen engagement and building a competent, responsive and accountable county public service

3. The 2017 CFSP is the last fiscal strategy paper in the MTEF Period under devolution, therefore setting the base for preparation of the next MTEF (2018/19-2022/23) and the second phase of CIDPs (2017-2022). In this regard, the 2017 CFSP has been formulated to provide a basis for transition by reflecting on the gains and shortfalls experienced, and incorporating the emerging issues in the global, regional and local development. Mainstreaming of 17 global Sustainable Development Goals (SDGs), The 2030 Sendai Framework on Disaster Risk Reduction and the COP 22 Paris Declaration on Climate Change Adaptation. Further, the strategy in third MTP under the Vision 2030 shall inform the county agenda.
4. Through the various priority economic policies, structural reforms and sectoral expenditure programs outlined in this 2017 CFSP, the county government is taking determined steps to further address those challenges, bolster resilience to shock and foster sustained high and inclusive growth as part of the strategy of achieving economic transformation for a shared prosperity.
5. Article 118 (1) (b) and 196(b) of the constitution provides that the public should be involved in the budget making process through public participation. In this respect, the county treasury organized public hearings. The 2017 CFSP was prepared under the backdrop of intensified public participation through the adoption and implementation of a robust Participatory Budgeting (PB) Process model. Under this model, the opinion of citizens during budget public hearings as well technical input from sector working groups and proposals by development partners and Civil Society organization for example the memorandum on sector priorities by the Baringo Civil Society Forum (BACSOF) formed the basis for preparation of this

document. The document also benefited greatly from the 2017 Budget Policy Statement (BPS) from the National Treasury and 2014 KNBS abstract.

OUTLINE OF THE CFSP

Section I outlines the overview of the CFSP

Section II outlines the Recent Economic and fiscal Developments context in which the 2016/17 MTEF budget is prepared. It provides an overview of the recent economic developments and the macroeconomic outlook covering the national and county scene and Sector achievements.

Section III outlines the forward economic and fiscal outlook

Section IV outlines the strategy priorities and interventions of projects that will be implemented over the medium term in line with the ADP 2017/18 and CIDP 2013/17.

Section IV outlines strategic priorities and interventions

Section V outline the fiscal policy and budget framework that is supportive of growth over the medium term,

Section VI outline the medium term expenditure framework, resource envelope and spending priorities for the proposed 2017/18 Budget and the Medium Term and Sector priorities are also reviewed for the MTEF period.
Section VII is the Recommendations and conclusion.

II. RECENT ECONOMIC & FISCAL DEVELOPMENTS

Global Economic developments

6. The global economic growth outlook remains subdued in 2016, though expected to recover gradually in 2017 and beyond. The new shocks to the outlook include: Britain's referendum result in favor of leaving the European Union; ongoing realignments among emerging and developing economies, such as adjustment of commodity exporters to a protracted decline in the terms of trade; slow-moving trends, such as demographics and the evolution of productivity growth; as well as noneconomic factors, such as geopolitical and political uncertainty.
7. Global growth is estimated at 2.9 percent in the first half of 2016, slightly weaker than in the second half of 2015 and lower than the projected growth in the April 2016 WEO. The forecast for 2016 and 2017 is 3.1 percent and 3.4 percent, respectively

National Economic & Fiscal overview

8. The Kenyan economy has sustained its robust growth in the past decade supported by significant structural and economic reforms. The economy grew by 5.6 percent in 2015 compared to 5.3 percent growth in 2014. The economy further improved and grew at 6.2 percent in quarter two of 2016 up from 5.9 percent growth registered in quarter one of 2016 (Table 2.1). This strong growth was supported by improved performance in agriculture, forestry and fishing (5.5 percent), mining and quarrying (11.5 percent), transport and storage (8.8 percent), electricity and water supply (10.8 percent), wholesale and retail trade (6.1 percent), accommodation and restaurant (15.3 percent) and information and communication (8.6 percent). Growth in other sectors, particularly manufacturing, construction, financial and insurance and real estate, though slightly lower compared to quarter two of 2015, remained robust.
9. On average, GDP per capita is at US$ 1,105.8 is the highest in the East African Community sub region. The high and resilient GDP per capita is due to the diversified nature of the Kenyan economy.

Inflation Rate

10. Overall month on month inflation rose slightly to 6.47 percent in October 2016 from 6.34 percent in September 2016 due to increase in food prices. The annual average inflation rate at 6.5 percent in the year to October 2016 was within the target range of 2.5 percent on either side of the 5.0 percent target.
11. Inflation rates within the EAC region have remained low due to prudent monetary and fiscal policy management and lower oil and commodity prices. High inflation rates in Ghana, Nigeria and Zambia reflects difficult economic conditions as a result of foreign currency shortages resulting from lower commodity revenues and slow policy adjustment.

Kenya Shilling Exchange Rate

12. The Kenya Shilling exchange rate has continued to display relatively less volatility compared with the major regional currencies and strengthened by 1.4 percent for the period October 2015 to October 2016. The stability of the Kenya shilling exchange rate reflects improved export earnings from tea and horticulture, a reduction in the imports of petroleum products due to lower oil prices, resilient Diaspora remittances and improved tourism performance.

13. In the Sub Saharan Africa region, large currency depreciations especially in Nigeria reflects challenging macroeconomic conditions as the countries adjust to lower commodity revenues
14. The Kenya Shilling exchange rate strengthened in October 2016 against major international currencies. The currency traded at Ksh 101.3 against the US dollar, Ksh 111.9 against the Euro and Ksh 125.4 against the Sterling Pound in October 2016 compared to Ksh 102.8, Ksh 115.4 and Ksh 157.4 respectively, in October 2015.

Interest Rates

15. The moderate demand pressures on the overall inflation in the recent months, have led to the easing of the monetary policy stance in the East African countries, conversely, tight monetary policy has been adopted in commodity-exporting countries due to the substantial depreciation of the currency experienced that has translated into high inflation
16. In Kenya, short term interest rates remained low due to the improvement of liquidity conditions in the money market. The interbank rate declined to 4.1 percent in October 2016 from 4.9 percent in September 2016 and 21.3 percent in September 2015, while the 91-day Treasury bill rate declined to 7.8 percent from 8.1 percent and 14.0 percent over the same period
17. The implementation of the Banking (Amendment) Act, 2015 effective September 14, 2016, that cap interest rates on banks' loans at 4.0 percent above the base rate (currently at 10.0 percent) and sets the minimum interest paid for a saving product at 70.0 percent of the same base rate has led to the narrowing of the interest rate spread from 11.3 percent in August 2016 to 7.0 percent by September 14, 2016 (Chart 7). As a result of the new Act, Kenya has the lowest lending rate among the East African Countries.
18. The average lending rates which had increased to 17.7 percent in August 2016 from 15.7 percent in August 2015 have declined to 14.0 percent. Similarly, the deposit rate which had decreased to 6.4 percent in August 2016 from 6.9 percent in August 2015 have risen to 7.0 percent from September 14, 2016 as provided in the Banking (Amendment) Act, 2015

Foreign Exchange Reserves

19. The banking system's total foreign exchange holdings increased by 11.8 percent to US$ 10,355 million in August 2016 from US$ 9,265 million in August 2015 (Chart 11). This was due to the increase of the Official reserves held by the Central Bank (constituting the bulk of the gross reserves) to US$ 8,144 million (5.5 months of import cover) in August 2016 from US$ 6,963 million (4.4 months of import cover) in August 2015. However, reserves held by commercial banks decreased to US$ 2,211 million in 2016 from US$ 2,303 million in 2015

Capital Markets

20. The capital market recorded mixed performance in both equities and bonds market segments in the year to October 2016. Activities at the stock market slowed down with the Nairobi Securities Exchange (NSE) 20 share index recording 3,202 points in October 2016 compared to 3,869 points in October 2015. Market capitalization was at Ksh 1,982 billion in October 2016 compared to Ksh 2,046 billion in September 2015. The drop in market capitalization is as a result of an increase in share supply which depressed the overall share prices.

21. There has been a gradual recovery of the NSE reflecting restoration of market stability and improved confidence in the economy. The NSE index had been weighed down by the prolonged uncertainty in the global financial markets, and capital outflows from emerging and frontier market economies.

County Economic & Fiscal Overview

Overview of the County Economy

22. Baringo County is partially an Arid and Semi-arid county situated in former Rift valley province. The county borders Turkana and Samburu to North, Nakuru to South, Laikipia to East, West Pokot, Elgeyo Marakwet, Kericho and Uasin Gishu to the West.
23. The economy of the County is mainly agro-based. The main food crops grown are maize, pigeon peas, beans, Irish potatoes, sweet potatoes, sorghum, cassava and finger millet while the cash crops are coffee, macadamia and pyrethrum. Livestock products include honey, beef, mutton as well as hides and skins. However, little value addition is done to these products.

24. The county livelihood zones is in the following portions Pastoral 33%, Agro Pastoral 9 %, marginal mixed farming 39%, Mixed Farming 14% Irrigated Cropping 4%. Coping mechanisms employed across all the livelihoods include consumptions of one to two meals in pastoral areas and two to three meals in agro-pastoral areas. The coping strategy on the other hand stood at 24 in May 2013 .
25. Food Insecurity- the County's food security situation is classified as None or Normal (IPC Phase 1) the situation is focused to be most likely the same between January to March 2016. The price of maize was reported to be high in Baringo ranging at KSh 57 to Ksh 65 per Kilogram.
26. Factors Affecting food security in the area- poor rainfall distribution , crop pest and diseases , insecurity dues to cattle rustling , poor infrastructure ,food and mouth disease out-break , flooding around lake Baringo , high food commodity prices .
27. Tourism and Wildlife Major attraction sites are Lake Bogoria and Kapedo hotsprings,. Lake Baringo, lake Kamnarok, Kabarnet National Museum and Kipsaraman Community Museum,Lake Bogoria Game Reserve is home to rare kudus, antelopes, zebras, leopards, cheetahs, hyenas, mongoose, monkeys, baboons and jackals. At the shores of Lake Bogoria are more than two millions lesser flamingoes, 350 bird species.
28. Lake Baringo Snake Park has many snake species such as the Black Mamba, Puff Adder, Boomslang and Spitting Cobra, Monitor Lizards, Crocodiles and Tortoises.
29. Major urban centres in the county are; Kabarnet, Eldama Ravine, Marigat, Mogotio, Kabartonjo and Chemolingot
30. The human development index of the county is 0.5656 slightly above the national HDI of 0.55064.The County has a low economic development rate less than 10% of the population on the electricity national grid.
31. The amount of rainfall per annum varies from 1,000 mm-1500mm in the highlands to 600mm in the lowland. The southern part temperature ranges between 25C during cold months (June and July) and 30C during hot months (January and February). The northern part temperature ranges between 20C to 50C. The dry seasons are in the months of January, February and March, Long rains in April, May, June and July and the short rain seasons are in August, September, October and November. (County seasonal calendar)
32. Hazards and Historic Sources of Conflict- the County is prone to cattle rustling between communities with the county and also in the neighboring counties. Rainy seasons have been noted to cause floods as much of the loose top soil is carried into

the laKshs. Clan conflict over natural resources (grazing area, pasture and water) and Outbreak of Livestock diseases are also some the challenges facing the county.

33. Health and Nutrition-Health, 88.36% of the hospitals in the county are public and are government owned and while the ratio of doctor to patient is 1:278,000. The county has 89 health facilities with an average of 5KM to the nearest health center Baringo. The county immunization coverage stands at 80% while HIV/AIDS still remains a key challenge, the prevalence rate is at 4.2% against national prevalence rate of 6.2%. Other challenges are ,every first outpatient visit 11.8% are found to have malaria, while TB infection is 6% of every 10,000 people , The rate of stunting was at 30.9% in 2013, 4.4% lower than the national stunting rate of 35.3%9.
34. Access to water, 26.6% of the population have access to safe water, 28.5% lower than the national population (54.1%) who have access to safe water and the distance to domestic water sources was reported to be normal at 4KM , Water waiting time is estimated to be normal at 4 minutes (3minutes in agro-pastoral and 5 minutes n pastoral zones) .
35. In determining the county's medium-term strategic objectives, it is also necessary to factor in how changes in exogenous environment, economic and financial trends will impact the County's current priorities as contained in the County Fiscal Strategy Paper
36. Despite this, the county realizes that it is not operating in a vacuum, with full knowledge that major changes in economic and financial trends in the country can affect the expenditure trends by the County Government in the future. Undesired shift in expenditure trends due to economic shocks will delay the development agenda for the county. These economic changes like inflation and exchange rates, will most likely affect the monetary output value of the county's products. Thus how the county plans for these exogenous shocks will determine how much the county's economy grows.
37. Likewise, the county will still invest in water and irrigation projects to reduce dependence on rain fed agriculture which at most time is volatile with indeterminate timing. The essence of increased spending on irrigation projects is to cushion the county from adverse effects of drought in the lower parts of the county where rain is minimal in most times of the year.

38. Other priority areas of investment include- opening of rural access roads, improving existing rural and urban roads; Investing in quality, affordable and accessible (curative, preventive and rehabilitative) healthcare services through

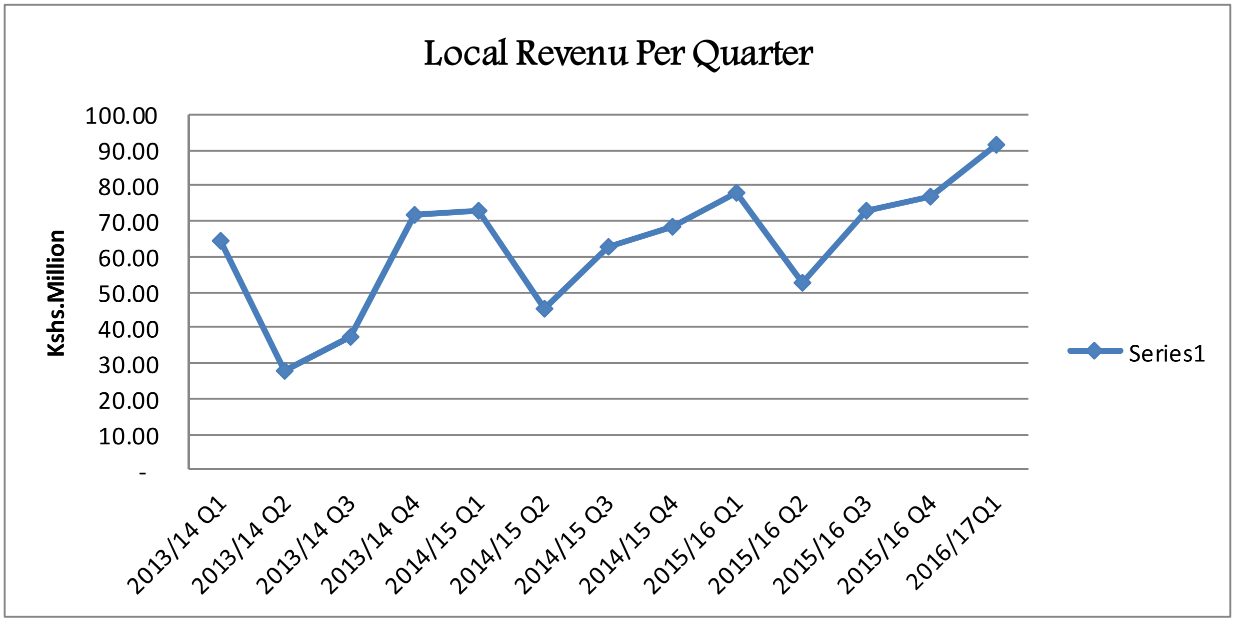
infrastructural development; Promoting social welfare; Creating conducive business environment ;Working towards effective management of land, environment and natural resources/spatial planning and land banks for strategic developments and Investing in county governance structures to enhance service delivery

Fiscal Overview

39. The County Government has continued to invest in key priority areas and specifically continue to invest significantly on Water and Irrigation, Roads and Infrastructure, Health and Agriculture Development. The County Government has continued to invest in key development areas over the last MTEF period cumulative Kshs. 5,718,267,829 as follows; Kshs. 1,193,708,731 in the financial year 2013/14, Kshs. 1,342,597,651 in the subsequent year, Kshs.1,474,552,450 in 2015/16 financial year ,Kshs. 1,707,408,997 in 2016/17 financial year and it expects to invest Kshs.1.822 billion in 2017/18.
40. During the first quarter of 2016/17 FY, the county total revenue was Kshs 1,841,922,576 to finance both recurrent and development expenditure. This comprised equitable share of Kshs.814,544,500, free maternity grants of Kshs. 11,852,500, DANIDA of Kshs 12,985,000 local revenue of Kshs.91,426,072, Road Maintenance Fuel Levy of Ksh.18,405,104 and roll over of Kshs.892,709,408.
41. Total requisition for the quarter was Kshs 973,530,565 comprising of development Kshs. 191,217,295 and recurrent was Kshs 782, 313,270. Out of the total recurrent requisition, Kshs 534,134,010 went to pay recurrent expenditure, eighty percent (432,201,276) went to personnel emoluments, while Kshs, 101,907,159 (20%) went to finance operations and maintenance and Kshs.16, 137,711 went for development projects.
42. The target annual local revenue as per the budget is Kshs.472 million. The revenue target for the quarter was Kshs. 127,968,756 and the government managed to collect Kshs 91,426,072 compared to Kshs. 72,859,999 for the same period in 2015/16 financial year. This represents an increase of Ksh. 14,099,911.00 of the collections of the same quarter in the financial 2015/2016. During the period there was a high generation in Tourism collection due improved security within and outside the County and lifting of travel advisories from USA and United Kingdom.
43. There was an overall improvement in all the revenue sources except revenue from produce cess, Single Business Permit, Plot Rent/Rates. The hospital revenue as at the end of first quarter of the financial year 2016/2017 had a total collection of Ksh. 22,438,460.00. This revenue source covers Kabarnet, Eldama Ravine, Marigat ,

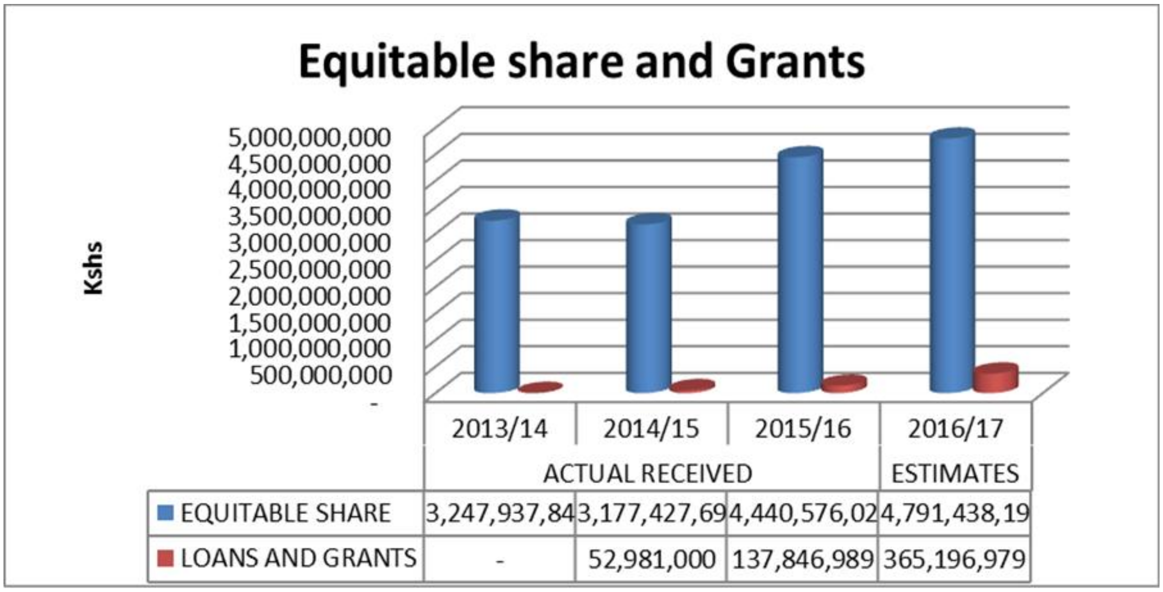
Kabartonjo and Chemolingot Hospitals. The first quarter of the FY 2016/17 and three year revenue trends are illustrated on the table below.

County Trend in Local Revenue Collection per Quarter from the FY 2013/14 to the first quarter of FY 2016/17



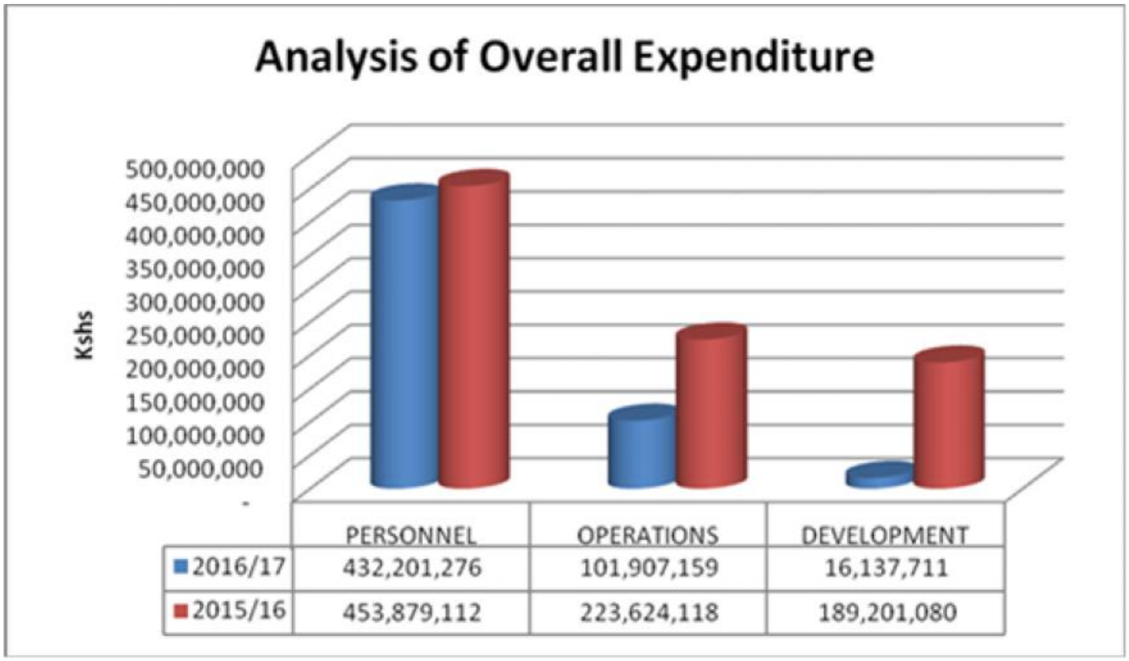
Source: *Baringo County Treasury*

Equitable share and Grants from National Government



44. The County Government has been under pressure to deliver services to its citizen and moving forward, the county is negotiating with domestic lenders to support its budget. The sub sector of treasury and economic planning shall forward debt management strategy paper to the assembly for ratification as the county intends to borrow some funds from domestic sources to finance the construction of county executive offices.
45. During the first quarter of FY 2016/17 the total expenditure for both recurrent and development was Kshs 550,271,721. Out of the total recurrent requisition Kshs 534,134,010 went to pay recurrent expenditure, 80 percent (Kshs432,201,276) went to personnel emoluments, while 20% Kshs 101,907,159) went to finance operations and maintenance and Kshs.16, 137,711 went for development.
46. In the first quarter, total expenditure reduced from Kshs 863,041,639 in year 2015/16 to Kshs. 550,271,721 in 2016/17 financial year due to slow pace of development budget implementation. The slow budget implementation was attributed by county budget which was assented by the executive at the mid of the quarter. The passage of a bill by national assembly and the senate increased the recurrent allocation to the county assembly which was done after the county had prepared its budget. The passing of the County Allocation of Revenue bill interfere the budget estimates that had earlier been determined through National Budget Policy Statement by Commission of Revenue Allocation. However the situation was remedied after County Assembly approved the revised budget.
47. During the quarter, the county actual expenditure was Kshs 550,271,721.80 for both development and recurrent, equivalent to 8% absorption rate of the total budget. The actual recurrent expenditure for the period was Kshs.534, 134,010 while development expenditure was Kshs 16,137,721.The first quarter absorption rate was 14 % and 1% on recurrent and development of approved budget respectively.
48. During the period under review development expenditure reduced from Kshs 185,538,411 in FY 2015/16 to Kshs 16,137,711 and recurrent expenditure reduced from Kshs 677,503,228 to Kshs 534,134,010.
49. County highest expenditure in the quarter was on personnel emolument, Kshs 432,201,276 and Kshs 101,907,159 for operation and maintenance.

County Expenditure by Economic Classification for First Half of FY 2015/16 and FY 2016/17



Source: Baringo County Treasury

50. Majority of the project in budget will be implemented in the second half and proportion of expenditure on development is expected to improve. Personnel emoluments, operation and maintenance expenditure are expected to remain relatively the same. This requires the departments to be more cautious on spending and cut on unnecessary cost while at the same time fast tracking implementation of projects to ensure that they are completed within the time frame set in contract agreement.
51. In line with county economic and fiscal overview the county government has implemented various development activities as outline below within different sectors:

Water and Irrigation Development

52. The County Government has invested Ksh 670,716,593 in Water and Irrigation in the last three years to bolster water supplies and irrigation for food security. In this financial year FY 2016/17 the sub sector intends to invest Kshs. 329,758,419 to continue expanding its programs and projects that include Irrigation schemes to

increase food production and increase income, water pans, Drilling of Boreholes, Rehabilitation of water supplies and Purchase of pipes for water supplies.

53. The environment sub sector invested Kshs. 75,584,682 in the past MTEF period on environmental conservation management and natural resource conservation and management and intends to spend Kshs 54,007,244 to bolster its environmental activities.

Agriculture, Livestock and Fisheries Development

54. The county regards agriculture as one of the flagship project that facilitates increase in incomes and reduces poverty and thus it has invested Ksh 371,485,771 to boost Agriculture development, Livestock and Fisheries development, value addition, vector control, Agricultural machinery services and Agricultural Training Centre in the last three years and Kshs 128,971,214 is earmarked for the FY 2016/17.

Roads and Infrastructure Transformation

55. In the past three years, a total of Ksh 943,332,348 has been invested on infrastructure as it is key in unlocking the rural potential in economic development. This financial year (2016/17) the sub sector intends to invest Kshs 414,110,940 to further boost the roads kitty as the County Government continues to enhance road network connectivity across the county with the aim of enhancing trade, commerce, agricultural productivity and regional integration. To that effect the county government has earmarked to opening and rehabilitating of rural roads across the whole county; Upgrade of rural roads to bituminous standards; Construct road crossings and footbridges; and the purchase of construction plants and equipment has significantly improved the response time taken to repair damaged sections of roads. In order to ensure sustained economic transformation, the county government will continue embarking on massive public investments in road and infrastructure.

Health Sector

56. During the MTEF period health sector realized an allocation of Kshs. 659,538,347 invested on health infrastructure, curative health care services and preventive and promotive health services. The county's investment for the FY 2016/17 is Kshs. 292,894,743 to continue funding its programs and projects to improve and provide quality and affordable health care service.

57. The County Government have constructed new health facilities, and put up staff houses in various health facilities across the county. The health facilities have been allocated health personnel, also provision of medical supplies continues and various forms of renovation have been done in different health facilities.

Education Sector

58. During the MTEF period the County Government has invested a total of Kshs. 439,771,941 to constructed more classes, sanitation blocks, provision of water tanks and provided curriculum materials to the ECD units. To enhance the enrollment the feeding program continued over the period with the assistance from donors. In trying to maintain standards the county government has recruited more tutors and also quality assurance personnel. The County Government has continued to award bursaries and scholarships to bright needy students in secondary, vocational and tertiary education.

59. The county government has invested Kshs. 152,341,755 in the financial year 2016/17 to complete ECDEs classrooms, equipping of VTC workshops, hostels, bursary programmes and ICT development.

60. Other key areas invested by the county include Industrialization, trade, tourism, cooperative and enterprise development whose development in past MTEF period was allocated Kshs 251,688,031 and Kshs. 76,765,071 in the current financial year

61. Youth, Gender, Culture, Sports and Gender Services sector invested Kshs. 136,949,471 during the MTEF period and earmark to spent Kshs. 97,738,194 in the current financial year.

62. Lands and Urban development sub sector invested Kshs.178, 900,884 in the MTEF period to do spatial planning, land banks, urban development, cadastral mapping and land adjudication. It intends to spend Kshs 81044742 in the FY 2016/17.

63. Finally under public administration and governance the county government invested Kshs. 262,890764 to fund civic education, policy formulation, communication, human resource development, research and statistics, legislation and oversight, financial management, internal controls, budgeting and planning, disaster management and infrastructure development. Moving forward the sector is allocated Kshs. 79,776,672 in the FY 2016/17 for further infrastructural development.

Fiscal policy

64. The county equitable revenue share for financial year 2017/18 is guided by the current formula by the Commission of Revenue Allocation which uses five parameters with specific weights namely, population (45%), equal share (25%), poverty (20%), land area (8%) and fiscal responsibility (2%).

65. The County Fiscal Policy aims at ensuring sustainable growth in revenue so as to support the county government in service delivery. Fiscal policy underpinning the F/Y 2017/18 Budget and MTEF aims at reducing revenue from Kshs 472 Million in 2016/17 to Kshs 350 Million due to over estimation of the revenue in the financial year 2016/17 budget. The equitable share has continued to fund greater proportion in the County Budget contributing to 94% (3.2Billion) in 2013/14 FY, 93.8% (3.8

Billion) in 2014/15 F/Y and 93.67% (4.4 Billion) in 2015/16 F/Y and 93% (4.7 Billion) in 2016/17 F/Y and Kshs 5.1 Billion in financial year 2017/18 equivalent to 94% of the total funding.

66. The national government introduced Compensation for use fees forgone; this grant is for purposes of compensating counties for expenses from the user fees charged by health centres and dispensaries. In this financial year 2016/17, Ksh 12,950,107 is budgeted and the county expects the same amount in the next financial year 2017/18.

67. The Department of Health has continued to receive the highest support through free maternity health care- with Kshs. 65,790,000 in financial year 2016/17 and expect Kshs. 65,759,400 in financial year 2017/18 this fund is granted by national government based on percentage contribution to total number of maternity deliveries in health facilities.

68. To facilitate purchase of modern specialized health care equipment for at least two county referral hospitals, the national government provided Leasing of medical Equipment funds. This has been budgeted at Kshs. 95,744,681 in this financial year and will budget equivalent amount in the subsequent year.

69. World Bank and Danida have continued to prioritize health as one of the key sector in Kenya's overall development strategy. World Bank support to health facilities is noted with a contribution of Kshs. 17,224,300 in 2015/16 financial year, Kshs. 77,761,278 in the current financial year. Danida is a signatory to the Code of Conduct for the health sector in Kenya as well as the Paris Declaration on Aid Effectiveness and the Accra agenda on Action. In the spirit of the declaration, Danida is aligned with government policies and strategies and moves towards a sector Budget Support Strategy. In the financial year 2015/16 and 2016/17 the budgetary support to the county by DANIDA was Kshs. 25,970,000 and 12,985, 000 respectively. The proposed budgetary support on loans and grants is Kshs. 166,111,284 for the financial year 2017/18.

70. Roads maintenance levy fund was establish to cater for maintenance of public roads(unclassified roads).the national government has allocated Kshs 73,620,416 in 2016/17 FY and expect an allocation of Kshs. 134,662,500 which is a big boost to much needed roads infrastructure in the county.

71. During the 2015/16 financial year the county spent Kshs 5.90 Billion for both recurrent and development expenditure. The county intends to spend Kshs. 6.015 billion in 2017/18 FY up from Kshs. 5.628 Billion in current financial year.

72. Expenditures for employee compensation and other emoluments have continued to increase from Kshs. 1.5 billion in 2013/14, Kshs. 2 billion in 2014/15 Kshs. 2.3 billion 2015/16 FY and to Kshs 2.59 is an anticipated cost in the current financial year. This is expected to rise to Kshs. 2.766 Billion in the next financial year as a

result of employee promotion majority being 700 health workers, recruitment of village administrators and 1860 ECDE teacher's salary increment and employment of other necessary technical staff.

73. The County Government spent Kshs.875 Million in 2014/15 on operation and maintenance which was a reduction from Kshs. 908 billion in 2013/14 financial year. Operations and maintenance further increased in the financial 2015/16 to Kshs 1.21 Billion and is projected at Kshs 1.32 Billion in the FY 2016/17 .The drastic change in increase is attributed to non-discretional items such as medical drugs, electricity bills and fuel.

74. The County Government has been mobilizing its revenue from the following streams; animal stock sale fees; produce & other cess; single business permit; plot rent/ rates; market fees & others; public health licenses; veterinary; Koibatek ATC; Marigat AMS; Hospital Revenue. To improve this revenue, new measures will be deployed by the county government including and not limited to Automation of revenue ; Valuation rolls, Motorbike shades, Cillor- valuation of forest products, alcohol permits issuance, enforcement of by-laws, LMA, Public Health, Hospitals, Veterinary user charges, Housing registration, improved land adjudication policies and strengthening of internal control system.

III. FORWARD ECONOMIC AND FISCAL OUTLOOK

County Economic & Fiscal Outlook

75. County fiscal framework is grounded in a sustainable, counter cyclical approach to managing revenue and expenditure. Over the medium term, County Government will balance continued support for economic growth with fiscal consolidation. Key social and economic programmes will be maintained and complemented by efforts to improve value for money. Spending will be well contained over the medium-term expenditure framework (MTEF) period.

76. The county recognizes budget absorption for development as a key to unlocking the citizens' potential and stimulating more economic activities. To address this, the following measure will be undertaken: adherence to project implementation plans, strengthening Monitoring and Evaluation units, strengthening project implementation committees and allocating more resources on phased projects. Once this is addressed, absorption rate will increase and new services will be developed hence enhancing citizenry accessibility to basic services.

77. Slower wage bill growth and robust expansion of capital budgets will result in a moderate improvement in the composition of spending by 2017/18. The 2017/2018 Budget also maintains tight control of goods and services budgets, which will decline in real terms over the three-year spending period.

78. Operation and Maintenance- Budgetary allocation for goods and services required for core areas of service delivery, such as educational materials (for ECDEs and VTC), water electricity bills, youth empowerment and medical supplies are protected. Expenditure on foreign travel, catering, airtime consultancy and other administrative payments should decline as a share of spending.

79. The County Governments expects improvement in business sector after holding Baringo Expo Entrepreneurship Summit (BEES) in 2015/2016 FY. Investors are expected to continue investing on Small and Medium Enterprises, mining, real estates among others that will create a multiplier effect on local revenue and creation of employment.

80. Other assumptions in the outlook are the expected external investment on value additions on agriculture products i.e. Aloe Vera and also in water sector. Other investments on the social sector are the investment by the Austrian bank to the tune of Kshs. 300 million guaranteed by the national government to equip Kabarnet County Referral Hospital. These investments will release more funds to other capital outlays.

81. The County Government in 2017/18 will implement its programmes, projects and services, while a positive current balance enables county government to finance capital expenditure without drawing on private savings and attracting private

investors. The County Government is budgeting for the establishment of County Headquarter offices over the MTEF period. In the outer year of the fiscal framework the county government will borrow from other financing agencies to fund high capital outlay expenditures in construction of county offices and residential houses for the Governor and the county executive.

82. In line with the National Government 2017 Medium Term Budget Policy Statement; the County Government is committed to:

83. For the County to achieve the above fiscal responsibilities the following controls will be exercised;

a) Executive Control: This will be exercised through the County Treasury in conjunction with other departments. The county treasury will manage, supervise, control and direct all matters related to financial affairs. The accounting officers in the departments will ensure accuracy, propriety and accountability in expenditure.
b) Legislative (County Assembly) control: The Authority of raising revenue and their appropriation is provided by the County Assembly. The County Executive will work closely with the county assembly to ensure legitimacy of collection of taxes and appropriation of the same.
c) The Controller of budget: the office of the controller of budget will oversee the implementation of county budgets by authorizing withdrawals from the county revenue fund.
d) The Auditor General : The office of the Auditor general will be involved in auditing the accuracy of all accounts, the propriety of the expenditure and the appropriateness of all county public finance matters.
In collaborating with the office the county will ensure efficiency, effectiveness and guard against unauthorized expenditure.
e) Fiscal structural reforms
The County has great potential to improve its revenue collection and administration. This will be achieved by improving efficiency in collection, enforcement of revenue collection guidelines and employing new methods to enhance revenues.
The improvement in County revenue collection and administration will be informed by the need to reduce the cost of revenue collection through offering more innovative and efficient procedures. The focus of the county government will be to sustain the ongoing reforms in revenue collection and administration. To achieve this, the county will leverage on the following:
    i. Legislation
The County government will enact the required legislation to anchor its revenue administration process. These will include legislation on property rates, County revenue administration and trade licenses. There will be adequate public participation in the public finance management to increase the compliance of rate payers while at the same time reducing the incidences of litigation against the County.

ii. Computerization and Automation

The County plans to expand computerization and automate all the activities related to revenue administration.

iii. Leverage and maximize on the role of auditing (internal and external).

This will ensure compliance as well as evaluate effectiveness of internal controls in revenue administration. It will involve regular audits with dedicated follow up on auditor's recommendations.

84. Fiscal policy ensures the health of the public finances by applying the principles of fiscal discipline, fairness and value for money. Over the next three years, the County Government will continue to finance real increases in spending that enhances service delivery, within an explicit expenditure ceiling.

- The composition of development expenditure improves moderately over the medium term, with capital spending emerging as the fastest-with a target of annual increment of 5 per cent.
- Operations and maintenance shall increase due to operationalize new facilities that the County Government has invested.

85. Robust economic growth and efforts to expand the revenue base through installation of revenue management systems will produce consistent revenue overruns.

IV. STRATEGIC PRIORITIES AND INTERVENTIONS

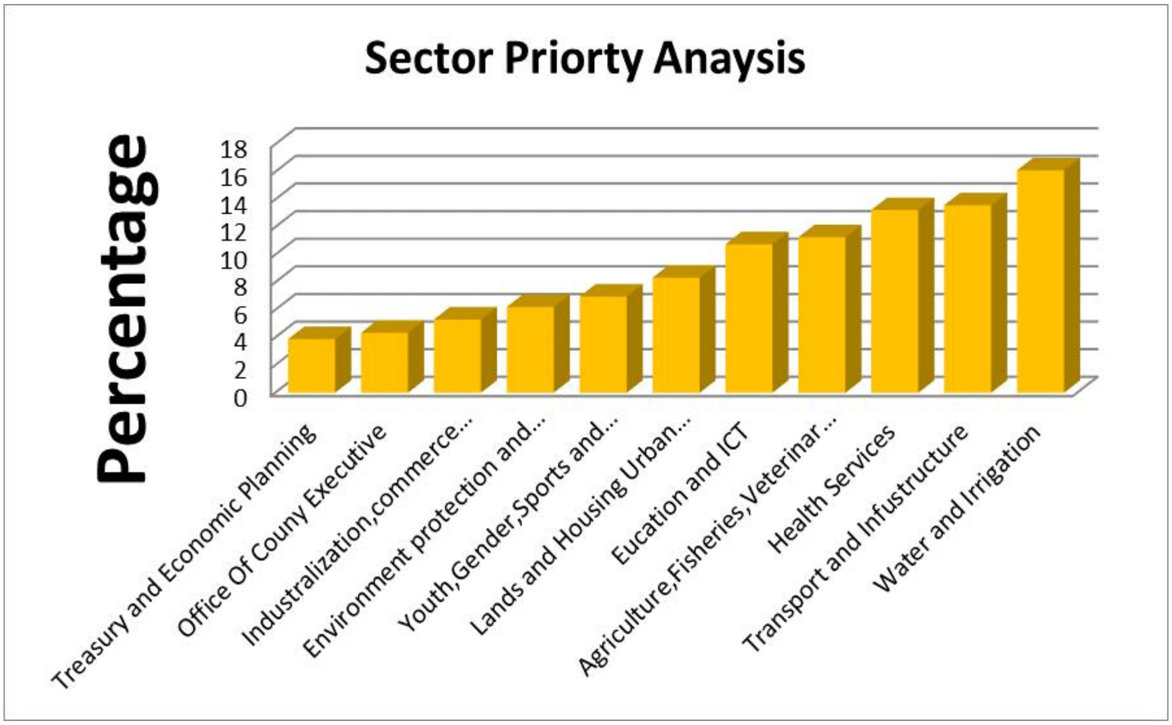
Public Participation Hearings, Sector Working Groups and Development Partners on Prioritization of Sectors

86. Article 118 (1) (b) and 196(b) of the constitution provides that the public should be involved in the budget making process through public participation. In this respect, the county treasury organized public hearings. The 2017 CFSP was prepared under the backdrop of intensified public participation through the adoption and implementation of a robust Participatory Budgeting (PB) Process model. Under this model, the opinion of citizens during budget public hearings as well technical input from sector working groups and proposals by development partners and Civil Society organization for example the memorandum on sector priorities by the Baringo Civil Society Forum (BACSOF) formed the basis for preparation of this document
87. During public participation forums, the county residents gave out their sector strategic priority areas which needed urgent resource allocation. It came out clearly that majority of the county citizens want the challenge of accessibility of clean water be given first priority, followed by the sector of energy, infrastructure and ICT then health services in that order. The least prioritized sectors include social protection, culture and recreation and public administration.
88. Specific issues that were raised by the public during the forums include: water scarcity, poor and inaccessible road network, need for early preparation of public participation, the need for implementation of projects prioritized by the public, slow implementation of projects, alteration of sector priorities by local leaders, equipping and completion of completed and ongoing projects, supervision of personnel in education and health sectors, low quality workmanship by contractors and the need for feasibility studies to be conducted for projects viability.
89. The input by the memorandum on sector priorities by the Baringo Civil Society Forum (BACSOF) ranked sectors on priority as follows:
    I. Water and Irrigation: Waters Supplies Development; Pipeline extensions and rehabilitation; Drilling and equipping of boreholes; Construction and Rehabilitation of water pans; Sanitation; Irrigation Development; Head works and conveyance system.
    II. Health Services: Primary Health Care; Development of Health Infrastructure; Development of Administrative Infrastructure Services

90. The broad key priority areas for resources allocation will be handled by the different departments to address the theme of the budget. The sector working groups were launched in August 2016. One of the mandates of the groups was to priorities the programs in line with the CIDP and ADP.

Departmental Public Forums Prioritization

	Sector	Scores	Frequency (%)
1	Office of the County Executive	86	4.343434
2	Treasury and Economic Planning	77	3.888889
3	Lands and Housing Urban Development	165	8.333333
4	Education and ICT	213	10.75758
5	Industrialization, commerce and Tourism	105	5.30303
6	Water and Irrigation	319	16.11111
7	Environment protection and Natural Resources	123	6.212121
8	Health Services	262	13.23232
9	Agriculture, Fisheries, Veterinary and Livestock	223	11.26263
10	Transport and Infrastructure	269	13.58586
11	Youth, Gender, Sports and Culture	138	6.969697
	TOTAL	1980	100



91. From the above table, county residents have given priority to infrastructure development where water and irrigation; and transport, energy, infrastructure and ICT should be prioritized when allocating resources. Other departments for considerations include heath, agriculture and education.

Sector Priorities

Theme I: Improve the Standard and Sustainability of Quality Life

Environment, Water and Natural Resources Sector

92. The sector comprise of two sub sectors namely; water and irrigation; and environment and natural resources. The sectors strategy includes Investing in reviving, maintaining and extension of existing irrigation schemes, water supplies and sanitation systems; effective environmental and natural resource management. This is central in promoting sustainable livelihood of County residents.

a) Water and Irrigation Sub Sector

93. Access to water is central in socio-economic transformation. Its significance in stimulating growth in production and service sectors as well as promoting health care and security cannot be underestimated. Therefore, water provision during the fiscal year has been given the highest ranking not only in the sub sector but also in the memoranda by the civil society and in the sub county public forums.
94. The county access to safe water was 25.9 percent and ranked 45/47 which was below the national figure of 53 percent, (KNBS, 2014). Nonetheless, in the last three years, the county has been investing significant resources. The investment has registered unprecedented success in access to safe water by connecting additional 39,000 households to safe water to 65 percent in 2016 up from 25.9 percent. Key notable programmes implemented include: development of 14 new water supplies; rehabilitation and pipe water extension of 175 water supplies and drilling of additional 120 water boreholes including 70 by JICA,RVWSB, Tullow Oil Company, Marigat Pastors and development of 13 irrigation Schemes increasing acreage of land under irrigation by 2,600 acres.
95. Though the county registered tremendous improvement in water provision; there still much more in terms of access to clean water, water development for livestock and to expand land under irrigation. In 2017/2018 financial year, Kshs. 397.66M will be invested in the priority areas covering rehabilitation of water supplies and pipe extensions, maintenance and expansion of existing water supplies. The existing Irrigation projects are expected to be expanded to explore their respective potential through canal lining, conveyance extensions, and construction of on-farm structures.

b) Environment, Mining and Natural Resources Sub Sector

96. To achieve sustainability in forest cover as well as environmental conservation, environment protection and natural resources subsector will embark on natural resource conservation and management through tree planting in schools, water catchment areas and green parks. Control of soil erosion which threatens to degrade land for Agricultural potential, the subsector will implement Soil and water conservation.

97. In addition in the period 2016/17 FY, the department intends to carry out environmental Conservation and management and Natural resource Conservation and management as key area of priority.

98. In order to fast track issues on environmental and natural management Kshs. 66.6 Million is proposed to finance development of litter bins provision, river bank protection, community awareness campaigns and promotion of agro forestry and conservation and protection of county forests amongst others.

Infrastructure, Energy and ICT Sector

99. The sector aims at sustaining and expanding physical infrastructure to support a rapidly-growing economy in line with the priorities in the Constitution of Kenya 2010, the governor's manifesto and the 2nd Medium Term Plan under the Kenya Vision 2030. The sector consists of the following sub-sectors: Energy; Transport and Infrastructure; and Information, Communications and Technology.

a) Transport and Infrastructure Sub-Sector

100. Going forward, the county government will continue investing in expansion of road network to open up rural areas to promote rural and urban integration; ease cost of doing business and stimulate growth in production and service sectors. The cumulative investment of Kshs. 943.33 million has financed the following programmes:

i. opening up of 900 Km new rural roads
ii. improvement and maintenance of over 1,100Km of existing road network
iii. upgrading of 3.96 Km of town and urban roads to bitumen standard and maintenance of 12 km bitumen road
iv. construction of 54 bridges and drifts and street lighting
v. Purchase Road Maintenance Machineries and plants; 3 Dozers, a graders, a low Loaders, backhoe, roller and 2 lorries.

101. Additionally, alternative methods will be adopted through the pool of fuel to fund the county road machinery and equipment and further hire more machinery to be used in implementation of roads infrastructure development.

b) Information, Communications and Technology Sub-Sector

102. Further the sector has prioritized establishment of ICT data and recovery centre, Installation of structured cabling and intercom at county headquarters, Establishment of wide area network (WAN), establishment of ICT centers at all Sub-Counties, digitization of county government documents. The subsector will continue partnering with its development partners (WBF, ICTA, CA, Pilot School) in building capacity of county residents.

Health Services Sector

103. To continue improving quality health care, focus is on upgrading of county referral and sub county hospitals, health centers and dispensaries. The sector's main objective will be to complete projects under various implementation stages.

104. Improved access to quality health care from 15 Km in 2013 to an average of 5Km in 2015 through investment of Kshs 952.43 Million to Upgrade of Kabarnet County Hospital to level V referral hospital; construction of new level IV hospital in Mogotio in addition to upgrading of Marigat, Eldama Ravine, Kabartonjo and Chemolingot Sub County Hospitals to level IV; construction of new dispensaries, rehabilitation and Operationalization of 61 health facilities; employment of 117 health personnel; procured Kshs. 300M state of the art medical equipment, 19 new ambulance, and reliable supply of pharmaceuticals and non-pharmaceuticals.

Education Sector

105. Tremendous progress has been achieved over the recent time including construction of ECDE classes and recruitment of teachers. To sustain this, the sector has prioritized equipping the completed classrooms for the learners and construction of 60 more. Other areas of priority include improvement and construction of hostels and purchase of equipment for skill development in vocational centres and Bursary scholarships for needy students.

Social Protection Culture and Recreation Sector

106. The sector intends to prioritize on development of stadiums and training camps, equipping of youth empowerment centres, support to sports, cultural activities and talent development. Further, the sector has prioritized on cash transfer to the elderly and PWD and women and youth fund and support to special schools.

Theme II: Moving the Economy up the Value Chain

Agriculture, Rural and Urban Development Sector

107. The sector Strategy is to invest in agricultural transformation, including opening up of land under irrigation, subsidized farm preparation and inputs, livestock upgrading, creating disease free zones, value addition and fisheries and management of land, spatial and town planning, land banks for strategic developments, and urban development. The strategic objectives include: to increase crop production and productivity for food security; increase market access through promotion of value addition and development of standards along the value chains; promote adoption of new technologies that enhances efficiency in production; increase production and productivity in livestock for food security; prevent and control livestock diseases; promote fish production for food security; improve urban planning, housing and sanitation; and promote administration and sustainable management of land.

108. The strategic priorities for the Agriculture rural development and urban development sector over the medium term will be to increase productivity by

facilitating access to affordable and quality inputs and services; increase market access through promotion of value addition and development of standards along the value chain; promote adoption of appropriate technologies for crops, livestock and fisheries development and promotion of field extension services.

109. Increased productivity in agriculture and livestock development through value addition (milk processing plant, 3 slaughter houses, Aloe Vera, Milk Coolers); revitalization of farmer cooperatives (Kshs 25 Million to Cooperatives); purchase of Farm Inputs – 6 Tractors and improved access to reliable and stable market (46 tons of coffee directly exported to Korea, Revival of Kimalel Goat Auction, sale yards, 11 markets); Disease Control: 252 cattle dips (72 new, 180 renovated); 675, 252 livestock vaccinated.

110. The sub-sector of lands housing and urban development prioritizes the completion of county spatial plan, establishment of land banks, revision of physical development plans, acquisition of additional survey tools and equipment and establishment of land information systems. It will also enhance gabbro works on main streets in the urban areas and continue improving drainage systems.

General Economic and Commercial Affairs Sector

The sector will embark on programs geared towards creating an enabling business environment, development of tourism products and services, promotion of Medium Enterprises funding and value addition and marketing. Sectors priorities include: completion and equipping Mogotio tourism and business information centre and tannery, Cooperative produce value addition and marketing, Construction of Marigat Market, Small and Medium Enterprises funding and capacity building, Cooperative development fund (loan). Notable achievements under this sector Restoration of Lake Kapnarok; 4 Wild life Conservancies; 10 Jua Kali Sheds; 11 markets.

Theme III: Strengthen Institutional & Implementation Capacity

Public Administration and Governance Sector

County Assembly Sub Sector

111. Towards provision of quality services and oversight, the county government will continue to support the administrative services through allocation of resources to all sub sectors. In improving county assembly service delivery and management in the fiscal year, it will continue with the construction of office block, two residential buildings, parking bay and installation of CCTV cameras.

Office of the Governor and Treasury Sub Sectors

112. To effectively discharge its mandate, administrative infrastructure is strategic as this will increase efficiency and effectiveness. Therefore, in the 2017/2018 financial year, it will embark on extension of office complex to accommodate all units, construction of sub county revenue offices and county treasury office. In addition monitoring and evaluation software's has been given priority to enhance transparency and accountability in prudent utilization of public funds. Other areas of concern include strengthening of statistics in order to get accurate data to inform budgetary processes and planning. Audit unit and asset management will be accorded capacity building in order to make them deliver their mandates effectively.

113. Under office of the executive priority is on strengthening the decentralized units; building capacity for human resource; employee remuneration; coordination and governance.

V. FISCAL POLICY AND BUDGET FRAMEWORK

Overview

114. The resource envelope available for allocation among the programmes is based on the fiscal policy and medium term fiscal framework which is explained as follows:

i. Fiscal Policy Framework

115. The County Government proposes a comprehensive package of measures to balance the budget and have no deficit in the medium term to ensure fiscal sustainability. Moderating expenditure growth, combined with revenue measures will improve the fiscal performance, expenditure on core social and economic programmes will be maintained, with reductions focused on non-essential goods and services and riding on the favorable national economic growth, the fiscal proposals will enable the county government to remain broadly in line with balanced budget.

ii. Fiscal Responsibility Principles

116. The County Government is committed to fiscal consolidation while ensuring that resources are availed for development in order to positively impact on productive growth and overall economic growth. In this regard, the County Government is committed to reducing the recurrent expenditures to devote more funds to development. This will be achieved through austerity measures and cutting on travel costs and reforms in the expenditure management and revenue administration will be implemented to reduce wastages and increase revenues collected and hence create fiscal space for spending on development programmes within the budget.

117. In finalizing the preparation of the 2017 MTEF budget, spending proposals will undergo rigorous scrutiny to identify areas of inefficient and non-priority expenditure in the areas including telephone, and mobile phone services, courier and postal services, domestic travel and subsistence, foreign travel and subsistence, and other transportation costs, printing(calendars, diaries, promotional materials) , advertising and information supplies and services, hospitality supplies and services, office and general supplies and services, fuel lubricants and maintenance of motor vehicles, contracted professional services and contracted technical services.

118. The County Government will in its fiscal operations respect and ensure compliance with provisions of Section 107 of Public Finance Management Act, 2012 so as to entrench fiscal discipline.

iii. Fiscal and Public Financial Management Reforms

119. The Fiscal Policy underpinning the FY 2017/18 Budget and MTEF aims increasing revenue and containing growth of total expenditure. Further, the policy aims at shifting more public resources from recurrent to capital investment so as to promote sustainable and inclusive growth. The fiscal policy will undertake reforms on the following areas, namely:

- Enhancing resource mobilization, including broadening revenue base; Revenue collection efforts will be enhanced to ensure all potential rates and fees payers make their contribution towards county's development agenda. Revenue administration capacity will be strengthened through organizational and modernization reforms. The ongoing automation of county revenues systems remains a priority in order to enhance revenue collection.
- Expenditure rationalization will continue being a priority focusing on non-productive areas. Additionally, with the ongoing public service rationalization, redundancies and duplications will be eliminated in the public service.
- Expenditure efficiency and effective implementation of budget programs through enforcement of cost benchmarks for all projects and consumables. There will further be enforcement of a project implementation performance benchmark of at least 80 percent, expenditure tracking and value for money audits to ensure efficiency and effectiveness in use of resources at both levels of Governments. Project planning and management as well as engagement with development partners will be strengthened.
- The county government will through the implementation of e-procurement module of the IFMIS apply prudent expenditure management on items such as office goods and their pricing that should as much as possible reflect actual market prices. Time for paying for goods should be reduced to enable the county government get competitive price in the market.

Budget Framework

120. The 2017/18 budget framework is set out against background of the medium term county government strategic objectives as outlined in the CIDP,ADP, Governors manifesto and the sector plans.

Revenue projection

121. The county will get an equitable share of Kshs 5.11 billion up from Kshs 4.791Billion, an 6% of increase in addition to conditional grants and loans of Kshs. 502.28 million, 8% increase, allocations-Free Maternal Health Care Kshs.65.75 million, allocations-Leasing of Medical Equipment Kshs. 97.744 million and allocations for Road Maintenance Fuel Levy Fund Kshs.134.66 million increase of 45%. These add up to total amount of Kshs 5.615 billion, the revenues expected from the national government for the FY 2017/18.

122. The County also projects to raise its own revenue amounting to Kshs 400 million through imposition of property rates, entertainment rates as well as other rates that the county is authorized to impose by an Act of Parliament as well as user fees and charges authorized by county laws. This leads to total revenue projection of Kshs 6.015 billion, a 6% increase from 2016/17 financial year.

123. The 2016/17 FY budget overstated the projected local revenue of Kshs 350 as had been anticipated through analysis of County Budget and Outlook paper and in the previous County Fiscal Strategy Paper to Kshs. 472 million. This was to bridge the budget deficit that was caused by an imminent strike by the health workers and youth

polytechnic instructors and adjustments of hardship and house allowances through Salaries and Remuneration Commissions circular.

Expenditure Forecasts

124. Due to the limited resources, funding requests will have to be in line with the County and national goals and objectives priorities as outlined in the 2016 Budget Policy Statement (BPS) 2016, the County Integrated Development Plan (CIDP) 2013/17 and Annual Development Plan (ADP) 2016/17. In this regard, sectors will have to rationalize and prioritize their expenditure programmes in the FY 2016/17 to focus only on the strategic interventions and projects that are captured in these documents. The expenditure has to be geared towards promotion of service delivery that supports social development, economic growth and transformation of the County.

Recurrent Expenditure

125. Total recurrent expenditures in Budget estimates FY 2016/17 will be Kshs 3.897 billion as compared to Kshs 3.43 billion in FY 2015/16. The increase in recurrent expenditure is due to promotion of staff and new employment, non-discretional items like medical supplies, emergency fund, bursaries and support of women and youth activities and PLWDs.

126. Salaries and the wage bill for FY 2015/16 have been estimated at Kshs 2.176 billion compared to projected budget of Kshs 2.516 billion for 2016/17 FY. This spending item is expected to decline over the medium term given the staff rationalization exercise the county is undertaking to match skills and functions and the expected release of redundant staff.

127. The Operations and Maintenance expenditures will be lower/ in the medium term due to removal of one-off expenditures such as office infrastructure and equipment from the recurrent budget coupled with other expenditure rationalization measures that will free resources for development expenditures development expenditure. The 2016/17 projections on operations and maintenance is Kshs 1.381 billion up from Kshs 1.255 billion of 2015/16 estimates.

128. Under implementation of second MTP 2013-2018, CIDP and sector plans, the overall development expenditure for FY 2016/17 has been projected to be Kshs 1.669 billion up from the FY 2015/16 approved of Kshs. 1.582 billion.

Risk Management summary

129. The main risks to the fiscal outlook is economic performance, the public-sector wage bill, insecurity and the forthcoming general elections and the constitutional office of Commission on Revenue Allocation (CRA) which change the formula on revenue allocations.

130. The overall county wage is of significant concern in the implementation of the budget or indeed in the realization of Baringo fiscal goals. The recruitment of any additional staff must therefore be based on the outcome of the on-going job evaluation exercise aimed at staff rationalization to achieve a lean and efficient workforce and a sustainable wage bill. Another specific concern is the revenue effort and specific and targeted interventions will be designed to ensure that the budget of the county remains fully financed and no project or programme is jeopardized by inadequate resources.

131. Other risks include - Global shocks. Uncertainties in future economic performance associated with global and national influences such as price of crude oil that affect cost of production, and exchange rate fluctuations will eventually have an impact on the performance of the county's economy.

132. Insecurity threats- Ethnic conflicts and terrorism in the country poses a threat to development and tourism industry.

133. Country's financial shocks- Domestic borrowing and its effect on interest rates will influence the performance of the county economy.

134. Unreliability of local revenue flows- Unreliable weather conditions pose a major risk to the county economy and the county's projected revenue since agricultural produce cess continues to be among the highest local revenue source.

135. Electioneering mood-The budget for 2017/18 will be implemented in an election year. Political goodwill will be required to implement the budget to meet its objectives.

VI. MEDIUM TERM EXPENDITURE FRAMEWORK

Overview

136. This Section presents the resource envelope and spending priorities for the proposed 2016/17 MTEF Budget and the Medium Term. In addition ssector achievements and priorities are also reviewed for the 2016/17 MTEF period.

Resource Envelop

137. The resource envelope available for allocation among the spending sector is based on the medium term fiscal framework;

- Domestically mobilized budget resources finances approximately 5.9 percent of the budget while 85.7 percent is financed by equitable share from the National government.
- Committed National or external financing in the form of grants tied to specific development programmes/projects as determined by the relevant legislations totaling to 8.4 percent.

The 2017/18 budget revenue estimates:

NO	*SOURCE*	*AMOUNT IN KSHS*	*PERCENTAGE*
1	Equitable Share	5,113,422,836.00	85%
2	Compensation For Use Fees Forgone	12,950,107.00	0.2%
3	Free Maternity Healthcare	65,759,400.00	1.1%
4	Road Maintenance Levy Fund	134,662,500.00	2.2%
5	Leasing Of Medical Equipment	95,744,681.00	1.6%
7	Local Revenue	400,000,000.00	6.6%
8	World Bank Support To Health Facilities & DANIDA (Health Facilities)	166,111,284.00	2.8%
9	C&P Grant	27,052,470.00	0.4%
	Total Allocation	6,015,703,278	100.0%

Other resources

138. The county will engage development partners to fund other development projects and also intend to borrow from financial institutions to supplement construction of county offices.

Overall Spending Priorities

139. Development expenditures projections have been shared out on the basis of the MTP priorities and strategic interventions. The following criteria will be used in apportioning capital budget:

- *On-going projects:* emphasis has been given to completion of on-going projects and in particular infrastructure projects with high impact on poverty reduction, equity and employment creation.
- *Roads Infrastructure development:* priority is given to adequate allocations for development of urban roads to bitumen standard, opening rural access roads and maintenance and foot bridges.
- *Water infrastructure development:* priority is also given to water supplies, boreholes, water pans and dams

140. The medium term expenditure framework for 2016/17 – 2018/19 ensures continuity in resource allocation based on prioritized programmes aligned to the Second MTP (2013-2017) of Vision 2030, CIDP (2013-2017), ADP 2016/17 and Sectoral plans. It also focuses on strategic policy initiatives of the governor's manifesto to accelerate growth, reducing unemployment, poverty reduction and hunger. The recent achievements and key priority targets for each sector are based on the sector reports.

Sector/Departmental Priorities for the MTEF period

Public Administration and Governance

141. The Sector is composed of County Assembly, Office of The County Executive Services and Treasury & Economic Planning. The sector provides overall policy, leadership and oversight management to the county, oversees county legislation, public service delivery and resource mobilization. It further coordinates implementation, monitoring and evaluation. Other key crosscutting mandates falling under the sector include resource mobilization and management, oversight, implementation of as well as oversight on use of public resources and service delivery.

142. In order to implement the prioritized programmes, the Sector has been allocated Ksh1.305 Billion for 2016/17FY. Further Ksh 1.388 billion, Ksh1.457 billion and 1.53 billion, for the financial years 2017/2018, 2018/2019 and 2019/20 respectively. The recurrent expenditure allocation for FY2016/17 is Kshs 1.225 Billion and in 2017/18 FY and 2018/19 and 2019/20 Ksh 1.24 billion, Ksh 1.228 billion and Ksh 1.368 billion respectively, while development expenditure allocation was allocated Ksh 79.776 million in FY 2016/17 and Ksh 147.242 million, Ksh 154.64 million and Kshs. 162.334 million in the next MTEF period.

Agriculture Rural and Urban Development

143. The overall strategic goal for the Sector is to attain food security and sustainable land management. Over the MTEF period, resources will be directed to enhancement of Strategic food security, development, value addition, subsidized seed and fertilizer to farmers in vulnerable households, establishment of disease free zone and livestock upgrading. Under land and urban development, key areas include: spatial planning, purchase of land banks and survey equipment and hydro form equipment.

144. In order to implement the prioritized programmes, the Sector has been allocated Ksh 502.491 million in FY 2016/17, Ksh 561.671 million and Ksh 589.755 million and Kshs 619.24 for the financial years 2017/2018 FY, 2018/2019 FY and 2019/2020 FY respectively. Recurrent expenditure allocation is Ksh 292.475 million for the FY 2016/17 and Ksh 319.94 million, Ksh 335.447 million and Kshs 352.734 for 2017/18 FY, 2018/19 FY and 2019/20 MTEF period respectively, whereas development expenditure for the same period is Ksh 210.015 million, Ksh 241.73 million, 253.817 million and Ksh 266.507 million.

Education

145. The overall goal of the sector is to expand access and enhance the quality to pre-primary education and vocational training. The mandate of the sector is derived from schedule IV of the Constitution of Kenya, 2010 specifically to deliver on pre-primary education, village polytechnics, home craft centres and childcare facilities.

146. In order to implement its prioritized programmes, the Sector has been allocated Ksh 438.765 million in 2016/17 FY and Ksh 435.798 million, Ksh 457.588 million, and Ksh 480.468 million for the financial years 2017/18, 2018/19 and 2019/20 respectively. Recurrent expenditure allocation for FY 2016/17 is 286.423 and estimates of Kshs 306.398 million, Kshs 321.718 million, Kshs 337.804 million for 2017/18, 2018/19 and 2019/20 respectively. While development expenditure allocation is Ksh 152.341 million for 2016/17 FY and Ksh 129.4 million, Ksh 135.87 million and Ksh 142.663 million respectively over the MTEF period.

General Economic and Commercial Affairs sector

147. The general objectives of the sector, include; promotion and development of trade, tourism, industrialization and entrepreneurship, innovation, savings mobilization and investment and regional integration.

148. To implement the prioritized programmes, the Sector has been allocated Ksh 156.845 million, Ksh 168.721 million and Ksh 177.157 million and 186.015for the financial years 2016/2017, 2017/2018 and 2018/2019 and FY 2019/20 respectively. Recurrent expenditure allocation for FY2016/17, 2017/18 and 2018/19 and 2019/20 is Ksh 80.08 million, Ksh 83.16 million, Ksh 87.318 million and Kshs. 91.684 million respectively. While the development expenditure allocation will increase from Ksh 76.765 million in the FY 2016/17 to Ksh 85.561 million, Ksh 89.839 and Kshs 94.331 million during the next MTEF period.

Environment, Water and Natural Resources

149. The Environment Protection, Water and Natural Resources sector comprises three sub-sectors namely: Environment, Natural Resources, Water and Irrigation; and Mining subsectors. The sector's mission is to contribute to quality living standards of Baringo people by increasing water sources, food and pasture sufficiency under irrigation and sustainable exploitation of resources and environmental conservation.

150. In order to implement the prioritized programmes, the Sector has been allocated Ksh 512.039 million, Ksh 616.901 million,Ksh 647.746 million and Ksh 680.133 million for the financial years 2016/2017, 2017/2018, 2018/2019 and 2019/2020 respectively. Recurrent expenditure allocation for FY2016/17, 2017/18, 2018/19 and 2019/20 is Ksh 128.273 million, Ksh 152.637 million,Ksh 160.269 and Ksh 168.283 million. While the development expenditure allocation will increase from Ksh 383.765 million in the FY 2016/17 to Ksh 464.263 million, Ksh 487.476 and Kshs 511.85 million during the next MTEF period.

Health sector

151. The Health sector's goal is to improve the quality of life's of citizen and reduce disability from disease and early deaths. This will be done through elimination of communicable conditions; Halting and reversing the rising burden of communicable and non- communicable conditions in the country; Reducing the burden of violence and injuries; Providing essential health care that are affordable, equitable, accessible and responsive to client needs; Minimizing exposure to health risk by strengthening health promoting interventions that address risk factors to health; and Strengthening collaboration with private and other sectors that have an impact on health. In addition, adopting a 'Health in all Policies' approach, which ensures it interacts with and influences design implementation and monitoring processes in all health related sector.

152. In order to implement the prioritized programmes, the Sector has been allocated Ksh 2.111 billion, Ksh 2.262 billion, Ksh 2.375 billion and Ksh 2.494 billion for the financial years 2016/2017, 2017/2018,2018/2019 and 2019/20 respectively. Recurrent expenditure allocation for FY2016/17, 2017/18,2018/19 and 2019/2020 is Ksh 1.818 billion,1.996 billion, Ksh 2.096 and Ksh 2.201 billion. While the development expenditure allocation is Ksh 292.894 million in the FY 2016/17 to Ksh 265.755 million, Ksh 279.043 and Kshs 292.995 million during the next MTEF period.

Energy, Infrastructure and ICT

153. The sector aims at improving both quality and quantity of the existing iinfrastructure facilities in order to contribute to attaining and sustaining economic growth of over 10 % per annum. The programmes prioritized in the MTEF period 2016/17-2018/19, intends to facilitate provision of clean, sustainable, affordable, reliable and secure energy, quality, and accessible transport infrastructure, efficient, reliable and affordable ICT services that supports socio- economic transformation in Kenya.

154. In order to implement the prioritized programmes, the Sector has been allocated Ksh 470.266 million, Ksh 447.909 million, Ksh 470.305 and Ksh 493.820 million for the financial years 2016/2017, 2017/2018, 2018/2019 and 2019/2020 respectively. Recurrent expenditure allocation for FY2016/17, 2017/18, 2018/19 and 2019/2020 is Ksh 56.155 million, Ksh 63.572 million, Ksh 66.751 and Ksh 70.088 million. While the development expenditure allocation reduce from Ksh

414.110 million in the FY 2016/17 to Ksh 384.337 million, Ksh 403.554 and Kshs 423.731 million during the next MTEF period.

Social Protection Culture and Recreation

155. Social Protection, Culture and Recreation Sector is mandated to address the issues on promotion and exploitation of county's diverse culture for peaceful co-existence; enhancing county's reading culture; development and promotion of sports; preservation of county's heritage and promotion of cultural activities.

156. In order to implement the prioritized programmes, the Sector has been allocated Ksh 131.512 million, Ksh 133.881 million, Ksh 140.575 and Ksh 147.604 million for the financial years 2016/2017, 2017/2018, 2018/2019 and 2019/2020 respectively. Recurrent expenditure allocation for FY2016/17, 2017/18, 2018/19,2019/2020 is Ksh 33.774 million, Ksh 35.915 million, Ksh 37.711 and Ksh 39.597 million. While the development expenditure allocation is Ksh 97.738 million, Ksh 97.966 million, Ksh 102.864 and Ksh 108.007 million respectively in the next MTEF period.

VII. RECOMMENDATION AND CONCLUSION

157. The fiscal framework presented herein is prepared pursuant to the PFMA and lays ground for the next financial year in terms of preparing the final spending estimates as well as prioritization of resource allocation. Fiscal discipline will be important in ensuring proper management of funds and delivery of expected output. Effective and efficient utilization of funds especially on capacity building on different sectors of the County will be crucial in ensuring that the County gets to deliver on its functions. In pursuit of this, effective budget implementation at the county level will be facilitated through capacity building and development of systems for close monitoring and evaluation of spending entities to ensure that resource application bears the most fruit to the taxpayer. Involvement of all stakeholders in budget execution is also key in enhancing overall budget implementation and the public will be key in shaping the final budget policies and allocations for the 2016/17 Financial year. The county will also revamp its revenue collecting and management systems with the goal of generating more revenues to strive towards budgetary self-reliance as well as ensuring the stability of county fiscal framework.

ANNEXES

Annex 1: Local Revenue Projections 2013/2014- 2019/2020

		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
No	Sources	Actual	Actual	Actual	Approved budget	Estimate	Projections	
1	Game Park Fees	69,456,838	54,429,063	44,298,390	76,274,408	87,170,752	99,331,072	104,297,625
2	Animal Stock Sale Fees	7,497,705	9,928,000	15,258,665	16,647,919	19,026,193	21,680,346	22,764,364
3	Produce & Other Cess	18,374,372	32,385,244	48,506,214	31,213,503	35,672,575	40,648,899	42,681,344
4	Single Business Permit	31,737,095	35,722,947	38,098,248	51,836,146	59,241,309	67,505,472	70,880,746
5	Plot Rent/ Rates	15,127,880	17,317,051	16,744,873	34,389,350	39,302,114	44,784,759	47,023,997
6	Market Fees & Others	29,184,504	30,303,827	37,215,442	33,683,315	38,495,217	43,865,300	46,058,565
7	Koibatek ATC	-	7,404,056	2,893,400	5,965,890	6,818,160	7,769,293	8,157,758
8	Marigat AMS	-	4,159,189	3,930,042	9,943,150	11,363,600	12,948,822	13,596,263
9	Public Health	570,900	1,136,942	2,157,105	7,000,000	8,000,000	9,116,000	9,571,800
10	Veterinary	266,320	1,200,000	1,158,190	7,000,000	8,000,000	9,116,000	9,571,800
11	Hospital Revenue	29,303,991	55,737,110	69,475,982	76,046,320	86,910,080	99,034,036	103,985,738
Total		201,519,604	249,723,428	279,736,551	350,000,000	400,000,000	455,800,001	478,590,001

Source: county Revenue Unit

Annex 2: Performance Revenue for first Quarter 2016/2017

Local Revenues Sources Analysis						
No	Sources	Printed Estimates 2016/2017	July, 2016	Aug, 2016	Sept, 2016	Total
1	Game Park Fees	141,356,033.84	15,407,570	20,480,300	4,916,040	40,803,910
2	Animal Stock Sale Fees	23,890,659.59	1,046,360	1,270,440	1,483,210	3,800,010
3	Produce & Other Cess	42,598,836.95	2,519,480	2,721,115	2,642,430	7,883,025
4	Single Business Permit	56,689,244.48	1,311,889	1,539,808	548,800	3,400,497
5	Plot Rent/ Rates	33,315,801.01	718,792	848,648	411,200	1,978,640
6	Market Fees & Others	53,784,623.73	2,634,220	3,182,870	2,910,240	8,727,330
7	Public Health Licenses	8,587,040.00	275,950	163,290	278,200	717,440
8	Veterinary	11,268,520.00	331,890	422,150	435,460	1,189,500
9	Koibatek ATC	8,537,040.00	227,433	-	132,427	359,860
10	Marigat AMS	9,989,820.00	-	-	127,400	127,400
11	Hospital Revenue	81,982,380.41	4,567,802	10,509,765	7,360,893	22,438,460
TOTAL		472,000,000.	29,041,386	41,138,386.00	21,246,3000	91,426,072

Source: County Revenue Unit, 2016

Annex 3: Development Analysis Allocation Per Sub Sector for the Last Three Financial Years and Allocation for 2016/17 and 2017/18 FY

MTEF Development Analysis								
Department	2013/2014	2014/2015	2015/2016	MTEF TOTAL	2016/17	Total For Four Years	2017/2018	Grand Projected
County Assembly	20,000,000.00	63,200,000.00	10,000,000.00	93,200,000.00	20,000,000.00	113,200,000.00	20,000,000.00	133,200,000.00
Office of County Executive	46,500,000.00	37,000,000.00	36,994,825.00	120,494,825.00	13,021,568.00	133,516,393.00	49,631,008.00	183,147,401.00
County Treasury	-	5,000,000.00	26,195,939.00	31,195,939.00	15,324,534.00	46,520,473.00	50,611,484.00	97,131,957.00
Sub-County Administration	-	18,000,000.00		18,000,000.00	31,430,570.00	49,430,570.00	27,000,000.00	76,430,570.00
Transport and Infrastructure	333,441,886.00	231,250,000.00	378,640,462.00	943,332,348.00	414,110,939.95	1,357,443,287.95	384,337,165.00	1,741,780,452.95
Trade and Tourism	96,000,000.00	82,574,357.00	73,113,674.00	251,688,031.00	76,765,071.40	328,453,102.40	85,561,114.00	414,014,216.40
Education and ICT	156,200,000.00	119,500,000.00	164,071,941.00	439,771,941.00	152,341,755.80	592,113,696.80	129,400,000.00	721,513,696.80
Health Services	140,500,000.00	270,660,510.00	248,377,837.00	659,538,347.00	292,894,743.65	952,433,090.65	265,755,914.46	1,218,189,005.11
Lands and Housing	-	40,600,000.00	87,980,884.00	128,580,884.00	44,899,118.49	173,480,002.49	50,000,000.00	223,480,002.49
Eldama Ravine Town	8,000,000.00	13,200,000.00		21,200,000.00	17,810,878.00	39,010,878.00	25,000,000.00	64,010,878.00
Kabarnet Town	8,000,000.00	21,120,000.00		29,120,000.00	18,334,746.00	47,454,746.00	28,024,608.00	75,479,354.00
Agriculture, Fisheries	101,400,000.00	145,142,784.00	124,942,987.00	371,485,771.00	128,971,214.09	500,456,985.09	138,705,986.00	639,162,971.09
Youth and Sports	18,000,000.00	59,200,000.00	59,749,471.00	136,949,471.00	97,738,194.20	234,687,665.20	97,966,036.00	332,653,701.20
Water and Irrigation	244,666,845.00	211,050,000.00	234,999,748.00	690,716,593.00	329,758,419.40	1,020,475,012.40	397,662,986.52	1,418,137,998.92
Environment and Natural Resources	21,000,000.00	25,100,000.00	29,484,682.00	75,584,682.00	54,007,244.80	129,591,926.80	66,600,163.00	196,192,089.80
TOTAL	1,193,708,731.00	1,342,597,651.00	1,474,552,450.00	4,010,858,832.00	1,707,408,997.78	5,718,267,829.78	1,816,256,464.98	7,534,524,294.76

Source: county planning and budget directorate, 2016

Annex 4: Sub Sector Expenditure and Ceiling For 2017/18-2020/21

Departments		FY 2014/2015	FY 2015/2016	FY 2016/2017	2017/2018	2018/19	2019/2020	2020/2021
		Actual	Actual	Approved Budget	Ceiling	Projections		
County Assembly	**Sub totals**	**375,670,025**	**528,521,674**	**593,775,560**	**546,459,280**	**573,782,244**	**602,471,357**	**632,594,924**
	Rec.	349,977,218	502,428,102	573,775,560	526,459,280	552,782,244	580,421,357	609,442,424
	Dev	25,692,807	26,093,572	20,000,000	20,000,000	21,000,000	22,050,000	23,152,500
Office of the Governor	**Sub totals**	**289,286,538**	**338,326,746**	**438,087,534**	**505,231,944**	**530,493,541**	**557,018,218**	**584,869,129**
	Rec.	251,605,790	331,439,806	393,635,396	428,600,936	450,030,983	472,532,532	496,159,159
	Dev	37,680,748	6,886,940	44,452,138	76,631,008	80,462,558	84,485,686	88,709,971
County Treasury	**Sub totals**	**230,715,936**	**415,813,438**	**273,385,437**	**336,520,075**	**353,346,079**	**371,013,383**	**389,564,052**
	Rec.	229,935,296	384,829,693	258,060,903	285,908,591	300,204,021	315,214,222	330,974,933
	Dev	780,640	30,983,745	15,324,534	50,611,484	53,142,058	55,799,161	58,589,119
Agriculture, Livestock and Fisheries	**Sub totals**	**307,641,749**	**297,026,174**	**356,341,900**	**375,019,527**	**393,770,503**	**413,459,028**	**434,131,980**
	Rec.	193,940,675	193,909,067	227,370,686	236,313,541	248,129,218	260,535,679	273,562,463
	Dev	113,701,074	103,117,107	128,971,214	138,705,986	145,641,285	152,923,350	160,569,517
Health	**Sub totals**	**1,256,900,322**	**1,656,846,019**	**2,111,466,254**	**2,262,607,868**	**2,375,738,261**	**2,494,525,174**	**2,619,251,433**
	Rec.	1,178,979,295	1,454,791,844	1,818,571,510	1,996,851,953	2,096,694,551	2,201,529,279	2,311,605,742
	Dev	77,921,027	202,054,175	292,894,744	265,755,914	279,043,710	292,995,896	307,645,690
Education and ICT	**Sub totals**	**406,074,291**	**394,486,258**	**438,765,519**	**435,798,784**	**457,588,723**	**480,468,159**	**504,491,567**
	Rec.	249,534,495	252,516,093	286,423,763	306,398,784	321,718,723	337,804,659	354,694,892
	Dev	156,539,796	141,970,165	152,341,756	129,400,000	135,870,000	142,663,500	149,796,675
Transport and Infrastructure	**Sub totals**	**346,467,310**	**362,224,936**	**470,266,057**	**447,909,795**	**470,305,285**	**493,820,549**	**518,511,577**
	Rec.	53,149,668	51,178,590	56,155,117	63,572,630	66,751,262	70,088,825	73,593,266
	Dev	293,317,642	311,046,346	414,110,940	384,337,165	403,554,023	423,731,724	444,918,311
Water and Irrigation	**Sub totals**	**281,699,488**	**351,189,298**	**429,875,254**	**515,929,201**	**541,725,661**	**568,811,944**	**597,252,541**
	Rec.	85,201,712	95,565,198	100,116,835	118,266,214	124,179,525	130,388,501	136,907,926
	Dev	196,497,776	255,624,100	329,758,419	397,662,987	417,546,136	438,423,443	460,344,615

Departments		FY 2014/2015	FY 2015/2016	FY 2016/2017	2017/2018	2018/19	2019/2020	2020/2021
		Actual	Actual	Approved Budget	Ceiling	Projections		
Environment and Natural Resources	**Sub totals**	**51,951,304**	**49,070,579**	**82,163,760**	**100,971,909**	**106,020,505**	**111,321,530**	**116,887,607**
	Rec.	29,191,160	26,455,345	28,156,515	34,371,746	36,090,334	37,894,850	39,789,593
	Dev	22,760,144	22,615,234	54,007,245	66,600,163	69,930,171	73,426,680	77,098,014
Industrialization, Commerce, Tourism and Enterprise Development	**Sub totals**	**215,104,636**	**181,214,687**	**156,845,618**	**168,721,261**	**177,157,324**	**186,015,190**	**195,315,950**
	Rec.	93,871,561	111,503,544	80,080,547	83,160,147	87,318,154	91,684,062	96,268,265
	Dev	121,233,075	69,711,144	76,765,071	85,561,114	89,839,170	94,331,128	99,047,685
Youth, Gender, Sports, Culture and Social Services	**Sub totals**	**99,727,320**	**94,180,017**	**131,512,317**	**133,881,697**	**140,575,782**	**147,604,571**	**154,984,799**
	Rec.	63,797,073	48,866,793	33,774,123	35,915,661	37,711,444	39,597,016	41,576,867
	Dev	35,930,247	45,313,224	97,738,194	97,966,036	102,864,338	108,007,555	113,407,932
Lands, Housing and Urban Development	**Sub totals**	**152,163,557**	**168,096,785**	**146,149,958**	**186,651,936**	**195,984,533**	**205,783,760**	**216,072,948**
	Rec.	118,555,431	73,154,905	65,105,216	83,627,328	87,808,695	92,199,129	96,809,086
	Dev	33,608,126	**94,941,880**	81,044,742	103,024,608	108,175,838	113,584,630	119,263,862
TOTAL	**REC.**	**2,897,739,374**	**3,526,638,979**	**3,921,226,171**	**4,199,446,812**	**4,409,419,153**	**4,629,890,111**	**4,861,384,616**
	DEV	**1,115,663,102**	**1,310,357,631**	**1,707,408,997**	**1,816,256,465**	**1,907,069,288**	**2,002,422,753**	**2,102,543,890**
GRAND TOTAL		**4,013,402,476**	**4,836,996,610**	**5,628,635,168**	**6,015,703,277**	**6,316,488,441**	**6,632,312,863**	**6,963,928,507**

Source: county planning and budget directorate, 2016

Annex 5: BUDGET CEILING FOR 2017/18 FINANCIAL YEAR

Sub-Sectors/Departments	Employee Compensation		Operations & Maintenance		Total Recurrent		Development		Total Development
	2016/17	**2017/2018**	**2016/17**	**2017/2018**	**2016/17**	**2017/2018**	**2016/17**	**2017/2018**	**2017/18**
County Assembly	309,918,017	310,718,017	263,857,543	215,741,263	**573,775,560**	**526,459,280**	20,000,000	20,000,000.00	**593,775,560.00**
Governor/County Executive Services	66,183,149	70,294,053	102,762,465	118,200,000	**168,945,614**	**188,494,053**	13,021,568	49,631,008.00	**181,967,182.00**
County Secretary Office	23,055,684	26,097,065	64,507,059	65,000,000	**87,562,743**	**91,097,065**	-	-	**87,562,743.00**
County Public Service Board	30,438,375	32,662,973	14,310,000	14,810,000	**44,748,375**	**47,472,973**	-	-	**44,748,375.00**
County Treasury Services	143,419,433	149,856,121	114,641,470	136,052,470	**258,060,903**	**285,908,591**	15,324,534	50,611,484.00	**273,385,437.00**
Transport and Infrastructure	41,165,683	44,572,630	14,989,434	19,000,000	**56,155,117**	**63,572,630**	414,110,940	384,337,165.00	**470,266,056.95**
Industrialization, Commerce and Tourism	57,848,162	60,160,147	22,232,385	23,000,000	**80,080,547**	**83,160,147**	76,765,071	85,561,114.00	**156,845,618.40**
Education and ICT	231,807,531	240,398,784	54,616,232	66,000,000	**286,423,763**	**306,398,784**	152,341,756	129,400,000.00	**438,765,519.00**
Health	1,289,102,145	1,357,286,481	529,469,365	639,565,472	**1,818,571,510**	**1,996,851,953**	292,894,744	265,755,914.46	**2,111,466,253.65**
Lands, Housing & Urban Development	21,546,741	23,081,295	5,536,593	11,000,000	**27,083,334**	**34,081,295**	44,899,118	50,000,000.00	**71,982,452.49**
Agriculture, Livestock, Fisheries & Marketing	200,637,251	209,313,541	26,733,435	27,000,000	**227,370,686**	**236,313,541**	128,971,214	138,705,986.00	**356,341,900.09**
Youth, Gender & Social Services	14,832,260	18,915,661	18,941,863	17,000,000	**33,774,123**	**35,915,661**	97,738,194	97,966,036.00	**131,512,317.20**
Water and Irrigation	51,825,450	61,266,214	48,291,385	57,000,000	**100,116,835**	**118,266,214**	329,758,419	397,662,986.52	**429,875,254.40**
Environment & Natural Resources	20,041,683	24,371,746	8,114,832	10,000,000	**28,156,515**	**34,371,746**	54,007,245	66,600,163.00	**82,163,760.22**
Eldama Ravine Town	15,043,086	16,834,432	5,500,000	7,067,700	**20,543,086**	**23,902,132**	17,810,878	25,000,000.00	**38,353,964.00**
Kabarnet Town	11,428,796	18,643,900	6,050,000	7,000,000	**17,478,796**	**25,643,900**	18,334,746	28,024,608.00	**35,813,542.00**
Tiatiy Sub County	12,170,177	13,598,982	4,315,396	4,707,000	**16,485,573**	**18,305,982**	7,131,844	4,500,000.00	**23,617,417.00**
Baringo North Sub County	11,049,853	12,530,269	4,075,396	4,566,000	**15,125,249**	**17,096,269**	5,391,822	4,500,000.00	**20,517,071.00**

Sub-Sectors/Departments	Employee Compensation		Operations & Maintenance		Total Recurrent		Development		Total Development
	2016/17	2017/2018	2016/17	2017/2018	2016/17	2017/2018	2016/17	2017/2018	2017/18
Baringo Central Sub County	9,492,269	10,909,337	4,075,396	4,335,400	**13,567,665**	**15,244,737**	4,604,978	4,500,000.00	**18,172,642.80**
Baringo South Sub County	13,833,391	14,004,776	3,955,396	4,188,160	**17,788,787**	**18,192,936**	5,230,696	4,500,000.00	**23,019,483.00**
Mogotio Sub County	9,498,865	11,599,091	3,835,396	4,088,160	**13,334,261**	**15,687,251**	3,776,179	4,500,000.00	**17,110,439.80**
Eldama Ravine Sub County	11,881,733	12,478,971	4,195,396	4,530,700	**16,077,129**	**17,009,671**	5,295,051	4,500,000.00	**21,372,180.00**
TOTAL	**2,596,219,734**	**2,739,594,488**	**1,325,006,437**	**1,459,852,325**	**3,921,226,172**	**4,199,446,813**	**1,707,408,997**	**1,816,256,464.98**	**5,628,635,169.00**
	2016/17	**2017/18**	**VARINACE**						
EMPLOYEE COMPENSATION	**2,596,219,734**	**2,739,594,488**	**143,374,753**						
OPERATION AND MAINTENACE	**1,325,006,437**	**1,459,852,325**	**134,845,888**						
RECURRENT	**3,921,226,172**	**4,199,446,813**	**278,220,641**						
DEVELOPMENT	**1,707,408,997**	**1,816,256,465**	**108,847,468**						
TOTAL BUDGET	**5,628,635,169**	**6,015,703,278**	**387,068,109**						
PERCENTAGE									
EC/RECURRENT	**66.2%**	**65.2%**							
O& M / RECURRENT	**33.8%**	**34.8%**							
EC/TOTAL BUDGET	**46.1%**	**45.5%**							
O& M / TOTAL BUDGET	**23.5%**	**24.3%**							
RECURRENT/TOTAL BUDGET	**69.7%**	**69.8%**							
DEVELOPMENT/TOTAL BUDGET	**30.3%**	**30.2%**							

Source: county planning and budget directorate, 2016