



**COUNTY GOVERNMENT OF UASIN GISHU**

**COUNTY TREASURY**

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**COUNTY BUDGET REVIEW AND OUTLOOK PAPER**  
**2022**

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**SEPTEMBER 2022**

**A Prosperous and Attractive County in Kenya and Beyond**

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© County Budget Review and Outlook Paper (CBROP) 2022

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## **FOREWORD**

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Section 118 of the Public Finance Management Act, 2012 mandates the preparation of a County Budget Review and Outlook Paper (CBROP). CBROP provides a review of economic and fiscal developments in the previous financial year, updated macroeconomic developments and outlook, and indicative ceilings with implications for fiscal performance in the current financial year and over the medium term.

CBROP 2022 therefore, provides the basis for budget revision in the context of supplementary estimates and the broad fiscal considerations defining the next budget and over the medium term. It also provides indicative budget ceilings for the next County Fiscal Strategy Paper (CFSP 2023) to guide the budget for the next financial year and over the medium term.

CBROP 2022 has been prepared against a backdrop of a resilient Kenyan economy in the context of a global economic slowdown reflecting the impact of the ongoing Russia-Ukraine conflict, effects of Covid-19 containment measures in China, higher-than-expected inflation worldwide triggered by higher global oil and food prices and the impact of the global monetary policy that has created tighter financial conditions. With remarkable resilience and recovery, the economy grew by 7.5 percent in 2021 from a contraction of 0.3 percent in 2020, supported by the recovery in the service and industry sectors.

The budget for FY 2021/2022 was characterized by a constrained fiscal performance as a result of weak local revenue performance and below-target equitable share receipt. In the FY 2021/2022, the county government realized a 22 percent reduction in local revenue collection compared with the previous year, a collection which was 39 percent below target. Exchequer releases went up by 8 percent during the period but was below target by 8 percent. Expenditure performance during the same period was 71 percent of the budget, with absorption rates for recurrent and development expenditures standing at 80 percent and 61 percent respectively, a decrease from 94 percent for recurrent expenditure and an increase from 44 percent for development expenditure in FY 2020/2021.

The fiscal outlook in the next financial year and over the medium is expected to improve supported by positive growth prospects, strengthened local revenue mobilization, and monitored expenditure for expenditure productivity and increased absorption rates. The government will direct resources

to transformative interventions prioritized in the Governor’s Manifesto and the *Nguzo Kumi*, to improve service delivery and empower residents of Uasin Gishu County. County policies, programmes and projects will also target vulnerable groups including senior citizens, the youth, women and persons with disabilities (PWDs).

County Departments and Agencies are therefore, expected to adhere to the indicative ceilings and observe the timelines indicated in the Budget Circular for the next financial year’s budget.

SAMUEL YEGO

**Ag. CECM – FINANCE & ECONOMIC PLANNING**

## **ACKNOWLEDGEMENT**

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The County Budget Review and Outlook paper (CBROP) is prepared under Section 118 of the Public Finance Management Act, 2012. The Act requires the County Treasury to prepare C-BROP to be submitted to the County Executive Committee (CEC) by 30<sup>th</sup> September of the year. The paper provides a review of the recent economic developments and actual fiscal performance of the FY 2021/2022 in comparison to the budget appropriations for the same year. In addition, it provides an overview of how the actual performance of the FY 2021/2022 affected the County's compliance with the principles of fiscal responsibility and the financial objectives as provided for in the PFM Act 2012 section (118). The document will therefore guide the preparation of the FY 2023/24 MTEF budget.

The preparation of the 2022 CBROP was a concerted and consultative effort among various departments and stakeholders which provided useful information required in preparing this document. We are indebted to them. We owe special thanks to our respective County Executive Committee Members and the Chief Officers for their leadership and guidance.

We also are particularly appreciative to the team from the Economic Planning for their commitment and efforts towards ensuring that this document was completed on time.

Finally, special appreciation and gratitude goes to His Excellency the Governor and His Excellency the Deputy Governor for their general leadership in the development discourse of the county.

CPA. MILLICENT OKONJO

**CHIEF OFFICER – ECONOMIC PLANNING**

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## **ABBREVIATIONS AND ACRONYMS**

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|       |   |  |
|-------|---|--|
| CECM  | : | County Executive Committee Member        |
| CBROP | : | County Budget Review and Outlook Paper   |
| CFSP  | : | County Fiscal Strategy Paper             |
| CIDP  | : | County Integrated Development Plan       |
| CO    | : | Chief Officer                            |
| FY    | : | Financial Year                           |
| ICT   | : | Information and Communication Technology |
| KSh   | : | Kenya Shillings                          |
| LPG   | : | Liquefied Petroleum Gas                  |
| MSME  | : | Micro Small & Medium Enterprises         |
| MTEF  | : | Medium Term Expenditure Framework        |
| PFM   | : | Public Finance Management                |
| PLWD  | : | People Living with Disabilities          |
| US    | : | United State                             |
| VAT   | : | Value Added Tax                          |

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## Facts About County Budget Review and Outlook Paper

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County Budget Review and Outlook Paper (CBROP) is prepared pursuant to Section 118 of the Public Finance Management Act, 2012.

1. Section 118 (1) of the Act states that the County Treasury shall;
  - Prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and
  - Submit the paper to the County Executive Committee by 30<sup>th</sup> September of that year.
2. Within fourteen days after submission, the CEC shall in turn consider the CBROP with a view to approving it with or without amendments.
3. Not later than seven days after the CEC has approved the paper, the county treasury shall submit the paper to the County Assembly, thereafter publish and publicize the same.
4. Section 118 (2) of the Act states that in preparing its County Budget Review and Outlook Paper, the County Treasury shall specify:
  - i. The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
  - ii. The updated economic and financial forecasts in relation to the changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP);
  - iii. Any changes in the forecasts compared with the CFSP;
  - iv. How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP for that financial year; and
  - v. Reasons for any deviation from the financial objectives in the CFSP together with proposed measures to address the deviation and the time estimated for doing so.
5. Section 107 of PFM Act, 2012 requires the County Treasury to manage its public finances in line with the principles of fiscal responsibility. The section states that:
  - i. Section 107 (1) states that the County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.

- ii. Section 107 (2) states that in managing the county government's public finances, the County Treasury shall adhere to the following fiscal responsibility principles:
  - a) the county government's recurrent expenditure shall not exceed the county government's total revenue;
  - b) over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
  - c) the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive Member for finance in regulations and approved by the County Assembly;
  - d) over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
  - e) the county debt shall be maintained at a sustainable level as approved by county assembly;
  - f) the fiscal risks shall be managed prudently; and
  - g) 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 the future.
- iii. For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.
- iv. Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.
- v. The regulations may add to the list of fiscal responsibility principles set out in subsection (2)

## EXECUTIVE SUMMARY

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The 2021 County Budget Review and Outlook Paper (CBROP) has been prepared pursuant to section 118 of the PFM Act, 2012. CBROP sets out the county's fiscal performance review of the previous financial year (2021/2022), and how the performance impacts on the financial objectives and fiscal responsibility principles articulated in the County Fiscal Strategy Paper (CFSP) 2021.

The Kenyan economy demonstrated remarkable resilience and recovery to the Covid-19 shock due to the diversified nature of the economy and the proactive measures by the Government to support businesses. The economy expanded by 7.5 percent in 2021, a much stronger level from a contraction of 0.3 percent in 2020. This economic recovery was mainly supported by the recovery in the service and industry sectors despite the subdued performance in the agricultural sector.

The County's fiscal performance in the FY 2021/22 was unsatisfactory mainly due to the effects of Covid-19 pandemic, its ensuing containment measures compounded with the uncertainty attributed to the general election period. Total local revenue declined by 22 percent to KSh. 858,349,786 from the previous year and 39 percent below the year's target of KSh. 1,414,917,111. while actual expenditure grew by 13 percent from KSh. 8,297,134,747 to KSh. 9,403,928,929 in similar periods of which recurrent was KSh 5,703,103,187 representing 80 percent absorption rate while development expenditure was KSh 3,700,825,742 representing 61 percent absorption rate.

The FY 2023/24 and the medium-term budget framework will seek to improve the prevailing economic situation currently characterized by the high and rising cost of living and unemployment. This will be achieved through targeted programmes aimed at stimulating economic activity and improving livelihoods in the County as envisioned in the *Nguzo Kumi* Agenda of the current administration whose focus is service delivery, empowerment and enablers. The government will prioritize the completion of started projects and enhance expenditure productivity. It will also strengthen its revenue mobilization measures to increase revenue for expanded expenditure on development. These measures will include mapping all revenue streams and developing a revenue raising strategy, improved enforcement for compliance and strengthening internal controls.

## **1.0 INTRODUCTION**

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The section presents the objectives, significance and the structure of County Budget Review and Outlook Paper (CBROP).

### **1.1 Objectives of CBROP**

CBROP sets out the county's fiscal performance review of the previous financial year (2021/2022), and how the performance impacts on the financial objectives and fiscal responsibility principles articulated in the County Fiscal Strategy Paper (CFSP) 2021. The paper highlights:

- Updated economic and financial forecasts in relation to the changes from the forecasts in the most recent CFSP;
- Details of the actual fiscal performance in the previous year compared to the budget appropriation for that particular year;
- Information on any changes in the forecasts compared with the CFSP; or how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP for that financial year; and
- Reasons for any deviation from the financial objectives in the CFSP together with proposed measures to address the deviation and the time estimated for doing so.

### **1.2 Significance of CBROP**

CBROP presents a review of fiscal performance of the previous financial year, and updated macroeconomic developments and outlook with implications for the fiscal performance in the current and next financial years. CBROP 2022 provides the basis for budget revision in the context of supplementary estimates and the broad fiscal considerations defining the next budget and over the medium term. It also provides indicative sector ceilings for the next County Fiscal Strategy Paper (CFSP 2023), and guide the budget for the next financial year and over the medium term.

### **1.3 Structure of CBROP**

The paper has four other sections. Section Two reviews the county's fiscal performance for the previous year under the sub-sections; The Overview, Fiscal Performance, and Implications of Fiscal Performance. Section Three reviews recent economic developments and has four subsections, thus; Recent Economic Developments, Economic Outlook & Policies, Medium Term

Fiscal Framework, and Risks to the Outlook. Section Four presents Resource Allocation Framework with indicative expenditure ceilings set for each department. It has four sub-sections; Adjustment to the Proposed Budget, the Medium-Term Expenditure Framework, Proposed Budget Framework, and Projected Fiscal Balance. Finally, Section Five presents Conclusion and highlights the purpose and value of the paper.

## **2.0 REVIEW OF COUNTY FISCAL PERFORMANCE FOR THE FY 2021/22**

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This chapter details County’s fiscal performance for the financial year 2021/22 in relation to the budget allocation, its implementation and implications attributed to the fiscal performance for the period under review.

### **2.1 Overview**

Throughout the period under review, financial objectives outlined in the 2021 CFSP were pursued to support growth prospects in the county. They included measures aimed at expanding revenue collections and enhancing expenditure productivity; and capacity building of staff to improve budget implementation, among others. The fiscal responsibilities principles stipulated in section 107 of PFM Act, 2012 and Regulations were also adhered to for prudence in management of public resources.

In the FY 2021/22 budget, a total of KSh. 9,403,928,929 was spent on both development and recurrent activities against an approved budget of KSh. 13,213,659,493 translating to a 71 percent absorption rate. Actual development expenditure amounted to KSh. 3,700,825,742 against a target of KSh. 6,110,635,324 translating to a 61 percent absorption rate while actual recurrent expenditure stood at KSh. 5,703,103,187 against a budget of KSh 7,103,024,169 translating to a 80 percent absorption level. All fiscal risks to the budget that arose such as unmet revenue targets and increasing spending burdens were taken into consideration and managed prudently.

### **2.2 Fiscal Performance**

The fiscal performance in the FY 2021/22 was unsatisfactory mainly due to the uncertainty of an election year compounded with the inflationary pressures due to rising commodity prices and the continued effects of covid-19 pandemic and its ensuing containment measures. Total local revenue declined by 22 percent to KSh. 858,349,786 from the previous year and 39 percent below the years’ target of KSh. 1,414,917,111 while actual expenditure grew by 13 percent from KSh. 8,297,134,747 to KSh. 9,403,928,929 in similar periods as indicated in Table 2.1

Table 2.1 Summary of County Fiscal Performance

|                                | FY 2020/2021          | FY 2021/2022          |                       |             |          |
|--------------------------------|-----------------------|-----------------------|-----------------------|-------------|----------|
|                                | Actual                | Approved              | Actual                | % Deviation | Growth % |
| <b>TOTAL REV. &amp; GRANTS</b> | <b>11,810,212,421</b> | <b>13,408,259,493</b> | <b>11,742,931,784</b> | -12%        | -1%      |
| Unspent Bal from Prev. FY      | 2,724,642,050         | 3,148,609,117         | 3,148,609,117         | 0%          | 16%      |
| <b>Revenue (Total)</b>         | <b>9,085,570,371</b>  | <b>10,259,650,376</b> | <b>8,594,322,667</b>  | -16%        | -5%      |
| Equitable Share Allocation     | 6,874,380,000         | 8,068,858,318         | 7,423,349,652         | -8%         | 8%       |
| Local Revenue                  | 1,105,074,478         | 1,414,917,111         | 858,349,786           | -39%        | -22%     |
| Grants (Total)                 | 1,106,115,893         | 775,874,947           | 312,623,229           | -60%        | -72%     |
| <b>Total Expenditure</b>       | <b>8,297,134,747</b>  | <b>13,213,659,493</b> | <b>9,403,928,929</b>  | -29%        | 13%      |
| Recurrent                      | 5,733,026,238         | 7,103,024,169         | 5,703,103,187         | -20%        | -1%      |
| Development                    | 2,564,108,509         | 6,110,635,324         | 3,700,825,742         | -39%        | 44%      |
| <b>Unspent Bal Current FY</b>  | <b>3,148,609,117</b>  |                       |                       |             |          |

### 2.2.1 Revenue Performance

In the same period, the county received a total of KSh. 7,423,349,652 in form of equitable shareable revenue out of an allocation of KSh 8,068,858,318, and KSh 312,623,229 in form of conditional grants out of an allocation of KSh 775,874,947. On the other hand, the actual local revenue declined by 22 percent compared to the previous year to KSh. 858,349,786 largely attributed to the uncertainty of electioneering period, among other challenges.

Analysis of revenue performance by stream shows business permits, street parking and land rates fees were the foremost revenue earners accounting for 18, 17 and 16 percent respectively while water kiosks sale/supply contributed the least as indicated in table 2.2.

Table 2.2 Summary of Own Source Revenue Performance for FY 2021/2022

| Revenue Streams            | Quarter 1    | Quarter 2  | Quarter 3    | Quarter 4    | Total        |
|----------------------------|--------------|------------|--------------|--------------|--------------|
| Agriculture AMS            | 150,295.00   | 226,851.00 | 253,285.00   | 167,492.00   | 797,923.00   |
| Agriculture Veterinary     | 698,409.00   | 396,400.00 | 1,067,115.00 | 292,372.00   | 2,454,296.00 |
| Application Fee            | 2,581,161.00 | 60,300.00  | 2,275,470.00 | 755,600.00   | 5,672,531.00 |
| Audit and Supervision Fees | 463,530.00   | 538,714.00 | 522,940.00   | 1,109,600.00 | 2,634,784.00 |

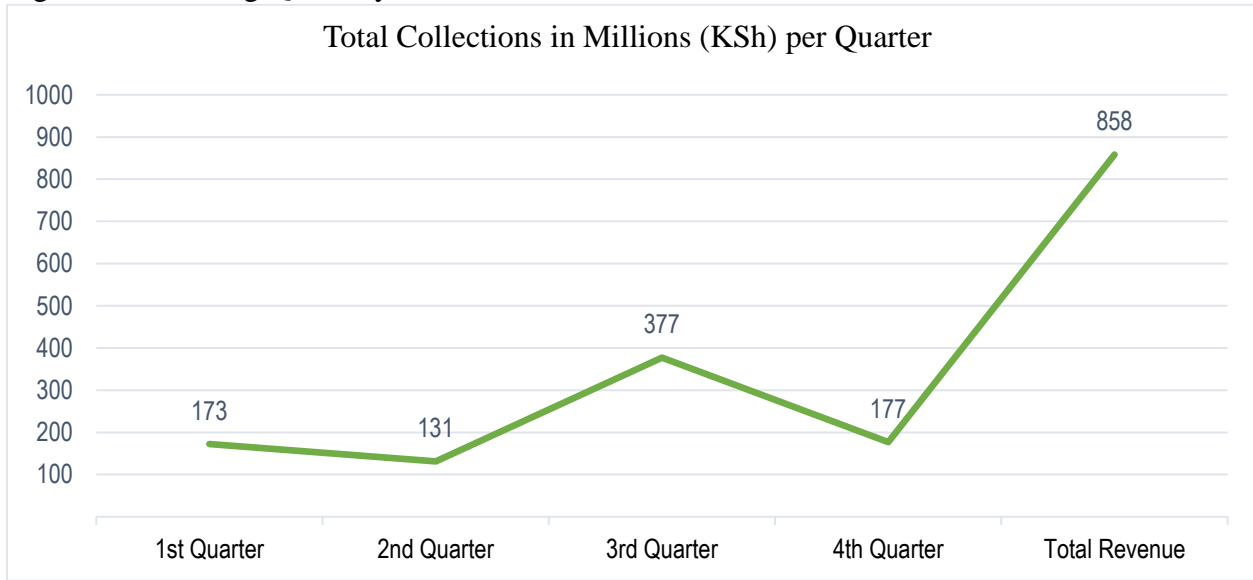
| Revenue Streams                                  | Quarter 1     | Quarter 2     | Quarter 3      | Quarter 4     | Total          |
|--|---------------|---------------|----------------|---------------|----------------|
| Betting Control                                  | 531,083.00    | 189,629.00    | 123,250.00     | 59,300.00     | 903,262.00     |
| Buildings Plan Approval Fee /scrutiny            | 3,991,715.00  | 4,816,567.00  | 5,719,870.50   | 9,929,793.05  | 24,457,945.55  |
| Burial Fees                                      | 136,840.00    | 134,810.00    | 404,360.00     | 175,901.00    | 851,911.00     |
| Business Permits Current Year                    | 9,052,225.00  | 2,479,824.00  | 111,290,604.95 | 32,903,196.50 | 155,725,850.45 |
| Clamping Fee                                     | 812,200.00    | 725,639.00    | 694,850.00     | 10,600.00     | 2,243,289.00   |
| Council Premises Occasional Hire (Offices, etc.) | 178,928.00    | 90,500.00     | 178,250.00     | 216,150.00    | 663,828.00     |
| Court Fines                                      | 1,911,495.00  | 2,656,340.00  | 1,246,468.00   | 942,355.00    | 6,756,658.00   |
| Enclosed Bus Park Fee                            | 27,024,498.00 | 30,723,573.00 | 30,602,630.60  | 27,804,490.00 | 116,155,191.60 |
| Fire-Fighting Services                           | 367,418.00    | 130,000.00    | 2,636,220.00   | 824,950.00    | 3,958,588.00   |
| Fisheries  | 5,500.00      | 5,860.00      | 8,200.00       | 3,450.00      | 23,010.00      |
| Food Quality Inspection Fee                      | 434,000.00    | 197,534.00    | 1,863,481.00   | 728,453.00    | 3,223,468.00   |
| Health Centers & Dispensaries Fees               | 10,464,166.65 | 9,616,974.00  | 9,341,377.00   | 8,976,312.00  | 38,398,829.65  |
| Housing Estates Monthly Rent                     | 4,758,237.25  | 5,584,137.67  | 6,563,671.53   | 4,092,492.00  | 20,998,538.45  |
| Ict & E-government Led Screen                    | 85,000.00     | 167,500.00    | 111,000.00     | 26,500.00     | 390,000.00     |
| Impounding Charges                               | 2,053,414.00  | 913,493.00    | 150,170.00     | 109,550.00    | 3,226,627.00   |
| Innoculation Fee                                 | 414,580.00    | 432,880.00    | 1,330,934.01   | 1,941,230.00  | 4,119,624.01   |
| Land Rates Current Year                          | 42,785,767.66 | 10,972,573.72 | 69,800,339.76  | 16,386,352.54 | 139,945,033.68 |
| Liquor Fee`/Bar Inspection fee                   | 168,900.00    | 166,966.00    | 108,780.00     | 89,520.00     | 534,166.00     |
| Livestock Auction/Sales Fees                     | 59,000.00     | 142,370.00    | 160,550.00     | -             | 361,920.00     |
| Log Cess/ Bark cess/Hide/skins                   | 110,600.00    | 183,360.00    | 315,015.00     | 139,500.00    | 748,475.00     |
| Motor Bikes                                      | 5,001,472.00  | 3,840,001.00  | 1,751,692.00   | 399,674.00    | 10,992,839.00  |
| Market Fees                                      | 4,119,539.00  | 4,990,767.00  | 4,342,205.00   | 3,442,630.00  | 16,895,141.00  |



| <b>Revenue Streams</b>                            | <b>Quarter 1</b>      | <b>Quarter 2</b>      | <b>Quarter 3</b>      | <b>Quarter 4</b>      | <b>Total</b>          |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Public Health                                     | 1,446,108.75          | 1,878,322.79          | 3,251,738.15          | 624,830.00            | 7,200,999.69          |
| Public Toilet                                     | 57,500.00             | -                     | 20,000.00             | 20,000.00             | 97,500.00             |
| Refuse Collection Fee/Nema                        | 663,220.00            | 320,620.00            | 12,245,660.00         | 3,729,560.00          | 16,959,060.00         |
| Right-of-Way / Way-Leave Fee (KPLN, Telkom, etc.) | 647,783.16            | 1,723,868.60          | 3,716,163.40          | 1,570,150.35          | 7,657,965.51          |
| Salary Refund                                     | 25,000.00             | -                     | -                     | 145,985.75            | 170,985.75            |
| Sand, Gravel, and Ballast Extraction Fees         | 1,111,174.00          | 614,182.00            | 3,275,350.00          | 4,573,017.00          | 9,573,723.00          |
| Sign Boards & Advertisement Fee                   | 6,924,998.00          | 2,099,214.00          | 34,483,995.00         | 15,711,223.10         | 59,219,430.10         |
| Slaughtering Fee                                  | 5,199,987.00          | 5,789,141.00          | 5,609,784.00          | 5,042,833.00          | 21,641,745.00         |
| Street Parking Fee                                | 34,099,252.25         | 33,626,229.00         | 48,525,631.15         | 28,937,935.00         | 145,189,047.40        |
| Sugarcane Cess                                    | 386,178.60            | 262,503.45            | -                     | 2,652,747.25          | 3,301,429.30          |
| Water Kiosks Sale/Supply                          | 15,650.00             | -                     | -                     | -                     | 15,650.00             |
| Weight and Measures                               | 536,950.00            | 300,245.00            | 923,500.00            | 259,650.00            | 2,020,345.00          |
| Wheat & Maize Cess                                | 3,178,836.00          | 4,217,045.95          | 12,420,124.07         | 2,318,530.40          | 22,134,536.42         |
| Bank Interest                                     | 9,425.85              | 16,148.00             | -                     | -                     | 25,573.85             |
| Direct Banking                                    | -                     | 4,000.00              | 3,365.65              | 700.35                | 8,066.00              |
| <b>Total Revenue</b>                              | <b>172,662,037.17</b> | <b>131,235,083.18</b> | <b>377,338,040.77</b> | <b>177,114,625.29</b> | <b>858,349,786.41</b> |
| Quarterly % Performance                           | 20                    | 15                    | 44                    | 21                    | 100                   |

**Source:** Revenue Dept., County Treasury, 2022

Figure 2.1 Showing Quarterly Local Revenue Performance for FY 2021/22



As indicated in Figure 2.1 revenue performance peaked in the third quarter (January-March 2022) of the year accounting for 44 percent of total revenues largely attributed to the renewals of single business permits and land rates.

### 2.2.2 County Expenditure Performance

In FY 2021/2022, actual expenditures stood at KSh. 9,403,928,929 against a revised target of KSh. 13,213,659,493 reflecting a 71 percent absorption rate. Out of this, KSh 5,703,103,187 and KSh 3,700,825,742 was for recurrent and development expenditures respectively. The underspending of KSh. 3,809,730,564 can be attributed to exchequer release delays and slow procurement processes, among other challenges.

#### 2.2.2.1 Budget Absorption and Comparison between CFSP 2021 Ceilings and FY 2020/21 Budget

As indicated in table 2.3, Health Services recorded the highest absorption rate of 91 percent followed by Education and Public Administration with 82 and 79 percent respectively whereas Infrastructure and ICT, and Agriculture, Rural and Urban Development sectors recorded the lowest absorption levels of 74 and 62 percent respectively.

Table 2.3 Showing Absorption Rates by Sectors and Comparison with CFSP, 2022

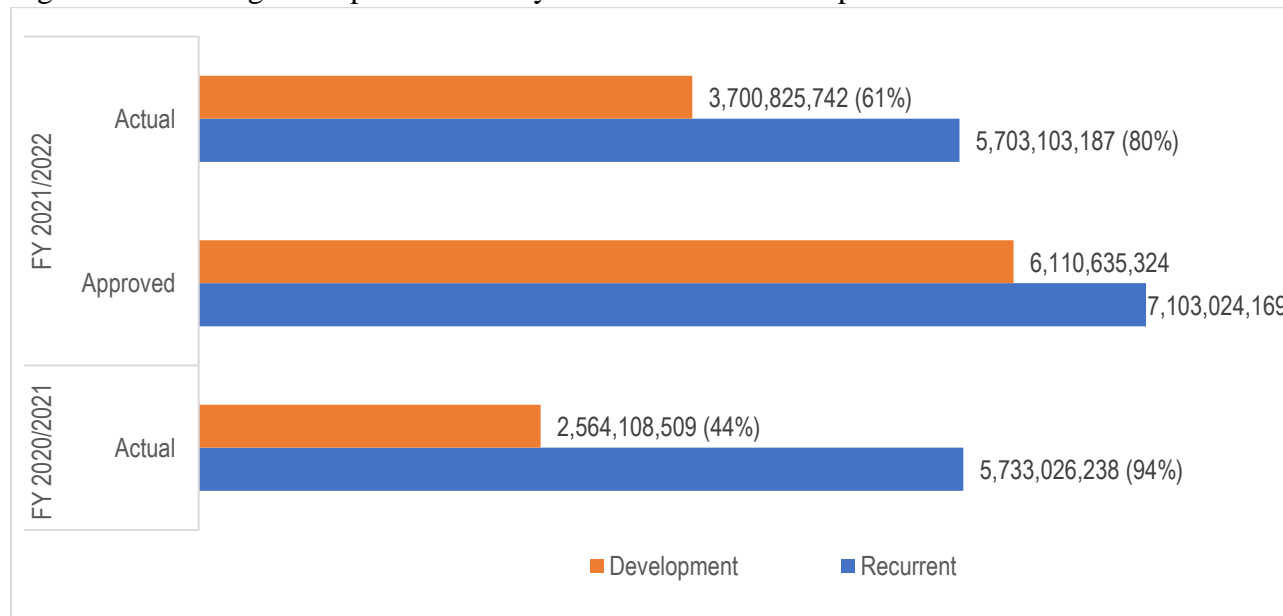
| Sector                                   | Department  | C-FSP 2022 Ceilings (FY 2021/22)                  |                      |                      | Budget Allocation FY 2021/2022 |                       |                      | Cumulative Expenditure FY 2021/2022 |                      |                      | Absorption (%) | Deviation (%) CFSP-Budget) |      |
|--|---|---|----------------------|----------------------|--------------------------------|-----------------------|----------------------|-------------------------------------|----------------------|----------------------|----------------|----------------------------|------|
|  |   | Rec   | Dev                  | Total                | Rec                            | Dev                   | Total                | Recurrent                           | Dev                  | Total                | Total          | Total                      |      |
| Administration & Governance              | Office of the Governor                                    | 102,899,629                                       | 0                    | 102,899,629          | 170,099,629                    | 0                     | 170,099,629          | 150,713,680                         | 0                    | 150,713,680          | 89%            | 65%                        |      |
|  | Finance,  | 275,494,409                                       | 1,242,347,172        | 1,517,841,582        | 469,899,364                    | 0                     | 469,899,364          | 361,072,268                         | 0                    | 361,072,268          | 77%            | -69%                       |      |
|  | County Public Service Board                               | 147,163,087                                       | 0                    | 147,163,087          | 66,049,506                     | 0                     | 66,049,506           | 41,378,986                          | -                    | 41,378,986           | 63%            | -55%                       |      |
|  | Devolution and Public administration                      | 837,228,231                                       | 10,415,268           | 847,643,499          | 175,483,934                    | 249,452,342           | 424,936,276          | 140,344,852                         | 113,557,838          | 253,902,690          | 60%            | -50%                       |      |
|  | Economic Planning   | 113,171,136                                       | 154,513,277          | 267,684,414          | 195,549,887                    | 0                     | 195,549,887          | 182,805,512                         | -                    | 182,805,512          | 93%            | -27%                       |      |
|  | Public Service Management,                                | 65,149,506  | 0                    | 65,149,506           | 965,723,437                    | 13,856,307            | 979,579,744          | 826,164,653                         | 6,514,436            | 832,679,089          | 85%            | 1404%                      |      |
|  | Partnership, Liaison and Linkages                         | 0   | 0                    |                      |                                |                       |                      |                                     |                      |                      |                |                            |      |
|  | County Assebmly   | 721,974,749                                       | 120,000,000          | 841,974,749          | 0                              | 0                     | 0                    | 0                                   | 0                    | 0                    | 0%             | -100%                      |      |
|  | <b>Sub-total</b>  | <b>2,263,080,748</b>                              | <b>1,527,275,717</b> | <b>3,790,356,466</b> | <b>2,042,805,757</b>           | <b>263,308,649</b>    | <b>2,306,114,406</b> | <b>1,702,479,951</b>                | <b>120,072,274</b>   | <b>1,822,552,225</b> | <b>79%</b>     | <b>-39%</b>                |      |
| Agriculture, Rural and Urban Development | Agriculture & Agribusiness                                | 232,025,133                                       | 281,360,116          | 513,385,249          | 252,912,636                    | 563,644,256           | 816,556,892          | 240,188,686                         | 277,196,611          | 517,385,297          | 63%            | 59%                        |      |
|  | Livestock Development and Municipality of Eldoret         | 65,716,241  | 47,853,760           | 113,570,000          | 64,790,589                     | 197,627,853           | 262,418,442          | 55,874,244                          | 125,379,435          | 181,253,679          | 69%            | 0%                         |      |
|  | Lands and Housing   | 42,782,649  | 30,012,803           | 72,795,453           | 135,858,555                    | 949,066,352           | 1,084,924,907        | 105,094,864                         | 613,299,384          | 718,394,248          | 0%             | 0%                         |      |
|  | Physical Planning and Urban Development                   | 61,228,839  | 21,734,610           | 82,963,450           | 92,316,241                     | 326,533,501           | 418,849,742          | 77,883,550                          | 102,852,167          | 180,735,717          | 43%            | 405%                       |      |
|  | <b>Sub-total</b>  | <b>477,674,433</b>                                | <b>549,690,559</b>   | <b>1,027,364,992</b> | <b>598,860,670</b>             | <b>2,128,394,526</b>  | <b>2,727,255,196</b> | <b>523,108,331</b>                  | <b>1,178,072,413</b> | <b>1,701,180,744</b> | <b>62%</b>     | <b>165%</b>                |      |
|  | General Economic & Commercial Affairs                     | Trade, Tourism, Investment and Industrialization, | 59,483,823           | 44,272,114           | 103,755,937                    | 103,575,353           | 216,119,621          | 319,694,974                         | 96,496,801           | 128,632,176          | 225,128,977    | 70%                        | 208% |
| Cooperatives and Enterprise Development  |   | 39,456,292  | 48,987,098           | 88,443,390           | 92,700,467                     | 81,314,606            | 174,015,073          | 85,885,204                          | 81,216,827           | 167,102,031          | 96%            | 0%                         |      |
| <b>Sub-total</b>                         |   | <b>98,940,115</b>                                 | <b>93,259,212</b>    | <b>192,199,327</b>   | <b>196,275,820</b>             | <b>297,434,227</b>    | <b>493,710,047</b>   | <b>182,382,005</b>                  | <b>209,849,003</b>   | <b>392,231,008</b>   | <b>79%</b>     | <b>157%</b>                |      |
| Infrastructure & ICT                     | Roads, Transport and Public Works                         | 581,279,808                                       | 282,501,777          | 863,781,585          | 494,868,710                    | 1,167,846,050         | 1,662,714,760        | 437,460,212                         | 815,450,485          | 1,252,910,697        | 75%            | 92%                        |      |
|  | Energy, Environment, Natural resources and Climate Change | 0   | 0                    |                      |                                |                       |                      |                                     |                      |                      |                |                            |      |
|  | ICT and Innovation  | 62,692,940  | 15,622,902           | 78,315,841           | 68,748,940                     | 47,669,254            | 116,418,194          | 55,121,277                          | 19,746,849           | 74,868,126           | 64%            | 49%                        |      |
|  | Water, Irrigation and Sanitation                          | 138,452,491                                       | 139,342,584          | 277,795,075          | 222,886,256                    | 706,652,401           | 929,538,657          | 167,034,560                         | 498,958,458          | 665,993,018          | 72%            | 235%                       |      |
|  | <b>Sub-total</b>  | <b>782,425,239</b>                                | <b>437,467,263</b>   | <b>1,219,892,502</b> | <b>786,503,906</b>             | <b>1,922,167,705</b>  | <b>2,708,671,611</b> | <b>659,616,049</b>                  | <b>1,334,155,792</b> | <b>1,993,771,841</b> | <b>74%</b>     | <b>122%</b>                |      |
| Health Services                          | Health Services   | 2,209,618,482                                     | 298,479,005          | 2,508,097,487        | 2,042,449,140                  | 755,570,975           | 2,798,020,115        | 1,936,238,276                       | 614,341,435          | 2,550,579,711        | 91%            | 12%                        |      |
|  | <b>Sub-total</b>  | <b>2,209,618,482</b>                              | <b>298,479,005</b>   | <b>2,508,097,487</b> | <b>2,042,449,140</b>           | <b>755,570,975</b>    | <b>2,798,020,115</b> | <b>1,936,238,276</b>                | <b>614,341,435</b>   | <b>2,550,579,711</b> | <b>91%</b>     | <b>12%</b>                 |      |
| Education and Social Protection          | Education and Technical Training                          | 416,999,817                                       | 91,986,715           | 508,986,532          | 456,959,407                    | 243,139,215           | 700,098,622          | 443,305,415                         | 133,638,453          | 576,943,868          | 82%            | 38%                        |      |
|  | Gender, Culture and Social Protection                     | 0   | 0                    |                      |                                |                       |                      |                                     |                      |                      |                |                            |      |
|  | Youth Affairs and Sports                                  | 258,677,661                                       | 124,434,491          | 383,112,153          | 271,377,661                    | 181,986,537           | 453,364,198          | 255,973,160                         | 110,696,372          | 366,669,532          | 81%            | 18%                        |      |
|  | <b>Sub-total</b>  | <b>675,677,479</b>                                | <b>216,421,206</b>   | <b>892,098,685</b>   | <b>728,337,068</b>             | <b>425,125,752</b>    | <b>1,153,462,820</b> | <b>699,278,575</b>                  | <b>244,334,825</b>   | <b>943,613,400</b>   | <b>82%</b>     | <b>29%</b>                 |      |
| <b>Total</b>                             | <b>6,507,416,495</b>                                      | <b>3,122,592,963</b>                              | <b>9,630,009,458</b> | <b>6,395,232,361</b> | <b>5,792,001,834</b>           | <b>12,187,234,195</b> | <b>5,703,103,187</b> | <b>3,700,825,742</b>                | <b>9,403,928,929</b> | <b>77%</b>           | <b>27%</b>     |                            |      |

Comparison between CFSP 2022 ceilings and FY2021/22 budget allocation shows an overall growth in budget apportionments due to increased allocations of an equitable shareable revenue to the counties. Sector ceilings were revised upwards by 165 percent for Agriculture and Rural Development sector because of strategic interventions and emerging needs. Likewise, allocations for Infrastructure, Education and Health sectors increased by 122, 29 and 12 percent respectively while allocations for Public Administration sector was reviewed downwards as a result of realignment of programmes and projects within the sectors.

### 2.2.2.2 Recurrent and Development Expenditure

As shown in Figure 2.2, absorption rates for recurrent and developments expenditures for the period under review were 80 and 61 percent respectively.

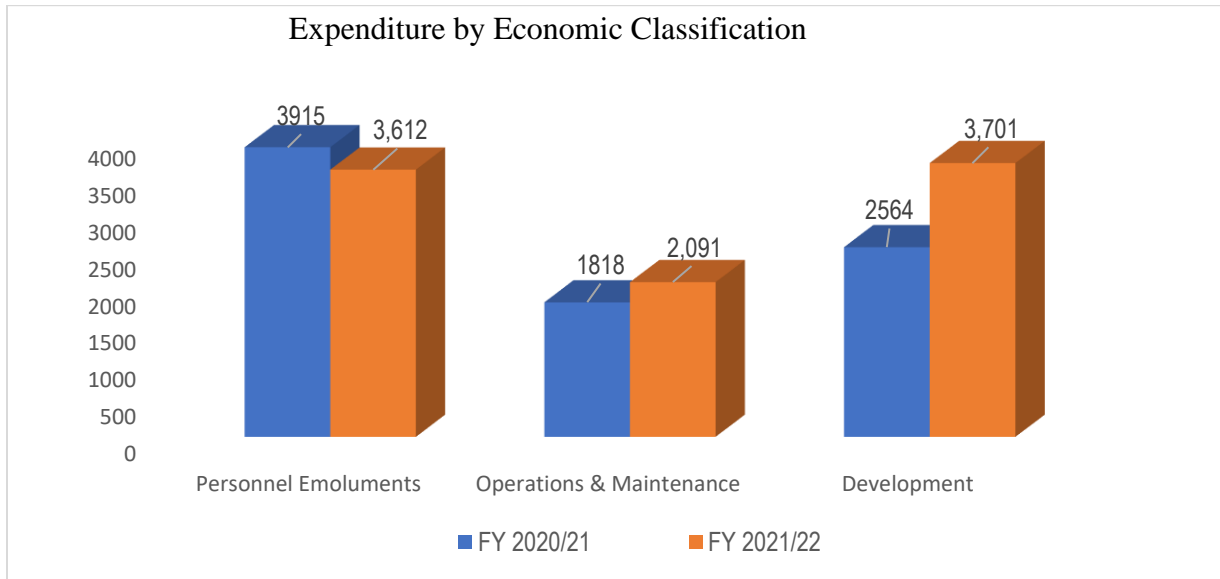
Figure 2.2 Showing Absorption Levels by Recurrent and Development Votes



### 2.2.2.3 Expenditure by Economic Classification

Figure 2.3 shows actual expenditures on personnel emoluments amounted to KSh. 3,612,444,534 translating to 31 percent of the total revenue and representing a growth of 15 percent from the previous year while development expenditure rose from KSh. 2,564,108,509 in FY2020/21 to KSh. 3,700,825,742 representing an increase of 44 percent as illustrated.

Figure 2.3 Showing Expenditure by Economic Classification



### 2.3 Implication of FY 2022/23 Fiscal Performance

The fiscal performance in FY 2021/22 had implications on financial objectives outlined in 2022 CFSP and the 2022/23 Budget. This is because the basis for projecting both the revenues and expenditures for FY 2022/23 changed given the outcome of the FY 2021/22 and the first two months of the FY 2022/23. Since own source revenues for the FY 2021/22 did not meet the target by 39 percent, projections of KSh 1,400,471,851 for FY 2022/23 may be adjusted within the year following the revenue trajectory path. In addition, the sectors ceilings were based on the utilization levels of allocated funds by county departments, among other considerations.

### **3.0. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK**

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The section gives an overview of Recent Economic Developments, County Economic Outlook and Policies, Medium Term Fiscal Framework, Risks to the Outlook and Proposed Interventions to the Risks. It gives an opportunity for the County to review and analyze recent economic performance for the purposes of positioning its outlook in the next financial year and over the medium term.

#### **3.1 Recent Economic Developments**

Uasin Gishu County's economy functions within the national, regional and international economic frameworks with dynamics in these spheres affecting the County's economic performance. This CBROP is prepared on the backdrop of a resilient Kenyan economy in the context of global economic slowdown reflecting the impact of the ongoing Russia-Ukraine conflict, effects of Covid-19 containment measures in China; higher-than-expected inflation worldwide triggered by higher global oil and food prices and the impact of the global monetary policy that has created tighter financial conditions.

The Kenyan economy demonstrated remarkable resilience and recovery to the Covid-19 shock due to the diversified nature of the economy and the proactive measures by the Government to support businesses. The economy expanded by 7.5 percent in 2021, a much stronger level from a contraction of 0.3 percent in 2020. This economic recovery was mainly supported by the recovery in the service and industry sectors despite the subdued performance in the agricultural sector.

The year-on-year inflation rate increased to 8.5 percent in August 2022 from 6.6 percent in August 2021 mainly due to higher food and fuel prices. This increase was moderated by National Government measures to stabilize fuel prices, lower electricity tariffs and subsidies on fertilizer prices. Additionally, the waiver of import duties and levies on white maize and the reduction in VAT on LPG will further moderate domestic prices. Overall annual average inflation remained within Government target range at 6.6 percent in August 2022 compared to the 5.7 percent recorded in August 2021.

Short-term interest rates remained fairly low and stable supported by ample liquidity in the money market. The Central Bank Rate was raised from 7.0 percent to 7.5 percent on 30th May 2022. The tightening of the monetary policy stance was to anchor inflation expectations due to the elevated risks to the inflation outlook as a result of increased global commodity prices and supply chain

disruptions. The interbank rate increased to 5.4 percent in August 2022 compared 3.1 percent in August 2021

The foreign exchange market has largely remained stable despite the tight global financial conditions and the high demand for the US Dollar in the international market. The Kenya Shilling to the US Dollar exchanged at KSh 119.4 in August 2022 compared to KSh 109.2 in August 2021. Over the same period, the Kenyan Shilling strengthened against other major international currencies. The Euro exchanged at KSh 121.0 in August 2022 compared to KSh. 128.6 in August 2021 while the Sterling Pound exchanged at KSh 143.5 compared to KSh 150.9 over the same period.

During the FY 2021/22, the county collected a total of KSh 858,349,786 against a targeted amount of KSh 1,414,917,111 which translates to a shortfall of 39 percent. This underperformance can be attributed to the period under review being electioneering year. In the same period, the county government received a total of KSh 7,423,349,652 as equitable share and total grant of KSh 312,623,229. During the same period, total expenditure stood at KSh 9,403,928,929 of which recurrent was KSh 5,703,103,187 representing 80 percent absorption rate while development expenditure was KSh 3,700,825,742 representing 61 percent absorption rate.

### **3.2 County Economic Outlook and Policies**

The County will appropriate its resources on priority areas that are geared towards growing its economy and improving the lives and livelihoods of residents of the county. Agriculture being the foundation of the economy, the county will focus on revitalizing it through targeted and clustered approaches for profitability, empowerment and employment creation. This will be achieved by increasing agricultural production and productivity, value addition and agribusiness, and increasing livestock production.

The MSME economy contributes a large percentage of non-farm jobs thus fueling economic growth. The county will therefore prioritize in revamping trade development and regulations and strengthening cooperative movement. The government will also continue to invest on infrastructure since growth of our economy is dependent on reliable infrastructure to connect supply chains and efficiently move goods and services from one point to another.

Productivity in all economic aspects is not possible if the population is unhealthy. The county will therefore strengthen the health sector by being more creative, deliberate and ambitious in how we use the substantial resources spent on healthcare to address old and emerging issues.

To achieve these, the County will strengthen collaboration, partnerships and networks with regional counties, National Government, private sector and development partners. The County will also engage in trans-County collaboration and build capacities to strengthen revenue collection to increase resource base for enhanced delivery of development outcomes.

### **3.3 Medium Term Fiscal Framework**

In the next financial year and over the medium term, the county's fiscal policy objective will be to focus resources to priority and growth potential areas including agriculture, infrastructure, trade and health. This will be in the face of scarce resources against increasingly high developmental demands. The county government will operate within a framework of balanced budget in the medium term with occasional short-term borrowing as may be necessary for cash flow management purposes.

Own source revenue has been fluctuating over the years with the FY 2021/22 registering about 22 percent decrease compared to 2020/21. This underperformance can be attributed to the period under review being electioneering year. The County will therefore strengthen its revenue mobilization measures to increase revenue for expanded expenditure on development. These measures will include mapping all revenue streams and developing a revenue raising strategy, improved enforcement for compliance and strengthening internal controls. The government will also engage the National Government and other development partners for increased financing of development programmes and projects.

The County government will put emphasis on expenditure management, in the next financial year and over the medium term, with a view to supporting economic recovery focusing on expenditure productivity. This will be achieved by ensuring that County resources are channeled to priority programmes and projects and ensuring that these resources are utilized for the intended purposes. The Government will also continue to channel more resources to vulnerable groups including youth, women and persons with disabilities. However, due to increasing wage bill, personnel emoluments is anticipated to increase and thus exert pressure on county resources.



### **3.4 Risks to the Outlook**

The county anticipates the following risks over the medium-term:

- Lower agricultural output due to adverse weather conditions;
- Increased public expenditure pressures, particularly wage and other recurrent expenditures;
- Conflicting priorities between the County Assembly and the County Executive thus affecting budget absorption;
- Below targets own source revenue performance;
- Soaring commodity prices among others

### **3.5 Proposed Interventions to the Risks**

The county will minimize the impacts of these risks by:

- Intensifying sensitization on high value crop diversification;
- Retaining recurrent and development expenditures within the prescribed limit of 65 and 35 percent respectively;
- Improving dialogue between the County Executive and the Assembly in the budget making process;
- Strengthening revenue mobilization measures to increase revenue among other measures

## **4.0 RESOURCE ALLOCATION FRAMEWORK**

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This section establishes the total resource envelope and expenditure ceilings for the County in FY 2023/24 and MTEF.

### **4.1 Implementation of the FY 2022/23 Budget**

Implementation of the current budget has started with indications in the first three months showing a weak local revenue collection performance. This outcome comparable to last year shows that projections for the FY 2022/23 may well be unrealistic and unachievable under the prevailing circumstances. Given this uncertainty, the revenue projections and expenditure estimates for the current year may require adjustments to reflect the present economic conditions.

Therefore, total revenues for the FY 2022/23 are projected at KSh 10,170,995,231 comprising of equitable shareable revenue of KSh 8,068,858,318 (79 per cent of total revenues), conditional grants of KSh 701,665,062 (7 per cent of total revenues) and local revenues of KSh 1,400,471,851 (13 per cent of total revenues). On the other hand, expenditures are projected at KSh 10,170,995,231 with recurrent expenditure projected at KSh 6,408,741,852 (63 per cent of total expenditures) and development expenditures projected at KSh 3,762,253,379 (37 per cent of total expenditures). This amount is exclusive of the unspent balances from the previous year to be included in the supplementary budget.

### **4.2 FY 2023/24 Budget Framework**

The FY 2023/24 and the medium-term budget framework will seek to improve the prevailing economic situation currently characterized by the high and rising cost of living and unemployment. This will be achieved through targeted programmes aimed at stimulating economic activity and improving livelihoods in the County as envisioned in the *Nguzo Kumi* Agenda of the current administration. It will also prioritize the completion of started projects, and enhance expenditure productivity and local revenue collection.

In the FY 2023/24 revenue collection is projected at KSh 10,170,995,230. Of this, the equitable share is projected at KSh 10,170,995,230 (79 per cent of total revenues), conditional grant at KSh 701,665,062 (7 per cent of total revenues), and local revenue at KSh 1,400,471,850 (14 per cent of total revenues). This revenue performance will be supported by economic recovery efforts and ongoing reforms in local revenue administration.

On the other hand, overall expenditure is projected at KSh 10,170,995,230. Of this, recurrent expenditure will amount to KSh 6,876,809,576 (68 per cent of total budget) while, development expenditure will amount to KSh 3,294,185,654 (32 per cent of total budget).

Table 4.1: Summary of Revenue and Expenditure Projections for FY 2023/24 and MTEF

| Items                             | FY 2021/22            |                       | Budget Estimates      | Projections           |                       |                       |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                   | Revised Budget        | Actual                | FY 2022/23            | FY 2023/24            | FY 2024/25            | FY 2025/26            |
| <b>Revenues</b>                   |                       |                       |                       |                       |                       |                       |
| Unspent Balance                   | 3,148,609,117         | 3,148,609,117         |                       |                       |                       |                       |
| Equitable Share                   | 8,068,858,318         | 7,423,349,652         | 8,068,858,318         | 8,068,858,318         | 8,310,924,068         | 8,560,251,790         |
| Local Revenue                     | 1,414,917,111         | 858,349,786           | 1,400,471,850         | 1,400,471,850         | 1,442,486,006         | 1,485,760,586         |
| Grants                            | 775,874,947           | 312,623,229           | 701,665,062           | 701,665,062           | 722,715,014           | 744,396,464           |
| <b>Total Revenue &amp; Grants</b> | <b>13,408,259,493</b> | <b>11,742,931,784</b> | <b>10,170,995,230</b> | <b>10,170,995,230</b> | <b>10,476,125,087</b> | <b>10,790,408,840</b> |
| <b>Expenditures</b>               |                       |                       |                       |                       |                       |                       |
| Personnel Emoluments              | 4,111,527,797         | 3,612,444,534         | 4,258,493,001         | 4,065,518,310         | 4,187,483,859         | 4,313,108,375         |
| Operations & Maintenance          | 2,991,496,372         | 2,090,658,653         | 2,150,248,851         | 2,811,291,266         | 2,895,630,004         | 2,982,498,904         |
| Development                       | 6,110,635,324         | 3,700,825,742         | 3,762,253,379         | 3,294,185,654         | 3,393,011,223         | 3,494,801,560         |
| <b>Total Expenditure</b>          | <b>13,213,659,493</b> | <b>9,403,928,929</b>  | <b>10,170,995,230</b> | <b>10,170,995,230</b> | <b>10,476,125,087</b> | <b>10,790,408,840</b> |

### 4.3 Medium Term Fiscal Projections

The economic recovery envisaged in the Medium-Term Fiscal Policy will be driven by measures that support sustained economic growth, revenue enhancement and public expenditure productivity. The County will also seek to mitigate the socio-economic impact due to the soaring food and energy prices that have devastated economic conditions globally and livelihoods.

Given the revenue-raising measures instituted by the County government, own-source revenue is projected to grow by 6 per cent by FY 2025/26. Overall expenditures are also projected to grow by a similar margin over the same period. Therefore, to support these growths, the following measures will be pursued:

- strengthen local revenue mobilization
- reduce non-core expenditures
- enhance public spending productivity

#### **4.4 Medium-Term Expenditure Framework**

Over the medium-term, resources will be directed to priority areas as envisioned in the *Nguzo Kumi* agenda whose focus is service delivery, empowerment and enablers. These three pillars are expected to drive the county's envisaged transformation and will imply resource allocations as indicated in Table 4.2. Thus, the following criteria will guide resource allocations over the medium term;

- linkage of programmes to the Governors' manifesto, CIDP and other plans
- completion of ongoing programmes/projects
- programmes with greater impacts on the local community
- expected outputs and outcomes from a programme
- utilization of allocated funds by county departments
- requirements of Uasin Gishu County Equitable Development Act, 2019 which allocates 40 per cent of development expenditure to ward projects

Based on the above medium-term expenditure framework, Table 4.2 provides an indicative sector ceiling for the 2023/2024 – 2025/2026 MTEF period.

Table 4.2: Summary of Indicative Sector Ceilings for the 2023/2024 – 2025/2026 MTEF

| Sector   | MDAs  |             | Total Expenditure Kshs. |                              |                       |                       | %Share of Total Expenditure |                      |             |             |
|--|---|-------------|-------------------------|------------------------------|-----------------------|-----------------------|-----------------------------|----------------------|-------------|-------------|
|  |   |             | Estimates<br>2022/ 23   | C-BROP Ceiling<br>2023/ 2024 | Projections           |                       | Estimates<br>2022/ 23       | Ceilings<br>2023/ 24 | Projections |             |
|  |   |             |                         |                              | 2024/ 2025            | 2025/ 2026            |                             |                      | 2024/ 25    | 2025/ 26    |
| <b>Administration &amp; Governance</b>           | Governor's Office   | Sub-Totals  | 148,245,119             | 136,245,119                  | 140,332,472           | 144,542,447           | 1.46%                       | 1.34%                | 1.34%       | 1.34%       |
|  | Finance   | Sub-Totals  | 362,131,459             | 1,588,805,720                | 1,636,469,891         | 1,685,563,988         | 3.56%                       | 15.62%               | 15.62%      | 15.62%      |
|  | Economic Planning   | Sub-Totals  | 128,503,770             | 145,303,770                  | 149,662,883           | 154,152,769           | 1.26%                       | 1.43%                | 1.43%       | 1.43%       |
|  | Public Service Management                                 | Sub-Totals  | 583,014,187             | 570,014,187                  | 587,114,613           | 604,728,051           | 5.73%                       | 5.60%                | 5.60%       | 5.60%       |
|  | Administration and Devolution                             | Sub-Totals  | 384,284,217             | 274,284,218                  | 282,512,744           | 290,988,126           | 3.78%                       | 2.70%                | 2.70%       | 2.70%       |
|  | County Public Service Board                               | Sub-Totals  | 66,223,563              | 68,223,561                   | 70,270,268            | 72,378,376            | 0.65%                       | 0.67%                | 0.67%       | 0.67%       |
|  | Partnership, Liaison and Linkages                         | Sub-Totals  | -                       | 13,500,000                   | 13,905,000            | 14,322,150            | 0.00%                       | 0.13%                | 0.13%       | 0.13%       |
| County Assembly                                  | Sub-Totals  | 801,574,855 | 762,120,114             | 784,983,717                  | 808,533,229           | 7.88%                 | 7.49%                       | 7.49%                | 7.49%       |             |
| <b>Agriculture, Rural and Urban Development</b>  | Agriculture & Agribusiness                                | Sub-Totals  | 671,124,212             | 668,280,518                  | 688,328,934           | 708,978,802           | 6.60%                       | 6.57%                | 6.57%       | 6.57%       |
|  | Livestock Development & Fisheries                         | Sub-Totals  | 149,039,363             | 107,329,647                  | 110,549,536           | 113,866,022           | 1.47%                       | 1.06%                | 1.06%       | 1.06%       |
|  | Housing and Urban Development                             | Sub-Totals  | 110,968,288             | 94,309,331                   | 97,138,611            | 100,052,769           | 1.09%                       | 0.93%                | 0.93%       | 0.93%       |
|  | Lands and Physical Planning                               | Sub-Totals  | 404,729,261             | 380,005,989                  | 391,406,169           | 403,148,354           | 3.98%                       | 3.74%                | 3.74%       | 3.74%       |
|  | Eldoret Municipality                                      | Sub-Totals  | 314,402,053             | 313,806,170                  | 323,220,355           | 332,916,965           | 3.09%                       | 3.09%                | 3.09%       | 3.09%       |
| <b>General Economic &amp; Commercial Affairs</b> | Co-op & Enterprise Dev                                    | Sub-Totals  | 95,485,820              | 123,960,524                  | 127,679,340           | 131,509,720           | 0.94%                       | 1.22%                | 1.22%       | 1.22%       |
|  | Trade, Industry & Investment & Tourism                    | Sub-Totals  | 166,592,975             | 109,112,317                  | 112,385,686           | 115,757,257           | 1.64%                       | 1.07%                | 1.07%       | 1.07%       |
| <b>Infrastructure &amp; ICT</b>                  | Roads, Transport and Public Works                         | Sub-Totals  | 1,121,468,658           | 606,599,769                  | 624,797,762           | 643,541,695           | 11.03%                      | 5.96%                | 5.96%       | 5.96%       |
|  | Energy, Environment, Climate Change and Natural Resources | Sub-Totals  | -                       | 163,000,000                  | 167,890,000           | 172,926,700           | 0.00%                       | 1.60%                | 1.60%       | 1.60%       |
|  | ICT, E-Government and innovation                          | Sub-Totals  | 74,224,451              | 178,804,944                  | 184,169,092           | 189,694,165           | 0.73%                       | 1.76%                | 1.76%       | 1.76%       |
|  | Water, Irrigation and Sanitation                          | Sub-Totals  | 770,004,159             | 294,333,412                  | 303,163,415           | 312,258,317           | 7.57%                       | 2.89%                | 2.89%       | 2.89%       |
| <b>Health</b>                                    | Clinical Services   | Sub-Totals  | 2,707,861,239           | 2,593,174,166                | 2,670,969,391         | 2,751,098,473         | 26.62%                      | 25.50%               | 25.50%      | 25.50%      |
|  | Promotive and Preventive Health                           | Sub-Totals  | -                       | 75,300,000                   | 77,559,000            | 79,885,770            | 0.00%                       | 0.74%                | 0.74%       | 0.74%       |
| <b>Education and Social Protection</b>           | Education and Vocational Training                         | Sub-Totals  | 783,173,467             | 601,900,614                  | 619,957,633           | 638,556,362           | 7.70%                       | 5.92%                | 5.92%       | 5.92%       |
|  | Gender, Social Protection and Culture                     |             | -                       | 81,300,000                   | 83,739,000            | 86,251,170            | 0.00%                       | 0.80%                | 0.80%       | 0.80%       |
|  | Youth and Sports  | Sub-Totals  | 327,944,114             | 221,281,141                  | 227,919,576           | 234,757,163           | 3.22%                       | 2.18%                | 2.18%       | 2.18%       |
|  | <b>Grand Total</b>  |             | <b>10,170,995,230</b>   | <b>10,170,995,230</b>        | <b>10,476,125,087</b> | <b>10,790,408,840</b> | <b>100%</b>                 | <b>100%</b>          | <b>100%</b> | <b>100%</b> |

## 5.0 CONCLUSION

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The 2022 CBROP has been prepared against a backdrop of uncertainty in the global and national economy due to soaring commodity prices, rising public debt burden, and the ongoing drought situation in the country. This condition has been exacerbated further by the slow recovery efforts from the negative impact of Covid-19. While the Kenyan economy has shown remarkable resilience and recovery, these risks will continue to weigh down on businesses and livelihoods.

The County`s fiscal performance in FY 2021/22 was unsatisfactory with the local revenue falling short of the target by 39 per cent. The weak revenue performance is largely attributed to an unfavorable political climate due to elections which affected businesses and investments. However, with the peaceful transition, the operating business environment is expected to improve and spur growth in the key areas of the county economy.

In conclusion, the County government will in the medium-term be implementing the *Nguzo Kumi* manifesto of H.E. the Governor, which is anchored on three pillars: service delivery, empowerment and enablers. The departments will therefore be expected to align their budgets to these objectives so as to facilitate the socio-economic transformation under-scored in this document.