

COUNTY GOVERNMENT OF WAJIR



DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

---

## COUNTY FISCAL STRATEGY PAPER

---

*Approved  
for  
laying  
before  
the  
County Assembly*

FEBRUARY 2022

*Hon. speaker  
You may approve  
for tabling*

*[Signature]*

*13/04/2022*

© County Fiscal Strategy Paper (CFSP) 2022

To obtain copies of the document, please contact:

**The County Executive Committee Member  
Department of Finance and Economic Planning  
P.O Box 9 – 70200 WAJIR, KENYA**



**CFSP 2022 will be published on the website at:  
[www.wajir.go.ke](http://www.wajir.go.ke) within 7 days of adoption by the  
County Executive Committee.**

---

## Foreword

The County Fiscal Strategy Paper (CFSP) 2022 was prepared as provided for in section 117 of PFM Act of 2012. The paper sets out key priority areas for implementation in each sector in the medium term. The process was steered by the economic planning unit who consolidated the needs and priorities of the people of Wajir. It is aligned to the County Integrated Development Plan (CIDP), County Annual Development Plan, The Big Four Agenda, The National Medium Term Plan (MTP 2018-22) and the Vision 2030.

The county focus in the medium term will be geared towards fighting the pandemic and implementation of the County COVID 19 Social Economic Re-Engineering and Recovery Strategy. The County Treasury mainstreamed the COVID 19 Social Economic Re-Engineering and Recovery Strategy into the CIDP 2018 - 2022 as well as County Annual Development Plan (C-ADP) 2021 - 2022. The Recovery Strategy focuses on economic recovery of the sectors majorly affected by the pandemic. Therefore, in the medium term, the county focus shall be geared towards mitigating the pandemic as well as post COVID 19 economic recovery. The priority areas will include: social protection, job creation, food and nutritional security, universal health care, water & sanitation services and ease of access and doing business through improved roads infrastructure among others.

The county is faced with myriad of issues including Climate Change, Natural disasters like drought, floods and locusts. Climate change presents unique and dynamic challenges to the county economic wellbeing. Recently natural disasters such as floods, locust and droughts have increased in intensity and frequency. The invasion by large swarms of locusts currently threaten livestock and crop production which are the economic mainstay for the county. For the county to build resilience and improve disaster preparedness, the government in the medium term shall channel more resources in disaster risk reduction strategies in order to reduce the severity of the disasters in the future and adaptive mechanisms. In summary, key priorities in the FY 2022/2023 and MTEF period include:

- Enhance food security by investing in appropriate systems;
- Improve access to universal health care to guarantee quality and affordable health for all;
- Enhance cohesion and integration through equity and inclusivity for all;
- Improve Road, Transport, Energy and Communication Infrastructure to Spur Investment and ease of doing business;
- Improve early childhood education, and youth, women and marginalized groups empowerment and
- Improve access to adequate portable water, and ensure clean and safe environment for all.

  
Abdihakim Billow Noor  
County Executive Committee Member- Finance and Economic Planning

## **Acknowledgement**

The development of the 2022 CFSP was undertaken by the economic planning unit and supported by all departments and agencies. Special Appreciation goes to Mercy Corps for the Financial support for the sub-county public participation forums. Their support was essential in finalizing the documents and enriching the document with the public input.

I want to appreciate the County Chief Officers, Directors and all technical staff in line departments for the enduring effort and time they have put towards preparation of this strategy. It is imperative to note that sector priorities are the foundation of the strategies that are highlighted in the paper for implementation in the medium term up to the period 2024 -2025.

Lastly but not least, special thanks to the staff in the Department of Finance and Economic Planning specifically in the Economic Planning, Budget and Statistics Section who have put a lot of time and effort in drafting the CFSP

To all those that were involved in one way or another, and whom I will not be able to mention individually receive my heartfelt appreciation.

Rahma Dekow

**County Chief Officer, Department of Economic Planning, Budget and Statistics**

## Abbreviations and Acronyms

ADP	Annual Development Plan
CBK	Central Bank of Kenya
CBROP	County Budget Review and Outlook Paper
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CPSB	County Public Service Board
CO	Chief Officer
CRA	Commission of Revenue Allocation
FY	Financial Year
GDP	Gross Domestic Product
IBEC	Inter-Governmental Budget and Economic Council
ICT	Information and Communication Technology
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
PE	Personnel Emoluments
PFM	Public Finance Management
PPP	Public Private Partnership
PWD	People with Disabilities
SRC	Salaries and Remuneration Commission
SWG	Sector Working Group

## **List of Tables and Figures**

### **List of Tables**

Table i. Fiscal performance for the year 2020/2021

Table ii: Risks to Economic Outlook and Proposed Mitigation Measures

Table iii: County Government Revenue Trends and Projections

Table iv: Fiscal Projections FY 2022/23 MTEF

Table v: Actual Expenditure by Economic Classifications from FY 2018/19 – FY 2020/21 (in Millions)

Table vi: Actual and Projected Expenditure by Economic Classifications (in Millions)

Table vii: Actual and Projected Development Expenditure in Millions

### **List of Figures**

Figure i: Gross County Product

Figure ii: 2nd Half Local Revenue Performance 2020 and 2022

Figure iii : County revenue by source, estimates, actual and trends

Figure iv: Estimates versus Actual Expenditures (Million Kshs)

Figure v: Actual Expenditure by Economic Classifications from FY 2018/19 – FY 2020/21

Figure vi: Ceiling projections per sector

Figure vii: Proportion of Expenditure by Recurrent and Development

## Legal Basis for the Preparation of the County Fiscal Strategy Paper

### **Legal Basis for the Publication of the County Fiscal Strategy Paper**

The County fiscal strategy paper is prepared in accordance with Section 117 of the Public Financial Management Act, 2012. The law states that:

- (1) The County, Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28<sup>th</sup> February of each year.
- (2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- (3) 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.
- (4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.
- (5) 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.
- (6) 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

# 1. COUNTY STRATEGIC BLUE PRINT

---

## 1.1 Overview

The 2022 CFSP is prepared pursuant to Public Finance Management Act, 2012 (PFMA) Section 117 and outlines the development framework for the FY 2022/23-FY 2024/25 Medium Term Expenditure Framework (MTEF) Period.

The 2022 CFSP is the tenth to be prepared in Wajir County. Its purpose is to build direct linkages between policies, plans and budgets. It provides the resource envelope and presents the fiscal framework for the 2022/2023 budget estimates and over the medium term.

As per PFM Act, the paper is supposed to be prepared and presented to the County Assembly by 28th February Each year. However due to 2022 Budget being an electioneering year, the Budget circular has been revised to ensure the budget estimates are forwarded by 28th February 2022. As such the CFSP needs to be prepared and forwarded by January 2022.

The Draft CFSP has been prepared after submissions from the various sector working groups. The same is advancing the priorities and interventions as outlined in the Annual Development Plan 2022/2023 and the County Budget Review and Outlook Paper.

The FY 2022/23 budget will be geared towards stimulating the growth of the local economy following the negative effects of COVID 19 pandemic. Which will be guided by the below six principles:-

1. **Strengthening Equitable Development.** The County will continue to enhance access to development funds across all the 30 wards. Equitable resource distribution will form the basis for funding of prioritized programmes. Participation of special interest groups in resource sharing will be enhanced to protect the vulnerable against effects of Covid-19 and the increasing effects of climate change.
2. **Accelerating Community-Led Development.** Community action plans will guide implementation of strategic community projects (Ward based



projects) based on the improved community driven development guidelines.

3. **Disaster Risk Management and Resilience Building.** The Government recognizes the destructive effects of disasters such as the continuous drought and will invest in priorities that enhance community preparedness and response for the anticipatory action plan. All sectors will develop funded proposals that seek to promote resilience building and overall preparedness. Strengthening the capacity of the Department of Health, Water, Irrigation, Environment and Natural resources to step up their efforts in the monitoring, surveillance and containment of COVID-19 in the County. Overall sensitization of county staff and the community at large on continued prevention measures and advocating for vaccination against COVID-19 will be conducted at county wide.
4. **Accelerating post-COVID-19 Pandemic Recovery.** This will involve implementation of the COVID 19 economic recovery strategy aiming at restoring the economy to a strong growth path, creating jobs and economic opportunities across all regions of the country with a view to tackling social and income inequalities. It is expected that the successful implementation of the Economic Recovery Strategy which is also aligned to the “Big Four” Agenda will promote inclusive growth and transform the lives of Kenyans
5. **Enhanced Access to Universal Healthcare Services:** The County will continue to promote universal healthcare access with emphasis on expanding healthcare financing and access to specialized medical care.
6. **Universal Water Coverage:** The Government will promote initiatives that will generate adequate water resources towards achieving universal water coverage.

## **1.2 Legal Basis for the Publication of the County Fiscal Strategy Paper**

Section 117 of the Public Finance Management Act, 2012 states;

1. The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the 28th February of each year.
2. The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
3. 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
4. The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term
5. 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
  - d. Any other forum that is established by the PFM Act 2012
6. 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
7. The County Treasury shall consider any recommendations made by the County Assembly when finalizing the budget proposal for the financial year concerned
8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly

### **1.3 Fiscal Responsibility Principles for the National and County Governments**

Section 107 of the Public Finance Management Act, 2012 sets the principles of fiscal responsibility.

Subsection (2) states that: “In managing the county government's public finances, the County Treasury shall enforce 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 revenues as prescribed by the

County Executive member for finance in regulations and approved by the County Assembly.

d. Over the medium term, the county government's borrowing 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 suitable level as approved by County Assembly

f. The financial risks shall be managed prudently, and

g. a reasonable degree of predictability with respect to the level of tax bases shall be

Maintained, taking into account any tax reforms that may be made in the future

h. Short-term borrowing as mentioned in (d) above shall be restricted to management of cash Flows and shall not exceed five percent of the most recent audited county government

revenue

#### **1.4 County Strategic Priorities**

The County's vision is to build “A *Secure, Resilient and Globally Competitive First Class County in Service Delivery for All*”. This paper outlines key strategic

objectives that forms the 2022/2023 priority interventions that the county government intends to achieve. It reaffirms policies and strategies indicated in the implementation of the Second-Generation County Integrated Development Plan (CIDP II) as well as subsequent ADP 2022/2023. The plans places key focus on programmes and interventions required to achieve the governor's manifesto and the National Government's "Big 4" agenda towards implementation of the country's Vision 2030.

#### **1.4.1 Macro-Economic Outlook**

The Kenyan economy contracted by 0.3 percent in 2020 compared to a growth of 5.0 percent in 2019. This performance reflects the adverse effects of the COVID19 pandemic, which disrupted activities in Wholesale and Retail Trade, Education, Accommodation and Restaurant and, Transport and Storage sectors. The economy is expected to rebound to 6.0 percent in 2021, due to a stronger global demand and recovery in Service and Manufacturing sectors.

The economy continues to register macroeconomic stability with low and stable inflation and interest rates, and a competitive exchange rate that support exports. Year-on-year overall inflation rate has remained low, stable and within the policy target range of 5+/-2.5 percent since the end of 2017. The year-on-year inflation rate increased to 6.45 percent in October 2021 from 4.84 percent in October 2020 driven by increased food and fuel prices.

The foreign exchange market has largely remained stable despite the tight global financial conditions attributed to uncertainty due to the COVID-19 pandemic. The Kenya Shilling to the US Dollar exchanged at Ksh 110.9 in October 2021 compared to Ksh 108.6 in October 2020. The current account deficit is estimated at 5.5 percent of GDP in the 12 months to September 2021. The deficit reflected higher imports of goods and services relative to 2020. The current account deficit is projected to average 5.2 percent of GDP in 2021.

#### **1.4.2 Specific Context**

Wajir County's Medium Term Expenditure Framework for the FY 2022/2023 is based on the Government priorities in the second generation CIDP that have

been aligned to Third MTP of Kenya's Vision 2030 and the National Government Big Four Agenda.

To propel this agenda, the following key priorities and strategies were identified:

- Investing in quality and accessible healthcare
- Infrastructure development including opening of road networks and housing units
- Transforming the agricultural sector to ensure food security and increased incomes
- Investing in accessible and quality education,
- Promotion of fair trade, trade development, industrial growth and investment; and
- Access to clean and safe water for all.

Although the County has not registered high numbers of COVID-19 cases in comparison with other counties, the pandemic and subsequent containment measures affected production, demand and supply of goods and services thereby slowing down the growth of the County economy.

The County Government has developed strategies and better policy framework to accelerate economic growth in different sectors to increase the capacity of the county for better service delivery. Further, the county is also working to increase own source revenue by expanding local revenue generation streams through exploiting the potential in land rates, parking fees, extractive resources, livestock yards fees and water tariffs as well as automation of revenue collection systems to increase own source revenue and capacity to provide more impactful interventions from the increased resource availability.

The County had received lower than expected rains between the months of October, November and December 2021. This negatively impacted the agricultural sector. Foliage and pasture conditions in the county deteriorated as a result of the delayed and poor rainfall performance during the season. The

level of access to water for domestic use, drinking and sanitation also decreased within this period.

### **1.4.3 Programmes for Achieving the County Strategic Blueprint's Objective**

This Paper articulates priority economic policies, structural reforms as well as sector-specific expenditure programs to be implemented under the Medium Term Expenditure Framework for FY2022/2023, FY2023/2024 and FY 2024/2025 towards attainment of the County Government's development goal of ensuring a secure, resilient and globally competitive first class county in service delivery.

#### ***Improve Access to Universal Health Care to guarantee Quality and Affordable Health***

The main goal of the sector is to provide essential health services that are accessible, responsive and affordable to the county population.

In the year 2022/23, focus shall be to operationalize all non-operational facilities to take services closer to the people. Recruitment of key personnel like nurses and clinical officers will be given priority for deployment to the new facilities. The department of health services will also build and maintain linkages with social services sector to find ways of bringing on-board all vulnerable households to access universal health services through NHIF registration and payment of premiums. Adequate resources will be invested in preventive and promotive health care programs, operationalization of 15 new health facilities, and improving the supply chain of pharmaceutical and non-pharmaceuticals.

#### ***Infrastructure Development Including Opening of Road Networks and Affordable Housing Units***

Under this strategic objective, some of the priority economic policies, structural reforms and sector-specific expenditure programs include:

- a) On roads, priority will be to make all ward headquarters accessible from wajir all year round. Rural access roads will also be made accessible using local solutions like Labour based contracting for bush clearing and simple drainage works.

- b) The Wajir water and sanitation project will be prioritized for completion by the end of 2022/23 financial year, all stakeholders involved in the project will be engaged to expedite the project
- c) For Energy, the focus shall be to leverage the abundant renewable energy like solar available in the county. There is an on-going World Bank project that is funding establishment of off-grid solar power generation for the remote centres. This is an opportunity where the county can take advantage and seek ways of funding additional centres.
- d) The county will provide affordable and quality housing units through Partnering with the private sector to improve Housing.

***Enhance Food Security by Investing in Appropriate Production Systems***

Under this strategic objective, some of the priority economic policies, structural reforms and sector-specific expenditure programs include:

- i. Focus on extension services: Extension services will be deployed to transfer skills across all the value chains, including the emerging value chains like bee keeping and exotic breeds for chicken. Demonstration farms will be activated across all wards to boost the extension services, this is on top of up scaling services at the ward level for all the agricultural related disciplines this will in turn improve livestock / agricultural production.
- ii. Cognizant of the threat to rangelands and livestock production that is presented by unplanned creation of new settlements, all stakeholders including national and county administration will be brought on board to address the issue of land use in relation to settlements and other productive sectors and stop the rangeland degradation.
- iii. The County department of Agriculture and Livestock will endeavour to fully functionalize the field offices at the ward level, this is the main channel to sustain services at the grassroots. Partners' programs will complement the department in service

delivery and not be the central provider of services as is the case currently

- iv. The government will work to improve production capacity through provision of incentives such quality seeds, seedlings, improved livestock breeds as well as support on post-harvest management including market information, storage, preservation and value addition.

***Improve Early Childhood Education and Empowerment of Youth, Women and Marginalised Groups***

Under this strategic objective, The priorities shall be:-

- i. Work with partners and stakeholders to increase transition from primary to secondary in the short to medium term and from secondary to tertiary levels over long term by providing scholarship through the Ward Bursary Fund and subsidized tuition for VTC learners.
- ii. In the FY 2022/23, the County department of education will ensure that quality learning continues in the 296 ECDE centres by providing meals, learning materials and conducive playing environment for the approximately 19000 learners. ECD teachers will also receive training for continuous improvement
- iii. The county departments of Education and Health services will increase resources allocated for nutrition supplements and child immunization and extend these programs to learning centres.
- iv. The county revolving fund shall be operationalized to provide business and investment opportunities for the youth, women and marginalized groups

***Improve Access to Adequate Portable Water and sanitation services***

Under this strategic objective, the priorities shall be:

- i. In the medium term, improve water quality and sanitation services for wajir county residents. The county department of water and all stakeholders shall endeavour to treat at source and at households' level. For areas with poor quality water, options such as piping



from the nearest sources or treatment and desalination shall be explored.

- ii. Integration with the environment programs such as the climate change fund shall be aggressively pursued with the aim of up scaling environmentally friendly water systems like rain water harvesting at both community through dams and water pans and at household/institutional level with roof catchments.
- iii. On the sanitation front, in the medium to long term, the wajir sewerage system project will be a priority to eliminate the large-scale use of bucket toilets that compromise sanitation standards in the town. In collaboration with the health sector and other stakeholders, innovative ideas in increasing latrine coverage will be prioritised. Some of the areas to be explored include communities being encouraged to put up latrines jointly among several households.

### ***Promotion of fair trade, trade development, industrial growth and investment***

Under this strategic objective, priority economic policies, structural reforms and sector-specific expenditure programs will be:-

- i. Allocate more resources to Promote Cooperative Development that can in turn grow the value addition in the agricultural and industrial sectors.

## **1.5 Outline of the County Fiscal Strategy Paper**

The 2022 CFSP is presented in six chapters:-

- i. **Chapter One;** Outlines the programmes for achieving the wajir county strategic objectives
- ii. **Chapter Two;** Reviews National & County Economic outlook and overall economic growth in the county over the MTEF period.
- iii. **Chapter Three;** Highlights the fiscal policy and budget framework. The chapter further elaborates the fiscal policy status, Fiscal Strategy Paper's

obligation to observe Fiscal Responsibility Principles as set out in the PFMA 2012, Fiscal Structural Reforms, Budget Framework for proposed budget year 2022/23 (Revenue projections, recurrent expenditure forecast, development expenditure projections, and fiscal balance). The section generally outlines the county fiscal strategic objectives that the County is implementing to achieve its fiscal responsibility principles.

- iv. **Chapter Four**; this chapter covers the medium-term expenditure framework. It highlights the total resource envelope for FY 2022/23 – FY 2024/25 MTEF, Spending Priorities, Medium Term Expenditure Estimates, Baseline ceilings, Finalization of spending plans, Details of Sector Priorities.
- v. **Chapter Five**; Conclusion and next steps
- vi. **Chapter Six**; Annexures

## 2. RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK

### 2.1 Overview

The Kenyan economy contracted by 0.3 percent in 2020 compared to a growth of 5.0 percent in 2019. This performance reflects the adverse effects of the COVID19 pandemic, which disrupted activities in Wholesale and Retail Trade, Education, Accommodation and Restaurant and, Transport and Storage sectors. The economy is expected to rebound to 6.0 percent in 2021, due to a stronger global demand and recovery in Service and Manufacturing sectors.

The economy continues to register macroeconomic stability with low and stable inflation and interest rates, and a competitive exchange rate that support exports. Year-on-year overall inflation rate has remained low, stable and within the policy target range of 5+/-2.5 percent since the end of 2017. The year-on-year inflation rate increased to 6.45 percent in October 2021 from 4.84 percent in October 2020 driven by increased food and fuel prices.

The foreign exchange market has largely remained stable despite the tight global financial conditions attributed to uncertainty due to the COVID-19 pandemic. The Kenya Shilling to the US Dollar exchanged at Ksh 110.9 in October 2021 compared to Ksh 108.6 in October 2020. The current account deficit is estimated at 5.5 percent of GDP in the 12 months to September 2021. The deficit reflected higher imports of goods and services relative to 2020. The current account deficit is projected to average 5.2 percent of GDP in 2021. (BPS 2022)

### 2.2 Review of Recent Economic Performance

#### ***National Economic Development***

The economy contracted by 0.3 percent in 2020 from a growth of 5.0 percent in 2019 following the adverse impact of COVID-19 pandemic and the resultant containment measures. The government's priority was premised on the need to safeguard the lives of Kenyans while at the same time cushioning the economy from the effects of COVID-19 pandemic. The health crisis required the introduction of temporal restrictive measures to curb the spread of the virus which resulted to negative impacts on some key sectors of the economy. Many

businesses especially those related to tourism and educational activities closed down during the second quarter of 2020.

The contraction was spread across all sectors of the economy but was more dismal in Accommodation and Restaurant Services activities, Education, and Transport sectors. The overall performance of the economy in 2020 was cushioned from a deeper slump by accelerated growths in Construction activities (11.8 percent), Health services (6.7 percent), Mining and Quarrying (6.7 percent) and Agricultural production (4.8 percent). Pick up of economic activities resumed in the third quarter of 2020 with further improvements in subsequent quarters.

Kenya's economy is projected to rebound to 6.0 percent in 2021. The recovery in 2021 is on account of the reopening of the economy which is expected to increase economic activities and also partly reflects lower base of 2020 when most service sectors were adversely affected by the closure of the economy thereby recording negative growths.

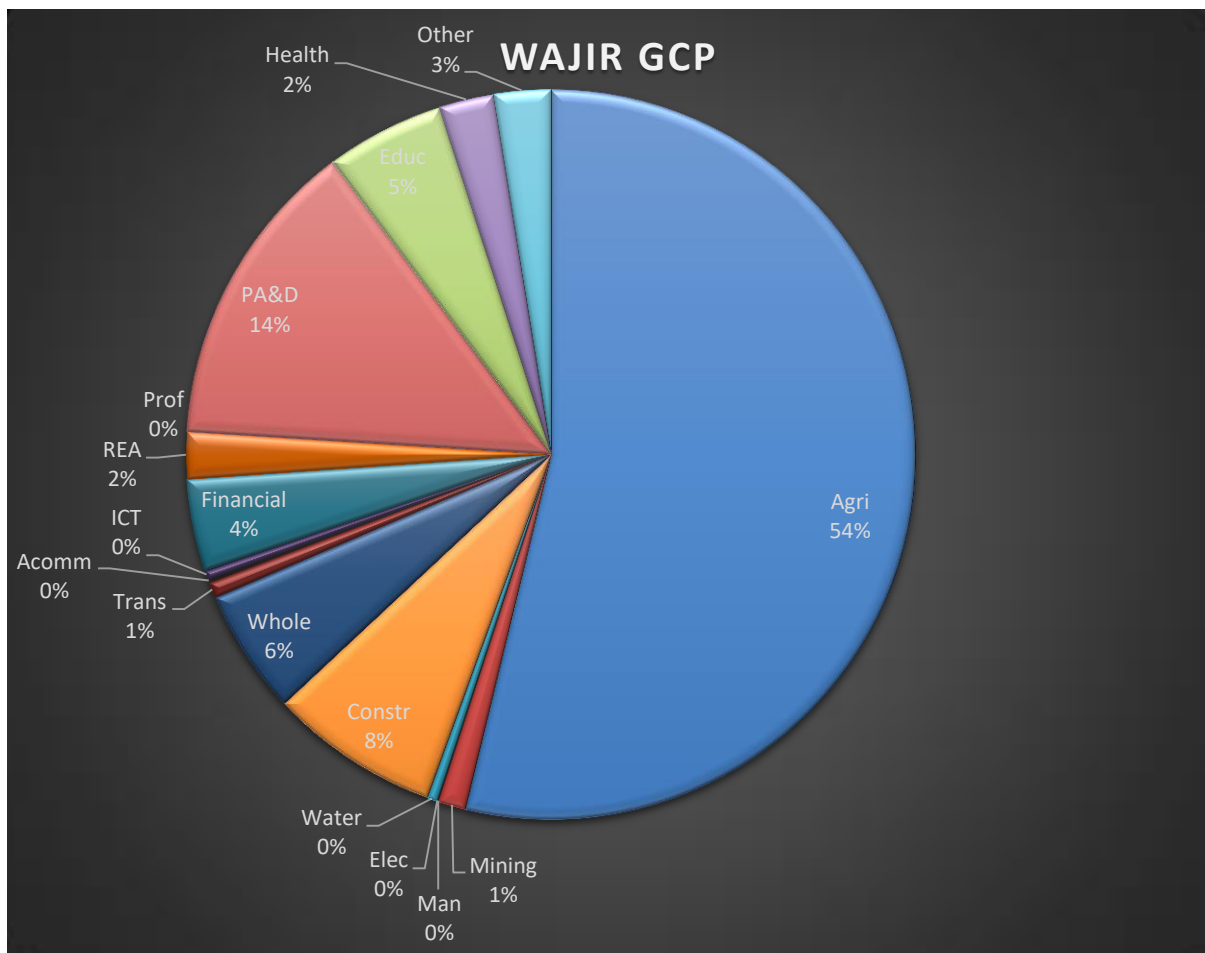
In the first and second quarters of 2021, activities in Agriculture, Forestry and Fishing sector recorded a slowdown. The sector is estimated to have contracted by 0.9 percent in the second quarter of 2021 compared to a growth of 4.9 percent in the corresponding quarter of 2020. This was mainly on account of less than expected rainfall during the period with a significant decline in tea production in the second quarter of 2021. The sector's performance was cushioned from a steeper slump by a notable improvement in the production of milk, horticultural products and sugarcane. The volume of vegetables, cut flowers and fruit exports increased by 58.1 percent, 55.2 percent and 23.5 percent, respectively over the same period.

The performance of the industry sector improved to a growth of 7.9 percent in the second quarter of 2021 compared to a contraction of 0.5 percent in the second quarter of 2020. This was mainly on account of improved performance of the Manufacturing and, Electricity and Water supply sectors. (BPS 2022)

### **Local Economic Development**

The County's economy, like the national and the rest of the world, was adversely affected by the containment measures that were taken in the advent of the Covid-19 pandemic in early 2020. The GCP report 2019 indicates that the Agricultural sector, majorly the livestock sub-sector, contributes more than 50 percent of the county's gross product. Most of the economic activities in the county revolve around Agricultural Sector, Public Administration and defense, Construction and Whole sale and retail trade accounting for 82 percent of the GCP. A majority of the people, 64 percent, draw their livelihood from the Agricultural sector.

**Figure I: Gross County Product**

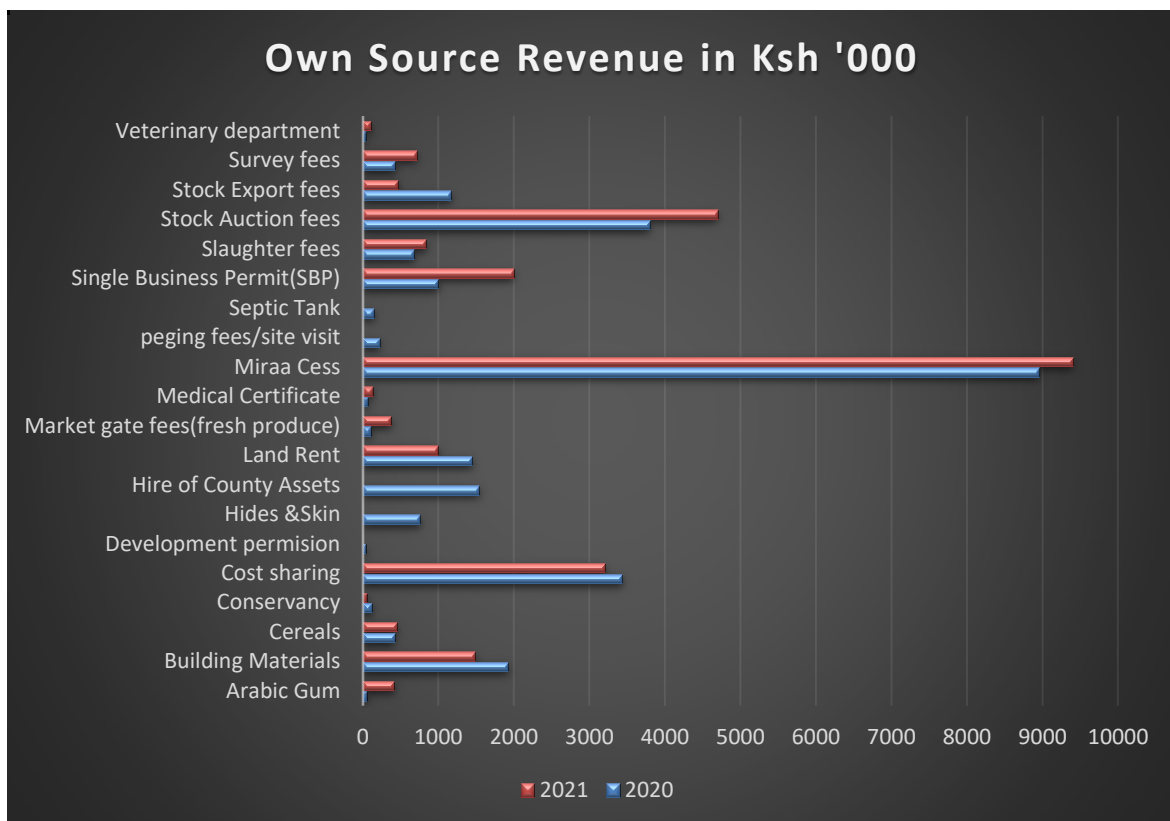


In the second half of 2021, July to December, revenue generated from stock auction fees, single business permits and miraa Cess was significantly higher than the same period in 2020. **(Figure II)**. This could signal a rebounding local economy after easement of the COVID 19 containment measures that constrained movement and trade in the county. However, there was a slow down in another major sector, notably the construction sector, in 2021 as compared to 2020.

The analysis in Figure II also shows that the stock export fees was lower in the second half of 2021 in comparison to similar period in 2020. This scenario could have been occasioned by a recovering local economy and thereby a better purchasing power locally making it less lucrative to export.

Due to lack of updated county statistics, the own source revenue data has been employed as proxy to analyse the economic activities in this CFSP. The general observation is that the key sectors have shown some level of recovery in 2021 as compared to similar period in 2020 as explained above.

**Figure II: 2<sup>nd</sup> Half Local Revenue Performance 2020 and 2022**



On the projections front, the county is currently faced with ravaging drought situation after the failed short rains in OND 2021. Livestock farmers have no water and pasture for livestock and are forced to buy hay from other counties like Kirinyaga and Murang'a as well as transport water for long distances to the places the herds are located. The drought is compounding the depressed economic situation that is already facing the county; in the current year and to the medium term the economy is expected to remain flat with recovery expected only when the long rains perform well.

### 2.3 Update on fiscal performance and emerging Trends

Wajir County government's approved final Budget for FY 2020/2021 was Kshs.10.944 billion, comprising of Kshs.4.164 billion (39 per cent) including provision for pending bill/liabilities and Kshs.6.704 billion (61 per cent) allocation for development and recurrent programmes respectively.

To finance the budget, the government projected to receive Kshs.8.545 billion (78.1 per cent) as equitable share of revenue raised nationally, Kshs.1.804 billion (16.48 per cent) as total conditional grants, generate Kshs.150 million (1.3 per cent) from own sources of revenue, and had Kshs.445 million (4.1 per cent) as cash balance from FY 2019/2020 carried forward.

**Table II. Fiscal performance for the year 2020/2021**

S/NO	Revenue	Actual Receipts in FY 2019/2020	Actual 2020/2021	Projected revenue in Budget 2020/2021	Actual Receipts as % of annual allocation
<b>A.</b>	<b>Equitable share from revenue Raised nationally</b>	7,810,587,000	8,545,500,000	8,545,500,000	100%
<b>B.</b>	<b>Conditional grants from National Government</b>				
1	Compensation for the user fees foregone	15,784,997	15,784,997	15,784,997	100%
2	Road Maintenance Fuel Levy Fund		497,267,857.90	497,267,860	100%
3	Rehabilitation of village polytechnics	9,451,649	14074894	14,074,894	100%
4	COVID-19 Fund from National Treasury 2019/20		38,268,000	38,268,000	100%
5	Special Allowance for frontline Health Workers		35,070,000	35,070,000	100%
	<b>Sub Total</b>	<b>25,236,646</b>	<b>600,465,749</b>	<b>600,465,751</b>	<b>100%</b>

<b>C.</b>	<b>Loans and Grants from Development Partners</b>				
6	Transforming Health systems for Universal care Project (WB	23,896,753	36,152,244	98,763,532	37%
7	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	79,395,274	244,640,455	320,674,320	76%
8	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	1,724,976		30,000,000	0%
9	IDA (WB) Credit: Kenya Devolution Support Program (KDSP) Level 2 Grant	112,791,675	95,000,000	95,000,000	100%
10	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Institutional Grants (UIG)	50,000,000	10,000,000	10,000,000	100%
11	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	165,643,500	165,643,500	209,318,671	79%
12	DANIDA Grant	25,312,500	33,750,000	33,750,000	100%
13	EU Grant (Instruments for Devolution Advise and Support IDEAS)	-	-	15,626,168	0%
14	IDA (WB) Credit: Water & Sanitation Development Project (WSDP)	26,367,892	350,000,000	307,214,525	114%
15	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant	112,791,675	-	112,791,675	0%
16					
17	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	-	36,150,122	38,580,823	94%
	<b>Sub Total</b>	<b>597,924,245</b>	<b>971,336,321</b>	<b>1,271,719,714</b>	<b>76%</b>
<b>D</b>	<b>Other Sources of Revenue</b>				
18	Own Source Revenue	60,417,086	66,264,717	150,000,000	44%
19	Balance b/f from Previous Year	1,625,621,442	445,100,593	445,100,593	100%
	<b>Sub Total</b>	<b>1,686,038,528</b>	<b>511,365,310</b>	<b>595,100,593</b>	<b>86%</b>
	<b>Grand Total</b>	<b>10,119,786,419</b>	<b>10,628,667,380</b>	<b>11,012,786,058</b>	<b>97%</b>

### **Own Source Revenue**

The county government collected only 44% of the projected revenue in the FY 2020/2021. Some of the streams that are chronically underperforming are parking fees and land rates which is mainly as a result of lack of supportive policy and legal framework. These two streams possess the highest potential to



attain and even surpass in the short term the targeted annual revenue. The covid 19 effects and the current drought situation being experienced in the county and even for the better part of last year compounded the dismal performance of revenue.

The first half of 2021/22 continues to feel the effects of the slower economy, however, the BPS projects that the economy is expected to rebound and grow at 6 percent in the calendar year 2022. The county is working with partners and stakeholders such as CoG and KIPPRA to develop the requisite strategies that can propel the economy and aide recovery from the COVID 19 and drought effects.

### ***Fiscal balance***

In the medium term, the government is forecasting a balanced budget hence there will be no need for debt financing.

## **2.4 Significant Economic, Legislative and Financial Events**

The constitutional provisions for county governments financing have guaranteed stable flow of funds from the National Government with Wajir County recording an average of 12% growth per annum between 2013/14 and 2017/18. This has however significantly changed with the implementation of the 3<sup>rd</sup> revenue sharing formula as well as slowdown in revenue collection nationally; this projected a medium-term growth of 1.46 percent annually between 2017/18 and 2022/23. For the Fiscal Year 2022/2023, the county has been allocated a similar amount as was in the current financial year.

## **2.5 Economic Policy and Outlook**

The BPS projects a GDP growth of around 6 percent in the medium term, this is expected to be able to guarantee a revenue stability in the medium term. The revenue projections in this CFSP have taken in consideration these projections as well as the revenue rising measures such as laws and policies that the county is putting in place in the short to medium term

The government projects a balanced budget in the medium term. Inflation has been projected to remain within target of 5+/- 2.5% in the medium term and is

therefore not expected to have adverse effect on the budgetary resources for the county government.

In order to align and support the National government focus on the four areas of Food security, universal health care, expansion of manufacturing and housing, the county has committed to sustain allocation of significant resources to the core sectors. An average of 30% of budgetary allocations will go to the health sector while the agriculture, Trade and Cooperatives, Water Services and Energy & Environment sectors that support food security and value addition will consume 18% in the medium term. This is also in line with the post County COVID19 Social Economic Re-Engineering and Recovery Strategies that had been put in place and approved by the county cabinet to steer the economic recovery in the period up-to 2022/2023.

## **2.6 Risks to the Economic Outlook**

This Fiscal Strategy identifies two major risks to the economic and fiscal outlook for the county:

- i. Weather-related shocks:** Below average rains for the better part of 2021 have resulted in a serious drought situation in the county which is expected to hamper growth in the agriculture and livestock sector in the coming year. Further, a possible rise in global food prices, coupled with weather-related shocks may push inflation towards the upper bound. The IMF (WEO October 2021) projected that overall food prices and cereal prices are expected to rise by 2% and 4% in 2022 respectively. BPS 2022
- ii. Governance issues:** Weak and non-existent laws for own source revenue generation poses a risk to the realization of the medium-term fiscal consolidation goals contained in the CFSP.

The Government is continually monitoring these risks and taking appropriate legal and policy measures to preserve macroeconomic stability and strengthen resilience in the economy.

The risks are analysed and appropriate mitigation measures proposed in Table III below.

**Table III: Risks to Economic Outlook and Proposed Mitigation Measures**

<i>Risks</i>	<i>Mitigation measures</i>
<p><b>Governance Risks:</b></p> <p>The County government has projected as part of the revenue envelope own source revenue (OSR) that will be used for funding the budget. OSR has continued been constrained by the weak policy and legal framework to support revenue raising measures.</p>	<p>The government is committed to institute relevant laws and policies in the shortest time possible. In the year 2021/22 – 2022/23, extensive consultations will be undertaken to either fast track or redraft some of the laws that have been proposed in tax administration, valuation and enforcement to expedite the OSR collection</p>
<p><b>Weather-related shocks:</b> in 2021, the county experienced failed rains, this has caused slow down and even depression in the Livestock sector which is the economic mainstay for the county.</p>	<p>The government will expedite the Disaster Risks Management policy and bill that are expected to facilitate proper framework for DRM</p> <p>Further, the county will seek to invest additional resources in water provision, rangeland management, food security and nutrition to build necessary resilience</p>

### **3. FISCAL POLICY BUDGET FRAMEWORK**

#### **3.1 Overview**

The FY 2022/23 MTEF budget framework will continue to be premised on the county's fiscal agenda of transforming the lives and livelihoods of the county residents, stimulating local economic development, effective delivery of services and reducing poverty. The county departments will foster prudence in allocation of resources in order to achieve value for money in delivery of services to the residents. It will also be based on fiscal consolidation strategy which underscores directing resources to the most productive areas and growth enhancing sectors. The county's fiscal framework for the FY2022/23 Budget will be based on the Government's policy priorities and economic policy framework set out in Chapter I and Chapter II.

In FY 2022/2023 the government will pursue efficient fiscal policies to ensure economic growth and development. The policies will be geared towards spurring economic growth by creating enabling environment for private sector to thrive as well as ensuring sustainability in the programs implemented. In addition, The Government will endeavor to improve on service delivery in the medium term. Efforts will also be enhanced to revitalize own source revenue for sustainability of our development programmes. The County Government will continue to rationalize expenditures by cutting those that are non-priority through its fiscal rationalization and consolidation strategy and undertaking high impact capital expenditure. Resource allocation to county departments and entities will be informed by previous performances, sustainability, affordability and strict prioritization especially with reference to establishment of new funds and development programmes. This will go a long way in ensuring that more outputs and outcomes will be achieved at existing or lower resource level by County Departments.

In order to improve service delivery, the government will adopt the following measures in allocation of resources:

- Implementation of performance management and institute critical actions to manage the growth in wage bill.
- Improving equity in distribution of resources to improve service delivery across the county through investment in local economic development. In the past it has been addressed through ward priority projects. In the medium term, the county government is expected to finalize the development of County Ward Development Fund Bill to facilitate allocation of resources to wards.
- Strengthening resource mobilization to eliminate the fiscal gaps that have been experienced in the past as a result of own source revenue shortfalls. This will be through increasing tax compliance through the integration of technology in revenue collection and developing legislation over key revenue sources as well as developing enforcement mechanisms to stem the revenue leakages.

### **3.2 FY2022/23 and Medium-Term budget Priorities**

The Government will continue to ensure that the priority programmes stipulated in the CIDP 2018 – 2022 are implemented to enhance the growth of the county economy. This will be aimed at complementing the big four agenda of the National Government. The county government will also be guided by County COVID-19 Socio-Economic Re-Engineering and Recovery Strategy to turn around the local economy that is grappling with the negative effects of the pandemic. The strategy picks the following key pillars to recover from socio-economic impact of COVID 19:

1. Boosting private sector activity; policy, legislation and institutional reforms;
2. Strengthening County government's preparedness and response to pandemic and disasters;
3. Enhancing ICT capacity for business continuity;
4. Human capital development and leveraging metropolitan region status.

5. Payment of county pending bills to enhance money circulation and disposable income of the Wajir population.

The revenues received will be used optimally to ensure value for money and efficiency in service delivery during the programming period. In this respect the government will develop a framework to ensure delivery of quality services that will link resources, budgeting and monitoring. This will ensure that public spending leads to high quality outcomes as well as improving the quality of public spending.

Under this strategy, the government will ensure sustainability and strict prioritization in allocation of resources to programmes. In order to achieve this, the government will ensure:

- Expenditure is reoriented towards the most critical needs of the county (like water health, education and road sectors) in the Medium-Term Framework;
- More outputs and outcomes are achieved with existing or lower level of resources; and
- Departments' budgets are realistic and take into account the resource constraints.

In the FY2022/23 the total resource envelope is projected at Kshs 10.77 billion. As per the current macro-economic environment and the trend of growth of the county revenues, the projections for FY2023/24 and FY2024/25 are Kshs 10.80 billion and Kshs 10.81 billion respectively which is less than 2% growth per annum. This is based on the current prevailing economic condition in the country as a result of COVID-19 pandemic which has not only disrupted the normal lives and livelihoods, but also to a greater extent businesses and economic activities and the fact that the National treasury has retained the county governments' equitable revenue share at Kshs. 370 billion as proposed by the Commission of Revenue Allocation. The own source revenue is projected to be steady until a point where automation as well as the regulation and operationalization of land rates and rents is fully in place. The County

Government will continue to adopt measures aimed at improving own source revenue to expand its fiscal space for development programmes

In the medium term the Government will ensure a balanced budget is realized and that the development expenditure shall constitute 32% of the total budget across FY2022/2023, FY 2023/24 and FY2024/25. In this respect, the recurrent expenditure will not exceed 68% of the budget in the medium term.

The development of county government expenditure ceilings is informed by county priorities extracted from the CIDP 2018-2022, C-ADP 2021/2022 and C-ADP 2022/2023, County COVID 19 Socio-Economic Re-engineering and Recovery Strategy, the sector working group reports for each of the sectors as well as the priorities in the Big Four Agenda of the National Government. Moreover, the ceilings were also adjusted based on the prevailing climatic conditions and changes, expenditure trends and the changes in sector specific priorities. All the conditional funding and grants related expenditures have been ring fenced based on the purpose for which the funding was meant for.

The proposed FY 2022/23 MTEF fiscal strategy is based on a balanced budget. However, any shortfall in revenue that may occur within the MTEF period will be addressed through supplementary budget or borrowing within the legal framework by county governments if approved by the Intergovernmental Budget and Economic Forum (IBEC).

### **3.3 Fiscal Policy Status**

In the FY2022/23 and the medium term, the Government's fiscal policy objective will focus allocation of resources to only the priority and growth potential areas. Allocation and utilization of resources in the medium term will be guided by the priorities outlined in ADP 2022/23, CIDP 2018-2022 and The National Government's Big Four Agenda; and in accordance with fiscal responsibility principles as set out in section 107 of the PFM Act 2012.

The Government will spend on strategic sector priorities within the sector ceilings. The different sector working groups will provide the platform for

dialogues between the government and the various sectors of the county economy. The departments will implement their priorities within the ceiling while giving priority to projects/ programmes that positively affect lives and livelihoods of the county residents as well as projects geared towards creating enabling environment for the private sector to grow. In addition, the departments are required to clear all their pending bills from the previous years before implementation of new projects.

### **3.4 Fiscal Strategy Paper's Obligation to Observe Principles**

The Government will ensure strict adherence to fiscal responsibility principles. Moreover, it will ensure rationalization is done and resources allocated to non-core recurrent expenditure is shifted to capital and development programs to ensure sustainable and inclusive growth.

### **3.5 Fiscal Responsibility**

The PFM Act, 2012 sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. In FY2022/23, the government will adhere to these principles. They include:

1. Over the medium term, a minimum of thirty (30) per cent of the budget shall be allocated to the development expenditure. In FY 2019/20, FY 2020/21 and FY 2021/22, the government achieved an allocation to development expenditure of 38%, 39% and 38%, respectively. In the medium term, the projection is 32% across the years which is within the law;
2. The Government's expenditure on wages shall not exceed a percentage of 35% of the County total revenue. This is a challenging fiscal principle for the government due to challenges brought up by revenue shortfall whereby the growing county wage bill is not counteracted by proportional increase in county revenues.

The projected percentage of Personnel Emoluments in FY 2022/23 is 39% which represents a 3.4 percentage increase from the budgeted



amount in FY2021/22 which stood at 35.8%. In order to achieve this principle, there is need to adopt a strict policy on employment going forward to ensure sustainable wage bill as well as growing the total county revenues. The Government is in the process of automating most of the revenue streams in order to enhance own source revenue.

3. Over the medium term, the Government's borrowing shall be used only for purpose of financing development expenditure and not for recurrent expenditure. In the medium term the County government has no plans to borrow. However, if need arises it will only be directed to development purpose.
4. The county debt shall be maintained at a sustainable level as approved by County Assembly. The county debts are limited to commitments and pending bills carried forward from FY 2020/21 of Kshs 736.65 million. The Kshs 736.65 million was the balance brought forward at the end of the financial year and the respective debts shall be settled by the close of the financial year 2021/2022. The government is in the process of vetting pending bills to determine their validity and once completed, a report will be ready for implementation. The Settlement process of the pending bills will be given first priority every start of the Financial Year.
5. The fiscal risks identified shall be managed prudently and all mitigation measures indicated put in place to manage all identified and emerging risks. Chapter two of this paper identifies the probable risks to the county and their mitigation measures well spelt out; and
6. The government shall maintain a reasonable degree of predictability with respect to the level of tax/ levy rates and bases shall be maintained, taking into account any tax reforms that may be made in the future. This was factored in while projecting the own source revenues. In the medium term, more efforts will be put to curtail revenue leakages through automation of the revenue streams and institution of strong revenue laws and regulations.

### **3.5.1 Fiscal Structural Reforms**

The Government endeavors to widen the tax base through the following: reviewing the relevant revenue legislations in order to improve revenue raising measures and efficiency and installation of revenue system to ensure automation of most of revenue streams to stem revenue leakages.

In the FY 2022/2023 and the medium term, the government will rationalize its expenditure in order to curtail wastages. In this respect, therefore, the accounting officers will be required to ensure there is improved accountability and transparency in utilization of public resources as well as ensuring more focus is put on programs and activities that have a high impact on the lives of the county residents. In addition, the government will strive to ensure that there is efficient and effective execution of the budget. This will be made possible through expenditure tracking and taking corrective measures on any deviations and instilling strong internal controls on expenditure.

### **3.5.2 Debt Financing Policy**

The County Government's current debts are limited to the pending bills. The FY 2020/2021 budget balances have been appropriated in the FY 2021/2022 budget which was approved by the County Assembly. The pending bills represent carried forward debts over the years and some few that date back to the pre-devolution period. In the medium term, no debt has been factored in the financial projections for the County. However, in the long run the government does relish the opportunity to borrow from domestic sources for key capital investments and will be willing to revisit the current projections upon the completion of a framework to be developed by the National Treasury on borrowing by County governments. In such instances, borrowing will be undertaken upon careful and critical analysis of financial position, sustainability and capability of the county in repaying its debts.

## 3.6 Budget Framework Proposed for FY 2022/23 MTEF

### 3.6.1 Revenue Projections

The county government is projected to receive total revenue of Kshs 9.47 Billion from National Treasury as Equitable Share and Ksh 1.15 billion as loans and grants as indicated in the draft Budget Policy statement while own source revenue is projected at Ksh 100 Million.

**Table iv: County Government Revenue Trends and Projections**

Financial Year	Equitable Share	User Fees forgone	Fuel Levy	Development of Youth Polytechnics Conditional Grant	other Loans and Grants	Own Source Revenue	Total
2019/20	8,545,500,000	15,784,997	242,569,688	18,903,297	715,958,149	150,000,000	9,688,716,131
2020/21	8,545,500,000	15,784,997	254,698,172	14,074,894	871,896,369	150,000,000	9,851,954,432
2021/22	9,285,219,000	-	-	-	1,021,181,531	150,000,000	10,456,400,531
<b>2022/23</b>	<b>9,474,726,151</b>	-	-	-	<b>1,193,582,174</b>	<b>100,000,000</b>	<b>10,768,308,325</b>
2023/24	9,474,726,151	-	-	-	1,193,582,174	130,000,000	10,798,308,325
2024/2025	9,474,726,151	-	-	-	1,193,582,174	150,000,000	10,818,308,325
<b>Proportion of total Revenues (2022/23)</b>	<b>87.9%</b>	-	-	-	<b>11.1%</b>	<b>1.0%</b>	<b>100%</b>

The County Government's major source of revenue is the equitable share followed by other loans and grants. The own source revenue still faces challenges of growth as a result of delayed automation of revenue streams as well as weak revenue regulation and laws. In Figure 1 below, the total local revenue analysis shows a declining trend over the years. This has led to revenue shortfalls and hence budget deficit. The Government will fast-track the process of revenue automation as well as legislation of the required laws in order to reverse this negative trend. Over the years, the growth rate of the transfers from the national government has been declining.

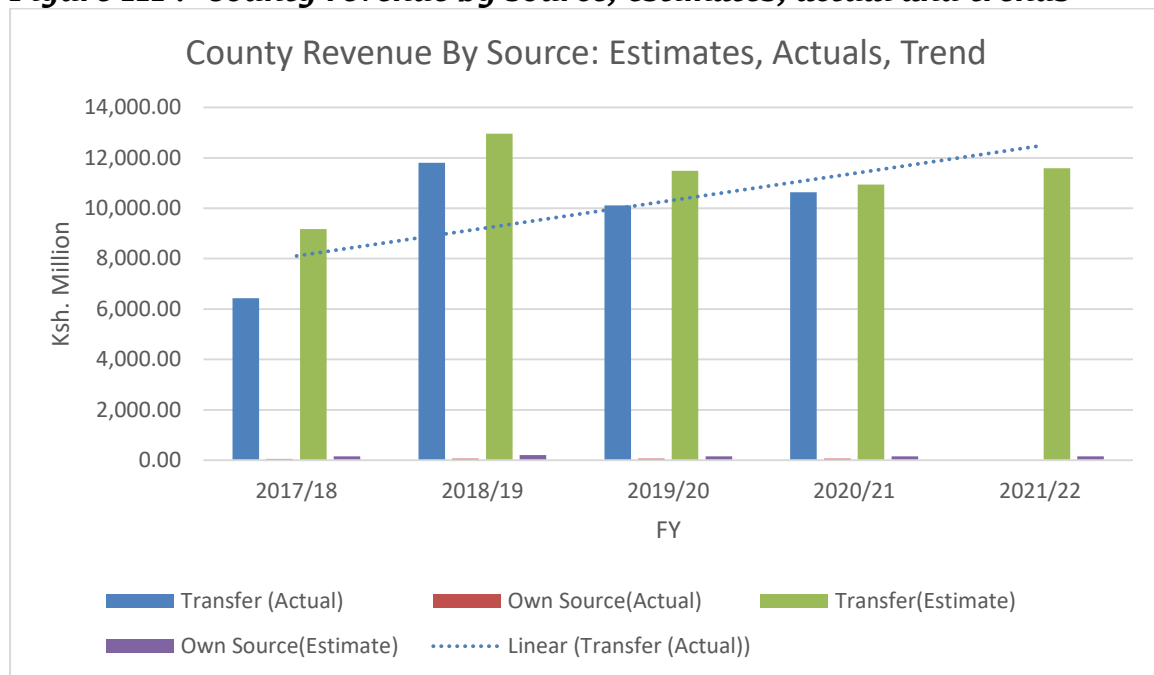
### 3.6.2 Expenditure Projections

In FY2022/23 the forecasted expenditure is Ksh 10.768 Billion which represents 7% negative growth from the current FY 2021/22 budget estimates of Kshs 11.586 Billion.

Over the medium- term projections stand at 10.768 Billion, 10.798 Billion and 10.818 Billion shillings in 2022/23, 2023/24 and 2024/25 respectively.

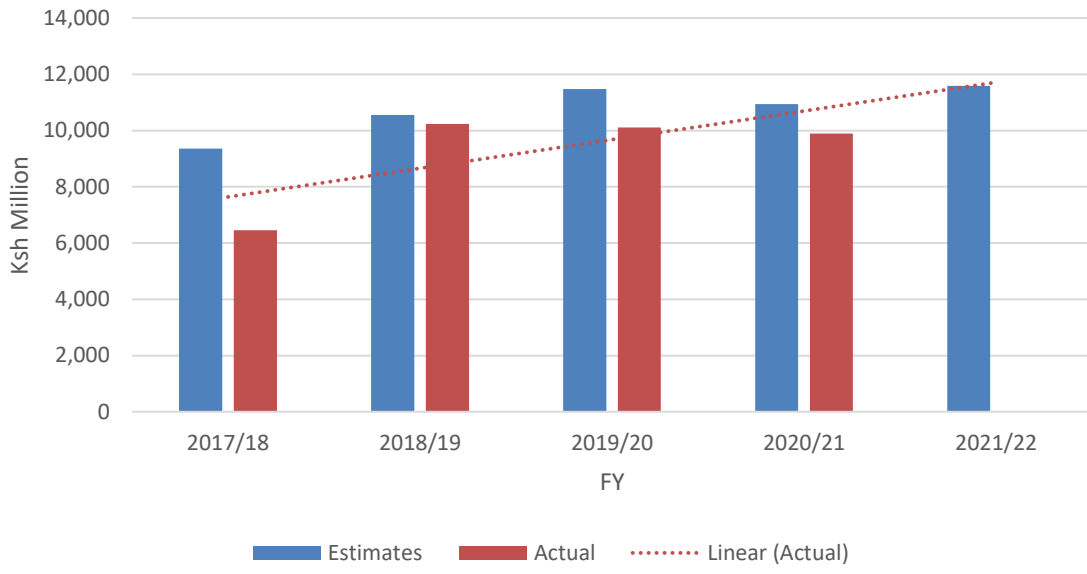
The negative growth is as a result of balance brought forward from the previous year considered in the FY 2021/22 budget thereby increasing the expenditure in the current financial year. In comparing the expenditure relating to the two financial years only, there is 0.04% growth in the projected expenditure

**Figure 111 : County revenue by source, estimates, actual and trends**



**Figure iv: Estimates versus Actual Expenditures (Million Kshs)**

### Estimates Vs Actual Expenditure



**Table v: Fiscal Projections FY 2022/23 MTEF**

	2020/21 FY Actual	2021/22 FY Budget	CFSP 2021	2022/23 FY CFSP 2022	CBROP 2021	2023/24 FY CFSP 2022	CBROP 2021	2024/25 FY CFSP 2022
TOTAL REVENUE & GRANTS	9,902,145,330	11,085,933,425	10,456,400,531	10,768,308,325	10,725,464,536	10,798,308,325	10,751,315,708	10,818,308,325
Unspent Bal b/f \Previous FY	736,649,557	499,622,360	0	0	0	0	0	0
Revenue (Total)	10,638,794,887	11,585,555,785	10,456,400,531	10,768,308,325	10,725,464,536	10,798,308,325	10,751,315,708	10,818,308,325
Equitable Share Allocation	8,545,500,000	9,474,726,151	9,285,219,000	9,474,726,151	9,474,600,000	9,474,726,151	9,501,600,000	9,474,726,151
Local Revenue	66,264,717	100,000,000	150,000,000	100,000,000	100,000,000	130,000,000	100,000,000	150,000,000
Grant income	1,290,380,613	1,611,107,274	1,021,181,531	1,193,582,174	1,150,864,536	1,193,582,174	1,149,715,708	1,193,582,174
Grant (Total)	9,902,145,330	11,085,933,425	10,456,400,531	10,768,308,325	10,725,464,536	10,798,308,325	10,751,315,708	10,818,308,325
Total Expenditure	9,888,550,392	11,585,555,785	10,456,400,531	10,768,308,531	10,725,464,536	10,798,308,325	10,751,315,708	10,818,308,325
Recurrent	5,577,011,272	7,341,856,100	6,853,550,531	7,322,449,661	7,278,550,000	7,342,849,661	7,294,475,000	7,356,449,661
Recurrent as % of CG Total Revenue	52%	63.4%	66%	68%	68%	68%	68%	68%
Personnel Emolument	3,697,946,339	4,151,824,677	3,967,999,008	4,199,640,247	3,753,912,588	4,211,340,247	3,762,960,498	4,219,140,247
Operations & Maintenance	1,120,671,333	2,336,689,830	2,885,551,523	3,122,809,414	3,524,637,412	3,131,509,414	3,531,514,502	3,137,309,414
Personnel Emoluments as % of CG Revenue	34.8%	35.80%	37.9%	39	35.0%	39%	35.0%	39%
Development	4,311,539,121	4,298,511,187	3,602,850,000	3,445,858,664	3,446,914,536	3,455,458,664	3,456,840,708	3,461,858,664
Development as % of CG Total Revenue	40.5%	36.60%	34%	32%	32%	32%	32%	32%
Unspent Bal Current FY	1,055,554,294	0	0	0	0	0	0	0

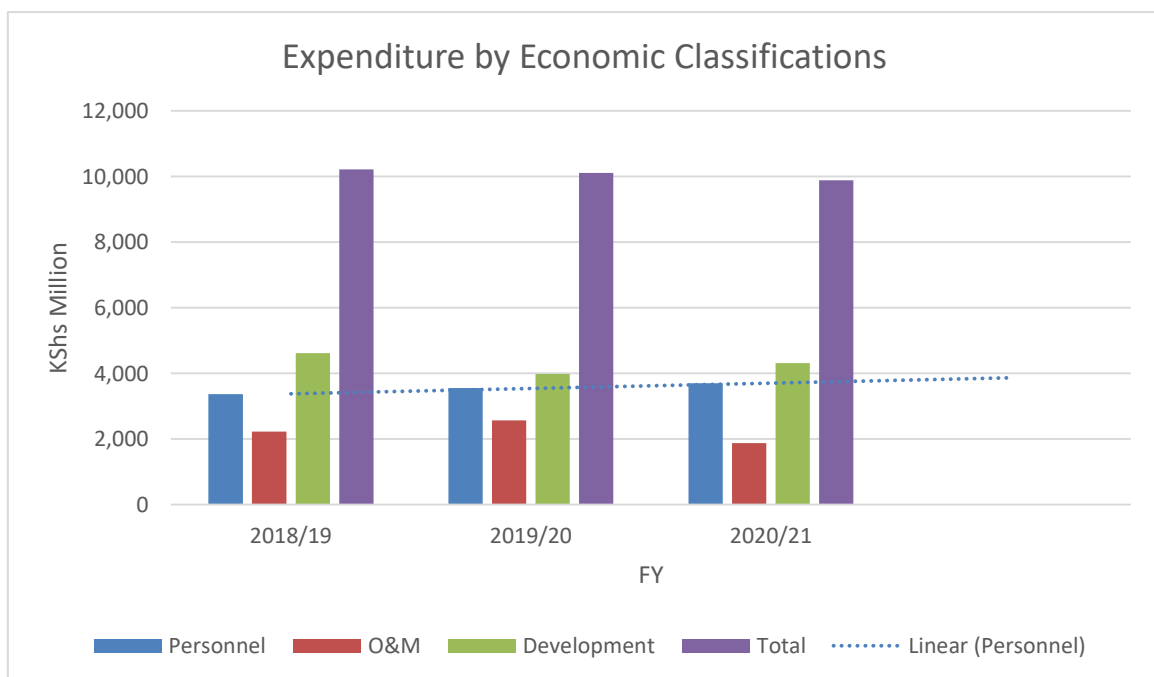
### 3.6.2.1 Recurrent Expenditure Forecasts

The forecasted recurrent expenditure for FY2022/23 is Kshs 7.322 billion which is an increase of Ksh 1 million from the budgeted amount in the current FY2021/22 of Ksh7.342 billion. The marginal increase is mainly attributed to increased recurrent grants and loans from the national government. Personnel emoluments will comprise 57% of the total recurrent expenditure amounting to Kshs 4.199 Billion while operations and maintenance will amount to Kshs 3.123 Billion. The compensation to employees represents 39% of the total revenues for FY2022/23 compared to 36.0% in budget estimates for FY2021/22 which represent a 3.0% growth in county wage bill.

**Table vi: Actual Expenditure by Economic Classifications from FY 2018/19 – FY 2020/21 (in Millions)**

Economic Item	2018/19	2019/20	2020/21
Personnel Emoluments	3,370	3,558	3,697
O&M	2,230	2,573	1,880
Development	4,614	3,982	4,312
Total	10,214	10,113	9,889
Proportion of Personnel Emoluments as % of total Expenditure	33%	35%	38%

**Figure v: Actual Expenditure by Economic Classifications from FY 2018/19 – FY 2020/21**



We observe that personnel and operations and maintenance costs over the years have been increasing which can be attributed to increasing county wage bill. The Government will institute the necessary policies to ensure it complies with the fiscal responsibility principles. In FY2022/23 recurrent budget constitutes 68% of the total budget compared to 63% in FY 2021/22 budget estimates.

**Table vii: Actual and Projected Expenditure by Economic Classifications (in Millions)**

	2020/21 FY	2021/22 FY	Projections		
	Actual Expenditure	Budget Estimates	2022/23 FY	2023/24 FY	2024/25 FY
Total Expenditure	9,889	11,586	10,768	10,798	10,818
Recurrent	5,577	7,342	7,322	7,343	7,356
<i>Recurrent as % of CG Total Revenue</i>	<i>61%</i>	<i>63%</i>	<i>68%</i>	<i>68%</i>	<i>68%</i>
Personnel Emolument	3,698	4,152	4,199	4,211	4,219
Operations & Maintenance	1,879	2,337	3,123	3,132	3,137
<i>Personnel Emoluments as % of CG Revenue</i>	<i>34%</i>	<i>36%</i>	<i>39%</i>	<i>39%</i>	<i>39%</i>

### **3.6.2.2 Development and Net Lending**

The development expenditure for FY2022/23 is projected at Kshs 3.43 Billion compared to Ksh 4.24 Billion in FY2021/22 budget estimates. This is a decrease from 37% in the current year FY2021/22 to 32% in the financial year 2022/23. However, in the medium term the development expenditure will be maintained at the proportion of 32%. The development expenditure will mainly be funded by equitable share transfers as well as loans and grants from National Government.

**Table viii: Actual and Projected Development Expenditure in Millions**

	Actual Expenditure	Budget Estimates	Projections		
	2020/21 FY	2021/22 FY	2022/23 FY	2023/24 FY	2024/25 FY
Total Expenditure	9,889	11,586	10,768	10,798	10,818
Development	4,312	4,244	3,425	3,438	3,446



<i>Development as % of CG</i>	44%	37%	32%	32%	32%
<i>Total Revenue</i>					

### **3.6.3 Fiscal Balance and Deficit Financing**

The Government in the medium term does not plan to pursue long term borrowing and hence no debt has been factored in all the financial projections within the CFSP. If in the medium term there arises the need to borrow, it will only be for key development projects. The borrowing will however be carried out as per the framework provided by the National Treasury on borrowing by County governments.

### **3.7 Summary**

The Government’s fiscal policy goals will focus on adherence to fiscal responsibility principles and mainly on ensuring that at least 30 % of the budget is spent on development. The government is in the process of automating own source revenue in order to enhance the potential of the county as well as control revenue leakages. The PFM Act 2012 and Public Financial Management Regulations (PFR) will continue to guide County Treasury on strict controls over budgets and budget execution. Overall, in the medium term the Government endeavors to utilize the highlighted policies in this chapter to revitalize the private sector and enhance investments in the key sectors as well as growth of the county economy.

## **4. MEDIUM TERM EXPENDITURE FRAMEWORK**

### **4.1 Resource Envelope**

The County government budget is expected to be financed through equitable share, own source revenue and loans and grants from development partners. The county treasury obtained the equitable share from budget policy statement while local revenue and loans and grants from development partners are projected from the previous year. In the next financial year the county projects to receive the following resources;

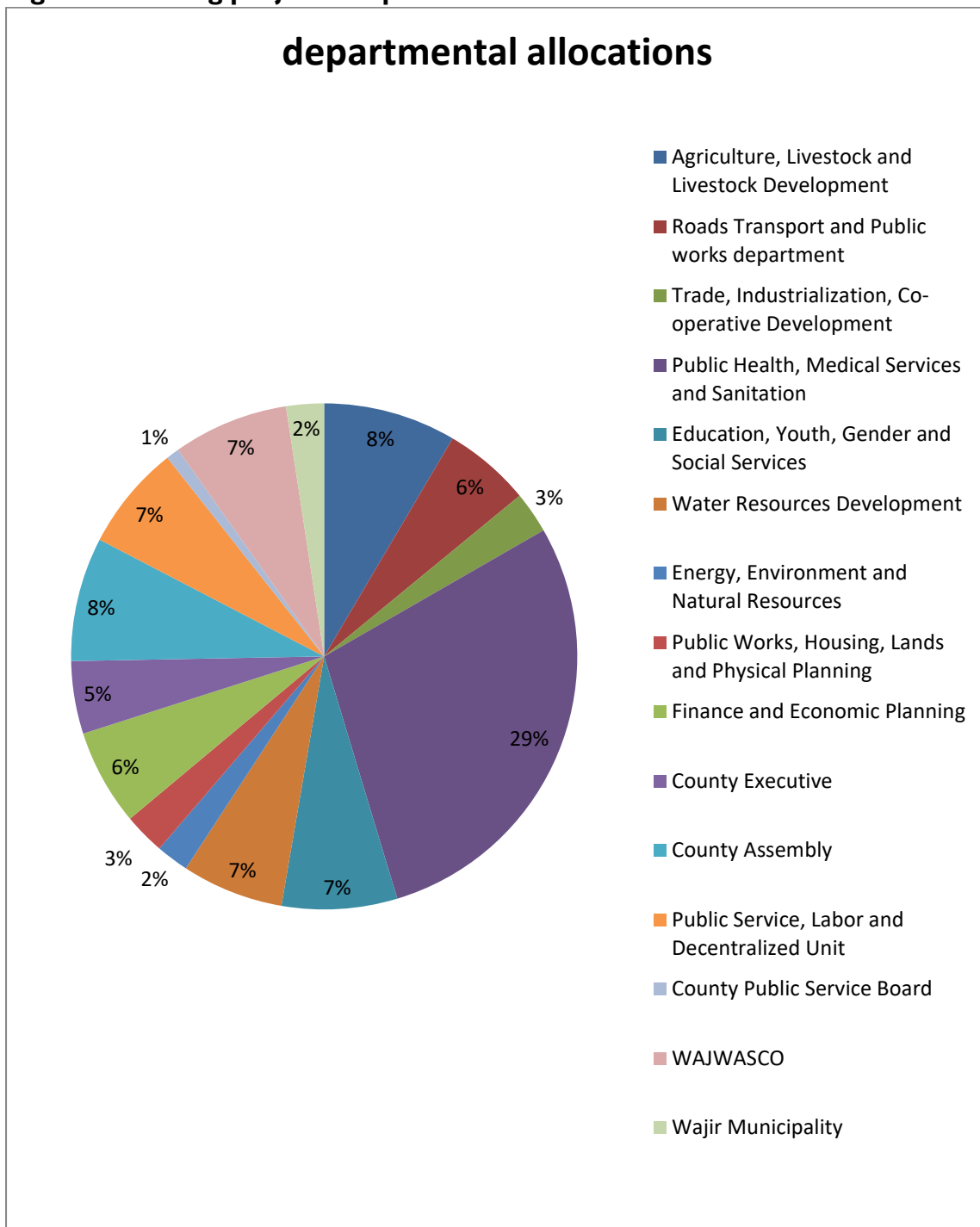
- 9,474 Million (87.99%) as Equitable Share;
- 1,193 Million (11.08%) as Other loans and grants;
- 100 Million (0.93%) as own source revenue.

### **4.2 Spending priorities**

The medium term expenditure will span two CIDPs i.e CIDP 2018-2022 and CIDP 2023-2027 and therefore there might be change of priorities in medium term. The County Government will continue to finance all departmental programmes and sub-programmes in order to provide service to the people. All sectors will optimally be financed to deliver quality service to the people. Payment of verified pending bills will be given priority in the medium term. The County treasury will give priority will be given to universal health coverage, provision of water, improvement of roads infrastructure, and food and nutrition security among other community based projects/programmes.

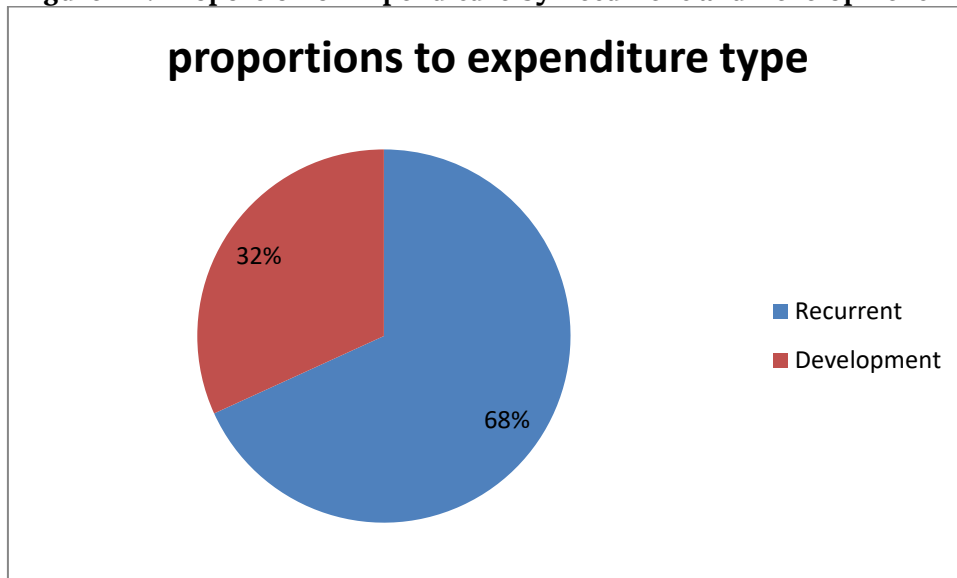
In the Medium term, 29% of the county total budget and 32% of equitable share and own source revenue will be allocated to health care, 8% to agricultural sector and County assembly and 7% each to education, water and public service. Other sectors will be allocated as indicated in the pie chart below.

**Figure vi: Ceiling projections per sector**



The County treasury projects to allocate 68% of the total funding to recurrent and 32% to capital expenditures. This is in compliance with fiscal responsibility principles and ensures quality service to the citizenry.

**Figure vii: Proportion of Expenditure by Recurrent and Development**



### 4.3 Medium Term Expenditure Estimates

In the medium term the government plans to spend Ksh 10.77 billion, Ksh 10.79 billion and 10.81 billion in FY 2022/23 FY 2023/24 and FY 2024/25 respectively. Health care services has the biggest allocation of twenty nine percent as the county government moves towards achieving the universal health Programme target as well as provide quality and affordable health care services. Additionally, water has the second largest allocation combining both the allocation to the department of water and WAJWASCO. The water sector is expected to receive fourteen percent of the county allocation. Other department with considerable allocation includes food security and education and social services.

#### 4.4 Baseline Ceilings

The baseline ceilings reflect the final implementation of County integrated Development Plan 2018-19 and the COVID-19 Economic Recovery Strategy. In developing the ceilings for programmes, adjustment has been made to take into consideration the transformative projects which are key to development of the county economy and recovery of the economy from the effects of COVID 19 Pandemic. The ceilings also have been made to augment the “Big Four” Agenda as espoused in the Budget Policy Statement.

The departmental ceilings in part 4.3 above forms the indicative baseline for the FY 2022/23 budget. In the recurrent expenditure category, non-discretionary expenditures takes first charge. Compensation of employees for the county overall expenditure account for a maximum of 39.0% of the budget estimates. The Government will institute measures to bring down proportion of compensation to employees to the legal ceiling of 35% in the Medium term. This will ensure that the county government Adheres to the fiscal responsibility principle guiding the resource allocation of compensation to employees expenditure against the total revenue. The County intends to keep this percentage below the 35% prescribed in the medium term by continuous expansion of own source revenue and staff rationalization aimed at enhancing productivity and capacity within the County.

Development expenditure is undertaken on the basis of CIDP 2018-2022 and the Annual Development Plan (FY2022/23). Development expenditures have been shared out on the basis of the transformative projects in the CIDP 2018-2022 and linked to the flagship projects in, “The Big Four” Plan and the MTP III priorities of Vision 2030.

The following criteria will be used in apportioning the development budget:

- a) Verified and approved pending bills: The government will treat pending bills as a first charge in order to clear pending bills by the county departments in the financial year 2022/23;

- b) Priorities and programmes geared towards economic recovery as highlighted in the COVID 19 Social Economic Re-Engineering and Recovery Strategy 2020/2021-2022/023;
- c) On-going projects: emphasis has been given to completion of on-going capital projects and in particular development projects with high impact on poverty reduction, equity and job creation;
- d) Counterpart funding towards development partners' co-funded projects;
- e) Projects that comply with the County Government regulations and priorities as outlined in the CIDP, County Annual Development Plan and which are high priority for financing through the sector working group reports;
- f) High priority community needs identified through public participation i.e. ward based priority projects;
- g) Department/ Sector strategic needs that contribute greatly in addressing county's socioeconomic needs.

The following will also be taken into consideration:

- h) Cross cutting issues such as SDGs, Climate Change, Disaster Risk Reduction, community resilience, youth development, social protection, gender and disability mainstreaming;

#### **4.5 Finalization of Spending Plans**

In finalization of the detailed budgets, the departments shall carry out scrutiny to curtail spending on non-productive areas and ensure resources are directed to priority programmes. In the event that additional resources become available through the scrutiny, the government will utilize them to accommodate key County strategic priorities.

Specifically, the following will receive priority:

1. Interventions identified in the Covid-19 Economic Recovery Strategy;
2. Interventions identified during the stakeholders consultation for the FY 2022/23 budget and over the medium term;

3. Strategic interventions in the areas of (i) enhancing food security by investing in appropriate systems; (ii) improving access to universal health care to guarantee quality and affordable health for all (iii) enhancing cohesion and integration through equity and inclusivity for all; (iv) Improving Road, Transport, Energy and Communication Infrastructure to Spur Investment and ease of doing business; (v) improving early childhood education, and youth, women and marginalized groups empowerment; (vi) Improving access to adequate portable water, and ensure clean and safe environment; and (vii) Promoting clean energy by tapping into solar and wind energy; and
4. Emerging issues which require much attention in provision of service delivery such as locust invasion, emergency response, water tracking, livestock disease breakouts and clan/resource based conflicts.

#### **4.6 Details of Sector Priorities**

##### **Agriculture and Livestock Development**

The department's mandate is to promote and facilitate Agriculture and Livestock production for socio-economic development and industrialization. The sector aims to enhance livestock and crop production and value addition

In the medium term, the department is focused on farmers training, improving degraded rangelands, mass vaccination against important diseases, construction of irrigation infrastructure, provision of seeds and improved breeds, and extension services for technology transfer and support services.

In the MTEF period, the department is projected to consume 2.8 billion shillings to fulfil this mandate.

##### **Roads and Transport**

The department's mandate is construction and maintenance of roads and transport infrastructure, management of mechanical and transport equipment and management of traffic.

Over the medium-term, the sector priority is improvement of access roads (All weather roads) and interconnection of all towns & villages and upgrading of roads to bitumen standards in major towns. The department will embrace use of labour-based and local resource-based approaches for road development and maintenance of roads.

In the medium term, the department intends to construct bus park in Wajir town, upgrade 20Km to bitumen standards, grade and bush clear 2000 km, and construct 100 Kms of all weather roads across the county at a cost of 1.8 billion shillings.

### **ICT, Trade, Industrialization, Co-operative Development**

The department is mandated with promoting private sector investments, industrialization and cooperatives development as well development and management of ICT infrastructure for the county government.

In the MTEF period the department is focused on MSME promotion through provision of affordable loans (revolving fund), managing the market infrastructure such as stalls and fresh produce markets, attracting investments by conducting trade fairs, promotion of cooperatives, and construction of ICT infrastructure such as LAN in government offices.

In order to achieve this, the department will require Kshs 861 million over the medium term.

### **Health Services**

The department 's mandate is to provide quality, accessible and affordable health care services. In the medium term, the department is focused on improving access and quality of services by operationalizing all facilities, upgrading existing facilities, and optimizing health care workers skills and deployment.



The planned projects in FY2022/23 include: Equipping 26 new health facilities, equipping 5 specialist clinics, construction of dispensaries for areas with extreme needs, supply of pharmaceuticals and non-pharmaceuticals to all health facilities, employment of additional health care workers, construction of public toilets, and construction and furnishing of staff quarters in various facilities.

In the MTEF period, the department will endeavor to sustain all the programs especially the underfunded programs such as nutrition, health promotion and outreach services on top of the areas already discussed above. To implement the above programmes, the department will require Kshs 9.2 Billion over the medium term.

### **Education, Youth, Gender, Culture and Social Services**

The department is mandated with the Early Childhood Education Vocation Training; socio-economic empowerment of women, youth and vulnerable groups; and promotion of sports, culture, arts and youth development.

In the first year 2022/23 the department plans to construct 30 classrooms and provide capitation of approx. 3600 for 19,000 ECDE pupils towards learning materials and feeding program; give bursaries worth 100 million shillings to bright but poor students; employ 10 additional tutors and funding of 36 million shillings for VTCs equipping; improve 15 sports fields, conduct sub-county tournaments, and train sports officials at a cost of approx. 27 million shillings; undertake soci-economic empowerment at a cost of approx. 44 million shillings; and culture promotion at a cost of 23 million shillings.

In the medium term, the department needs approx. 2.4 billion shillings

### **Water Resources Development**

The department's main mandate is to develop water resources to ensure adequate water for all. In the first FY 2022/23 of the MTEF period, the

department plans to explore ground water resources by drilling 20 boreholes; increasing rain water harvesting capacity by constructing 10 water pans and desilting 40 others; and improving access to water for rural communities through construction of 30 water supply systems. Similar projects are lined up annually over the medium term. In order to fulfil the plan, the department would need approx. 2.1 billion shillings over the medium term.

### **Energy, Environment and Natural Resources**

The is responsible for promoting renewable energy for households and institutions; coordination of environmental issues including management of climate change fund; harnessing tourism opportunities; and management of natural resources including range lands. Over the MTEF period the department aims to invest in promotion of renewable energy, environment and natural resources projects through climate change fund, and increasing forest cover through tree planting and promotion of agroforestry. The planned projects include aafforestation program in all the wards, installation of solar energy in public institutions, solar street lighting in rural areas, and subsidization of LPG supply chain to promote usage. In order for the department to fully fund these programmes, the department will require approx. Kshs 700 million.

### **Public Works, Lands, Housing, Physical Planning & Urban Development**

The department's mandate is to ensure productive and sustainable use of land resources as well as safe built environment and affordable housing. In the medium term, the department shall pursue opportunities presented by the national government's housing program; strengthen institutional and policy framework for urban management; and initiate spatial planning for county. In the 2022/23–2024/25 MTEF period, the department's key focus will be on: finalizing town plans for all Sub-counties headquarters; promote appropriate Building Technology (ABT); and undertake county spatial plan. In order to implement the prioritized programs, the department is projected to expend 850 million shillings in the medium term.

### **Finance and Economic Planning**

The department is mandated with public finance management, resource mobilization and managing the economic affairs for the county government. In the medium term 2022/23 - 2024/25, the department is focused on optimizing own source revenue by instituting the policy and legal framework needed to unlock key revenue streams such as parking fees and land rates; roll out a robust control system to ensure prudence in public finances; and enhance institutional capacity in planning, monitoring and reporting. In the MTEF period, the department is projected to consume 1.9 billion shillings to fulfil the mandate.

### **County Executive**

The executives key mandate is to oversee the affairs of the executive arm, providing policy direction and coordinating the functions of the government. In the medium term, 2022/23-2024/25 the department is projected to consume Kshs 1.5 billion to fulfil this crucial mandate. The CPSB that is responsible for recruitment, discipline and deployment of county staff is projected to consume 275 billion shillings in the medium term.

### **County Assembly**

The County Assembly's main role is legislative and providing oversight to the executive. In order to fulfil this mandate, the assembly is projected to consume approx. Kshs 2.5 Billion in the medium term.

### **Public Service, Special Programs, Decentralized Units and Town Administration**

The department is mandated with managing the county human resources; managing community and stakeholders' engagement; coordinating decentralized services and coordinating disaster risks management. In the year 2022/23 and the MTEF period, the department shall focus on improving slaughter houses, grave yards, dumping sites for the towns under their mandate, and public consultation spaces such as the baraza sheds. Implementation of the disaster risks management policy and bill shall also be

prioritized as well as performance management for the county public service. In order to implement these priorities, the department needs approx. Kshs 2.4Billion in the medium term.

### **WAJWASCO**

Wajir Water and Sanitation Company (WAJWASCO) is mandated with water supplies management and sanitation services for the county. Currently the company is directly responsible of some twenty water supply systems (approx. 10%) across the county with the rest (approx. 90%) still under management of water users' associations. In the year 2022/2023 and the medium term, the company will focus on completing the Wajir town water supply phase one; augmenting diesel-powered supply systems with solar power; and expanding the last mile water connection in all major settlements/centres. Feasibility studies, technical designs and community consultations for the Wajir town water supply phase II and Wajir town sewerage projects will be prioritized in the MTEF period. Construction of sanitation facilities in schools will be upscaled. These priorities are estimated to require approx. Kshs 1.6 billion in the medium term for successful implementation.

## 5. CONCLUSION AND NEXT STEPS

---

The CFSP 2022 encompasses set of fiscal policies geared to strike a balance between changing circumstances and emerging issues. The fiscal policies are broadly in line with the CIDP 2018-2022 and the fiscal responsibility principles outlined in the PFM Act, 2012. They are also consistent with the national strategic objectives outlined in the 2022 BPS which set a basis for County Government allocation of public resources. The SWGs reviewed the priorities in the CIDP and refined them to finalize the ADP 2022/2023 which highlights key priorities and resources needed for the 2022/2023 MTEF budget. The policies and sector ceilings annexed herein will guide the Sectors/Departments in finalizing and adjusting the 2022/2023-2024/25 draft MTEF budget estimates.

Budgetary resources are usually limited thus it is imperative that departments prioritize their programmes within the available resources to ensure that utilization of public funds are in line with county government priorities. The departments will be required to consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans in allocating resources. There is also need to ensure that recurrent resources are being utilized efficiently and effectively before funding is considered for programmes.

MTEF budgeting will entail adjusting non-priority expenditures to cater for the priority sectors and any emerging issues. Resource allocation and planning process will be modified in the context of the above realities while this paper will provide final ceilings for adjustment of the draft estimates and finalization of the budget process. Proper implementation of the MTEF budget is very critical towards providing services that will promote sustainable growth. Sustainability requires greater effort from all the stakeholders including County Government Departments, Civil Society, Communities, County Assembly and development partners to get things done. This means providing for continuous consultation, monitoring finding solutions and encouraging innovation to build a sustainable County. The established M&E unit at the Economic Planning department will form the basis of tracking the quality of development done within the county to ensure timely completion of projects and value for money.

Own Source Revenue underperformance and bloated wage bill are some of the key fiscal challenges highlighted in this CFSP. Among the measures proposed to reverse this trend include intensifying revenue enforcement and compliance efforts, developing new sources of revenue, fast tracking automation to its completion and the enactment of laws and regulations as well as staff rationalizing and freezing any future county employment except for critical sectors like health.

Finally, to achieve these strategic objectives there is need for rigorous mobilization of county own source revenue (OSR), avoidance of wasteful expenditure and living within the budget constraints through implementation of austerity measures as well as adhering to National treasury directives on payment of pending bills.

## ANNEXES

### ANNEX 1: FY 2022/23 MTEF Budget Adjusted Timelines

NO	ACTIVITY	RESPONSIBILITY	TIMEFRAME/ DEADLINE
1.	Develop and issue circular on Budget preparation and MTEF guidelines.	C.E.C Finance & Planning	30 <sup>th</sup> August, 2021
2.	Submission of the County Annual Development Plan to the County Assembly	C.E.C Finance & Planning	1 <sup>st</sup> September, 2021
3.	Launch of Sector Working Groups	All departments coordinated by County Treasury	6 <sup>th</sup> September, 2021
4.	Submission of Departmental Public Expenditure Reviews to County treasury	All Accounting Officers	By 17 <sup>th</sup> September, 2021
5.	Preparation of Draft County Budget Review and Outlook Paper (CBROP)	Macro Working Group	By 24 <sup>th</sup> September, 2021
6.	Presentation of County Budget Review and outlook Paper (CBROP) to County Executive Committee for approval	Macro Working Group	By 28 <sup>th</sup> September, 2021
7.	Capacity building for Budget Execution and Programme Based Budget (PBB)	County Treasury in collaboration with National treasury	September – October, 2021
8.	Submission of County Budget Review and Outlook Paper (CBROP) to the County Assembly	Macro Working Group	By 4 <sup>th</sup> October, 2021
9.	Circulation of approved CBROP to County Executive and Accounting Officers	County Treasury.	By 18 <sup>th</sup> October, 2021
10.	Draft Sector reports by SWG's	All departments – County Treasury to co-ordinate	By 29 <sup>th</sup> October, 2021
11.	Submission of final Sector Working Groups reports	Sector Working Groups/ County Treasury	By 12 <sup>th</sup> November, 2021
12.	Development of County Fiscal Strategy Paper (CFSP)	County Treasury.	By 30 <sup>th</sup> November, 2021
13.	Submission of County Fiscal Strategy	County Treasury.	By 14 <sup>th</sup>

	Paper (CFSP) to C.E.C for approval.		February,2022
14.	Submission of County Fiscal Strategy Paper (CFSP) to County Assembly	County Treasury.	By 28 <sup>th</sup> February, 2022
15.	Develop and issue final guidelines on preparation of 2022/23 Medium Term Budget	County Treasury.	By 17 <sup>th</sup> March,2022
16.	Submission of departmental budget proposals to county treasury	All Departments	By 28 <sup>th</sup> March, 2022
17.	Consolidation of final draft budgets	County Treasury.	By 4 <sup>th</sup> April, 2022
18.	Submission of Draft Budget Estimates to County Executive Committee for approval	County Treasury.	By 11 <sup>th</sup> April, 2022
19.	Submission of Draft Budget Estimates to County Assembly	County Treasury.	By 18 <sup>th</sup> April, 2022
20.	Review of Draft Budget Estimates by County Assembly	County Assembly	By 25 <sup>th</sup> April, 2022
21.	Report on Draft Budget Estimates from County Assembly	County Assembly	By 29 <sup>th</sup> April, 2022
22.	Consolidation of final budget estimates	County Treasury	By 3 <sup>rd</sup> May, 2022
23.	Preparation and submission of budget statement to the County Assembly	County Treasury	By 5 <sup>th</sup> May, 2022
24.	Approval of the Budget & Appropriation Bill by the County Assembly	County Assembly	By 10 <sup>th</sup> May, 2022
25.	Appropriation Bill Passed	County Assembly	By 10 <sup>th</sup> May, 2022
26.	Finance Bill Passed	County Assembly	By 30 <sup>th</sup> May, 2022
27.	Submission of Vote on Account to County Assembly (if applicable)	County Assembly	By 10 <sup>th</sup> May, 2022



## ANNEX 2: MTEF Departmental Ceilings – FY2022/23 -2024/25

Department/Sector	Expenditure Type	Approved Budget 2020/21	Budget Estimates 2021/22	Projection 2022/23	Projection 2023/24	Projection 2024/25
Agriculture, Livestock and Livestock Development	Recurrent	195	233	252	253	253
	Development	584	759	660	661	661
	<b>Sector Total</b>	<b>779</b>	<b>993</b>	<b>913</b>	<b>915</b>	<b>915</b>
Roads and Transport department	Recurrent	112	133	135	136	136
	Development	858	495	465	466	466
	<b>Sector Total</b>	<b>970</b>	<b>627</b>	<b>600</b>	<b>602</b>	<b>602</b>
Trade, Industrialization, Co-operative Development	Recurrent	187	195	200	201	202
	Development	41	62	85	86	87
	<b>Sector Total</b>	<b>228</b>	<b>257</b>	<b>285</b>	<b>287</b>	<b>289</b>
Public Health, Medical Services and Sanitation	Recurrent	2,106	2,496	2,584	2,586	2,586
	Development	847	635	500	502	502
	<b>Sector Total</b>	<b>2,953</b>	<b>3,131</b>	<b>3,084</b>	<b>3,088</b>	<b>3,088</b>
Education, Youth, Gender and Social Services	Recurrent	527	573	589	591	592
	Development	284	219	205	207	208
	<b>Sector Total</b>	<b>811</b>	<b>792</b>	<b>794</b>	<b>798</b>	<b>800</b>
Water Resources Development	Recurrent	354	293	250	251	252
	Development	542	707	450	451	452
	<b>Sector Total</b>	<b>896</b>	<b>1,000</b>	<b>700</b>	<b>702</b>	<b>704</b>
Energy, Environment and Natural Resources	Recurrent	63	85	84	85	86
	Development	169	201	140	141	142
	<b>Sector Total</b>	<b>231</b>	<b>286</b>	<b>224</b>	<b>226</b>	<b>228</b>
Public Works, Housing, Lands and Physical Planning	Recurrent	86	80	84	85	86
	Development	75	248	200	201	202
	<b>Sector Total</b>	<b>161</b>	<b>328</b>	<b>284</b>	<b>286</b>	<b>288</b>
Finance and Economic Planning	Recurrent	627	750	662	663	664

Department/Sector	Expenditure Type	Approved Budget 2020/21	Budget Estimates 2021/22	Project ion 2022/23	Project ion 2023/24	Project ion 2024/25
	Development					
	<b>Sector Total</b>	<b>627</b>	<b>750</b>	<b>662</b>	<b>663</b>	<b>664</b>
County Executive	Recurrent	421	522	500	501	502
	Development					
	<b>Sector Total</b>	<b>421</b>	<b>522</b>	<b>500</b>	<b>501</b>	<b>502</b>
County Assembly	Recurrent	932	853	853	854	855
	Development	40	<b>40</b>			
	<b>Sector Total</b>	<b>972</b>	<b>893</b>	<b>853</b>	<b>854</b>	<b>855</b>
Public Service, Labor and Decentralized Unit	Recurrent	731	<b>653</b>	675	676	677
	Development	107	66	50	51	52
	<b>Sector Total</b>	<b>838</b>	<b>720</b>	<b>725</b>	<b>727</b>	<b>729</b>
County Public Service Board	Recurrent	85	84	90	91	92
	Development					
	<b>Sector Total</b>	<b>85</b>	<b>84</b>	<b>90</b>	<b>91</b>	<b>92</b>
WAJWASCO	Recurrent	138	174	175	176	177
	Development	441	672	<b>620</b>	621	622
	<b>Sector Total</b>	<b>579</b>	<b>846</b>	<b>795</b>	<b>797</b>	<b>799</b>
Wajir Municipality	Recurrent	218	217	210	211	212
	Development	175	141	50	51	52
	<b>Sector Total</b>	<b>393</b>	<b>358</b>	<b>260</b>	<b>262</b>	<b>264</b>
<b>Total</b>	<b>Total</b>	<b>10,944</b>	<b>11,586</b>	<b>10,768</b>	<b>10,798</b>	<b>10,818</b>
<b>Recurrent total</b>		<b>6,781</b>	<b>7,342</b>	<b>7,343</b>	<b>7,360</b>	<b>7,372</b>
<b>Development Total</b>		<b>4,164</b>	<b>4,244</b>	<b>3,425</b>	<b>3,438</b>	<b>3,446</b>
<b>Proportion of recurrent to total budget</b>		<b>62%</b>	<b>63%</b>	<b>68%</b>	<b>68%</b>	<b>68%</b>
<b>Proportion of development to total budget</b>		<b>38%</b>	<b>37%</b>	<b>32%</b>	<b>32%</b>	<b>32%</b>

### Annex 3: Own Source Revenue Collection for First Half 2021/2022

COUNTY GOVERNMENT OF WAJIR DEPARTMENT OF REVENUE REVENUE ANALYSIS FOR YEAR 2021-2022						
FY	2021/2022					
REVENUE STREAM	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Stock Auction fees	1,166,800.00	736,800.00	663,400.00	762,960.00	778,260.00	587,800.00
Stock Export fees	15,000.00	166,600.00	148,700.00	33,600.00	61,100.00	40,600.00
Slaughter fees	163,200.00	168,600.00	149,300.00	115,800.00	115,800.00	120,500.00
Hides &Skin	-	-	-	-	-	-
Arabic Gum	89,700.00	47,000.00	49,300.00	74,000.00	74,000.00	74,300.00
Miraa Cess	1,458,000.00	1,499,500.00	1,620,000.00	1,527,000.00	1,563,600.00	1,729,800.00
Single Business Permit(SBP)	996,800.00	107,200.00	194,700.00	326,600.00	326,600.00	39,000.00
Conservancy	15,650.00	15,900.00	11,950.00	-	-	8,100.00
Land Rent	31,500.00	72,000.00	148,500.00	101,400.00	101,400.00	543,310.00
Survey fees	-	398,025.00	308,680.00	-	-	-
Building Materials	211,000.00	266,000.00	202,300.00	192,160.00	256,860.00	360,000.00
Market gate fees(fresh produce)	48,000.00	58,600.00	56,800.00	56,800.00	66,800.00	83,500.00
Scrap metal	-	-	-	-	-	-

Cereals	74,100.00	79,500.00	102,100.00	78,100.00	63,100.00	45,800.00
Cost sharing	512,500.00	625,230.00	570,240.00	388,950.00	367,250.00	737,250.00
Medical Certificate	71,500.00	24,800.00	10,000.00	11,500.00	11,500.00	-
<b>MONTHLY TOTALS</b>	<b>4,860,020.00</b>	<b>4,265,755.00</b>	<b>4,250,970.00</b>	<b>3,698,870.00</b>	<b>3,816,270.00</b>	<b>4,399,960.00</b>