

COUNTY GOVERNMENT OF SAMBURU



DEPARTMENT OF FINANCE, ECONOMIC PLANNING AND ICT

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

SEPTEMBER 2022

Foreword

The County Budget Review and Outlook Paper (CBROP) 2022 has been prepared in line with Section 118 of the Public Finance Management (PFM) Act 2012. It presents the recent economic developments and actual fiscal performance of the FY 2021/2022 and makes comparisons to the budget appropriations for the same year. It further provides updated forecasts with sufficient information to show changes from the projections outlined in the latest County Fiscal Strategy Paper (CFSP), released in February 2022. In this paper, we will also provide an overview of how the actual performance of the FY 2021/2022 affected the County's compliance with the fiscal responsibility principles and financial objectives.

In the year under review, the total expenditure was Ksh 6,051,217,695 against a total budget of Ksh 7,377,540,024. Absorption of development expenditure was 30.2% compared to the approved budget of 36.9 % which translates Ksh to 1,828,650,297 which was over 30% requirement. The County Government, however, remains resolute to increase spending on development to achieve the developmental targets. The projected revenue was Ksh 7,377,540,024 comprising of Ksh 157,264,422 from own source revenue, Ksh 5,371,346,037 from equitable share, and the balance from development partners. The actual receipts were Ksh 113,210,980 from own source revenue, Ksh 4,782,730,825 from equitable share, a Ksh 717,744,526 from development partners and cash balance brought forward of Ksh 766,896.637.

Considering the tight resource envelope that is available for FY 2023/24 budget, all the Sector Working Groups are required to carefully scrutinize all proposed departmental budgets and ensure strict adherence to proposed sector ceilings provided in this document. Emphasis should be on completing ongoing projects before starting new ones. Our commitment is to ensure that we realize the County's goal of reducing poverty and creating employment by focusing our expenditure on high impact projects and programmes. In this regard, the need for continued fiscal discipline through strategic planning, efficient resource management and prudent utilization of public resources is emphasized.

Going forward the County Government will focus on revenue enhancement measures; operationalization of completed facilities in all sectors; completion of on-going projects; fast-track implementation of development projects to minimize project roll-overs and implement Post Covid-19 Economic Recovery Strategy,
God bless our County.


Jonathan Leisen
CECM - Finance, Economic Planning and ICT



Acknowledgment

The County Budget Review and Outlook Paper (CBROP) 2022 has been prepared in accordance with the Public Finance Management (PFM) Act, 2012, and its Regulations. The document provides the fiscal performance for the FY 2021/22, the macro-economic projections and sets the initial sector ceilings for the FY 2023/24 and the Medium-Term Expenditure Framework. The paper also provides an overview of how the actual performance of the FY 2022/22 affected our compliance with the fiscal responsibility principles and the financial objectives spelt out in the PFM Act, 2012.

We are operating under tight resource constraints amidst significant revenue shortfalls occasioned by declining economic activity as a result of the adverse effects of the Covid-19 Pandemic. This calls for proper prioritization to ensure that our expenditures go to the most impactful programs with the highest welfare benefits to county residents. Thus, all Sector Working Groups (SWGs) are expected to ensure that their budgets are aligned to the overall County Government priorities while taking into account the available resources.

The preparation of this paper was a collaborative effort of various County Departments and Agencies. I thank H.E The Governor and H.E the Deputy Governor for their leadership and guidance. I also thank all the County Executive Committee Members and the Chief Officers for the coordination of their departments that ensured the timely provision of useful data and information on budget execution for the FY 2022/22.

Finally, since it would not be possible to list everybody individually on this page, I would like to take this opportunity to thank the entire staff of the County Treasury for their dedication, sacrifice, commitment and assistance during the CBROP 2022 preparation process.


Solomon Letirok

Ag. Chief Officer - Finance



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Abbreviations and Acronyms

| | |
|----------|---|
| ASDSP | Agricultural Sector Development Support Programme |
| CBROP | County Budget Review and Outlook Paper |
| CFSP | County Fiscal Strategy Paper |
| CIDP | County Integrated Development Plan |
| COVID 19 | Coronavirus Disease 2019 |
| CPSC | County Project Steering Committee |
| CTAC | County Technical and Advisory Committee |
| ECDE | Early Childhood Development Education |
| EU | European Union |
| FY | Financial Year |
| GDP | Gross Domestic Product |
| ICT | Information Communication Technology |
| IDEAS | instrument for Devolution, Advice and Support |
| IMF | International Monetary Fund |
| KNBS | Kenya National Bureau of Statistics |
| KSH | Kenya Shillings |
| M&E | Monitoring and Evaluation |
| MPC | Monetary Policy Committee |
| MTEF | Medium Term Expenditure Framework |
| NARIG | National Agricultural Rural Inclusive Growth |
| NDMA | National Drought Management Authority |
| PFM | Public Financial Management |
| SDGs | Sustainable Development Goals |
| THS UC | Transforming Health Systems Universal Care |
| USD | United States Dollar |
| VC | Value Chain |
| WUA | Water Users Associations |

Legal Basis for the Publication of the Budget Review and Outlook Paper

The CBROP is prepared per Section 118 of the PFM Act, 2012.

The law states that:

- 1)** The County Treasury shall prepare and submit to the County Executive Committee for approval, by 30th September in each financial year, a CBROP which shall include;
 - a)** Actual fiscal performance in the previous financial year compared to the budget appropriation for that year.
 - b)** Updated macro-economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent CFSP.
 - c)** Information on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the latest CFSP; and
 - d)** The reasons for any deviation from the financial objectives together with proposals to address the deviation and the time estimated to do so.
- 2)** The County Executive Committee shall consider the CBROP to approve it, with or without amendments, not later than fourteen days after its submission.
- 3)** Not later than seven days after the CBROP has been approved by County Executive Committee, the County Treasury shall:
 - a)** Arrange for the Paper to be laid before the County Assembly; and
 - b)** As soon as practicable after having done so, publish and publicize the Paper.

The Fiscal Responsibility Principles laid out in section 107 of the PFM Act 2012

includes;

- (1) A County Treasury shall manage its public finances per the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.
- (2) 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 revenue as prescribed by the County Executive Member for finance in regulations and approved by the County Assembly;
 - (d) over the medium term, the government's borrowings shall be used only for financing development expenditure and not for recurrent expenditure;
 - (e) the county debt shall be maintained at a sustainable level as approved by county assembly;
 - (f) the fiscal risks shall be managed prudently; and
 - (g) a reasonable degree of predictability to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.
- (3) For subsection (2) (d), short-term borrowing shall be restricted to the management of cash flows and shall not exceed five percent of the most recent audited county government revenue.
- (4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.
- (5) The regulations may add to the list of fiscal responsibility principles set out in subsection (2).

SECTION ONE: Introduction

1. This County Budget Review and Outlook Paper (CBROP) has been prepared by the County Treasury through collaborative and consultative process in line with the law and according to section 118 of the Public Finance Management (PFM) Act, 2012.
2. The CBROP 2022 aims to provide a review of the fiscal performance for the FY 2021/2022 and how the outcomes impact the County's financial objectives as detailed in the County Fiscal Strategy Paper (CFSP) 2022 and fiscal responsibility principles as envisaged in the PFM Act 2012. This information together with the updated economic outlook provides a basis for revision of the current budget in the context of supplementary estimates and the broad fiscal parameters underpinning the next budget and the medium-term expenditure framework. Details of the fiscal framework, budget performance, medium term projections, priorities and sector ceilings will be firmed up in the CFSP 2023.
3. As required by the PFM Act, 2012, the budget process emphasizes on efficiency and effectiveness of public spending and improving revenue collection to stimulate and sustain economic activities. This will in turn ensure that the debt situation remains sustainable and enhances continued fiscal discipline. In order to meet the resource requirements of the FY 2021/22, the County Government will continue to apply prudent measures aimed at enhancing local revenue collection and rationalizing expenditures
4. The updated National economic outlook will be firmed up in the 2023 CFSP to reflect any changes in economic and financial conditions. The County Treasury will align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement as per the PFM Act 2012, Section 117.

Structure of CBROP

5. The paper has been categorized into four sections:
 - a. Section II provides a review of fiscal performance in FY 2021/2022 with reference to fiscal performance, debt management, and conformity to fiscal discipline and responsibility principles
 - b. Section III expounds on the recent economic developments and fiscal outlook
 - c. Section IV gives a detailed resource allocation framework with tentatively projected sector budget ceilings
 - d. Section V provides the conclusion and next step

SECTION TWO: Review of Fiscal Performance for the FY 2021/22

6. This section details the County’s fiscal performance for the financial year 2021/22 to the budget appropriation for the year; and implications arising from the fiscal performance for the period under review.

Overview

7. The County’s approved budget for FY 2021/22 is Kshs. 7.377 billion, comprising of Kshs.2.73 billion (36.9%) and Kshs.4.653 billion (63.1%) allocation for development and recurrent programmes respectively.

8. To finance the budget, the County expected to receive Kshs.5.37 billion as the equitable share of revenue raised nationally, Kshs.865.8 million as total conditional grants, generate Kshs.157.2 million from own sources of revenue, and a cash balance of Kshs.766.8 million from FY 2020/21.

9. Revenue Performance

In FY 2021/22, the County received Kshs.5.37 billion as the equitable share of the revenue raised nationally, Kshs.865.8 million as conditional grants, raised Kshs.113.2 million as own-source revenue, and had a cash balance of Kshs. 766.8 million from FY 2020/21. The total funds available for budget implementation during the period amounted to Kshs. 7.377 billion as shown in

Table 1.

Table 1: Revenue Performance in FY 2021/22

| ITEMS | Approved 2021/22 | Actuals 2021/22 |
|------------------------------------|---------------------|--------------------|
| COUNTY GENERATED REVENUE | | |
| Land Rates | 36,000,000 | 7,083,810 |
| Single Business Permits | 13,200,000 | 6,269,450 |
| Total Cess Receipts | 11,760,000 | 10,946,520 |
| Game Parks/Nature Reserves Fees | 52,224,422 | 69,247,718 |
| Markets and Slaughter House Fees | 6,720,000 | 6,408,770 |
| Vehicle Parking Receipts/Transport | 4,200,000 | 1,946,200 |
| Wheat Cess | 280,000 | |
| Hospital Charges | 10,000,000 | 8,774,812 |

| | | |
|---|--------------------|--------------------|
| Liquor License | 6,000,000 | 455,000 |
| Various Health Departments Fees | 600,000 | |
| Agricultural Machinery Services | 1,200,000 | - |
| Hawker | 1,800,000 | 1,541,700 |
| Miscellaneous Revenue | 780,000 | 537,000 |
| Revenue from insurance recoveries | 3,500,000 | |
| Sale of Motor vehicles | 9,000,000 | |
| SUB-TOTAL LOCAL SOURCES | 157,264,422 | 113,210,980 |
| SUMMARY | | |
| Revenue from Local Sources | 157,264,422 | 113,210,980 |
| Revenue transfer from national government | 5,371,346,037 | 4,782,730,825 |
| Conditional Grant-Compensation for User Fee Foregone | 5,235,578 | 5,235,578 |
| Conditional Grant-Leasing of Medical Equipment | 153,297,872 | |
| Kenya Urban Support Programme (UDG and UIG) 20-21 | 71,869,989 | 71,869,989 |
| Kenya Devolution Support Program (KDSP) | 141,563,523 | 141,563,523 |
| DANIDA (Health support funds) | 10,238,250 | 5,119,125 |
| World bank loan for National agricultural and rural inclusive growth project | 212,277,520 | 111,161,096 |
| EU Grant for instrument for devolution advice and support (Abattoir Construction) | 15,626,168 | |
| Balance brought forward 2020-21 for construction of Abattoir | 57,108,748 | 57,108,748 |
| Agriculture Sector Development Support Programme (ASDSP) | 32,990,533 | 6,000,000 |
| World Bank Loan for transforming health systems for universal care project | 5,601,594 | |
| World bank loan for National agricultural and rural inclusive growth project B/F | 75,000,000 | 75,000,000 |
| Kenya Road Board (Fuel Levy) | 59,429,573 | 59,429,573 |
| World Bank Loan for transforming health systems for universal care project b/f | 16,555,011 | 16,555,011 |
| World Bank Loan for transforming health systems for universal care project B/F | 37,338,236 | 37,338,236 |
| ELRP(Locust) | 91,713,333 | 35,176,647 |

| | | |
|---------------------------------------|----------------------|----------------------|
| ELRP(Locust) b/f | 68,785,000 | 68,785,000 |
| COVID 19 FUNDS B/F | 27,402,000 | 27,402,000 |
| Balance brought forward 2020-21 - CRF | 287,820,000 | 287,820,000 |
| Balance brought forward 2020-21 - CRF | 479,076,637 | 479,076,637 |
| GRAND TOTAL | 7,377,540,024 | 6,380,582,968 |

Source: County Treasury 2022

10. From the table above, we observe that most of the revenue streams did not attain the targets set and, this is attributed to Covid-19 pandemic effects.

Overall Expenditure Review

11. During the reporting period, the county spent Ksh 6.05 billion on development and recurrent programmes. Expenditure on development programmes represented an absorption rate of 30.2 percent while recurrent expenditure represented 69.8 percent of the annual recurrent expenditure.

Expenditure by Economic Classification

12. Analysis of expenditure by economic classification indicates that Kshs.2.27 billion was spent on employee compensation, Kshs.1.95 billion on operations and maintenance, and Kshs.1.82 billion on development activities as shown in Table 2.

Table 2: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Ks8hs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------------|----------------------|----------------|
| Total Recurrent Expenditure | 4,653,652,543 | 4,222,567,398 | 91% |
| Compensation to Employees | 2,369,560,817 | 2,270,066,720 | 96% |
| Operations and Maintenance | 2,284,091,726 | 1,952,500,678 | 85% |
| Total Development Expenditure | 2,723,887,482 | 1,828,650,297 | 67% |
| Development Expenditure | 2,723,887,482 | 1,828,650,297 | 67% |
| Total | 7,377,540,025 | 6,051,217,695 | 82% |

Source: Samburu County Treasury

13. Development Expenditure

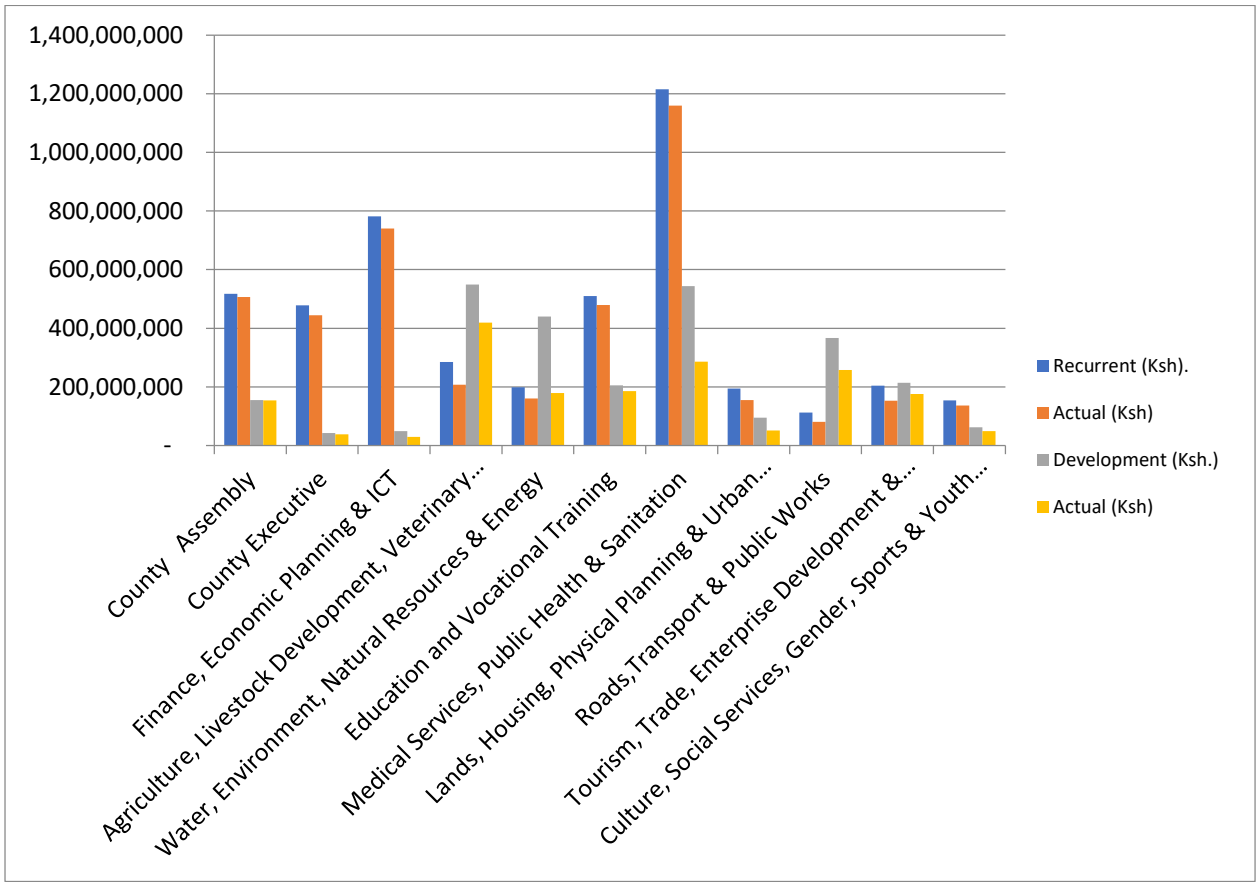
The County incurred an expenditure of Ksh. 1.828 billion on development programmes which is 30.2 % of the total expenditure.

Table 3 provides a summary of the development and recurrent expenditures in the reporting period.

Table 3: Approved Expenditure Vs Actuals FY 2021/22

| DEPARTMENT | Recurrent (Ksh). | Actual (Ksh) | Development (Ksh.) | Actual (Ksh) | TOTAL(Ksh) | Total -Actual (Ksh) |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| County Assembly | 518,009,215 | 506,556,863 | 155,164,815 | 154,305,958 | 673,174,030 | 660,862,821 |
| County Executive | 478,253,456 | 444,739,894 | 43,000,000 | 38,828,132 | 521,253,456 | 483,568,026 |
| Finance, Economic Planning & ICT | 782,160,632 | 740,235,297 | 48,880,686 | 29,420,696 | 831,041,318 | 769,655,993 |
| Agriculture, Livestock Development, Veterinary Services & Fisheries | 284,884,070 | 207,491,622 | 548,993,036 | 419,612,209 | 833,877,106 | 627,103,831 |
| Water, Environment, Natural Resources & Energy | 199,101,385 | 160,198,144 | 439,774,290 | 179,433,741 | 638,875,676 | 339,631,885 |
| Education and Vocational Training | 510,320,965 | 479,541,704 | 205,553,687 | 185,578,050 | 715,874,653 | 665,119,754 |
| Medical Services, Public Health & Sanitation | 1,215,250,490 | 1,159,430,723 | 543,390,244 | 286,626,623 | 1,758,640,734 | 1,446,057,346 |
| Lands, Housing, Physical Planning & Urban Development | 194,817,832 | 154,596,126 | 94,984,809 | 51,454,400 | 289,802,641 | 206,050,526 |
| Roads, Transport & Public Works | 112,642,368 | 81,255,488 | 367,069,081 | 257,956,866 | 479,711,448 | 339,212,354 |
| Tourism, Trade, Enterprise Development & Cooperatives | 204,581,947 | 152,452,665 | 214,415,230 | 176,022,180 | 418,997,177 | 328,474,845 |
| Culture, Social Services, Gender, Sports & Youth Affairs | 153,630,181 | 136,068,872 | 62,661,605 | 49,411,442 | 216,291,785 | 185,480,314 |
| TOTAL | 4,653,652,542 | 4,222,567,398 | 2,723,887,482 | 1,828,650,297 | 7,377,540,024 | 6,051,217,695 |

Source: Samburu County Treasury 2022



Source: Samburu County Treasury 2022

Figure 1: Approved Vs Actual Expenditure 2021/22

Table 4: Absorption Rates 2021-22

| DEPARTMENT | Recurrent (Ksh). | Actual (Ksh) | Budget Absorption rate | Development (Ksh.) | Actual (Ksh) | Budget Absorption rate | TOTAL (Ksh) | Total -Actual (Ksh) | Budget Absorption rate |
|--|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| County Assembly | 518,009,215 | 506,556,863 | 98 | 155,164,815 | 154,305,958 | 99 | 673,174,030 | 660,862,821 | 98 |
| County Executive | 478,253,456 | 444,739,894 | 93 | 43,000,000 | 38,828,132 | 90 | 521,253,456 | 483,568,026 | 93 |
| Finance, Economic Planning & ICT | 782,160,632 | 740,235,297 | 95 | 48,880,686 | 29,420,696 | 60 | 831,041,318 | 769,655,993 | 93 |
| Agriculture, Livestock Development, Veterinary Services & Fish | 284,884,070 | 207,491,622 | 73 | 548,993,036 | 419,612,209 | 76 | 833,877,106 | 627,103,831 | 75 |
| Water, Environment, Natural Resources & Energy | 199,101,385 | 160,198,144 | 80 | 439,774,290 | 179,433,741 | 41 | 638,875,676 | 339,631,885 | 53 |
| Education and Vocational Training | 510,320,965 | 479,541,704 | 94 | 205,553,687 | 185,578,050 | 90 | 715,874,653 | 665,119,754 | 93 |
| Medical Services, Public Health & Sanitation | 1,215,250,490 | 1,159,430,723 | 95 | 543,390,244 | 286,626,623 | 53 | 1,758,640,734 | 1,446,057,346 | 82 |
| Lands, Housing, Physical Planning & Urban Development | 194,817,832 | 154,596,126 | 79 | 94,984,809 | 51,454,400 | 54 | 289,802,641 | 206,050,526 | 71 |
| Roads, Transport & Public Works | 112,642,368 | 81,255,488 | 72 | 367,069,081 | 257,956,866 | 70 | 479,711,448 | 339,212,354 | 71 |
| Tourism, Trade, Enterprise Development & Cooperatives | 204,581,947 | 152,452,665 | 75 | 214,415,230 | 176,022,180 | 82 | 418,997,177 | 328,474,845 | 78 |
| Culture, Social Services, Gender, Sports & Youth Affairs | 153,630,181 | 136,068,872 | 89 | 62,661,605 | 49,411,442 | 79 | 216,291,785 | 185,480,314 | 86 |
| TOTAL | 4,653,652,542 | 4,222,567,398 | 91 | 2,723,887,482 | 1,828,650,297 | 67 | 7,377,540,024 | 6,051,217,695 | 82 |
| Percentages | 63 | 70 | | 37 | 30 | | | | |

Source: Samburu County Treasury 2022

Pending Bills

14. A pending bill is an unsettled financial obligation at the end of a financial year. Pending bills arise when the County Government fails to settle invoiced amounts for goods and services properly procured and delivered, or rendered at the end of a financial year. The list of pending bills is as shown in table 5 below;

Table 5: Pending Bills as of 30th June 2022

| SAMBURU COUNTY EXECUTIVE SUMMARY OF PENDING BILLS FOR THE YEAR ENDED JUNE 2022 | | | | | | | | | | | |
|--|---------------------------|-----------------------------|--------------------|----------------------|-------------------|-------------------|-----------------------|------------------------|----------------------|------------------------------|-----------------------|
| | Annex 2 | | | | Annex 3 | | | Annex 4 | | | |
| Department | Construction of buildings | Construction of civil works | Supply of goods | Supply of services | Senior Management | Middle Management | Unionisable Employees | National Govt Entities | County Govt Entities | Amounts due to Third Parties | Totals |
| County Executive | 56,548,394.00 | - | 14,639,708. | 4,968,984. | - | - | - | - | 21,110,760.60 | - | 97,267,846.60 |
| Finance and Economic Planning | 8,369,468.00 | - | 7,020,276. | 11,163,700. | - | - | - | 1,440,138 | 40,100,000.00 | 15,454,869 | 83,548,451.00 |
| Agriculture, Livestock and Fisheries | - | 7,872,547.00 | 5,250,182. | - | - | 167,600 | - | - | - | - | 13,290,329.00 |
| Environment and Natural Resources | 2,418,782.45 | 210,534,105.80 | 8,435,596. | 8,421,184.80 | 167,500 | 6,838,100 | 300,000 | 2,037,682 | 11,736,632.00 | - | 250,889,583.05 |
| Education, Youth Affairs and Sports | 9,342,087.00 | 1,774,800.00 | 3,730,050. | 3,741,920.90 | - | 697,333 | - | - | 18,900,000.00 | - | 38,186,190.90 |
| Health Services | 116,268,090.00 | - | 30,573,637 | 40,400.00 | 3,244,330 | 2,912,096. | - | 910,575 | 3,285,000.00 | - | 157,234,128.00 |
| Lands Physical Planning & Housing | - | - | - | 19,512,460 | - | - | - | - | - | - | 19,512,460.00 |
| Public Works, County Roads and Water | - | 79,864,040.00 | 12,339,200. | 589,459 | 42,000 | 268,500.00 | - | - | - | - | 93,103,199.00 |
| Trade, Tourism and Co-operative Development | - | 31,598,253.40 | 4,002,000. | 227,940 | 4,861,138 | 1,548,500. | - | - | - | - | 42,237,831.40 |
| Gender, culture and social services, | - | 22,871,687.00 | 6,768,680 | - | 1,675,000 | 1,381,600.00 | - | - | - | - | 32,696,967.00 |
| | 192,946,821.45 | 354,515,433.20 | 92,759,329. | 48,666,048.70 | 9,989,968. | 13,813,729 | 300,000 | 4,388,395 | 95,132,392.60 | 15,454,869 | 827,966,985.95 |

Source: Samburu County Treasury 2022

Overall balance and financing

Reflecting on the above performance in revenue and expenditure, the County had a balanced budget both in expenditure and revenue. The overall absorption rate was 82% on the overall budget. The County did not realize **Ksh 44,053,442** from its own source revenue and **Ksh 364,288,402** from development partners and **Ksh 588,615,212** as equitable share hence a total of **Ksh 996,957,056** of the budgeted revenue.

The implication of 2021/22 fiscal performance on the set financial objectives in the 2022 CFSP;

1. The performance in the FY 2021/22 has affected the financial objectives set out in the latest CFSP 2022 and the Budget for FY 2022/23 in the following ways:
 - i) The county development for the year was 30.2% versus 36.9% in the budget and 30% required in PFM regulations which the county achieved;
 - ii) The staff emolument was 37.5% as opposed to 35% in the budget which is above the 35% required threshold by PFM regulations. The county has put in measures to increase own source revenue and stopped staff hiring unless for critical technical positions.
2. The county will continuously look into ways of enhancing its own source revenue collection and achieving greater efficiency in terms of cost savings in recurrent expenditure to ensure priority is given to the development projects.
3. The county will continue collaborating with development partners to assist in the development of the county.
4. Notably is the fact that departments have been taking measures to ensure that they prioritize projects and programs that they can implement in the short term which has increased the overall departmental absorption rate and this trend should be maintained.

SECTION THREE – Recent Economic Developments and Outlook

Recent Economic Developments

Global Economic performance

- 15.** This CBROP has been prepared against a background of a global GDP growth projected to slow sharply this year, to around 3%, and remain at a similar pace in 2023. This is well below the pace of recovery projected last December. Growth is set to be markedly weaker than expected in almost all economies. Many of the hardest-hit countries are in Europe, which is highly exposed to the war through energy imports and refugee flows.
- 16.** Countries worldwide are being hit by higher commodity prices, which add to inflationary pressures and curb real incomes and spending, further dampening the recovery. This growth slowdown is a price of war which will be paid through lower incomes and fewer job opportunities.
- 17.** The war in Ukraine has quashed hopes for a quick end to rising inflation from Covid-19 related supply bottlenecks seen across the global economy during 2021 and early 2022. High food and energy prices and the continued worsening of supply-chain problems imply that consumer price inflation will peak later and at higher levels than previously foreseen.
- 18.** A gradual reduction of supply chain and commodity price pressures and the impact of rising interest rates should begin to be felt through 2023, but core inflation is nonetheless projected to remain at or above central bank objectives in many major economies at year-end (Organization for Economic Co-operation and Development (OECD) Economic Outlook, June 2022)

Domestic Economic Performance

GDP Growth

- 19.** According to the Kenya National Bureau of Statistics (KNBS) the Kenyan economy recorded a 6.8% expansion in Q1'2022, up from the 2.7% growth recorded in Q1'2021. The performance was bolstered by rebounds in most economic activities, which had contracted significantly in the Q1'2021 as a result of COVID-19 control measures. The Kenyan Economy is projected to grow at an average of 5.1% in 2022 according to various organizations as shown below:

| No. | Organization | 2022 Projections |
|----------------|--|------------------|
| 1. | International Monetary Fund | 5.7% |
| 2. | National Treasury | 6.0% |
| 3. | World Bank | 5.5% |
| 4. | Standard and Poor Global-USA Credit rating | 4.4% |
| 5. | Cytonn Investments Management PLC | 4.0% |
| Average | | 5.1% |

Source: Cytonn Research 2022

20. The growth will largely be supported by the gradual recovery of the economic environment as well as continued vaccine inoculation. However, risks lie on the downside on the economic outlook mainly due to;

- i. The persistent geopolitical pressures occasioned by the Russian-Ukrainian war which has seen increased inflationary pressures,
- ii. Persistent supply chain constraints which have led to the rise of commodity prices,
- iii. The resurgence of Covid-19 infections in the country and the country's trading partners.

Key to note, Kenya's general business environment has continued to deteriorate with the average Purchasing Manager's Index for the first five months of 2022 standing at 49.7 mainly on the back of increased commodity prices which have seen reduced consumer spending.

Inflation

21. The average inflation rate increased to 6.3% in H1'2022, compared to 5.9% in H1'2021, attributable to 13.8% and 7.1% year on year increases in food and oil prices, respectively, in H1'2022. Notably, the price of super petrol, diesel and kerosene have increased by 22.7%, 26.6% and 23.6% to Kshs 159.2 per litre, Kshs 140.0 per litre and Kshs 127.9, from Kshs 129.7 per litre, Kshs 110.6 per litre and Kshs 103.5 per litre, year to date. Inflation for the month of June 2022 came in at 7.9%, the highest since August 2017, and an increase from the 7.1% recorded in May, attributable to a 1.2%, 1.5% and 0.9% increase in the food and non-alcoholic beverages index, household and equipment as well as the transport index. The June 2022 y/y inflation rate is the highest since August 2017.

22. For the first time in five years, Kenya's inflation has surpassed the government's target range of 2.5% - 7.5%, despite efforts by the Monetary Policy Committee (MPC) to contain the rise by raising the Central Bank Rate (CBR) to 7.5%. The increase is largely attributable to the increase in food and fuel prices amid supply chain constraints coupled with a depreciating currency. This comes at a time, when the government expected a USD 244.0 million (Kshs 28.8 billion) approval from the International Monetary Fund (IMF) under the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF) arrangement whose one of the requirements is that inflation remains within the government range.
23. Going forward, we expect inflationary pressures to remain elevated on the back of rising fuel prices and consequently an increase in the rise of basic commodities given that fuel is a major input in most sectors. Additionally, the National Treasury has indicated that the fuel subsidy under the Petroleum Development Fund is inefficient and is likely to adjust the fuel prices upwards with a view to eliminating the fuel subsidy in FY'2022/2023. The move is expected to increase inflationary pressures even further as fuel is a major input to the inflation basket and consequently puts more pressure on the government to raise the CBR. However, we believe that the fiscal stance is likely to have minimal impact on inflation given that the rise is primarily due to external shocks and is largely pegged on how soon supply chains stabilize.

The Kenyan Shilling:

24. The Kenyan Shilling depreciated against the US Dollar by 4.1% in H1'2022, to close at Kshs 117.8, from Kshs 113.1 at the end of Q4'2021, partly attributable to increased dollar demand in the energy, oil and manufacturing sectors. Key to note, this is the lowest the Kenyan shilling has ever depreciated against the dollar. We expect the shilling to remain under pressure in 2022 as a result of:
- a. Continued rise in global crude oil prices on the back of persistent supply chain bottlenecks further exacerbated by the Russian-Ukrainian geopolitical pressures at a time when demand is picking up with the easing of Covid-19 restrictions and as economies reopen. Key to note, risks abound the recovery following the resurgence of Covid-19 infections in the country.
 - b. Increased demand from merchandise traders as they beef up their hard currency positions in anticipation for more trading partners reopening their economies globally.

- c. An ever-present current account deficit due to an imbalance between imports and exports, with Kenya's current account deficit estimated to come in at 5.1% of GDP in the 12 months to April 2022 compared to the 4.8% for a similar period in 2021. The wider deficit reflects a higher import bill, particularly for oil, which more than offset increased receipts from agricultural and services exports, and remittances.
- d. The aggressively growing government debt, with Kenya's public debt having increased at a 10-year compound annual growth rate (CAGR) of 19.8% to Kshs 8.5 trillion in April 2022, from Kshs 1.4 trillion in April 2011 thus putting pressure on forex reserves to service some of the public debt. It is worth noting that the average GDP growth over the same period has been 3.9%, an indicator that the increase in debt is not translating into GDP growth.

The shilling is however expected to be supported by:

- i. High Forex reserves currently at USD 8.0 billion (equivalent to 4.7-months of import cover), which is above the statutory requirement of maintaining at least 4.0-months of import cover, and the EAC region's convergence criteria of 4.5-months of import cover. In addition, the reserves were boosted by the USD 750.0 million World Bank loan facility received in March 2022 and are expected to be boosted further by the expected USD 244.0 million from the International Monetary Fund (IMF).
- ii. Improving diaspora remittances evidenced by a 7.6% y/y increase to USD 339.7 million as of May 2022, from USD 315.8 million recorded over the same period in 2021 which has continued to cushion the shilling against further depreciation. In the May 2022 diaspora remittances figures, North America remained the largest source of remittances to Kenya accounting for 59.9% in the period, followed by Europe at 17.8% while the rest of the world accounted for 22.3% of the total.

Monetary Policy:

25. The Monetary Policy Committee (MPC) met thrice in first quarter '2022 and for the first time since April 2020, increased the Central Bank Rate by 50.0 bps to 7.5% from 7.0%, in the third sitting in May 2022. The MPC noted that there was a scope for tightening of the monetary policy given the high rate of inflation which was expected to continue increasing on the back of rising global fuel and commodity prices. The Committee will meet again in July 2022, but remains ready to re-convene earlier if necessary.

Fiscal Policy:

26. The total Kenyan budget for FY 2022/2023 is projected to increase by 10.3% to Kshs 3.3 trillion from the Kshs 3.0 trillion in FY'2021/2022 while the total revenue is set to increase by 20.0% to Kshs 2.4 trillion from the Kshs 2.0 trillion in FY'2021/2022. The increase is mainly due to a 25.4% increase in ordinary revenue to Kshs 2.1 trillion for FY'2022/2023, from the Kshs 1.8 trillion in FY'2021/22 with the increase largely depended on the continued economic recovery. However, risks abound the projection mainly on the back of uncertainties surrounding the resurgence of Covid-19 infections. Going forward, we expect the government to implement additional initiatives to help maintain the current trend of meeting revenue collection targets.

Climate change issues and policy options

27. Climate change is a reality. The amount of greenhouse gases that humans release has increased every year since the Industrial Revolution and is now at record levels. As carbon dioxide and other greenhouse gases build up in the atmosphere, they trap heat. As a result, average global temperatures and sea levels are rising, causing significant environmental and economic disruption.

28. Higher temperatures, unpredictable rainfall patterns, increased incidence of droughts and floods, and rising sea levels are impacting people across the country. Extreme weather events have led to loss of lives, diminished livelihoods, reduced crop and livestock production, and damaged infrastructure, among other adverse impacts.

29. Over 84% of Kenya's land is classified as arid and semi-arid and so exposed to extreme natural events—drought, locust invasion, and flood, which have displaced communities, disrupted social services delivery, and induced social tensions. An average drought results in a food deficit of 20–30%, slashes GDP growth by 3–5%, and affects the livelihoods of over 80% of the population. In line with its Vision 2030, Kenya has introduced policies and frameworks to tackle climate change.

It is probable that climate change will negatively impact Kenya's future development and achievement of the goals of Kenya Vision 2030 – the long-term development blueprint – and the core pillars of Government plan mainly on;

- a) Agriculture
- b) Micro, Small and Medium Enterprise (MSME) economy
- c) Housing and Settlement

- d) Healthcare
- e) Digital Superhighway and Creative Economy.

County Specific Performance 2021/2022

The performance for Samburu County for the financial year 2021/22 in different sectors was as follows;

County Assembly

30. Performance of the sector for FY 2021-2022

- a) Construction of Speaker's house which is so far 80% complete.
- b) Construction of County Assembly Ultra-modern block which is now 90 % complete.
- c) Construction of eight ward Offices which are complete.
- d) Enacting and passing 4 bills.
- e) Procurement of Mortgage software system.

Public Service/County Administration

31. Performance of the sector for FY 2021-2022

The County Executive is also undertaking the construction of ward offices and equipping of Sub County Office in Samburu East.

Going forward, the County Executive will continue to put in place appropriate measures by implementing performance contracts by cascading them to lower levels and develop departmental service charter to enhance service delivery and mitigate the adverse effects to promote county economic growth, public administration and human resource management. The public communications office will be strengthened to enhance the dissemination of information and provide essential publicity for the county government.

The main constraint in budget implementation has been caused by the vastness of the County coupled with the poor road infrastructure and delayed funding and release of equitable share from the National Treasury. In addition, accrued pending bills led to insufficient funds for priority projects since they form the first charge of the budget. Covid-19 pandemic has caused scaling down of the budget for the department and has slowed down administration operations.

County Public Service Board

32. Performance of the sector for FY 2021-2022.

County Public Service Boards are created by the law. They are then given a host of mandatory duties and responsibilities which they have to accomplish.

Among these responsibilities are implementation of Articles 10 and 232 of the Constitution of Kenya on National Values and Principles in the county government. This is designed to be done through preparation of training materials on topical issues and thereafter carrying out civic education to the county public service and the public. The county public service board also faced numerous financial challenges due to irregular flow of funds from the National Exchequer. This derailed effort to carry out some of the mandatory duties and responsibilities. However, the county public service board carried out some of its responsibilities among them recruitment of staff as per department requests, staff promotion, administering declaration of incomes, assets and liabilities.

Department of Finance, Economic Planning and ICT

33. Performance of the sector for FY 2021-2022.

The department of Finance, Economic Planning and ICT is charged with responsibilities of developing and implementing policies, strategies and development plans for financial accounting, budget formulation and management, planning and management of socio-economic and political development resources.

The County Treasury's achievements during the period include; completion of value for money audits in selected departments, implementation of policy on access to County Government procurement opportunities for women, successful implementation of e-procurement, implementation of AGPO on the youth, women and persons with disabilities, preparation of annual procurement plan, revenue collections despite the Covid-19 pandemic, preparation of financial statement on time, preparation of the annual budget, preparation of County Post Covid-19 Recovery Strategy, preparation of quarterly progress reports and County Annual Progress Report. The M and E Unit developed project reports through random sampling just to ensure that no ghost projects are paid for non-existing projects. These project reports are undertaken in collaboration with the departmental technical persons such as roads engineers, water engineers and quantity surveyors. The county treasury coordinated the implementation of the Kenya Devolution Support program (KDSP) with County Budget (CB) Plan preparation and quarterly reporting done.

34. The main constraint in budget implementation has been caused by the Covid-19 effects, the vastness of the County coupled with the poor road infrastructure, delay in disbursement of funds by the National Treasury, in addition, accrued pending bills leads to insufficient funds for priority projects since they form the first charge of the budget.
35. Going forward, the County Treasury will continue to put in place appropriate measures by fully implementing performance contracts, developing the department service charter to enhance service delivery to promote county economic growth. The requirement of preparation of Programme based budgets and application of e-procurement is to be adhered to by all departments.
36. The department shall enforce the implementation of completion certificate template. Some departments did not fully adhere to this requirement.

Special programmes.

37. Performance of the sector for FY 2021-2022.

- (i) Training of 15 Village level disaster risk management committees.
- (ii) Development and publishing of the County Disaster Risk Management policy 2021.
- (iii) Supplied 495 metric tons of emergency relief food to 109,000 vulnerable households.
- (iv) Conducted 16 peace committees' meetings across the county reaching out to 1200 peace stakeholders.
- (v) Conducted County Capacity Needs gaps assessment and development of the county capacity strengthening Programmes
- (vi) Controlled 630 swarms of desert locusts and spraying over 94,500 Ha.
- (vii) Through partnership with development partners 4,900 vulnerable households received about Kshs 400 million cash transfer. This is in addition to 12171 receiving about Kshs 200 million cash per year
- (viii) With the support of the Kenya Red cross society established Kshs 10 million worth county emergency operation Centre.

Department of Agriculture, Livestock Development, Veterinary Services and Fisheries.

38. Performance of the sector for FY 2021-2022

Livestock production projects.

- a) Community Camel breed improvement and food security project (Provision of 688 Somali camel breeds breeding camels to pastoralist living in the lowlands)

- b) Sahiwal breeding cattle (Provision of 196 Sahiwal breeds breeding cattle to Agro-pastoralist Poro, Suguta Marmar, Loosuk, Lodokejek, Baawa, Maralal and Angata Nanyukie).
- c) Dorper breeding sheep Project (Provision of 160 Dorper rams)
- d) Dorper breeding sheep Project (Provision of 100 Dairy goats)
- e) Dairy Cattle Project (Provision of 8 Ayrshire Heifers)
- f) Improved chicken Project (Provision of 625 improved indigenous chicken)
- g) Apiculture Project (Provision of 100 modern bee hives for improved honey production)
- h) Development and Rehabilitation of livestock marketing infrastructures (Construction of Loibor Ngare Sale Yard))
- i) Pasture and Fodder Development Project (Supply & delivery of 1500 Kg of Assorted pasture seeds)
- j) Construction of Nomotio abattoir & Auxiliary structures (EU-LED IDEAS Projects).

Fisheries development projects

- a) Identification of potential areas for fish farming - Six (6) dams and 2 springs/rivers were identified.
- b) Training of identified fish farmers on construction of ponds and ponds design-15 farmers trained.
- c) Twenty-one (21) fishponds constructed ,11liner ponds and 10 raised ponds.

Agriculture projects

- a) Development of county crop policy.
- b) Recruitment of new staff (10).
- c) Provision of Certified maize and beans seeds worth ksh 20 million.
- d) Completion of Lulu irrigation scheme worth ksh 15 million in an area of 33.5 acres.

Veterinary services projects.

- a) 339, 011 animals including cats and dogs received vaccinations and/or treatments.
- b) Three (3) cattle crushes completed and handed over to the community during commissioning in Waso, Wamba North and Lodungokwe
- c) Silango cattle dip renovated in Angata Nayekie ward
- d) Twelve (12) missions achieved for disease surveillance

NARIG Project

- a) The project advertised, through local newspapers, request for expression of interest from qualified firms to provide extension service to farmers under 4 agricultural value chains supported by the project; Sheep/goats value chain, local Chicken Value Chain (VC), Dairy and Apiculture VCs. A total of 25 applications were received, evaluated and applicants given feedback
- b) The project conducted backstopping of the CDDCs at the ward level to ensure compliance to the requirements of the committee to operate as required by the project documents. Several meeting were later held to support CDDCs on various other issues to enhance their capacity to manage project resources at the ward level
- c) CDDCs and SCTT vetted community micro-projects and forwarded to CPCU for further appraisal by County Technical and Advisory Committee (CTAC) and eventually approval by County Project Steering Committee (CPSC). A total of 400 community micro-projects were approved for funding
- d) The project organized for a ceremony to present cheques to CDDCs for the 100 approved micro-projects. H.E Moses Lenolkulal, Governor Samburu County, led other leaders and stakeholders in presenting cheques to the CDDCs. Additional cheques were presented during the 2nd ceremony for funding of approved 300 community micro-projects. The County Governor and other leaders presided the presentation ceremony.
- e) The project trained 4 data collection clerks per ward on data collection using Open Data Kit (ODK) mobile app. The data clerks collected project, group and household data for all the 400 funded groups. The objective is to have the entire funded project geo-tagged and all beneficiaries captured in the project beneficiary database.
- f) The project trained 4 PFS facilitators per ward and also trained ward extension officers on farmer field school methodology. Field school is a participatory approach to extension where farmers meet regularly, guided by a trained facilitator, to analyze their production system and identify the best options through a discovery based approach. It's expected that all funded farmer groups will for the PFS platform for farmer training and engagement.
- g) The project trained all the 15 CDDCs and SAIC members on fiduciary issues. The CDDCs, through their respective procurement committees, developed procurement plans and procured materials on behalf of the funded groups. SAIC role is to oversight the CDDCs to ensure materials of the right quality and quantity reach the farmer groups.

- h) The project organized value chain stakeholders' forums for four (4) priority value chains supported by the project. The forums were conducted on separate dates at Maralal safari lodge with a view of bringing stakeholders together to chart a way forward to develop selected VCs in Samburu. Stakeholders' platform was formed for each of the VC to spearhead agreed action plans
- i) The project supported Dairy PO, 2 Honey POs to develop proposals for inclusion and membership registration drive grants proposals as well as matching grants proposals
- j) The project has supported farmers under the sheep/goats VC to form producer organizations at the sub-county level through federation of funded groups. 3 new POs formed and registered to support farmers under the value chain
- k) 35 youths were trained to PET to dramatize project messages as a way to raise project awareness. Trained youth were used during project occasions
- l) The project engaged technical departments and the community in the identification of the multi-community investment as prioritized by the community during the PICD process and County CIDP. Technical teams developed technical proposals for the following MCIs;
- 1) Nontoto SLM and water catchment integrated project
 - 2) Three (3) livestock sale yards' projects in Tankar, Kisima and Archer's post.
 - 3) Lesepeti Water Catchment improvement project in Baawa.
 - 4) Sordo/Ntepes SLM project.
 - 5) Nomotio LIC improvement project.
- m) Survey and design development was done for Nontoto pan, Lesepetei pan, Sordo pan and designs for three proposed sale yards
- n) Three (3) POs were funded to undertake membership recruitment exercise;
- i. Samburu Dairy Farmer's Cooperatives – KShs 1,500,000
 - ii. Hope Enterprise Society Ltd – KShs 1,500,000
 - iii. Samburu Bee Keepers Cooperative Society –KShs 1,500,000

DRSLP Project

- (i) Bore Holes (No.13)-Noomboroi, Muruankai (Lbukoi), Muger, Lowa, Mabati, Swari, Locho, Angata Nanyukie, Longewan, Lesuwa Loiting, Lowabebne, and Lkichaki. Except Lkichaki and Lowabebne, all the other sites are complete and handed over to WUA committees.
- (ii) Lkichaki and Lowabebne quality analysis ongoing.
- (iii) 10 New sites for boreholes identified and hydrological surveys done. Advertised for tendering and evaluation process for awarding ongoing.
- (iv) All borehole sites to reduce distance to water drawing points from an average of 10 km to less than 1km once complete.
- (v) Water user's association [WUAs]: All sites have management committees trained and carrying out their duties.

a) Infrastructure for market access

- i. Livestock sale yards (No.4)-Maralal, Lekuru, Suguta Marmar and Poro.
- ii. Construction works complete and sites handed over to management committees.
- iii. Two more sites for sale yards identified, Kurungu and Lolkuniani. Kurungu is new while Lolkuniani it is upgrading and expansion of existing market

b) Improved rangeland management

- i. Communal Pasture demonstration plots (100Ha).
- ii. Two sites identified and confirmed; Longewan 50Ha and Nchoro Lerai 50Ha.
- iii. Nchoro Lerai site doing well. Sixth harvest overdue for lack of machinery but store has about 3000 bails. Longewan site subdivided to individual farms during survey and land subdivision in the area

c) Improved livestock health

- i. Veterinary assorted equipment worth Kshs. 3.8 million handed over to County director of veterinary services, Samburu. Some are in use while others are in store awaiting completion of veterinary laboratory under construction by the county government.
- ii. 4 Cattle dips awarded for construction, Sawan, Loiting, Lesidai and Baawa. Two are complete and in use-Sawan and Loiting. The other two constructions still ongoing

IDEAS Project

- a) Plumbing works at Nomotio Abattoir at a cost of Ksh 4.78 million.
- b) Drilling of Borehole at Nomotio Abattoir at a cost of Ksh 3.4 million.
- c) construction of Lairage at Nomotio Abattoir at a cost of Ksh 4.6 million.
- d) Construction of Main Nomotio and Auxiliary sub-structure at a cost of Ksh 44.1 million.

Department of Water, Environment, Natural Resources and Energy

39. Performance of the sector for FY 2021-2022.

The County Water and Environment sector comprises of: Water and Sanitation; Environment and Climate Change; Natural Resources and Energy. The sector also has a semi-autonomous institution, the Samburu Water and Sanitation Company (SAWASCO) that it supports to provide water and sanitation services within the urban centers' and/or major towns of the county.

The sector is one of the key players towards the achievement of Sustainable Development Goals (SDGs), specifically **Goal 6**: Ensure availability and sustainable management of water and sanitation for all; **Goal 7**: Ensure access to affordable, reliable, sustainable and modern energy for all; **Goal 13**: Take urgent action to combat climate change and its impacts; and **Goal 15**: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss. It is also an enabler in a number of other SDG's, Vision 2030 and core pillars of Government plan mainly on;

- I. Agriculture.
- II. Micro, Small and Medium Enterprise (MSME) economy).
- III. Housing.
- IV. Healthcare.

In view of the above, during the period 2021-2022, some of the key achievements realized by the department include:

- a) Undertaking hydrogeological surveys and water feasibility studies to ascertain underground and surface water potentials for 24 proposed borehole sites.
- b) Borehole drilling in 22 sites.
- c) Borehole equipping of 16 No. sites
- d) Rehabilitation of Forty-two (42) kilometres of water extensions and/or supplies and numerous repairs and overall maintenance of rural water supplies across the county;

- e) Excavation and desilting of Seven (7) No. earth dams/pans in Lerata A, Ntarakwai, Lbaa Rongai, Lederero East, Lkitembe, Moru – A - Konges & Moru – Ngubuin / Charda.
- f) Construction of two (2) No. Sand dams at Muruarrat (Lemugur) & Lerata B.
- g) Designated and constructed a perimeter wall to secure Barsilinga water point (Borehole);
- h) Construction of South Horr masonry storage tank;
- i) Construction of a gate, guard house and workshop at Maralal water office.
- j) Observation of critical days to sensitize the public with regards to water related issues in general such as World Water Day.
- k) Capacity building of Water User Associations (WUA's) and Water Resource User Associations (WRUA's) on the proper utilization and management of water resource and water catchment areas.
- l) In partnership with UNICEF supported the development and rehabilitation of 13 No. water points.
- m) In collaboration with other government Agencies like NDMA, NWWA, ENDDA, WRA, MWI etc in establishment and rehabilitation of water utilities.
- n) In partnership with Water Service Trust Fund (WSTF) who supported the development of Garma water project that comprises Borehole Equipping, 42Kms pipeline laying, construction of elevated 100m³ Steel tanks, Construction of water Kiosks and Masonry storage tank.
- o) In Partnership with Northern Water Works, the construction and completion of Yamo Dam to support water supplies for Maralal urban populations. Once treatment works and piping of this project is completed, this will see a number of households connected and supplied with clean and safe drinking water.
- p) The Development of Climate Change, Sustainable Forest Management and Tree growing, and Rangelands Management Policies, which are currently awaiting approval by the cabinet. These policies were developed with financial and technical support from our valued partners namely FAO, WFP, PACIDA, Mercy Corps (SCALE Program), IMPACT Trust and Northern Rangelands Trust.
- q) The development, enactment and publishing of the Climate Change Act, and the Forest Management and tree growing Act.

- r) Construction of Soil and Water Conservation structures (Gabions) at South-horr, Lesirikan and Porro (Lorrok Mixed Secondary School) areas in an effort to control soil erosion.
- s) Completed the construction of a cafeteria and Three (3) cottages within West-gate Community conservancy to support Holistic Rangelands Management programme
- t) Undertake Six (6) sensitization forums on energy efficient technologies and skills in areas of Wamba, Lodung'okwe, Kirimom, Nachola, Marti and Barsaloi.
- u) In partnership with VSF-Suisse, trained four (4) community groups in Samburu East (Lerata, Lengusaka, Sirata Le Nkamarinta and Lentanai) on Participatory Rangelands Management (PRM) techniques including control, management and sustainable utilization of invasive species (such as *Prosopis* and *A. reficiens*) to make briquettes and animal feeds.
- v) In partnership with Mercy Corps and IMPACT Trust, trained communities in Baragoi and Amaya on Climate change matters and natural resource sharing mechanisms as well as conflict resolution and/or management techniques.
- w) In partnership with FAO and The Boma Project, supported capacity strengthening of Community Forest Associations and WRUAs in the county through trainings and conducting exposure visits to well established community institutions in Meru, Isiolo, Kirinyanga, Nyeri and Kajiado Counties.
- x) In partnership with the Ministry of Environment and Forestry as well as Global Water Partnership, undertook a baseline survey in preparation to implementation of Climate Change Adaptation project towards Strengthening Drought Resilience for Small Holder Farmers and Pastoralists in the IGAD Region.
- y) In partnership with Ministry of Energy and World Bank through the Kenya Off-grid Solar Access Project (KOSAP), the department was able to undertake land acquisition processes and ESIA for solar connectivity through establishment of Mini-grids in eight (8) sites within the county and two (2) other border sites (South Horr and Ngurunit areas) where mini-grid will be installed as well as stand-alone solar systems for community facilities (dispensaries and schools) and solarization of boreholes. In addition, KOSAP is implementing the programme on solar home systems and clean cooking solutions in efforts to improve accessibility of energy saving jikos (those that use charcoal and firewood) and solar equipment's.

Department of Education and Vocational Training.

40. Performance of the sector for FY 2021-2022.

The sector presents a platform for imparting much-needed skills, competencies, and attitudes to propel the County's development.

| S/N | Project | No | Project cost (Ksh) |
|------------|---------------------------------------|-----------|---------------------------|
| 1 | Construction of Classrooms | 42 | 51,915,447.95 |
| 2 | Procurement of Furniture | 54 | 8,316,000 |
| 3 | procurement of Water tanks | 60 | 6,991,999.80 |
| 4 | Construction of Fences | 19 | 14,223,000 |
| 5 | Construction of kitchen | 16 | 11,112,266.55 |
| 6 | Construction of Store, office | 16 | 25,129,373.45 |
| 7 | Construction of Pit latrines | 58 | 35,440,750 |
| 8 | Supply and Delivery of ECDE foodstuff | | 49,869,700 |

Department of Medical Services, Public Health and Sanitation.

41. Performance of the sector for FY 2021-2022.

The department of Health services has three health sector programs namely, Curative and rehabilitative health services, Preventive and promotive health services and General administration, planning, management support and coordination. There various achievements across all the mentioned programs. Some of the key achievements for the financial year 2021/2022 are: -

The total number of facilities are one hundred and thirty-nine categorized into 6 Hospitals, 33 Health centers, 66 Dispensaries and 33 Private clinics. The six hospitals are 5 GOK and 1 FBO. Of the 33 Health Centres, 28 is GOK while 3 are FBO facilities. In terms of distribution, Samburu North has 40 (40 GOK/\$ FBOs) Health facilities, Samburu central 62(45 GOk,6 FBOS and 11 Private Clinics) while Samburu East has 37 (21 GOK ,2 FBO and 5 Private). There are 4 facilities with theatres namely Maralal County Referral, Baragoi, SDH, Catholic Hospital Wamba and Suguta Health Centre (proposed to be Upgraded to a hospital). The county has a total number of 15 Ambulances with eleven belonging to County government and 4 belonging to FBO facilities.

- a) A fairly functional referral system with ambulance system serving the whole county.
- b) Archers Post Sub County Sub County Hospital now fully functional and staff deployed.
- c) Purchased a new Ambulance and positioned it at Wamba Health Centre for Wamba East Ward.
- d) According to data extracted from iHRIS August 2021 the County has a total of 821 health workers across all cadres. This Consisted of 16 Medical Officers,5 Consultants (2 surgeons,1 Tropical Medicine specialist ,2 family Physicians,2 Dentists4 pharmacists and One Epidemiologist. The Doctor (Medical Officers) to Patient ratio is about 1:19327.
- e) There were 339 Nurses in all County GOK health facilities translating to 1 nurse per 1004 persons. The Number of Clinical officers stood at 56 both specialized and Non specialized. Among the Laboratory personnel, the total number was 27 which included technologists and technicians.
- f) Improved commodity reporting rates.
- g) Adoption of online reporting for all commodities and especially for ARV's and TB Commodities.
- h) Improved commodity storage conditions (availability of palettes)
- i) Monthly data review meetings to discuss data.
- j) Quarterly Data quality audits.
- k) Engagement of National HIS and Health IT in establishing EMRs in Samburu County Referral, Kisima Model Health Centre, Wamba Health Centre and Baragoi Sub-District Hospital.
- l) M&E officers are able to generate information products\.
- m) Additional Hrio through support of UHC.
- n) Installation of fibre optic in Samburu County Referral Hospital.
- o) Completion of County Referral Outpatient Block.
- p) Completion of Several dispensaries
- q) Deployment of staff to the new completed facilities.
- r) Covid-19 vaccination introduction.
- s) Establishment of new Community Health Units.

Skilled birth deliveries in the county was 48.7% despite the effects of Covid-19 pandemic, while Immunization service utilization stood at 85.5% based Penta 3 antigen administered. Fully immunized performed at 58.7% against a target of 80%. Notably Cervical cancer screening and gender-based violence performed poorly at 0.4% and 0.001% for the year 2021/2022. On maternal and child health Indicators, only 32.5% of pregnant women completed at least 4 Antenatal clinic sessions.

Total covid-19 vaccinations stood at 47,413 Females 21,341 and Males 26, 071 by August 2022.

Department of Lands, Housing, Physical Planning and Urban Development

42. Performance of the sector for FY 2021-2022

- a) Purchase of GNSS Machine.
- b) Planning of Lolmolog urban Centre.
- c) Finalization of Lodungokwe, Poro and Lesirikan plan.
- d) Maralal Cabro Paving, parking & Storm Water drainage- 1.4 Km of paved surface and Parking slots.

Department of Roads, Transport and Public Works

43. Performance of the sector for FY 2021-2022.

- a) Assisted in Preparation of BOQs and supervision of on-going construction works for other departments. A total of 205 number of bid documents were prepared for client departments.
- b) Supervised six major projects of high value namely:
 - i. Construction of in-patient complex in health department
 - ii. Completion of county assembly chambers
 - iii. Cabro pavings within Maralal town
 - iv. Construction of Governors official residence.
 - v. Construction of county assembly speakers' official residence.
 - vi. Construction of Nomotio abattoir.
- c) Conducted 2 No. firefighting trainings for schools and dispensaries at Samburu East and Samburu North sub-counties.
- d) Conducted inspection for premises/dealers selling gas cylinders and petroleum products. These were done for 30 dealers in Samburu central, 20 dealers in Samburu east and 6 in Samburu north for their state of preparedness.

- e) Maralal floodlights for FY 2021/22 were completed.
- f) Kisima streetlight, Suguta-Marmar streetlight, Loosuk streetlight, Poro streetlight are ongoing. Baragoi floodlights and Wamba floodlight are yet to be completed.
- g) The Department budgeted a total of 64 No. projects out of which:
 - i. 61 No. projects successfully went through the procurement process.
 - ii. Out of the 61 No. projects that successfully went through procurement, 43 No. have been completed and paid, 12 No. have been completed but not paid while 06 No. are on-going.

Department of Tourism, Trade, Enterprise Development and Co-operatives.

44. Performance of the sector for FY 2021-2022.

Trade sub-sector

- a) Construction of Suguta Public toilet
- b) Construction of Bodaboda shades at lchingei

Tourism and wildlife sub-sector

- a) Equipping of Cafeteria and Staff units at Malaso Campsite at a cost of ksh 2.9 million
- b) Construction of rangers' camp at Ndoto west – Lesirikan – Ndoto ward at a cost of ksh 3.95 million.
- c) Construction of rangers' camp at Lpetpet lodokejek ward at a cost of ksh 3.955 million.
- d) Renovation of Directors house at Samburu National Reserve
- e) Renovation of Staff quarters at Samburu National Reserve -Archers gate
- f) Renovation of Maralal Safari lodge at a cost of Ksh 14 million
- g) Construction and Renovation of Yare Camp 1st phrase at a cost of ksh 5.88 million
- h) Construction of 2 Door/ Urinal Pit Latrines block and fencing at Lerra/ Leparashau rangers camp at a cost of ksh 1.447 million.
- i) Construction of SNR complex building (2nd phrase) at cost of Ksh 3 million.
- j) Development of Samburu County Tourism Strategy at a cost of ksh 4 million.
- k) Support of existing conservancies, through SNR revenue sharing; Kalama & West gate at a cost of ksh 10 million.
- l) Support of 6 Newly established conservancies at a cost of Ksh 85 million.
- m) Construction of a Tourist banda Sera Community Conservancy is on-going, fully funded at grants of Ksh. 2.5 Million.

- n) Supply of Water to Milgis Trust community Project is on-going, fully funded at grants of Ksh. 2.5 Million.
- o) Support for operation of Kirisia Nkoteyia community scout program and Kirisia Forest ecosystem is on-going, fully funded at grant of Ksh. 3 Million.
- p) Support of ranger operation program at Meibae community conservancy is on-going. fully funded at grant of Ksh. 1.5 Million.
- q) Support of ranger operation program at Namunyak community conservancy – Ngilai unit. fully funded at grant of Ksh. 1 Million.
- r) Support of ranger operation program at Namunyak community conservancy – Kalepo unit. fully funded at grant of Ksh. 1 Million.
- s) Drilling and equipping of a bore- hole in Kalama community conservancy is on-going. fully funded at grant of Ksh. 6 Million.
- t) The department participated at Sarit Centre Holiday fair, in March 2021, STTA conference and Sarit Expo, Other events like and World Trade Fair in Berlin March 2021 at a cost of ksh 4 million.
- u) Formulation Community Conservation Fund Regulation at a cost of Ksh 1.6 million
- v) Training for Conservancy Management boards at a cost of ksh 3 million.

Cooperatives Sub-sector.

- a) A total of 4 new cooperatives registered: 1 new Sharia compliant Sacco and 3 new marketing cooperatives registered
- b) 6 pre cooperative education meetings carried out for livestock marketers with a view to forming Umbrella Livestock Society at a cost of ksh 0.4 million
- c) Eight (8) members’ trainings for Livestock marketing cooperative societies undertaken countywide at a cost of ksh 0.8 million.
- d) Sixty-five (65) cooperative leaders’ trainings undertaken in the course of financial year targeting Sacco Leaders, Marketing Cooperatives and County Cooperative Leaders Forum at a cost of ksh 1.8 million.
- e) Eight (8) cooperatives audits carried out.
- f) One exposure visit for County Cooperative Leaders Forum took place :13 representatives of marketing cooperatives (Ushanga and beekeeping) facilitated to market their products during trade fares both locally and internationally at a cost of ksh 4.9 million.
- g) Beads, beading equipment procured for the 15 registered Ushanga at a cost of ksh 3.5 million.
- h) Cooperative Awareness week at a cost of ksh 0.84 million.

Department of Gender, Culture, Social Services, Sport and Youth Affairs.

45. Performance of the sector for FY 2021-2022.

During the period under review the department of Gender, Culture and Social Services made significant strides. The following was realized: completed fencing of Maralal Green Park, construction of Longewan, Lesirkan and Nachola social halls. The department also conducted women empowerment training in Samburu North, Central and East sub-counties, commemorated international women's day, trained various youth on drugs and substance abuse. Participated in the 8th Edition of KICOSCA games held in Embu County and sensitized the girl child on the dangers of FGM.

The following was realized in the development and promotion of sports: participated in cross country championships where three of our athletes managed proceed to the national competition. We also participated in the 8th edition of the Kenya Inter-Counties Sports & Cultural Association (KICOSCA) games held in Embu where seven of our staff were selected to represent team Kenya in the East Africa Local Authorities Sports & Cultural Association (EALASCA) games held in Eldoret Uasin Gishu County.

We renovated Baragoi stadium, built basketball court in Archers Post and graded Loruko playground. The high altitude sports center Lesidai was also undergoing construction but it stopped due to a land dispute. Establishment of Samburu Soccer League so far two teams have been promoted to the Lower Rift league, procured sports equipment and uniforms for various teams.

Participated in the 10th Edition of the Desert Wheel Race held in Isiolo County where we were runners up and five of our best cyclers represented the county in the 18th Edition of the Standard Chartered Marathon held in Nairobi. We supported various youth talent development programs and training in business and product marketing skills and serving and lending skills.

We undertook training of coaches and referees and also conducted tournaments in Elbarta, Angata Nanyokie, Wamba West, Lodokejek and Poro wards.

Going forward the department will put more emphasis on completion of the ongoing infrastructure projects. Further the department intends to widen links with stakeholders and partners to ensure better collaboration for effective implementation of programs.

Medium Term Economic outlook

- 46.** The County Government will operate within a framework of a balanced budget. The county administration will continue to improve finance management systems at all levels of county government to improve on efficiency of public finance management. This is expected to build investor/creditor confidence to participate in promoting higher growth rates. With respect to revenue, the County Government hopes to maintain a strong revenue effort by sealing existing leakages and strengthening of automation of rates/fees collection points in line using modern technology. The technology is expected to result to improved tax compliance and enhanced administrative measures to enhance the collection of revenue. The County Government will harmonize existing tariffs regimes, offer reliefs incentives and widen the tariff base.
- 47.** In public finance management, the county government shall continue with prudent public finance management. This will help maintain county development expenditure above the 30 per cent threshold provided in the PFM law. On the expenditure side, compliance with PFM Act, 2012 is expected to accelerate reforms in expenditure management system.
- 48.** The County Government resource allocation will be aligned towards achieving the development programs under the current medium-term theme ‘fostering socio-economic development for sustainable growth. The following specific areas will receive more emphasis in the 2023/24 MTEF:
- (a) Agriculture and livestock development
 - (b) Micro, Small and Medium Enterprise (MSME) economy
 - (c) Housing
 - (d) Improved health care access and quality.
 - (e) Improvement of Education
 - (f) Improved water access, sanitation and environment;
- 49.** The County Government administration aims to implement the transformative agenda that ensures enhanced service delivery, improved standard of living among the county residents through employment creation and improved incomes. In setting departmental ceilings, attention will be given to projects and Programmes that meet the following criteria:
- (a) Linkage of the Programme with the 2023-2028 CIDP and the objectives of the Fourth Medium-Term Plan of Vision 2030.
 - (b) The degree to which a Programme addresses job creation and poverty reduction.
 - (c) The degree to which the Programme is addressing the core mandate of the County department.

- (d) Expected outputs and outcomes from a Programme; and
- (e) Cost-effectiveness and sustainability of the Programme.

50. Financing of rolling Programmes will receive the priority to ensure completion of ongoing Programmes to deliver on the expected results. The County Fiscal Strategy Paper 2023 (to be finalized in February 2023) will be the basis for resource allocation to specific programs.

51. The county will continue reorienting expenditure towards those priority programmes as identified in public consultative forums. The critical Programmes to be implemented are expected to accelerate economic activities and socio-economic development.

Risks to Domestic Economic Outlook

52. Risks facing the county's economy will also affect its economic performance. These factors include:

- (a) High inflation rates are contributing to a higher cost of living. This will affect the ease of doing business in the county, and access to credit to small and micro enterprises will be affected negatively due to tight liquidity in the economy.
- (b) Reduced global demand emanating from covid-19 fears and containment measures are expected to result in reduced demand for commodities from the county. This will affect the county's economy cognizant of the fact that the county plays a major role in the tourism sector.
- (c) Weak revenue base thereby leading to over-reliance on the transfers from the national government resources which are inadequate and limits resources allocations to key sectors.
- (d) Expenditure pressures, especially high recurrent expenditures pose fiscal risks. The county is going to maintain a sustainable recurrent expenditure by strictly adhering to austerity measures and hence free more resources for development expenditure over the medium term.
- (e) Instances of prolonged drought have resulted in a decrease in own revenue collections as well as curtailing the purchasing power of the residents. However, the government continues to allocate more resources to sustainable farming methods.
- (f) The high wage bill continues to be a major challenge in the implementation of the budget. Currently in the 2022/23 financial year the personnel emoluments stand at 38.4% of the overall county budget which is 3.4% above the statutory requirement of 35%. Despite the fact that the percentage in personnel emoluments seems to be at a steady trend, there is a continuous increase in absolute figures throughout the financial years.

The recruitment of key essential staff and the frequent salary increment for various cadres of staff continues to increase wage bill. The various collective bargaining agreements (CBAs) to increase salaries and benefits of various officers also continues to threaten the wage bill.

- (g) Non timely disbursement of funds by the national government and the unfavorable allocation to the County due to the parameters within the third generation formulation by the Commission on Revenue Allocation (CRA) continues to be a challenge as this leads to delay in execution and shelving of planned activities of the County thus compromising service delivery.

Government will monitor the above risks and take appropriate measures to safeguard macroeconomic stability including preparation of supplementary budgets to regularize and align any emerging issues.

SECTION FOUR - Resource Allocation Framework

A. Adjustment to the 2022/23 MTEF Budget

- 53.** Adjustments to the 2022/23 budget will take into account the actual performance of expenditure so far and absorption capacity in the remainder of the financial year. The focus will be on accelerating the absorption of available resources in the implementation of programmes and projects. Measures will also be put in place to improve the collection of Own Source Revenue taking into account the operative fiscal environment arising from the effects of COVID pandemic.
- 54.** In addition, the implementation pace in the spending units continues to be a source of concern especially concerning the development expenditures and uptake of external resources. These risks will be monitored closely and the County Government would take appropriate measures in the context of the supplementary budget.
- 55.** On the Revenue side, the County Treasury is expected to institute corrective measures to curb the revenue leakages by enhancing compliance. Departments are expected to prioritize their expenditure and reallocate funds guided by the priorities during the preparation of the supplementary budget guided by the resource availability.

B. Medium-Term Expenditure Framework

- 56.** With the County Government's commitment in improving infrastructure countywide, the share of resources going to priority physical infrastructure sector, such as roads, early childhood development centers, health facilities, Immunization, water infrastructure amongst others will continue to rise over the medium term period. This will help the sector provide quality and reliable services.
- 57.** The priority social-economic sectors will continue to receive adequate resources to promote development. The Health, Education and social service sectors will receive significant share of resources in the budget in coming years. The sector actors are thus required to utilize the allocated resources more efficiently in order to generate fiscal space to accommodate other strategic interventions like disease outbreaks and improved productivity per man hour.
- 58.** The economic sectors including agriculture and livestock will receive increasing share of resources to boost agricultural productivity with a view to promote value addition and deal with threats in food security in the county. In addition, the priority programmes under tourism, wildlife, trade, industry and cooperatives will be allocated adequate resources based on Programme based budgeting.

59. The fiscal framework for the financial year 2023/24 entails a deliberate effort to continue exercising prudence in public expenditure management with the principal goal of containing fiscal risks, gradually lowering the fiscal deficit, and adopting austerity measures to deter the increase of recurrent expenditures in favor of productive capital spending.

60. Going forward, and given the limited resources, MTEF budgeting will entail adjusting non-priority expenditures to cater to the priority sectors. In the Meantime, the resource allocation will be based on the Annual Development Plan and the Fiscal Strategy Paper.

61. Reflecting the above medium-term expenditure framework, tables 6 below provides the tentatively projected baseline ceilings for the 2023-2024 MTEF budget, classified by vote heads.

Table 6: Medium Term Sector Ceiling 2023/2024 - 2025/2026, Ksh Million

| | Approved Budget 2022/23 | CBROP Ceilings 2023/24 | 2024-25 | 2025-26 |
|---|-------------------------|------------------------|----------------------|----------------------|
| County Assembly | 666,331,727 | 584,464,407 | 586,510,032 | 588,269,562 |
| County Executive | 478,018,844 | 485,001,981 | 486,699,488 | 488,159,586 |
| Finance, Economic Planning & ICT | 592,950,111 | 593,309,195 | 595,385,777 | 597,171,934 |
| Agriculture, Livestock Development, Veterinary Services & Fisheries | 586,551,748 | 686,882,128 | 689,286,215 | 691,354,074 |
| Water, Environment, Natural Resources & Energy | 640,693,900 | 632,897,694 | 635,112,836 | 637,018,175 |
| Education and Vocational Training | 644,918,250 | 668,590,489 | 670,930,556 | 672,943,347 |
| Medical Services, Public Health & Sanitation | 1,457,824,273 | 1,450,089,975 | 1,455,165,290 | 1,459,530,786 |
| Lands, Housing, Physical Planning & Urban Development | 183,369,202 | 177,343,830 | 177,964,534 | 178,498,427 |
| Roads, Transport & Public Works | 360,200,760 | 346,598,521 | 347,811,616 | 348,855,050 |
| Tourism, Trade, Enterprise Development & Cooperatives | 404,970,273 | 413,306,802 | 414,753,376 | 415,997,636 |
| Culture, Social Services, Gender, Sports & Youth Affairs | 197,040,270 | 201,116,275 | 201,820,182 | 202,425,643 |
| TOTAL | 6,212,869,358 | 6,239,601,297 | 6,261,439,902 | 6,280,224,221 |

Source: Samburu County Treasury 2022

Departments budgets and programs prioritization

62. A key challenge in developing the 2023/24 MTEF budget is the prioritization of resource allocation to pending and ongoing projects.

(a) It's also critical to have the departments' capacities continuously strengthened to enable them to perform their assigned functions effectively and efficiently. The key technical staff needs to be deployed and rationalized to streamline the county's activities.

(b) Extensive work has been done in providing reporting templates and issuance of budget guidelines to ensure consistency in reporting and monitoring progress.

(c) Strengthening the monitoring and evaluation unit in the finance and economic planning unit and linking up with the Service delivery unit will lead to a harmonized monitoring and evaluation system in the county.

C. 2023/2024 Budget Framework

63. The 2023/24 budget framework is set against the background of the updated medium-term macro-fiscal framework set out above.

Revenue Projections

64. The FY 2023/24 budget targets for revenue (equitable share and local) collection of **Ksh 6,239,601,297** as per table 7. This revenue performance will depend on the trend of growth of the Kenyan Gross Domestic Product amidst the covid-19 pandemic which is also affecting the own source revenue.

Table 7: Medium Term Revenue 2023/24- 2024/25

| ITEMS | Approved 2021/22 | Approved 2022/23 | Projection 2023/24 | Projection 2024/25 |
|------------------------------------|---------------------|---------------------|-----------------------|-----------------------|
| COUNTY GENERATED REVENUE | | | | |
| Land Rates | 36,000,000 | 50,000,000 | 36,000,000 | 36,000,000 |
| Single Business Permits | 13,200,000 | 15,000,000 | 16,000,000 | 17,000,000 |
| Total Cess Receipts | 11,760,000 | 12,000,000 | 12,000,000 | 12,476,000 |
| Game Parks/Nature Reserves Fees | 52,224,422 | 120,000,000 | 145,983,800 | 145,983,800 |
| Markets and Slaughter House Fees | 6,720,000 | 10,000,000 | 11,000,000 | 12,000,000 |
| Vehicle Parking Receipts/Transport | 4,200,000 | 5,040,000 | 5,326,000 | 4,455,780 |
| Wheat Cess | 280,000 | 280,000 | 280,000 | 297,000 |
| Hospital Charges | 10,000,000 | 16,000,000 | 17,000,000 | 18,000,000 |
| Liquor License | 6,000,000 | 6,000,000 | 6,000,000 | 6,365,400 |
| Various Health Departments Fees | 600,000 | 600,000 | 600,000 | 636,540 |
| Agricultural Machinery Services | 1,200,000 | 1,615,000 | 1,615,000 | 1,774,200 |
| Approval of plans and supervision | | 1,215,500 | 1,215,500 | 1,289,500 |
| Hawker | 1,800,000 | 1,800,000 | 1,800,000 | 1,909,600 |
| Miscellaneous Revenue | 780,000 | 780,000 | 780,000 | 827,500 |
| Revenue from insurance recoveries | 3,500,000 | | | |
| Sale of Motor vehicles | 9,000,000 | | | |
| SUB-TOTAL LOCAL SOURCES | 157,264,422 | 240,330,500 | 255,600,300 | 259,015,320 |

| SUMMARY | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| Revenue from Local Sources | 157,264,422 | 240,330,500 | 255,600,300 | 259,015,320 |
| Revenue transfer from national government | 5,371,346,037 | 5,371,346,037 | 5,371,346,037 | 5,371,346,037 |
| Conditional Grant-Compensation for User Fee Foregone | 5,235,578 | 5,235,578 | 5,235,578 | 5,235,578 |
| Conditional Grant-Leasing of Medical Equipment | 153,297,872 | 110,638,298 | 110,638,298 | 110,638,298 |
| Kenya Urban Support Programme (UDG and UIG) 20-21 | 71,869,989 | | | |
| Kenya Devolution Support Program (KDSP) | 141,563,523 | | | |
| DANIDA (Health support funds) | 10,238,250 | 9,738,200 | 9,738,200 | 7,117,500 |
| World bank loan for National agricultural and rural inclusive growth project | 212,277,520 | 212,277,520 | 212,277,520 | 212,277,520 |
| EU Grant for instrument for devolution advice and support (Abattoir Construction) | 15,626,168 | 15,626,168 | | |
| Balance brought forward 2020-21 for construction of Abattoir | 57,108,748 | | | |
| Agriculture Sector Development Support Programme (ASDSP) | 32,990,533 | 11,088,307 | 18,176,614 | 18,176,614 |
| World Bank Loan for transforming health systems for universal care project | 5,601,594 | | | |
| World bank loan for National agricultural and rural inclusive growth project B/F | 75,000,000 | | | |
| Kenya Road Board (Fuel Levy) | 59,429,573 | | | |
| World Bank Loan for transforming health systems for universal care project b/f | 16,555,011 | | | |
| World Bank Loan for transforming health systems for universal care project B/F | 37,338,236 | | | |
| ELRP(Locust) | 91,713,333 | 51,588,750 | 51,588,750 | 51,588,750 |
| ELRP(Locust) b/f | 68,785,000 | | | |
| COVID 19 FUNDS B/F | 27,402,000 | | | |
| Balance brought forward 2020-21 - CRF | 287,820,000 | 60,000,000 | 80,000,000 | 100,000,000 |
| Finance Locally led Climate Action Program(FLLoCA) | | 125,000,000 | 125,000,000 | 125,000,000 |
| Balance brought forward 2020-21 - CRF | 479,076,637 | | | |
| GRAND TOTAL | 7,377,540,024 | 6,212,869,358 | 6,239,601,297 | 6,260,395,617 |

Source: Samburu County Treasury 2022

Expenditure Forecasts

65. In the proposed FY 2023/24 budget, overall expenditures are projected to be **Ksh 6,239,601,297** as indicated in table 6 above. With most County positions having been filled, the wage bill is projected to be at **Ksh 2,388,566,027**. The Operations and Maintenance are expected to be **Ksh 1,862,917,075** The allocation of resources for development expenditures is projected to be **Ksh 1,988,118,195**.

66. In this regard, the county government will over the medium term ensure compliance with the fiscal responsibility principles as outlined in section 107 of the PFM Act 2012. The county government is expected to enhance expenditure productivity in the proposed year and manage the rising wage bill to be within the required limit.

SECTION FIVE - Conclusion and Next Steps

- 67.** County Budget Review and Outlook Paper reflect the dynamic circumstances and are broadly in line with the Fiscal Responsibility Principles outlined in the PFM Act, 2012. They are also consistent with the County Strategic Objectives being pursued as a basis of allocation of public resources.
- 68.** As budgetary resources are finite, it is critical that SWGs and county departments prioritize their programmes within the available ceilings to ensure that use of public funds is in line with county government priorities. Towards minimizing increase in pending bills, all departments will be required to clear outstanding liabilities that are largely creditors. There is also need to ensure that resources are utilized efficiently and effectively. SWGs need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans in allocation resources.
- 69.** In pursuit of this, effective budget implementation at the county level will be facilitated through capacity building and the development of systems for close monitoring and evaluation of spending entities to ensure that resource application bears maximum benefits to the taxpayer. Involvement of all stakeholders in budget execution is also key in enhancing overall budget implementation and the priority public needs will be key in shaping the final budget policies and allocations for the 2023/24 financial year.
- 70.** The county will also strengthen its revenue collection and management systems with the goal of generating more revenues to strive towards budgetary self-reliance while ensuring the stability of the fiscal framework and financial health of the County.
- 71.** Going forward, the Third County Integrated Development Plan (CIDP 2023-2027), will be prepared to guide development in the county on a priority basis. In addition, to continue adhering to the fiscal discipline, the County Government will continue to entrench the fiscal responsibility principles set out in the Public Finance Management Act (PFMA) 2012 in making forecasts realistic and reasonable. The county will also continue with prudent management of funds and delivery of expected output. Effective and efficient utilization of funds will be crucial in ensuring that the county government delivers on its functions.
- 72.** The County Department of Economic Planning and ICT plans to train all departments on the e-CIMES system (Electronic County Monitoring and Evaluation System). This is a web based system developed by the National Treasury which will help the County in monitoring of development projects real time. The Third Generation CIDP shall be uploaded to the e-CIMES system and monitoring of departmental performance shall be tracked effectively.