



**COUNTY GOVERNMENT OF MARSABIT**

**DEPARTMENT OF FINANCE AND ECONOMIC PLANNING**

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**COUNTY FISCAL STRATEGY PAPER**

**2023**

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**CFSP 2023 will be published on the website at: [www.marsabit.go.ke](http://www.marsabit.go.ke) within 7  
days of adoption by the County Executive Committee**

## FOREWORD

This County Fiscal Strategy Paper (CFSP) sets out the policy goals and strategic priorities that will form the basis for formulation of County's 2023/24 Financial Year (FY) budget and the Medium Term. The Paper is prepared in accordance with the Public Finance Management Act, 2012. The County priorities and goals outlined herein are based on the H.E Governor Mohamud Mohamed Ali's Manifesto and the transformative agenda pursued by the county leadership as well as CIDP( 2023-2027), departmental strategic plans and the National Government's 'Bottom-up Agenda' as contained in the 2023 Budget Policy Statement (BPS) of the new administration to re-position the economy on a steady and sustainable growth trajectory ; all anchored on the Vision 2030- Kenya's development blue print.

The county government recognizes the importance of planning and the close linkages between policy, planning and budgeting. In this regard, the county Treasury is preparing the 3<sup>rd</sup> generation County Integrated Development Plan (CIDP) covering the period 2023-2027 which captures the county's shared vision and aspirations for the period and beyond as the executive strives to steer the county towards economic prosperity.

The fiscal framework presented in the paper for the Medium-term will guide the County government in ensuring that there will be efficiency and effectiveness in the implementation of the development policies. As per the purpose of all county strategic papers and policies, this paper is part of efforts by the County Treasury to continue with expenditure and financial management reforms as well as containing growth of non-priority expenditures in order to create fiscal space for financing priority policy areas. The County Government will enhance the budgetary allocations to the productive sectors and closely monitor implementation of programmes, projects and initiatives that will have the desired impact on the lives of the people. These sectors will no doubt help in unlocking the economic potential of Marsabit County.

The CFSP 2023 lays the foundation for the preparation of the FY 2023/24 Program-based Budget (PBB) Estimates.

We remain alive to the fact that achievement of our shared objectives calls for greater transparency, effectiveness and efficiency in public financial management in order to ensure fiscal discipline.

**Mr. Malicha B. Wario,**  
County Executive Committee Member,  
Finance & Economic Planning

## **ACKNOWLEDGEMENT**

The paper outlines the broad strategic macroeconomic issues affecting the County and fiscal framework to guide spending plans, as a basis of FY 2023/24 budget estimates and the medium- term. It is expected that this document will create and improve the understanding of public finances. We also expect it to inform and guide public discourse on the county development matters and ensure meaningful participation of the people in the budget process in accordance with the Constitution.

It is with great pleasure for the Department of Finance and Economic Planning to register its appreciation to all those persons who put their efforts in the preparation of this CFSP 2023. The preparation of the 2023 Fiscal strategy paper was a consultative and inclusive process in line with the requirements of the Public Finance Management (PFM) Act and the Constitution. Much of the information in this policy document was obtained through the CBROP and Annual Reports. We are grateful to the Marsabit County Government Executive for their continued cooperation. Much appreciation goes to the hard working and invaluable skill of Finance and planning team in ensuring timely delivery of this policy paper. Equally, we received support and contributions from the community through public participation process, county departments and other County Government officials. We greatly value their support and we would like to extend my appreciation to all.

To all that were involved, receive my heartfelt appreciation.

**Wario jirmo**

Chief Officer –Finance

## **ABBREVIATIONS AND ACRONYMS**

ADP	Annual Development Plan
BOP	Balance of Payments
BPS	Budget Policy Statement
CBROP	County Budget Review and Outlook Paper
CCO	County Chief Officer
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CRA	Commission of Revenue Allocation
DMS	Debt Management Strategy
ECDE	Early Childhood Development & Education
FY	Financial Year
GDP	Gross Domestic Product
GIS	Geographic Information System
HIV	Human Immunodeficiency Virus
IBEC	Inter-Governmental Budget and Economic Council
ICT	Information and Communication Technology
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics
Ksh	Kenya Shillings
LAN	Local-area Network
MTEF	Medium-Term Expenditure Framework
MTP	Medium-term Plan
NDA	Net Domestic Assets
NFA	Net Foreign Assets
NSE	Nairobi Securities Exchange
PE	Personnel Emoluments
PFM	Public Finance Management
PWDs	People with Disabilities

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

The CFSP is prepared in accordance with Section 117 of the Public Finance Management Act, 2012 that states that:

- (1) 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; 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 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.

### **County Treasury Fiscal Responsibility Principles**

A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility and shall not exceed the limits stated in the regulations. 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 the purpose of financing development expenditure and not for recurrent expenditure
- (e) The county debt shall be maintained at a sustainable level as approved by county assembly
- (f) The fiscal risks shall be managed prudently
- (g) Reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

In addition, short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited County Government revenue. 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.

## **CHAPTER ONE: COUNTY STRATEGIC BLUE PRINT**

Marsabit County has a vision to build “*A Cohesive and Prosperous County of Choice*”. Further, the governor’s manifesto presented transformational agenda for the County for the period 2023-2027. The transformational plan has informed the CIDP 2023-2027 and the Annual Development Plans. The plans have placed key focus on programmes and interventions required to achieve the National Government’s “Bottom up” Agenda and the Governor’s Manifesto towards implementation of the Country’s Vision 2030.

### **1.1 Overview**

#### **1.1.1 General Context**

The CFSP 2023 continues to implement programmes set out in our development plan whose broad policies and priorities are anchored in the national development agenda. It outlines the broad strategic development issues and the fiscal framework, together with the summary of county government spending plans. The policy paper is informed by the draft Marsabit CIDP 2023-2027, the MTP IV, the Governor’s manifesto and feedback from people of Marsabit.

Kenyan economy has slowdown underpinned by the ongoing Russia-Ukraine conflict, elevated global inflation, and the lingering effects of the COVID-19 pandemic and climate change related supply chain disruptions. As the effects of COVID-19 pandemic started to fade away, the Kenyan economy bounced back recording a GDP growth rate of 7.5 percent in 2021. However, the momentum has been disrupted again by the Russia-Ukraine conflict that has disrupted global trade with increased fuel, fertilizer and food prices. For the first time in five years the inflation rate in Kenya is above the Government target range mainly driven by supply side constraints occasioned by external shocks and climate related food and energy prices. Aside from these challenges, the Kenyan economy continues to be confronted by various constraints such as: recurrent drought affecting agricultural productivity; declining manufacturing productivity; skewed access to finance for business and development; rigidities in business regulatory framework; weak governance; and fiscal risks including pension’s liabilities, stalled public projects, payment arrears; and high debt service that has hindered the economy from achieving its full potential.



In Marsabit County, the business environment was greatly affected by recurrent drought perennial cattle rustling and significant delay in disbursement of funds in current financial year (2022/23), which has affected the operations in the county. The development budget has not been funded as expected and has greatly affected development interventions. This has had negative multiplier effect in the county development. 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. In the FY 2021/22, the county came up with ward-based projects which are at various stages of implementation of which most of it have been completed. This is expected to form the basis for planning in FY 2023/26 MTEF. Further, the county forecast decline in own source revenue due to ravaging drought and is working to expeditiously expand local revenue base streams by targeting the potential in land rates, parking fees, extractive resources, cess, livestock yards fees and water tariffs and automation of revenue collection systems to increase own source revenue and capacity to provide more impactful interventions due to increased resource availability.

Marsabit County early warning by NDMA has shown a critical phase with Dekadal rainfall for estimates (RFE) were below normal. Offseason rains were received in Marsabit Mountain at 33mm. Household and livestock watering distances are significantly above average. 98 percent of open water sources are depleted and most monitored water points in Marsabit County fell below the median depth. Milk consumption was below average and terms of trade un-favorable as Livestock prices were below average and traded volumes low especially for cattle. Cereal prices surged and were above normal. Crisis-emergency food security outcomes are likely to persist due to constrained household income and increased depletion of livelihood assets. Households majorly applied crisis livelihood coping strategies to address food shortage as overall Critical nutrition situation in Marsabit County has worsened ranging from Alert levels in Saku (8.6percent), Critical levels in Moyale (15.2percent) and Extremely Critical levels in Laisamis and North Horr sub-counties at 32.6percent and 30.0percent respectively.

### 1.1.2 County Specific Context

The County's Medium-Term Expenditure Framework for FY 2023/24 to FY 2025/2026 is predicated on priorities espoused in the Governors Manifesto and which were harnessed and outlined in the draft Marsabit CIDP 2023-2027. The priorities in the 3<sup>rd</sup> CIDP are aligned to Kenya's Vision 2030 and are in line with the Kenya Kwanza Government's narrative of Bottom-up economic model for the period 2023-2027. To propel this agenda, the following key county priorities and strategies were identified:

- i. Increase food and nutritional security and household income of pastoral, agro-pastoral and fisher-folk of Marsabit County
- ii. Ensure access to quality and affordable health services
- iii. Improve early childhood and vocational education, youth empowerment and sports development
- iv. Improve road, transport and housing development to spur economic growth
- v. Improve access to adequate portable water and ensure clean and safe environment
- vi. To facilitate and enable sustainable land use and growth of the urban centers through efficient land administration, equitable access, secure tenure, sustainable management of land-based resource and well-planned urban centers
- vii. Promoting green, affordable, sustainable, and reliable energy services while protecting and conserving the environment
- viii. Improve ease of doing business for wealth creation
- ix. To provide quality service delivery at all decentralized units
- x. To improve ICT infrastructure for efficient delivery of services to the citizens
- xi. To improve cohesion among communities living in the County and strengthen disaster mitigation mechanism
- xii. To improve sensitization, awareness creation and advocacy among the citizens
- xiii. Ensure professional, ethical and responsive human resource that will provide effective and efficient public service delivery to the devolved units.

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

This County Fiscal Strategy Paper articulates priority economic policies and structural reforms as well as sector-specific expenditure programs to be implemented under the Medium Term Expenditure Framework for FY 2023/24-2025/26 in order to achieve the County Government's development goal to ensure a secure, resilient and globally competitive first-class county in service delivery for all.

### **1.2.1 Increase food and nutritional security of household and income of pastoral, agro-pastoral and fisher folk of Marsabit County**

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

- a) Promotion of irrigated agriculture for crop and pasture development, support to agro-processing and value addition and promotion climate smart agricultural practices
- b) Promotion of livestock breed improvement, establishment of feed lots and disease-free zones and strengthen livestock market linkage
- c) Promote soil, water and natural resource management
- d) Enhance food security through adoption of modern technologies
- e) Build communities resilience to drought through promotion of climate proof infrastructures and livelihood diversification.
- f) Strengthen research extension and farmer/pastoral community through promotion of innovative and new technologies.
- g) Enhance animal health and welfare through disease surveillance and disease control as well as veterinary public health
- h) Increased and sustainable fish production for subsistence and commercial utilization

### **1.2.2 Ensure access to quality and affordable health services**

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

- a) Investment in improving health infrastructure of existing health facilities
- b) Improve diagnostic services through procurements and installation of specialized equipment in the 4 referral hospitals
- c) Increase the workforce numbers by 20% and recruit specialist across all the cadres

- d) Promote and re-designate current workforce.
- e) Strengthening emergency services and referral system to provide 24 hours' referral services and establishment of command center
- f) Increasing allocation for essential medicines and medical supplies
- g) Infrastructure and connectivity through LAN and WAN
- h) Improve service delivery through customer satisfaction and demand creation
- i) Provision of scholarships for health trainings for all cadres as well as enhance capacity development for technical staffs on essential services
- j) Strengthen Monitoring and evaluation through regular support supervisions.

### **1.2.3 Improve early childhood and vocational education, youth empowerment and sports development**

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

- a) Provide competitive and transformative quality education activities in the county
- b) Improve access, retention and completion rates at all education levels
- c) Provision of appropriate infrastructure and sufficient equipment for early childhood and vocational training
- d) Improve ECDE and VTCs learning programs;
- e) Improve school feeding program for ECDE centers;
- f) Scholarship and bursary support to bright students in High schools, Universities, Colleges and Vocational Training Centers.
- g) Link up VTC graduates with the labour market and provision of post training support to VTC graduates
- h) Assessment of educational institutions for quality assurance and standards especially with regards to early childhood education and vocational centres
- i) Provision of business start-up capital to youth and organized youth groups
- j) Promote youth training and development by designing policies and programs that build young people's capacity to resist risk factors and enhance protective factors
- k) Talent identification, development and nurturing for all sports persons
- l) Stadia development and Management
- m) Mobilize county sports persons to participate in sports as a career

- n) Prepare and facilitate teams to participate in local and nationwide events.

#### **1.2.4 Improve Road, Transport and housing development to spur economic growth**

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

- a) Upgrade urban roads to bitumen standards in Moyale and Marsabit towns
- b) Maintenance & rehabilitation of county roads and bridges
- c) Maintain and upgrade existing airstrips
- d) Improve usage and safety of water transport
- e) Ensure road worthiness of county government vehicles and drivers' competencies.
- f) Construct affordable decent houses
- g) Manage county government estates
- h) Train youth on appropriate building technologies
- i) Provide technical support for infrastructure development.

#### **1.2.5 Improve access to adequate portable water and ensure clean and safe environment**

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

- a) Infrastructure development services which includes construction of mega pans and major water works and drilling of boreholes;
- b) Reduce distance to water source by construction of pipeline connections
- c) Environment degradation by minimize charcoal burning activities
- d) Afforestation programs, mainly tree planting activities
- e) Farm forestry and dry land forestry
- f) Reduce invasive species through manual clearing.

#### **1.2.6 To facilitate and enable sustainable land use and growth of the urban centers through efficient land administration, equitable access, secure tenure, sustainable management of land-based resource and well-planned urban centers**

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

- a) To facilitate and enable sustainable land use and growth of the urban centers through efficient land administration, equitable access, secure tenure, sustainable management of land-based resources and well-planned urban centers
- b) Demarcation of the already declared land adjudication sections,
- c) Physical planning of upcoming towns,
- d) Fast-tracking of title deeds of all land adjudicated sections in the County
- e) Fast tracking of cadastral surveys for all approved LPDPs
- f) Coordinating public and private partnerships, in improving provisions of urban services
- g) Expand urban infrastructure through effective urban planning
- h) Prepare integrated infrastructures and urban plans countywide
- i) Provide efficient waste management policies
- j) Formulate urban policies and legislations
- k) Establish functional municipality to improve service delivery for social well-being of urban populations.

### **1.2.7 Promoting green, affordable, sustainable, and reliable energy services while protecting and conserving the environment**

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

- a) Research and harnessing of renewable energy source and increase access to electricity to more homes and institutions.
- b) Continuous lighting of existing and upcoming towns [solar street lights]
- c) Bridge budget gaps through private-public partnership
- d) Develop institutional, legal and regulatory frameworks for attracting investments, especially in the areas of renewable energy
- e) Provision of solar lantern lamps for poor households within the county
- f) Promotion and development of energy saving devices as well identify and support entrepreneurs
- g) Installation of hybrid [solar/wind] energy systems on shallow wells.

### **1.2.8 Improve ease of doing business for wealth creation**

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

- a) To establish viable cooperative societies
- b) To develop prudent financial control of cooperatives through regular audits
- c) Promote the development of small-scale industries
- d) Improve availability of financial support to SMEs, i.e. improve access to affordable business finances
- e) Promote industrialization through value addition of products in livestock and Agriculture value chains
- f) Promotion of wholesale and retail trade
- g) Attract foreign direct investment to the county
- h) Promotion of fair-trade practices.

### **1.2.9 To provide quality service delivery at all decentralized units**

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

- a) Construction of Sub county administrators' office at Saku Sub County.
- b) Construction of deputy sub County administrators' offices for Sololo, Maikona and Loiyangalani and their respective ward administrators
- c) Improved coordination of county government departments and non-state actors' programmes
- d) Develop bills and policies to guide the operation of the directorate.

### **1.2.10 To improve ICT infrastructure for efficient delivery of services to the citizens**

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

- a) Digitization of county operation (ICT support)
- a) Infrastructure, connectivity and interoperability: establishment of local, metro and wide area networks countywide.
- b) Automation of key County Services such as Revenue, lands registry etc.

- c) The installation and use of the integrated financial management system (IFMIS) at the Finance and Economic planning and the IPPD system at the Human Resource Department are all major ICT programs that have been fully rolled out and are fully functional.

#### **1.2.11 To improve cohesion among communities living in the County and strengthen disaster mitigation mechanism**

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

- a) Conflict management and disaster response by a creating awareness creation to enhance and reduce incidents of inter-tribal conflict.
- b) Strengthen Traditional Conflict resolution mechanism.
- c) Improved cross border Peace building initiatives
- d) Build institutional capacities to handle disaster and risk management
- e) Strengthen coordination of governments and non-state actors both for ease of Administration and emergency response
- f) Monitoring and evaluation of drought preparedness and response interventions by State and Non-state actors.
- g) Dissemination of drought early warning information to improved public knowledge and access to information.

#### **1.2.12 To improve sensitization, awareness creation and advocacy among the citizens**

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

- a) Civic education countywide through community awareness, improved ability to identify and prioritize areas of development.
- b) Strengthen public participation at sub county and ward administration structures by further devolving resources to the ward level by implementing ward-based development projects.
- c) Feedback mechanism established through Uwajibikaji initiative and recruitment of convener who receives and documents public complaints.



- d) Capacity building for county civic education officers, county government administrators and other stakeholders on Governance framework.
- e) Conduct radio programs on available essential services provided by the county Government.

### **1.2.13 Ensure professional, ethical and responsive human resource that will provide effective and efficient public service delivery to the devolved units**

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

- a) Recruitment/employee sourcing
- b) Employee welfare management
- c) Staff training and development
- d) Human Resource Information Systems
- e) Job evaluation and performance management systems
- f) Human resource policies and regulations
- g) Infrastructural development.

### **1.3 Outline of County Fiscal Strategy Paper**

This paper has four other sections. Section Two reviews the County's recent economic developments and policy outlook that provides reviews the latest information on the macroeconomic variables and their latest trends at the national level since they were last analyzed during the compilation of the County Budget Review & Outlook Paper (CBROP) and compared to the previous financial year to derive a percentage growth rate. Section three reviews the fiscal policy budget framework and provides the key actions the County Government has decided to take in the budget allocation. Section four sets out the budget framework proposed for FY 2023/24 MTEF and the resource envelope available for allocation among the county's departments and agencies and is based on the County Government's final resource projections contained in the medium-term fiscal framework as outlined in the Fiscal Policy and Budget Framework section of this paper. The section has sub-sections that capture the resource envelope, spending priorities, MTEF estimates, baseline ceilings, the process for finalization of the spending plans and the details of the sector priorities. Lastly, section five gives a conclusion of the entire paper and provides a summary of the main changes and decisions to be put to effect during the MTEF period.

## **CHAPTER TWO: RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK**

### **2.1 Overview**

This section reviews the latest information on the macroeconomic variables and their latest trends at the national level and how this impacts the Marsabit county government policies, processes and operations. These statistics are based on the National Treasury's Budget Policy Statement of 2023.

#### **2.1.1 Gross Domestic Product growth and its main drivers by sector**

##### ***Global and Regional Economic Developments***

Global economic outlook has become more uncertain - reflecting the impact of the ongoing Russia-Ukraine conflict, elevated global inflation, lingering effects of COVID-19 pandemic, and persistent supply chain disruptions. Global growth is expected to slow down to 3.2 percent in 2022 and is projected to slow down to 2.7 percent in 2023 from the earlier forecast of 2.9 percent. The USA economy is projected to slow down to 1.0 percent in 2023 from 1.6 percent in 2022, Euro Area economies will slow down to 0.5 percent from 3.1 percent in 2022. China economy is projected to improve to 4.4 percent from 3.2 percent in 2022

In the sub-Saharan Africa region, growth is projected at 3.7 percent in 2023 from a growth of 3.6 percent in 2022. This outlook is weaker than the growth of 4.7 percent in 2021 reflecting lower trading partner growth, tighter financial and monetary conditions, and a negative shift in the commodity terms of trade.

##### ***Domestic Economic Developments***

The Kenyan economy demonstrated remarkable resilience and recovery from COVID-19 shock due to the diversified nature of the economy and the proactive measures by the Government to support businesses. The economy expanded by 7.5 percent in 2021, a much stronger level from a contraction of 0.3 percent in 2020

The growth momentum continued in the first three quarters of 2022 averaging 5.5 percent despite subdued performance in agriculture and weaker global growth. The economy grew by 6.7 percent in the first quarter and 5.2 percent in the second quarter compared to a growth of 2.7 percent and 11.0 percent in similar quarters in 2021.

In the third quarter of 2022, the economy grew by 4.7 percent compared to a growth of 9.3 percent in the corresponding quarter of 2021. Most sectors posted slower growths owing to the significantly high growth rates recorded in the third quarter of 2021 that signified recovery from the impact of the COVID-19 pandemic. The growth in the third quarter of 2022 was mainly supported by the service sectors particularly Accommodation and Food Service activities, Wholesale and retail trade, Professional, Administrative and Support services, Education and Financial and Insurance activities. The growth was however slowed by declines in activities of the Agriculture, Forestry and Fishing, and Mining and Quarrying sectors

The agriculture sector recorded a contraction of 0.6 percent in the third quarter of 2022 compared to a growth of 0.6 percent recorded in the corresponding quarter of 2021. The slowdown in performance of the sector was mainly attributed to unfavorable weather conditions that prevailed in first three quarters of 2022. The decline was reflected in the decline in vegetable exports and milk intake by processors. The sector's performance was cushioned from a steeper contraction by improved production in fruits, coffee and cane.

The performance of the industry sector slowed down to a growth of 3.4 percent in the third quarter of 2022 compared to a growth of 8.3 percent in the same period in 2021. This was mainly on account of normalization of activities in the manufacturing sub-sector after the strong recovery in 2021. Manufacturing sub-sector expanded by 2.4 percent in the third quarter of 2022 compared to 10.2 percent growth recorded in the same period of 2021. The growth in the industry sector was supported by positive growths in Electricity and Water Supply sub-sector and construction sub-sector which grew by 4.7 percent and 4.3 percent, respectively.

The activities in the services sector normalized and remained strong in the third quarter of 2022 after a strong recovery in 2021 from the effects of COVID-19 pandemic. The sector growth slowed down to 6.1 percent in the third quarter of 2022 compared to a growth of 11.4 percent in the third quarter of 2021. This performance was largely characterized by substantial growths in accommodation and food services, wholesale and retail trade, professional, administrative and support services and education sub-sectors.

### **2.1.2 The Broad Money Supply Trend**

Broad money supply, M3, grew by 7.2 percent in the year to December 2022 compared to a growth of 6.1 percent in the year to December 2021. The growth in December 2022 was mainly due to an increase in domestic credit particularly net lending to the private sector. This growth was however curtailed by a decline in the Net Foreign Assets (NFA).

### **2.1.3 The Inflation Rate Trend**

The year-on-year inflation rate eased for the second consecutive month in December 2022 but was still above the 7.5 percent upper bound target. Inflation rate eased to 9.1 percent in December 2022 from 9.5 percent in November 2022 due to a decline in food prices as a result of favorable rains and declining international prices of edible oils . However, this inflation rate was higher than the 5.7 percent recorded in December 2021. Overall annual average inflation increased to 7.6 percent in December 2022 compared to the 6.1 percent recorded in December 2021.

### **2.1.4 The Interest Rate Trend**

Monetary policy stance remains tight to anchor inflation expectations due to the sustained inflationary pressures, the elevated global risks and their potential impact on the domestic economy. In this regard, the Central Bank Rate was raised from 8.25 percent to 8.75 percent in November 2022

The interbank rate remained stable at 5.4 percent in December 2022 compared to 5.0 percent in December 2021 while the Treasury bills rates increased in December 2022 due to tight liquidity conditions. The 91-day Treasury Bills rate was at 9.4 percent in December 2022 compared to 7.3 percent in December 2021

### **2.1.5 The Balance of Payments Trend**

The Balance of Payment (BOP) is the record of all international financial transactions made by a country's residents. A country's balance of payments tells you whether it saves enough to pay for its imports. It also reveals whether the country produces enough economic output to pay for its growth. Reports from the National Treasury shows that the overall balance of payments position improved to a surplus of USD 2,245.4 million (2.0 percent of GDP) in November 2022 from a deficit of USD 976.8 million (0.9 percent of GDP) in November 2021. This was mainly due to an improvement in the capital account despite a decline in the merchandise account reflecting increased imports of petroleum products owing to high international crude oil prices.

### **2.1.6 The Exchange Rate Trend**

The foreign exchange market has largely remained stable despite the tight global financial conditions attributed to strengthening US Dollar and uncertainties regarding the ongoing Russian-Ukraine conflict. Due to the strong dollar, the exchange rate to the Kenya shilling like all world currencies has weakened to exchange at Ksh 122.9 in December 2022 compared to Ksh 112.9 in December 2021. Against the Euro, the Kenya shilling also weakened to Ksh 130.0 from Ksh 127.6 over the same period. The Kenyan Shilling strengthened against the Sterling Pound to Ksh 149.8 in December 2022 from Ksh 150.2 in December 2021.

### **2.1.7 The Stock Market Trend**

Activity in the capital markets slowed down in December 2022 compared to December 2021 due to the outflow of investors as advanced economies tightened their monetary policy amid recession fears. The NSE 20 Share Index declined to 1,676 points in December 2022 compared to 1,903 points in December 2021 while Market capitalization also declined to Ksh 1,986 billion from Ksh 2,593 billion over the same period

## **2.2 Impact of the Macro-economic performance indicators to the County**

As the economy shrinks as noted by the decrease in GDP, less opportunities arise for investments and growth in the productive sectors. An immediate impact will be a decrease in the equitable share from the government due to decreased revenue flows at the national level and which will affect the County government by providing less resource to invest in the transformative programs already identified. Further, the sluggish recovery in the economy slows foreign direct investments and the County is not able to realize more private and public investments if the trend continues in the medium term.

The rate of inflation has largely been held stable due to a favorable macroeconomic environment and a prudent fiscal and monetary policy regime although it is still above the 7.5 percent upper bound target. Holding the rate of inflation stable enables the county maintain stable public investment and service delivery projections and hence a more stable approach to planning and budgeting. This is contrasted against an unstable inflation environment which ultimately affects the purchasing power parity of the resources both at the disposal of the government and the residents, and increases the poverty demographics to levels that may impact the spending patterns of the County Government. Hence the stability in the inflation rates is important for the continued implementation of the County development strategy.

## **2.3 Update on Fiscal Performance and Emerging Trends**

The County's approved supplementary budget for FY 2021/22 was Kshs.9.33 billion, comprising Kshs.4.59 billion (49.1 per cent) and Kshs.4.74 billion (50.9 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expected to receive Kshs.7.28 billion (78 per cent) as the equitable share of revenue raised nationally, generate Kshs.170 million (1.8 per cent) from its sources of revenue, and use a cash balance of Kshs.576.38 million (6,2 per cent) from FY 2020/21.

### **Revenue**

In FY 2021/22, the County received Kshs.6.69 billion as the equitable share of the revenue raised nationally, raised Kshs.99.56 million as own-source revenue, Kshs.143.4 million as conditional grants, and had a cash balance of Kshs.576.38 million from FY 2020/21. The total funds available for budget implementation during the period amounted to Kshs.7.51 billion.

### **2.3.2 Expenditure**

Total expenditure in the FY **2021/22** amounted to Ksh 6,764,060,672 Against a target of Ksh **7,514,180,313** representing an under spending of Ksh 750,119,641 which is a 10% deviation from the approved programme based budget estimates. In the FY 2021/22, the recurrent expenditure amounted to Ksh 3,927,441,776 representing 58.06% of the total expenditure, while Ksh 2,836,618,896 was spent on development accounting for 41.94% of the total expenditure. The expenditure excludes unspent balances amounting to Ksh 576,376,950 which would be carried forward to the next financial year. The County achieved the thresholds on the proportions to be allocated to recurrent and development contained in the minimum requirements as prescribed in section 107 of the PFM Act 2012.

### **Recurrent and Development Expenditure**

As shown in Table 1 below, absorption rates for recurrent and development votes for the FY 2021/22 was 95.1% and 70.7% respectively. In FY 2020/21 the absorption rates were 90.6% and 76.37% respectively. Between the two financial years recurrent expenditure increased by 4.5% while development decreased by 5.67%.

**Table 1: Recurrent Versus development**

Year	Approved	Actual	Absorption rate	Approved	Actual	Absorption rate
	Recurrent Budget	Recurrent Expenditure		Dev't Budget	Dev't Budget	
2020/21	<b>4,152,951,573</b>	<b>3,764,875,624</b>	90.60%	4,562,151,728	3,484,327,106	76.37%
2021/22	4,745,539,032	4,514,823,509	95.10%	4,586,002,452	3,245,198,049	70.70%

**2.3.3 Fiscal balance**

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

**2.4 Comparison of Actual Performance against budget**

An analysis of the budget performance in the FY 2021/22 reveals that while the recurrent allocation is well absorbed, the development vote is not fully absorbed. Table 1 above shows the comparison of actual performance against budget.

**Table 2: Comparison of Actual Performance against Budget**

	FY 2020/21	FY 2021/22		FY 2021/22
	Actual ( Ksh. M)	Budget estimates	Actual (Ksh. Million)	% deviation
<b>TOTAL REVENUE, UNSPENT BALANCE &amp; GRANTS</b>	<b>8,489</b>	<b>9,331</b>	<b>7,514</b>	<b>-19%</b>
Unspent Bal from Previous FY	689	576	576	0%
<b>Revenue (Total)</b>	<b>7800</b>	<b>8,757</b>	<b>6,938</b>	<b>-21%</b>
Equitable Share Allocation	6779	7,277	6,694	-8%
Local Revenue	110	170	100	-41%
Grants (Total)	911	1,308	143	-89%
<b>Total Expenditure</b>	<b>7,203</b>	<b>9,331</b>	<b>7,759</b>	<b>-17%</b>
<b>Recurrent</b>	<b>3,765</b>	<b>4,745</b>	<b>4,514</b>	<b>-5%</b>
<b>Development</b>	<b>3,408</b>	<b>4,586</b>	<b>3,245</b>	<b>-29%</b>
<b>Unspent Bal Current FY</b>	<b>576</b>	<b>-</b>	<b>-</b>	<b>-</b>

In FY 2021/22, the County received Kshs.6.69 billion as the equitable share of the revenue raised nationally, raised Kshs.99.56 million as own-source revenue, Kshs.143.4 million as conditional grants, and had a cash balance of Kshs.576.38 million from FY 2020/21. The total funds available for budget implementation during the period amounted to Kshs.7.51 billion.

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

The constitutional provisions for county governments financing have guaranteed stable flow of funds from the national government with Marsabit county recording an average of 12% growth per annum. Capacity challenges to fully operationalize e-procurement in the county have slowed down implementation of the county projects and therefore affecting the budget implementation for the financial year 2021/22. This has also seen a slow start to the current financial year 2022/23.

## **2.6 Revised Estimates**

During the past financial year drought situation has affected the economic outlook of the county, many projects has been put aside to address emergency issues of relief supply and water tracking. This has affected revenue collection in the first half of the 2022/23 to be Ksh 59M which is below the target.

## **2.7 Economic Policy and Outlook**

Marsabit County's economic growth prospects for the FY 2023/24 and over the medium term will largely be influenced by the national growth prospects, according to BPS (2023), the Kenyan economy is expected to grow by 5.5 percent in 2022 and recover in 2023 to 6.1 percent and maintain that momentum over the medium-term (in terms of fiscal years the economic growth is projected at 5.8 percent in the FY 2022/23 and 6.1 percent in the FY 2023/24). This growth will be supported by a broad-based private sector growth, including recoveries in agriculture while the public sector consolidates. From an expenditure perspective, private consumption is expected to support aggregate demand, supported by the ongoing labour market recovery, improved consumer confidence, and resilient remittances.

The growth outlook will be reinforced by the Government's development agenda geared towards economic turnaround and inclusive growth. Special focus will be placed on increased employment, more equitable distribution of income, social security while also expanding the tax revenue base, and increased foreign exchange earnings. The economic turnaround programme will seek to increase investments in at least five sectors envisaged to have the biggest impact on the economy as well as on household welfare. These include Agriculture; Micro, Small and Medium Enterprise (MSME); Housing and Settlement; Healthcare; and



Digital Superhighway and Creative Industry. These sectors are key to the county economy given that it entirely relies on Livestock, partly agriculture and trade (wholesale and Retail). In furtherance of the agenda on inclusive growth and innovation in Micro, Small, and Medium Enterprises (MSMEs), the National Government has launched the Hustlers Fund, as an intervention to correct market failure problems at the bottom of the pyramid. This program aims to lift those at the bottom of the pyramid through structured products in personnel finance that includes savings, credit, insurance, and investment. The County Government has created an emergency drought mitigation program to supplement the National Government effort. The fund will provide capital to the struggling MSMEs from the negative impact of drought.

**Table 3: Macroeconomic Indicators Underlying the Medium-Term Fiscal Framework (FY 2023/24 MTEF)**

<b>Terms of Trade</b>	<b>-2.2</b>	<b>-1.1</b>	<b>1.1</b>	<b>-0.3</b>	<b>0.5</b>
<b>(-deterioration)</b>					
Investments and savings					
Investments	9.4	13.3	19.8	18.3	19
Gross National Savings	3.6	8.2	13.8	12.2	12.8
Central Government Budget	5.9	0.3	-2.7	-1.6	-0.5
Others	2.6	7.9	16.5	13.7	13.2
Total Revenue	17.1	16.5	16.4	17.3	18.2
Total expenditure and Net lending	25.3	25.9	24.3	23.3	22.7
Overall balance Commitment basis (excluding. Grants)	-8.2	-9.4	-7.9	-6	-4.5
Overall balance Commitment basis (including. Grants)	-8	-8.9	-7.5	-5.6	-4.2
External Sector					
Current external balance, including official transfers	-5.8	-5.1	-6	-6.1	-6.2
Gross international reserve coverage in months of imports	6.3	5.8	5.8	5.8	5.9
Nominal GDP(billions)	10,157	11267	12,393	13,760	15,373

## **2.8 Risks to the Outlook**

Marsabit County's economic growth prospects for the FY 2023/24 and over the medium term will largely be influenced by the national growth prospects, according to BPS (2023), the Kenyan economy is expected to grow by 5.5 percent in 2022 and recover in 2023 to 6.1 percent and maintain that momentum over the medium-term (in terms of fiscal years the economic growth is projected at 5.8 percent in the FY 2022/23 and 6.1 percent in the FY 2023/24). This growth will be supported by a broad-based private sector growth, including recoveries in agriculture while the public sector consolidates. From an expenditure perspective, private consumption is expected to support aggregate demand, supported by the ongoing labour market recovery, improved consumer confidence, and resilient remittances.

The growth outlook will be reinforced by the Government's development agenda geared towards economic turnaround and inclusive growth. Special focus will be placed on increased employment, more equitable distribution of income, social security while also expanding the tax revenue base, and increased foreign exchange earnings. The economic turnaround programme will seek to increase investments in at least five sectors envisaged to have the biggest impact on the economy as well as on household welfare. These include Agriculture; Micro, Small and Medium Enterprise (MSME); Housing and Settlement; Healthcare; and Digital Superhighway and Creative Industry. These sectors are key to the county economy given that it entirely relies on Livestock, partly agriculture and trade (wholesale and Retail).

In furtherance of the agenda on inclusive growth and innovation in Micro, Small, and Medium Enterprises (MSMEs), the National Government has launched the Hustlers Fund, as an intervention to correct market failure problems at the bottom of the pyramid. This program aims to lift those at the bottom of the pyramid through structured products in personnel finance that includes savings, credit, insurance, and investment. The County Government has created an emergency drought mitigation program to supplement the National Government effort. The fund will provide capital to the struggling MSMEs from the negative impact of drought.

## **Risks to Economic Outlook**

According to the BPS (2023), there are downside risks to this macroeconomic outlook emanating from national as well as external sources. On the national front, risks emanate from climate change resulting in unfavorable weather conditions. This could affect Livestock & agricultural production and result to domestic inflationary pressures, resulting to low earnings.

On the external front, uncertainties in the global economic outlook have also increased which could impact on the domestic economy. These risks include: the possible worsening of the Russia - Ukraine conflict which could heighten the risk of oil and commodity price volatility and elevated inflationary pressures; lingering effects of COVID-19 (coronavirus) pandemics; and global monetary policy tightening, especially in the United States, could increase volatility in the financial markets.

The upside risk to the domestic economy relate to faster than projected rebound in economic activities that would result in higher Government revenues providing fiscal space that would support fiscal consolidation. The Kenyan Government continues to monitor the domestic and external environment and will take appropriate policy measures to safeguard the economy against the adverse effects of the risks if they were to materialize.

At the level, the County Government is continually monitoring the climate change risk and taking appropriate measures to strengthen resilience in the economy. To cushion the county against the downsides of the risks, the County Government will continue to implement the Post COVID-19 Recovery Strategy and drought mitigation programs to protect the lives and livelihoods of the residents.

## CHAPTER THREE: FISCAL POLICY BUDGET FRAMEWORK

### 3.1 Overview

The MTEF for FY 2023/24 and its medium-term is intended to consolidate the County's fiscal agenda of transforming the lives and livelihoods of residents through strengthening the delivery of strategic and priority social economic interventions. The County will pursue prudent fiscal policies to ensure economic growth and development. Further, the fiscal policies are aimed at providing support to economic activities while at the same time creating a sustainable and conducive environment for the implementation of programs.

The County Government will endeavor to improve on service delivery to the county residents in the medium term. In doing so the following key decisions will guide allocation during the medium term:

- There will be focus on 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 automation of revenue streams to enhance their potential and reduce leakages;
- The County Government will implement performance management and institute critical actions to manage the growth in wage bill.

The County Government will strive to ensure that the budget is balanced in the medium term and that expenditure for development shall constitute across the FY 2023/24 and medium-term. Further and on the back of prudent financial management, the county will also seek to keep the recurrent expenditures below 60% in the medium-term. Expenditure ceilings are based on county priorities extracted from the ongoing CIDP 2023-2027, ADP 2023/24 and the sector working group reports for each of the sectors. Moreover, the ceilings were also adjusted based on decrease in total revenue, expenditure trends and the changes in priority based on sector working group discussions. Expenditure related to conditional funding and grants has been ring fenced based on the purpose for the funding and estimates developed and included in the sector working group reports.

The proposed FY 2023/24 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 or borrowing within the framework by sub-nationals as approved by the Intergovernmental Budget and Economic Forum (IBEC).

### **3.2 Fiscal Policy Status**

The government's fiscal policy objective in the medium term will be to focus resources to priority and growth potential areas. Allocation and utilization of resources in the medium term will be guided by the priorities outlined in CIDP 2023-2027 and other county plans; and in accordance with fiscal responsibility principles as set out in section 107 of the PFM Act 2012. For effective utilization of public finances for enhanced expenditure productivity, the county government will prioritize expenditures within the overall sector ceilings and strategic sector priorities.

During the FY 2023/24 the County Government Sector Working Groups (SWGs) will continue to be the forum for permanent and continuing dialogue between the government and the various sectors of the county economy. The SWGs will be key in coordinating the preparation of Departmental Public Expenditure Reviews (DPERs); reviewing sectors objectives and strategies; identifying sector priorities and rankings; identifying linkages; identifying sources of funding for sector programmes and improving communication and nurture partnerships within each of the sectors.

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

To have sustainable development and growth, the government is planning to meet the fiscal targets set by making policies aimed at ensuring strict adherence to fiscal responsibility principles. These policies will aim at rationalizing allocation of more resources from recurrent to capital and development programs so as to promote sustainable and inclusive growth. Further, the government will operate within a framework of balanced budget in the medium term with occasional short term borrowing as may be necessary for cash flow management purposes.

#### **3.3.1 Fiscal Responsibility**

The policies set out are in line with the Constitution of Kenya 2010 and the PFM Act, 2012 which sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The fiscal responsibility principles that will be observed in FY 2023/24 and in the medium-term are as follows:

1. Over the medium term, a minimum of thirty (30) per cent of the budget shall be allocated to the development expenditure. In FY 2018/19, 2019/20, 2020/21 and 2021/22 the government achieved an allocation to development expenditure, 46% and 47.3 %, 47.1% and 41.94% respectively. The projections for the medium term targeted to be around 46.82% across the years which is within the law;
2. The Government's expenditure on wages shall not exceed the minimum percentage of 35% of the County total revenue. Personnel Emoluments for FY 2021/22 stood at 38.8% slightly above the minimum wage. The projected percentage of the wage bill in FY 2023/24 is 33.5% which represents a drop of 5.3% due to the projected layoff of staff to provide relevant services to the people and will help to improve on development expenditure for the 2<sup>nd</sup> half of FY 2022/23;
3. Over the medium term, Government's borrowing shall be used only for purpose of financing development expenditure and not for recurrent expenditure. The County government has no plans within the FY 2023/24. However, if need arises to borrow in the medium-term it will be tied 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 the commitments carried forward from FY 2020/21 of Ksh 576,376,950 million and shall be settled by the close of the financial year.
5. The fiscal risks identified under section 2.8 above shall be managed prudently and all mitigation measures indicated put in place to manage all identified and emerging risks; 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. The projections for the own source revenues have taken this into account and in the medium term, the county will focus more on stemming revenue leakages by instituting enforceable laws over revenue sources and move to automation of the revenue streams.

### **3.3.2 Fiscal Structural Reforms**

The County Government aims to widen the tax base by reviewing the relevant revenue legislations in order to improve revenue raising measures and efficiency. In order to achieve this objective, the county government will review the current tax legislation in terms of rates, processes and enforcement mechanisms to ensure that own source revenues are increased to optimal levels. Further, there will be an increased focus on automation to improve the whole process of revenue management and stem revenue leakages.

Over the medium term, the government will rationalize its expenditure with an aim to reduce wastages. This will be done by ensuring there is improved accountability and transparency by the accounting officers who are in charge of public finances and more focus on programs and activities that have a high impact on service delivery to the residents. The on-going fiscal structural reforms will eliminate duplications.

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. To achieve value for money there is need to strengthen County oversight mechanisms including the audit function and the Project Implementation function through continuous review of risks and periodic monitoring and evaluation of projects and programmes.

### **3.3.3 Debt Financing Policy**

The County Government's current debts are limited to the pending bills. The pending bills for FY 2021/22 have been appropriated in the FY 2022/23 and will be cleared in the course of this financial year. The pending debts represent carried forward debts over the years and some that date back to the pre-devolution period. A review and consultative process will be planned for and a decision made on how to clear these amounts. Except for these two categories, the County does not finance its operations through debt and hence no outstanding debt.

In the medium term, no debt has been factored in the financial projections for the County. However, Marsabit County 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 and capability of the county in repaying its debts.

### **3.4 Budget Framework Proposed for FY 2023/24 MTEF**

The FY 2023/24 budget framework will continue to entrench fiscal discipline and expenditure rationalization that has been undertaken over the last three years. Taking into consideration the fiscal consolidation measures proposed by the National Treasury, the county will attempt to do more with less that is available to achieve sustainability and affordability.

The strategy to be adopted will involve prioritization of key sectors and functions in order to

- Ensure funding goes to the most critical needs and achieve maximum impact on the beneficiaries through prudent utilization of resources.
- Linking programs and intended objectives with clearly defined inputs, outputs and outcomes.
- The cash flows and procurement and implementation plans are harmonized to ensure coherence and take into account resource constraints.

#### **3.4.1 Revenue Projections**

The revenue projections for the FY 2023/24 including the equitable share, local revenue loans and conditional grants are expected to be Ksh. 8,746,260,972. The revenue projections are based on the 2023 Budget Policy Statement which has defined the horizontal sharing of revenues among the counties. The County is expected to receive Ksh 7,557,969,667 as equitable share and Ksh. 803,567,901 from the loans and conditional grants allocation. The county own revenue sources are estimated to be Ksh. 160 million which require concerted effort and better strategies to raise through better administration and supervision. Aggregated industrial parks programme is estimated to be 100m

For FY 2023/24, 87% of the county revenues will be financed by the equitable share, 9.2% from loans and conditional grants ,1.3% per cent from county own revenue sources 1.1% Aggregated industrial parks programme and leasing of equipment's amounting to 1.4% . The equitable share is expected to grow by 5.5% and own source revenue will remain the same due to the sluggish nature of the economy as a result of severe drought experienced across



the county annually in the medium-term based on last year's figures, the other revenues will be unchanged. This is tabulated in table 3 below.

**Table 4: County Government Revenue trends and projections**

Financial Year	Equitable Share	User Fees forgone	Fuel Levy	Development of Youth Polytechnics Conditional Grant	Leasing of Equipment	Aggregated industrial parks programme	Other Loans and Grants	Own Source Revenue	Total
2018/19	6,800,652,600	6,640,000	184,360,000	26,280,000	-		461,060,000	140,000,000	7,618,992,600
2019/20	6,773,100,000	6,643,714	192,258,938	15,558,298	131,914,894		527,605,108	140,000,000	7,787,080,952
2020/21	6,896,260,000	6,643,714	204,701,864	11,196,170	148,936,170		616,904,659	150,000,000	8,034,642,577
2021/22	7,277,004,032	-	-	-	153,297,872		753,314,489	150,000,000	8,333,616,394
2022/23	7,277,004,032	-	-	-	153,297,872		753,314,489	160,000,000	8,343,616,394
2023/24	7,557,969,667	-	-	-	124,723,404	100,000,000	803,567,901	160,000,000	8,746,260,972
Proportion of total Revenues (2023/24)	87%	-	-	-	1.40%	1.10%	9.20%	1.30%	100%

### 3.4.2 Expenditure Projections

From Figure the total expenditure for the FY 2023/24 is expected to be at Ksh

**8,746,260,972** which is less than the total expenditure for the previous year 2022/23 of Ksh **9,122,669,849**.

**Table 5: County Government Fiscal Projections FY 2023/24 MTEF**

	2021/22FY	2022/23 FY		2023/24 FY		2024/25 FY		2025/26FY
	Actual	Budget	CFSP 2022	CFSP 2023	CBROP 2022	CFSP 2023	CBROP 2022	CFSP 2023
TOTAL REVENUE & GRANTS	7,514,180,313	9,122,669,849	8,034,642,577	8,696,260,972	9,530,740,726	8,857,420,365	9,530,740,726	9,021,602,946
Unspent Bal b/f \Previous FY	576,376,950	0	0	0	0	0	0	0
Revenue (Total)	6,937,803,363	9,122,669,849	8,034,642,577	8,746,260,972	9,530,740,726	8,857,420,365	9,530,740,726	9,021,602,946
Equitable Share Allocation	6,694,843,713	8,349,495,432	6,896,260,000	7,557,969,667	8,291,744,432	7,709,129,060	8,291,744,432	7,863,311,641
Local Revenue	99,563,452	100,000,000	150,000,000	110,000,000	180,138,816	120,000,000	180,138,816	130,000,000
Grant income	143,396,198	673,174,417	988,382,577	1,028,291,305	1,058,857,478	1,028,291,305	1,058,857,478	1,028,291,305
TOTAL REVENUE & GRANTS	7,514,180,313	9,122,669,849	8,034,642,577	8,696,260,972	9,530,740,726	8,857,420,365	9,530,740,726	9,021,602,946
Total Expenditure	6,764,060,672	9,122,669,849	7,877,611,745	8,696,260,972	9,530,740,727	8,857,420,365	9,530,740,727	9,021,602,946
Recurrent	3,927,441,776	4,851,825,733	4,820,785,546	4,625,043,271	4,955,985,178	4,710,754,729	4,955,985,178	4,798,074,038
<i>Recurrent as % of CG Total Revenue</i>	52.27%	53.18%	60.00%	53.18%	52.00%	53.18%	52.00%	53.18%
Personnel Emolument	2,597,312,583	3,055,143,638	2,812,124,902	2,912,341,101	2,096,762,960	2,966,312,702	2,096,762,960	3,021,296,760
Operations & Maintenance	1,220,034,882	1,796,682,095	2,008,660,664	1,712,702,170	2,859,222,218	1,744,442,027	2,859,222,218	1,776,777,278
<i>Personnel Emoluments as % of CG Revenue</i>	34.57%	33.49%	35.00%	33.49%	22.00%	33.49%	22.00%	33.49%
Development	2,836,618,896	4,270,844,116	3,213,857,031	4,071,217,701	4,574,755,549	4,146,665,636	4,574,755,549	4,223,528,908
<i>Development as % of CG Total Revenue</i>	37.75%	46.82%	40.00%	46.82%	48.00%	46.82%	48.00%	46.82%
Unspent Bal Current FY								



### 3.4.3 Recurrent Expenditure Forecasts

The total recurrent expenditure forecasts for FY 2023/24 is Ksh.4.6 billion which is a decrease from the previous year's allocation of Ksh. 4.8 billion. This recurrent expenditure forecast comprises of Ksh. 3.0 billion as compensation to employees and Ksh 1.8 billion for operations and maintenance. The Compensation to employees represents 33.5% of total revenues for the financial year retain in the same proportion for the previous period FY 2022/23.

**Table 6: Actual Expenditure by Economic Classifications from FY 2018/19 – FY 2021/22**

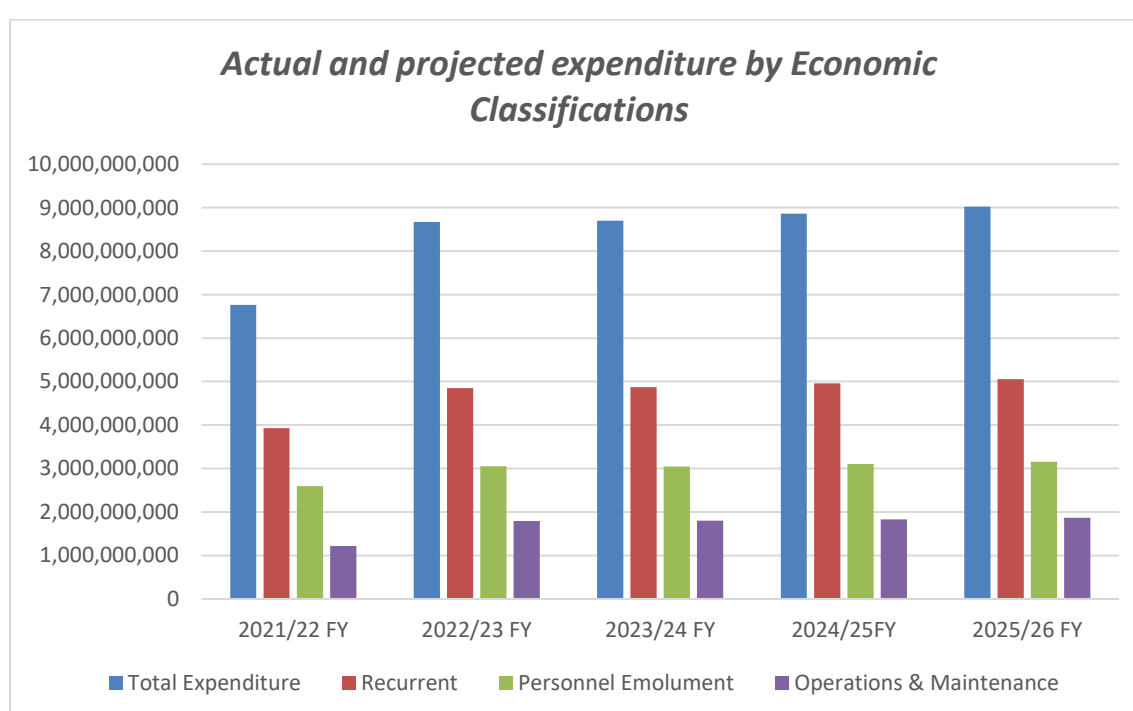
	2018/19	2019/20	2020/21	2021/2022
Personnel Emoluments	2.44	2.42	2.55	2.6
O&M	1.42	1.15	1.5	1.3
Development	3.6	3.2	3.6	2.8
Total	7.47	6.77	7.65	6.7
Proportion of Personnel Emoluments as % of total Expenditure	32.7%	35.7%	33.3%	38.8%
Proportion of O&M as % of total Expenditure	19.0%	17%	19.6%	19.4%
Proportion of Development as % of total Expenditure	48.3%	47.3%	47.1%	41.8%

**Figure 1: Actual Expenditure by Economic Classifications from FY 2018/19-2021/22**

From the analysis of recurrent expenditure, personnel costs have slightly shown upward trajectory and development expenditure has been oscillating up and down for the last four financial years. The government should seek to reign in the trend to sustainable levels as required by the fiscal responsibility principles.

**Table 7: Actual and projected expenditure by Economic Classifications**

Total Expenditure	Actual Expenditure	Budget Estimates	Projections		
	2021/22 FY	2022/23 FY	2023/24 FY	2024/25FY	2025/26 FY
<b>Total Expenditure</b>	6,764,060,672	8,665,857,551	8,746,260,972	8,857,420,365	9,021,602,946
<b>Recurrent</b>	3,927,441,776	4,851,825,733	4,869,906,144	4,960,155,404	5,052,097,649
<b>Personnel Emolument</b>	2,597,312,583	3,055,143,638	3,043,692,340	3,100,097,127	3,157,561,031
<b>Operations &amp; Maintenance</b>	1,220,034,882	1,796,682,095	1,800,126,021	1,833,486,016	1,867,471,809
<b>Recurrent as % of CG Total Expenditure</b>	58.06%	56%	56%	56%	56%
<b>Personnel Emoluments as % of CG Expenditure</b>	38.40%	35.30%	35.30%	35.30%	35.30%
<b>O&amp;M as % of CG Expenditure</b>	18.04%	20.70%	20.70%	20.70%	20.70%



*Figure 2: Expenditure by Economic Classification*

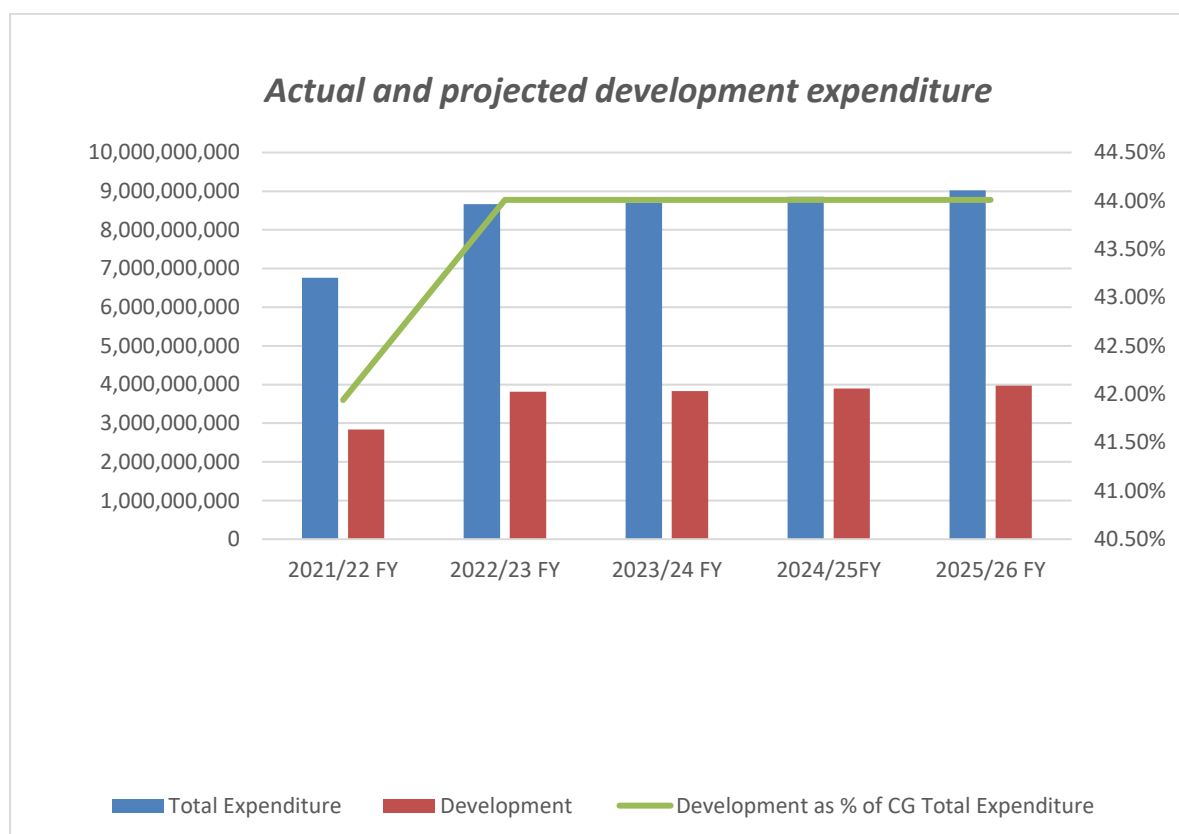
### 3.4.4 Development and Net Lending

The FY 2022/23 budget projects total development expenditure will be Ksh. 3.8 billion compared to last year (FY 2021/22) Ksh. 2.8 billion representing 35.7 % of total budget and expected to retain the same proportion over the medium term. The development expenditure will be funded by equitable share transfers from National Treasury as well as own source revenue, lease of equipment's, aggregated industrial park programme and loans and grants from national government.

**Table 8: Actual and projected development expenditure**

**Figure 3: Actual and projected development expenditure**

	Actual Expenditure	Budget Estimates	Projections		
	2021/22 FY	2022/23 FY	2023/24 FY	2024/25 FY	2025/26 FY
Total Expenditure	6,764,060,672	8,665,857,551	8,746,260,972	8,857,420,365	9,021,602,946
Development	2,836,618,896	3,814,013,818	3,827,394,959	3,898,324,368	3,970,584,341
Development as % of CG Total Expenditure	41.94%	44.01%	44.01%	44.01%	44.01%



### **3.4.5 Fiscal Balance and Deficit Financing**

The County Government does not plan to undertake long term borrowing in the medium term, and hence no debt has been factored in the financial projections for the County. In case there arises the need to borrow for key capital investments in the medium term, it will be done as per the framework to be developed by the National Treasury on borrowing by County governments.

### **3.5 Summary**

The Government's fiscal policy goals will focus on adherence to fiscal responsibility principles and mainly on ensuring that 46% of the budget is spent on development projects and programmes. On expenditure, strict controls over budgets and budget execution will continue to be instituted in line with the PFM Act and Public Financial Management Regulations (PFR). Through the above policies, the investments made in priority and growth potential areas will be achieved in the medium term.

## CHAPTER FOUR: MEDIUM TERM EXPENDITURE FRAMEWORK

### 4.1 Resource Envelope

The programmes and projects over the medium term will be funded by equitable shares from National Treasury, conditional and unconditional grants, loans and own source revenue collected by the county government.

For the FY 2023/24 own source revenue will finance about 1.3 % of the expenditure priorities in the projected budget of Ksh.8,746,260,972. In the FY 2022/23, the own source revenue was projected at Ksh. 170 million. The own source of revenue is expected to be Ksh 160,000,000 in the FY 2023/24 due to the prevailing drought and sluggish growth of the economy as it struggles to recover from Covid 19 effect. Equitable Share from National Government will account for 87 % of total budget resources while loans and conditional grants will account for 9 %. The equitable share in FY 2023/24 is projected to be Ksh. 7,557,969,667.

**Table 9: Resource Envelope for FY 2023/24-2025/26 [Ksh. Million]**

	<b>FY 2023/24</b>	<b>FY 2024/25</b>	<b>FY 2025/26</b>
<b>Equitable share</b>	7,557,969,667	7,709,129,060	7,863,311,641
<b>Loans and Grants</b>	803,567,901	803,567,901	803,567,901
<b>Leasing of Equipment</b>	124,723,404	124,723,404	124,723,404
<b>Aggregated Industrial parks Programme</b>	100,000,000	100,000,000	100,000,000
<b>Own Source Revenue</b>	160,000,000	120,000,000	130,000,000
<b>TOTAL</b>	<b>8,746,260,972</b>	<b>8,857,420,365</b>	<b>9,021,602,946</b>

The revenue allocation was based on Third Basis formula approved by the parliament in September 2020 for allocating money among the Counties from the share of national revenue. The Third Basis formula will be applicable for FY 2023/24 and over the medium term expenditure framework.

The formula takes into account the following parameters; (i) Population (18%); (ii) Health Index (17%); (iii) Agriculture Index (10%); (iii) Urban Index (5%); (iv) Poverty Index (14%); (v) Land Area Index (8%); (vi) Roads Index (8%), and; (vii) Basic Share index (20%). On the other hand, each additional conditional allocation shall be distributed based on its objectives, criteria for selecting beneficiary Counties and distribution formula.

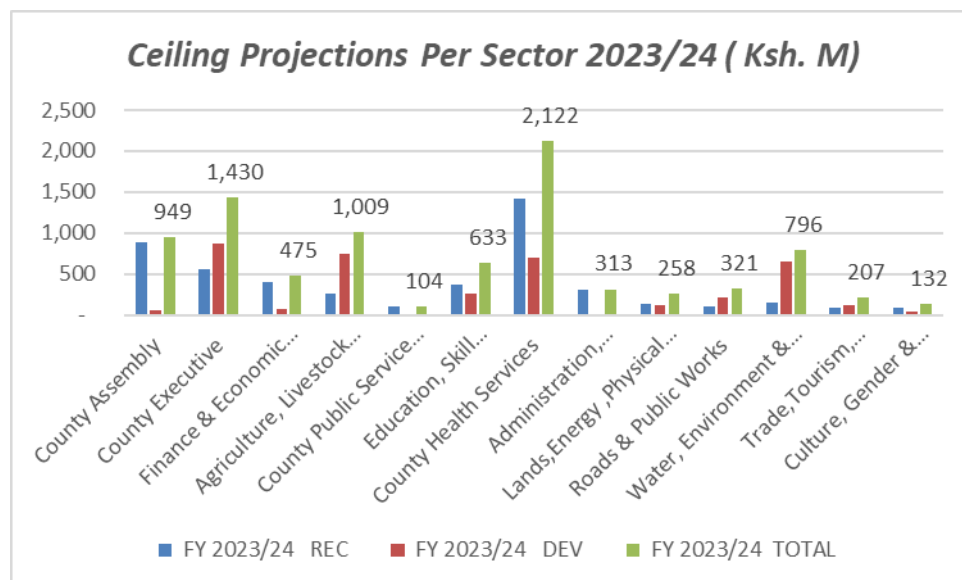
### 4.2 Spending Priorities

The County Government priority for FY 2023/24 will be implementing the new third generation County Integrated Development Plan (2023-2027) . In the medium term, priority will be given to projects and programmes geared toward addressing the prolonged drought which has devastated our livestock economy and food and nutritional security, access to quality and affordable healthcare, as well as wealth creation for Micro, Small and Medium



Enterprise (MSME). In the FY 2023/24. 24 % of the county funding will be allocated to health care services, 11.5 % to agriculture, livestock and fisheries development, 17% to Executive, 9% towards water, environment and natural resources, 3.8% roads and transport, and 7.4% to education, skills development, youth and sports. This is depicted in Figure 5 below.

**Figure 4: Ceiling Projections Per Sector**



### 4.3 Medium-Term Expenditure Estimates

In the medium term the government plans to spend Ksh. 8,3336 billion in FY 2021/22, Ksh. 8.3526 billion in FY 2022/23 and Ksh. 8.746 billion in 2023/24 respectively. Health care services have the biggest allocation as the county government moves towards offering Universal Healthcare to the county residents. As the government enhances service delivery, the other service sectors will be the ultimate beneficiaries.

SUMMARY OF RECURRENT AND DEVELOPMENT EXPENDITURE ESTIMATES - FY 2023/2024												
FY 2022-23			FY 2023/24			FY 2024/25			FY 2025/26			
County Department	Recurrent	Development	Total	REC	DEV	TOTAL	REC	DEV	TOTAL	REC	DEV	TOTAL
County Assembly	886,525,733.00	270,401,403	1,156,927,136	890,500,000	58,000,000	948,500,000	896,000,000	30,000,000	926,000,000	898,500,000	34,000,000	932,500,000
County Executive	559,500,000	850,000,000	1,409,500,000	564,500,000	865,000,000	1,429,500,000	575,000,000	885,500,000	1,460,500,000	580,000,000	890,000,000	1,470,000,000
Finance & Economic Planning	396,005,994	2,156,084,798	2,552,090,792	400,000,000	75,000,000	475,000,000	415,500,000	85,420,365	500,920,365	424,602,946	95,000,000	519,602,946
Agriculture, Livestock & Fisheries	261,678,751	150,019,987	411,698,738	263,600,000	745,000,000	1,008,600,000	275,000,000	705,000,000	980,000,000	278,000,000	715,500,000	993,500,000
County Public Service Board	95,868,568	5,000,000	100,868,568	96,868,000	7,000,000	103,868,000	99,000,000	12,000,000	111,000,000	102,000,000	14,000,000	116,000,000
Education, Skill Development, Youth & Sports	368,713,481	21,159,347	389,872,828	370,700,000	262,000,000	632,700,000	390,500,000	265,000,000	655,500,000	395,000,000	275,500,000	670,500,000
County Health Services	1,422,458,993	422,010,357	1,844,469,350	1,427,400,000	694,391,004	2,121,791,004	1,435,000,000	695,000,000	2,130,000,000	1,438,500,000	700,000,000	2,138,500,000
Administration, Coordination & ICT	300,204,821	8,000,000	308,204,821	301,200,000	12,000,000	313,200,000	305,000,000	25,500,000	330,500,000	310,000,000	28,000,000	338,000,000
Lands, Energy, Physical Planning & Municipality	136,732,947	117,012,799	253,745,746	137,730,000	120,000,000	257,730,000	142,000,000	135,000,000	277,000,000	144,000,000	145,000,000	289,000,000
Roads & Public Works	109,649,413	159,955,425	269,604,838	110,650,000	210,000,000	320,650,000	113,000,000	215,000,000	328,000,000	115,000,000	220,500,000	335,500,000
Water, Environment & Natural Resources	148,055,560	88,600,000	236,655,560	149,100,000	647,181,968	796,281,968	152,000,000	650,000,000	802,000,000	154,500,000	675,000,000	829,500,000
Trade, Tourism, Industry & Enterprise Development	80,850,000	3,600,000	84,450,000	81,850,000	125,000,000	206,850,000	84,000,000	130,000,000	214,000,000	86,000,000	155,000,000	241,000,000
Culture, Gender & Social Services	85,581,472	19,000,000	104,581,472	86,590,000	45,000,000	131,590,000	91,000,000	51,000,000	142,000,000	93,000,000	55,000,000	148,000,000
<b>TOTAL</b>	<b>4,851,825,733</b>	<b>4,270,844,116</b>	<b>9,122,669,849</b>	<b>4,880,688,000</b>	<b>3,865,572,972</b>	<b>8,746,260,972</b>	<b>4,973,000,000</b>	<b>3,884,420,365</b>	<b>8,857,420,365</b>	<b>5,019,102,946</b>	<b>4,002,500,000</b>	<b>9,021,602,946</b>
<b>Percentage</b>	<b>53%</b>	<b>47%</b>	<b>100%</b>	<b>56%</b>	<b>44%</b>	<b>100%</b>						
<b>Notes:</b> Finance & Economic Planning- Devt Budget - 77,000,000 = 2,079,084,798 (Wards, Pending Bills, Unspent Balances & Loans & Grants)												
County Assembly Devt Budget-16M Unspent Balances of Ksh 254,401,403												
Actual Budget 2022-23=8,382,402,055			8,382,402,055									

**Table 11: Conditional Grants and Loans by Beneficiary**

<b>Additional Conditional Allocations Financed from proceeds of loans and grants from Development Partners for Financial Year 2023/24</b>	<b>National Allocation</b>	<b>Mbt County Allocation- Estimates</b>	<b>Beneficiary Department</b>
IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	2,160,000,000	100,000,000	ALF
DANIDA Grant - Primary Health Care in Devolved Context	577,500,000	12,358,500	Health Services
IDA (World Bank) Credit (Financing Locally- Led Climate Action (FLLoCA) Program -County Climate Institutional Support (CCIS) Grants	517,000,000	11,000,000	Water & Environment
IDA (World Bank) Credit (Financing Locally- Led Climate Action (FLLoCA) Program – County Climate Resilience Investment Grant	6,187,500,000	131,648,936	Water & Environment
Sweden- Agricultural Sector Development Support Programme (ASDSP) II	72,797,253	12,880,713	ALF
German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	765,000,000	300,000,000	ALF
World Bank - Emergency Locust Response Project (ELRP)	2,302,630,288	195,679,752	ALF
Kenya Livestock Commercialization Project (KELCLOP)	344,300,000	40,000,000	ALF
<b>Total Estimates</b>		<b>803,567,901</b>	

**ary Departments**

#### **4.4 Baseline Ceilings**

The baseline for setting expenditure ceilings is consistent with the need to match the current departmental spending levels with resource requirements. In the recurrent expenditure category, non-discretionary expenditures including salaries to county employees, statutory deductions such as NHIF and employer contribution to provident funds takes the first charge.

Compensation to employees covering those staff in all dockets providing services on behalf of County Government accounts for about 34% of the total revenues. The expenditure on operations and maintenance accounts for 20% of projected total revenue.

During the financial year 44% of the total revenue will be available to finance planned development expenditure. However, additional development expenditure that may be targeted by the County Government can only be funded through borrowing from the domestic and foreign sources, as well as donor grants tied to projects.

## 4.5 Finalization of spending plans

The finalization of the detailed budgets will entail thorough scrutiny to curtail spending on non-productive areas and ensure resources are directed to priority programmes. Since detailed budgets are scrutinized and the resource envelope firmed up, in the event that additional resources become available, the County Government will utilize them to accommodate key County strategic priorities.

## 4.6 Details of Sector Priorities

The MTEF for FY 2023/24 to FY 2025/26 period will ensure that there is continuous resource allocation based on the programme priorities aligned to the CIDP 2023-27 which integrates the Governor’s manifesto. The MTEF for FY 2023/24 to FY 2025/26 ensures continuity in resource allocation based on prioritized programmes aligned to the CIDP and to augment the National government priorities espoused in the Budget Policy Statement 2023. The sector achievements, sector challenges and the sectors medium term plans and usage are based on the Sector Working Group Reports. These were prepared through a consultative process that involved stakeholders and give the current status and how the sectors will be funded.

Areas	Description
<b>4.6.1 Agriculture, Livestock and Fisheries Development</b>	
Name of sub-sectors:	<ul style="list-style-type: none"> <li>• Agriculture;</li> <li>• Livestock (Production and Veterinary services) and</li> <li>• Fisheries</li> </ul>
Sector Policy blueprint:	To be the leading agent towards the achievement of food security for all, employment creation, income generation and poverty reduction in Marsabit County
Sector mandate:	To improve the livelihood of the people of Marsabit County by promoting competitive agriculture through creation of enabling environment, provision of support services and ensuring sustainable natural resource management.
Key sector achievements	<p>3500 farmers have been trained in collaboration with development partners such as WFP and departmental programs such as KCSAP, FAO ASDSP &amp; DRSLP. Other support from NGOS CWW,PACIDA,CARITAS,WHH 50 technical staff and administrative staff have been trained in partnership with development partners such as WFP and departmental programs such as KCSAP, ASDSP &amp; DRSLP. Other support from NGOS CWW,PACIDA,CARITAS,WHH,SND</p> <p>8500 Farmers supported with certified drought tolerant crops seeds by FAO, WFP ,CARITAS,WHH ,CWW and county government</p> <p>3450 Farmers supported with private and subsidised departmental tractors ploughing services by county government in the second half COVID-19, Drought, breakdown of machinery and funding</p> <p>192 Acres put under irrigation –20 Acres logologo, 20 acres Dabel, 20 acres Bori, 12 acres Kinisa, songa 20 acres,Kalacha 100 acres,.</p> <ul style="list-style-type: none"> <li>• Use of climate smart crops and technologies</li> </ul>

Areas	Description
	<ul style="list-style-type: none"> <li>• Reintroduction of traditional crops which are drought tolerant</li> <li>• 10000 acres of land was put under improved pasture and 20000 bales of hay harvested.</li> <li>• With support of partners, 1200 galla goats process on going.</li> <li>• 1000 apiaries have been set with an occupation of 70%. Currently harvesting of honey from the hives. Two groups have been selected for support with processing equipments.</li> <li>• 2500 HH were covered under Kenya Livestock insurance program.</li> <li>• The following livestock species were vaccinated against various diseases; Cattle – 26,740</li> <li>• Sheep - 271,565</li> <li>• Goats – 347,121 and</li> <li>• Camel – 9,005</li> <li>• 1866 beneficiaries of livestock insurance valued at Kshs 25,582,122 through bank and Mpesa money.</li> <li>• Livestock Feeding for Human Health (L4H study) currently ongoing. The study is being done by WSU in collaboration with FAO, UNICEF, Concern and the department.</li> <li>• Training of fisherfolks on hygiene, quality assurance and Marketing</li> <li>• procurement of Patrol/ rescue boat</li> <li>• Construction of Ultra- modern fish processing plant ongoing</li> <li>• Rehabilitation of cold rooms in Loiyangalani &amp; Illeret ward</li> </ul>
Sector challenges	<ul style="list-style-type: none"> <li>• Lack of adequate funding to the Department</li> <li>• Low adoption of technologies</li> <li>• High post- harvest losses</li> <li>• Pests and disease for crops</li> <li>• Low production and productivity</li> <li>• Frequent livestock disease out breaks</li> <li>• Vast terrain with poor infrastructure and inadequate logistic support</li> <li>• Poor road network</li> <li>• Inadequate and outdated fishing equipment</li> <li>• Inadequate cold storage facilities</li> <li>• Weak cooperative societies</li> <li>• Inadequate technical staff</li> <li>• Low research -extension liaison; and</li> <li>• Frequent drought.</li> <li>• Weak sector coordination</li> </ul>
Sector's medium term plan and sector Usage	<p>The sector will spend the FY 2023/24 allocation to; purchase farm inputs and equipment, expansion/rehabilitation of irrigation scheme using ground water/flood based water harvesting, adoption of climate smart technologies, demonstration on nutrition, conduct surveillance of pest and disease, support expansion of asset creation program, enhance supply of quality, creation of livestock holding ground, promotion of apiculture, protect livestock assets through livestock insurance, improve livestock health and welfare through vaccination, improve community/public health, strengthen livestock disease surveillance, strengthen farmer extension-research liaison, conduct frame survey, strengthen fish value chain, enhance fisheries governance and sector coordination, strengthen BMUs and fisheries cooperative.</p>
<b>4.6.2 Health Services</b>	
Name of sub-sectors:	<ul style="list-style-type: none"> <li>- Preventive &amp; Promotive health services</li> <li>- Curative &amp; rehabilitative health services</li> <li>- Health administrative services</li> </ul>

<b>Areas</b>	<b>Description</b>
Sector Policy blueprint:	An efficient and high-quality health care system that is accessible, equitable and affordable for every Kenyan
Sector mandate:	To promote and participate in the provision of integrated and high-quality curative, preventive and rehabilitative services that is responsive, equitable and accessible to county residents
Key sector achievements	<ul style="list-style-type: none"> <li>◆ Recruitment of health workers</li> <li>◆ Completion &amp; Operationalization of Regional Lab</li> <li>◆ Establishment of Full-fledged ICU</li> <li>◆ Renovation of Covid-19 Isolation Centre</li> <li>◆ Establishment of Oxygen Plant in MCRH</li> <li>◆ Capacity building of health workers on various disciplines</li> <li>◆ NHIF cover for 10,000 households</li> <li>◆ Free ambulance services</li> <li>◆ Improved Beyond integrated outreach services</li> <li>◆ Various facilities equipped with essentials instruments</li> <li>◆ Completion and equipping of facilities including maternity units</li> <li>◆ Effective M/E</li> <li>◆ KMTC construction from – Almost Complete</li> </ul>
Sector challenges:	<ul style="list-style-type: none"> <li>▪ The sector suffers from an unacceptably low number of Health workers and specialists across all the cadres from that recommended by the World Health Organization.</li> <li>▪ Prevalence of preventable diseases such as water borne disease still affects over 24 % of the population;</li> <li>▪ HIV prevalence has progressively increased over the last 16 years, currently at 1.4%.</li> <li>▪ High maternal &amp; newborn mortality</li> <li>▪ Low ANC coverage</li> <li>▪ Increased number of adolescent pregnancies currently at 17%</li> <li>▪ Inadequate health sector allocation that is not adhering to program-based budgeting.</li> <li>▪ Increase in Non-communicable diseases and emergence of neglected tropical diseases e.g. Kalazaar, diabetes etc</li> <li>▪ Inadequate Essential Medicines &amp; Medical Supplies for increasing population</li> <li>▪ Knowledge gap in budget making process</li> <li>▪ Poor health seeking behavior of our population</li> <li>▪ Diminishing partner support-affecting integrated outreach services</li> <li>▪ Recurrent pending bills</li> <li>▪ Inadequate free ambulance services fund</li> </ul>
Sector's medium term plan:	<p>The sector intends to address these challenges by:</p> <ul style="list-style-type: none"> <li>▪ Investing heavily in recruitment and promotion of health workers.</li> <li>▪ Launching robust preventive, promotive and curative health services.</li> <li>▪ Operationalization of existing non-functional facilities.</li> <li>▪ Lobbying for Program based budgeting and increased health sector allocation for various programs and pending bills.</li> <li>▪ Increasing allocation for Essential Medicines and medical supplies</li> <li>▪ Capacity building of health care workers on essential services</li> <li>▪ Automation of referral hospitals and other peripheral facilities</li> <li>▪ Infrastructure &amp; connectivity through LAN and WAN</li> <li>▪ Emphasize on guided public participation on development projects</li> <li>▪ Enhance partner collaboration</li> </ul>
Sector Resource Usage:	<p>The sector intends to use allocated resources to:</p> <ul style="list-style-type: none"> <li>▪ Upgrade some existing dispensaries facilities to health Centre and hospital status</li> <li>▪ Increase the workforce numbers by 20%</li> </ul>

Areas	Description
	<ul style="list-style-type: none"> <li>▪ Promote and re-designate current workforce</li> <li>▪ Fund preventive, curative and administrative programs.</li> <li>▪ Procure adequate Essential Medicines &amp; Medical Supplies and specialized equipment</li> <li>▪ Capacity building of health workforce</li> <li>▪ Automation of Marsabit County referral hospital and Moyale sub county referral hospital</li> </ul>
<b>4.6.3 Education, Skills Development, Youth and Sports</b>	
Name of sub-sectors:	<ul style="list-style-type: none"> <li>• ECDE</li> <li>• Skills Development</li> <li>• Youth and Sports</li> </ul>
Sector Policy blueprint:	To be the leader in the provision of quality education, vocational training, youth and sports programs in the country
Sector mandate:	To transform lives through quality education, vocational training, youth development and sports
Key sector achievements	<ul style="list-style-type: none"> <li>◆ Increased ECDE and VTCs enrolments.</li> <li>◆ Recruitment of ECDE teachers and interns.</li> <li>◆ Implementing the new Competency Based Curriculum.</li> <li>◆ Improved ECD, VTCs, Youth and Sports infrastructure</li> <li>◆ Equipped all 291 ECDE centres with essential teaching/learning as well as play materials and furniture.</li> <li>◆ Provided scholarship and bursary to 2.601 students in secondary school, colleges, universities and VTCs.</li> <li>◆ Increased the number of ECDE learners on ECDE meal program.</li> <li>◆ Developed Marsabit County Youth Internship Policy and is actively implementing it. ECDE meal policy is also at the cabinet level.</li> <li>◆ Built youth capacity through trainings, workshops and seminars.</li> </ul>
Sector challenges	<ul style="list-style-type: none"> <li>▪ Inadequate Early Years Education (EYE) teachers.</li> <li>▪ Inadequate infrastructure, (Classrooms, VTCs and Sports grounds)</li> <li>▪ Insufficient teaching/learning materials for the new Competency Based Curriculum (CBC).</li> <li>▪ Costly implementation of the new Competency Based Curriculum (CBC).</li> <li>▪ Untrained Early Years Education (EYE) teachers.</li> <li>▪ Low capacity enhancement of the Early Years Education (EYE) teachers.</li> <li>▪ Pastoralism/nomadism leading to low enrolment and school dropouts.</li> <li>▪ Transport/logistics problems during implementation and monitoring of projects.</li> <li>▪ Working environment inadequate office space for departmental county staff]</li> <li>▪ Transport logistics problem for sports clubs in the league and low funding for the league leaving several wards without playing.</li> <li>▪ High demand for sports items against a low budget.</li> <li>▪ Lack of training grounds for sports persons who rely on school grounds</li> <li>▪ High usage of drugs and venture into crime by youth</li> <li>▪ High number young boda bodas riders who are accident prone due to lack of basics training and protective attire</li> <li>▪ Lack of monitoring of VTCs on quality assurance, and inadequate tools for various courses</li> <li>▪ Inadequate post training support for VTCs graduates</li> <li>▪ Need for diversification of courses that takes into consideration competitive courses relevant to the market demand.</li> </ul>

<b>Areas</b>	<b>Description</b>
Sector's medium-term plan and sector Usage	Increased transition levels from 4500 to 5500, Improved quality of pre-primary education through reduced teacher learners ratio from 82:1 to 60:1, increased access to TVET institutions through free vocational training scholarships to enhance enrolment from current 600 to 900, Improved quality of technical and vocational education & training through hiring of competent instructors in competitive courses e.g. Motor Vehicle Mechanics, Enhanced Development of sport skills and talents through long-term engagement in leagues and increase youth participation in meaningful employment and entrepreneurship by capacity building the youth.
<b>4.6.4 Department of roads, Public works, Transport and housing development</b>	
Name of sub-sectors:	<ol style="list-style-type: none"> <li>1. Roads and Transport.</li> <li>2. Public works and housing development</li> </ol>
Sector Policy blueprint:	To be a leading department committed to provision of prompt, effective and efficient technical services in roads and public works
Sector mandate:	To Design, construct and maintain rural and urban county road networks. Protection of county road reserves. Design, document and supervise building works and projects. Maintain inventory and manage government estates. Conduct suitability test for drivers. Inspection of government vehicles. Construction of low-cost houses/.
Key sector achievements	<p>During the last financial year the sector <b>Upgrading of 4.3km Marsabit town road to bitumen standard (2.8km of bitumen town road already complete.</b></p> <p><b>336 km of roads graded.</b></p> <p><b>104 km of roads graveled.</b></p> <p><b>65 km of new roads opened up.</b></p> <p><b>30 lines of culverts constructed</b></p> <p><b>And Constructed 2km of Concrete slabs</b></p> <p><b>348 building projects designed documented and supervised.</b></p>
Sector challenges:	<ul style="list-style-type: none"> <li>• Inadequate funding for the line items of the specific activity targeted in the annual development plans;</li> <li>• Sector Work plan is not properly followed as planned; and</li> <li>• Stringent procurement procedures thus occasioning delay in timely project implementation or complete failure to start the project</li> <li>• Inadequate means of transport to other parts of the county affected project implementation, monitoring and evaluation.</li> <li>• Insecurity.</li> </ul>
Sector's medium-term plan:	<ul style="list-style-type: none"> <li>▪ Capacity building for all technical staff as prescribed by their professional Institutes.</li> <li>▪ To grade 1800 km of roads county wide.</li> <li>▪ To upgrade 600 km of roads though gravelling wet compaction.</li> <li>▪ To improve County drainage system to Construction of 3000 meters of Drainage slab and drifts,720 Lm of Culverts</li> <li>▪ To cover all the open-channel drainage system within town to closed-Drain system to address safety concern by public.</li> <li>▪ To construct 6no.footbridges to improve accessibility to Schools and Health-centers.</li> <li>▪ To open up 400km of new roads through bush-clearing in order to increase County road networks.</li> <li>▪ To tarmac 8.5 Km of roads within Marsabit and Moyale town for better accessibility to C.B.D and Market centre.</li> <li>▪ To construct and well equip Material test Laboratory for timely quality control in County roads and building county projects.</li> <li>▪ Adoption of Roads2000 strategy on County Roads Project.</li> </ul>



<b>Areas</b>	<b>Description</b>
	<ul style="list-style-type: none"> <li>▪ Strengthening and Improvement of Roads Policy and Legal Framework.</li> <li>▪ Embracing of new technologies such as cobblestones, Dou nou Technology as an alternate road surfacing method where appropriate.</li> <li>▪ To fully maintain and service all plants and machinery to good working conditions.</li> <li>▪ Construction of low-cost housing units.</li> <li>▪ Prepare tender document for all building projects for the county.</li> </ul>
Sector Resource Usage:	The sector is getting an allocation of 413, 508, 241 shillings for both recurrent and development expenditures in the next fiscal year and has planned to spend on upgrading roads to bitumen standards; also upgrading to wet compaction and finally continue maintaining the already existing roads with a total allocation of 3.332 billion.
<b>4.6.5 Water, Environment and Natural Resources</b>	
Name of sub-sectors:	<ul style="list-style-type: none"> <li>▪ Water services</li> <li>▪ Environment and Natural Resources</li> </ul>
Sector Policy blueprint:	An enabling environment for access to safe water and sanitation services, clean secure and sustainably managed environment and natural resources conducive for county prosperity.
Sector mandate:	To effectively promote, conserve, protect, monitor and sustainably manage the environment and natural resources for provision of safe water in a clean/sustainable and secure environment.
Key sector achievements	<ul style="list-style-type: none"> <li>▪ 8 water points installed with solar technology</li> <li>▪ 2 boreholes drilled and equipped</li> <li>▪ 4 underground tanks constructed</li> <li>▪ 3 masonry tanks constructed</li> <li>▪ 1 rock catchment constructed</li> <li>▪ 7 shallow wells rehabilitated.</li> <li>▪ Sustained climate change adaptation policy development and NRM policy through forums</li> <li>▪ 5000 tree seedlings planted</li> <li>▪ Sensitization forums/public participation on climate change policy</li> <li>▪ Stakeholder engagements and public participation on natural resource management policy.</li> </ul>
Sector challenges:	<ul style="list-style-type: none"> <li>▪ Disbursement of funds from national treasury slow pace of project implementation</li> <li>▪ Lengthy and centralized procurement process affects effectiveness and efficiency as far as service delivery is concern</li> <li>▪ Inadequate and aging technical staff visa vis vastness of the county</li> <li>▪ Low morale of staffs due to unwarranted delay in career progression and promotions (stagnation in one JG)</li> <li>▪ Misplace priorities in terms resource target arising from communities during public participation in budget get making process as well as under-costing of projects</li> <li>▪ Effective monitoring of project is also uphill task with limited number of technical personnel and a times constrictors do substandard work or poor workmanship</li> <li>▪ Recurrent drought hence reducing survival rate of trees seedlings planted</li> <li>▪ Low level of community understanding and vastness of the county hence expensive to conduct public forums on environmental awareness</li> <li>▪ Low/ zero allocation of budget to environment sector hence not achieving sector goal.</li> <li>▪ Limited environmental extension service</li> </ul>
Sector's medium-term plan:	<ul style="list-style-type: none"> <li>▪ Improving access to clean and safe drinking water</li> </ul>

Areas	Description
	<ul style="list-style-type: none"> <li>▪ Increasing water storage and harvesting structures</li> <li>▪ Enhancing water catchment protection</li> <li>▪ Increasing awareness on environmental conservation</li> <li>▪ Improving natural resource governance</li> </ul>
Sector Resource Usage:	<ul style="list-style-type: none"> <li>▪ Drilling of Boreholes</li> <li>▪ rehabilitation of boreholes</li> <li>▪ construction Medium sized dams of 45,000M3</li> <li>▪ de-silting and expanding of Earth pans</li> <li>▪ construction of Masonry tanks of (50-100m3)</li> <li>▪ construction of (100m3) Underground tanks</li> <li>▪ procuring and supply Plastic water tanks of 10, 000litres</li> <li>▪ Planting of tree nursery</li> <li>▪ planting Fruit trees and initiating farm forestry</li> <li>▪ Rehabilitating site through gullying healing</li> <li>▪ Construction of check dams</li> <li>▪ Conducting county Natural Resource Management (NRM) forums at head quarter level</li> <li>▪ Training of EMCs</li> <li>▪ Clearing of invasive species</li> <li>▪ Establishing of green schools.</li> </ul>
<b>4.6.6 Lands, Energy &amp; Urban Development</b>	
Name of sub-sectors:	<ul style="list-style-type: none"> <li>▪ Lands</li> <li>▪ Energy</li> <li>▪ Urban Development</li> </ul>
Sector Policy blueprint:	Excellent land management and vibrant, well planned, urban centers and world class cost effective renewable energy infrastructure in Marsabit County
Sector mandate:	To facilitate and enable sustainable land use and growth of the urban centers through efficient land administration, equitable access, secure tenure, sustainable management of land-based resource and well-planned urban centers and promotion of clean, green, efficient, Effective, affordable and sustainable renewable energy resources
Key Sector Achievements	<ul style="list-style-type: none"> <li>▪ , Sololo makutano, Dambala fachana, Merille and Manyatta Otte.</li> <li>▪ Land tenure Secured, resilient and sustainable human settlement development ensured</li> <li>▪ Improvement security for urban and upcoming town that improves the economic growth of the county at large through 106 security lights installations</li> <li>▪ The Master plan was developed for Marsabit town and awaits Assembly's approval.</li> <li>▪ Oxidation a pond was constructed in Marsabit thus ease liquid waste disposal despite the lack of proper sewer system.</li> <li>▪ Increase in the number of dumpsites for solid waste management from 8 to 14</li> <li>▪ Fencing of public facilities which is an increase from 3 to 5</li> <li>▪ Renovation of renewable energy centre</li> <li>▪ Establishment of fire station and purchase of fire engine for municipality.</li> <li>▪ Issuance of title deeds for Jirme and Songa/Kituruni registration sections totaling to 2461 title deeds</li> <li>▪ The following urban centers have been planned and awaiting approval from the county assembly: Laisamis, Gurumesa, Dukana, Korr, Manyatta, Butiye, North Horr, Turbi, Logo logo, Maikona, Loiyangalani, Kargi, Kalacha and Sololo. Lami, Sessi, Upper Technical</li> </ul>
Sector challenges:	<ul style="list-style-type: none"> <li>▪ Shortage of technical staff, especially Physical Planners, Draughtsman or Cartographer and the department has shortage of transport (vehicle)</li> </ul>

Areas	Description
	<ul style="list-style-type: none"> <li>▪ Ineffective service delivery due to inadequate personnel and lack of modern survey and planning equipment's</li> <li>▪ Lack of institutional, legal and regulatory framework for Renewable energy as well as investment and lack of technical staff in the County</li> <li>▪ Inadequate funds to promotion and development of Renewable energy and Lack of awareness on the importance of Renewable Energy</li> <li>▪ Inadequate information on existing land and urban development status or plans from old establishments.</li> <li>▪ Lack of policy framework to guide urban development activities</li> </ul>
Sector's medium-term plan:	<ul style="list-style-type: none"> <li>▪ Carrying out of cadastral survey for all approved plans, demarcation of the already declared land adjudication sections, Physical planning of upcoming towns and Fast-tracking of title deeds of all land adjudicated sections in the County.</li> <li>▪ Purchasing of modern equipment's for effective service delivery and recruitment of skilled personnel and on job training for staff that are already at the department</li> <li>▪ Improve access to affordable, reliable, secure and competitive energy services as well as to ensure prudent Environmental/Climate change, social, health and safety considerations.</li> <li>▪ Prioritise and promote development of indigenous primary and secondary energy sources for Mini grids development as well additional street lights and fast racking on the development of the county energy policy for effective service delivery</li> <li>▪ formulate urban legislation and policy frame works and fast track on the approval of the town by-laws by the County assembly</li> <li>▪ increase scope of waste management programmes with in the county in order to meet the need of the growing population for public safety and sanitations</li> </ul>
Sector Resource Usage:	<ul style="list-style-type: none"> <li>▪ The sector intends to use allocated resource to increase number of technical staffs by 65%, to increase efficiency in service delivery,</li> <li>▪ Increase the 006 Eumber of titles issued by 2200 titles, through increase number of LDPs developed by additional 10 urban plans and complete on-going adjudication work and fast track title deeds for already completed adjudication sections.</li> <li>▪ The sub- sector intends to use the allocated resource to increase number of skilled personnel by 43%, to increase the efficiency in service delivery,</li> <li>▪ Establish renewable energy center for research and promotion of renewable energy technologies,</li> <li>▪ Formulation of renewable energy policies and regulations.</li> <li>▪ To increase the number of out sourced centers for waste collections by additional 5 centers</li> <li>▪ Establish functional municipality for efficient and effective urban service deliveries.</li> </ul>
<b>4.6.7 Trade, Industry and Enterprise Development</b>	
Name of sub-sectors:	<ul style="list-style-type: none"> <li>• Weight and measures</li> <li>• Trade services</li> <li>• Cooperatives</li> <li>• County Enterprise fund</li> </ul>
Sector Policy blueprint:	To be the leader in promoting innovative Business Growth and Investments for wealth creation in County.
Sector mandate:	To create a vibrant and Conducive environment for Enterprise Development and Economic Growth in the County.
Key sector achievements	<ul style="list-style-type: none"> <li>▪ Marsabit Modern Market nearing completion</li> <li>▪ 212 weighing and measuring equipment have been inspected and calibrated</li> </ul>

Areas	Description
	<ul style="list-style-type: none"> <li>▪ Single business license and contributions to the Finance bill 2022</li> <li>▪ Equipping of Dukana ABT</li> <li>▪ 12 cooperatives registered and 8 cooperatives Audited</li> </ul>
Sector challenges	<ul style="list-style-type: none"> <li>▪ The major challenge was inadequate funding for the line items of the specific activity targeted in the annual development plan for the financial year</li> <li>▪ Stringent procurement procedures thus occasioning delay in timely project implementation or complete failure to start the projects</li> <li>▪ Disruptions of the operations of the IFMIS due internet network failure</li> <li>▪ Inadequate means of transport to various parts of the County affected project implementation, monitoring and evaluation.</li> <li>▪ Poor road infrastructure and communication network in parts of the county affected the quality of monitoring and evaluation of the projects.</li> </ul>
Sector's medium-term plan and sector Usage	The sector is getting an allocation of 248 million shillings for both recurrent and development expenditures in the next fiscal year and has planned to spend this on Modern market completion as well as County Enterprise revolving fund. In the medium term the sector is projected to have a total allocation of about 750M shillings.
<b>4.6.8 Tourism, Culture &amp; Social Services</b>	
Name of Sub-sectors	Tourism Culture Gender & Social Services
Sector mandate:	<ul style="list-style-type: none"> <li>◆ To develop tourism products and infrastructure</li> <li>◆ To map, develop and conserve cultural institutions, artifacts and other heritage sites.</li> <li>◆ To enhance provision of quality services delivery to improve livelihoods, social and cultural wellbeing of the communities.</li> </ul> <p>To enhance gender is mainstreaming and capacity building</p>
Key sector achievements	<ul style="list-style-type: none"> <li>◆ Tourism marketing exhibition held in Nairobi</li> <li>◆ Formation of Ushanga cooperatives</li> <li>◆ Capacity building of groups on bead making</li> <li>◆ Repairs and additional facilities at Bongole resort</li> <li>◆ Participated in NONDO wheel chair race.</li> <li>◆ International disability Day</li> <li>◆ Supported 6 OVc centers</li> <li>◆ Refurbished and bat proofed Kinisa social hall.</li> <li>◆ Renovated Milima mitatu Jirime Social hall</li> <li>◆ Procurement process for operationalization of Bongole resort began organized and implemented MLTCF 2019 successfully.</li> <li>◆ capacity building of staff and stake holders on heritage sites documentations.</li> <li>◆ Supported community initiated cultural festivals in Moyale and Nairobi Cultural center.</li> <li>◆ Supported Kalacha Cultural Festival</li> <li>◆ Public participation on Culture and Heritage bill conducted.</li> <li>◆ Equipping of 1 social H</li> <li>◆ Renovation of 1 social Hall</li> <li>◆ Registration of PWDs</li> <li>◆ Provision of assistive devices</li> <li>◆ Provision of food items to children homes</li> <li>◆ Support in organizing International disability Day</li> </ul>

Areas	Description
	<ul style="list-style-type: none"> <li>◆ Participated in NONDO wheel chair race</li> <li>◆ Participated in gender activism forum</li> <li>◆ Participated in International Women’s Day</li> <li>◆ Support to Girls ‘camp initiative</li> <li>◆ Construction of Rescue center at Logologo</li> </ul>
Sector challenges	<ul style="list-style-type: none"> <li>◆ Inadequate funding for development projects</li> <li>◆ Covid-19 delayed implementations of development programmes and diverting budgets initially set for development.</li> <li>◆ Recurrent conflicts also displaced households/settlements and thus interfered with timely implementations of programmes</li> <li>◆ The prolonged/ recurrent drought also affected lives and livelihoods of the county communities.</li> <li>◆ Non-operationalization of Bongole resort, Desert Museum and Kalacha Bandas is holding back important revenue streams and also leading to deterioration of the facilities.</li> <li>◆ The failure to hold the annual Marsabit Lake Turkana Cultural Festival</li> <li>◆ The disparity in budget allocation against actual expenditure is huge</li> <li>◆ Vastness of the county coupled with inadequate logistics.</li> </ul>
Sector’s medium-term plan:	<ul style="list-style-type: none"> <li>◆ Develop Cradle of mankind circuit</li> <li>◆ Develop, promote. preserve and celebrate the county cultural heritage</li> <li>◆ Organizing and celebrate our cultural diversity</li> <li>◆ Improved information on cultural heritage</li> <li>◆ Documentation and digitalization of indigenous knowledge</li> </ul>
Sector Usage	<p>In the medium term the department will conduct Mapping and protection of sacred and cultural sites</p> <ul style="list-style-type: none"> <li>◆ Documentation of cultural and heritage sites.</li> <li>◆ Development of cultural centres</li> <li>◆ Support MLTCF (Marsabit Lake Turkana Cultural Festival).</li> <li>◆ Support Sub County community festivals</li> <li>◆ Promotion of cross border cultural program</li> <li>◆ Kenya music and cultural festival</li> <li>◆ Equipping the desert museum and resource centres with documentation and artifacts</li> <li>◆ Disseminate cultural heritage education to learning institutions.</li> <li>◆ Advance protection, promotion and value addition of indigenous knowledge and associated assets</li> <li>◆ Establishment of indigenous knowledge register</li> </ul>
<b>4.6.9 Public Administration, Coordination of County Affairs, Disaster Management and ICT</b>	
Name of Sub-sectors	<ul style="list-style-type: none"> <li>• Public Administration</li> </ul>

Areas	Description
	<ul style="list-style-type: none"> <li>• Cohesion, Integration and Disaster Management</li> <li>• Civic Education and Public Participation</li> <li>• ICT</li> </ul>
Sector Policy blueprint:	To be a leading Department in public policy formulation, implementation, coordination, supervision and prudent resource management.
Sector mandate:	<ul style="list-style-type: none"> <li>• The mandate of the Department is derived from The County Government Act 2012 and Executive Order No. 1/2014, which is to spearhead provision of public administration, coordination and ICT services of the county government. The decentralized section is charged with the responsibility of managing and coordinating devolved functions at the sub county, ward and village level to ensure proper service delivery to the citizens.</li> </ul>
Key sector achievements	<ul style="list-style-type: none"> <li>◆ Successfully procured network internet switches and battery backup for ICT server room to enhance effective internet speed. <ul style="list-style-type: none"> <li>◆ Completed and delivered procurement of satellite phones for far flank ward that is not covered by mobile network.</li> <li>◆ Effective public participation accomplished across the 20 wards</li> <li>◆ Capacity building for key technical personnel</li> <li>◆ Enhanced peaceful coexistence of the communities.</li> </ul> </li> <li>▪ Effective timely disaster response</li> </ul>
Sector challenges	<ul style="list-style-type: none"> <li>▪ Insufficient funds commensurate to the needs of the county given the level of need and the vastness of the county.</li> <li>▪ Political/executive interference in prioritization of project proposals by communities during county planning and budgeting processes.</li> <li>▪ Increased inter-tribal conflicts on administrative boundaries, water and pasture which affected county projects implementation.</li> <li>▪ Poor connectivity in the county. Most of the areas such as Moite, Illeret, Buluk etc. have little or no access to network. This prevents proper mobilization.</li> <li>▪ Global warming that has resulted in frequent droughts, flash floods and wild fires that has stretched county capacity to plan and respond.</li> <li>▪ Constant vandalism of fiber optic cables along Isiolo –Marsabit highway hampering internet connectivity.</li> <li>▪ Inadequate energy sources to power IT infrastructure.</li> </ul>
Sector's medium-term plan	<ul style="list-style-type: none"> <li>▪ The department will focus on improving Citizen participation in government programs by conducting public forums to enhance citizens' capacity to participate in county programs, improve internet and infrastructure connectivity through Wide Area Networks to all sub Counties in the medium term, Establish the village administrators unit after passing the bill to improve service delivery through improved mobility, construction and equipping of administrators offices and training of officers and continuous engagement of communities on peace building processes.</li> </ul>
Sector Usage	<ul style="list-style-type: none"> <li>▪ In the medium term the department through Civic education sub sector will conduct 45 annual civic education forums Countywide, Construct a Sub county Administrators' office at Saku Sub County and deputy sub County administrators' offices for Sololo, Maikona and Loiyangalani and their respective ward administrators</li> <li>▪ The department will also do internet connectivity to three remaining sub counties of Moyale, Laisamis and North –Horr and equally cascade to 8 wards which are in proximity to the NOFBI Infrastructure</li> </ul>

<b>Areas</b>	<b>Description</b>
	<ul style="list-style-type: none"> <li>▪ Cohesion sub sector will draft County actual plan on countering violence extremism in Marsabit County and have Continuous engagement of communities on peace building processes.</li> </ul>
<b>4.6.10 Finance and Economic Planning</b>	
Name of sub-sectors:	Economic Planning, Revenue, Procurement, Accounts, Audit, Budget
Sector Policy blueprint:	Improve management of public finances and economic affairs of the county
Sector mandate:	To provide overall leadership and policy direction in resource mobilization, management and accountability for quality public service delivery.
Key sector achievements	<p>Improved involvement of people in budget and planning process</p> <ul style="list-style-type: none"> <li>▪ Tracking of development projects and programmes</li> <li>▪ Developmet of the new CIDP ( 2023-2027)</li> <li>▪ Completion of PFM documents i.e. ADP.APR, CFSP, PBB, CBROP etc.</li> <li>▪ Finance Act 2022</li> <li>▪ The budget absorbtion rate improved from an average of 70% to 92%.</li> <li>▪ Audit committee was established</li> <li>▪ The audit queries were greatly reduced by 30%</li> <li>▪ Automation of revenue system is established</li> <li>▪ Access to procurement opportunity are 47 youths, 6 women and 2 PLWDs amounting to 342M.</li> <li>▪ The procurement percentage for youth, women and PLWDs surpassed by 2.32%.</li> </ul>
Sector challenges:	<ul style="list-style-type: none"> <li>▪ Low adoption of new technical information like CIMES</li> <li>▪ Revenue collection was reduced due to insecurity in the county</li> <li>▪ Poor information breakdown especially in procurement application</li> <li>▪ Finance Act was prioritized over finance policy</li> </ul>
Sector's medium-term plan:	<ul style="list-style-type: none"> <li>▪ Completion &amp; Dissemination of CIDP ( 2023-27)</li> <li>▪ The sector intends to automate the revenue collection system throughout the county</li> <li>▪ Adoption of the CIMES system</li> <li>▪ Capacity building of the public on e-procurement system</li> <li>▪ Development policies</li> <li>▪ Monitoring and evaluation of projects on quarterly basis</li> </ul>
Sector Resource Usage:	<ul style="list-style-type: none"> <li>▪ Automation of revenue to the 3 remaining sub counties namely Moyale, North Horr and Leisamis</li> <li>▪ Training of 2 staffs from each department on CIMES system</li> <li>▪ Capacity building of 30 people on e-procurement in every ward</li> <li>▪ Development of at least 2 policies</li> <li>▪ Preparation of 12 M &amp; E reports of the projects within the county.</li> </ul>
<b>4.6.11 County Public Service Board</b>	
Name of sub-sectors:	<ul style="list-style-type: none"> <li>▪ Human Resource Management and Development</li> <li>▪ Administration and Finance, Board services, Ethics, Governance and Compliance and ICT</li> </ul>
Sector Policy blueprint:	To be the champion in transforming devolved public service delivery.
Sector mandate:	To effectively and efficiently transform public service delivery through provision of professional, ethical and responsive human resources for the realization of county development goals
Key sector achievements	<ul style="list-style-type: none"> <li>▪ Recruitment of the new Chief Officers ongoing</li> <li>▪ Recruitment of the new CEO</li> <li>▪ Administering wealth declaration and training need assessment in the County Government of Marsabit conducted for all County employees.</li> <li>▪</li> </ul>
Sector challenges:	In the discharge of its Constitutional mandate the Board experienced a number of challenges. Key among them were:

Areas	Description
	<p><b>1. Inadequate funding and delay of exchequer releases</b> Inadequate funding adversely affected implementation of planned programmes and activities while delay of exchequer releases resulted in the Board accumulating pending bills.</p> <p><b>2. Inadequate office accommodation</b> Inadequate office accommodation for staff leading to unfavorable working conditions such as congestion, overstretched and sanitation facilities.</p> <p><b>3. Industrial Conflict between Counties and Health Sector Unions</b> There were strained labour relations between county Governments and health sector unions arising from failure by most counties to recognize the unions. This has resulted in prolonged stalemate between the counties and the health workers adversely affecting service delivery in the health sector.</p> <p><b>4. Lack of a Negotiating Framework</b> Lack of a clear negotiating framework for addressing industrial disputes at the counties led to delay in resolving disputes between the county governments and workers unions and subsequent signing of CBAs.</p> <p><b>5. Shortage of technical staff</b> Shortage of technical staff in the county government such as engineers, architects, surveyors, doctors etc. This has been aggravated by mass exodus of technical staff to private sector and foreign countries.</p> <p><b>6. Performance Management</b> Performance management in the public service has not been fully embraced. This can partly be attributed to negative performance management culture in the public service and lack of effective performance measurement tools. The Board is addressing this challenge through provision of advisory to the County Government to revive, operationalize and transform the directorate of Performance Management.</p> <p><b>Non-Compliance to the laid down rules and regulations</b> Despite the laid down policies, norms and procedures in managing and administering the county public service, sometimes the board finds anomalies in ways departments execute vested interests without regard for the above and the existing guidelines and circulars.</p> <p><b>9. Medical and Insurance Covers for Public Officers</b> Despite the requirement by law, the year under review the public officers have not benefited from medical cover and or the insurance covers. Thus, the Board had earlier provided advisory on the same.</p> <p><b>10. Inadequate Capacity Building Activities at the Departmental Level</b> There were very minimal capacity building activities being undertaken by most departments for the public officers. Lack of training and development denies the officer an opportunity for career growth, leading to incapacitation hence inefficiency in public service delivery.</p> <p><b>11. Lack of adequate platform of ICT, Skills and Services</b> Inadequacy in information communication and technology platform in the county is an issue to contain with that has posed mega challenges in the ways we communicate, share information and support service delivery and storage of data and data security. If investment can be done on ICT infrastructure the county can leverage on it by having more efficient and effective ways of communication, information sharing, data storage and data security and cuts cost.</p>
Sector's medium term plan:	<ul style="list-style-type: none"> <li>▪ Competitively Sourcing /Recruitment qualified employees into the public service.</li> </ul>



Areas	Description
	<ul style="list-style-type: none"> <li>▪ Employee Welfare management of entire public servants in the county.</li> <li>▪ Staff training and development- Oversee the training and development of all public officers in the county.</li> <li>▪ Operationalizing modern human resource information system platform.</li> <li>▪ Job evaluation in conjunction with SRC and other stakeholders.</li> <li>▪ Operationalizing Performance management systems in the county public service.</li> <li>▪ Reviewing human resource policies and regulations to enhance public sector delivery.</li> <li>▪ Infrastructural development at the board main office.</li> </ul>
Sector Resource Usage:	<ul style="list-style-type: none"> <li>▪ To increase county workforce by 400 new employees, for realization of effective and efficient service delivery to the public.</li> <li>▪ To have 100% county employee staff welfare management registered and subscribed to pension scheme.</li> <li>▪ To have 100% county employee Staff training and development- Oversee the training and development of all public officers in the county.</li> <li>▪ To have one operationalizing modern human resource information system platform.</li> <li>▪ Job evaluation in conjunction with SRC and other stakeholders.</li> <li>▪ Operationalizing Performance management systems in the county public service.</li> <li>▪ Reviewing one human resource policies and regulations to enhance public sector delivery.</li> <li>▪ Infrastructural development at the board main office.</li> </ul>
Name of sub-sectors:	<b>Office of the Executive</b>
Sector Strategic Priority	<ul style="list-style-type: none"> <li>◆ Efficiency in service delivery to the citizens</li> <li>◆ Drought Mitigation</li> <li>◆ Other Disasters e.g. Floods, fires, conflicts. Reduction of death and destruction of properties</li> </ul>
Key sector achievements	<p>Relief food supply and water trucking activities for the drought affected population</p> <ul style="list-style-type: none"> <li>◆ Peace committee facilitations (Mainly through the interfaith Council)</li> <li>◆ Schools/Institutional infrastructure (Admin block Badassa Sec, Dining hall &amp; Kitchen at Gadamoji High, 1 bedroom unit at Gororukesa sec., Laboratory block at Odha mix sec, Reroofing of walda Pri, Solar installation at Karbururi pry, Double pit Latrine, Kitchen and store at Ballah Pry-korr Laisamis sub County, 3 No. double pit Latrine at Uran, 3 No. Double pit Latrine at Mbt pry school, 3 No double pit latrine at Uran pry school, Double pit latrine, perimeter fence and Gate at Sakuu pry school, Desks and Mattresses for Boru Haro pry and Moi Girls High school</li> <li>◆ Moyale Girls &amp; Saku High Secondary School Buses purchased</li> <li>◆ Purchase of Water Bowser for Moi Girls Secondary School, Marsabit</li> <li>◆ Purchase of revision books for various schools, Supply and delivery of sanitary pads and dignity packs</li> <li>◆ Construction of Sesi mosque-Sesi pry road, Moi girls access road, Godoma-godoma didiqo road, Gimbe dam, Funan qumbi earth pan rehabilitation, and Manyatta Jillo jnctn to Charabtho village road</li> </ul>

## CHAPTER FIVE: CONCLUSION AND NEXT STEPS

The Marsabit County CFSP has detailed the set of fiscal policies that are aimed at balancing between changing circumstances due to emerging issues and the need to keep the link to the

new draft CIDP and the fiscal responsibility principles espoused in the PFM Act, 2012. The policies are also consistent with the national strategic objectives as detailed in the Budget Policy Statement which provides the basis for allocation of public resources to the County Government.

Details of these strategic objectives are contained in the draft CIDP (2023-2024). These details were also reviewed and refined during the sector working groups and each sector working group report provides clarity on the key priorities and resources needed for the 2023/24 MTEF budget. The policies and sector ceilings provided in this document will guide the Sectors/departments in preparation of the 2023/24 MTEF Programme Based Budgets.

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. Departments need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans in allocating resources. Further, allocation of resources should be done to projects that have been fully processed (project designs, project appraisals done, necessary approvals secured etc.). The departments should also pay attention to estimated requirements for each of the stages in the project cycle to ensure that the budget amounts are based on clear timelines and milestones. There is also need to ensure that recurrent resources are being utilized efficiently and effectively before funding is considered for programmes.

Monitoring and Evaluation will play a critical role in tracking the implementation of the projects and programmes envisaged in this document and strengthen the county's capacity to deliver services to its residents. Monitoring and evaluation will involve the tracking of activities, tracking of budget usage, the assessment of performance and putting in place strategies and actions for the attainment of results.

Proper implementation of the budget is critical towards providing services that will promote sustainable growth. Sustainability requires greater effort from all the stakeholders including county government departments, sector working groups, civil societies, communities, County Assembly and development partners to get things done. This means providing for continuous consultations with each other, finding solutions and encouraging innovation to build a sustainable County.

The Sector Working Groups have been established to provide a forum for effective engagement by stakeholders as was witnessed during the sector reporting which was a precursor to the development of this paper. The government looks forward to an increased

tempo in implementation and vibrancy in public participation in the budgeting and implementation of activities in FY 2023/24 and in the medium term.

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