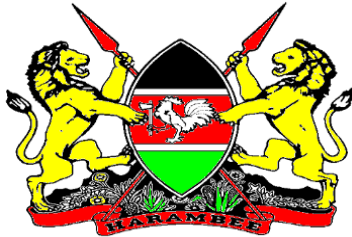


**BARINGO COUNTY GOVERNMENT**



**REPUBLIC OF KENYA**



**BARINGO COUNTY GOVERNMENT**

**COUNTY FISCAL STRATEGY PAPER**

**THEME: "Building Back for Economic Recovery"**

**JANUARY 2022**

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## **FOREWORD**

One of the key stages in the County budget preparation cycle is the production of the County Fiscal Strategy Paper (CFSP). It sets out the county policy goals and strategic priorities that will be the basis for formulation of the County's Financial Year 2022/2023 budget and the Medium-Term projections. This is an annual planning document that shows the various fiscal strategies that the County Government intends to employ to meet its overall objective of improving the livelihoods of its citizens.

The County priorities and goals outlined herein is drawn from the County Integrated Development Plan as enunciated in the 2022/2023 Annual Development Plan with emphasis on investment in: roads and infrastructure, accessibility of water for livestock and domestic purposes, accessible health care, education, investor promotion and business confidence necessary to encourage investment, growth and employment creation. These priorities shall form the basis for formulation of FY 2021/2022 budget and the Medium Term. The paper therefore links county planning and policies to Budget which is the main objective of the Medium-Term Expenditure Framework.

The policy outlined in this CFSP draws from the national development agenda as outlined in the Third Medium Term Plan (MTP III) of the Vision 2030 and targets to attain the Sustainable Development Goals (SDGs) of the United Nations. The policy supports investments in "The Big Four" Plan, that is: manufacturing for job creation; food and nutrition security; and Universal Health Coverage.

As a build-up on the County Budget Review and Outlook Paper (CBROP) 2021, which analyzed the performance in the FY 2020/2021 financial year's budget, scanned the current year's fiscal environment and provided an outlook for the FY 2022/2023 and the medium term, this CFSP shows the allocation of resources in all sectors and departments.

The main sources of county revenue, in the medium term, will be the equitable share, conditional grants, local revenue collections and donor funding. In the FY 2021/2022 and the medium term, the County Government proposes a series of measures to increase revenue and balance its fiscal spending. The County will focus on strengthening the potential it is endowed with and increase new streams of revenue to stimulate economic growth and development. This paper, therefore, puts into perspective how the County anticipates expending its scarce resources in the FY 2022/2023 and the medium term.

The fiscal framework presented ensures a sustainable financing while allowing continued spending on priority programmes. Achievement of the set objectives calls for greater transparency, effectiveness and efficiency in public financial management in order to ensure fiscal discipline.

The FY 2022/23 budget is being prepared under a revised budget calendar that takes into account the preparations for the 2022 General Elections. Therefore, departments and county agencies are expected to adhere to the deadlines in the revised budget calendar to enable finalization of the FY 2022/23 Budget by March 2022.

**Hon. Enock Keston**

**CEC Member, Finance and Economic Planning**

## **ACKNOWLEDGEMENT**

The development of the Budget Policy Paper was a highly consultative process as a requirement of principles of public finance under the Constitution of Kenya, 2010.

We are indebted in gratitude to all those who participated directly and indirectly in the formulation of this Budget Policy Statement. Lots of appreciation goes to the County Executive Committee Members under the able leadership of His Excellency Hon. Stanley Kiptis, Governor, and His Deputy His Excellency Hon. Jacob Chepkwony for their invaluable guidance and advice throughout the process. His leadership at the Sector Working Group has been of great significance in establishing the vision and broad strategic priorities as well as Pillars which form the cornerstones of this Policy. The County Executive Committee members provided the much-needed leadership at the sectors by successful co-ordination of the Sector Working Groups by identifying and alignment of the programmes and projects to the broader pillars of this planning document.

The members of the public and other interest groups have always and tirelessly presented their views and development proposals for inclusion in this document. Your views and proposals during the extensive public participation helped a great deal in crafting of effective programmes that meet the needs of the people. We say thank you very much.

Last and most importantly, I say a big thank you to the Department Finance and Economic Planning Staff for your commitment and dedication in coordinating the entire process of CFSP development. Specifically, my gratitude goes to the following, technical officers: CPA Jacob Kendagor, Solomon Kimuna, Michael Ngetich, Richard Tumeiyo, Ken Nadeiwa and Roxana Kandie. Your role in collecting, analyzing and collating all data and information and piecing them together to coming up with this important Budget Policy document in a short period of time is a clear indication of dedication to service.

To everyone and in particular our development partner who played direct and indirect role whom I would not recognize individually, kindly accept this as my sincere appreciation.



**William Kurere**  
**Chief Officer**

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## CFSP Legal Framework

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

- (1) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement;
- (2) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term;
- (3) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing from and within for the subsequent financial year and over the medium term; and
- (4) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of:
  - (a) The Commission on Revenue Allocation;
  - (b) The public;
  - (c) Any interested persons or groups; and
  - (d) Any other forum that is established by legislation.
- (5) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments.
- (6) The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal for the financial year concerned.

## National and County Government Fiscal Responsibility Principles

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

- i. Over the Medium Term, a minimum of 30 percent of the County budget shall be allocated to development expenditures
- ii. The County Government's expenditure on wages and benefits for county public officers shall not exceed thirty-five (35) percent of the County revenue.
- iii. Upon approval of the borrowing framework by Parliament, over the Medium Term, the county government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure. Short term borrowing shall be for purposes of cash management.
- iv. Public debt and obligations shall be maintained at a sustainable level as approved by the County Assembly
- v. Fiscal risks shall be managed prudently
- vi. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in future



## CHAPTER 1

### 1.0 Recent Economic Developments and Medium-Term Outlook

#### 1.1 Overview

This County Fiscal Strategy paper has been prepared against a background of a projected global economic recovery amidst uncertainty relating to new COVID-19 mutations particularly the Delta variant that could require broader reinstatement of containment measures. Global growth in 2021 is projected at 6% from a contraction of 3.2% in 2020 (WEO July 2021). However, economic prospects vary across countries with the emerging markets and developing economies expected to pick up slowly compared to advanced economies given different country policy responses to the pandemic. The projected recovery in advanced economies, particularly the United States, reflects the anticipated legislation of additional fiscal support in the second half of 2021 and broader vaccinations coverage across the group.

Though the strategies outlined in this policy statement are noble in pushing the county and the national agenda forward, the equitable share was maintained at Kes 6.369 Billion as per the Budget Policy Statement.

Local revenue sources performance has not matched the increasing demand on expenditure. The County Fiscal Strategy Paper (CFSP) puts strategic direction towards wealth creation for economic growth through investment in strategic areas like infrastructure and agriculture. It also takes into cognizant of the resource envelope and project implementation performance.

Economic growth in the sub-Saharan Africa region is projected at 3.4% in 2021 from a contraction of 1.8% in 2020 due to improved exports and commodity prices, and the rollout of vaccination programmes.

This growth will also be supported by a recovery in both private consumption and investment as economies re-open. However, the recent increase in infection rates in sub-Saharan Africa are expected to weigh down the region's recovery in 2022.

In 2020, the Kenyan economy was adversely affected by the outbreak of COVID-19 pandemic and the swift containment measures, which disrupted economic activities. Additionally, Kenya faced two other shocks: The invasion of swarms of desert locusts that damaged crops and floods following receipt of above normal rainfall in May 2020. As a result, economic growth slowed down in FY 2020/21. The overall performance of the economy during the first three quarters of 2020 was cushioned from a deeper slump by improved growth in Mining and Quarrying activities (12.6%); Construction (8.6%); Health Services (7.3%) and Agriculture, Forestry and Fishing activities (6.4%). Other sectors of the economy that supported growth in the first three quarters of 2020 are Information and Communication (7.5%); Financial and Insurance activities (5.3%); Real Estate Activities (4%) and Electricity and Water supply (3.3%).

The agriculture sector recorded an improved growth at an average of 6.4% in the first three quarters of 2020 compared to a growth of 3.6% in the corresponding period of 2019. The sector's performance was supported by a notable increase in tea production, exports of fruits and sugarcane production. The Service and Industry sectors were adversely affected by the COVID-19 pandemic. As a result, the sectors contracted by an average of 2.1% in the first three quarters of 2020 down from an average growth of 6.1% in a similar period in 2019.

Economic indicators by sector for the fourth quarter of 2020 point to strong recovery. Agriculture sector is expected to have performed well following favorable weather conditions which prevailed during the fourth quarter of 2020, resulting in improved production of key crops. Industrial activity is also expected to have recovered strongly as reflected in the economic indicators of the following sectors; Construction (cement consumption), Manufacturing (cement production), and Electricity and Water supply (electricity generation). However, performance of some Service sectors

(Accommodation and Restaurant and, Transport and Storage) is likely to remain subdued due to the COVID-19 containment measures.

Similar to the global economy, Kenya’s economy is projected to rebound in 2021 to 6.6% from an earlier projection of 7% in the 2021 budget Policy Statement (BPS). The downward revision was due to the impact of containment measures between March and July period as a result of the third wave of the COVID-19 pandemic

The recovery in 2021 reflects the lower base of 2020 when most service sectors were adversely affected by the closure of the economy thereby recording negative growths. The outlook in 2021 will be reinforced by the prevailing stable macroeconomic environment and the ongoing implementation of the strategic priorities of the Government under the “Big Four” Agenda, Economic Recovery Strategy and other priority programmes as outlined in the Third Medium Term of Vision 2030. Weather conditions are expected to be favorable supporting agricultural output. As a result, export of goods and services will expand as global demand normalizes.

**(i) Inflation Rate**

Year-on-year overall inflation rate has remained low, stable and within the policy target range of 5+/-2.5 percent since end 2017. The year-on-year inflation rate increased in July 2021 but remained within the target range at 6.4% from 4.4% in July 2020, mainly on account of higher food and fuel prices, see Figure 2.

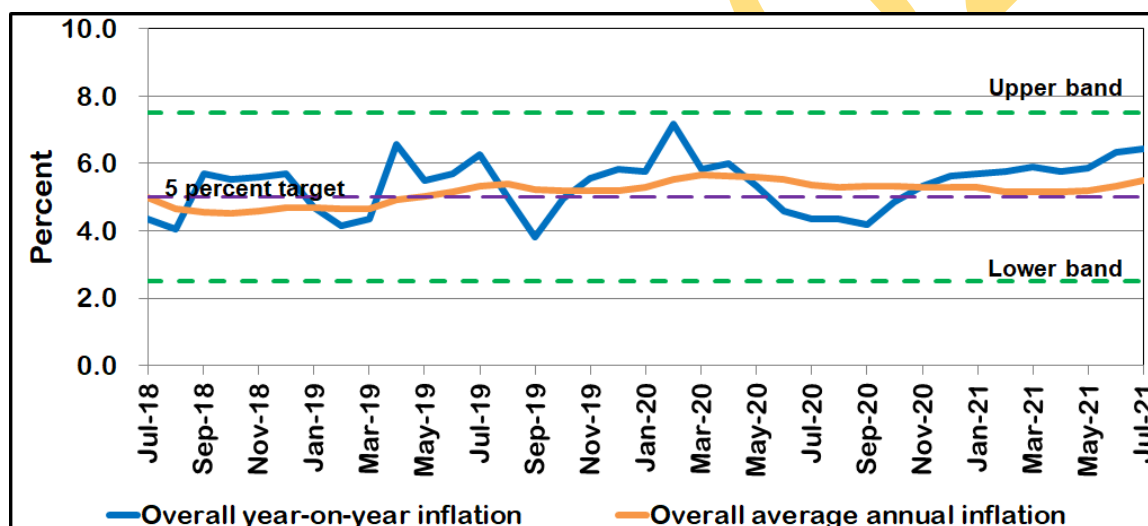


Figure 1: Inflation Rate, Percent - Source of Data: Kenya National Bureau of Statistics

The contribution of core inflation to overall inflation has been low and stable, consistent with the muted demand pressures in the economy on account of prudent monetary policies. The contribution of core inflation to overall inflation rose marginally to 1% points in July 2021 from 0.6 percentage points in June 2020, reflecting a pick-up in economic activity, see Figure 3.

Food inflation remained the main driver of overall inflation in July 2021, contributing 3.5 percentage points, an increase, compared to a contribution of 2.4 percentage points in July 2020. The increase is on account of a rise in prices of key food items particularly Tomatoes, White Bread, Cabbages, Spinach, Sukuma Wiki and Cooking Oil. Fuel inflation contributed 1.9 percentage points to overall inflation in July 2021 compared to 1.2% points in July 2020 following a pickup in international oil prices. Fuel inflation in July 2021 is reflected in higher electricity costs and increased fares attributed to a rise in petrol prices.

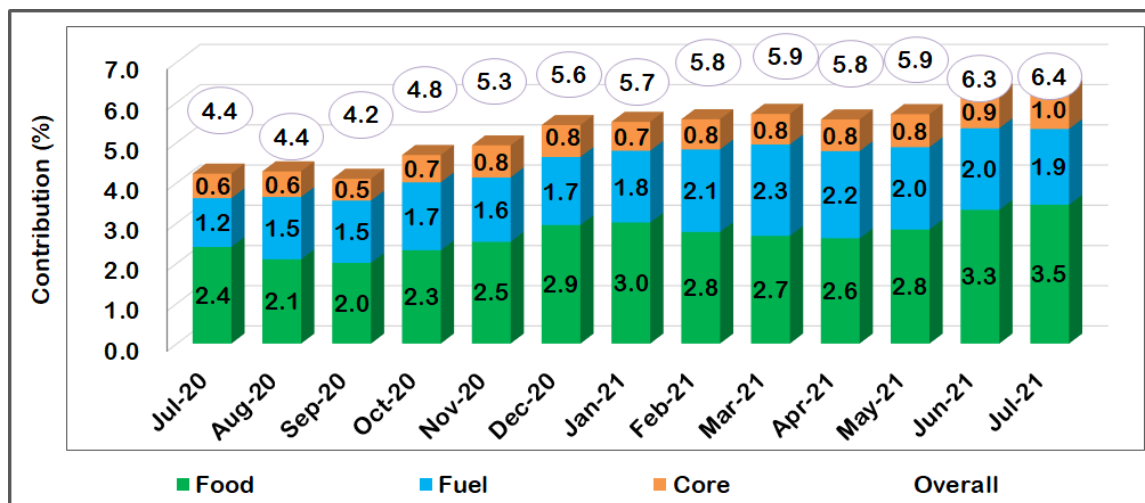


Figure 2: Contributions to Inflation, Percentage Points-Source of Data: Kenya National Bureau of Statistics

### Kenya Shilling Exchange Rate

The foreign exchange market has largely remained stable but partly affected by tight global financial conditions attributed to uncertainty regarding the COVID-19 pandemic. In this regard, the Kenya Shilling to the US Dollar exchanged at Ksh 108.1 in July 2021 compared to Kes 107.3 in July 2020, see Figure 4.

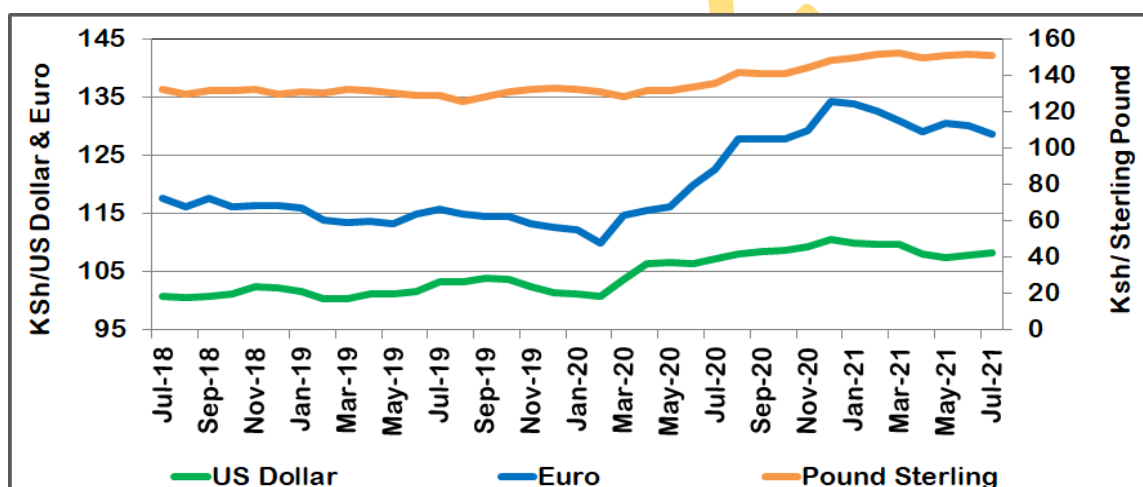


Figure 3: Kenya Shillings Exchange Rate-Source of Data: Central Bank of Kenya.

Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.0 percent in July 2021 to signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprises distressed by COVID-19 pandemic. The money market was relatively liquid in July 2021 supported by government payments, which offset tax remittances. As such, the interbank rate remained low but increased slightly to 3.3% in July 2021 from 2.1% in July 2020, see Figure 5.

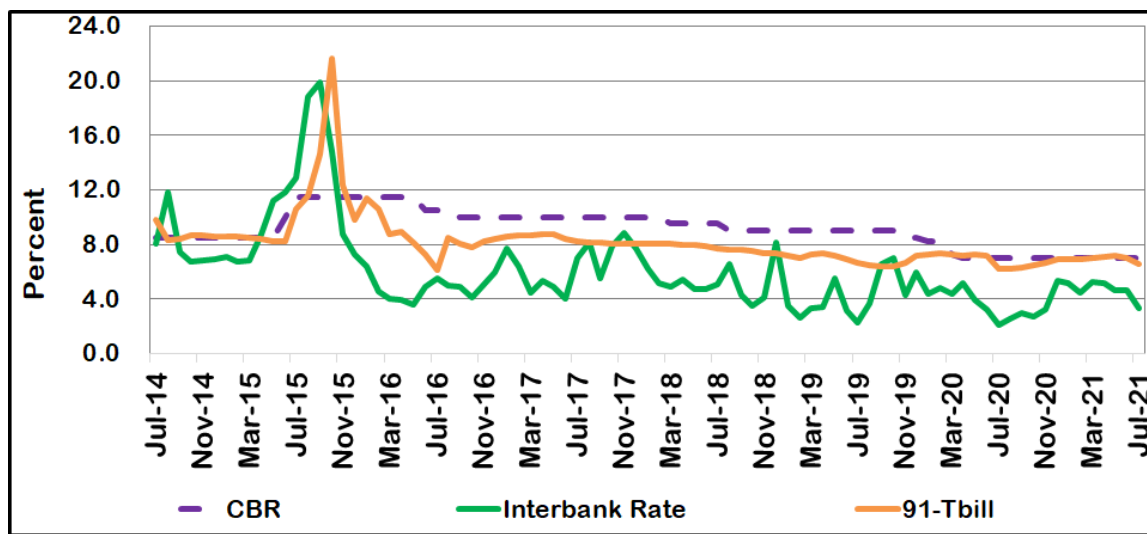


Figure 4: Short Term Interest Rates, Percent-Source of Data: Central Bank of Kenya

## (ii) County Economic Outlook and Policies

The County economic outlook depends on global and national economic stability and improvement. With national and international policy in place the county economic will experience a slump given the pandemic. However, the county government will have a comprehensive recovery strategy to mitigate this. County intervention is highlighted below.

### Own-Source Revenue

In the FY 2021/2022, the County targets to collect Kes. 258,927,823 Million. This is targeted to come from additional streams and revision of charges as encapsulated in the Finance Bill for 2021. During the year under review, revenue collected was Kes 205,203,689 against a target of Kes 346,088,720; a performance of 59 %. The underperformance is attributable to the effects of Covid-19 pandemic and insecurity in some parts of the County. In the subsequent FY's 2022/23, 2023/24, and 2024/25 the county projects to collect 322,088,720, 367,546,936 and 439,705,719 respectively. Full automation of revenue collection is meant to enhance the processes and systems that are already in place for revenue collection. Among the major sources of revenue collection are game park fees, hospital user charges, single business permit, market fees, produce cess, and land rates. This will enhance the County Resource envelope which in return will increase development allocation in the subsequent budget within the County.

### Monitoring and Evaluation

In the actualization of priorities as set by County Governments, all the implementation plans have been cascaded from the Medium Term III. The County Government will continue to address the remaining policy, legal, regulatory, and governance challenges as a priority to ensure that we attain our full potential. However, The Medium-Term Budget will further support the ongoing priorities for achievement of the Support and Implementation of the policies and programmes under the CIDP III as it is expected to accelerate and sustain inclusive growth, create opportunities for productive jobs, reduce poverty and income inequality for the attainment of the Sustainable Goals.

Monitoring and evaluation of the expenditures will be strengthened by the newly set structures such as the Governor's Delivery Unit amongst others. County Treasury will continue to ensure that fiscal responsibilities will be enhanced in the Medium Term. Policies and guidelines will continue to be prepared and implemented so as to provide quality and timely financial reports with a view to entrench value for money to the County residents and ultimately adhere to the fiscal responsibilities as provided in the Public Finance Management Act, 2012.

### Risks to the Domestic Economic Outlook

There are risks to this macroeconomic outlook emanating from domestic as well external sources. On the domestic front, the emergence of new COVID-19 variants that may require broader reinstatement of containment measures, in the country and its trading partners could lead to renewed

disruptions to trade and tourism. Other risks relate to lower agricultural output due to potential adverse weather conditions and continued desert locust infestation in the northern region of the country, which could potentially reduce production of food crops and animal feeds. Additionally, increased public expenditure pressures, particularly wage and other recurrent expenditures would put a strain to the fiscal space.

On the external side, risks will depend on how the world responds to the health crisis, including whether the new COVID-19 strains are responsive to vaccines. Additionally, growth would be weaker than projected if logistical hurdles in procuring and distributing vaccines especially in emerging market and developing economies will be slow. The delays would allow the new variants to spread, with possibly higher risks of infections among the vaccinated populations. World economies will be shaped by policies taken to limit persistent economic disruptions; the evolution of financial conditions and commodity prices especially oil in the international market; and, the adjustment capacity of the economies.

### **County Specific Risks**

Some of the risks anticipated to affect the County Fiscal performance include amongst others:

- Emergence of new Covid-19 Variant
- Anticipated shrinking of Revenue within the year under review
- Adverse weather conditions
- Locust infestation
- Increased Public Expenditure pressure
- Inadequate succession planning that will affect critical service delivery
- High insecurity in some parts of the County
- Anticipated Political instability due to forthcoming electioneering period.
- Effects of climate change adaptation, particularly swelling of lake Bogoria and Baringo
- High rates of unemployment

### **Proposed interventions to the risks**

The County will pursue the following to reduce the risks to the County's economic outlook.

- a) Review and implement the existing human resource policies with a view to enhance proper succession planning, promotions, replacements, and recruitments.
- b) To promote and stimulate industrial and technological skills development through youth empowerment programmes.
- c) The county has also put in place measures to address revenue shortfalls, by investing on revenues structures and system and broadening revenue streams i.e. investing on revenue roads, valuation roll, and ICT systems on revenue collection among others.
- d) To enhance revenue collection, the government will train enforcement officers and strengthen internal controls.
- e) Formulate and implement policies to support climate change mitigation at the County level and increase coordination of climate change measures and activities.
- f) To improve on trade and market, the County will formulate policies and regulations that will strengthen the protection of farmers from exploitation by brokers through packaging and also provide the infrastructure necessary for market access.
- g) The government will put up structures that will create an enabling environment to foster business growth and stability. This will ensure recovery of business affected by COVID 19 pandemic.
- h) Strengthen emergency response system including medical services to reduce the spread of pandemic through continuous vaccination, fire, floods, locusts and other natural catastrophes.
- i) The county will strengthen and enhance security in the affected areas in collaboration with national Government and other security agencies.

## 1.5 County Fiscal Performance

### 1.5.1 Review of Fiscal Performance for FY 2021/22

The implementation of FY 2021/2022 has begun in earnest albeit in slow pace occasioned by Ministry of Health protocols on curfew and restriction of movements to contain spread of COVID-19 which has constrained implementation of projects. Revenue collection has improved though dimly as compared to the same period in the last financial year thus we may not realize the target which is likely to affect project implementation.

The projected total revenue for the FY 2021/22 is Kes 9.947 billion. The County expects to receive Kes. 6.36 billion as equitable shares, Kes. 0.82 billion conditional grants, Kes. 0.258 billion local revenue and Kes. 2.49 billion as balance brought forward from the previous FY.

On the other hand, expenditures is anticipated at Kes 9.947 billion with recurrent expenditures estimated at Kes 5.241 billion broken down into personnel emolument Kes. 3.442 billion and operations and maintenance at Kes. 1.799 billion while development expenditures is estimated at Kes 4.705 billion.

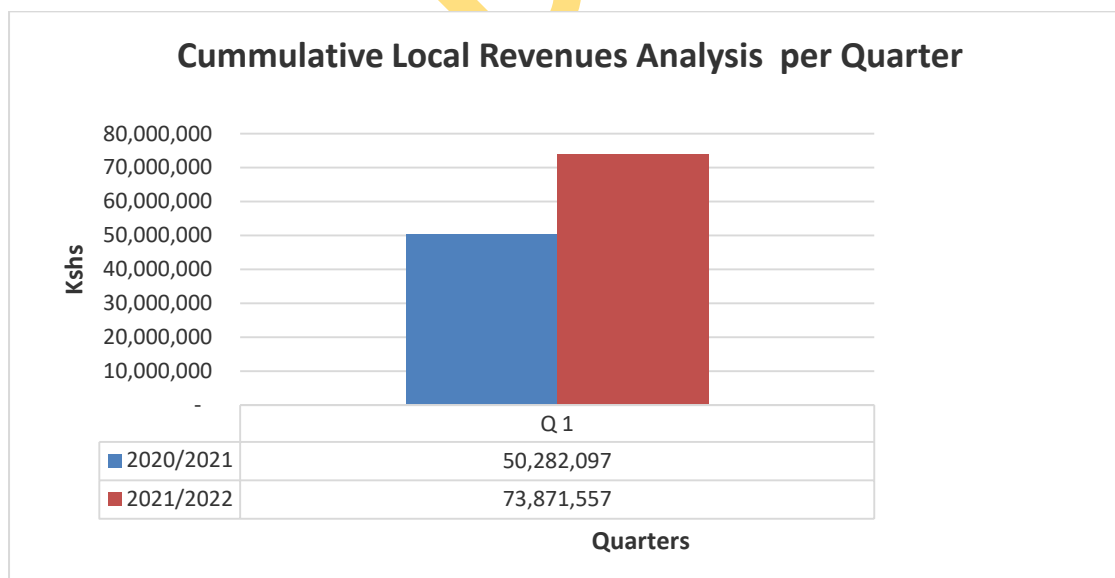
### 1.5.2 Revenue Performance

Overall, there was dismal performance in own source revenue collection which was attributed to the effects of Covid-19 pandemic which adversely affected revenue collection.

To mobilize revenues and cushion against further revenue shortfalls, the County Government has put in place measures aimed at strengthening revenue administration and compliance. These, among others include:

- i. Providing incentives to land rate defaulters by waiving up to 100% on all interest/penalties
- ii. Facilitated county revenue officers with motor vehicles to mobilize, coordinate and collect all collectable revenues.
- iii. Strengthen revenue monitoring and evaluation system and structures
- iv. Implementation of the valuations roll
- v. Establishment of a plot transfer committee
- vi. Establishment of the Revenue Board

**Figure 5: Local Revenue Analysis for 1<sup>st</sup> Quarter**

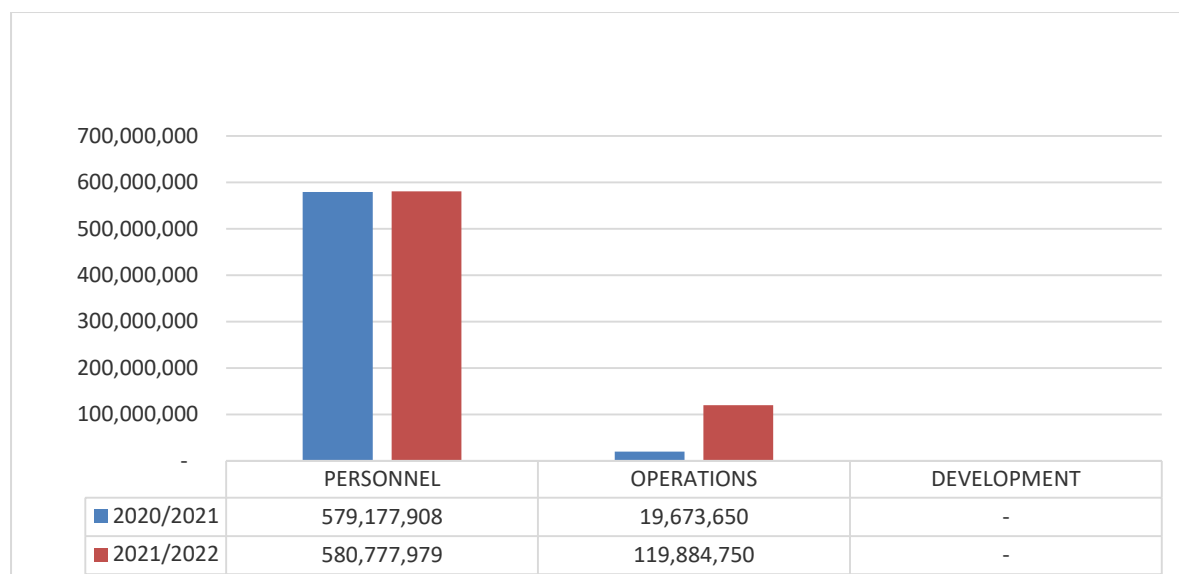


### 1.5.3 Expenditure Performance

The County Government will continue with its expenditure prioritization policy with a view to achieving the transformative development agenda which is anchored on provision of core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies, creation of employment opportunities and improving the general welfare of the people. This will curtail growth in public expenditures to ensure it attains its fiscal consolidation path over the medium term and ensure debt is maintained within sustainable levels.

To achieve this target, the County Government will continue to restrict growth in recurrent spending and double its effort in domestic resource mobilization. The County Government has also been cutting down on non-priority.

**Figure 6: Overall Expenditure Analysis Expenditure Analysis for the First Quarter**



**Table 2: Summary of Budget Allocation for the FY 2022/2023-2024/2025:**

	Departments	Approved Budget		CFSP Ceiling	Projection
		2021/2022	2022/2023	2023/2024	2024/2025
1	County Assembly	847,519,020	710,131,639	745,638,221	782,920,132
2	County Executive Services	3,485,004,780	3,486,182,214	3,660,491,324	3,843,515,890
3	County Finance and Economic Planning	493,859,024	206,560,359	216,888,377	227,732,796
4	Roads, Transport, Energy and Public Works	1,350,773,292	167,192,601	175,552,231	184,329,843
5	Trade, Cooperatives and Industrialisation	156,085,959	154,597,780	162,327,669	170,444,053
6	Education and Vocational training	306,974,664	236,448,402	248,270,822	260,684,363
7	Health Services	1,080,429,081	515,802,554	541,592,681	568,672,315
8	Lands, Housing & Urban Development	170,727,963	214,739,956	225,476,954	236,750,802
9	Agriculture, Livestock, and Fisheries Management	822,027,087	235,432,375	247,203,994	259,564,194
10	Youth Affairs, Sports, Culture, Gender and Social services	179,215,995	183,576,087	192,754,891	202,392,636
11	Water and Irrigation	943,555,669	249,572,763	262,051,401	275,153,971
12	Tourism, Wildlife Management , Natural Resources and Mining	111,167,173	139,747,113	146,734,469	154,071,192
	Local Revenue uncollected in 2020/2021	-	140,885,031	-	-
	<b>TOTAL</b>	<b>9,947,339,707</b>	<b>6,640,868,874</b>	<b>6,824,983,035</b>	<b>7,166,232,186</b>

### 1.5.4 Fiscal Policy

In the medium term, the County Government will continue in its fiscal consolidation path of balanced budget with no intention of borrowing.

To achieve its development targets, the County Government will continue to restrict spending in recurrent at the same time increase its efforts in local revenue resource mobilization. In addition, the county will automate its revenue collection, ease administrative bottlenecks and improve compliance.

To mobilize revenues, the County Government has put in place revenue enhancement measures to boost performance and cushion against further revenue shortfalls by strengthening revenue administration and compliance through:

- i. Investment in revenue generating activities. In Lake Bogoria, interventions include maintenance of the existing and opening up of new road round the lake. This will allow the access of two view points and create another entrance gate from east and southern part of the lake. In addition, other revenue roads across the County, will be maintained

- ii. Identification and elimination of revenue administration gaps and stopping revenue leakages, including leveraging on information technology to improve collection efficiency.
- iii. Staff motivation via trainings and issuance of certificates of participation for all revenue and enforcement staff.
- iv. The foreseen increase of numbers of revenue enforcement and compliance team sourced from the current parking staff, interns and other direct payment points due to the roll of cash less revenue system.
- v. The revenue mapping process that will inform on the allocation of resources for investment in revenue generating activities which is not limited to opening maintenance of roads leading to revenue points.
- vi. The operationalization of the valuation rolls awaiting validation and approval among others.
- vii. Providing of a stand by vehicle for revenue monitoring and reinforcement purposes specially to support in revenue monitoring.
- viii. The department plan to maintenance and open up of more quarry and sand cess roads.
- ix. Construction of access roads to quarries / sand harvesting areas and around Lake Baringo.
- x. Construction of public beach at Lake Baringo to increase tourism revenue. This will involve relocation of Kampi Samaki health centre to pave development of a public beach.
- xi. Validation of valuation roll and holding countywide land clinics to generate more revenue through land transactions.

## Fiscal Framework

**Table 3: Resource Envelop and Expenditure**

Revenue	Approved Budget 2021/2022 FY	Proposed Allocation for 2022/2023 FY
Equitable Share	6,369,394,592	6,369,394,592
Local Revenue	258,546,935	271,474,282
<b>Sub Total</b>	<b>6,627,941,527</b>	<b>6,640,868,874</b>
Loans & Grants	667,338,025	-
Leasing of Medical Equipment	153,297,872	-
<b>Sub Total</b>	<b>820,635,897</b>	-
Bal b/f	2,498,762,283	-
<b>Total</b>	<b>9,947,339,707</b>	<b>6,640,868,874</b>
<b>EXPENDITURE</b>		
Development	4,487,144,741	1,992,260,662
Recurrent	4,639,559,069	4,648,608,211
Loans & Grants	667,338,025	-
Leasing of Medical Equipment	153,297,872	-
<b>Total</b>	<b>9,947,339,707</b>	<b>6,640,868,874</b>
Personnel Emolument	3,442,691,787	3,442,691,787
Operation and Maintenance	1,799,148,885	1,205,916,424

## 1.6 Economic Outlook

### 1.6.1 Domestic Growth Outlook

Like the rest of the world, the domestic economy was not spared from the adverse impact of the Pandemic in 2020. As such, economic growth is estimated to have contracted to 0.3 percent in 2020. The economic growth is projected to bounce back to 6.0 percent in 2021 reflecting recovery due to reopening after the closure associated with the COVID-19 Pandemic. This also in part reflects the lower base in 2020 when most service sectors especially accommodation and restaurant, education as well transport services contracted in second and third quarters of 2020 with huge margins. 63. In terms of fiscal years, the economy is projected to expand by 2.9 percent in the FY 2020/21, 5.9 percent in FY 2021/22 and 6.1 percent in FY 2025/26. This outlook will be reinforced by the prevailing stable macroeconomic environment and the ongoing implementation of the strategic priorities of the Government under the “Big Four” Agenda and Economic Recovery Strategy. Weather conditions are expected to be favorable supporting agricultural output. As a result, export of goods and services will expand as global demand normalizes. These factors will push up consumer demand and increase both public and private sector investment reinforcing the projected growth. The economic growth projections over the medium term are aligned to those of the Third Medium Term Plan (2018-2022) of the Vision 2030.



## 1.7 Risks to the Economic Outlook

Risks to the County Economic outlook include:

There are risks to this macroeconomic outlook emanating from domestic as well external sources. On the domestic front, the emergence of new COVID-19 variants that may require broader reinstatement of containment measures, in the country and its trading partners could lead to renewed disruptions to trade and tourism. Other risks relate to lower agricultural output due to potential adverse weather conditions and continued desert locust infestation in the northern region of the country, which could potentially reduce production of food crops and animal feeds. Additionally, increased public expenditure pressures, particularly wage and other recurrent expenditures would put a strain to the fiscal space. 65. 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 faster reduction in fiscal deficit and debt accumulation. Additionally, potential lower oil prices in the international market would result in improved terms of trade. On the external side, risks will depend on how the world responds to the health crisis, including whether the new COVID-19 strains are responsive to vaccines. Additionally, growth would be weaker than projected if logistical hurdles in procuring and distributing vaccines especially in emerging market and developing economies will be slow. The delays would allow the new variants to spread, with possibly higher risks of infections among the vaccinated populations. World economies will be shaped by policies taken to limit persistent economic disruptions; the evolution of financial conditions and commodity prices especially oil in the international market; and, the adjustment capacity of the economies. On the upside, better global cooperation on vaccines could help prevent renewed waves of infection and the emergence of new variants, end the health crisis sooner than assumed, and allow for faster normalization of activity, particularly among emerging market and developing economies. The Kenyan Government and the county will continue to monitor the domestic and external environment and will take appropriate policy measures to safeguard the economy against the adverse effects were the risks to materialize.

## CHAPTER 2

### 2.0 Building Back for Economic Recovery: Strategy for Resilient and Sustainable Economic Recovery

#### 2.1 Overview

The COVID-19 pandemic has both magnified the importance and the urgency to institute policy measures to strengthen economic resilience and cushion Kenyans and businesses from the adverse effects that result from economic shocks. From the outset of the pandemic, the Government took decisive actions to respond to the adverse effects of the pandemic by implementing initiatives such as offering tax reliefs and the Economic Stimulus Programme (ESP) whose objective was to return the economy to the pre COVID-19 growth trajectory by increasing demand for local goods and services, cushioning vulnerable Kenyans, securing household food security for the poor, and creating employment and incomes. This Programme has been successful as it created over 200,000 jobs for the youth, enhanced liquidity by supporting credit access to businesses and enhanced cash transfers to the vulnerable and the emerging urban vulnerable as a result of the pandemic.

Building on the gains made, the 2022 Budget Policy Statement articulates priority economic policies and structural reforms as well as sectoral expenditure programs to be implemented under the Medium-Term Expenditure Framework for FY 2022/23 - 24/25 in order to provide an enabling environment critical to return the economy back to long term growth path while at the same time continue safeguarding livelihoods, jobs, businesses and industrial recovery. Towards this end, the National Government will undertake the following targeted strategic interventions to support the realization of the “Big Four” Agenda and achieve a resilient and sustainable economic recovery:

- i. Roll out the third Economic Stimulus Programme for sustainable growth;
- ii. Maintain macroeconomic stability and enhance security to foster a secure and conducive business environment and security of Kenyans and their properties;
- iii. Scale up development of critical infrastructure in the country such as roads, rail, energy and water to reduce the cost of doing business and ease movement of people and goods as well as promote competitiveness;
- iv. Enhance investment in key economic sectors for broad based sustainable recovery by promoting agricultural transformation, growth in manufacturing, environmental conservation and water supply, stimulating tourism recovery, and sustainable land use and management;
- v. Expand access to quality social services in health, education and appropriate social safety nets for the vulnerable population;
- vi. Support the youth, women and persons living with disability through Government funded empowerment programs that leverages on partnerships with private sector organizations;
- vii. Support County Governments through transfer of sharable revenues to strengthen their systems and capacity in service delivery; and
- viii. Implement

#### County Specific Risks

Some of the risks anticipated to affect the County Fiscal performance include amongst others:

- Emergence of new Covid-19 Variant
- Anticipated shrinking of Revenue within the year under review
- Adverse weather conditions
- Locust infestation
- Increased Public Expenditure pressure
- Inadequate succession planning that will affect critical service delivery
- High insecurity in some parts of the County
- Anticipated Political instability due to forthcoming electioneering period.
- Effects of climate change adaptation, particularly swelling of lake Bogoria and Baringo
- High rates of unemployment

## **Proposed interventions to the risks**

The County will pursue the following to reduce the risks to the County's economic outlook.

- j) Review and implement the existing human resource policies with a view to enhance proper succession planning, promotions, replacements, and recruitments.
- k) To promote and stimulate industrial and technological skills development through youth empowerment programmes.
- l) The county has also put in place measures to address revenue shortfalls, by investing on revenues structures and system and broadening revenue streams i.e. investing on revenue roads, valuation roll, and ICT systems on revenue collection among others.
- m) To enhance revenue collection, the government will train enforcement officers and strengthen internal controls.
- n) Formulate and implement policies to support climate change mitigation at the County level and increase coordination of climate change measures and activities.
- o) To improve on trade and market, the County will formulate policies and regulations that will strengthen the protection of farmers from exploitation by brokers through packaging and also provide the infrastructure necessary for market access.
- p) The government will put up structures that will create an enabling environment to foster business growth and stability. This will ensure recovery of business affected by COVID 19 pandemic.
- q) Strengthen emergency response system including medical services to reduce the spread of pandemic through continuous vaccination, fire, floods, locusts and other natural catastrophes.
- r) The county will strengthen and enhance security in the affected areas in collaboration with national Government and other security agencies.

## **2.4 Pillars for the County Recovery and Re-engineering Strategies**

### **2.4.1 Boosting Private Sector Activity**

The private sector plays a critical role in the Baringo County economy in reducing poverty through income generating opportunities for the vulnerable households. From the KNBS 2016 survey, most of the private sector activities (65.2 per cent) are in the services sector with only 9 per cent in manufacturing. In terms of size, most of the enterprises in the County are in the micro category (94.8 per cent), 4.8 per cent are small sized enterprises while 0.5 per cent are large firms. Since most firms are micro in nature, this shows that the informal sector tends to dominate the private sector in the County. Services sector activities include the wholesale and retail trade, repair of motor vehicles and motorcycles (65. per cent); accommodation and food services (6.8 per cent); arts, entertainment and recreation (8 per cent).

Covid-19 pandemic has disrupted the operations of businesses and supply chains hence affecting demand and supply of most goods and services in the County. Overall, majority of the MSMEs (72.7 per cent) in the County get their raw materials from peer MSMEs within the County and from individual suppliers (10.6 per cent), farmers 8.4 per cent, and non-MSMEs (6.9 per cent). MSMEs widely sell their products to individual consumers (93.2 per cent) within the County. This means that when some firms and individual consumers are adversely affected this will tend to spread fast in the private sector.

County MSMEs face various challenges that include financial and technical capacity, market environment, and worksite related infrastructure (KIPPRA 2019, KNBS, 2016). On worksites, MSE's face inadequate and unequipped worksites, lack of public toilet facilities, lack designated areas for waste disposal, poor road infrastructure, and frequent power interruptions. On technical capacity MSEs are characterized by low levels of innovation, lack of training and apprenticeship programme for artisans, fragmentation due to multiplicity of players who offer training and capacity building, and lack of monitoring and evaluation of training programmes. With the market environment, MSE's face inadequate market for their local products; stiff competition among themselves; and unfair trade practices which manifest through; contract enforcement, counterfeiting, dumping (substandard goods) and misrepresentation (through weight, price, ingredient). MSEs also face bottlenecks related to; insecurity; multiple licenses and permits; numerous procedures for obtaining licenses; and shortage of raw materials.

The crisis offered an opportunity to address structural issues, for instance, private sector development and collaboration and design new growth models such as – industrial/manufacturing development and innovation and participation in national and global value chains

- (i) Agro - processing for value addition with important areas of focus include honey refinery, livestock production, meat processing, textiles, fruit processing, dairy processing and coffee
- (ii) The textile and wearing apparel sectors can be enhanced to provide Personal Protective Equipment (PPEs) for use within the County and potentially for the domestic and export market.
- (iii) Exploration of renewable energy and diatomite mining.
- (iv) Other areas for consideration include; leather, timber, and aloe processing.

In strengthening the private sector, efforts are prioritized at improving the business environment in the County.

- (i) Emphasis is laid on initiating and strengthening self-sustaining funds dedicated and easily accessible to MSMEs in the County; promoting tailor made financial literacy programmes for MSMEs; and establishing a framework for micro-leasing for the MSMEs.
- (ii) County government in partnership with other institutions both from public and private spheres to facilitate development of adequate and well-equipped worksites with workshops, common user facilities, incubation centres and showrooms for artisans which is cluster informed and fully serviced.
- (iii) Provide access to affordable energy in collaboration with the national government and other stakeholders.
- (iv) Collaborate with the National government to ensure security is enhanced to reduce on crime and create a peaceful business environment.
- (v) Develop appropriate road infrastructure especially the county roads while collaborating with the private sector through PPP's to get financing of the projects.
- (vi) Enhance market access for private sector both locally and regionally by developing the regional bloc value chains, market diversification and facilitating greater use of ecommerce in shifting transactions to digital economy.

#### **2.4.2 Strengthening ICT Capacity**

Information, communication and technology is an integral component of today's digital economy and has a strong potential to accelerate economic growth and improve the lives of Kenyans in fundamental ways. The COVID-19 pandemic has given insight on the role of technology and the gaps in the sector. The need to work from home and virtual meetings has made ICT one of the major drivers of the economic activities.

Going forward, the Government will build on the progress made so far to improve ICT infrastructure and increase ICT skills and innovation in order to drive the attainment of County Government priorities. The strategy will focus on expanding ICT Infrastructure connectivity; connecting all Departments; enhancing ICT skills among the youths to enhance their employability through such programmes as the Ajira Programme.

The status of ICT access and use in the county is low, especially among households. 35 per cent of the population 3 years and above own mobile phone which is lower than the national average of 47.3 per cent. While 87 per cent of the internet users in Baringo County rely on mobile phone, with a marginal population relying on mobile broad that uses a sim card. In the new normal driven COVID-19, the County will fast track the implementation of various projects to ensure business continuity and build resilience of the County against future pandemics and disasters in the following strategies:

- (i) Support programmes in partnership with the private sector that will enable households acquire ICT assets such as smart phones and laptops and increase mobile phone ownership from the low of 35 per cent to 100 per cent in line with the global agenda for Universal Access to Mobile Telephony<sup>1</sup>
- (ii) Adopt programmes to ensure ubiquitous access to reliable and affordable internet (internet everywhere) by applying aerial and satellite-based communication technologies.

- (iii) Enhance internet connectivity to public buildings and key trade centres to boost e-commerce especially for MSMEs in trade and business. The NOFBI programme can be expanded to the sub-county administrative units to further enable deployment of e-governance solutions. This is in line with the CIDP programme to facilitate internet connectivity, system utilization and ICT resource sharing in 85 County Offices and interlink all county entities by 2022.
- (v) Make ICT a stand-alone sector for planning and budget allocation. This is aimed at giving strategic prominence to planning, budgeting and investment in ICT.
- (vi) Develop and implement ICT policies and procedures to mitigate the cyber threats and collaborate with the national Computer Incident Response Team (CIRT) and the Communications Authority (CA) towards managing cyber threats. This is because enhanced use of ICT is known to raise threats and risks related to cyber-crime and misinformation.

### **2.4.3 Human Capital Development**

The operations of human resource in the county Government of Baringo were disrupted with most officers working from home apart from those offering essential services. According to May 2020 KNBS COVID\_19 Survey, 23.3 per cent of the county labour force worked at least for 1 hour for pay; 76.7 per cent of the employees worked but for no pay. However, 6.0 per cent of employees did not attend to work due to COVID-19 related issues. About 17.2 per cent reported that they had never worked and 59.5 per cent worked in the informal sector. On average, workers in the County lost 17 hours per week due to COVID-19. The pandemic led to loss of jobs with over 48.0 per cent of workers reporting a decrease in income, (May 2020 KNBS COVID\_19 survey).

The County population aged 15-64 years (labour force) was estimated at 302,107 people of whom 273,503 million were working and 28,608 were seeking work but work was not available representing an unemployment rate of 9.5 per cent (Kenya Population and Housing Census, 2019).

The average years of schooling is 7.9 years out of the target of at least 12 years if entire population was to attain basic education up to complete secondary education (KIHBS 2015/16). Human development index was 0.6 compared to 0.52 at national level and maximum of 1. The HDI at county level measures extent to which the counties can mobilize the economic and professional potential of the citizens. With a rating of 0.6 it means the county lost about 40 per cent of her economic potential due to lack of adequate education and health. About 58.1 per cent of the children were stunted. Childhood stunting is associated with developmental delays that can significantly and adversely impact a person's ability to learn (both during and after the years in school), thereby limiting their ability to reach their full potential. As such, this perpetuates inequality across generations.

The NHIF coverage is 17.8 per cent as compared to the average national level at 24.7 per cent while the number of children vaccinated was 69.4 per cent as compared to the average national level at 74.9 per cent. The data indicated 30.6 per cent of the children had not been immunized against preventable diseases such as polio and measles. As a result of economic crisis, the NHIF coverage could have declined as most of county residents could not afford the monthly contribution. In addition, the fear of contracting the COVID-19 could result into decline of vaccination rate in the county. On this account, the County will invest in all the economic sectors and specifically to the labor-intensive sectors of health, education and agriculture. The County will:

- (i) Transform human capital outcomes for greater productivity through investing in health, nutrition and producing requisite skills for all sectors of the County economy.
- (ii) Promote implementation of a stronger labour market interventions and policy reforms that drive employment creation. The County shall deepen technical education, training and skills development.
- (iii) Enhance investments and mechanisms for up skilling and reskilling, deepening technical skills as well as ICT skills; and retraining employees on how to work from home, where applicable.
- (iv) Protect workers in the informal economy by pursuing innovative policies to reach them quickly through a combination of non-contributory and contributory social security schemes and facilitating their transition to the formal economy in the longer term.
- (v) Ensure protection of incomes and jobs and promote decent work by using employment protection schemes and other mechanisms to support enterprises in retraining workers and

providing income support to unemployed workers, as well as adapting public employment schemes to the effects of the pandemic on the labour force.

#### **2.4.4 Policy, Legislative, and Institutional Reforms**

The County Assembly of Baringo has enacted the Public Finance Management (Baringo County Micro and Small Enterprises Fund) Regulations, 2016 which establishes a Fund which is known as the Baringo County Micro and Small Enterprises Fund which seeks to provide access to affordable credit to Micro and Small Enterprises (MSEs) to enable them to compete and graduate into vibrant enterprises. However, besides these regulations, the County has not enacted additional County legislation. The following strategies will be implemented:

- (i) Develop a legislative framework within the County to prevent, control and manage the spread and impact of COVID-19 and other highly infectious diseases; provide for allocation and mobilization of resources to meet the demands in times of outbreak of infectious diseases; provide for the establishment of public health standards during outbreaks of infectious diseases; provide mechanisms for recruitment of temporary health Workers and other professionals; provide for safeguards in respect to health workers during infectious diseases outbreak; provide for socioeconomic support for all including water and electricity supply during infectious diseases outbreak; and improve quality of service delivery for better control and management of COVID-19 and other highly infectious diseases.
- (ii) Enact policies and legislation to govern the devolved functions and sectors at County level in order to better integrate and domesticate government policies and laws within the County and to reinforce the devolved legislative functions within the County.
- (iii) Coordinate and collaborate with health actors within the County in the dissemination of regular information to the public including sensitization on prevention and control of highly infectious diseases.
- (iv) Strengthen intergovernmental relations and coordination in implementation of government policies at national and county level

#### **2.4.5 Strengthening County Government's Preparedness and Response to Pandemics and Disasters**

Kenya is a signatory to the Sendai Framework for Disaster Risk Reduction 2015-2030. However, Baringo County does not have a policy or legislative framework for disaster risk management. The scope of disaster risk reduction as per the Sendai Framework focuses on both natural and man-made hazards and related environmental, technological and biological hazards and risks noting that it is critical to anticipate, plan for and reduce disaster risk in order to more effectively protect persons, communities and countries, their livelihoods, health, socioeconomic assets and ecosystems, and thus strengthen their resilience. The County will:

- (i) Maximize on inter and intra county coordination in containing the spread of COVID-19 and other infectious diseases.
  - (ii) Engage local organizations and communities and enhance local organizations' and local communities' capacities for disaster management. Local communities play key roles infighting against disasters in the front line as Sendai Framework for Disaster Risk Reduction 2015-2030 emphasizes.
  - (iii) Support operations at the community level and strengthen the capacities of local communities in disaster risk reduction.
  - (iv) Facilitate training and capacity building of County Government officers and local communities in disaster risk management.
  - (v) Empower local authorities and local communities to reduce disaster risk, including through sensitizations, resources, incentives and decision-making responsibilities.
  - (vi) Build partnerships and networks with national government, donor agencies, international organizations, private sector, non-governmental organizations, and civil society and research institutions to complement efforts by the County in understanding disaster risk management, development of disaster risk management strategies, training, capacity building and resource mobilization.
- i. Facilitate the County departments in strengthening systems to enhance service delivery; and

- ii. Implement various structural reforms to enhance the efficiency of public service delivery while at the same time ensuring accountability for better macroeconomic and fiscal stability, sustained credit ratings, improved fiscal discipline and minimized corruption.

## **2.5 Implementing the “Big Four” Agenda**

This Budget Policy Statement is prepared in cognizant to the Big Four Agenda and it is to complement the national government agenda. The programmes and projects therein proposed are complementary to what the National Government intends to achieve in the medium term and beyond i.e. better life for its citizens.

In this regard, the County Government has taken decisive steps to harness the implementation of various policies and programmes under each of the four pillars namely:

(i) Supporting job creation by increasing value addition through completion of slaughter houses at Maoi and Loruk; building of coffee factory at Katimok; milk processing plant in ATC; completion of tannery at Mogotio and introduction of aviary across the county.

(ii) Focusing on initiatives that guarantee food security and nutrition to the farmers through farm inputs supply, Affrutation; cattle breeding and vector control under veterinary sub sector. The Education sector shall invest on completion of Early Childhood Development Education centers.

(iii) providing universal health coverage thereby guaranteeing quality and affordable healthcare to our citizens through Community strategy and Environmental health (CLTS, School health, WASH), Non-communicable diseases (Snake bites, Hypertension, Diabetes), Nutrition Communicable diseases (Hepatitis, HIV/AIDS, TB, Malaria, ) Primary Health Care , Disease surveillance, health promotion, integrated outreaches, PHC Supervisions and Infrastructure Development

## **2.6 Support to Key Sectors**

### **2.6.1 Manufacturing**

Manufacturing sector contributes 0.2 per cent to the Baringo Gross County Product (GCP). Manufacturing in Baringo County mainly include food products (46.3 per cent), furniture (13.8 per cent), wearing apparel (13.2 per cent), fabricated metal products (6.7 per cent), leather and leather products (6.3 per cent), wood and wood products (5.8 per cent) and textiles (5.3 per cent). The key products useful in value addition and driving manufacturing include; honey refinery, livestock production, meat processing, textiles, fruit processing, dairy processing, leather, coffee, timber, cotton ginnery and aloe processing. Hence, it is essential in supporting recovery of the economy of the County from the effects of Covid-19 pandemic, and especially due to its strong forward and backward linkages. The strategies to support manufacturing are as follows.

- (i) Exploit the opportunity presented by the pandemic especially in production of essential goods such as masks, Personal Protective Equipment (PPEs), and sanitizers, disinfectants, canned foods, immunity boosting products, hospital beds and ventilators.
- (ii) Consider an emergency rescue package for businesses and traders hard-hit by the effects of Covid-19. The emergency Fund, supported by development partners and other stakeholders, can be used to identify and support the most vulnerable businesses and entrepreneurs affected by Covid-19. Related, the County will inject some stimulus to cushion the businesses and traders through affordable credit; waiver of some County taxes, cess, and other charges.
- (iii) Adopt the new pandemic guidelines including rearranging floor plans to allow for social distancing in manufacturing establishments.
- (iv) Operationalize Cummins Power Co-generation Company for renewable energy and Leverage on Public Private Partnerships to invest other sources of renewable energy.
- (v) Collaborate with the National government to ensure security is enhanced to reduce on crime and create a peaceful business environment.

### **2.6.2 Agriculture and Livestock**

Agriculture accounts for the largest share of economic activity in Baringo County. More than a half of county economic activity is driven by the agriculture sector. In 2017, agriculture accounted for

Kes 53,633 million out of the total Kes 92,866 million Gross County Product (GCP) amounting to 57.8 per cent of the county's GCP.

About 60 per cent of the households produce crops, 56 per cent produce livestock, 0.4 per cent practice aquaculture and about 0.6 per cent are involved in fishing. About 5 per cent of the households practice irrigation farming. As the agri-food sector gradually shifts from an emergency response to re-engineering, recovery and building resilience, the Baringo County will: -

- (i) Develop partnership with the National Government, NGOs, Development Partners, Research Institutions and the Private sector in enhancing agro-processing and value addition capacities of the county especially in horticulture (Watermelon, onions and vegetables), milk meat and leather processing.
- (ii) Invest in access roads to enhance linkage between farms and markets. Extensive rural road infrastructure plays a central role in provision of affordable access to both markets for agricultural outputs and modern inputs. Baringo's rural access index (RAI) fairs poorly at 46 per cent. This is low compared to the national average of 69.4 per cent. Other crucial market infrastructure includes lighting and water services to facilitate trade activities.
- (iii) Investment in storage and cooling facilities particularly at collection points to minimize spoilage and post-harvest losses.
- (iv) Digitize the agri-food sector to support: - training and building capacities of farming households in modern agricultural technologies, provision of advisory and information services, marketing agricultural produce at a wider scope beyond the county level, and improving access to innovative support services including credit and insurance services.
- (v) Enhance farmer's access to quality and affordable inputs including certified seeds, water, animal feeds, artificial insemination (AI) services, fertilizers, livestock vaccination and mechanized ploughing services by county tractor hire services. Access to affordable inputs would reduce cost of production in the county thereby improving the competitiveness of the county's outputs relative to cheap imports.
- (vi) Establish programmes for surveillance of disasters such as extreme weather conditions at the county level equipped with relevant technical specialists and finances to effectively prevent, prepare, respond and prevent risks. There is also need for the county to mitigate disasters, such as those related to floods, through institutional capacity development, vulnerability analyses and updates, monitoring and early warning systems, and public education.
- (vii) Expansion of sustainable irrigation in the county through partnership with development partners. To support expansion of sustainable irrigation, there is will promote development of Irrigation Infrastructure and technologies in the county. The key irrigation scheme in the county is the Perkerra Irrigation Scheme covering 3,000 acres.
- (viii) Establish county multisectoral committees to deal with cross-cutting issues such as marketing of agricultural produce that cuts across the trade, ICT and infrastructure sectors that provide crucial market infrastructure such as road infrastructure, lighting and water services.
- (ix) Build the capacity of farmers in adoption of modern farming technologies (modern production, harvesting, processing and post-harvest aggregation and storage methods), standards and practices and adopt sustainable land management practices to minimize environmental degradation. This can be done by establishing model farms & farmer training centers.
- (x) Strengthen agricultural cooperatives through effective stakeholder engagement and implementation of interventions for more sustainable models of financing and customized training of cooperative members.

### **2.6.3 Water and Sanitation**

Access to water and sanitation was recognized to be one of the key elements necessary to help in the fight against Covid-19. Water is essential for general hygiene and frequent and correct handwashing as emphasized by World Health Organization (WHO) as one of the measures to curb transmission of disease. Similarly access to safe sanitation also goes a long way in helping reduce infections. The outbreak of Covid-19 therefore places higher demand for water more so at the households, health care facilities, marketplaces, public places and among other essential services provides.



There is low access to piped water among urban households (23.40 per cent), rural households (6.67 per cent) and peri urban households (43.9 per cent). Access to piped sewer among households is low which stands at 3.3 per cent both in rural urban and peri-urban areas. Additionally, most of rural households (34.63 per cent) and peri urban households (4.99 per cent) do not have access to sanitation facilities. About 61 per cent of households share a toilet with other households; this is more common in urban areas than in rural and peri urban households. Similarly, only 48.68 per cent of households have access to improved sanitation (KIHBS 2015/2016). On the hand, most households (60.0 per cent) had access to water and soap during this period of Covid-19 (KNBS COVID-19\_survey 2020) despite the fact that most households (93.4 per cent) do not have a designated hand washing facility in their households.

Environmental conservation and access to adequate supply of clean water is fundamental for the achievement of the socio-economic development as envisioned by the Kenya Vision 2030. Towards this end, the Government continues to prioritize sustainable exploitation, utilization, management and conservation of the environment as well as protection of water catchment areas. To address water shortage, the County Government is in the process of constructing small pan dams, tanks and water distribution.

The county 2018-2022 CIDP programs under WASH, environment management and conservation seek to promote Access to clean and safe water through; Development of major rural water supplies; Reticulation water system for urban centers and upcoming towns; Upgrading of JICA boreholes; Sanitation facilities

The recovery strategies include the following;

- (i) The county to upscale the construction of water pans and dams as well as round water in order to solve water shortage, especially during dry seasons. This will help to increase water supply in households, institutions and public places through drilling of boreholes in all the sub-counties.
- (ii) Upscale abstraction of water from rivers, spring protections, harvesting of rainwater from roof and other catchments to help achieve increase to water access.
- (iii) Integrate public private partnerships arrangements to enhance water provision in the County.
- (iv) Expand and rehabilitate the existing piped water connection infrastructure to help increase access to water. This can be achieved by expanding water infrastructure.
- (v) Fast track the development of water governance and management policy.
- (vi) Include both male and female in decision making on water management
- (vii) Undertake water trucking during times of prolonged drought and emergencies to households with water deficiencies
- (viii) Expand sewer infrastructure to accommodate more households, and yield safe sanitation coverage. Increased access to sanitation can be achieved through collaboration of the county government, development partners and PPP to expand sewer infrastructure and to accommodate more households.
- (ix) Construct toilets in in communities, schools, health centers and other public places. The county will collaborate with private sector and launch public toilet construction programmes.
- (x) Fast track and implement policy on water governance and environment conservation and management.
- (xi) Promote the importance of hand washing and construct WASH facilities to increase access at the household level.

Provide maximum protection to employees working in water and sanitation through provision of personal protection equipment

#### **2.6.4 Urban Development and Housing**

The county has challenges in quality of the housing stock. Approximately 53 per cent of houses are constructed using finished materials for walls; floor and roofing, compared to 47 per cent constructed using rudimentary materials. With regard to primary energy source for cooking, 96 per cent of households rely on unclean sources of energy such as firewood, paraffin and charcoal, which could adversely affect respiratory health of women and children. For re-engineering and recovery, the County will:

- (i) Integrate the “build back better” principles into the pandemic recovery process to fit in resilience building in County Spatial Planning.

- (ii) Fastrack implementation of the affordable housing programme with a focus on improving living conditions and building quality applying finished materials for walls, floors and roofing. This is in line with the CIDP programme to construct new housing units in Kabarnet and renovate existing housing stock.
- (iii) Undertake spatial planning of urban areas, and fast-track identification and designation of urban centers for upgrade (Kabarnet, Eldama Ravine and Marigat, Chemolingot, Kabartonjo and Mogotio) pursuant to provisions of the Urban Areas and Cities (amendment) Act, 2019.
- (iv) Collaborate with National Government, Physical Planning Department and Universities to train county staff to address inadequate technical staff-physical planners, surveyors and housing officers as identified in the CIDP.
- (v) Adopt programmes aimed at an increasing household access to clean energy sources and technologies for cooking to mitigate against exposure to respiratory diseases.

### **2.6.5 Transport**

The infrastructure development is critical for sustainable economic recovery, job creation, and empowerment of small businesses and lays grounds for the achievement of the “Big Four” Agenda. The County Government has invested in road construction and rehabilitation which include construction of new roads, rehabilitation and maintenance of existing roads.

The county has a total of 3,824.42 Kilometers of classified road network. Approximately 51.0 per cent of the paved road network is in good condition, 43.0 per cent in fair condition and 6 per cent in poor condition. While 8 per cent of the unpaved road network is in good condition, 29.0 per cent is in fair condition and 63.0 per cent in poor condition.

The main means of transport used in the County is PSV matatus at 28.8 per cent, followed by walking at 18.4 per cent, bicycle at 13.2 per cent, motorcycle 12.5 per cent and private car at 12 per cent. On average, resident travel 3.0 Kilometers to their workplace which is beyond the threshold for walking but within the threshold for cycling. Over 92 per cent of the unpaved road network is in poor and fair condition. To enhance mobility options for residents and improve road conditions to support economic, social and subsistence activities the County will:

- (i) Apply labor based and local resource-based approaches for road development and maintenance, where technically and economically feasible, in line with the Roads 2000 national policy<sup>2</sup>.
- (ii) Focus on increasing the share of unpaved roads in good and fair condition to above 62 per cent which is the national average. For the unpaved road network, focus on adopting the Low Volume Sealed Roads (LVSR) technology for greater network coverage cost effectively.
- (iii) Identify a core rural road network for prioritization to improve the rural access index (RAI) from the current 46 per cent with a target to match the national average of 70 per cent.
- (iv) Improve and expand infrastructure for Non-Motorized Transport (NMT) in urban areas and along roads with heavy –high speed traffic to promote sustainable mobility options and enhance road safety for all road users. This is in line with the Integrated National Transport Policy 2009 and the Sustainable Development Goals<sup>3</sup>.
- (v) Adopt climate smart road engineering designs to safeguard road and bridge infrastructure from floods and to harvest storm water for irrigation and productive use.

### **2.6.6 Tourism**

Baringo County is endowed with unique geographical features, landscapes and other attractions such as caves, lakes, hills, escarpments, hot springs and museums. Lakes Baringo and Baringo stand out as the most popular geological feature but little is known of Simot falls, Tugen Hills, Ruko Conservancy; Pakka Hills, Stone Frog, Kipsaraman Museum, Releng Hot Springs and Cheploch Gorge, and Ngenyin fossil site in Baringo North, Kipngochoch God’s window which have been mapped out to bid for the status of UNESCO Global Geopark. The county also has other good attraction sites such as beautiful terrain, nice caves, hot springs, wide variety of bird species, unique species of giraffes among many other features that if well marketed and tapped will bring fame and money to our great county.

As the County awaits to clinch to UNESCO Global Geopark status, there is need to allocate more resources to the department as well as encourage local, national and internal investor to set up hospitality industries. However, the county has underutilized potential for conference tourism. Lake

Baringo has a variety of accommodation options including lodges, hotels, campsites, cottages and self-catering tents for hire. Lack of star-rated hotels in the County is a hindrance to attracting high-spending tourists who often prefer to seek accommodation in the neighbouring Nakuru County. While Gross County Product (GCP) from accommodation and food services accounts for a paltry 0.7 per cent of the total GCP, depicting low importance among other income generating activities in the County, in recent years, the total taxes, levies and fees collected from all county tourism establishments has grown by 40.7 per cent.

Tourist hotels in the county benefit from supplies of fish sourced from Lake Baringo fresh-water lake. Tourists enjoy fishing, boating, water sports (ski, windsurfing), camel rides and day trips to the nearby Lake Bogoria National Reserve. Lake Baringo hosts over 470 bird species including flamingos, hence providing a great opportunity for bird watching. The recovery strategies include;

- (i) Develop a county tourism master-plan diversify into conference tourism, water sports, excursions, hiking, guided tours, scenic drives, and cultural tours, villages and cultural festivals.
- (ii) Development of tourism information centres; marketing the county as a tourist destination.
- (iii) Renovate infrastructure around the tourism attraction sites along with improving sanitation conditions.
- (iv) Provide incentives in establishment of star-rated accommodation and M.I.C.E facilities to leverage the rich endowment in scenic tourist attraction sites.

### **2.6.7 Health**

The county health department has the overall goal of delivering quality and affordable health care that is accessible to all residents of Baringo County. The investments towards the health sector in the County has grown over the period under devolution resulting to increased availability of key inputs e.g., increased number of health workers, improvements in health infrastructure and reduction in rate of stock-outs for essential medical drugs. The health sector is largely financed from four main sources; the equitable share, own source revenue, conditional grants and external loans and grants from development partners. By 2020, the County had a total of 295 health facilities (6 hospitals, 28 health Centers and 261 dispensaries of varied ownership i.e. public, private and faith based). These facilities are serving a population of 683,048 (KNBS, 2019). This represents 4 health facilities per 10,000 population which is an improvement from 2 per 10,000 population (MoH, 2013).

The county has put in place measures to mitigate the impact of pandemic. The County had two isolation centres. Inadequate PPEs among the frontline healthcare workers working in various health care facilities. The health sector needs to focus on empowering the workforce and upgrading of working conditions and provision of requisite health commodities and equipment, especially in relation to personal protective equipment and occupational safety, implementing the following strategies.

- (i) The county government will support regular training of the Healthcare workers on various management protocols and infection prevention control across the levels of healthcare system in Baringo county, also due to the gap in the numbers and skills of staff under the county health sector, there is need for the county to invest in employment and deployment of additional medical officers, key among them medical specialists.
- (ii) Adopt and strengthen community health outreach programs to sensitize citizens to adopt proper health seeking behaviors that could have been affected by the pandemic. Attention will be directed to expectant women on the will attend regular antenatal clinics for checkup and the caregivers of children on the importance of immunization.
- (iii) Enhance Covid-19 sensitization to the community through health promotion messages and distribution and printing of information, education and communication materials, provision of hand washing facilities at the community level, provision of hand washing soap and fumigation services in the markets and health facilities.
- (iv) Provide frontline caregivers mental and physical health support during the Covid-19 pandemic. Psychological support to be given to families of frontline health care workers.

- (v) Promote construction, upgrading and equipping of health facilities through additional funding to health sector, this will enable the county to achieve the health outcomes.

Promote and support public and community health including the installation of hand washing facilities in homes and institutions such as schools, tertiary education learning institutions workplaces and health care facilities within Baringo County.

### **2.6.8 Education and Training**

Baringo County has a total of 900 pre-primary centres, 805 primary and 188 secondary schools. A total 533 public primary schools in Baringo County has been installed with ICT infrastructure and devices under the Digital Literacy Programme (DLP) (ICT Authority, 2019). The infrastructure includes learner digital devices (LDD), teacher digital devices (TDD) and the Digital Content Servers and Wireless Router (DCSWR). The gross ECDE enrolment rate in the county was 86.5 per cent in 2014 and 102 per cent in 2018 while the net enrolment ratio was 84.5 per cent in 2014 and 70.5 per cent in 2018. The county has 13 vocational training centers with an enrolment of 1,520 trainees. The closure of schools disrupted the education sector programmes focusing on enhancing the quality and access to Early Childhood Development and Education (ECDE), Promoting high transition and tertiary education through Technical and Vocational Education Training (TVETs).

The recovery and re-engineering strategies include;

- (i) The county will prioritize projects that consolidate WASH, PPEs, feeding programme in ECDE sections, ECDE capitation grants, capacity building of ECDE teachers and staff and parents on effects of COVID19. In most of primary and secondary schools the county will put measures in place to increase primary and secondary enrollment rates. For TVETs, the main focus will be to bridge the gap in training at middle level and technical training through improved construction of new centers and incorporation of ICT infrastructure and equipment.
- (ii) The County with support from stakeholders will continue to invest in early childhood development through infrastructural development to allow for adequate social distancing when schools reopen; deployment of ECDE teachers and provision of sanitation facilities.
- (iii) The county will involve communities to mobilize learners when schools will be reopening process and while deepening implementation of COVID 19 mitigation measures. The county will combine community participation and large-scale direct communication campaigns to parents, and where possible, increase attendance options to accommodate all children, including those with highest risk of dropping out, also promote back to school campaign and community outreach to ensure that no child is being dropped out of school due to COVID-19 emergency.
- (iv) Provide financial or in-kind support, such as school feeding, to help families overcome the increased costs of attending school, also provides psychosocial support to teachers and learners.
- (v) The County will prioritize projects that improve school water, sanitation and hygiene facilities and management in order to reduce future effect of similar or related outbreak while promoting public health in learning institutions.
- (vi) Promote remedial/catch up lessons for learners who might have lagged behind also schools to utilize ICT platforms and have a depository of teaching and learning materials that learners could use at their own time and while at home.

### **2.6.9 Social Protection**

Baringo County has an estimated number of 8,666 PWDs (1.5 per cent) and 3.6 per cent older persons aged 65 years and above of which 50.5 per cent are females. The county has a poverty estimate of 40.0 per cent against a national average of 36.1% with severity estimate of 4.2 per cent in terms of extreme poverty. Food poverty estimate is 42.4 per cent against the national estimate of 32 per cent. These estimates indicate that big per centage of population is poor, and the pandemic may end up stretching the poverty level and negatively affecting the vulnerable members of the community. The county will put up some measures to protect the vulnerable groups from indirect and direct impact of COVID-19. The county will collaborate with National Government, NGOs and other partners to ensure child rights and child protection measures are embedded in the immediate

COVID-19 response and longer-term recovery. Further, the recovery strategies will include the following interventions;

- (i) Promote the Universal Healthcare Programme (UHC), to support the vulnerable communities and register them with NHIF to help them access health service at minimal cost.
- (ii) Build resilience and promote affirmative action for addressing challenges facing vulnerable groups; promote gender mainstreaming, protection and response against gender-based violence and involvement in all sectors.
- (iii) Extend sickness benefit coverage to all, with attention given to informal employment, the self-employed and vulnerable groups.
- (iv) Ensure basic income security, for persons whose jobs or livelihoods have been disrupted by the crisis, also coordinate social protection providers and strengthen linkages across various social protection interventions in the county.
- (v) Protect vulnerable groups in the population from health costs by enhancing NHIF coverage; improving knowledge of the existing insurance schemes to improve uptake; and subsidizing NHIF premiums for targeted vulnerable populations.

#### **2.6.10 Environment and Natural Resources Management**

The county faces the following environmental challenges; wildlife conflict, land degradation, landslides, forest fire, natural resource bases conflict floods and droughts. The challenges threaten the existence of biodiversity for instance most households (80.9 per cent) use wood fuel and charcoal (13.84) as major sources of energy for cooking. Additionally, most household (13.1 per cent) dump their solid waste in the street/ vacant plot/ drain while 81.81 per cent of households burn in open. On the other hand, 13.7 per cent of households have experienced droughts or floods in the past 5 years that has adversely affected their farming activities (KIHBS 2015/2016) This reduces the ability of households to be food secure.

To mitigate these environmental risks, the County has put in place measures to mainstream environmental and climate change in county planning and budgeting processes with aim of strengthening disaster risk mitigation measures and reducing damages caused by natural hazards like floods and droughts. Additional strategies to enable Country to recover from effects of COVID 19 include;

- (i) Promote alternative sources of energy for cooking to minimize over reliance of wood fuel. The county can have partnerships and collaborations with established stakeholders in natural resource management and conservation.
- (ii) Reclaim forest land and water catchment land that's under encroachment.
- (iii) The county to provide capacity building of communities around Mau forest, Mochongoi and Koibatek forests on Sustainable Forest Management.
- (iv) Promote and facilitate regular environment clean up exercises at neighborhood and in towns, sensitization programs on importance of tree planting, environment management conservation. The county government can work in collaboration with donor agencies, private sector, local communities to come up with up with initiatives to manage solid waste.
- (v) Increase per centage of solid waste collected by the county.
- (vi) Segregate waste resource at the source to easily facilitate recycling solid waste.
- (viii) Cushion households from the adverse effects of droughts or to achieve food security, minimal damages from droughts and floods, it's important for counties can work with the national government, donor agencies, private sector, local communities to come up with up mitigation measures to droughts and floods.

## CHAPTER 3

### 3.0 BUDGET FOR FY 2022/2023 AND THE MEDIUM TERM

#### 3.1 Fiscal Framework

The FY 2022/2023 Budget framework is underpinned by-

- Strategic policy direction: further priority was given to policy direction taking into consideration the Governor's agenda, the national agenda and social equity.
- Strict project prioritization - only high impact projects will be considered for financing.
- Priority to complete and operationalize ongoing projects.
- Allocation based on realistic outcomes and achievable results.

#### 3.2 Revenue projections

Equitable share has been key financing component of the County's budget contributing over ninety percent of the total revenue over the years. In FY 2020/2021 equitable share received was Kes 5.095 billion and increased to Ksh 6.369 billion in the FY 2021/2022. It is projected to remain constant at Kes 6.369 billion in FY 2022/2023 and rise to Kes 6.45 billion in the FY 2023/2024 and Ksh 6.53 billion in FY 2024/2025.

In the FY 2020/21 own source revenue collected was Ksh 205.203 million against a target of Ksh 346.088 million this was occasioned by effects of covid-19 pandemic coupled with weather vagaries. This revenue performance will be underpinned by on-going investments on revenue sources, revenue administration and change in policy. It is estimated that Kes. 258.97 million will be collected in the FY 2021/2022. Within the MTEF period, it is projected that own source revenue will be 322.08million, 367.54 million and 439.70 for the FY 's 2022/23; 2023/24 and 2024/25 respectively. A summary of this is as shown the table below:

Revenue	APPROVED BUDGET 2021/2022 FY	PROPOSED ALLOCATION FOR 2022/2023 FY
Equitable Share	6,369,394,592	6,369,394,592
Local Revenue	258,546,935	271,474,282
<b>Sub Total</b>	<b>6,627,941,527</b>	<b>6,640,868,874</b>
Loans & Grants	667,338,025	-
Leasing of Medical Equipment	153,297,872	-
<b>Sub Total</b>	<b>820,635,897</b>	-
Bal b/f	2,498,762,283	-
<b>Total</b>	<b>9,947,339,707</b>	<b>6,640,868,874</b>
<b>EXPENDITURE</b>		
Development	4,487,144,741	2,037,260,662
Recurrent	4,639,559,069	4,603,608,211
Loans & Grants	667,338,025	-
Leasing of Medical Equipment	153,297,872	-
<b>Total</b>	<b>9,947,339,707</b>	<b>6,640,868,874</b>

#### 3.3 Expenditure Projections

Overall budget expenditure for FY 2022/2023 is projected at Kes 6.640 billion from the approved budget of Kes 9.947 billion in the FY 2021/2022. These expenditures comprises recurrent of Kes 4.9603 billion and development of Kes 2.037 billion for FY 2022/2023 and recurrent of Kes 5.241 billion and development of Kes 4.705 billion in the FY 2021/2022.

Most of the outlays are expected to support critical infrastructure and improvement of livelihoods of the county residents.

#### 3.4 Public Participation Hearings and Involvement of Stakeholders

The law requires that the input of the public be taken into account before the Budget proposals are firmed up. The importance attached to public participation reflects the acceptance that citizens and civil society organizations are important agents of good governance and sustainable development. In this regard, Public Hearings for the FY2022/2023 were conducted in all the county sub counties. The priorities varied from Sub County to another as follows:

- ❖ Baringo Central sub-county gave priority to Health Services, Agriculture, Livestock and Fisheries and Veterinary services, water and irrigation and Trade, Industrialization, cooperative and Enterprise development.
- ❖ Baringo South sub-county gave priority to the departments of Agriculture, livestock and veterinary services, Land, Housing and Urban Development, Health Services and Transport, Infrastructure and Public Works.
- ❖ Baringo North sub-county prioritized the department of Health Services, Agriculture, Livestock and Fisheries and Veterinary services, Water and Sewerage and Education.
- ❖ Eldama Ravine sub-county priorities were to department of Agriculture, livestock and veterinary services, Health Services, Youth Affairs, Gender and Social Services and Water and Sewerage.
- ❖ Mogotio sub-county gave priority to Agriculture, Livestock and Fisheries and Veterinary services, Water and Sewerage, Health Services and Transport, Infrastructure and Public Works
- ❖ Tiaty sub-county prioritized department of water and irrigation, Health Services, Education and Agriculture, Livestock and Fisheries and Veterinary services.

It is crystal clear that the public participation in all sub-counties gave preference to Health Services, Agriculture, Livestock and Fisheries and Veterinary services and Water and Sewerage as in the effort of resuscitating the economy which has been devastated by COVID-19.

Herein below bar chart provides a summary of the rankings per department in percentage form.

**Table 4: Development Allocation Per Department**

S/No.	Departments	Total	%	Development
1	Agriculture, Livestock and Fisheries and Veterinary services	329	12%	222,462,594
2	Land, Housing and Urban Development	226	8%	152,816,250
3	Transport, Infrastructure and Public Works	227	8%	153,492,428
4	Information and Communication Technology	117	4%	79,112,837
5	Trade, Industrialization, cooperative and Enterprise dev.	206	8%	139,292,688
6	Health Services	330	12%	223,138,772
7	Education	283	10%	191,358,402
8	Public Service & Administration	135	5%	91,284,043
9	County Treasury	94	3%	63,560,741
10	County Assembly	60	2%	40,570,686
11	Youth Affairs, Gender and Social Services	245	9%	165,663,634
12	Water and Sewerage	299	11%	202,177,251
13	Environment, Natural Resources and Tourism	187	7%	126,445,304
	<b>Total</b>	<b>2738</b>	<b>100%</b>	<b>1,851,375,631</b>
	<b>Revenue share for development</b>			<b>1,992,260,662</b>
	<b>Revenue deficit</b>			<b>140,885,031</b>
	<b>Development budget</b>			<b>1,851,375,631</b>

**Table 5: CFSP Ceiling for FY 2022/2023**

	Departments	Approved Budget		CFSP Ceiling		Projection	
		2021/2022	2022/2023	2023/2024	2024/2025		
1	County Assembly	847,519,020	710,131,639	745,638,221	782,920,132		
2	County Executive Services	3,485,004,780	3,486,182,214	3,660,491,324	3,843,515,890		
3	County Finance and Economic Planning	493,859,024	206,560,359	216,888,377	227,732,796		
4	Roads, Transport, Energy and Public Works	1,350,773,292	167,192,601	175,552,231	184,329,843		
5	Trade, Cooperatives and Industrialisation	156,085,959	154,597,780	162,327,669	170,444,053		
6	Education and Vocational training	306,974,664	236,448,402	248,270,822	260,684,363		
7	Health Services	1,080,429,081	515,802,554	541,592,681	568,672,315		
8	Lands, Housing & Urban Development	170,727,963	214,739,956	225,476,954	236,750,802		
9	Agriculture, Livestock, and Fisheries Management	822,027,087	235,432,375	247,203,994	259,564,194		
10	Youth Affairs, Sports, Culture, Gender and Social services	179,215,995	183,576,087	192,754,891	202,392,636		
11	Water and Irrigation	943,555,669	249,572,763	262,051,401	275,153,971		
12	Tourism, Wildlife Management , Natural Resources and Mining	111,167,173	139,747,113	146,734,469	154,071,192		

	Local Revenue uncollected in 2020/2021	-	140,885,031	-	-
	<b>Total</b>	<b>9,947,339,707</b>	<b>6,640,868,874</b>	<b>6,824,983,035</b>	<b>7,166,232,186</b>

### 3.5 Detailed Sector Priorities

The proposed allocation for development for 2022/2023 financial year is Kes 2.037 billion to finance programmes/projects in the following categories: suspended/shelved projects Kes 140 million (from unrealized revenues of FY 2020/21), County Flagship projects Kes 1.197 billion, ward based projects Kes 840 million the breakdown is shown below.

**Table 6: Development Ceiling for 2022/2023 FY CFSP**

S/No	Departments	Ward Based Priority	Flagship	CFSP Ceiling	Allocation Ratio
1	Agriculture, Livestock and Fisheries and Veterinary services	100,934,989	138,456,449	239,391,438	12%
2	Land, Housing and Urban Development	69,335,281	140,109,901	209,445,182	8%
3	Transport, Infrastructure and Public Works	69,642,075	95,530,742	165,172,816	8%
4	Information and Communication Technology	35,894,814	49,238,312	85,133,125	4%
5	Trade, Industrialization, cooperative and Enterprise dev.	63,199,416	86,693,096	149,892,511	8%
6	Health Services	101,241,782	138,877,289	240,119,072	12%
7	Education	86,822,498	119,097,797	205,920,295	10%
8	Public Service & Administration	41,417,093	56,813,437	98,230,529	5%
9	County Treasury	28,838,568	39,558,985	68,397,554	3%
10	County Assembly	18,407,597	25,250,416	43,658,013	2%
11	Youth Affairs, Gender and Social Services	75,164,354	103,105,866	178,270,220	9%
12	Water and Sewerage	91,731,191	125,831,241	217,562,432	11%
	Environment, Natural Resources and Tourism	57,370,343	78,697,131	136,067,474	7%
		<b>840,000,000</b>	<b>1,197,260,662</b>	<b>2,037,260,662</b>	<b>100%</b>

### Ceiling per Economic classification

	Departments	Salaries CFSP Ceilings	Operation And Maintenance CFSP Ceilings	Total Recurrent	Development Ceiling	Total Ceiling
1	County Assembly	370,828,638	298,732,315	669,560,953	40,570,686	710,131,639
2	Public Services, Administration, Devolution , & ICT	3,026,863,149	288,922,184	3,315,785,333	170,396,881	3,486,182,214
3	County Finance and Economic Planning	-	142,999,618	142,999,618	63,560,741	206,560,359
4	Roads, Transport, Energy and Public Works	-	13,700,173	13,700,173	153,492,428	167,192,601
5	Trade, Cooperatives and Industrialisation	-	15,305,092	15,305,092	139,292,688	154,597,780
6	Education and Vocational training	-	45,090,000	45,090,000	191,358,402	236,448,402
7	Health Services	-	292,663,781	292,663,781	223,138,772	515,802,554
8	Lands, Housing & Urban Development	-	16,923,706	16,923,706	197,816,250	214,739,956
9	Agriculture, Livestock, and Fisheries Management	-	12,969,781	12,969,781	222,462,594	235,432,375
10	Youth Affairs, Sports, Culture, Gender and Social services	-	17,912,453	17,912,453	165,663,634	183,576,087
11	Water and Irrigation	-	47,395,512	47,395,512	202,177,251	249,572,763
12	Tourism, Wildlife Management, Natural Resources and Mining	-	13,301,809	13,301,809	126,445,304	139,747,113
	Local Revenue uncollected in 2020/2021	-	-	-	140,885,031	140,885,031
	<b>TOTAL</b>	<b>3,397,691,787</b>	<b>1,205,916,424</b>	<b>4,603,608,211</b>	<b>2,037,260,662</b>	<b>6,640,868,874</b>



## **Transport, Energy, Infrastructure and Information Communications and Technology Sector**

The development of transport infrastructure network plays an important role in the economic development of a country and is often used as an index to assess the extent of development. Improved road network reduces the cost of transportation, both in terms of money and time. Improved road network plays a key role in integration of county inhabitants and neighboring counties.

This sector is one of the enablers for socio economic development. Notable achievements include acquisition of machinery which has enhanced opening of rural access roads, grading, murramping and maintenance of roads, Opening and lining of storm water drainages, Upgrading existing earth roads to gravel standard; Rehabilitating/ reconstructing bridges across the County.

The strategies and measures to be pursued in the medium term include construction and maintenance of all feeder/access roads, construction of urban roads to bitumen standards, Installation of flood lights, construction and rehabilitation of bus parks and Construction of bridges.

The key challenges facing the Department include: inadequate financial resources, encroachment of roads reserves,

The sub sector of ICT is prioritizing in investing in youth by focusing on supporting the national strategy of promoting Ajira initiative. To accelerate the process, the county will continue investing in developing County Innovation hubs (Ajira centres) and Install Internet and Wi-Fi Services in the major. This is expected to increase the uptake of internet based and other ICT related services for socio-economic growth as well reducing the unemployment in the County.

## **Environmental Protection, Water, Natural Resources and Tourism Sector**

During the FY 2021/22, key achievements in the Sector included; improvement of access to clean drinking water, the department was able to achieve the following: acquisition of drilling rig, Chemususu Last Mile distribution of lines, Rehabilitation of water supplies, ongoing construction of water pans, ongoing drilling and equipping of boreholes.

Priorities for the coming financial year include completion of ongoing projects, rehabilitation and drilling of new boreholes, construction of small pan dams and water tanks, water distribution to the households and rehabilitation of irrigation schemes.

In the department of environment, natural resources and tourism, its aims is to enhance the overall quality of life of County residents by advancing and supporting the County's economic strength through managing a robust logistics, travel and tourism marketing program that highlights the County's distinct and varied cultural, historic and natural attractions.

Achievements include: raised 90,000 seedlings in the nurseries in Mochongoi, Mogotio and Kabarnet, Planted of 1,600 assorted tree in Eldama Ravine, Soil classification and vegetation cover carried out in Koitegan through RECONCILE towards enhancing the management of the forest, Enhancing of community participatory rangeland management by RECONCILE collaborating with the county government for Kaborion, Paka, Koitegan and Irong, Chuine and Irong Community Conservancies (Lake Bogoria ecosystem), Chuine and Irong Conservancies have done sensitizations and mapping and are planning to undertake taxonomy of flora and fauna in the ecosystem, Establishment of Community Development Agreement Committee (CDAC) for Kositei Diatomite.

## **Agriculture, Rural and Urban Development Sector**

The department of Agriculture, Livestock and fisheries development is one of the key departments that drive the socio- economic development of the County. The priority projects identified by the stakeholders are aimed at increasing household food security, nutrition, and source of income and to address the challenges brought by covid-19 pandemic and locust infestation. It is imperative to learn that some flagship/transformational programs such as coffee development have been replicated across the county due to its multiplier effects.

Transformation of Kenya's agricultural sector to boost food and nutritional security through increased output and agricultural processing is one of the Big Four initiatives under the third Medium-Term Plan. Growth of the sector in the county will enhance purchasing power of the communities especially in the rural areas and contribute to the goal of attainment of food and nutrition security.

Some of the key achievements during the period under review include:

- ❖ Coffee mill – completion of katimok coffee mill at Kes 100million, Coffee improvement project - The area under coffee has increased from 896 Ha to over 1800 hectares, production per tree increased from an average of 3kg to 5kgs per year, the quality of the coffee has improved, through direct coffee sales, farmers exported to Korea 63.8 tons earning farmers Ksh 37.8M.
- ❖ Distribution of mangoes seedlings, pawpaws, avocados, macadamia and coffee seedlings to increase area of fruit production
- ❖ Supply of fingerlings and supplementary feeds to enhance fish farming
- ❖ Procured and distributed of one month old poultry chicks to farmers.
- ❖ Construction of a milk processing plant (50,000 litres/day) on-going in Eldama ravine sub county (project phased)
- ❖ Upgrading of livestock through procurement of sahiwals, galla bucks and doper rams.
- ❖ Constructed/rehabilitation of cattle dips for improved vector control.
- ❖ Procured and supported cattle dips with 7000 litres of acaricides.
- ❖ Maoi slaughter house construction to boost value addition of meat
- ❖ 3 Vaccination programs carried out against FMD, PPR, CCPP and rabies

Key constraints in the Department include:

- ❖ Emergence of locust infestation and covid-19 pandemic affected timely implementation of projects
- ❖ Inadequate funds for early project preparation documents such as designs, BQs, EIA and feasibility studies.
- ❖ Withdrawal funds for ongoing projects during supplementary budget
- ❖ Inadequate capacity by some contractors resulting in project delay
- ❖ Inadequate staff for project implementation and transport facilitation for field extension activities.
- ❖ Lack of public land for community prioritized projects.
- ❖ Insecurity and conflict in some areas affect project implementation
- ❖ High costs and low quality agricultural inputs; Low quality seeds/breeds;
- ❖ Inadequate organized marketing structures for agricultural produce;
- ❖ Low value addition resulting in low producer prices; Erratic and inadequate rainfall and Over reliance on rain fed agriculture;
- ❖ Limited use of modern irrigation technology;
- ❖ Low adoption of modern technology in agricultural sector; and
- ❖ Low utilization of dam fishery resource.

Some of the specific programmes to be undertaken in the FY 2022/23 include: development of policies to improve agricultural performance, completion of Eldama Ravine milk plant and Maoi abattoir, Improving capacity for livestock industry development by training farmers in modern breeding technologies, training farmers on disease control and management and support through purchase and deliver veterinary vaccines; support improvement of livestock at ATC Eldama Ravine, rehabilitation and operationalization of county slaughter houses, support dairy sector through value addition, support cotton and sisal farmers and implementation of Kenya Climate Smart Agriculture Project (KCSAP).

In the department of Lands, Urban Planning and Development Sub Sector strategies and measures to be pursued in the medium term include: implementation of the county spatial plan in order to improve the livelihood of the people as well as attract investors, establishment of land clinics, acquisition of land for land banking, improve land data collection and management, Land Planning and Development, enhance the housing stock through employment of modern high-rise housing technology, acquire of up to date equipment and offer necessary training and land survey (Cadastral

survey, land adjudication and demarcation, Geospatial data collection, land disputes, opening of urban roads and Regularization and formalization of allotment letters for purpose leases).

## **Education Sector**

13,000 Assorted PP2 text books procured and supplied, Equipping of 9 ECDE classrooms, Completion of stalled ECDE classrooms The Achievements of the department include ongoing implementation of school meal programme in ASAL areas, disbursement of bursaries. The Education sector has prioritized programs and sub programs intended to promote sustainable enrolment in ECDE and VTCs as well as skill development in VTC. The budget for the Sector will be implemented through four (4) programmes in Vocational Training to promote skills development, Early Childhood Development Education to facilitate quality, affordable and accessible basic education and Special programme towards promotion of access and enrolment.

The sub sector of Vocational Training will focus on investment in centres with high enrolment as well as sensitization to members of the public especially youth, securing centres. The ECDE subsector will priorities construction of model centres, equipping, Supply of teaching and learning resources and Training of ECDE teachers on new curriculum. To increase retention and access.

## **Health Services**

Key Achievements of the department include:

- i. Continued COVID 19 Response activities such as active surveillance, contract tracing and testing of suspected cases in the community
- ii. Set up of Covid-19 HDU ward in BCRH ward 4
- iii. Containment, isolation, treatment and monitoring of covid positive cases
- iv. PPEs were distributed to various facilities for COVID-19 prevention and management of patients. The team was involved in pharmaceutical management of COVID-19 patients.
- v. Confirmation of 133 staff who were on probation since appointments
- vi. Developed Malaria Epidemic Response plan de
- vii. Developed HIV County Aids Implementation Plan
- viii. Fostered and strengthened partnerships

## **General Economics and Commercial Affairs Sector**

The sector comprises three Sub-sectors namely; Industrialization, Trade & Enterprise Development & Co-operative Development. The focus of the sector is to alleviate poverty by positively transforming the socio-economic status of the people of Baringo through employment and wealth creation.

The Sector is a key contributor to the economic growth of the county. It plays a key role in accelerating economic growth, employment creation, poverty reduction, industrial development and achieving equitable distribution of resources as well as attainment of Sustainable Development Goals (s).

The Sector has a direct contribution to Thematic Pillar on Employment and Wealth Creation for Sustainable Economic Prosperity

The sector comprises of four Sub sectors namely: Trade, Industry and Cooperatives Development. The department plays a vital role in positioning the County as an industrial park and trade. It envisions to make Baringo County a destination of choice for business and investment with a mission of creating wealth for the people through a competitive business enterprise, value addition and cooperatives by providing enabling environment for their establishment and growth.

The strategic goals and objectives for the sector are: To make direct contribution in establishment and growth of local businesses, industries and cooperatives, promote an enabling environment for business enterprises to thrive, attract and retain local and external investments in Baringo County, promote expansion of local markets and facilitate access to external markets for local products and service, protect consumers by enabling fair trade practices, profile and market County investment

opportunities to Local, Regional and International investors, provide an enabling environment that ensures growth in Industrialization, Trade, Enterprise and Co-operative development, promote good governance and effective management of Cooperative Societies for wealth and employment creation, calibrate and maintain all units of measurements, weighing and measuring equipment within the county to acceptable degree as per the international bureau of weight and measures and profile labour markets and create linkages to facilitate job creation for the people of Baringo, mainly Youth, Women & other Vulnerable groups.

Key challenges of the Department include: inadequate legal, regulatory and institutional frameworks; high cost of production especially energy; and low technology and innovation. Travel Advisories; Security; Infrastructure; Energy; Inadequate funding for programmes; Weak implementation of Policies and Regulations; limited access to Credit Facilities for businesses and Financial Services; ICT Infrastructure; Low level of awareness on Regional Integration Opportunities/Benefits.

Funding for the 2022/23 2024/25 MTEF period will focus on delivery of the Department's priorities and in particular those aimed at growth and development of trade and industry; and investments mobilization; industrial and entrepreneurship development and employment creation.

Some of the specific programmes to be undertaken in the FY 2022/2023 include: Completion and equipping of modern honey processing plant and purchase of Honey processing Machines for Co-operatives,, completion of market Stalls at Marigat, completion and equipping of Mogotio Tannery, construction of 10 market stalls, purchase of sisal processing machines, acquisition of land and development of Industrial Park at Kimose, rehabilitation of all stalled markets countywide, funds for County Micro and Small Enterprises and Co-operative development, commercialization of natural products such as Aloe and Tamarind, Business Development services e.g., consumer protection and sensitization services , revival of Cotton growing and processing at Salawa and Kerio Belt, establishment of Business Information Centre/Export Promotion Hub and renovations of all fresh produce markets.

### **Social Protection, Culture and Recreation Sector**

Key achievements in the FY 2021/2022 include: Completion of phase cultural and empowerment centres, Supply of sports assorted equipment across the county, established youth forum, Held successful youth training, Disbursed grants to PWDs and Elderly grants

Under Social Protection sub sector, priority will be on Completion and equipping Youth Empowerment centres. Culture Sub-Sector shall embark on completion and equipping Social hall and Economic empowerment facilities for youth and women.

### **Public Administration and Governance Sector**

The sector comprises of five Sub-sectors, namely: County Assembly, County Executive Service and County Treasury, whose strategic goal is to deliver public services and manage all public affairs in a professional and equitable manner using efficient, effective and reliable governance systems.

The County Executive Service is in charge of County public service management. The department comprises of two Sub-Sections, Administration and Public Service. The sub sector vision is to be excellent in governance and service delivery with a promote inclusivity, professionalism, equity and responsive public services through effective and efficient county governance systems while embracing democracy, cohesion, and public engagement

Towards improvement, efficiency and effectiveness of service delivery the department of devolution, public service management, ict and e-government has completed construction of ward offices which are currently awaiting equipping, development of communication strategy and policy development, promotion and re-designation of staff across all the county departments and civic education forums.

The strategies and programmes to be pursued in the Medium term include: Management and coordination of county affairs and supervision service delivery; policy formulation, provision of

administrative support; management and development of Human Resource; and providing Legal and public affairs services. The department has enhanced automation of County Government systems such as the Revenue Management System, Fostered and strengthened partnerships and collaborations, Continuous Information and Data Security and Offered industrial attachment opportunities to university and college students

The sub sector of Finance and Economic Planning department plays a key role in enhancing county service delivery, organization and co-ordination through planning, mobilization of financial and human resources in the County. The sector is also a link of the other sectors with the National government in matters of resource mobilization. It's also mandated to ensure that external resources (grants, loans, donations) are effectively mobilized, disbursed and effectively utilized and that there is prudent public debt management. It is responsible for the administration and enforcement of revenue laws and for that purpose collecting and accounting for all rates, taxes, fees and charges payable by or under any laws in the County; collection of statistical data needed for planning purposes; County budget implementation and monitoring and evaluation. Other achievements include: Implementation of CIMEIS – Data cleaning and data entry, Preparation and submission of planning and budget documents for FY 2021/2022.

The county assembly achieved the following: Completion of the Public Gallery & Extension of Offices (Phased), Purchase of Land for Speaker's Residence, Completion of County Assembly Office Block, Installation of the Lift Core and Passed 2 bills for enactment

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