

COUNTY GOVERNMENT OF SAMBURU



MEDIUM-TERM

COUNTY FISCAL STRATEGY PAPER

January 2022

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Abbreviations and Acronyms

ASDSP	Agriculture Sector Development Support Programme
BPS	Budget Policy Statement
CFSP	County Fiscal Strategy Paper
CHMT	County Health Management Team
CIDP	County Integrated Development Plan
COVID-19	Corona Virus Disease 2019
CRA	Commission on Revenue Allocation
ECD	Early Childhood Development
FY	Financial Year
GDP	Gross Domestic Product
ICT	Information, Communication, and Technology
KSH	Kenya Shillings
MTEF	Medium Term Expenditure Framework
NARIGP	National Agriculture Rural Inclusive Growth Programme
PFMA	Public Financial Management Act 2012
SHMT	Sub County Health Management Team
SMEs	Small and Micro Enterprises
SNR	Samburu National Reserve

Foreword

This CFSP is prepared in accordance with provisions of Section 117 of the PFMA 2012. The County Fiscal Strategy Paper 2021 outlines the economic policies and sector priority programs to be implemented in the next MTEF period (2022/23-2024/25) whose priorities are derived from the Samburu residents and as anchored in the County Integrated Development Plan (CIDP), and the National Government's economic policy under the Big Four agenda of Vision 2030.

The policy document outlines the following broad areas: a review of the fiscal performance of the first Six months of FY 2021/2022; highlights of the recent economic developments and economic outlook; broad strategic priorities and policies for FY 2022/2023 as indicated in the Annual Development Plan 2022/2023 and as outlined in the Samburu County Integrated Development Plan II (2018-2022).

In the FY 2022/23 budget estimates, the total revenue is projected to be Ksh. **5.7 Billion**. This is comprised of an equitable share of **Ksh 5.3 Billion** as provided in 2021 BPS and Ksh **202 Million** as Loans as well as unconditional and conditional grants. Own source revenue is projected to be **Ksh 156 Million**. The County Government has projected that overall expenditure will be equal to the forecasted County receipts for FY2022/2023. The County allocation for development expenditure will be **Ksh 1.7 Billion** which is 30% of total expenditure while recurrent expenditure will amount to **Ksh 4 Billion** which is 70 % of total expenditure.

The 2022 CFSP emphasizes containing costs and improving efficiency across government departments and entities. These efforts are expected to moderate the pace of public expenditure growth while accelerating the delivery of quality services. Spending baselines which are the basis for ceilings allocations have undergone rigorous review taking into account facts that which include: the capacity of departments and public entities to manage resources, the link between outcomes, expenditure and departmental mandates, proposals from the public, and Programme performance so far and the provisions of the Public Finance Management (County Governments) Regulations, 2015.

Hon. Jonathan Leisen
CECM-Finance, Economic Planning, and ICT

Acknowledgment

This County Fiscal Strategy Paper is a continuation of the County Government's efforts to ensure effective linkage between policies, planning, and budgeting. It provides an updated resource envelop and presents a fiscal framework for the next budget and the medium-term plan. It also updates the Medium Term Expenditure Framework (MTEF) for the financial years 2022/2023 to 2024/25. It also sets indicative sectoral ceilings in line with indicative priorities and programs in line with the available resources.

The 2021 Budget Policy Statement (BPS) from the National Treasury was a useful reference document on key issues and policy direction. We also acknowledge that the successful completion of this 2022 CFSP was made under the leadership of the county executive member for Finance, Economic Planning, and ICT Hon. Jonathan Leisen. His advice, direction, and facilitation in carrying out the exercises were much appreciated. In summary, CFSP comprises; **performance, priorities, projections**, and sector **ceilings**.

As a County Treasury, we are grateful and indebted to our County Executive Member for Finance and Economic Planning for his invaluable guidance and counsel in the development of this document. My sincere gratitude goes to my colleagues the Chief Officers, the CFSP secretariat, and the department staff for their contributions and dedication towards the conclusion of the process on time. Equally, we value the useful inputs we received from the public when we undertook consultations through public participation in line with the requirements of the Public Finance Management Act, 2012 and the Constitution. Those inputs are submitted alongside this document.

Mr. David Lesamana

Chief Officer - Finance Economic Planning and ICT

Legal Basis

Legal Basis for the Publication of the CFSP.

The county fiscal strategy paper is prepared in accordance with Section 117 of the PFMA. The law states that:

(1) The County Treasury shall prepare and submit to the County Executive Committee the CFSP for approval and the County Treasury shall submit the approved CFSP to the County Assembly, by the 28th February of each year.

(2) The County Treasury shall align its CFSP with the national objectives in the BPS.

(3) In preparing the CFSP, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.

(4) The County Treasury shall include in its CFSP the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

(5) In preparing the CFSP, the County Treasury shall seek and take into account the views of —

(a) the CRA;

(b) the public;

(c) any interested persons or groups; and

(d) any other forum that is established by legislation.

(6) Not later than fourteen days after submitting the CFSP to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments.

(7) The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal for the financial year 2020/21.

(8) The County Treasury shall publish and publicize the CFSP within seven days after it has been submitted to the County Assembly.

Fiscal Responsibility

Fiscal Responsibility Principles in the PFMA

In line with the Constitution, the PFMA, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFMA (Section 107) states that:

- (a)** The County Government's recurrent expenditure shall not exceed the County Government's total revenue;
- (b)** Over the medium term a minimum of thirty percent of the County Government's budget shall be allocated to the development expenditure;
- (c)** The county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;
- (d)** Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- (e)** The county debt shall be maintained at a sustainable level as approved by county assembly;
- (f)** The fiscal risks shall be managed prudently; and
- (g)** A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

CHAPTER ONE: OVERVIEW

Introduction:

1. The preparation of the CFSP 2022 was a consultative process that involved seeking and considering the views of The Commission on Revenue Allocation; The National Treasury; the public and interested Stakeholders.
2. The County Fiscal Strategy Paper contains:
 - a) An assessment of the current state of the economy and the financial outlook over the Medium Term, including macroeconomic forecasts;
 - b) The financial outlook concerning county revenue and expenditures for the next financial year and over the Medium Term;
 - c) The proposed expenditure limits for the County Government of Samburu; and
 - d) The fiscal responsibility principles and financial objectives over the Medium Term.

Outline of the 2022 County Fiscal Strategy Paper

3. The CFSP document contains five chapters that are organized as follows:

Chapter 1: This chapter gives the overview and the organization of the CFSP.

Chapter 2: This chapter provides an overview of the recent economic developments and the macroeconomic outlook that covers the global and domestic scene.

Chapter 3: This chapter contains the County Development Priorities that outline budget priorities and resources.

Chapter 4: This chapter contains the Budget framework which outlines the fiscal framework that is supportive of growth over the medium-term while continuing to provide adequate resources to facilitate execution of policy priorities of the County Government of Samburu. The chapter also gives the budget overview for 2022/23 and its compliance with the fiscal responsibility principles.

Chapter 5: This chapter finally gives the conclusion and next steps.

CHAPTER TWO: RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK

Overview of Recent Economic Performance

Global Economic Review

A. Overview

4. This CFSP 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 6.0 percent from a contraction of 3.2 percent in 2020. 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 financial support in the second half of 2021 and broader vaccinations coverage across the group.
5. Economic growth in the sub-Saharan Africa region is projected at 3.4 percent in 2021 from a contraction of 1.8 percent in 2020 due to improved exports and commodities prices, and the rollout of vaccination programs 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 is expected to weigh down the region's recovery in 2022.

Domestic Economic Performance

GDP Growth

6. In 2020, the Kenyan economy was adversely affected by the outbreak of the 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 do in FY 2020/21.
7. Economic indicators by sector for the fourth quarter of 2020 point to a strong recovery. The 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, the performance of some Service sectors (accommodation and restaurant and, transport and storage) are likely to remain subdued due to the covid-19 containment measures which prevailed during the quarter under review.

8. Leading indicators point to a relatively strong recovery in the first quarter of 2021, supported by a strong performance of agriculture, construction, information and communication, real estate, and finance and insurance sectors. The enhanced covid-19 containment measures implemented in five counties (Nairobi, Kiambu, Machakos, Kajiado and Nakuru) between March 26th - May 1st 2021, and the 13 western lake basin region between June 18th and July 30th are expected to have had a moderate impact on output in the second and third quarters as businesses in most sectors were in operation.
9. Similar to the global economy, Kenya's economy is projected to rebound in 2021 to 6.6 percent from an earlier projection of 7.0 percent in the BPS 2021. The downward revision was due to the impact of containment measures between the March and July 2021 period as a result of the third wave of the covid-19 pandemic.
10. 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 programs as outlined in the Third Medium Term of Vision 2030. Weather conditions are expected to be favorable supporting agricultural output. As a result, the export of goods services will expand as global demand normalizes.

Inflation Rate

11. The year-on-year overall inflation rate has remained low, stable and within the policy target range of 5+/-2.5 percent since the end of 2017. The year-on-year inflation rate increased in July 2021 but remained within the target range at 6.4 percent from 4.4 percent in July 2020, mainly on account of higher food and fuel prices.
12. 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 1.0 percentage points in July 2021 from 0.6 percentage points in June 2020, reflecting a pick-up in economic activity.

- 13.** 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 percentage 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.
- 14.** Kenya's rate of inflation compares favorably with the rest of Sub-Saharan Africa countries. In July 2021, Kenya recorded a lower inflation rate than Ghana, Burundi, Nigeria, Zambia, and Ethiopia.

Kenya Shilling Exchange Rate

- 15.** The foreign exchange market has largely remained stable but partly affected by tight global financial conditions attributed to uncertainty about the covid- 19 pandemic. In this regard, the Kenya Shilling to the US Dollar exchanged at Ksh 108.1 in July 2021 compared to Ksh 107.3 in July 2020.
- 16.** In comparison to most sub-Saharan Africa currencies. the Kenya Shilling has remained relatively stable weakening by 1.3 percent against the US Dollar. This depreciation of the Kenya Shilling was lower than that of Rwanda Franc, Nigerian Naira, Mauritius Rupee, and Burundi Franc. The stability in the Kenya shilling was supported by increased remittances, adequate foreign exchange reserve,s and favorable horticultural exports (fruits, vegetables and cut flowers).

Interest Rates

- 17.** 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 to support credit access by borrowers especially the Small and Medium Enterprises distressed by the 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 percent in July 2021 from 2.1 percent in July 2020.

18. Interest rates on the Treasury bills remained relatively stable in July 2021. The 91-day Treasury Bills rate was at 6.6 percent in July 2021 compared to 6.2 percent in July 2020. Over the same period, the 182-day Treasury Bills rate increased 7.1 percent from 6.7 percent while the 364-day decreased to 7.5 percent from 7.6 percent.
19. The improved liquidity in the money market has resulted in stable commercial bank rates. The average lending rate remained stable at 12.0 percent in June 2021 compared to 11.9 percent in June 2020 while the average deposit rates declined from 6.9 percent to 6.4 percent over the same period. This led to a marginal increase in the average interest rate spread by 0.4 percentage points over the review period.

Money and Credit

20. The broad money supply, M3, grew by 6.3 percent in the year to June 2021 compared to a growth of 9.1 percent in June 2020. The growth in M3 was attributed to an increase in the Net Domestic Assets particularly improvement in net credit flows to the government and the private sector.
21. Net Foreign Assets (NFA) of the banking system in the year to June 2021 contracted by 12.0 percent, compared to a contraction of 5.7 percent in the year to June 2020. The contraction in NFA was reflected in the decline in the foreign currency reserves by the Central Bank. The NFA of commercial banks also declined during the review period as a result of a decrease in deposits abroad.
22. Meanwhile, Net Domestic Assets (NDA) decreased to register a growth of 11.7 percent in the year to June 2021 from a growth of 14.5 percent over a similar period in 2020. This was largely due to an improvement in net credit flows to both Government and the private sectors. The increased net lending to Government was on account of Government spending resulting in lower deposit holding at the Central Bank of Kenya. However, net credit flows to other public sectors declined during the review period.

Private Sector Credit

23. Private sector credit grew by 7.7 percent in the 12 months to June 2021 compared to a growth of 7.6 percent in the year to June 2020. Strong credit growth was mainly observed in manufacturing (8.1 percent) consumer durables (23.4 percent); transport and communication (11.8 percent).

The number of loan applications picked up in June 2021 reflecting improved demand with increased economic activities. The Credit Guarantee Scheme for the vulnerable Micro, Small and Medium Enterprises (MSMEs), which was launched in October 2020, continues to de-risk lending by commercial banks and is critical to increasing credit to this sector.

External Sector Developments

- 24.** The overall balance of payments position improved to a surplus of USD 1,970.0 million (2.0 percent of GDP) in the year to May 2021 from a surplus of USD 210.5 million (0.2 percent of UNDP) to May 2020. This was mainly due to reduced payments on imports, and improved export earnings despite lower receipts from services. The capital account also improved during the review period.
- 25.** The current account deficit was at USD 5,361.8 million (5.4 percent of GDP) in the year to May 2021 from USD 5,137.5 million (5.2 percent of GDP) to May 2020. The current account balance was supported by an improvement in the merchandise account balance, the net primary income balance, and the net secondary income balance.
- 26.** The balance in the merchandise account improved by USD 425.9 million to a deficit of USD 9,265.8 million in the year to May 2021 or account of a decline in imports and an increase in exports. In the year to May 2021, exports grew by 5.5 percent primarily driven by increased receipts from exports of horticulture and manufactured goods. On the other hand, the value of imports declined by 0.5 percent in the year to May 2021 mainly reflecting relatively lower international oil prices. Although oil prices increased from a low level in April 2020 due to a covid-19 demand, they remained below the pre-covid levels.
- 27.** Net receipts on the services account declined by USD 1,303.7 million to a deficit of USD 146.2 million in the year to May 2021 compared to a surplus of USD 1,157.5 million in a similar period in 2020 mainly on account of lower receipts from transport and travel services. The balance on the primary account narrowed by USD 392.9 million to a deficit of USD 1,346.9 million in the year to May 2021 from a deficit of USD 1,739.8 million in a similar period in 2020, reflecting lower reinvestment related outflows. Secondary income inflows remained resilient and increased by USD 260.5 million during the review period supported by remittances

28. The capital account balance improved to a surplus of USD 251.2 million in the year to May 2021, a growth of 55.7 percent, compared to a surplus of USD 161.3 million over the same period in 2020. Net financial inflows were at USD 3,503.6 million in May 2021 compared to USD 3,564.5 million in May 2020. The net financial inflows were mainly in the form of other investments net inflows which stood at USD 4,716.5 million in May 2021. Direct investments, portfolio investments and financial investments recorded net financial outflows during the same period.

Foreign Exchange Reserves

29. The banking system's foreign exchange holdings remained strong at USD 12,745.4 million in May 2021 from USD 13,805.7 million in May 2020. The official foreign exchange reserves held by the Central Bank were at USD 7,871.6 million (4.8 months of import cover) in May 2021 compared with USD 9,735.3 million (5.9 months of import cover) in May 2020. This fulfills the requirement to maintain reserves at a minimum of 4.0 months of import cover to provide an adequate buffer against Short term shocks in the foreign exchange market. Commercial banks' holdings increased to USD 4,873.8 million in May 2021 from USD 4,067.3 million in May 2020.

Capital Markets Development

30. Activity in the capital markets increased in July 2021 compared to July 2020, with equity share prices increasing as shown by the NSE 20 Share Index. The NSE 20 Share Index stood at 1,974 points by end of July 2021, an increase compared to 1,804 points by the end of July 2020. Market capitalization also increased to Ksh. 2.766 billion from Ksh. 2,034 billion over the same period indicating increased trading activities.

Risks to the Economic Outlook

31. 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 the production of food crops and animal feeds. Additionally, increased public expenditure pressures, particularly wage and other recurrent expenditures would put a strain on the fiscal space.

- 32.** The upside risk to the domestic economy relate to a faster than the 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.
- 33.** 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 markets 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.
- 34.** 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 markets and developing economies. The Kenyan Government continues to monitor the domestic and external environment and will take appropriate policy measures to safeguard the economy against the adverse effects were the risks to materialize.

County Specific Performance 2020/2021

The performance for Samburu County for the financial year 2020/21 in different sectors was as follows;

County Assembly

- 35.** Programs and activities geared towards the promotion of the County assembly's legislative, representation and oversight role were undertaken for the continued functioning of the county assembly in the best interest of the people of the county.

Public Service/County Administration

- 36.** The County Executive's achievements during the period include; completion of the County administration system by recruiting various cadres and staff's promotion to ease service delivery. The County Executive is also undertaking the construction of ward offices and equipping of Sub County Office in Samburu East.

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

County Public Service Board.

37. Samburu County Public Service Board has however not undertaken most of such duties and responsibilities in the year under review, because of the covid-19 pandemic. The Board promoted and re-designated several officers across the county public service. The County Public Service Board members and secretariat participated in various training for capacity building. The CPSB also constructed a toilet, motor vehicle shade and kitchen within its office premises.

Department of Finance, Economic Planning and ICT

38. The County Treasury's achievements during the period include; completion of value for money audits in selected departments, implementation of policy on access to County Government procurement opportunities for women, the youth, and persons with disabilities, successful implementation of e-procurement, preparation of annual procurement plan, revenue collections despite the covid-19 pandemic, preparation of financial statements on time, preparation of the annual budget, preparation of county post-covid-19 recovery strategy, preparation of quarterly progress reports and county annual progress report. Through the M&E unit, the treasury developed a project completion report template as a compulsory attachment to completed projects' payment vouchers. The county treasury coordinated the implementation of the KDSP Program with CB plan preparation and quarterly reporting on the same. Going forward, the County Treasury will continue to put in place appropriate measures by fully implementing performance contracts, developing departmental service charters to enhance service delivery and promote county economic growth. The requirement of preparation of program based budgets and application of e-procurement is to be adhered to by all departments

Special programs

39. The department undertook the following projects-;

- a) Training of fifteen (15) village-level disaster risk management committees.

- b) Development and publishing of the county disaster risk management policy 2021.
- c) Supplied 495 metric tons of emergency relief food to 109,000 vulnerable households.
- d) Conducted 16 peace committees' meetings across the county reaching out to 1,200 peace stakeholders.
- e) Conducted county capacity needs gaps assessment and development of the county capacity strengthening programmes.
- f) Controlled 630 swarms of desert locusts spraying over 94,500 HA.
- g) Through a partnership with development partners, 4,900 vulnerable households received about Ksh 400 million cash transfers. This is in addition to 12,171 households receiving about Ksh 200 million cash per year.
- h) With the support of the Kenya Red cross society established a KES 10 million worth county emergency operation Centre.

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

40. The County government supplied 942 Somali camels breeds to the pastoralist living in the lowlands. Supply of 170 Dorper rams, 35 Ayrshire heifers and 92 Galla goats at the agro-pastoral zone. The above improved breeds were given with aim of improving livestock production. Construction of four (4) sales yards in Loibor Nkare, Baragoi, Lpus and Latakweny areas. The sale yards will boost trade by facilitating the sale of livestock. Supply of 1,500 Kg of assorted pasture seed and tonnes of certified maize seed to boost food security. Through the EU-LED IDEAS Projects the department is constructing Nomotio abattoir and auxiliary structures, once complete the project will enable farmers to get market for beef and mutton closer at Maralal. The department also is in the process of completing both Arsim and Lulu irrigation schemes which will target to help 1,000 households with food. The department also constructed a masonry wall around the Dairy milk processing plant in Maralal.

Department of Water and Natural Resources

41. Drilled and equipped twenty (20) boreholes during the financial year, Rehabilitation of Forty (43) kilometres of water extensions and/or supplies and numerous repairs and overall maintenance of rural water supplies across the county; Excavation and desilting of three (3) earth dams/pans in the capacity building of Water Users Association (Project committees) to strengthen their skills and knowledge in water management of their respective projects.

Fifty-six (56) water committees were adequately trained on different aspects of water governance and management. In partnership with Acted Kenya, Kenya Red Cross, and Department for Livestock through Regional Pastoralists Livelihoods Resilience Project (RPLRP) Seventeen (17) water sites have been drilled, rehabilitated, or repaired in the area of civil works or system solarisation in the various areas in the County. To mitigate environmental risks, the County has put in place measures to mainstream environmental conservation and management; and climate change actions in County planning and budgeting processes to strengthen disaster risk reduction and/or mitigation, and reduce damages caused by natural hazards like floods and droughts.

Department of Education and Vocational Training

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

- a) One hundred and fifty-two (152) ECDE centers were installed with water tanks.
- b) Five hundred and sixty-eight (568) ECDE centers were provided with cooking appliances.
- c) Feeding program to all ECDE centers implemented.
- d) All ECDE centers have been provided with CBC materials
- e) Construction of fifty (50) ECDE centers kitchen, office and stores.
- f) Fifty (50) ECDE centers fenced.
- g) Two hundred and forty (240) ECDE centers were equipped with furniture.
- h) Maralal vocational training rehabilitated and initiated learning programs.
- i) Recruited two more vocational training trainers.
- j) Provision of administration record books and writing materials to all ECD centers.
- k) Equipped Maralal vocational training with relevant tools and equipment.
- l) Five (5) workshops were constructed in Maralal vocational training.
- m) Multipurpose hall capacity of 1,000 persons constructed.
- n) Administration block with lecture halls (washrooms).
- o) Outside sanitary block constructed.
- p) Installation of ICT software and hardware and
- q) Bursary allocation of Ksh. 83.4 million to 12,000 needy students.

Department of Medical Services, Public Health, and Sanitation

43. The department achieved the following in the FY 2020-21-;

- a) Strengthened referral system through the acquisition of an additional ambulance for Marti Dispensary.

- b) Construction of Modern Hospital complex for Samburu County Referral which is ongoing.
- c) Operationalization of Archers Post Sub County Hospital through staff deployment.
- d) Modern incinerators were installed in County Referral and Baragoi sub-county Hospital and Archers Post Sub County Hospital.
- e) Automation of Baragoi Sub-county referral Hospital generator which has enabled the facility to have power during power lapses.
- f) Modern outpatient and surgical ward constructed at Baragoi Sub County Hospital.
- g) According to data extracted from iris August 2021, the County has a total of 779 health workers across all cadres. This Consisted of 16 Medical Officers, 5 Consultants (2 surgeons, (one) 1 Tropical Medicine specialist, 1 physician nephrologist, 2 Dentists 4 pharmacists and One (1) Epidemiologist. The Doctor (Medical Officers) to Patient ratio is about 1:19,327.
- h) There were 305 Nurses in all County GOK health facilities translating to (one) 1 nurse per 1,004 persons. The Number of Clinical officers stood at 56 both specialized and Non-specialized. Among the Laboratory personnel, the total number was 27 which included technologists and technicians. There were 19 nutritionists, 6 radiographers, 15 Health records and information officers, 15 medical social workers and 62 Community health assistants among other cadres.
- i) Improved reporting rates for key reporting tools, e.g. MOH 710, MOH 711, MOH 717 and MOH 705A and MOH 705B.
- j) Improved commodity reporting rates.
- k) Improved commodity storage conditions (availability of palettes)
- l) Reduced Monthly data review meetings to discuss data because of the covid-19 pandemic.
- m) Quarterly Data quality audits, MNCH mentorship.
- n) M&E Technical Working Group in place.
- o) Establishment of three directorates and appointment of three Directors and five deputy directors.
- p) Procurement of assorted medical equipment: 3 Biosafety cabinets, 2 Hematology analyzers, 2 Biochemistry analyzers, HB meter and blood Gas analyzers among others.
- q) Done six blood drives in conjunction with RBTC (Regional Blood Transfusion Centre, Nakuru).
- r) Donation of equipment by Health IT (USAID) for establishing Electronic Medical Records (EMRs) in County Referral Hospital, Kisima Model Health Centre, Wamba Health Centre and Baragoi Sub-District Hospital.

- s) Internet connection through fiber optic cable in Maralal County Referral Hospital.
- t) Covid-19 vaccination: Total vaccinated by 30th June 2021 was 3,751. Out of this 527 were Health workers, 455 teachers, 506 Security, 608 over 58 years and others were 1,655.
- u) Developed key documents AWP 2020-2021, APR 2019-2020, CHS bill.

Department of Lands, Housing, Physical Planning and Urban Development

44. Completion of county Spatial Plan (85% complete) and Maralal Municipality surveying for titling purposes (80% complete). Surveying and Beaconing of Lesirikan and Loosuk Urban Parcels completed. The Preparation of unregistered community land Inventory is 80% complete while Transitioning of 17 Group Ranches into Community Land was completed. The construction of Maralal retail market is 95% complete. Using Labor based method road reserves and drains were opened in Maralal Municipality. The Realignment & Survey of Kirisia forest boundary is 95% complete while facilitation of issuance of the title to Public Institutions is 90% complete. Adjudication of Nami and Naimirimo Community Land is 70% complete

Department of Roads, Transport & Public Works

45. The county budgeted for seventy-six (76) road projects out of which Seventy-three (73) projects that successfully went through procurement, fifty-three (53) have been completed and paid, nine (9) have been completed but not paid, ten (10) are ongoing while one (1) have been terminated. Kisima, Suguta-Mar mar and Maralal streetlight were completed. The Firefighting Training drills were conducted in various schools and institutions.

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

46. The following projects were undertaken;

- a) Lpus market sheds construction
- b) Five-door (5) door Market stalls construction at Kisima
- c) Five (5) door market stalls construction in Morijo
- d) Women sheds construction at Ngurnit
- e) Boda Boda sheds construction at Loosuk and lolkunono
- f) Construction of fortified rangers camp at Mputaput, Mungur el-mongo, Suyian, and Ngilai / Elbarta
- g) Support of six (6) Newly established conservancies
- h) Support of existing conservancies, through SNR revenue sharing; Kalama and West gate.
- i) Formulation Community Conservation Fund Act

- j) Twelve (12) cooperatives audits were carried out
- k) Three (3) production/training camps were held countywide for members of the fifteen (15) Ushanga/beadwork cooperatives
- l) Construction of Meloni tannery
- m) Eighteen (18) members' training for cooperative societies was undertaken countywide. Four (4) members' training for newly registered Sacco's

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

47. The following was projects were undertaken:

- a) Participated in the Pastoralists soccer tournament where Nabore FC from Samburu County were the champions.
- b) Participated in the regional county cross country championships held in Kapenguria West Pokot County.
- c) Supported youth talent initiative in Samburu East sub-county.
- d) Conducted Baawa, Poro, Angata Nanyokie and Suguta Mar Mar youth fest.
- e) Supported Lodokejek tournament.
- f) Purchase of sports equipment.

The following projects are ongoing: -

- a) Completion of the high-altitude sports Centre in Lesidai.
- b) Construction of playgrounds in the Samburu East and West Sub Counties.

Implementation Challenges

- a) Low absorption of development funds as indicated by the expenditure.
- b) Under-performance of own-source revenue.
- c) High inflation rates are contributing to a higher cost of living. This will affect the ease of doing business in the county, and access to credit to small and micro enterprises will be affected negatively due to tight liquidity in the economy.
- d) Reduced global demand emanating from covid-19 fears and containment measures are expected to result in reduced demand for commodities from the county. This will affect the county's economy cognizant of the fact that the county plays a major role in the tourism sector.

- e) Weak revenue base thereby leading to over-reliance on the transfers from the national government resources which are inadequate and limits resources allocations to key sectors.
- f) Expenditure pressures, especially high recurrent expenditures pose fiscal risks. The county is going to maintain a sustainable recurrent expenditure by strictly adhering to austerity measures and hence free more resources for development expenditure over the medium term.
- g) Instances of prolonged drought have resulted in a decrease in own revenue collections as well as curtailing the purchasing power of the residents. However, the government continues to allocate more resources to sustainable farming methods.

Risks to Fiscal Outlook

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

- a) The covid-19 Pandemic has devastated global economies with Kenya not being spared. On the domestic front, the economic impact of the Pandemic is already being felt across all sectors of the economy. Measures to contain the pandemic in the County have led to a decline in revenue collection and closure of businesses.
- b) Further, the desert locust invasion still being witnessed in parts of the county poses a risk to agricultural production and food security. Another risk relates to rising global oil prices due to tensions between U.S.A and Iran, the uncertainty of the global trade agreements as well as uneven and sluggish growth in advanced and emerging market economies could hamper the forecasted growth.
- c) Another risk is the outbreak of infectious diseases which threaten the county health system, labor productivity as well as drainage of household financial resources. Such outbreaks will occasion budget re-organization to contain the situation.
- d) The proposed National Treasury allocation to county governments has stagnated thus there is no growth in the equitable share from the national government. The implication of this is that allocation to the county will be the reduction of allocations to programs which may slow down the development agenda of the county
- e) The county is prone to natural disasters including landslides, flooding and drought, these disasters pose a huge risk to life and property. The disasters also threaten food security, utilities, road network and public health. The occurrence of such disasters will require huge financial resources and thus pose a fiscal risk to the county government.

- f) Transfers from the national government are not adequate to meet the cost of offering the services as stipulated in schedule four of the constitution.
- g) High inflation rates are contributing to a higher cost of living. This will affect the ease of doing business in the county, and access to credit to small and micro enterprises will be affected negatively due to tight liquidity in the economy.
- h) Weak revenue base thereby leading to over-reliance on the transfers from the national government resources which are inadequate and limits resources allocations to key sectors.
- i) Expenditure pressures, especially high recurrent expenditures pose fiscal risks. The county is going to maintain a sustainable recurrent expenditure by strictly adhering to austerity measures and hence free more resources for development expenditure over the medium term.

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

Review of Fiscal Performance in 2021/22

49. Budget execution in the six months for the FY 2021/22 was hampered by revenue shortfalls and rising expenditure pressures. The County Government has embarked on expenditure rationalization and prioritization to ensure that expenditures are on the most impactful programmes that yield the highest welfare benefits to the residents.

Total County revenue

Own Source Revenue

50. The Own Source Revenue was budgeted at Ksh 150 million. The collection for Six months of the financial year was Ksh 57.7 million which was 38% of the target as shown in Table 1. The revenue collected is further analyzed by departments as shown in Table 2. Own Source Revenue forms part of the total revenue for the county and its adequacy is important to funding development projects.

External revenue

51. The County expects to receive Ksh 5.37 billion as the equitable share of revenue raised nationally, generate Ksh 150.0 million from its own sources of revenue, and a cash balance of Ksh 1,144,507,509 million from FY 2020/21. The County also expects to receive Ksh 532.52 million as conditional grants, which consists of Ksh 153.29 million Leasing of

Medical Equipment, Ksh102.49 million Kenya Devolution Support Program, Ksh 212.28 million National Agricultural and Rural Inclusive Growth Project, Ksh 15.6 million EU Grant for Instrument for Devolution Advice and Support (Abattoir Construction), Ksh 32.99 million Agriculture Sector Development Support Programme (ASDSP), Ksh 5.6 million for Transforming Health Systems for Universal Care Project, DANIDA funds ksh10.2 million and Emergency Locust Response Program (ELRP) worth Ksh 91.7 million. The actual receipt for Six months from equitable share was Ksh 2,952,678,117.

Total County Expenditure

- 52.** There has been a lot of public attention on County Government spending. The County Government always aims to shift more public resources from recurrent to capital investment to promote sustainable and inclusive growth. The County's approved budget for FY 2021/22 is **Ksh 7.29 billion**, comprising **Ksh 2.81 billion** (39 percent) and **Ksh 4.47 billion** (61 percent allocation for development and recurrent programs respectively). The expenditure for Six months was Ksh **2,140,954,512** of which recurrent was **Ksh 1,678,897,240** and development was **Ksh 462,057,272** as shown in Table 4.
- 53.** The expenditure can further be categorized into three major economic classifications as shown in Table 5 namely;
- a) Personnel emolument is composed of basic staff salaries and all allowances.
 - b) Operation and maintenance include expenditure incurred in running the offices such as payment of bills, maintenance of vehicles, maintenance of buildings, fueling of vehicles, traveling cost and purchase of working tools such as stationeries, computer and accessories and any other cost incurred in running the offices. The procurement of drugs, food and bursary disbursement is also included.
 - c) Development expenditure involves costs incurred in the payment of capital projects.

CHAPTER THREE: COUNTY STRATEGIC PRIORITIES

Overview

54. This chapter presents sector/sub-sector strategic priorities, Programmes and projects for the year. The Programmes and projects envisage to achieve jubilee Big Four agendas, Governor's Manifesto and also by mainstreaming cross-cutting issues such as climate change; environmental degradation; Disaster Risk Management (DRM) HIV/AIDs; Gender, Youth and Persons with Disability (PWD), Ending Drought Emergencies (EDE). The broad priorities to be handled by the different departments are detailed below;

COUNTY STRATEGIC PRIORITIES AND PROJECTS FOR 2022-2023

County Assembly

- a) To perform its legislative and oversight role to the best of its ability to the people of the county at a cost of Ksh 167 million.
- b) To deliver excellent services to customers and other stake holders at a cost of Ksh 145 million.
- c) To do its representation role to satisfy the needs of the people of the County at a cost of Ksh 200 million. The Assembly Chambers will be finalized at a cost of Ksh 63 million.

County Executive

- a) Administration and Coordination of County Affairs at a cost of Ksh 259,475,000.
- b) Construction and equipping of Sub-county/Wards offices at a cost of Ksh 13,356,000.
- c) Consolidation of Information sharing and Improving Information sharing at a cost of Ksh 16,695,000.
- d) Co-ordination of Public participation and community Programmes at a cost of Ksh 16,695,000.
- e) Effective Public Communication at a cost of Ksh 12,243,000.
- f) Implementation of Public Participation Act at a cost of Ksh 33,390,000
- g) Civic Education and Advocacy at a cost of Ksh 16,695,000

County Public Service Board

- a) Approval of Revised schemes of services and ensuring that Succession management systems are in place at a cost of Ksh 20 million.
- b) Upgrading/promotion/Acting and temporary appointments of officers including Human Resource Reforms at a cost of Ksh 20 million.

- c) Record of minutes of hearing proceedings for those with disciplinary cases and Formulation of a discipline policy at a cost of Ksh 3 million.
- d) Implementation of an effective employee performance appraisal and reward mechanism at a cost of Ksh 8 million.
- e) Preparation of Monitoring and evaluation reports for employees at a cost of Ksh 3 million.

Finance, Economic Planning and ICT

- a) Automation - Interactive website development (with financial component) at a cost of Ksh 11,946,115.
- b) Geographical Information System maintenance at a cost of Ksh 2,366,683.
- c) Risk-based audits; Institutional risk management policy framework rolled out; Audit committee training manual and regulations; audit committees trained; Capacity building in information systems audit undertaken. Value for money audits undertaken; teammate rolled at a cost of Ksh 9,579,432.
- d) Monitoring and Evaluation planning/framework; Annual performance reviews; Strengthening line department progress reporting at a cost of Ksh 20,558,366.
- e) Preparation of CIDP 2023-2028 at a cost of Ksh 25 Million.
- f) Establishment of a County information and documentation center at 4 million.
- g) Establishment of a County statistics unit at 2 million.
- h) Monitoring and evaluation of the revenue collected at a cost of Ksh 5,973,057.
- i) Continuous capacity building of Staff at all levels at a cost of Ksh 18,339,740.
- j) Accounting systems and financial regulations reviewed and developed at a cost of Ksh 10,706,424.
- k) Purchase of an asset management system at a cost of Ksh 3,493,675.
- l) Stakeholders' involvement in budget Making Process at a cost of Ksh 17,100,049.
- m) Training of Officers across departments on MTEF and Programme-Based Budgeting at a cost of Ksh 1,803,187.
- n) Training on e-Procurement to suppliers special/disadvantaged groups accessing procurement at a cost of Ksh 8,339,740.
- o) Training of ICT staff on work competency manual and formulation of standardized guidelines for end-users at a cost of Ksh 7,816,270

- p) Develop staff skills and competencies, safety measures relating to personnel, documents and information at a cost of Ksh 336,575,303.

Special Programs

- a) Partner coordination at a cost of Ksh 5 million.
- b) Disaster management at a cost of Ksh 10 million.
- c) Emergency relief food and cash transfers at cost of Ksh 40 million.
- d) Peace and cohesion at a cost of Ksh 21,168,774.

Agriculture, Livestock Development, Veterinary Services and Fisheries

- a) Construction and furnishing of 2 sub-county office blocks to house the three sub-counties, departmental officers, at a cost of Ksh 6 million.
- b) Construction of Ward Extension Offices at a cost of Ksh 6.7 million
- c) Development of Nomotio Livestock Improvement Centre Bill (finalization) at a cost of Ksh 2 million.
- d) Finalization of Grazing and range management policy at a cost of Ksh 2 million.
- e) Provision of Community breeding stock at a cost of Ksh 48.5 million.
- f) Support beekeeping groups with modern beehives, Harvesting Kits, establishing Honey collection centers and Honey refinery equipment in Honey producing areas at a cost of Ksh 3,912,000.
- g) Support poultry farmers with breeding improved indigenous chicken at a cost of Ksh 32,040,000.
- h) Grant to support Nomotio farm for development at a cost of Ksh 5 million.
- i) Construction of modern Sale yards at a cost of Ksh 12 million.
- j) Provision of improved pasture seeds for pasture establishment and range reseeding at a cost of Ksh 3 million.
- k) Control livestock diseases through vaccination and monitoring of attack/spread at a cost of Ksh 25 million.
- l) Furnish veterinary laboratory-Maralal at a cost of Ksh 15 million.
- m) Purchase of Certified seeds at a cost of Ksh 50.5 million.
- n) Provision of Farm tractors, implements, and support Agriculture Machinery Services with spare parts including workshop implements at a cost of Ksh 25 million.

- o) Residential training workshops of farmers, livestock traders, cobblers, flayers and hides and skins traders at a cost of Ksh 3 million.
- p) Provision of pond/dam liners to fish farmers at a cost of Ksh 1.5 million.
- q) Support fish farmers with fish feeds (21 existing ponds and 60 to be established) starter feed, pre-grower, grower, and finisher feeds at a cost of Ksh 1 million.
- r) Support fish farmers with certified seeds (fingerlings) at a cost of Ksh 2.4 million.
- s) Support fish farmers with fishing gear and water storage tanks at a cost of Ksh 3.7 million.
- t) Develop staff skills and competencies, safety measures relating to personnel, documents, and information at a cost of Ksh 135 Million.

Water, Environment, Natural Resources, and Energy

- a) Water supply pipeline extensions and rehabilitation at a cost of Ksh 200 million.
- b) Conduct Hydrogeological surveys in various sites at a cost of Ksh 2 million
- c) Drilling and equipping of boreholes in various sites at a cost of Ksh 122 million.
- d) Construction of Earth dams/pans and check dams at a cost of Ksh 98.2 million.
- e) improve solid waste management in the county at a cost of Ksh 7 million.
- f) operationalize County Environment Committee and create awareness on environmental issues at a cost of Ksh 16 million
- g) Supporting School Greening Programme and Supporting Tree nursery establishment at a cost Ksh 6.5 million.
- h) Establishment & capacity strengthening of forest institutions such as Forest community groups, Community Forest Associations (CFAs) at a cost of Ksh 2.5 million.
- i) To Sensitize stakeholders and/or communities on minerals, mineral products and energy exploration/exploitation approaches and relevant legislations at a cost of Ksh 13.3 million
- j) Capacity building of stakeholders on various matters e.g. soil erosion, mining, green energy potentials and efficient energy technologies at a cost Ksh 7.5 million.
- k) Riverine protection and Soil conservation projects at a cost of Ksh 10 million.

Education and Vocational Training

- a) Construction of 30 fully equipped pre-school classrooms with Playfields, sanitary blocks, kitchens and office/stores in the county at a cost of Ksh 70.5 million.
- b) Supply of forty-two (42) sets of child-appropriate furniture at a cost of Ksh 5 million

- c) Provision of forty-five (45) outdoor fixed play and learning materials at a cost of Ksh 5.95 million.
- d) Fencing of nine (9) ECDE centers at a cost of Ksh 6 million
- e) Construction of 15 ECDE kitchens at a cost of Ksh 6 million
- f) Monitoring and evaluation of ECDE centers. At a cost of Ksh 3 million
- g) Procurement of Assessment books at a cost of Ksh 6 million
- h) Pre-school feeding Programme at a cost of Ksh 70 million
- i) Provision and installation of 80 water harvesting tanks in ECDE centers at a cost of Ksh 5.625 million.
- j) Formulation of Policy and guidelines for ECDE and VTC at 4.8 million
- k) Provision of bursaries for the bright and needy students in various institutions at a cost of Ksh 86 million.
- l) Purchase of assorted tools for vocational training at a cost of Ksh 2 million.
- m) Construction of two workshops in each center (Wamba and Baragoi) at a cost Ksh 12 million
- n) Construction of sanitary blocks at Wamba and Baragoi at 2 million.
- o) Develop staff skills and competencies, safety measures relating to personnel, documents, and information at a cost of Ksh 355 Million

Medical Services, Public Health and Sanitation

- a) Undertake the following activities at a cost a Ksh 29.3 Million.
 - i. Health education at the community level.
 - ii. Upscale active disease surveillance.
 - iii. Upscale community strategy.
- b) Undertake the following activities at a cost of Ksh 10 Million
 - i. Construction of PH latrine in community, facility and markets.
 - ii. Upscale health education in schools.
 - iii. Hygiene and upscaling of CLTS.
- c) Undertake the following activities at a cost of Ksh 24.8 Million.
 - i. Conduct operational research.
 - ii. Capacity building of health workers.

- iii. Support for professional bodies conferences and meetings.
 - iv. Establishing community units
 - v. Support for international and national health days.
 - vi. Support for CME at facility divisional levels.
 - vii. Expansion of health facilities (laboratories in Porro, Loosuk, Barsaloi, Seriolipi Health Centre).
 - viii. Support for quarterly stakeholders meetings.
 - ix. Maintenance and repair for motor vehicles and motorbikes.
 - x. Scale-up school health clubs.
 - xi. Procurement of mosquito nets
 - xii. support for beyond zero activities (outreaches)
- d) Undertake the following activities at a cost of Ksh 36.3 Million.
- i. Support functionality of maternal shelters.
 - ii. Expansion of KEPI room.
 - iii. Establishment of an ambulance command centre.
 - iv. Purchase of spare parts for KEPI fridges.
- e) Undertake the following activity at a cost of Ksh 11 Million.
- i. Upgrading of County Referral Development Projects at County Referral (Furniture and fittings)
- f) Undertake the following activity at a cost of Ksh11 Million
- i. Expansion of the County Referral Laboratory to cater to a variety of diagnostic services. E.g blood transfusion and special tests
- g) Undertake the following activity at a cost of Ksh 20 Million.
- i. Improving access to universal healthcare
- h) Undertake the following activity at a cost of Ksh 170 Million.
- i. Procurement of health commodities in the county
- i) Undertake the following activity at a cost of Ksh 11Million
- i. Scale-up management of acute malnutrition
- j) Undertake the following activity at a cost of Ksh 15 Million.
- i. Upgrade the EMR system in the county referral and high volume facilities, IT Support and servicing.
- k) Undertake the following activity at a cost of Ksh 7 Million.

- i. Construction of a warehouse and Vaccine store in Wamba Health Centrex.
- l) Undertake the following activity at a cost of Ksh 9 Million.
- i. Renovations of facilities and Staff house.
- m) Undertake the following activity at a cost of Ksh 10 Million
- i. Standby Generators, 3 Phase With Accessories for Baragoi SCH and Archers post SCH, Baragoi, and Wamba.
- n) Undertake the following activities at a cost of Ksh 30 Million
- i. Construction of six Health facilities two in each Sub County.
- o) Undertake the following activities at a cost of Ksh 9 Million.
- i. Renovations of facility and Staff house Lolkunono Dispensary
- p) Undertake the following activities at a cost of Ksh 10 Million.
- i. Construction and equipping of Laboratories at Loosuk and Porro HC
- q) Undertake the following activities at a cost of Ksh 3 Million.
- i. Completion of incomplete staff houses at Kirimun, Lchakwa and Ikiloriti Dispensaries.
- r) Undertake the following activities at a cost of Ksh 4 Million
- i. Fencing of Naiborkeju Dispensary, Angata Rongai Dispensary, Lmisigiyo Dispensary, Nauneri Dispensary Lekurru Dispensary, Lpartuk Dispensary
- s) Undertake the following activities at a cost of Ksh 5 million
- i. Construction of Staff House at Muruankai Dispensary.
- t) Undertake the following activities at a cost of Ksh 4 Million
- i. Drilling and equipping of Boreholes at Kisima and Loosuk Health Centres
- u) Undertake the following activities at a cost of Ksh 3 Million.
- i. Completion of incomplete staff houses in three dispensaries.
- v) Undertake the following activities at a cost of Ksh 10 Million.
- i. Acquisition and replacing of old equipment.
- w) Undertake the following activities at a cost of Ksh 10 Million.
- i. Construction of sanitary facilities in 10 facilities.

- x) Undertake the following activities at a cost of Ksh 862 Million.
 - i. Payment of salaries and allowances.
- y) Undertake the following activities at a cost of Ksh 9,828,624
 - i. Train health workers on DHIS.
 - ii. Print registers and reporting tools (46) facilities.
 - iii. Data quality assessment quarterly.
 - iv. Monthly Incharges meeting and data dissemination.
 - v. SCHMT monthly data audit from facilities.
 - vi. Conduct operational research.
 - vii. APRP development by Health facilities.
 - viii. APRP consolidation by SCHMT.
 - ix. Coding and indexing inpatient notes at Kisima and Sugata facilities.
 - x. Quarterly data review meeting.
 - xi. Stakeholders review meeting (quarterly)
 - xii. SCHMT benchmarking visits
 - xiii. Data bundles and airtime for SCHMT.
 - xiv. Establish EMR in Kisima and Suguta H/C.
 - xv. OJT on reporting tools and health facilities staff ongoing.
 - xvi. Data sharing bi-annual meeting (2 days).
 - xvii. Build warehouse for storage of equipment and registers
 - xviii. Build Sub County filing area and referral hospital.
 - xix. M&E indicators on HTC/Nutrition/MCH, dispensary charts on the wall.
- z) Undertake the following activities at a cost of Ksh 28.5 Million.
 - i. Fencing of the existing 19 facilities.
- aa) Undertake the following activities at a cost of Ksh 5 Million
 - i. Construction of Administration Block Wamba HC.
- bb) Undertake the following activities at a cost of Ksh 110.6 Million.
 - i. Conditional Grant-Leasing of Medical Equipment.

Lands, Housing, Physical Planning and Urban Development

- a) Cadastral survey of Sere-olipi, Longewan, Nachola, Morijo, and Lodungokwe at a cost of Ksh 26 million
- b) Adjudication of Arsim at a cost Ksh 3 million

- c) Boundary dispute resolution [Lpus vs Nkaroni; Girgir Vs Ngutuk Ongiron; Ltrimin Vs Lpus], Boundary dispute resolution between Kawap, Nyiro and Ndooto for Ksh 4 million.
- d) Local Physical Development Plan for Merile, Marti, Lolmolok, Kirimon, and Ilaut at a cost of Ksh 25 million
- e) Acquisition of land for solid waste management and sewerage treatment plant at a cost of Ksh 10 million
- f) Extension of storm water management and cabro paving at a cost of Ksh 50 million
- g) Purchase of backhoe loader for Wamba, Archers Post, and Baragoi towns at a cost of Ksh 21 million.
- h) Develop staff skills and competencies, safety measures relating to personnel, documents, and information at a cost of Ksh 55 Million

Roads, Transport and Public Works

- a) Construction of Materials testing Lab at maralal at a cost of Ksh 45 million
- b) Stormwater disposal system in Wamba, South Horr, and Baragoi at a cost of Ksh 30 million
- c) Routine maintenance and improvement of roads at a cost of Ksh 160 million
- d) Purchase of specialized equipment for road survey and mapping at cost of Ksh 10 million
- e) Opening of new roads at a cost of Ksh 50 million
- f) Installation of street lights at Maralal, Wamba, Suguta marmar, Kisima, Poro, and Loosuk at a cost of Ksh 30 million.
- g) Develop staff skills and competencies, safety measures relating to personnel, documents, and information at a cost of Ksh 46 Million.

Tourism, Trade, Enterprise Development & Cooperatives

- a) Undertake tourism promotion and marketing locally and internationally at a cost of Ksh 10 million.
- b) Establish and operationalize a tourist information and research Centre at SNR at a cost of Ksh 10 million.
- c) Establishment of Conference Facilities, Beaconing of SNR boundary and corridor at a cost of Ksh 30 million
- d) Equipping of SNR headquarters at Archer's gate at a cost of Ksh 5.5 million

- e) Capacity building for staff through training on career progression, mentorship on the job training, workshops, and seminars in line with the job at a cost of Ksh 5 million
- f) Community sensitization meetings, workshops, and exposure tours of communities around SNR at a cost of Ksh 6 million
- g) Equipping of Ndoto Eco- lodge at a cost of Ksh 5 million
- h) Fencing of Suyian and nyiro rangers camps at a cost of Ksh 3 million
- i) Funding New conservancies development & livelihood projects at a cost of Ksh 120 million.
- j) Support of old Community Conservancies at a cost of Ksh 15 million
- k) Construction of rangers camps in Waso and Poro wards at a cost of Ksh 9 million
- l) Establish 1 No. Eco-Lodges at the North and Central sub-counties at a cost of Ksh 20 million
- m) Hosting Maralal International Camel Derby and cultural events to market tourism in the county at a cost of Ksh 10 million.

Trade and Enterprise Development

- a) Construction of 2 markets shed and latrines trading Centre's in the county at cost of Ksh 6 million
- b) Construction of 2 bodaboda sheds urban centers at cost of Ksh 1 million
- c) Contribution to Joint Loan Board scheme revival of Ksh 5 million
- d) Additional funding to Youth and women enterprise fund of Ksh 4 million
- e) Routine inspection and verification of weighing Machines and Petrol pumps at a cost of Ksh 5 million

Cooperatives Sub-sector

- a) Promotion of cooperatives-carry out sensitization meetings, feasibility studies, pre-cooperative education at a cost of Ksh 5 million
- b) Conduct Cooperative Leaders and members' education at a cost of Ksh 5 million.
- c) Training of 15 Beadwork/Ushanga Cooperatives at a cost of Ksh 5 million
- d) Procurement of Beadwork raw materials and development of Marketing strategy/linkages for Ushanga Cooperatives at a cost of Ksh 6 million
- e) Equipping Meloni Tannery at a cost of Ksh 3 million

- f) Continue contribution to County Cooperatives Development Fund worth Ksh 10 million.
- g) Develop staff skills and competencies, safety measures relating to personnel, documents, and information at a cost of Ksh 120 Million.

Culture, Social Services, Gender, Sports and Youth Affairs

- a) Construction of 5 social halls at Loosuk, Suguta Mar mar, Wamba east, Ndoto, and Nachola at a cost of Ksh 20 million.
- b) Contribute to Disability board fund to the tune of Ksh 5 million
- c) Establishment of recreational facilities at green park costing Ksh 1.5 million
- d) Create Drug and substance use awareness at Ksh1 million.
- e) Participate in National days' celebrations at a cost of Ksh 2 million.
- f) Reduce retrogressive cultural practices like FGM/FGC and beading of girls at a cost of Ksh 5 million
- g) Support women empowerment programs at a cost of Ksh 6 million.
- h) Create awareness on gender rule and women leadership at a cost of Ksh 4 million
- i) Activities geared to Reduction in cases of Gender-Based Violence at a cost of Ksh 3 million
- j) Support liquor licensing activities (Enforcement and inspection for liquor premises) at a cost of Ksh 2 million.
- k) Food distributions to the rescue centers worth 2 million
- l) Promotion of Cultural documentation, preservation and upholding cultural heritage at a cost of Ksh 5 million.

Sport and Youth affairs

- a) Equipping of the high altitude sports centre in Loibor Ngare at a cost of Ksh 5 million
- b) Construction of Maralal, Wamba, Baragoi, and Archer's stadium at a cost of Ksh 20 million
- c) Construction of 14 playgrounds at a cost of Ksh 18.2 million.
- d) Establishment of Samburu County sports league at a cost of Ksh 10 million
- e) Hold athletics and cross country championships at a cost of Ksh 4 million.

- f) Participate in the Kenya Youth Inter-Counties Sports Association Games at a cost of Ksh 3 million.
- g) Procurement of sports equipment at a cost of Ksh 6 million
- h) Support the youth groups come up with income-generating activities at a cost of Ksh 5 million
- i) Participate in the Kenya Inter-County Sports and Cultural Activities (KICOSCA) at a cost of Ksh 7 million
- j) Capacity building of youth groups, couches, referee's, team managers, and administrators at a cost of Ksh 5 million
- k) Commemoration of Youths local/International days at a cost of Ksh 2 million
- l) Identify, develop and nurture young sports talent at a cost of Ksh 2 million
- m) Develop staff skills and competencies, safety measures relating to personnel, documents, and information at a cost of Ksh 46 Million.

CHAPTER FOUR: FISCAL POLICIES AND MEDIUM TERM BUDGET FRAMEWORK

Overview

55. This chapter provides the County's fiscal policy, how the County will observe the fiscal responsibility principles, and the fiscal reforms the county will implement to improve its fiscal performance. The chapter also outlines the County budget framework for 2022/2023 and the first six months' year fiscal performance for 2021/2022.

Fiscal Responsibility Principles

56. Section 107 of the PFM Act, 2012 and regulation 25 of the PFM (County Governments) Regulations, 2015 sets out the fiscal responsibility principles which the County Governments have to observe and enforce through the County Treasury. The guiding principles that are considered in the allocation of the available resources include:

- a) The requirement that the County's public debt shall never exceed twenty (20) percent of the County Government's total revenue at any one time. The County Government has no borrowings in the period.
- b) The County Government wages shall be contained at thirty-five (35) percent of the County Government's total revenue in the medium term. The percentage on wages in the current budget is 35.5% and is projected to be 42% in the 2022-23 financial year. The increase in the percentage is due to Covid 19 negative effect on revenues both internal and external while implementing the annual increment to members of staff. The County Government have taken various measures to address the increase in the percentage of the wage bill by undertaking the following;
 - i. Improving our own-source revenue. The County was greatly hit by the Corona Virus pandemic affecting our main source of revenue which is Tourism in Samburu National Reserve. Since the disease has been contained the revenues from tourism are expected to improve and hence the personnel ratio goes down.
 - ii. The County Public Service Board is in the process of establishing an optimal staffing structure. Meanwhile, the County Government in the short run has frozen all vacant posts. Members of staff who exit from service are not replaced except if the post they occupied was for the provision of essential services.

- iii. The county is going to maintain a sustainable recurrent expenditure by strictly adhering to austerity measures and hence free more resources for development expenditure over the medium term.
 - iv. Adjusting non-priority expenditures to cater to the priority sectors by deterring the increase of recurrent expenditures in favor of productive capital spending.
- c) The approved expenditures of a County Assembly will be as per the senate's recommendations. This shall not exceed 7% of the total revenues of the County Government or twice the personnel emoluments of that County Assembly, whichever is lower. However, in the County Allocation on Revenue Act the ceilings for expenditure are normally stipulated.
 - d) The County Government's actual expenditure on development shall be at least thirty percent of the County Government's total expenditure. The current expenditure is 36% and it's projected to be 30 % in the 2022-23 financial year.
 - e) A reasonable degree of predictability concerning the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future. The County has not changed the level of taxation in the current year and does not intend to change in the 2022-23 financial year.

57. In the FY 2022/23 and the medium term, the County Treasury will ensure that the budgets are prepared in a way that ensures strict adherence to these principles. For the County to achieve the above fiscal responsibilities the following controls will be exercised;

- a) Legislative (County Assembly) control: The Authority of raising revenue and their appropriation is provided by the County Assembly. The County Executive will work closely with the County Assembly to ensure the legitimacy of collection of taxes and appropriation of the same.
- b) The Controller of Budget: the office of the controller of the budget will oversee the implementation of county budgets by authorizing withdrawals from the county revenue fund.
- c) The Auditor General: The office of the Auditor-General will be involved in auditing the accuracy of all accounts, the propriety of the expenditure, and the appropriateness of all county public finance matters.
- d) In collaborating with the office of the Auditor-General, the county treasury will ensure efficiency, effectiveness and guard against unauthorized expenditure.

Fiscal Framework Summary

- 58.** The 2022/2023-2024/2025 medium-term expenditure framework will continue to be premised on fiscal consolidation strategy which aims at directing resources to the most productive areas and growth-enhancing sectors. This is in line with Programmes outlined in the CIDP 2018-2022 and County efforts in complementing the MTP III and the Big Four Agenda by the National Government. Efforts will also be intensified to increase own-source revenue for the sustainability of our development Programmes. The county will in the meanwhile continue to engage with development partners through its external mobilization efforts to raise additional funding to complement its effort in meeting additional financial requirements for development Programmes.
- 59.** The County Government will continue to rationalize expenditures by cutting those that are non-priority through its fiscal rationalization and consolidation strategy. These may include slowing down or reprioritizing operational expenditures for the Government to live within its means. Resource allocation to county departments and entities will be premised on sustainability affordability and strict prioritization especially concerning the establishment of new funds and development Programmes. This will ensure that more outputs and outcomes will be achieved at the existing or lower resource level by County Department/Entities.

Revenue Projections

- 60.** The cumulative revenue forecast for FY 2022/23 will be Ksh 5.7 billion. This comprises an equitable share of revenue projected at Ksh 5.3 billion as provided in 2021 BPS and Ksh 202 million as conditional grants and loans. Own source revenue is projected to be Ksh 156 million. Summaries for both own source revenue and national transfers forecast over the medium-term period are as presented in Annex I.
- 61.** The County Government will continue to adopt measures aimed at improving its own-source revenue to expand its fiscal space for development Programmes. This includes implementation of the Revenue Enhancement Strategy and reforms in local revenue administration that has seen a legislative review of the current revenue-related laws through the Finance Act 2021 which is aimed at strengthening local revenue performance.
- 62.** The national transfers in form of the equitable share of revenue and conditional grants will be firmed up on the passage the of Division of Revenue Bill and CARB 2021.

Expenditure Projections

- 63.** In pursuing a balanced budget, the County Government has projected that overall expenditure will equal the forecasted County receipts for FY 2022/2023. In this regard, the County Government's total expenditure will be Ksh 5.6 billion in the FY 2022/2023. Compensation to employees will account for 42 % of the total County budget approximately Ksh 2.4 billion. The proportion of the County wage bill is above the envisaged level of 35 percent of total revenues as recommended in Section 25 of the PFM (County Government Regulations) 2015. To contain the percentage expenditure on staff salaries within the regulation requirement, the County has frozen all hiring for new staff at all levels except technical staff in critical areas and also has enhanced the collection of its own-source revenues.
- 64.** Further allocation for other recurrent expenditures will remain at the current level. The allocation to the County Executive and the County Assembly will be recommended by CRA later in the financial year.
- 65.** The County allocation for development expenditure will stand at 30% in FY 2022/2023. Total County development expenditure will be Ksh 1.7 billion. The County development expenditure needs will be primarily financed by the projected National transfers to County Government (the equitable share and the conditional grants). The expenditure allocations are shown in Table VII.

Deficit Financing

- 66.** Reflecting on the projected revenue and planned expenditure the fiscal deficit is projected to be nil. In line with the PFM Act, 2012 borrowing can only be made to undertake development projects in line with the framework developed between the National and County Governments. Given this underlying reason, the County has projected a balanced budget with projected expenditure fully funded by own-source revenues, transfers from National Government, and approved donor support.

Fiscal and Structural Reforms

- 67.** The County Government undertook a further reorganization of its functions that saw the establishment of the Maralal Municipal Board. In line with provisions of the PFM Act 2012 and PFM Regulation 2015, the County has reviewed its policy framework to enable allocation to the new Entity to reflect the new realities and confirm with the provision of the law. The County Assembly in this respect working with County Executive will formulate and approve a framework for allocation of resources to the Municipal Board.

- 68.** The county will undertake the operationalization of the contributory pension scheme for staff devolved from the national government who were previously under the non-contributory scheme. This is in line with the County Government Retirement Benefits Scheme Act of September 2019 which portends a contingent liability on the part of the County dating back to 2013 the advent of devolution. Details on the level of liability will be provided in the Medium Debt Strategy Paper of 2022.
- 69.** To achieve a result-oriented employee performance, the County Government will apply integrated tools on Result Based Management (RBM with the rollout of the Performance Contracting (PC). Going into the next MTEF period 2022/2023-2024/2025 the County Government will continue to allocate resources aimed at inducting key County employees into a culture of performance as well as facilitating to the lowest level of management the process of performance contracting, vetting, and reporting.

Departmental Ceilings and criteria for resource allocation

- 70.** The PFM Act, 2012 and the PFM (County Regulations), 2015 set out fiscal responsibilities principles that guide the Medium-Term Expenditure Framework (MTEF) for the County. The Criteria for resource allocation;
- a) Linkage of the Programme with the 2023-2028 CIDP, the ‘Big Four’ agenda, and the objectives of the Fourth Medium-Term Plan of Vision 2030.
 - b) The degree to which a Programme addresses job creation and poverty reduction.
 - c) The degree to which the Programme is addressing the core mandate of the County department.
 - d) Expected outputs and outcomes from a Programme; and
 - e) Cost-effectiveness and sustainability of the Programme.
 - f) Counterpart funds: priority was also given to adequate allocations for projects with counterpart funding. Donor counterpart funds are the portion that the Government must finance in support of the projects financed by development partners.
- 71.** The recurrent expenditure includes compensation to employees, use of goods and services and maintenance which should not exceed 70 % of total expenditure while the development costs should not be less than 30 % of the budget.
- 72.** Revenues from local sources are expected to finance 2.8 % of the County Government’s expenditures while the balance will be financed by transfers from National Government and development partners. The detailed sector ceilings are in table 7.

CHAPTER FIVE – CONCLUSION

- 73.** The set of policies outlined in this CFSP 2022 aims at striking a balance between changing circumstances and emerging issues. The fiscal policies are broadly in line with the CIDP 2018-2022 and the fiscal responsibility principles outlined in the PFM Act. They are also consistent with the national strategic objectives outlined in the 2021 BPS which set a basis for County Government allocation of public resources. Details of these strategic objectives are contained in the County Integrated Development Plan (2018-2022). The policies and sector ceilings annexed herein will guide the Sectors/Departments in finalizing and adjusting 2021/2022- 2023/2024 Draft MTEF budget estimates. Budgetary resources are usually limited thus departments must prioritize their Programmes within the available resources to ensure that utilization of public funds are in line with County Government priorities.
- 74.** Departments need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration, and implementation plans in allocating resources. There is also a need to ensure that recurrent resources are being utilized efficiently and effectively before funding is considered for Programmes.
- 75.** Going forward, MTEF budgeting will entail adjusting non-priority expenditures to cater to the priority sectors. The resource allocation and planning process will be modified in the context of the above realities while this paper will provide final ceilings for adjustment of the draft estimates and finalization of the budget process.
- 76.** Proper implementation of the budget is thus critical towards providing services that will promote sustainable growth. Sustainability requires greater effort from all the stakeholders including County Government Departments, Civil Society, Communities, County Assembly, and development partners to get things done. This means providing for continuous consultation, monitoring finding solutions and encouraging innovation to build a sustainable County.

ANNEXES

Table 1: First Six months local Revenue 2021-22

Month	Exchequer	Local Revenue	Dev Partners	Total
July	1,224,142,204	7,306,308	383,199,404	1,614,647,916
August	456,564,413	13,732,772		470,297,185
September	456,564,413	7,938,664		464,503,077
October	429,707,683	11,084,313		440,791,996
November		7,798,655	2,500,000	10,298,655
December		8,722,075		8,722,075
Total	2,566,978,713	56,582,787	385,699,404	3,009,260,904

Source: County Treasury 2022

Table 2: Local Revenue Analysis by departments (31-12-2021)

Department	Budget	Own	%	Variance
Treasury	9,080,000	4,942,809.80	54	(4,137,190)
Agriculture	16,800,000	4,510,570.00	27	(12,289,430)
Environment	9,000,000	2,461,100.00	27	(6,538,900)
Education	-			
Health	11,000,000	4,611,410.80	42	(6,388,589)
Land	22,900,000	4,227,180.00	18	(18,672,820)
Works	4,300,000	547,750.00	13	(3,752,250)
Tourism	70,920,000	34,811,166.40	49	(36,108,834)
Culture	6,000,000	470,000.00	8	(5,530,000)
Totals	150,000,000	56,581,987	38	(93,418,013)

Source: County Treasury 2022

Table 3: First Six months External Revenue 2021-22

DESCRIPTION	JULY	AUGUST	SEPT	TOTAL Q1	OCT	NOV	DEC	TOTAL Q2	TOTAL Q1+Q2
Exchequer	429,707,683.00	456,564,413	456,564,413	1,342,836,509.00	429,707,683			429,707,683.	1,772,544,192.00
Brought Forward	767,032,521.10			767,032,521.10				-	767,032,521.10
COVID 19 FUNDS B/F	27,402,000.00			27,402,000.00				-	27,402,000.00
KUSP Fund	71,869,989.00	-		71,869,989.00				-	71,869,989.00
World bank loan for National agricultural and rural inclusive growth project B/F	75,000,000.00			75,000,000.00				-	75,000,000.00
Agriculture Sector Development Support Programme (ASDSP) B/F	32,990,533.00			32,990,533.00		2,500,000		2,500,000	35,490,533.00
World Bank Loan for transforming health systems for universal care project B/F	53,893,247.00			53,893,247.00				-	53,893,247.00
Balance brought forward for construction of Abattoir	57,108,748.00			57,108,748.00				-	57,108,748.00
Road Maintenance Fuel Levy b/f	23,551,886.85			23,551,886.85				-	23,551,886.85
ELRP(Locust) b/f	68,785,000.00			68,785,000.00				-	68,785,000.00
TOTAL	1,607,341,607.95	456,564,413	456,564,413	2,520,470,433.95	429,707,683	2,500,000	-	432,207,683	2,952,678,116.95

Source: County Treasury 2022

Table 4: Comparison of Budget Estimates and Actual Expenditure. (31-12-21)

DEPARTMENT	RECURRENT (Ksh).	Actual (Ksh)	DEVELOPMENT (Ksh.)	Actual (Ksh)	TOTAL(Ksh)	Total -Actual (Ksh)
County Assembly	518,009,215	254,722,228	155,164,815	0	673,174,030	254,722,228
County Executive	480,923,456	221,616,833	43,000,000	0	523,923,456	221,616,833
Finance, Economic Planning & ICT	616,245,762	151,163,233	48,880,686	23,480,686	665,126,448	174,643,919
Agriculture, Livestock Development, Veterinary Services & Fish	285,584,070	67,345,095	558,993,036	138,169,913	844,577,106	205,515,008
Water, Environment, Natural Resources & Energy	196,501,385	37,933,068	458,274,290	19,704,676	654,775,676	57,637,744
Education and Vocational Training	497,220,965	293,250,064	205,553,687	4,000,000	702,774,653	297,250,064
Medical Services, Public Health & Sanitation	1,221,608,239	508,868,723	551,390,244	72,137,897	1,772,998,483	581,006,620
Lands, Housing, Physical Planning & Urban Development	185,157,832	51,290,803	104,984,809	50,000,000	290,142,641	101,290,803
Roads, Transport & Public Works	110,942,368	19,328,932	411,318,121	77,068,290	522,260,489	96,397,222
Tourism, Trade, Enterprise Development & Cooperatives	207,931,947	43,543,082	217,604,055	77,495,810	425,536,002	121,038,892
Culture, Social Services, Gender, Sports & Youth Affairs	152,140,181	29,835,179	62,661,605		214,801,785	29,835,179
TOTAL	4,472,265,421	1,678,897,240	2,817,825,348	462,057,272	7,290,090,769	2,140,954,512

Source: County Treasury 2022

Table 5: Economic Classification of Expenditure (31-12-2021)

Description	Budget Estimates 2020/2021	Total Expenditure 2020/2021	% of Budget Absorption
Personnel Emoluments	2,369,153,317	1,178,866,039	49.8%
Operational & Maintenance	2,103,112,105	500,031,202	23.8%
Development Expenditure	2,817,825,348	462,057,272	16.4%
TOTAL	7,290,090,770	2,140,954,513	29.4%

Source: County Treasury 2022

Table 6: Revenue Estimates for the period

ITEMS	Approved 2021/22	Projection 2022/23	Projection 2023/24	Projection 2024/25
COUNTY GENERATED REVENUE				
Land Rates	36,000,000	36,000,000	37,080,000	38,192,400
Single Business Permits	13,200,000	13,200,000	13,596,000	14,003,880
Total Cess Receipts	11,760,000	11,760,000	12,112,800	12,476,000
Game Parks/Nature Reserves Fees	57,460,000	57,460,000	57,983,800	58,524,000
Markets and Slaughter House Fees	6,720,000	6,720,000	6,921,600	7,129,200
Vehicle Parking Receipts/Transport	4,200,000	4,200,000	4,326,000	4,455,780
Wheat Cess	280,000	280,000	288,400	297,000
Hospital Charges	10,000,000	15,000,000	15,000,000	15,000,000
Liquor License	6,000,000	6,000,000	6,180,000	6,365,400
Various Health Departments Fees	600,000	600,000	618,000	636,540
Agricultural Machinery Services	1,200,000	1,615,000	1,693,400	1,774,200
Approval of plans and supervision		1,215,500	1,251,900	1,289,500
Hawker	1,800,000	1,800,000	1,854,000	1,909,600
Miscellaneous Revenue	780,000	780,000	803,400	827,500
SUB-TOTAL LOCAL SOURCES	150,000,000	156,630,500	159,709,300	162,881,000
SUMMARY				
Revenue from Local Sources	150,000,000	156,630,500	159,709,300	162,881,000
Revenue transfer from national government	5,371,346,037	5,371,346,037	5,371,346,037	5,371,346,037
Kenya Devolution Support Program (KDSP)	102,491,953			
World bank loan for National agricultural and rural inclusive growth project	212,277,520	11,986,250		
EU Grant for an instrument for devolution advice and support (Abattoir Construction)	15,626,168			
Agriculture Sector Development Support Programme (ASDSP)	32,990,533	18,176,614	18,176,614	18,176,614
Conditional Grant-Leasing of Medical Equipment	153,297,872	110,638,298	110,638,298	110,638,298
DANIDA (Health support funds)	10,238,250	9,745,500	8,431,500	7,117,500
World Bank Loan for transforming health systems for universal care project B/F	5,601,594			
World Bank Loan for transforming health systems for universal care project	37,338,236			
World bank loan for National agricultural and rural inclusive growth project B/F	75,000,000			
ELRP(Locust)	91,713,333	51,588,750	51,588,750	51,588,750
ELRP(Locust) b/f	68,785,000			
CRF Balance b/f	287,820,000			
GRAND TOTAL	6,614,526,496	5,730,111,949	5,719,890,499	5,721,748,199

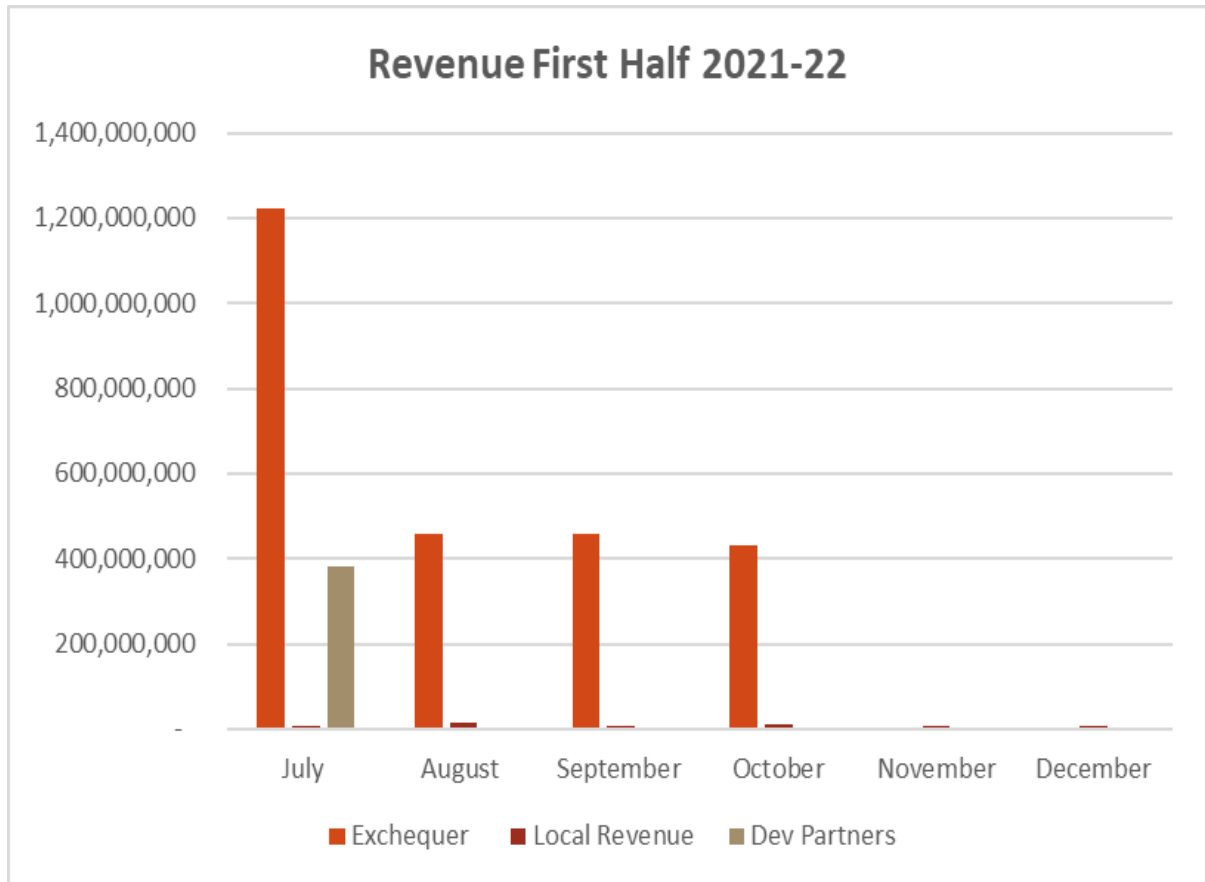
Source: County Treasury 2022

Table 7: MTEF Sector Ceilings 2022/2023 -2024/25

	Total Expenditure, Ksh											Projected Estimates 2023/24	Projected Estimates 2024/25
	INITIAL BUDGET 2021/22	Salary	Balance	% of salary	CFSP Ceilings 2022/23	%	NET	Salary 2022-23	% of salary	Loans, grant and development partners			
County Assembly	703,297,034	316,666,219	288,719,575	45%	575,385,794	10%	575,385,794	324,582,874	56%			604,155,084	615,662,800
County Executive	486,753,697	263,966,697	222,858,377	54%	476,825,075	8%	476,825,075	270,565,865	57%			500,666,328	510,202,830
Finance, Economic Planning & ICT	542,566,513	201,702,512	340,943,563	37%	547,646,075	10%	547,646,075	206,745,075	38%			575,028,378	585,981,300
Agriculture, Livestock Development, Veterinary Services & Fisheries	748,157,607	127,879,303	123,922,669	17%	383,553,586	7%	301,801,972	131,076,285	34%	18,176,614	63,575,000	316,892,070	410,402,337
Water, Environment, Natural Resources & Energy	640,526,139	46,710,539	491,402,544	7%	498,113,083	9%	498,113,083	47,878,303	10%			523,018,738	532,980,999
Education and Vocational Training	646,422,523	278,624,331	367,892,983	43%	641,517,314	11%	641,517,314	285,589,940	45%			673,593,180	686,423,526
Medical Services, Public Health & Sanitation	1,547,566,477	841,318,625	465,963,571	54%	1,452,665,994	25%	1,332,282,196	862,351,591	59%	110,638,298	9,745,500	1,398,896,305	1,554,352,613
Lands, Housing, Physical Planning & Urban Development	192,784,320	58,377,800	134,434,790	30%	187,812,590	3%	187,812,590	59,837,245	32%			197,203,220	200,959,471
Roads, Transport & Public Works	452,201,368	45,102,368	307,150,647	10%	372,253,014	6%	372,253,014	46,229,927	12%			390,865,665	398,310,725
Tourism, Trade, Enterprise Development & Cooperatives	416,958,147	117,672,591	299,346,698	28%	412,019,289	7%	412,019,289	120,614,406	29%			432,620,254	440,860,639
Culture, Social Services, Gender, Sports & Youth Affairs	187,292,671	44,650,071	142,670,064	24%	182,320,135	3%	182,320,135	45,766,323	25%			191,436,142	195,082,545
TOTAL	6,564,526,496	2,342,671,057	3,185,305,480	35.7%	5,730,111,949	100%	5,527,976,537	2,401,237,833	42%	128,814,912	73,320,500	5,804,375,364	6,131,219,785

Source: County Treasury 2022

Figure 1: Six Months Year Revenue 2021-22



Source: County Treasury 2022

Table 8: Summary of Public Participation Highlights

County executive

SECTOR	ISSUES	Proposed Way forward/Action/Response
County executive	Construction and equipping sub-county offices.	The cost will be increased to Ksh 15million for the construction of a proper ward/sub-county office from Ksh 13,356,000
	Consolidation of information be and improving information sharing.	Cost to be reduced to 15,695,000 since the consolidation of information sharing is not a rigorous process from Ksh 16,695,000

FINANCE, ECONOMIC PLANNING, AND ICT

SECTOR	ISSUES	Proposed Way forward/Action/Response
Finance, Economic Planning, and ICT	Coordination of Public participation programs.	Cost to be reduced from Ksh 16, 695, 000 to Ksh 16,051,000, and the remaining balance be facelifted allocated to sub-county construction ward office. Public participation is a requirement both under the constitution of Kenya and the Public Finance Management Act (PFMA 2012).
	The amount proposed on developing on staff skills and competencies, safety measures relating to personnel, documents, and information.	The cost of Kshs 336,575,303 is too high and should be reduced and taken to other projects. This amount includes salaries for the department for FY 2022/23.
Special Program	Emergency relief food and cash transfer.	Cost be increased to Ksh 43 million from Ksh 40 million for the community to get adequate food. To be provided for in the budget of FY 2023/24 due to limited financial resources
	Peace and cohesion.	Cost to be reduced to Ksh 18,168,794 from 21,168,774. Peace is important for development as much as is not a devolved function the projects there is need to engage residents in the affected areas.

Agriculture, Veterinary, Livestock, and Fisheries

SECTOR	ISSUES	Proposed Way forward/Action/Response
Agriculture, Veterinary, Livestock, and Fisheries	Construction of cattle crushes.	Construction of modern Sale yards at a cost of Kshs 12 million (Draft CFSP 2022) to include: Oromoidei ,Ngare Naro, and Ndonyo Nasipa
	Provision of community breeding stock.	Budget provision of Ksh 48.5 is reduced to Ksh 48 million. Food security is a core mandate of any government hence the allocation given to it.
	Purchase of certified seeds.	To be increased to Kshs 60 million. The allocation to be increased in subsequent budgets due to limited resources
	Support of poultry farmers with breeding improved	To be increased to Kshs 50 million. Currently, we have a partner supporting this value chain (NARIGP).

	indigenous chicken.	
	Construction of ward extension offices.	Construction of Ward Extension Offices- 6.7M (Draft CFSP 2022). The allocation is to be increased in subsequent budgets due to limited resources.
	Additional of new tractors.	To be provided for in the budget of FY 2023/24 due to limited financial resources

Water, Environment, Natural Resources & Energy

Sector	Issues	Proposed Way forward/Action/Response
Water, Environment, Natural Resources & Energy	Operationalize County Environment committee and create awareness on environmental issues.	Reduce allocation from Kshs 16M to Kshs 10M. Given the threats presented by climate change, the County Environment committee is central to the climate change issues in the initial stages however, subsequent allocations to the committee will be reduced as climate change issues become clear in the County.
	Drilling and equipping of boreholes in various sites.	Prioritize dispensaries and the furthest villages. The department to consider this proposal in the budget.
	Conduct Hydrogeological surveys in various sites.	Experts should be used during the surveys to avert the risk of drilling boreholes and no water is found afterward. The department will continue to undertake a hydrological survey before drilling boreholes.
	Desilting of existing dams.	The department shall consider the proposal. However, in the approved supplementary I FY 2021/22 desilting of existing dams for the following areas was allocated funds (De-silting of Lbaa Rongoi pan, De-silting of Lederero South East pan, De-silting of Lerata A Dam, De-silting of Lkitembe water pan in Waso ward, De-silting of Nairimirimo dam, De-silting of Ntarakwa Dam)
	Borehole.	Drilling and equipping of boreholes in various sites at a cost of Ksh 122 million (Draft CFSP 2022) and they include Raraiti nursery community and Lorrok-onyokie boreholes.
	Sand dam.	Construction of Earth dams/pans and check dams at a cost of Ksh 98.2 million (Draft CFSP 2022) and include Naisunyai and Narapai
	Nchok-Borehole. Piping water.	Drilling and equipping of boreholes in various sites at a cost of Ksh 122 million (Draft CFSP 2022) and Water supply pipeline extensions and rehabilitation at a cost of Ksh 200 million (Draft CFSP 2022) which includes Nchok borehole.
	Wamba town.	Improve solid waste management in the county at a cost of Ksh 7 million (Draft CFSP 2022) and include repair of exhauster and construction of Dumping site.

Education and Vocational Training

Sector	Issues	Proposed Way forward/Action/Response
Education and Vocational Training	Construction of 30 classrooms fully equipped county wide.	The department to consider the proposal based on the current distribution of ECD centers in the county.
	Forty-two (42) sets of child-appropriate furniture.	The department to consider the proposal based on the current distribution sets of child-appropriate furniture in ECD centers in the county

Outdoor fixed learning materials.	The department to procure quality furniture for ECDE centers.
Pre-School feeding programme.	Early procurement of food and transport for ECDE to be undertaken by the department.
Installation of water tanks.	The installation of the water tanks should be done immediately before the onset of rains.
Assorted learning materials.	Early procurement of right materials for ECDE to be undertaken by the department.
Teacher management.	The department to upgrade the current ones through continuous training.
Bursary awards.	Bursary awards are done at the ward level and beneficiary lists are displayed on various ward notice boards and the County Website.
Priority should be given to all unfenced ECDE centers.	Fencing of nine (9) ECDE centers at a cost of Ksh 6 million provided for in the draft CFSP 2022.
Monitoring and Evaluation of ECDE centers.	Monitoring and Evaluation of ECDE centers should be reduced to Kshs 3 million because we already have in place quality assurance officer.
Procurement should be timely and the safety of children goods to be checked.	The department to procure quality and safe materials for ECDE centers.
The budget allocated for fencing of pre-school to be increased.	The department to consider staggering the fencing of ECDE centers in subsequent Financial Years.
The proposed budget of 10 ECD kitchens.	An increase from 4 million to 6 million will be done and the number increased to 15 ECDE Kitchens.
Increase amount of pre-school feeding program.	Increase allocation from 70 million to 90 million. Allocation increase to be factored in FY 2023/24 due to scarcity of resources (Limited budget).
<ul style="list-style-type: none"> • Consider accommodation and housing for ECD teachers. • Special school is also needed one per sub-county. 	Allocation to be factored into FY 2023/24 due to scarcity of resources (Limited budget).
<ul style="list-style-type: none"> • Fencing and equipping of Nchok ECD class. • Construction of ECD class in Ntunyus village • Construction of ECD class in Naisunyai • Construction of ECD class in Namunyak • Construction of ECD class in Narapai • Fencing and equipping of Nchok ECD class • Construction of ECD class in Ntunyus village • Construction of ECD class in Narapai 	Construction of 30 fully equipped pre-school classrooms with Playfields, sanitary blocks, kitchens, and office/stores in the county at a cost of Ksh 70.5 million provided for in the draft CFSP 2022.

	<ul style="list-style-type: none"> The ECD officers'/quality assurance and standards officers lack mobility in order to reach the various ECD centers for Monitoring and Evaluation 	<p>There will be an increase in fuel allocation and the procurement of a vehicle to be factored into FY 2023/24 due to scarcity of resources (Limited budget).</p>
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Medical Services, Public Health & Sanitation

Sector	Issues	Proposed Way forward/Action/Response
Medical Services, Public Health & Sanitation	Lack of an incinerator at Archers Post Sub County Health Centre.	Purchase of a modern incinerator at Archers Post Sub County Health Centre (SCHC) is the current budget FY 2021-22.
	Inadequate health care workers across the County.	Due to the pressure, the wage bill is exerting on the budget. The hiring of new staff has been frozen. The hiring of critical service staff however is allowed under the guidance of the County Public Service Board.
	The water system at the Archers Post SCHC	Plumbing of Archers Hospital (Kshs 2M)- Approved Supplementary I FY 2021/22.
	Lack of a public cemetery.	To be provided for in the budget of FY 2023/24 due to limited financial resources
	The following activities are underbudgeted Health education at the community level, upscale active disease surveillance, and upscale community strategy.	Increase allocation from Kshs 29.3 M to Kshs 50M. The allocation is to be increased in subsequent budgets due to limited resources and departmental ceiling adherence. This will be realized as own source revenues improve due to easing of covid-19 restrictions and reopening of the economy.
	Procurement of medical drugs in the County.	Increase allocation from Kshs 155M to Kshs 200M. The allocation will be increased to Ksh 170 M and will continue to be increased in subsequent budgets due to limited resources.
	Lack of modern mortuaries at Archers Post SCHC and Wamba Health Centre.	The establishment of modern mortuaries at Archers Post SCHC and Wamba Health Centre will be done in FY 2023-24.
	Construction of Dispensary.	Construction of new facilities to be prioritized in the FY 2023/24 since currently, the department is concentrating on operationalizing the newly constructed facilities. In the draft CFSP 2022, (Construction and equipping of Laboratories at Loosuk and Porro HC-10M, Completion of incomplete staff houses at Kirimun, Lchakwa and Ikiloriti Dispensaries-3M, Fencing of Naiborkeju Dispensary, Angata Rongai Dispensary, Lmisigiyoi Dispensary, Nauneri Dispensary Lekurru Dispensary, Lpartuk Dispensary-4M, Construction of Staff House at Muruankai Dispensary- 5M, Completion of incomplete staff houses in three dispensaries-3M, Construction of sanitary facilities in 10 facilities-10M, Fencing of the existing 19 facilities-28.5M.)
	Lorrok-onyokie wamba	To be provided for in the budget of FY 2023/24 due to limited

	north	financial resources.
	Wamba north	Fencing of the existing 19 facilities-28.5M proposed in the draft CFSP 2022 and Ngilai dispensary staff house, and fence is among them.

Lands, Housing, Physical Planning & Urban Development

Sector	Issues	Proposed Way forward/Action/Response
Lands, Housing, Physical Planning & Urban Development	Boundary dispute resolution between Kawap, Nyiro and Ndooto.	Allocation of money to resolve the dispute between Kawap, Nyiro and Ndooto will be factored into the budget.
	Planning of Loibor Ngare market Demarcation of Lorubae in Archers.	To be provided for in the budget of FY 2023/24 due to limited financial resources.

Roads, Transport & Public Works

Sector	Issues	Proposed Way forward/Action/Response
Roads, Transport & Public Works	Stormwater disposal system.	Increase allocation by Kshs 26M to Kshs 56M. Provision of extra funds to be factored in the budget FY 2023/24.
	Routine maintenance and improvement of roads.	Increase allocation by Kshs 10M to Kshs 170M. In the draft, CFSP 2022 Routine maintenance and improvement of roads is Ksh 160 million which will include Grading of Nontoto- sawan road.
	Opening of new roads.	Increase allocation to Kshs 100M and consider priority areas in each village in Samburu North Parkati-Lkayo-Loyangalani road, Opening of a new road at loiting village and murraming Opening of new roads at a cost of Ksh 50 million provided for in draft CFSP 2022.
	Installation of street lights.	Street lighting of extra towns to be factored in budget of FY 2023/24 and subsequent budgets.
	Routine maintenance and improvement of roads.	Include all border roads/main roads that link Samburu county to other counties Nachola-Suguta road. Border roads to be considered when the department is select a sample of roads for routine maintenance. Consider the following in the departments work plan <ul style="list-style-type: none"> ✓ Construction of Nakwamoru to Naishamunye road ✓ Construction of Loruko-Nankuyia road ✓ Construction of Lpus Le Kurseine drift not a slab ✓ Construction of Noolotoro to Ngare Narok road Routine maintenance and improvement of roads at a cost of Ksh 160M provided for in the draft CFSP 2022

		additional allocation to be provided for in subsequent budgets
	Incomplete roads.	Allocate funds to complete ongoing road projects Marti-Nadome road (security road). The department will consider it in their work plan 2022-23
	Development of staff skills and competencies.	To be reduced to 30 million. Reduction of development of staff skills and competencies to be reduced in subsequent years as staff gets required skills and competencies.

Tourism, Trade, Enterprise Development & Co-operatives

Sector	Issues	Proposed Way forward/Action/Response
Tourism, Trade, Enterprise Development & Co-operatives	Tourism promotion and marketing locally and internationally.	Increase allocation to Kshs 10M from Kshs 5M. The proposal will be adopted in the budget.
	Establish and operationalize a tourist information and research Centre at SNR.	Increase allocation to Kshs 10M from Kshs 5M. The proposal will be adopted in the budget.
	Establishment of Conference Facilities, Beaconing of SNR boundary and corridor.	Increase allocation to Kshs 20M from Kshs 30M. The allocation is already set out at Kshs 30M in the draft CFSP 2022.
	Capacity building for staff through training on career progression, mentorship on the job training, workshops, and seminars in line with the job training.	Increase to Kshs 6 million. Staff training is to be conducted annually on the scheme of service guidelines to guide the training needs assessment.
	Community sensitization meetings, workshops, and exposure tours of communities around SNR	Increase allocation to Kshs 7 million. Sensitization is to be done in phases based on available resources.
	Equip all rangers' camps and water provision –eg Nkurnit.	Support to community conservancies is factored in the draft CFSP 2022.
	Boda boda sheds in all towns	Boda boda sheds are to be constructed in phases to cover the entire county.
	More co-operatives to be formed and sensitization and awareness to communities.	Pre-cooperative education to increase the formation of more cooperatives factored into the current draft CFSP 2022.
Rangers training and capacity building.	This is a continuous activity based on the support to conservancies.	

CULTURE, SOCIAL SERVICES, YOUTH, AND SPORTS

SECTOR	ISSUES	Proposed Way forward/Action/Response
Culture, Social Services, Youth and Sports	Propose an increase to the disability fund contribution.	Increase allocation from 5 million to 10 million. Due to constraints in resources, the recommendation will be taken forward to the 2023-24 budget.
	Transparency is needed in the disability fund administration.	The department will ensure transparency and accountability in the fund administration.

Consideration is given to incomplete projects.	Wamba and Archers post stadiums. Rehabilitation of stadia-3M (Approved Supplementary I FY 2021/2022)
Propose addition of 2 million to rescue centers.	For the support of all the rescue centers across the county. To be provided for in the budget of FY 2023/24 due to limited financial resources
Increase budget and create awareness.	Drug and substance abuse. To be provided for in the budget of FY 2023/24 due to limited financial resources.
Criteria used in selecting Ushanga women empowerment.	Increase budget from Ksh 4 million to Ksh 6 million. The recommendation is considered.
Propose total budget of sport.	To be reduced from Ksh 18 million to Ksh 16 million. The sporting activities revolve around youth. Keeping them fully engaged will reduce the crime rate and other bad habits. The proposal will not be factored in.
Construction of a social hall in Archers post town.	To be provided for in the budget of FY 2023/24 due to limited financial resources.