COUNTY GOVERNMENT OF KIRINYAGA

DEPARTMENT OF FINANCE, ECONOMIC PLANNING, MARKETING ANDINFORMATION COMMUNICATION TECHNOLOGY

COUNTY FISCAL STRATEGY PAPER 2015

February 2015

Kirinyaga County Fiscal Strategy Paper, 2015
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FOREWORD

The 2015 Kirinyaga County Fiscal Strategy Paper is prepared under the theme of "Enhancing Economic Transformation for a Shared Prosperity". The CFSP seeks to give a foundation sub-structure to the 2015/16 budget and in the Medium Term. Most significantly, the paper gives significant cognizant to the 3 Pillars of the Second Medium Term Plan of Kenya's Vision 2030.

In the Economic Front, the county government of Kirinyaga continues to give priority to the agricultural sector. The sector is the biggest source of income and employment for Majority of households in the county. Indeed the county is countrywide known for rice production; data from KNBS shows that over 75% total national rice output in the country is grown in Mwea Irrigation Scheme, in Kirinyaga County. Other significant Export cash crops from the country include Tea, Coffee and French Beans. Because of these, the sector got the recurrent ceiling of 12.5% and development ceiling of 12.4%. Other departments in the economic pillars like Trade, Co-operatives and Tourism got a combined Budget of 6% recurrent and 6% development budget.

To spur the economic development of the County, the County requires a strong Foundation for County Transformation. These are what the MTP calls the enablers. The County Government remains committed to expanding our Physical infrastructures to ensure support for economic growth and attraction of investors. The county plans to prepare a Spatial Plan to ensure valuation rolls and master plans of key towns are upgraded so as to generate more revenue in terms of Land Rents and Rates. Priority will also be given to routine improvement of vital link and access roads, plus bridges. With regard to energy and electricity, the county will continue to supplement effort of the National Government's Rural Electrification Program (Rural Electrification Project from BADEA Kshs. 11.3 million) with its own expenditure towards lighting our markets and shopping centers. The departments of Physical Planning, Lands & Housing, Transport & Infrastructure are allocated a combined development ceiling of 22%.

For departments in the Social Pillar like Educations, Culture, Gender & Social Services, Environment & Natural Resources and Health, the County will continue investing in the people of Kirinyaga to create a just and cohesive society that enjoys equitable Social Development in a clean and secure environment. These departments have an aggregated ceiling of 50.6% for Development Expenditure and 42% for recurrent expenditure. The department of Health services will also benefit from additional support by the National Government through Allocation for rehabilitation of hospitals from Government of Netherlands (Kshs. 28.9 million), in conditional grants managed by National government(not in budget estimates of the County). Also department of Environment and Natural Resources will get additional support through allocation for Upper-Tana Natural Resource Management Project from IFAD (Kshs. 146.2 million). The County has also made provisions for Bursary fund and Scholarships amounting to Kshs. 70 million.

Overall, major emphasis will be given towards growing the County Resource envelope, in particular, local revenue generated within the County. In order to drive local revenue growth and decrease dependency on the equitable share, the County Treasury will spearhead a Revenue Transformation Program built on three (3) pillars.

(1) Technology – Use of appropriate ICT Tools and solutions over the medium to long term

(2) Policy and Regulatory Reforms – increased revenue collection mandate via County Legislation

(3) People – Top to Bottom approach, increased capacity building on the use of ICT to efficiently deliver services

In the political pillar, the county remains true to the spirit and letter of Public Participation in implementing its agenda. In preparing this CFSP, the County Treasury conducted Sector Reviews under Public Consultations Forums. These forums were conducted at ward levels to ensure maximum participation. The purpose of these forums is to allow for prioritization of policies, projects and programs as contained in the CIDP.

Hon. Murimi Murage

CEC Member Finance, Economic Planning, Marketing & ICT

ACKNOWLEDGEMENT

A lot of effort and personal dedication have been spent, beyond office hours to ensure the 2015 County Fiscal Strategy Paper (CFSP) is prepared and submitted on time, as scheduled in the PFM Act. These efforts have been dedicated to the timely preparation of this CFSP, personal effort without which, actualization of this MTEF Policy document would not have been possible. Thus due gratitude is given where it is due.

Special gratitude goes to the preparation coordinating team that worked tirelessly throughout to transform raw data gathered from Public Participation Forums to this refined document. These officers include Mwangi Naftaly (Director, Budget Supply) Mbugua J. N. (Director Economic Planning) Zephania Kiongo (Head of County Treasury- Accounting), James Gitahi (County Budget Coordinator-Office of Controller of Budget), Newtone M Orondoh, Kimaru James, Njuguna Paul, Mwangi Paul, Naomi Mumbi, Mburu Samwel (From Economic Planning Department), Annjoy Kageni (Accounting) and Tabitha Muriithi (CEC Finance Office).

Special thanks likewise go to the invisible hands of various county officials who worked behind the scenes during the Public Participation forums. While it is not possible to list all of them, we acknowledge officers from Procurement departments, Sub-County Administrators and all interns from Economic Planning and Budgeting departments.

To these officers and all others not individually mentioned who took part in this exercise, you remain a credit to this county.

Eliub Comba Muriithi

Chief Officer, **Finance, Economic Planning, Marketing & ICT**

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ABBREVIATIONS

BADEA	Arab Bank for Economic Development in Africa
CA	County Assembly
CBK	Central Bank of Kenya
CBROP	County Budget Review and Outlook Paper
CE	County Executive
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CPI	Consumer Price Index
CBR	Central Bank Rate
FY	Financial Year
GDP	Gross Domestic Product
G-Pay	Government Payment System
ICT	Information Communication Technology
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics
KBRR	Kenya Banks Reference Rate
MISC	Miscellaneous
MTP	Medium Term Plan
MTEF	Medium Term Expenditure Framework
NSE	Nairobi Securities Exchange
PFM	Public Finance Management
PPP	Public Private Partnership
PBB	Program Based Budgeting
SBP	Single Business Permit

CHAPTER ONE

1.0 INTRODUCTION

1.1 Overview & Legal Basis for County Fiscal Strategy Paper

The 2015 County Fiscal Strategy Paper is the second to be prepared by the County Government of Kirinyaga since the onset of devolution. This CFSP is anchored to the National Government Budget Policy Statement under the theme "Enhancing Economic Transformation under Shared Prosperity". This CFSP will provide basis for preparation of the budget estimates for 2015/16 and MTEF budget for 2015/16-2017/18.

The preparation of the County Fiscal Strategy Paper (CFSP) is guided by Section 117 of the Public Finance Management Act, 2012, which requires the County Treasury to prepare and submit CFSP to County Executive Committee for approval. After approval by the Committee, the County Treasury is obligated to submit the approved copy to the County Assembly, latest 28th of February. The County assembly is expected to adopt the CFSP, with or without amendments within fourteen days.

Other than aligning the County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement, the CFSP 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. Other requirements includes but not limited to:

- The financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.
- In preparing the County Fiscal Strategy Paper, the County Finance and Economic Planning Department shall seek and take into account the views of -

    a) The Commission on Revenue Allocation;
    b) the public;
    c) the interested persons or groups;
    d) Any other forum that is established by legislation.

- The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly.

1.2 Fiscal Responsibility Principles

In line with the Constitution, The Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. Section 107(1-2) of Public Finance Management Act states that: In managing the county government's public finances, the County Treasury shall enforce the following Fiscal Responsibility principles-

1. Over the medium term, a minimum of 30 percent of the national and county budgets shall be allocated to development expenditure

2. The national government's expenditure on wages and benefits for public officers shall not exceed a percentage of the national government revenue as prescribed by the regulations.

3. 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.

4. Over the medium term, the national and County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
5. Public debt and obligations shall be maintained at a sustainable level as approved by Parliament for the National Government and the County Assembly for the County Governments.
6. Fiscal risks shall be managed prudently; and

7. 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.

1.3 Outline of the 2015 Kirinyaga County Fiscal Strategy Paper

The whole of this CFSP is organized as follows; Chapter 1 tries to give an Introduction on the various laws governing the preparation of the CFSP, plus the fiscal responsibility principles governing the budgeting process. Chapter 2 outlines the economic context in which the 2015/16 MTEF budget is prepared. It provides an overview of the recent economic developments and the macroeconomic outlook covering the global and domestic scene.

Chapter 3 is about Fiscal Policy and Budget Framework, and it outlines the fiscal framework that is supportive of growth over the medium-term, while continuing to provide adequate resources to facilitate execution ofpolicy priorities of the County Government of Kirinyaga. The chapter also gives an overview of the 2014/15 budget and its compliance with the fiscal responsibility principles.

Chapter 4 gives a detailed analysis of the Medium Term Expenditure Framework. It presents the resource envelope and spending priorities for the proposed 2015/16 MTEF Budget and the Medium Term. Sector achievements and priorities are also reviewed for the 2015/16 MTEF period.

CHAPTER TWO

2.0 RECENT ECONOMIC DEVELOPMENT AND OUTLOOK

In determining the county's medium-term strategic objectives, it is also necessary to factor in how changes in environment, economic and financial trends will impact the County's current priorities as contained in this County Fiscal Strategy Paper

As the 2014 Budget Review & Outlook Paper (CBROP) shows, Kirinyaga is predominantly an agricultural county with tea, coffee and rice being the major cash crops grown. Despite this, the county realizes that it is not operating in a vacuum, with full knowledge that major changes in economic and financial trends in the country can affect the expenditure trends by the County Government in the future. Undesired shift in expenditure trends due to economic shocks will delay the development agenda for the county. These economic changes like inflation and exchange rates, will most likely affect the monetary output value of the county's products. Thus how the county plans for these exogenous shocks will determine how much the county's economy grows. The incidence of such shocks are ultimately borne by the hard-working coffee, rice and tea farmers in the county

2.1 National Economic Outlook

The rebased GDP estimates in nominal terms for 2013 (Ksh 4,757.5 billion) put the Country as the 9th biggest economy in the continent. The country's GDP per capita stood at US$ 1,269, putting the economy into a lower middle income country bracket.

Economic Growth

The economy grew by 5.7 percent in 2013, up from 4.5 percent growth in 2012**.** The increase in growth in 2013 was supported by improved activities in agriculture, forestry and fishing (5.1 percent), manufacturing (5.9 percent), wholesale and retail trade (9.2 percent), financial and insurance activities (9.3 percent) and information and communication (13.5 percent). In the first three quarters of 2014 the economy expanded by 5.2 percent on average compared with 6.6

percent in the same period in 2013. On account of performance during the first three quarters and the projected growth of 5.3 percent in 2014, the fourth quarter growth of 2014 is estimated to be at 5.5 percent

The Budget Policy Statement 2015 shows that the economy is projected to grow by 5.3 percent, 6.9 percent in 2014 and 2015, respectively, and 7.0 percent over the medium term. This level of growth will be underpinned by the continued good performance in agriculture, forestry and fishing, manufacturing, real estate, wholesale and retail trade, financial and insurance activities and information and communication.

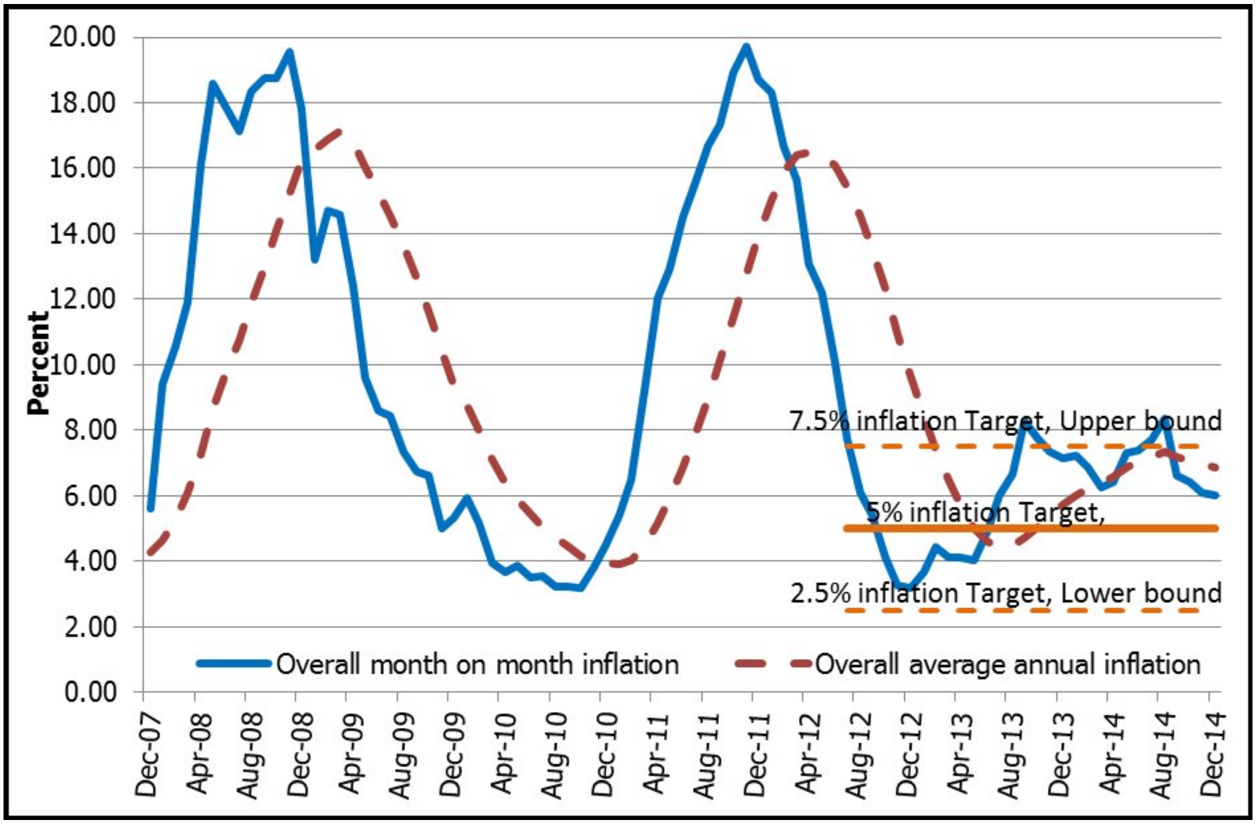
Considering that the County finances its budget 90% from the transfers from National Equitable share of revenue, this robust growth in the Medium Term portends well for the county. Additional revenues will result from this robust growth. However, the county is still cognizant to the fact that Transfers from the National Treasury cannot adequately satisfy its expenditure needs. It suffices to say that long term growth in County resource envelope will come via internal revenue collection, specifically from revenue generated from devolved functions and not through transfers from the National Treasury.

Inflation

Overall month on month inflation declined further to 6.0 percent in December 2014 from 6.1 percent in November 2014 and 6.4 percent in October 2014**.** On average, the annual inflation rate was 6.9 percent in December 2014 compared to 5.7 percent in December 2013. Although inflation has been within the single digit spectrum, it still remains slightly above the 5% target in the 2ndMedium Term Plan (MTP 2, 2013-2017)

The decline in overall inflation in December 2014 was largely attributed to lower fuel inflation. Fuel inflation eased from 6.4 percent in November 2014 to 6.0 percent in December 2014 reflecting a fall in the retail price of kerosene, diesel and petrol. Non-food non-fuel inflation also eased from 3.8 percent in November 2014 to 3.7 percent in December 2014.

Fig. 2.1-Inflation Rate



.Source; Budget Policy Statement 2015,

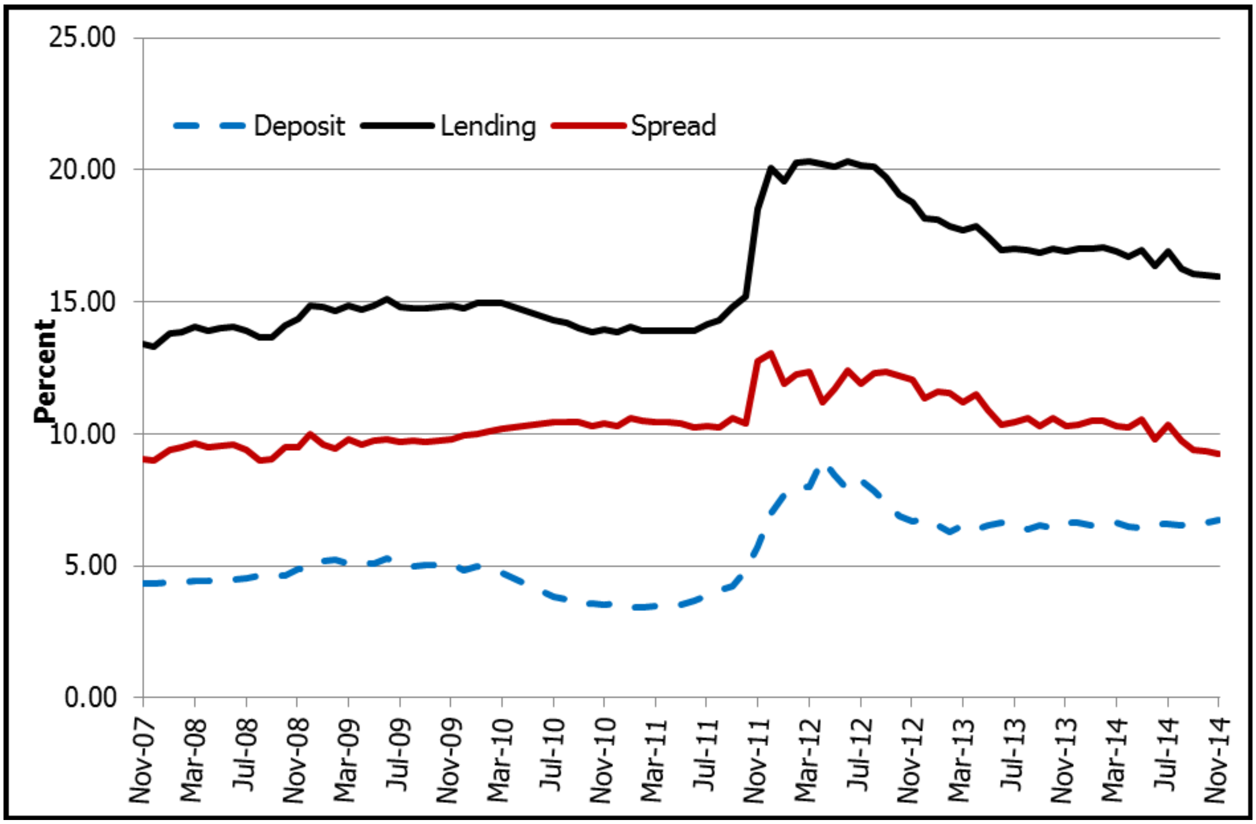
Food inflation however, rose from 7.4 percent in November 2014 to 7.5 percent in December 2014. This reflects the 12-month change in the 'food and non-alcoholic beverages' index, which rose from 7.5 percent in November 2014 to 7.7 percent in December 2014

Interest Rates

The Central Bank Rate remained at 8.5 percent in December 2014 and the short term interest rates oscillated around the CBR. The 91-day Treasury bill rate declined to 8.6 percent in December 2014 from 8.7 percent in November 2014 and 8.7 percent in October 2014. The 182 day Treasury bill increased to 9.6 percent in December 2014 from 9.2 percent in November 2014 and 8.9 percent in October 2014 while the 364 day Treasury bill rate averaged at 10.5 percent in December and November 2014 from 10.3 percent in October 2014.

The Kenya Bank's Reference Rate (KBRR) remained at 9.13 percent. Commercial banks average lending declined to 15.9 percent in November 2014 compared with 17.0 percent in November 2013 while the deposit rate increased to 6.7 percent from 6.6 percent over the same period**.** This narrowed interest rate spread from 10.3 percent in November 2013 to 9.2 percent in November 2014 reflecting mainly a decline in the lending rate.

Fig.2.2-Commercial Banks Lending and Deposit Interest Rates



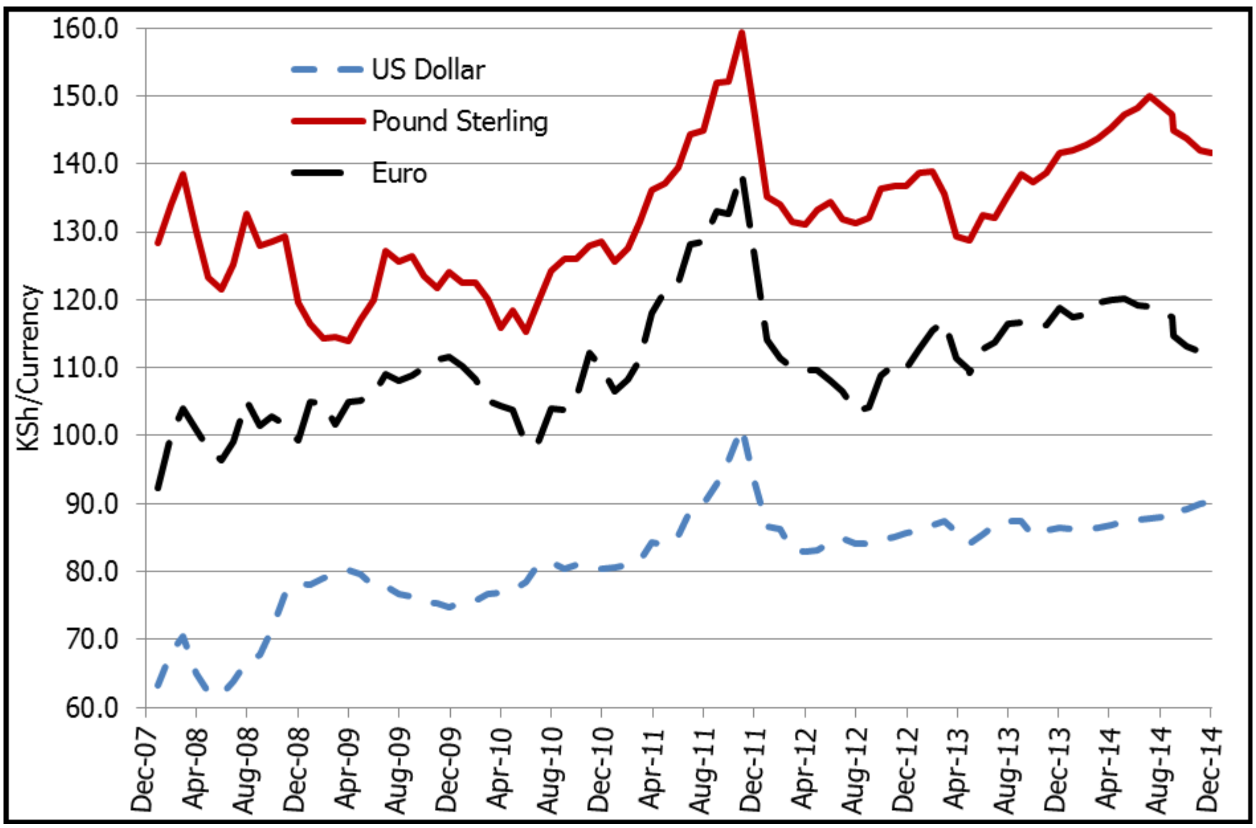
Source: Central Bank of Kenya

Exchange Rates

The Kenya Shilling exchange rate demonstrated mixed performance against major international currencies. The currency depreciated against the US dollar to Ksh 90.5 in December 2014 from Ksh 90.0 in November 2014 and Ksh 89.2 in October 2014.

Against the sterling pound, the shilling appreciated to Ksh 141.4 in December 2014 from Ksh 142.0 in November 2014 and Ksh 143.7 in October 2014 and against the Euro it appreciated to Ksh 111.5 in December 2014 from Ksh 112.3 in November 2014 and Ksh 113.2 in October 2014. Diaspora remittances, increased foreign investor participation in the NSE and enhanced confidence following successful issuance of the sovereign bond continues to support the Kenya shilling exchange.

Fig. 2.3 Kenya Shilling Exchange Rate



Source: Central Bank of Kenya

Agricultural Production

Coffee

According to the *Leading Economic Indicator, December 2014* by Kenya National Bureau of Statistics, the national quantity of coffee auctioned at the Nairobi Coffee Exchange declined from 2,801 MT in October 2014 to 1,703 MT in November 2014 while the average auction price decreased from KSh 422.76 per kilogram to KSh 410.25 per kilogram over the same period.

Table 2.1: Coffee Sales and Prices*

Month	2012			2013			2014***		
	QUANTITY (MT)	PRICE ($ /kg)	PRICE (Ksh /kg)	QUANTITY (MT)	PRICE ($ /kg)	PRICE (Ksh /kg)	QUANTITY (MT)	PRICE ($ /kg)	PRICE (Ksh /kg)
January	4,770	6.31	543.92	3,938	3.96	344.17	2,850	3.40	293.39
February	6,505	4.44	368.78	4,825	3.66	319.70	5,382	4.62	398.62
March	3,317	4.68	388.61	4,074	3.81	326.86	6,212	5.31	459.34
April	4,801	4.12	342.49	6,038	3.31	278.70	6,611	4.52	392.22
May	5,472	3.59	302.51	4,482	2.73	229.85	3,747	3.99	349.47
June	3,884	3.04	258.05	2,307	2.43	208.10	2,860	4.09	357.96
July**	3,086	3.54	297.99	830	2.89	250.59	1,292	3.59	314.67
August	3,948	3.30	277.28	3,411	3.39	296.97	3,214	4.33	381.16
September	4,474	3.14	265.22	2,442	3.28	286.47	3,424	4.55	404.29
October	2,925	3.09	263.39	1,580	2.81	239.37	2,801	4.74	422.76
November	1,794	3.17	272.27	1,882	2.97	255.55	1,703	4.56	410.25
December	1,075	3.58	307.99	2,133	3.18	274.39			
Annual	4,095	3.83	324.04	3,162	3.20	275.89			

Source: KNBS
NB: MT denotes Metric Tonnes
*** Provisional
** Nairobi Coffee Exchange was in recess for most of July 2013

Fig. 2.4: Coffee Sales at the Nairobi Coffee Exchange

Figure -1 Coffee sales at Nairobi Exchange; source KNBS

Tea

The national quantity of processed tea fell from 45,368 MT in October 2014 to 38,614 MT in November 2014. The price of processed tea increased from KSh 180.48 to KSh 181.71 per kilogram over the same period.

Table2.2 : Tea Production and Auction Prices

Months	2011			2012			2013			2014*		
	QUANTITY (MT)	PRICE ($/Kg)	PRICE (KSh/Kg)	QUANTITY (MT)	PRICE ($/Kg)	PRICE (KSh/Kg)	QUANTITY (MT)	PRICE ($/Kg)	PRICE (KSh/Kg)	QUANTITY (MT)	PRICE ($/Kg)	PRICE (KSh/Kg)
January	35,999	3.16	256.43	36,205	2.91	250.22	45,390	3.28	284.11	44,970	2.74	235.57
February	26,711	3.07	250.78	18,412	2.95	245.01	38,503	3.09	270.61	33,774	2.35	202.55
March	22,459	2.89	243.36	17,859	3.03	251.24	33,368	2.81	240.73	33,336	2.16	186.93
April	31,482	2.87	240.62	18,118	3.08	256.13	38,230	2.50	210.09	39,975	2.16	187.59
May	32,856	2.88	245.13	37,383	3.14	264.26	39,600	2.56	214.54	41,186	2.06	179.49
June	28,955	2.97	264.43	30,197	3.29	279.45	30,530	2.44	208.59	31,945	2.03	177.90
July	26,343	3.16	283.08	24,306	3.42	287.79	26,229	2.44	211.89	30,790	2.28	199.85
August	24,471	3.18	293.85	31,920	3.42	287.71	26,338	2.38	208.13	26,756	2.17	191.27
September	30,493	3.05	291.64	33,549	3.31	279.69	32,800	2.19	191.06	33,321	2.01	178.32
October	39,926	2.89	290.94	40,235	3.20	272.10	44,283	2.05	174.39	45,368	2.02	180.48
November	36,825	2.85	269.22	39,977	3.24	277.26	35,463	2.17	186.71	38,614	2.02	181.71
December	41,393	2.86	251.09	41,401	3.27	281.47	41,719	2.45	211.62			
Annual	377,913	3.00	265.94	369,562	3.19	269.36	432,453	2.53	217.71			

Source: KNBS
MT denotes
Metric Tonnes
*Provisional

Fig. 2.5: Tea Production

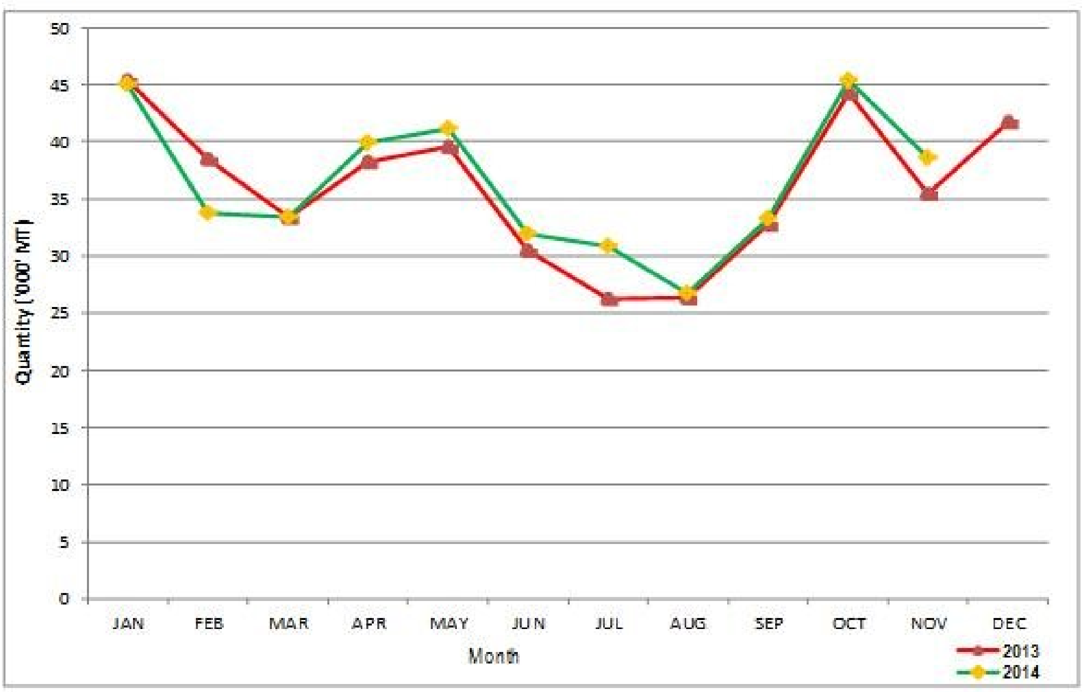


Figure -2.5 Tea Production; Source KNBS

Average price for dry maize fell from KSh 34.66 per kilogram in November 2014 to KSh 32.20 per kilogram in December 2014.

Table 2.3: Monthly Retail Prices for dry Maize, 2014 (per Kg)

Market/Month	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Kiambu	49.38	45.00	45.00	45.00	40.00	45.00	43.75	40.00	40.00	40.00	40.00	
Limuru	40.00	40.00	40.00	40.00	43.33	45.00	40.00	40.00	40.00	40.00	40.00	
Thika	46.25	47.50	47.14	47.78	48.00	45.00	45.00	45.00	42.50	50.00	50.00	
Gatundu	29.69	19.86	22.04	25.71	29.29	40.00		40.27	43.38	43.50	41.89	
Kutus	36.19	40.91	37.47	33.85	35.00	34.37	35.51	27.79	26.00	27.78	28.00	
Sagana	38.41	38.68	42.15	39.58	41.30	41.56	37.76	32.47	30.78	35.87	37.90	
Kerugoya	37.35	36.36	37.25	37.50	39.57	40.02	38.28	34.78	33.70	34.46	33.70	
Muthithi	38.10	38.10	35.71	33.33	35.76	36.36	34.54	31.82	31.82	31.82		
Makuyu	38.10	38.10	38.10	39.29	38.57	40.48	38.10	36.31	29.17			
Kiriaini	40.83			38.58	38.58	38.10	38.10	29.90				
Engineer		45.00	45.00	40.00	40.00	40.00	40.00	42.50	40.00	40.00		
Nyeri					44.73	38.71	42.50	40.00	45.00	44.00	37.65	40.00
Endarasha	42.95	45.15	48.81		48.02	48.22	47.22	46.03	41.27	42.07	32.39	38.10
Karatina	38.56	42.71	48.81		44.17	44.38	41.55	41.67	36.51	35.32	34.19	38.75
Gakindu	38.10	38.10	38.10		45.00	42.50	44.14	42.86	39.69	35.40	38.33	34.44
Nanyuki	43.21	44.57	41.09	45.90	45.53	47.06	46.29	45.20	46.11	45.27	44.69	36.70
Nyahururu	31.82	31.82	35.23	36.36	36.36	37.88	40.91	36.36	40.91	34.09	28.18	38.64
Kaloleni	39.41	40.00	40.00	40.00	40.00	40.00	40.00	39.50	38.00	36.20	35.00	

Source; KNBS, Leading Economic Indicators, July 2014

The average price per Kilogram for dry beans in December 2014 was KSh 74.21.

Table2.4 : Average Monthly Retail Prices for dry Beans, 2014 (per Kg)

Market/Month	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Kiambu	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	74.67	
Limuru	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	
Thika	84.00	82.50	82.50	80.00	82.00	80.00	80.00	78.75	80.00	78.33	80.00	
Gatundu	79.29	77.38	76.13	77.66	87.36	79.24	78.99	78.42	75.95	75.85	74.46	
Kutus	83.21	75.65	70.83	68.92	69.32	70.68	70.83	63.07	63.05	62.20	67.54	
Sagana	71.74	74.19	73.34	76.04	79.13	67.87	70.24	67.03	67.40	62.95	65.22	
Kerugoya	70.62	71.15	73.02	71.94	69.57	68.88	69.57	71.15	72.73	65.22	66.70	
Muthithi	63.10	71.43	71.43	62.50	67.05	63.64	63.64	59.09	63.64	63.64		
Makuyu	65.22	65.22	61.41	65.22	65.22	65.22	62.61	63.05	62.65			
Kiriaini	65.22			71.94	70.80	68.18	68.18	58.52				
Engineer		80.00	80.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00		
Nyeri					87.14	83.09	81.67	157.50	80.00	83.28	87.14	91.06
Endarasha	74.29	76.52	76.19		92.92	93.87	77.06	73.33	75.00	78.13	60.00	80.00
Karatina	69.68	74.13	77.38		82.78	86.96	79.17	82.49	85.00	86.94	97.02	91.92
Gakindu	78.57	77.98	76.19		80.95	80.16	81.19	80.71	89.00	83.28	73.91	74.89
Nanyuki	83.14	87.26	77.96	88.89	89.39	92.36	93.61	90.41	92.76	90.53	89.64	90.62
Nyahururu	75.45	77.27	78.41	81.82	81.82	78.79	80.30	77.28	81.82	71.21	63.64	65.91
Kaloleni	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	

Source; KNBS, Leading Economic Indicators, December 2014

2.2 Outlook for the Medium Term

Growth is expected to continue accelerating in the medium term, with observed recovery in the Agricultural sector, which is the main driver in the economy. The National economy is thus expected to continue its growth-to-target outlook, but just lower than the 10% set target in the second Medium Term Plan. Save for shocks, the country's growth outlook looks to remain stable.

In the county, Agricultural production will continue to show upward trend, especially as the county continues its investment in irrigation technology and mechanization programs.

Inflation is expected to remain the biggest impediment in realizing a stable macroeconomic environment in the medium-term. However due to robust monetary policy by CBK and global fall in oil prices, the CPI inflation is expected to show downward trend towards the 5% target. This outlook is expected to hold in the Medium Term, save for supply shocks due to drought and other exogenous variables indexed to inflation.

The county started implementing the Automated Revenue Collection System in December 2014 which is expected to spur revenue collection from local sources. Revenue leakages are expected to reduce while raising compliance. The County is planning to increase staff in revenue enforcement to compliment the automated revenue collection system.

2.3 Medium Term Risks and Challenges

The major risks inherent in the County remains structural and governance emanating from budget indiscipline as witnessed in the 2014/15 financial year. This budget indiscipline arises from disregard of coherence between the County Fiscal Strategy Paper and the Final Budget Estimates. As was witnessed in current Financial Year (2014/15), the County's final budget estimates were far from the letter and the Spirit of the 2014 CFSP. This constitutes and illegality when Section 131(3) of the PFM Act 2012 is interpreted.

The Section states an amendment to the budget estimates may be made by the county assembly only if it is in accordance with the resolutions adopted regarding the County Fiscal Strategy Paper.

This variance between the CFSP and final budget estimates makes it hard for the county to stick to its development priority sectors in expenditure plans. The resulting development will be haphazard and uncoordinated.

The second risk/challenge is the ability of the various departments and the County Assembly to stick to the County Integrated Development Plans when preparing programs in the budget estimates. Some County Departments have previously included in their budget estimates projects and programs not contained in the CIDP. Likewise the County Assembly when making amendments to the Budget Estimates have previously made for provisions outside the Planning framework of the CIDP. These issues have generated legal challenges in Courts thus delaying budget execution.

Section 104(1) of the County Government Act states “A county government shall plan for the county and no public funds shall be appropriated outside a planning framework developed by the County Executive Committee and approved by the County Assembly”, with Section 107(2) noting that County Plans shall be the basis for budgeting and spending in the county.

In retrospect, what this means is that the Controller of Budget is not obliged to approve withdrawal of money from the County Revenue Fund, or the Consolidated Fund, if the expenditure was not planned for.

CHAPTER THREE

3.0 FISCAL POLICY AND BUDGET FRAMEWORK

3.1 Overview

The 2015 Medium-Term Fiscal Policy aims at supporting rapid economic growth and ensuring the debt position remains sustainable while at the same time supporting the devolved system of Government for effective delivery of public goods and services in a sustainable manner. Specifically, the Fiscal policy underpinning the FY 2015/16 Budget and MTEF aims at revenue target 500 Million from Local Sources, 3.4 Billion from equitable share and Conditional Grants of 165 Million and need for containing growth of total expenditure over the medium term. Further, the policy aims at shifting more public resources from recurrent to capital investment so as to promote sustainable and inclusive growth. Specifically,

Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure. The County Government is committed to a reduction in the recurrent expenditure to devote more resources to development.

The County Government’s expenditure on wages and benefits for public officers shall not exceed a percentage of the County Government revenue as prescribed by the regulations. On wages and benefits, the share to County Government revenues was 46.5 percent in FY 2013/14, and is projected at 41.15 percent in FY 2014/15. Once the share is prescribed in the regulations, the County Government will ensure that this principle is strictly adhered to.

Fiscal risks shall be managed prudently. The County Government has improved its macroeconomic forecasts and regularly reviews the impact of macroeconomic projections and its implications for the budget. The Government also takes into account the fiscal risks arising from contingent liabilities, impact of the Public Private Partnership and Financial Sector Stability.

3.2 Continuing with Prudent Fiscal Policy

Fiscal policy will continue to support economic activity within a context of sustainable public financing. Over the past two years, the County Government has reoriented expenditure towards priority programs in Water, health, agriculture and infrastructure under the medium-term expenditure framework (MTEF).

In 2015, a shift in focus will see major emphasis in terms of funding in the sectors of

(1) Agriculture, Veterinary, Livestock, Fisheries (AVLF) – driver of County's economic growth to increase agricultural productivity and farmers earnings

(2) Education – Infrastructure upgrades at Technical, Industrial, Vocational & Entrepreneurship Training facilities located in the County

(3) Social Sector Infrastructure – Sports infrastructure (Stadium), County Library, Recreational facilities, Alcohol rehabilitation centers

(4) Spatial and Town Planning – Land management based reforms that will increase the revenue resource envelope in the medium term

3.3 Observing Fiscal Responsibility Principles

The County Government recognizes that the fiscal stance it takes today will have implications in to the future. Therefore, and in line with the constitution and the Public Finance Management (PFM) Act of 2012, the principle of sharing the burdens and benefits of the use of resources and public borrowing between the present and future generations implies that we have to make prudent policy decisions today so that we do not impose an unwarranted debt burden on future generations. Also to ensure that development portfolio is not crowded out by the County Government, we shall ensure adherence to the ratio of development to recurrent of at least 30:70 over the medium, as set out in the law. Once the PFM regulations are finalized it is expected that the County Government will respect ratios guiding the wage levels in general and expenditure management on items such as office goods and their pricing that should as much as possible reflect actual market prices.

Timelines on paying goods should be minimized to enable the County Government get competitive prices in the market. The respect and observance of these fiscal rules set out in the PFM law and its regulations is important and necessary to entrench fiscal discipline. In this regard, the Government will observe the fiscal rules set out in the PFM law so as to entrench fiscal discipline. Observance of the Fiscal Rules has been as follows:

In line with the Constitution, the new Public Finance Management (PFM) Act, 2012, and in keeping with the prudence and transparent management of public resources, the Government has adhered to the fiscal responsibility principles as set out in the statutes as follows:

a. *Over the medium term, a minimum of 30% of the National Budget shall be allocated to development expenditure .*

The County Government's development budget allocation over the medium term is above 30 percent, the minimum set out in law. In FY 2013/14 the County Government allocated 30.0 percent to development, however as shown in **Table 3.1**, the preliminary outcome indicates that development expenditure stood at 18.5 percent of total County Government expenditure due to the low uptake of resources by the Departments, intermittent and late disbursements of funds by the National Government. Over the medium term development expenditure is budgeted to expand to 38.2 percent in FY 2014/15 and around 40.0 percent in FY 2015/16.

Table 3.1 Revenues and Expenditures

REVENUES AND EXPENDITURES				
Financial Year	**2013/14**	**2014/15**	**2015/16**	**2016/17**
Total Expenditure	**2,205,505,588**	**4,101,590,326**	**4,117,685,195**	**4,529,453,714**
As a % of Revenues	78	100	100	100
Total Recurrent Expenses	1,797,431,956	2,534,893,988	2,882,379,636	3,170,617,600
Personnel Emoluments	1,321,119,510	1,687,734,426	2,156,086,161	2,156,086,161

Operations and Maintenance	476,312,446	847,159,562	726,293,475	1,014,531,439
As a % of Expenditures	81	62	70	70
Total Development Expenses	408,073,632	1,566,696,338	1,235,305,559	1,358,836,114
As a % of Expenditures	19	38	30	30
Total County Government Revenues	**2,840,829,160**	**4,101,590,326**	**4,117,685,195**	**4,529,453,715**

b. *The national government's expenditure on wages and benefits for public officers shall not exceed a percentage of the national government revenue as prescribed by the regulations*

On wages and benefits, the share to County Government revenues was 46.5 percent in FY 2013/14, and is projected at 41.15 percent in FY 2014/15, stabilizing to about47.6 percent by FY 2016/17. Once the share is prescribed in the regulations, the County Government will ensure that this principle is strictly adhered to.

c. *Fiscal risks shall be managed prudently.*

The County Government has improved its macroeconomic forecasts and regularly review the impact of macroeconomic projections and its implications for the budget. The Government also takes into account the fiscal risks arising from contingent liabilities, impact of the Public Private Partnership and Financial Sector Stability. Further, this year a Contingency provision of Ksh 2.0 million is factored in the budget to cater for urgent and unforeseen expenditure.

CHAPTER FOUR

4.0 MEDIUM TERM EXPENDITURE FRAMEWORK

4.1. Resource Envelope

As in the Previous Financial Year, Resource Envelop projections for the 2015/16 FY and in the Medium Term will mainly depend on Conditional and unconditional transfers from the National Treasury as contained in the County Allocation of Revenue Bill 2015, plus local revenue collection as per Kirinyaga County Finance Act, in the form of (a) property taxes (b) entertainment taxes (c) local fees and cess.

It is to be noted that some of the conditional transfers from the National Treasury for various projects in the County will not be included in the Budget Estimates for the county but will be in the National Government Budget Estimates. These include conditional allocations in the Third Schedule of County Allocation of Revenue Bill, 2015 under loans and grants, like Allocation for rehabilitation of hospital from Government of Netherlands (Kshs. 28.9 million), Rural Electrification Project from BADEA (Kshs. 11.3 million), allocation for Upper-Tana Natural Resource Management Project from IFAD (Kshs. 146.2 million).

It is therefore expected that the loans and grants under the existing financing agreement will be managed by the National Government but with involvement of County Governments in the Project Steering Committees and Project Implementation Units for each programme/project. In addition, reporting arrangements as well as the conditions attached to the implementation of the programme/project will be clearly spelt out in Project Implementation Frameworks to be agreed with County Governments prior to the release of the funds and implementation of the projects.

The resource envelope available for allocation is based on all the sources of revenue:

Table 4.1 : Resource Envelope

Revenue Source(1st Schedule of CARA)	Kshs (2014/15)	Kshs(2015/16)	Percentage

Equitable Share of Revenue Raised Nationally	3,087,186,799	3,514,157,291	
Conditional Allocations(2nd Schedule)			
Allocation for free Maternal Healthcare	0	50,716,400	
Allocation – User Fees Foregone	0	12,308,920	
Allocations of Roads Maintenance Fuel Levy Fund for repair and Maintenance of County Roads	0	44,947,130	
Additional Conditional Allocations from National Government Loans and Grants(3rd Schedule)			
Allocations financed by loan/grant from World Bank to finance Health Facilities[1]		0	
Allocations financed by grant from [2] government of Denmark to supplement financing of County Health facilities		12,770,000	
Local Revenue	Revenue from Former Local Authorities	300,000,000	
	Revenue from devolved functions	150,000,000	
Outstanding Rates and Rents		50,000,000	
TOTAL		**4,134,899,741**	

Source: County Allocation of Revenue Bill, 2015

The County equitable share is just 1.36% of the total sharable revenue of **Ksh 258 billion** due to all counties. The county will also benefit from a loan facility from the World Bank and a grant

[1]From IDA, subsidiary of World Bank under the Health Sector Support Project, with total National allocation of Ksh 913 Million, Objective is to Improve procurement of Pharmaceutical and Medical supplies
[2]Under Health Sector Support project, to Improve procurement of Pharmaceutical and Medical supplies

from the republic of Denmark. These funds are intended to support the delivery of health services in county health facilities and with a view to increase access to health care services by Kenyans and in particular the poor. The funds are to be allocated to County Governments on the basis of the criteria specified in the financing agreement between the Government of Kenya and the development partners.

Allocation from the National equitable share from the National Government will finance over 90 percent of the county budget. County generated revenue is expected to fund the rest. The county will however endeavor to encourage private sector participation through Private Public Partnership Projects (PPP) as well as endure to look for donor funding in the financial year 2015/16.

4.2. MTEF Priorities

National Priorities

The national government's Budget Policy Statement shows that national priority sectors will continue to be consistent with the previous financial periods.

The critical social areas will continue to receive the bulk of budgetary resources. With a combined allocation of 30.1 percent of total discretionary expenditures, education and health sectors will receive a significant share of resources.

The budget will also reflect significantly increase in capital investments in the areas of energy, infrastructure, ICT and development expenditure in general. This reflects the priority assigned to the development in contributing the growth objectives. With proposed allocation of 30.1 percent of total discretionary expenditures, the Energy, Infrastructure and ICT sector will be receiving the second largest share of resources after the education sector. This reflects Government's commitment in improving infrastructure countrywide, such as roads, energy. The allocation to the sector will continue to rise over the medium term.

County Priorities

In the recurrent expenditure category, non-discretionary direct cost expenditures take priority. These include payment of statutory obligations such as wages, salaries, pensions, amenities and rent. The county has outstanding Pension Liabilities of over Kshs. 500 million.

This is a cumulative balance since April 2013, when the County Government came into existence. These liabilities will be a priority in the Budget estimates for the 2015/16 FY (Kshs. 340 million in 2015/16 estimates and Kshs. 170 million in 2016/17). Also the County Government plans to set aside Kshs. 100 millions to the Car and Mortgage provision scheme for the civil servants as per the directives of the **Salaries &Remuneration Commission (Ref. No: SRC/ADM/CIR/1/13 Vol. III (128))**

About 30 percent of the total revenue will be available to fund development projects and programs. Development expenditures will be shared out on the basis of the county priorities as outlined in the CIDP as well as other interventions to deal with unemployment, improve security, increase investment and ensure faster growth in key industries in the county. The following guidelines are used:

1. **Ongoing Projects:** Emphasis is to be given to completion of on-going projects in the county in particular infrastructure projects as well as other projects with a high impact on poverty reduction and equity, employment and wealth creation.

   (a) Health unfunded and incomplete projects @ Kshs

   (b) Water & Environment unfunded & incomplete projects @ Kshs

2. **Strategic Policy Interventions:** priority is also to be given to policy interventions covering the county in particular social equity, environmental conservation and value chain addition.

Other factors for consideration will include;

(1) Level and extent of Devolved Functions as per Legal Notice Number 16 and 153 of 2013
(2) County Sector priorities and objectives as per the County Integrated Development Plan (CIDP)

(3) National Government Policies – Vision 2030, Budget Policy Statement.

(4) Ruling Coalition Jubilee's manifesto

(5) Public interest projects- include proposals made by members of the Public during Public Sector Reviews forums held at ward levels during the 2nd week of February 2015.

4.3. Spending priorities

In the 2013/14 and 2014/15 FY ,the County priority sectors were infrastructure, health, agriculture, water and environment which we received a combined allocation of **58.5 percent** of the total development expenditure.

In 2015/16, the County Government of Kirinyaga proposes a shift in Economic Policy priorities as detailed below:

(1) Health Sector – This sector is 100 % devolved

(2) Agriculture, Veterinary, Livestock, Fisheries (AVLF) – 100 % Growth and is the driver of the County's economic growth to increase agricultural productivity and farmers earnings

(3) Water and Environment

(4) Education – Infrastructure upgrades at Technical, Industrial, Vocational & Entrepreneurship Training facilities located in the County

(5) Social Sector Infrastructure – Sports infrastructure (Stadium), County Library, Recreational facilities, Alcohol rehabilitation centers

(6) Spatial and Town Planning – Land management based reforms that will increase the revenue resource envelope in the medium term

This is in line with the CIDP that states that agriculture is the backbone of Kirinyaga County. The need to have a healthy population thus increasing productivity has also informed the decision to adequately fund the health sector.

Other key sectors such as youth, gender, social services and education have also received a substantial percentage of the development expenditure totaling to a combined allocation of **19.5** percent of the development expenditure. The Department of Housing, Physical Planning and Lands will receive an allocation of **10 per cent**. This is all to ensure that the Valuation Rolls and

Spatial Plans of key towns are upgraded so as to generate more revenue in terms of Land Rents and rates

Effective use of resources will be sought across spending departments and any identified saving will be redirected to deserving priority expenditures. In finalizing the preparation of the 2015/2016 County budget, the County Government will continue to pursue the policy of curtailing less productive expenditures and redirecting resultant savings to capital investment.

4.4 Priority Outlook for 2015/16 and the Medium-Term

The County Government of Kirinyaga foresees its priority in the medium term being consistent with priorities in the last two financial years. The government also does not envisage significant changes in the property rates and other levies charged by the county. As the Finance Act for 2014/15 shows, the county will remain committed to expanding the rates base rather than hiking the rates and fees.

Likewise the county is also committed to increasing its local revenue collection through introduction of an efficient Automated revenue collection system and implementation of the three (3) pillar Revenue Transformation Program. Procurement for a reliable revenue collection system has been finalized and the first phase of implementation initiated

Faced with an overlapping demand for finite and scarce resource, the county government of Kirinyaga realizes that whilst it cannot grow its revenue base as quick as possible to satisfy its competing needs, it nevertheless can cut cost prudently without putting operating efficiency in jeopardy. Thus while much attention in the last two years has been on the Revenue Side, in the medium term, much attention will be put on the expenditure. To ensure intergeneration equity, the county does not envisage sudden increase in rates and fees payable by current generation nor does it plan to borrow heavily via a blank cheque, payable by future generation. Thus the only solution is cutting non-core expenditure in the medium term to balance the county budget.

4.5 Departmental Ceilings

ITEM	**RECURRENT (KSHS)** **70%**	**DEVELOPMENT (KSHS)** **30%**	**TOTAL RESOURCE ENVELOPE (KSHS)**
	2,894,429,821 /-	1,240,469,920 /-	4,134,899,741 /-
Personal Emoluments Pension & Gratuity Mortgage / Car Loan	1,500,000,000 /- 321,000,000 /- 100,000,000 /-		
County Assembly (As per CRA ceiling)	379,000,000 /-		
Recurrent Funds Available for Executive Departments	**594,429,821 /-** 21% of Recurrent Funds		

<u>PENSION AND GRATUITY LIABILITIES</u>

FINANCIAL YEAR (FY)	**PENSION & GRATUITY OUSTANDING LIABILTY (KSHS)**
April 2013 – June 2013	4,000,000 /-
2013 / 2014	154,689,548 /-

2014 / 2015	154,689,548 /-
TOTAL OUTSTANDING PENSION & GRATUITY	**313,379,096 /-**

Pension and Gratuities debt to be paid / retired across Three (3) Financial Years 2015/16FY , FY 2016/17 and FY 2017/18

Our objective is to clear the debt prior to the next General Election and end of the first term of the current County Government.

FINANCIAL YEAR	PENSION & GRATUITY LIABILITY (KSHS)	PENSION & GRATUITY ALLOCATION (KSHS)	TOTAL PENSION & GRATUITY REQUIREMENT (KSHS)
2015/16	104,460,000 /-	216,000,000 /-	**320,460,000/-**
2016/17	104,460,000 /-	249,000,000 /-	**353,460,000 /-**
2017/18	104,460,000 /-	286,000,000 /-	**390,460,000 /-**
GRAND TOTALS	**313,379,096 /-**	**751,000,000 /-**	**1,064,380,000 /-**

Table 4.2: Departmental Ceilings

Cost Centers	Sub-Department	Recurrent Expenditure (%)	Development Expenditure (%)
Personal Emoluments Pension & Gratuity Car & Mortgage scheme for County Civil Servants	All Executive Arms of the government	Kshs. 1.921 billion	0%
County Assembly	**County Assembly**	**Kshs. 379 Million**	**3%**
OFFICE OF THE GOVERNOR	GOVERNOR		150 Millions (County Hq)
	DEPUTY GOVERNOR		
	COUNTY EXECUTIVE COMMITTEE MEMBERS		
	COUNTY SECRETARY UTILITIES & GENERAL ADMINISTRATION		
	SUB COUNTY & WARD ADMINISTRATORS		
	COUNTY PUBLIC SERVICE BOARD		
	HR & PAYROLL MGT		
SUB TOTAL		**10%**	
FINANCE,ECONOMIC PLANNING AND MARKETING	FINANCE	1 %	6%automated revenue collection management system
	ACCOUNTING	1%	
	BUDGETING	1.5 %	
	ECONOMIC PLANNING	2 %	
	REVENUE	2 %	
	ICT	2 %	
	AUDIT	0.5%	
	MARKETING	0.5%	

	PROCUREMENT	2.5 %	
SUB TOTALS		**14%**	**6 %**
HEALTH	MEDICAL SERVICES PUBLIC HEALTH	**30%**	**17 %**
Flagship Projects and Items	*Drugs and Non-Pharmaceuticals*	Kshs.100 million	*Drugs Ware House Phase 1 @Kshs 30m*
	Water Bills	Kshs. 7.5 million	*X-Ray machine @Kshs 14m*
	Electricity Bills	Kshs. 16 million	*Oxygen Plant@ Kshs 14m*
			Improvement of Kerugoya to Level 5 Hospital Phase 1@ Kshs 30m
	Departmental Operations	Kshs 33 million	
Flagship Total		(Kshs.156.5 million)	(Kshs. 88 million)**A**
SUB TOTAL(Ceilling)		**30%**	**17 %(178.5 Million)B**
Available Balance			**B –A = 90.5M** (for underfunded ongoing projects)
AGRICULTURE	AGRICULTURE VETERINARY SERVICES FISHERIES LIVESTOCK	14%	12.4%
SUB TOTALS		**14%**	**12.4%**
WATER& ENVIROMENT	WATER ENVIROMENT FOREST NATURALRESOURCE	6%	12%
Flagship project			*Mwea Makima Water Project @ Kshs 95M*
SUB TOTALS		**6 %**	**12%**
INFRASTRUCTURE	PUBLIC WORKS ROADS TRANSPORT	7%	8%
		7 %	**8%**

SUB TOTALS			
TRADE & CO-OPERATIVES	TRADE CO-OPERATIVES TOURISM INDUSTRIALIZATION	6%	6%
Flagship Projects			*Kagio Market Phase2@ Kshs 25m*
			Boda Boda Sheds@ Kshs 10 M
			Kirinyaga County Investment Conference@Kshs 20 M
			Market Infrastructure Improvement @Kshs 8M
Flagship Total			***Kshs 63 million***
SUB TOTAL		**6%**	**6%**
PHYSICAL PLANNING &HOUSING	PHYSCAL PLANNING SURVEY HOUSING LAND	7%	14%
Flagship project			*Spatial and Town Planning Kshs. 140M*
SUB TOTALS(ceilings)		**7 %**	**14%(147 M)**
EDUCATION	POLYTECHNICS & ECDE OPERATIONS	2%	14.3 %
	BURSARY & SCHOLARSHIPS	Kshs. 70 Million	
Flagship Projects and Items	*Departmental Operations*	*Kshs 10.5 million*	*Polytechnics Infrastructure @ Kshs 70 M*
			ECDE Infrastructure@ Kshs 50m
			County Institute of Capacity Development@ Kshs 30m
Total Flagship projects(		***(10.5 M)A***	***(150 M)***

Excluding Bursary)			
SUB TOTALS(Ceilings)		**2 % (Kshs. 10.5M)B**	**14.3 %**
GENDER & SOCIAL SERVICES	GENDER		
	YOUTH	5 %	7.3%
	SOCIAL SERVICES		
	CULTURE		
	SPORTS		
Flagship Projects			*Talent Academy @Kshs 20m*
			County Library@ Kshs 20m
			Upgrade Kerugoya Stadium@ Kshs 36.65m
Total flagship projects			***(Kshs 76.65M)***
SUB TOTALS(Ceilings)		**5 %**	**7.3%**
Available Balance			
GRAND TOTAL FOR ALL SUB DEPARTMENTS		**100%**	**100%**
GRAND TOTAL		**2.894 Billion**	**1.240 Billion**

NB: Program / Project funding will comply with executed contractual terms and conditions where applicable

County Assembly ceiling as per CRA and Senate approved ceilings for 2015/16 FY!

CHAPTER FIVE

5.0 SUMMARY & CONCLUSION

In the 2015/2016 budget, the key sectors of Agriculture, Health, Infrastructure, Water & Natural Resources continues to be priorities. Allocation of funds to the County departments will generally reflect the critical needs of the county residents. It is envisaged that the enhancement of these key sectors will drive the County economy up by creating greater supply hence improving the per capita income of households.

The county is also expected to make provisions for deferred pension liabilities from April 2013 to the 2015/16 FY. These liabilities are expected to total Kshs. 314 million, although actual payment in 2015/16 will amount to Kshs. 321 million. The County Treasury is also expected to make provisions for Car and Mortgage schemes for the County Civil Servants, as provided by the Salaries and Remuneration Commission. These provisions total Kshs. 100 million.

The set of policies outlined in the County Fiscal Strategy Paper reflects the circumstances that are in line with the fiscal responsibilities as outlined in the PFM Act, 2012. The use of the Integrated Financial Management Information System (IFMIS) and Performance Monitoring Tools will make it possible for the County to track the resources to results achieved in a more efficient manner. The county is already making requisition plans for web based M&E system that will form an anchor flagship project in the next financial year. Other flagship projects will include completion of the County Headquarters at Kutus town, development of the County Spatial Plan. The adoption of Program Based Budgeting (PBB) will also ensure that all County resources are linked to specific projects outputs and outcomes.

COUNTY TREASURY

FEBRUARY 2015