# WAJIR COUNTY GOVERNMENT

## FINANCE AND ECONOMIC PLANNING

### MEDIUM TERM

# FISCAL STRATEGY PAPER

**FEBRUARY 2014**

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# ABBREVIATIONS AND ACRONYMS

| | |
|---|---|
| AIDS | Acquired Immunodeficiency Syndrome |
| ASALs | Arid and Semi-Arid Lands |
| BPS | Budget Policy Statement |
| C-BSP | County Budget Strategy Paper |
| C-BROP | County Budget Review and Outlook Paper |
| C-FSP | County Fiscal Strategy Paper |
| CIDP | County Integrated Development Plan |
| FY | Financial Year |
| GDP | Gross Domestic Product |
| GoK | Government of Kenya |
| HIV | Human Immunodeficiency Virus |
| ICT | Information Communication Technology |
| MDG | Millennium Development Goals |
| MTEF | Medium Term Expenditure Framework |
| MTP | Medium Term Plan |
| PERs | Public Expenditure Review |
| PFM | Public Finance Management Act |
| PPP | Public Private Partnership |
| VAT | Value Added Tax |
| V2030 | Vision 2030 |

# FOREWORD

This Fiscal strategy paper has been prepared against the backdrop of improving global economic prospects, underpinned by gradual strengthening of the advanced economies and continued robust growth. While fiscal and monetary policy remains supportive of growth, current projected growth rates are not fast enough to support the employment creation and poverty reduction that the county requires. The overriding policy thrust of 2014 County Fiscal Strategy Paper (C-FSP), therefore, is to accelerate economic growth by sustaining macroeconomic stability; focusing on economic policies and structural reforms; and deepening investment in critical economic infrastructure aimed at promoting productivity and facilitating expansion of the private sector that will spur resilience necessary for employment creation and poverty reduction.

With the enactment of the Public Financial Management Act, 2012, the budget making process has shifted to taking into consideration the reforms in the public financial management system. The law provides a clear link between the budget and the development plans. The law requires constant reporting and checks to ensure that any problems that arise when trying to spend the budget are addressed before full implementation of the budget. The establishment of the County government has also created the avenue for budgeting and planning at the county level to ensure that money is spent to improve the lives of the public and be aligned with the preferences and the wishes of the public.

The County Fiscal Strategy Paper sets out the priority programs to be undertaken in the county to ensure economic transformation and shared prosperity through continued fiscal discipline and prudent utilization of public resources. The fiscal framework presented in the 2014 C-FSP will allow continued spending on infrastructure and economic development, in addition to social protection for the vulnerable groups to enhance all inclusive growth. This calls for greater transparency and accountability in public financial management at all the county departments and entities.

**SALAH ABDI**

**CEC MEMBER/FINANCE AND ECONOMIC PLANNING**

ACKNOWLEDGEMENT

This is the first County Fiscal Strategy Paper (C-FSP) to be tabled in the county assembly following the establishment of county governments through the Constitution of Kenya 2010. It contains medium-term plans of the county government, indicative resource envelope for the county departments and the fiscal responsibility principles as a basis of 2014/15 budget and the Medium- Term. This will help improve the understanding of county's public finances as well as economic and development matters.

As required, the preparation of the 2014 C-FSP was a cooperative effort. Most of the data in this paper was obtained from the county departments and entities and hence we appreciate their inputs. We are grateful also to sector working groups who helped in preparation of County Budget Review and Outlook Paper (CBROP), which provided inputs to this 2014 C-FSP, in addition to comments from other stakeholders.

A competent team in the department of Finance and Economic planning spent quite some time putting together this paper. We appreciate particularly County Development Planning Officer, Mr. Stephen Muoka, Mrs. Sahara Kunow, Head of Budget, Mr. John Maina, the Chief Finance Officer. I also take this opportunity to thank the entire staff of the department for their dedication, sacrifice and commitment to public service.

Finally, I am convinced that by working together as a team and remaining focused, we will conquer poverty in all its manifestations.

**FARAH A. OSMAN,**
**CHIEF OFFICER/ FINANCE AND ECONOMIC PLANNING**

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# I. INTRODUCTION

**Legal Basis for the Publication of the County Fiscal Strategy Paper**

The County Fiscal Strategy Paper is published in accordance with Section 117 of the Public Finance Management Act, 2012. The law states that:

1) The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year;
2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement;
3) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term;
4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term;
5) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of —

- the Commission on Revenue Allocation;
- the public;
- any interested persons or groups; and
- Any other forum that is established by legislation.

6) Not later than fourteen days after submitting the C-FSP 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 finalising the budget proposal for the financial year concerned;
8) The County Treasury shall publish and publicise the C-FSP within seven days after it has been submitted to the county assembly.

**Fiscal Responsibility Principles in the Public Financial Management Law**

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

1) the county government's recurrent expenditure shall not exceed the county government's total revenue;

2) Over the medium term, a minimum of 30 percent of the county government's budget shall be allocated to development expenditure;

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 government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;

5) the county debt shall be maintained at a sustainable level as approved by county assembly;

5) Fiscal risks shall be managed prudently; and

6) 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.

# II. RECENT GLOBAL, NATIONAL AND COUNTY ECONOMIC DEVELOPMENTS

### *Overview*

1. The 2014/15 County Fiscal Strategy Paper (C-FSP) is the first to be prepared for Wajir County following peaceful General Elections in March 2013 which ushered in devolved governance structure- the National and County Governments under the new Constitution. As such it sets out the priority programs of the county Government to be implemented in the Medium Term Expenditure Framework (MTEF)

2. The C-FSP has been prepared amid improving global economic prospects. World economic output is now expected to grow at 3.6% in 2014, compared with an estimate of 2.9% in 2013. Advanced economies are gradually strengthening, having successfully defused two of the biggest short-term threats to global recovery, the threat of a Euro area break-up and a sharp fiscal contraction in the United States—the so called fiscal cliff.

3. In emerging markets and developing economies, growth is slowing down due to new policy challenges, while in sub-Saharan Africa, growth remains robust at about 5 %, with the economies of East African countries expected to grow at an average of 6 % in 2014. These developments together with renewed investor confidence following recent peaceful elections bode well for accelerated economic growth prospects and creation of more jobs in Kenya.

4. On the domestic front, growth prospects remain strong despite instability witnessed in the sub region particularly in Central African Republic and Southern Sudan. This resilience is attributed to the implementation of bold economic policies and structural reforms as well as sound economic management over the last decade. As a result, the economy recovered steadily from levels as low as 1.6 % in 2008 to 4.6 % in 2012 and is expected to grow by at least 5.0 percent in 2013

5. Currently, Kenya is considered a "frontier" economy with an impressive turnaround in economic performance. Prudent economic policies have helped anchor the conditions for strong and stable growth. Fiscal discipline has improved both the external and domestic debt positions. We have been able to anchor inflation expectations down and maintained strong supervision over the financial sector for stability. The financial sector reforms and innovation have significantly expanded financial inclusion to more than 70 % of the population.

6. The foundation upon which to build an economic transformation agenda is now in place. However, despite the progress made thus far, contrasting challenges remain. These include: high cost of living driven by high food and energy prices which continues to be of concern to the Government; The rising imports particularly for exploration of oil and minerals against stagnating exports; food insecurity; declining agricultural and manufacturing productivity; inadequate and high cost energy; insecurity; weak transport and logistics as well as weak investment climate will continue to constrain the economy from achieving its full potential.

7. The overriding policy thrust for 2014 Fiscal Strategy Paper, therefore, is to accelerate economic growth through maintenance of macroeconomic stability and focusing on policies and structural reforms. At the same time, the County Government will continue investing in key physical infrastructure aimed at facilitating the private sector to expand its business, promote productivity and build resilience necessary for employment creation and poverty reduction.

8. The County is however faced with numerous challenges which include: poor road network; high youth unemployment; food insecurity as a result of frequent droughts; insecurity; high cost of living; inadequate water sources and declining agricultural and manufacturing productivity. There is need therefore to address these challenges in order to achieve economic transformation for a shared prosperity. To accelerate growth and expand the levels of employment and reduce poverty, the county government's initiatives will focus on:

- Creating conducive business environment by maintaining macroeconomic stability, deepening structural and governance reforms to reduce the cost of doing business and improving security in order to encourage innovation, investment, growth and expansion of economic and employment opportunities;

- Investing in agricultural transformation and food security, including putting at least one hundred acres of new land under irrigation in order to expand food supply, reduce food prices so as to bring down the cost of living, support expansion of livestock and agro-processing industries and spur export.
- Investment in key infrastructure such as road networks, energy and water supplies to reduce cost of doing business and make our products cheaper and competitive in the domestic and international markets; and
- Investing in quality and accessible healthcare services and quality education as well as social safety net to reduce burden on the households and complement and sustain our long term growth and development.

9. This C-FSP, therefore articulates priority economic policies and structural reforms as well as sectoral expenditure programs to be implemented under the Medium Term Expenditure Framework for 2014/15- 2016/17 in order to achieve the Government‘s development goal of economic transformation for a shared prosperity. The objective of the above reforms is to create conducive business environment by maintaining macroeconomic stability, deepening structural and governance reforms and improving security in order to encourage innovation, investment, growth and expansion of economic and employment opportunities in Kenya.

10. Investing in agricultural reforms and transformation will spur an inclusive economic growth with knock-on effects on related sectors of agro-processing; storage and transport; wholesale and retail; construction; financial services as well as export diversification and growth. In addition, expanded agricultural output will increase food supply, reduce food related prices and bring down the cost of living, create employment and promote overall rural development and improve the economic welfare of the county citizens.

11. To support sustained agricultural transformation, encourage expansion of commerce, grow export of goods and services and expand economic opportunities for employment, the Government will scale up investment in infrastructure by; tarmacking the major roads as well as

opening up and proper maintenance of all feeder roads in order to reduce cost of doing business and enhance competitiveness.

12. Access to adequate, affordable and reliable energy supply is necessary to reduce cost of doing business, spur growth of enterprises and industries, and accelerate the realization of the planned economic transformation agenda. The government will therefore, ensure that all major market centres are connected with electricity.

13. Environmental conservation and sustainable access to water is essential for sustained agricultural transformation, higher productivity and growth as well as overall development. Priority will be given to sustainable exploitation, utilization, management and conservation of the environment and protection of water catchment areas..

14. A healthy population is essential for higher productivity and sustained long term development of a county. The aim of Government policy reforms is to enable all Kenyans access to modern and well-equipped health facilities and well trained and motivated health care workers. The government will therefore embark on recruitment of more health workers, expansion of training facilities, development of systems to support and expand health care services and sanitation at the community level.

15. As the economy is transformed, we recognize that some sections of our society may suffer welfare shocks, which will require cushioning. The government will establish a fund towards social safety nets. As part of this strategy, all elderly persons and persons with disability will be covered under cash transfer programs and a graduation scheme developed to enable them exit into life-long ventures.

16. Going forward, the county government will build on the current improved macroeconomic environment to navigate through the challenges posed by the global and domestic developments in order to sustain and improve the resilience of wajir county economy. Hence, difficult choices must be made to ensure that scarce resources are directed towards priority areas of economic development and more effective service delivery, while ensuring that debt levels are sustainable.

We need to build transparent, responsive, accountable, efficient and effective county government as key driver of broad-based growth.

17. With limited resources, it will require the Government to be more efficient to make meaningful gains in poverty reduction. The fiscal framework outlined in this C-FSP requires greater fiscal discipline and alignment of resources and priorities. In particular, better control of expenditure and a clear focus on core mandates by county departments will be required. Thus, in preparing the 2014/15 Budget and medium term plan, departments are expected to identify savings that will contribute to financing targeted outcomes.

18. In addition, the overall public sector will be expected to play an effective role in the development agenda by ensuring strategic prioritization of scarce resources. With the fiscal constraints, tough choices are therefore required to ensure that available resources are directed towards those priority programs that have the highest socio-economic impact on our economic development. This will ensure resources are utilized more efficiently and productively toward county development priorities.

## *Outline of the 2014 County Fiscal Strategy Paper*

### *Global and National economic outlook*

19 Section III of this C-FSP outlines the economic context in which the 2014/15 MTEF budget is prepared. It provides an overview of the recent economic developments and Macroeconomic outlook covering the global and domestic scene. Overall, the macroeconomic environment has improved after the shocks in 2013, although risks still remain. This calls for caution in budgeting

### *Fiscal framework and structural measures for the following financial year and the Medium-term*

20. Section IV outlines the fiscal framework that is supportive of growth over the medium-term, while continuing to provide adequate resources to facilitate county development through social programmes in health and education, as well as in infrastructure spending while at the same time ensuring that the public debt is sustainable.

***Medium-Term Expenditure Framework***

21. Section V & VI presents the resource envelope, criteria for resource allocation, and details of sector priorities and ceilings for the proposed 2014/15 MTEF budget and the medium term. Department priorities are also reviewed, along with their indicative costing for the 2014/15 MTEF period. Overall, Roads Transport and Public works, Water, Energy, Environment and Natural Resources departments account for the highest allocation, followed by Public Health, Medical Services and Sanitation and Agriculture, Livestock and Livestock Development departments.

## *Summary*

22. This fiscal strategy paper outlines the broad strategic macroeconomic objectives and fiscal framework, together with a summary of county government spending plans, as a basis of 2014/15 budget and medium-term. In this regard, it contributes to the improved understanding of the state of Wajir Government's public finances, thereby helping to guide public debate on economic and development matters. Of course, Vision 2030 Medium Term Plan and its update provide the longer-term perspective on the county's growth and development challenges.

23. Section VII shows the Annexes.

# III. GLOBAL AND NATIONAL ECONOMIC OUTLOOK

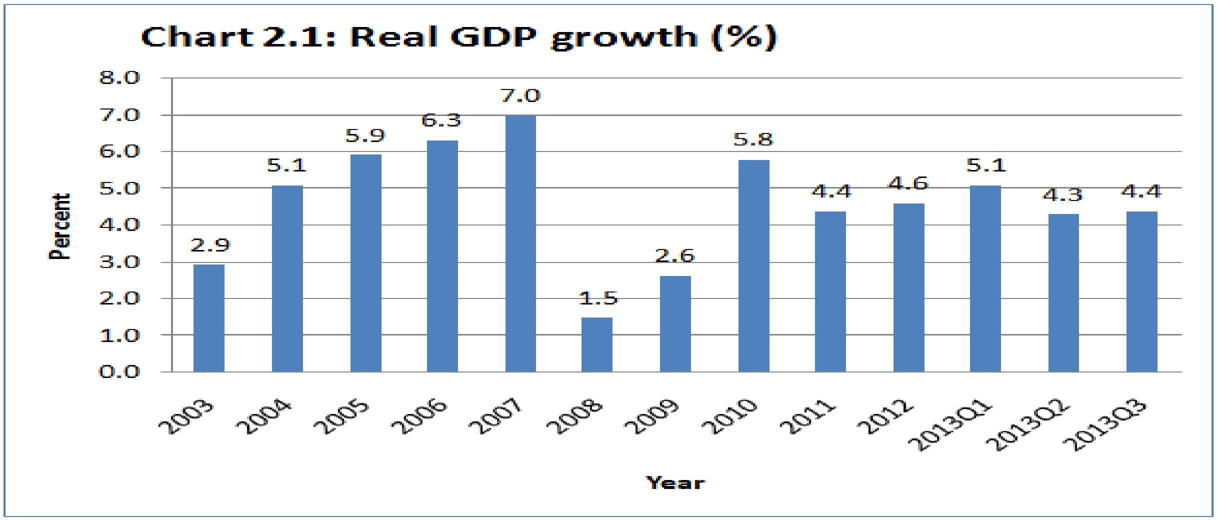
### *Overview of recent economic performance*

24. The country's economic growth was largely satisfactory in 2012, despite somewhat stagnating demand for our exports in traditional markets. Favourable rains contributed to good harvests, hydropower generation and private sector activities benefited from improved macroeconomic environment. Inflation has declined steadily from double digits in 2011 towards the 5 % target in recent months. Short term interest rates have also eased in line with the drop in inflation, while the shilling exchange rate has stabilized against major currencies

25. The recent economic developments are a clear indication that the county policies are working and point to a more stable economic environment, going forward. Specifically, Electricity, water, transport and communication and financial intermediation posted strong growth as evidence by new power connections, boreholes and mobile boosters.

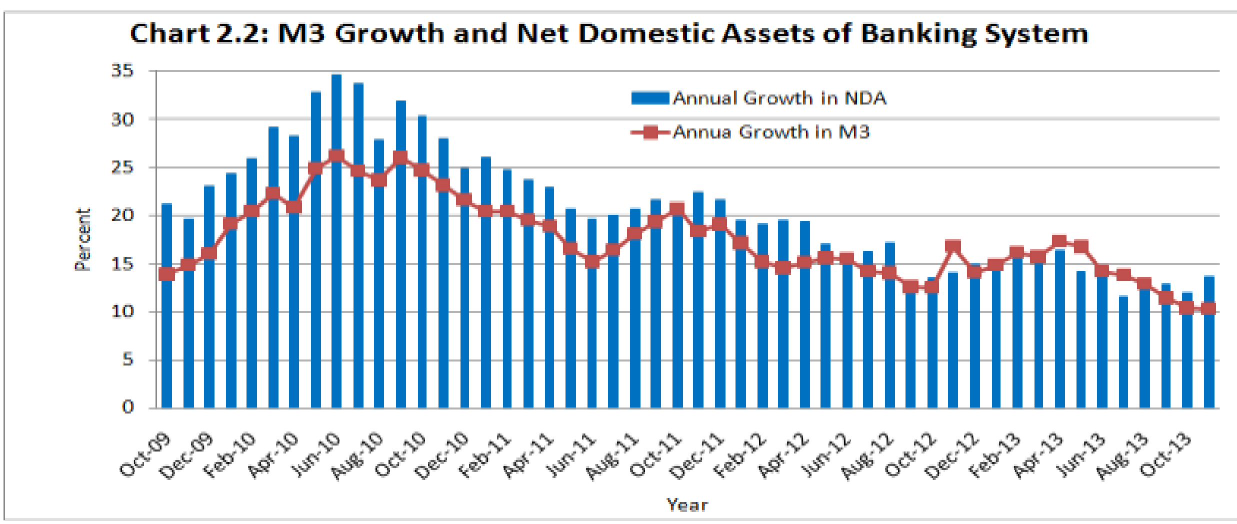
### *2014 growth update*

*26.* The economy grew by 4.6% in 2012 compared with 4.4% in 2011 (**chart 2.1**). This growth was broad-based and was driven mainly by expansion in agriculture, transport and communication, wholesale and retail trade and manufacturing which contributed the most to GDP in 2012. In the three quarters of 2013 the economy expanded by 4.6% on average compared to 4.4% the same period in 2012. The broad-based growth was mainly attributed to continued expansion in building and construction mining and quarrying, wholesale and retail trade, manufacturing, transport and communication, financial intermediation as well as agriculture and forestry. On account of performance during the three quarters and the projected growth during fourth quarter which takes into account the fourth quarter performance over the last five years, we estimate the overall growth for 2013 to average 5.1% up from 4.6% in 2012.



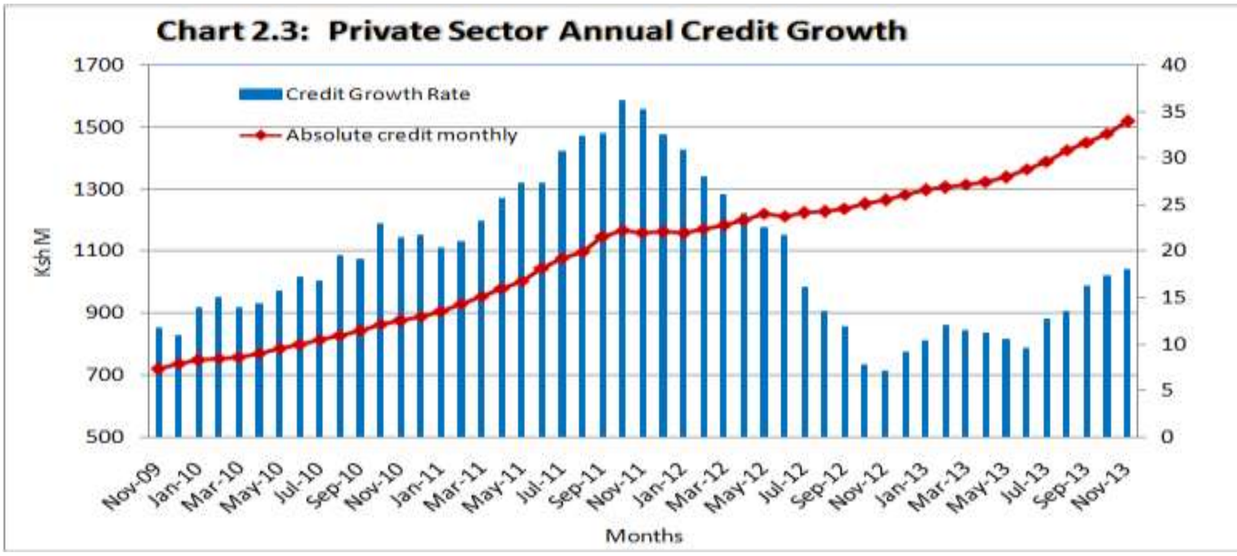

### *Broad Money Supply, M3 within target*

27. Growth in broad money supply ((M3)) slowed down to 10.3 % in the year to November 2013 compared with a growth of 16.8 percent in the year to November 2012. This was within the 12.0 percent target for November 2013 **(Chart 2.2)**. The slowdown in money supply was due to a decline in growth of the net foreign assets (NFA) by 2.0% reflecting a reduction in both the net foreign assets of commercial banks and of the Central Bank of Kenya. Net Domestic Assets (NDA) of the banking system increased by 13.6 percent through end of November 2013 compared with an increase of 14.1 % in the twelve months to November 2012. The growth in NDAA was supported by increased domestic credit particularly to the private sector.



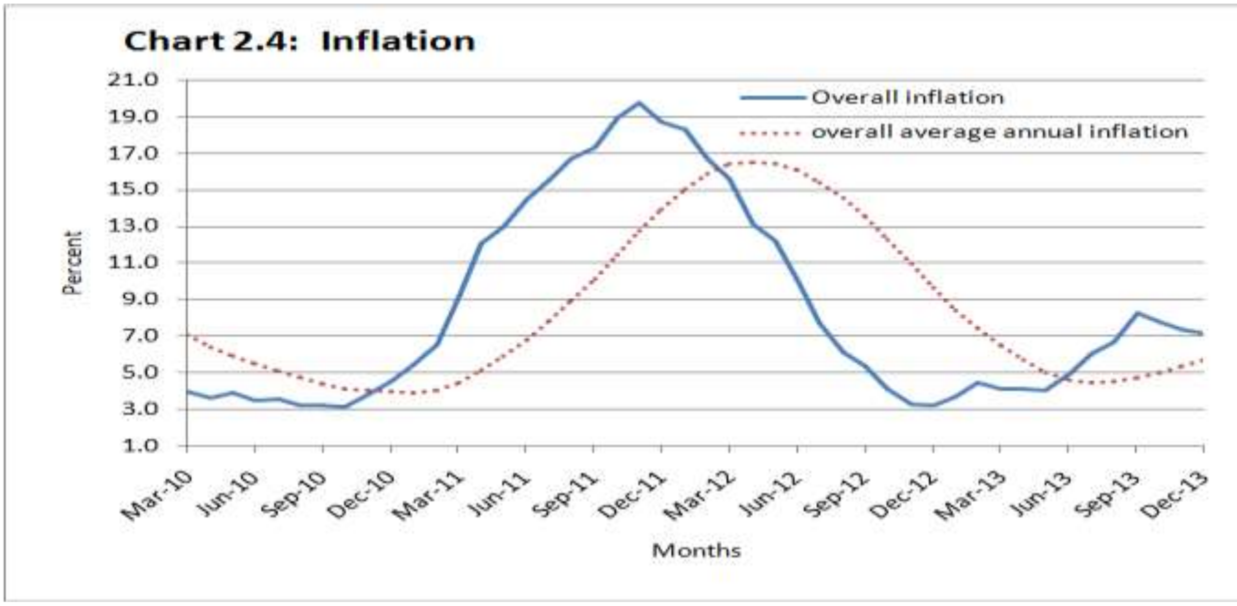
## *Recovery in Growth of the Private Sector*

28. The growth of net credit to Government decelerated to 1.1 % in the 12 months to November 2013 compared with an increase of 13.3 % in the corresponding period in 2012 (**Chart 2.3)**. However, commercial banks credit to the private sector increased by 20.0 % in November 2013 up from 9.1% in the same period in 2012.




## *Inflation*

29. Overall month on month inflation declined further to 7.2 percent in December 2013 from the 8.3 percent in September 2013(**Chart 2.4**). On average, annual inflation declined to 5.7 % in December 2013 from 9.6 % in December 2012. Going forward, we expect inflation to slow down to the 55 % target in the months ahead with appropriate monetary policy, barring any external shocks such as a surge in international oil market prices. The overall commodity prices in the county however have gone up as a result of high cost of doing business due to poor roads, high fuel prices and the poor short rains experienced which have led to reduced pasture and food supplies. This is witnessed in commodities ranging from food stuff, livestock and building materials.

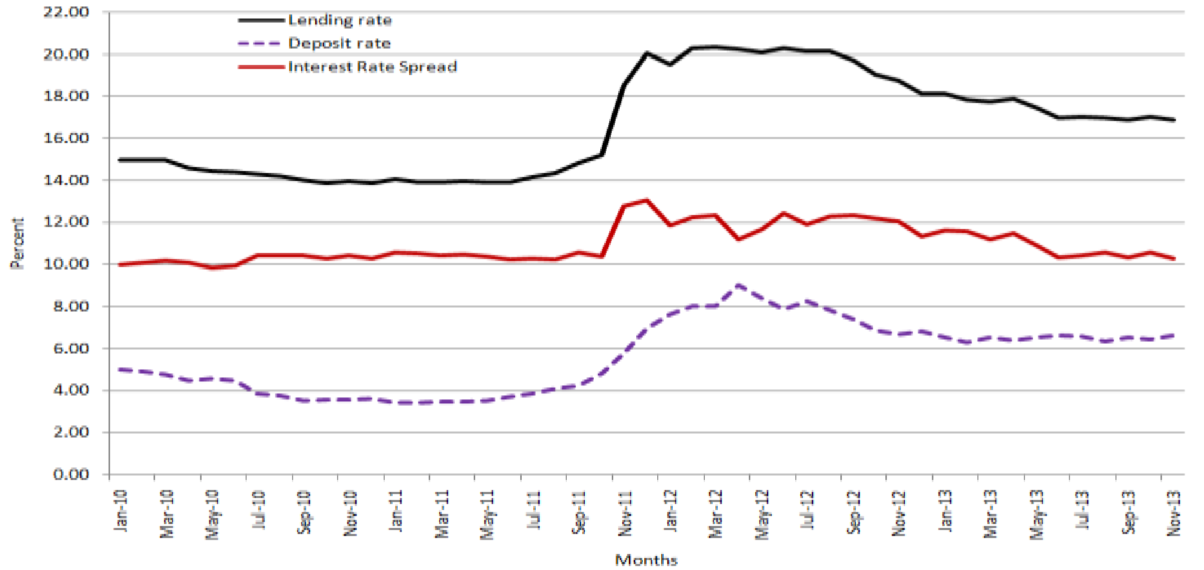



### *Interest Rates have Eased Progressively*

30. The Central Bank Rate (CBR) continued trending downwards since July 2012 as the CBK eased monetary policy. As a result, the CBR was reduced from 18.0% in June 2012 to 8.5 % in December 2013. The average interbank rate averaged 8.98 % in December 2013, from 17.1 % in June 2012, while the repo rate averaged 9.38 % from 17.6 percent over the same period. The 91-day Treasury bill averaged 9.5 percent in December 2013 from 10.1 percent in June 2012 while the 364-day Treasury bill declined to 10.4 percent from 12.4 percent over the same period.

31. Commercial banks average lending and deposit rates declined to 16.9 % and 6.6 %, respectively, in November 2013 compared with 18.1 % and 6.8 % in December 2012 **(Chart 2.6)**. As a result, the interest rate spread narrowed from 11.3 % in December 2012 to 10.3 % in November 2013, reflecting a larger decline in the lending rate.

**Chart 2.6: Commercial Banks Lending and Deposit Rates**

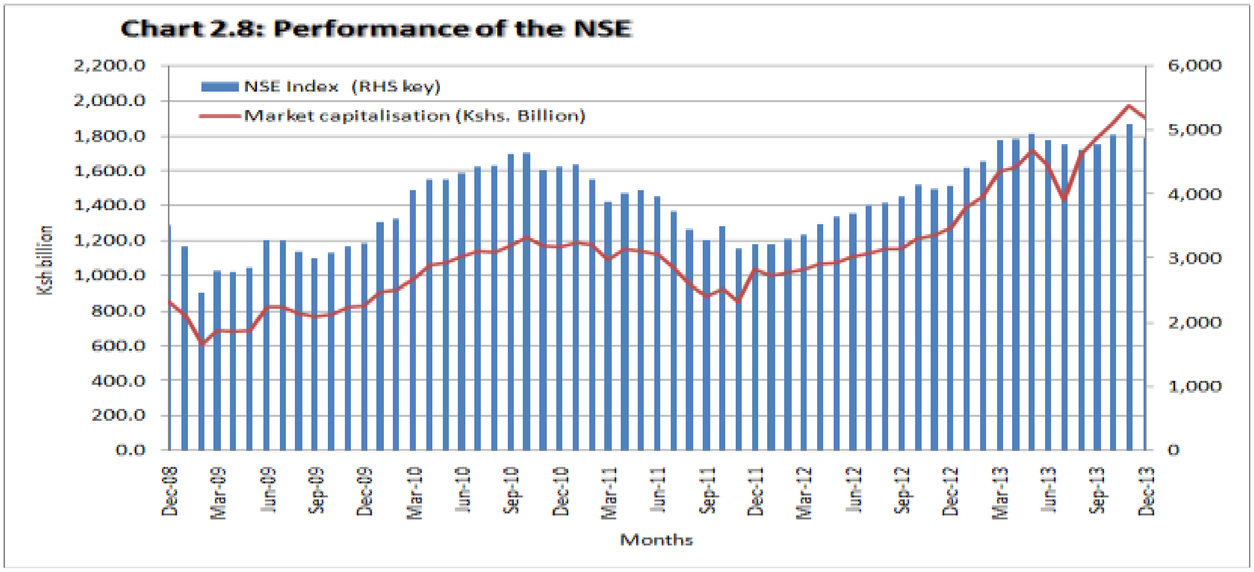



### *The shilling exchange rate stabilised against major international currencies.*

32. The Kenya Shilling exchange rate though stable against the US dollar depreciated slightly against other major world currencies. The stability to the US dollar followed increased short term capital inflows and remittance, disbursements under the ECF programme and Central Bank activity in the foreign exchange market in the year to December 2013. Against the US dollar, the shilling stabilised at Ksh 86.4 per US dollar in December 2013 from Ksh 86.0 per US dollar in December 2012. Against the Sterling Pound, the exchange rate depreciated to Ksh 142.7 in December 2013 from Ksh 138.8 in December 2012 and Ksh 118.8 to the Euro from Ksh 112.8 in December 2012.

### *Stock Market Remains Vibrant*

33. Activity in the securities market has been vibrant in the year to December 2013. The NSE 20 share index improved from 4,133 points in December 2012 to 4,885.9 points in December 2013, representing an increase of 18.2 % **(Chart 2.8)**. Market capitalization (that measures shareholders' wealth) improved from Kshs 1,272.4 billion in December 2012 to Kshs 1,900.7 billion in December 2013 representing an increase of 49.4 %.

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## *Fiscal performance and emerging challenges*

### *2013/2014 budget*

34. The budget assumed continued economic growth and stable macroeconomic environment. In addition, the financial objectives were aimed at containing non-priority and unproductive recurrent expenditure so as to bring the budget deficit down and ensure sustainable public debt.

35. The County assembly approved the 2013/14 budget in April 2013. Expenditures amounted to Ksh. 5.412 billion, comprising of recurrent expenditure of Ksh.2.697 billion, development expenditures of Ksh. 2.715 billion. The development forms over 50% of the total budget which is a positive indicator towards economic development and growth. The above expenditures were to be financed by total revenue from national government of 5.294 billion (equitable share) and equalization fund of Ksh. 268M. The projected total collection from the county for the current financial year stands at Ksh. 119.03M and the projected donor grants for the year was Ksh. 700M.

### *Implementation progress and emerging fiscal challenges*

36. Implementation of the FY 2013/14 budget begun at a slow pace in the early months of the financial year following transition to the county government with persistent delays by the national government to release funds both for development and recurrent expenditure. This was as a result of initial transitional issues which delayed the enactment of the County Allocation of Revenue Act slightly affecting timely disbursements to the counties. Fiscal outcome for the first six months of the financial year was not satisfactory with revenue collection falling short of the projected levels despite the rising expenditure pressures. Expenditure pressures relate to new salary demands from devolved sectors in the county.

37. Revenue collection has fallen short of target. As at end of December 2013, cumulative revenue receipts amounted to Ksh. 29M, against a target of Ksh. 60 M. this reflected an underperformance of Ksh. 31M. This was as a result of understaffing in the revenue department as well as leakages in the revenue streams. Expenditure execution has lagged behind in the first six months of the current financial year; Total expenditure (based on disbursement) amounted to Ksh. 518.985 million (table 2.0) against a target of Ksh 2.7 billion. This reflected an overall under-spending of Ksh. 2.18 billion, of which all of the Ksh. 518.985 million was in respect of recurrent expenditure. The donor support has not been realized. Table 1.0 provides the budget outlay for the FY 2013/14 budget.

**Table 1: MTEF sector budget allocations for FY 2013/2014**

| | **RECURRENT EXPENDITURE** | **Printed Estimates (2013/14)** |
|---|---|---|
| **N.O** | **NAME OF SECTOR** | **AMOUNT (KSHS)** |
| 1 | AGRICULTURE AND RURAL DEVELOPMENT | 164,549,212 |
| 2 | ENERGY, INFRASTRUCTURE & ICT | 352,670,280 |
| 3 | GENERAL ECONOMIC, COMMERCIAL AND LABOUR AFFAIRS | 191,018,640 |
| 4 | HEALTH | 538,798,640 |
| 5 | EDUCATION | 127,055,640 |

| | | |
|---|---|---|
| 6 | GOVERNANCE, JUSTICE, LAW & ORDER | - |
| 7 | PUBLIC ADMINSTRATION & INTERNATIONAL RELATIONS | 1,111,054,228 |
| 8 | SOCIAL PROTECTION, CULTURE AND RECREATION | 81,644,360 |
| 9 | ENVIRONMENTAL PROTECTION, WATER AND HOUSING | 131,171,000 |
| **TOTAL** | | **2,697,962,000** |
| | **DEVELOPMENT EXPENDITURE** | |
| **N.O** | **NAME OF SECTOR** | **AMOUNT (KSHS)** |
| 1 | AGRICULTURE AND RURAL DEVELOPMENT | 500,000,000 |
| 2 | ENERGY, INFRASTRUCTURE & ICT | 1,160,000,000 |
| 3 | GENERAL ECONOMIC, COMMERCIAL AND LABOUR AFFAIRS | 95,000,000 |
| 4 | HEALTH | 240,000,000 |
| 5 | EDUCATION | 48,600,000 |
| 6 | GOVERNANCE, JUSTICE, LAW & ORDER | - |
| 7 | PUBLIC ADMINSTRATION & INTERNATIONAL RELATIONS | 60,000,000 |
| 8 | SOCIAL PROTECTION, CULTURE AND RECREATION | 52,600,000 |
| 9 | ENVIRONMENTAL PROTECTION, WATER AND HOUSING | 586,000,000 |
| **TOTAL** | | 2,715,600,000 |

Table 2 provides the budget out-turn for the first six months of the FY 2013/14 budget for the specific county departments

**Table 2: Six months budget out-turn for FY 2013/14**

| No. | Name of the Department | Expenditure in Ksh. |
|---|---|---|
| 1 | Finance and Economic Planning | 72,795,845 |
| 2 | Water, Energy, Environment and Natural Resources | 25,868,945 |
| 3 | Agriculture, Livestock and Livestock Development | 14,646,094 |
| 4 | Education, Youth, Gender and Social Services | 2,917,369 |
| 5 | Public Health, Medical Services and Sanitation | 69,455,004 |
| 6 | Roads, Transport and Public Works | 5,545,027 |
| 7 | Lands, Housing and Physical Planning | 3,668,720 |
| 8 | Trade, Industrialization, Co-Operative Development | 4,428,884 |
| 9 | Information Communication and E-Government | 10,918,005 |
| 10 | Public Service, Labor and Decentralized Unit | 29,504,828 |
| 11 | County Assembly | 110,640,232 |
| 12 | County Executive | 168,596,490 |
| **TOTAL** | | **518,985,443** |

38. To address the challenges of revenue shortfall and expenditure pressures, the county government will step up efforts on tax administration and mobilization of revenue to eliminate leakages and increase revenue collection as targeted in the FY 2013/14, employ optimal staff as well as take additional measures including further adjustments to the budget should revenue shortfall persist beyond the third quarter of the financial year. An adjusted budget reflecting these changes together with the recent agreement on approved salary awards and other additional expenditures will be submitted to county assembly for approval in the context of supplementary estimates for 2013/14.

## *Economic policy and Outlook*

### *External environment*

39**.** The global economic recovery is now slightly improving, although downside risks remain. According to the IMF‘s world economic outlook for October 2013 **(Table 3)**, world output is projected to expand by 3.6 % in 2014 and accelerate to 4.1% in the medium term.

**Table 3: Annual percentage change in GDP for selected regions/countries, 2011-2018**

| | GDP ACTUAL (APRIL,2013) | | GDP PROG (APRIL,2013) | | | GDP ACTUAL (OCTOBER,2013) | | GDP PROG (OCTOBER,2013) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **REGION/COUNTRY** | 2011 | 2012 | 2013 | 2014 | 2018 | 2011 | 2012 | 2013 | 2014 | 2018 |
| **World** | **4.0** | **3.2** | **3.3** | **4.0** | **4.5** | **3.9** | **3.2** | **2.9** | **3.6** | **4.1** |
| **Advanced Economies** | **1.6** | **1.2** | **1.2** | **2.2** | **2.5** | **1.7** | **1.5** | **1.2** | **2.0** | **2.5** |
| USA | 1.8 | 2.2 | 1.9 | 3.0 | 2.9 | 1.8 | 2.8 | 1.6 | 2.6 | 3.1 |
| Euro Area | 1.4 | -0.6 | -0.3 | 1.1 | 1.6 | 1.5 | -0.6 | -0.4 | 1.0 | 1.6 |
| Japan | -0.6 | 2.0 | 1.6 | 1.4 | 1.1 | -0.6 | 2.0 | 2.0 | 1.2 | 1.1 |
| UK | 0.9 | 0.2 | 0.7 | 1.5 | 2.5 | 1.1 | 0.2 | 1.4 | 1.9 | 2.3 |
| Canada | 2.6 | 1.8 | 1.5 | 2.4 | 2.2 | 2.5 | 1.7 | 1.6 | 2.2 | 2.2 |
| **Emerging and Developing Economies** | **6.4** | **5.1** | **5.3** | **5.7** | **6.2** | **6.3** | **4.9** | **4.5** | **5.1** | **5.5** |
| **Developing Asia** | **8.1** | **6.6** | **7.1** | **7.3** | **7.7** | **7.8** | **6.4** | **6.3** | **6.5** | **6.7** |
| China | 9.3 | 7.8 | 8.0 | 8.2 | 8.5 | 9.3 | 7.7 | 7.6 | 7.3 | 7.0 |
| India | 7.7 | 4.0 | 5.7 | 6.2 | 7.0 | 6.3 | 3.2 | 3.8 | 5.1 | 6.7 |
| **MENA** | **4.0** | **4.8** | **3.1** | **3.7** | **4.6** | **3.9** | **4.6** | **2.1** | **3.8** | **4.4** |
| **Sub-Saharan Africa** | **5.3** | **4.8** | **5.6** | **6.1** | **5.5** | 5.5 | 4.9 | 5.0 | 6.0 | 5.7 |
| South Africa | 3.5 | 2.5 | 2.8 | 3.3 | 3.1 | 3.5 | 2.5 | 2.0 | 2.9 | 3.5 |
| Nigeria | 7.4 | 6.3 | 7.2 | 7.0 | 6.7 | 7.4 | 6.6 | 6.2 | 7.4 | 6.6 |
| Kenya*** | 4.4 | 4.7 | 5.8 | 6.2 | 6.1 | 4.4 | 4.6 | 5.9 | 6.2 | 6.1 |
| Tanzania | 6.4 | 6.9 | 7.0 | 7.2 | 6.6 | 6.4 | 6.9 | 7.0 | 7.2 | 6.6 |
| Uganda | 6.7 | 2.6 | 4.8 | 6.2 | 7.0 | 6.2 | 2.8 | 5.6 | 6.5 | 7.0 |
| Ethiopia | 7.5 | 7.0 | 6.5 | 6.5 | 6.5 | 11.4 | 8.5 | 7.0 | 7.5 | 7.0 |
| Rwanda | 8.3 | 7.7 | 7.6 | 7.2 | 6.5 | 8.2 | 8.0 | 7.5 | 7.5 | 6.8 |

Source IMF World Economic Outlook, April and October 2013

40. Advanced economies are gradually strengthening with policy makers having successfully defused two of the biggest short-term threats to global recovery, the threat of a Euro area break-up and a sharp fiscal contraction in the United States. Growth in emerging market economies for 2013 has been revised downwards to 4.5 % down from 5.3 %. This slowdown reflects both cyclical factors and a decrease in potential output growth. Growth in China is slowing, which will affect many other economies, notably commodity exporters among the emerging market and developing economies.

41. Emerging market and developing economies are facing new policy challenges. The appropriate policy mix and the pace of adjustment will differ across economies, in view of the differences in output gaps, inflation pressure, central bank credibility, room for fiscal policy manoeuvring, and the nature of vulnerabilities. In Sub-Saharan Africa, commodity related projects are expected to support higher growth and forecasts include no further disruptions. Growth in sub-Saharan Africa for 2013 has been revised to 5.0% down from 5.6 % forecast earlier. This is as a result of weaker growth prospects in many Countries caused by spill-overs from sluggish external demand, reversal of capital flows and decline in commodity prices.

### *Kenya's / County's Growth prospects*

42. As global prospects improves together with the March 2013 peaceful elections, prospects for the Kenyan economy remains bright. Kenya is well integrated with the world economy and the positive developments are likely to impacts positively our growth prospects, assuming normal weather patterns while recent successful general elections is expected to boost investors' confidence. Real GDP is expected to grow by 5..8 percent in 2014 up from 4.6 % in 2012 and an estimated 5..1 % in 2013, while over the medium-term,, growth is expected to pick-up gradually and cross the 7 % mark by 2017, as global conditions improve and macroeconomic stability is sustained. In terms of fiscal years, the projections translate to 5.5 % in 2013/14, 6.1 % in 2014/15, 6.6 % in 2015/16 and 6.9 % in 2016/17.

43. Wajir County is well integrated with the national economy and any external shocks have a negative bearing on growth prospects. Consequently, the unfavourable external environment could potentially have a negative impact on the demand for our products such as livestock and their by-products. The macroeconomic framework underpinning the 2014 C-FSP is cautious given the high uncertainties in global and national output growth, the performance of the county economy in the first half of 2013 and the daunting domestic challenges, including establishment of county government structures. Though, with initiation of key infrastructure projects in the roads and energy departments, the county economic prospects remain favourable, but with downside risks. Growth will be bolstered by continued expansion in agriculture (irrigation & livestock), construction, transport and communication, and ICT.

44. The county government will continue with strategic interventions to accelerate growth, improve competitiveness and promote value addition. Specifically, the following strategies will be implemented: *increased production in agriculture following the interventions being put to revamp the sector; continued investment in infrastructure projects; expansion of activities in other sectors of the economy such as building and construction; retail and wholesale and financial intermediation*; *supporting small and medium enterprises (SMEs) and agribusiness*; *Improving access to new markets*; *positioning value chain addition as a key driver of growth and employment; Maximizing the use of the county's natural resources* and *addressing the root causes of weak competitiveness for our products.*

### *Sustaining Macroeconomic Stability*

45. Prudent and sustainable macroeconomic policies that ensure low and stable commodity prices and affordable credit in the county, forms the foundation for accelerated growth and development agenda set out in the Kenya Vision 2030.

## *Risk to the outlook*

46. The risk to the outlook for 2014/15 and medium-term include further weakening in national economic growth and unfavourable weather conditions like the looming dry spell in 2014 and beyond. Further, geopolitical uncertainty on the international oil market will slow down the manufacturing sector and weaken growth. Public expenditure pressures, especially recurrent expenditures, pose a fiscal risk. Wage pressures may as well limit continued funding for development expenditure. The continued high capital imports and high investment demand to finance infrastructure investments and mineral explorations within the county will continue to drive the level of trade deficit. The external sector developments will be keenly monitored so that the economy is not exposed to vulnerability associated with unsustainable trade deficit.

47. Nevertheless, judging from the successful transition to the county government, the investor confident has increased as evidence by the technocrats coming back to the county to serve as well as establish businesses. However, the county government will remain alert and ready to undertake appropriate measures to safeguard macroeconomic stability and critical development spending in case the risks materialise.

### *Summary*

48. The current economic conditions call for caution in fiscal management. While growth has slowed down in the first half of 2013/14FY, the county economy remains resilient and the macroeconomic environment has improved significantly. Current growth rates are not fast enough to support the employment creation and poverty reduction that the county requires to attain Kenya Vision 2030 objectives and make progress towards the MDGs. Therefore, there is need to pursue deeper structural reforms to accelerate growth and translate the gains into more jobs. Structural reforms particularly will be carried in the areas of public financial management and improving business environment to accelerate growth. This will continue to be supported by increased investments in infrastructure which is needed to fully exploit our growth potential.

# VI. FISCAL FRAMEWORK AND MEASURES FOR THE FOLLOWING FINANCIAL YEAR AND THE MEDIUM TERM

### *Overview*

49. The 2014 Medium-Term Fiscal Framework aims at striking an appropriate balance between support for growth and continued fiscal consolidation, while providing room for establishment of all county structures. It also continues with prudent fiscal policy to reinforce county revenue collection in order to reduce deficit. Specifically, the 2014 C-FSP emphasizes:

- That the level of expenditure continues to sustain growth through continued public investment in infrastructure and agriculture. The Government is committed to a reduction in the recurrent expenditure to devote more resources to development; and
- Continued reforms in expenditure management and tax administration, this will improve revenue collection and thus create fiscal space for spending on infrastructure and other priority development programmes.
- Efficiency and improving the productivity of expenditure while at the same time ensuring that adequate resources are available for operations and maintenance, and development projects and programmes.

### *Continuing with prudent fiscal policy*

50. Fiscal policy will continue to support economic activity within a context of sustainable public financing. Over the current financial year, the county government has reoriented expenditure towards priority programmes in education, health, agriculture and infrastructure under the medium-term expenditure framework (MTEF). This will be strengthened by the devolved funds to the county which enable accommodation of critical programmes that will accelerate socio-economic development. This policy will be achieved through the county government's commitment to ensure a strong revenue effort with measures to simplify county tax

base in line with best practices, in order to help improve tax compliance, minimize delays, and raise revenue.

### *Observing fiscal responsibility principles*

51. The county government recognizes that the fiscal stance it takes today will have implications into 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 generation implies that we have to make prudent policy decisions today so that we do not impose unwarranted debt burden to our future generations.

52. Timeliness on paying goods should be minimized to enable the county 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. In this regard, the county government will observe the fiscal rules set out in the PFM law so as to entrench fiscal discipline.

53. Fiscal responsibility has become even more important since the Constitution requires the county government to progressively provide for a minimum basic standard of economic and social rights to its citizens within available resources. In order for our spending to increase on a sustainable basis to meet these basic needs, we should be prepared to match the increased expenditure demands with a corresponding increase in tax revenue yield through efficient collection, widening of tax bases, and reasonable tax rates. It is therefore imperative to reform and modernize the tax regimes to ensure stability of revenue effort, while at the same time continuing to restructure expenditure systems to ensure efficiency and create fiscal space required to fund these basic needs expenditures on sustainable basis.

## *Fiscal Structural Reforms*

54. Underpinning the fiscal program are measures to raise the revenue. This will be achieved through measures to simplify the tax base in line with best practices, in order to help improve tax compliance, minimize delays, and raise revenue. In addition, the Government will rationalize existing tax incentives and expand the tax base. On the expenditure side, the Government will

continue with expenditure management reforms to improve efficiency and reduce wastage in line with the PFM law. This will be made possible by the Integrated Financial Management Information System (IFMIS) already in place in the County Treasury and with the help of National Treasury create and operationalize single county treasury accounts. Finally, The Government will institute measures to contain the public wage bill and release needed resources for development funding. These would include: payroll cleansing, staff rationalization and identification.

## *Deficit Financing Policy*

55. The borrowing plans will remain anchored in the medium term debt management strategy which is built on ensuring public debt sustainability. The medium-term fiscal stance envisages continued borrowing from domestic and external sources within the latter being largely on concessional terms. The Government will ensure that the level of domestic borrowing does not crowd out the private sector given the expected increase in private investment with accelerated economic expansion.

## *2014/15 Budget Framework*

56. The 2014/15 budget framework is set against the background of the medium-term macro-fiscal framework set out above and the Government's national strategic objectives as outlined in the Vision 2030 MTP II. The County projected growth is expected to slow due to the looming dry season expected to persist during the year. Due to this, Inflation is expected to be high with rising food and other commodity prices. With most of the counties experiencing low rainfalls, pressure on food prices is expected to persist beyond first half of the financial year.

### *Revenue Projections*

57. The 2014/15 budget targets revenue collection from the county to increase by 71% of the revised level for the current FY2013/14 which stands at 70 million. This performance will be underpinned by increase in tax revenue yield through efficient collection, widening of tax bases and reasonable tax rates. The revenue department is expected to institute measures to expand revenue base and eliminate tax leakages. This will be possible through automation of revenue

collection which is expected to simplify tax collection and enhance the revenue yield. As such, total revenues are expected to grow to Ksh. 120 million.

## *Expenditure Forecasts*

58. The key policy document guiding the county government's funding allocation is second MTP (2013-2017) of Vision 2030 and the CIDP, which provides the updated development priorities by the county. In FY2014/15, overall expenditures are projected at Ksh. 6.6 billion

### *Recurrent Expenditure*

59. Recurrent expenditures are expected to increase from the previous FY 2013/2014 which stood at 50% of the budget due to increased salaries and running cost. However, the recurrent expenditures should not exceed 70% of the total budget. Transfers to semi-autonomous county government agencies will increase with the formation of Wajir water and Sewerage Company. Any wage adjustments for the agency is expected to be met within the departmental ceilings. With respect to goods and services, expenditure ceilings for departments are determined by the funding allocation for goods and services in the previous year budget as the starting point. The ceilings are then reduced to take into account one-off expenditures in FY 2013/14 and then an adjustment factor is applied to take into account the general increase in prices.

## *Development and Net Lending*

60. In line with the objective of allocating adequate resources towards development outlays and the effort to ensure completion of critical infrastructure (roads, energy and ICT), the projected development expenditures including donor funded projects is Ksh. 3.3 billion in 2014/15, which is a significant increase from the amount allocated in 2013/14 revised budget. Most of the outlays are expected to support critical infrastructure that will trigger in private sector investment as well as facilitate critical interventions to for county economic growth.

61. More than 80 percent of the development budget will be funded through equitable share and equalization fund from the national government while the remaining portion will be funded through development partners and county collection revenue. With improvement in procurement planning (following establishment of a fully operational procurement department and formation of respective tender committees), the absorption capacity of project funds is expected to increase

resulting in a higher investment level in infrastructure activities. In view of challenges of climate change, unforeseen shocks and Disaster Management, a contingency provision of Ksh. 150 million will be provided in the budget for FY 2014/15.

### *Summary*

62. Fiscal policy will support growth within a sustainable path of public spending. Therefore, moderation in county spending will help assure debt sustainability and intergenerational equity in line with the Constitution and the fiscal responsibility principles in the new PFM law. Meanwhile, efficiency and economical spending of county resources will be enhanced to create room for critical interventions and pro-poor spending.

# V. RESOURCE ENVELOPE AND CRITERIA FOR RESOURCE ALLOCATION

### *Resource Envelope*

63. The resource envelope available for allocation among the spending departments and agency is based on the medium term fiscal framework outlined in Section IV:

- More than 80 % of the development budget will be funded through equitable share and equalization fund from the national government.
- About 20 % will be funded through funds from development partners and county collection revenue.
- Over 30% of the revenues will be used for development expenditure. This approach bodes well for long-term sustainability of our public finances in the county.

### *Spending Priorities*

64. The prioritization of resource allocation will be based on the second MTP and CIDP. In addition, the Constitution and the PFM law require county governments to promote budgetary transparency, accountability and effective financial management of the economy and the public sector. Therefore, inefficient and wasteful public expenditure will be eliminated at all costs in order to promote public trust in government spending.

65. In finalizing the preparation of the 2014 MTEF budget, the government will continue to pursue the policy of curtailing less productive expenditures and redirecting resultant savings to capital investment. Spending proposals will in this regard undergo rigorous scrutiny to identify areas of inefficient and non-priority expenditure. During scrutiny of 2014/15 budget proposals, more effective use of resources will be sought across spending departments/ agencies and any identified savings will be redirected to deserving priority expenditures.

66. Overall, given limited resources to the county, the MTEF budgeting will focus on the following:

- The priority social sectors of health and education will continue to receive adequate resources. It should be noted that both sectors are already receiving a significant share of resources in the budget. These sectors, however, will be required to utilize the allocated resources more efficiently to generate fiscal space to accommodate strategic interventions in their sectors including funding HIV/AIDS interventions, healthcare infrastructure, affordable drugs, as well as recruitment and training of staff. In particular, it is expected that the health sector will strengthen its infrastructure while education sector will concentrate on provision for learning infrastructure and learning materials.
- The economic sectors including agriculture and livestock will receive increased share of resources to boost agricultural productivity with a view to dealing with the recurrent food security problems in the county.
- With the Government committed to improving infrastructure countywide, the share of resources going to priority physical infrastructure sector, such as roads, energy, and ICT will continue to rise over the medium term in addition to water and irrigation sectors. This will help the sector provide reliable and affordable energy, as well as increased access to water and development of irrigation projects countywide.
- Other priority sectors include security, youth and gender, which have received a significant boost in resources. Resources to these sectors will be maintained at adequate level over the medium-term to enable these sectors to implement governance reforms as well as deal with security, youth unemployment and provide opportunities for the vulnerable members of our society in the county.

### *2012/13 Revised Estimates*

67. Expenditure in the first six months of 2013/14 amounted to Ksh 518.985 million or about 10% of the appropriation for the year. In view of the financing constraints from revenue and emerging expenditure pressures, adjustment to the budget, in the context of the Supplementary budget, will be tabled in County Assembly shortly. In order to finance emerging additional expenditures in the face of financing constraints, austerity measures will be instituted. The

austerity measures take into account performance of expenditure so far in the FY 2013/14 and absorption capacity in the remainder of the financial year.

### *Medium-Term Expenditure Estimates*

Table 4.0 below provides the projected baseline ceilings for the 2014 MTEF, classified by sector.

**Table 4: Medium Term Sector Ceilings, 2014//15 - 2016//17 (Ksh Million)**

| SECTOR | Estimate 2013/14 | CBROP ceiling 2014/15 | CFSP ceiling 2014/15 | Projections | | % change | Proportion of the budget (%) |
|---|---|---|---|---|---|---|---|
| | | | | 2015/16 | 2016/17 | | |
| Agriculture, Livestock and Livestock Development | 552.7 | 552.7 | **607.97** | 668.77 | 735.64 | 10 | **9.25** |
| Roads Transport and Public works department | 1,305 | 1,305 | **1,566** | 1,722.6 | 1,894.86 | 20 | **23.83** |
| Trade, Industrialization, Co-Operative Development | 265 | 265 | **304.75** | 335.23 | 368.75 | 15 | **4.64** |
| Public Health, Medical Services and Sanitation | 719.8 | 719.8 | **863.76** | 950.14 | 1,045.15 | 20 | **13.15** |
| Education, Youth, Gender and Social Services | 208.7 | 208.7 | **229.57** | 252.53 | 277.78 | 10 | **3.49** |
| Water, Energy, Environment and Natural Resources | 749.2 | 749.2 | **953** | 1,048.3 | 1,153.13 | 27.2 | **14.5** |
| Lands, Housing and Physical Planning | 96.83 | 96.83 | **111.36** | 122.5 | 134.75 | 15 | **1.69** |
| Information Communication and E-Government | 214.02 | 214.02 | **235.42** | 258.97 | 284.86 | 10 | **3.58** |
| Finance and Economic Planning | 200.8 | 200.8 | **241** | 265.1 | 291.61 | 20 | **3.67** |
| County Executive | 568.7 | 568.7 | **654** | 719.4 | 791.34 | 15 | **9.95** |
| County Assembly | 400.43 | 400.43 | **472.5** | 519.75 | 571.73 | 18 | **7.19** |
| Public Service, Labor and Decentralized Unit | 101.6 | 101.6 | **132.1** | 145.31 | 159.84 | 30 | **2.01** |
| County Public Service board | | - | **50** | 55 | 60.5 | - | **0.76** |
| Town administration | | - | **150** | 165 | 181.5 | - | **2.28** |
| **TOTAL** | **5,413** | **5,413** | **6,571** | **7,229** | **7,951** | **21.4** | **100** |

### *Baseline ceilings*

68. The baseline estimates reflects current spending priorities in infrastructure and health receiving large shares. Water supply and County Executive also receive large shares.

Development expenditures are shared out on the basis of the Vision 2030 and CIDP priorities as well as other strategic interventions to deal with unemployment and remove constraints to faster growth. The following guidelines are used:

- *On-going projects*: emphasis is given to completion of on-going projects and in particular infrastructure projects and other projects with high impact on poverty reduction and equity, employment and wealth creation.
- *Counterpart funds*: priority will also be given to adequate allocations for donor counterpart funds. This is the portion the Government must fund in support of the projects financed by development partners. Usually it accounts for between a quarter to a third of the cost of the project.
- *Strategic policy interventions*: priority is also given to policy interventions covering the entire county, regional integration, social equity and environmental conservation.

## *Finalization of spending plans*

69. As indicated earlier, the finalization of the preparation of the detailed budgets will entail thorough scrutiny to curtail spending on non-productive areas and ensure resources are directed to priority programmes. As detailed budgets are scrutinized and the resource envelope firmed up, it is likely that additional resources may become available. Government will utilize these resources to accommodate key county strategic priorities with sound business plans. Specifically, the following will receive priority:

| | **Priority Areas of Consideration for Additional Resources** |
|---|---|
| 1 | Intervention identified during the county stakeholders consultation for 2014 MTEF budget. A summary of issues identified by Sector Working Groups during the consultations |
| 2 | Strategic intervention in the area of education, health, infrastructure (especially rural/feeder roads), tourism, security and agriculture (especially irrigation programmes and other food security enhancing programmes), as well as policy interventions covering the entire county to social equity. |
| 3 | Specific consideration to job creation for the youth based on sound initiatives identified within and outside the normal budget preparation. |

# VI. DETAILS OF SECTOR PRIORITIES AND CEILINGS

### *Details of Sector Priorities*

70. The medium term spending estimates for 2014/15 – 2016/17 ensures continuity in resource allocation based on prioritized programmes aligned to the Vision 2030 MTP, CIDP and policy initiatives to accelerate growth, employment creation and poverty reduction. The recent achievements and key priority targets for each sector are based on the reports from the Sector Working Groups (SWG) after taking into account Public Sector Hearings.

### a) Agriculture, Livestock and Livestock Development

71. The sector is critical to economic growth, employment and poverty reduction. The sector contributes largely to the county economy and contains multiple linkages with other key sectors such as manufacturing, wholesale and retail, transport and distribution and other service-related sectors. The sector aims at raising agricultural productivity, exploiting irrigation potential, increasing commercialization of agriculture, improving the legal and policy framework for agriculture and land development as well as promotion of sustainable management of fisheries, forestry and wildlife resources.

72. The challenges facing the sector include unfavourable climatic changes, poor planning and inadequate warning systems, low production and productivity, poor marketing and marketing infrastructure, low value addition and competitiveness, inadequate physical infrastructure, unfavourable legal and policy frameworks, and low access to financial services as well as affordable credit.

73. The 2014 MTEF estimates for the sector are estimated to be KSh.2.012 billion as shown in the table 5 below. For FY 2014/15 the sector is expected to grow by 10 % from KSh.552.7 million allocated in the FY 2013/14 to Ksh. 607.97million. This is projected to increase to Ksh. 668.77 million and Ksh. 735.64 million respectively, for FY 2015/16 and FY 2016/17. The key

functions of the department in the County include crop and animal husbandry, livestock sale yards, abattoirs, plant and animal disease control, fisheries and cooperative societies.

**Table 5: Agriculture, Livestock and Livestock Development MTEF estimates**

| Agriculture, Livestock and Livestock Development | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | 552.7 | 607.97 | 668.77 | 735.64 | 2,012.38 |
| | | | | | |
| The department comprise of Agriculture, Livestock Development, Fisheries Development, Cooperative Development and Marketing, Forestry and Wildlife, | | | | | |

## b) Roads, Transport and Public Works

74. The department entails Infrastructure sectors and continues to be an enabler for sustained development of our economy. Key achievements in the department will include improved infrastructure and management in particular construction of markets; new roads and periodic road maintenance. However, the sector faces a number of challenges that limits its optimal operations, including: general underutilization of development expenditure, delayed uptake of donor funds and lack of adequate local construction capacity.

75. Over the medium-term, the sector's priorities include: improved infrastructure and management in county and urban centres, accelerating on-going infrastructure development, improving efficiency and effectiveness of the infrastructure development process at all levels of planning, contracting, and construction; attain efficient and economic road transport.

76. Total MTEF estimate for the department is Ksh. 5.183 billion of which Ksh. 1.566 billion has been set aside for the FY 2014/15. This represents a 20 % increase from Ksh. 1.305 billion allocated in the FY 2013/14. Ksh. 1.723 billion and Ksh. 1.895 billion have been allocated to the FY 2014/15 and FY 2015/16, respectively (Table 6 below). Key functions in the department include county roads maintenance, street lighting, traffic and parking, public road transport.

**Table 6: Roads Transport and Public works department MTEF estimates**

| Roads Transport and Public works department | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | 1,305 | 1,566 | 1,722.6 | 1,894.86 | 5183.46 |
| | | | | | |
| The department includes roads, public works and transport. | | | | | |

## c) Trade, Industrialization, Co-Operative Development

77. The department plays a significant role towards achievement of the Vision 2030 and Millennium Development Goals (MDGs) through enhancement of economic growth. The sector still faces a number of challenges ranging from inadequate legal, regulatory and institutional challenges, limited access to credit by businesses, high cost of production, stiff competition from access to markets and low technology, innovation, research and development.

78. Over the medium-term, the sector plans to create an enabling business environment for trade and investment; deepen regional integration, promote best labour practices, manpower planning, development and utilization, tourism development and marketing, undertake policy, legal and institutional reforms for the development of the sector; support entrepreneurship and industrial development; and promote exports. Total MTEF estimate for the department is Ksh. 1.009 billion of which Ksh. 304.75 million has been set aside for the FY 2014/15. This represents a 15% increase from Ksh.265million allocated in the FY 2013/14. Ksh. 335.23 million and Ksh. 368.75 million have been allocated to the FY 2014/15 and FY 2015/16, respectively as shown in table 7 below.

**Table 7: Trade, Industrialization, Co-Operative Development MTEF estimates**

| Trade, Industrialization, Co-Operative Development department | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | 265 | 304.75 | 335.23 | 368.75 | 1,008.73 |
| | | | | | |
| The department comprise of trade, heritage and culture, tourism, industrialization, labour, and Regional Development Authorities. | | | | | |

### d) Public Health, Medical Services and Sanitation

79. The department's goal is to provide equitable and affordable health care to the county citizens. The sector faces numerous challenges, which include inadequate infrastructure for service delivery, shortage of qualified health personnel, and on time delivery of medicines and medical supplies. In the medium term, the county government will seek to address these challenges through continued investment in training of health professionals, medical services, health, and sanitation infrastructure and improvement in the working conditions of medical practitioners.

80. Total MTEF estimate for the department is Ksh. 2.859 billion of which Ksh. 863.76 million has been set aside for the FY 2014/15. This represents a 20 % increase from Ksh.719.8 million allocated in the FY 2013/14. Ksh. 950.14 million and Ksh. 1.045 billion have been allocated to the FY 2014/15 and FY 2015/16, respectively as shown in table 8 below.

**Table 8: Public Health, Medical Services and Sanitation MTEF estimates**

| Public Health, Medical Services and Sanitation department | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | 719.8 | 863.76 | 950.14 | 1,045.15 | 2,859.05 |
| | | | | | |
| The department comprise of medical services, public health and sanitation sub-sectors | | | | | |

81. The County government is expected to play a significant role in improvement of access and better health care for its citizens. The core functions include county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, and refuse removal, refuse dumps and solid waste disposal.

### e) Education, Youth, Gender and Social Services

82. The department's goal is to increase access to education, raise the quality and relevance of education, reduce inequality, and exploit knowledge and skills in science, technology and innovation to achieve global competitiveness of our labour force. The challenges include inadequate infrastructure and staffing, slow pace to ICT integration, and dealing with accelerated admissions to youth polytechniques, among others. The 2013 MTEF estimate for the sector is

Ksh 759.88 million of which Ksh 229.57 million has been allocated for FY 2014/15, representing a 10% increase from FY 2013/14 funding level of Ksh.208.7million. This is projected to increase to Ksh 252.53 million in the FY 2015/16 and Ksh. 277.78 million in the FY 2016/17(**see table 9**).

**Table 9: Education, Youth, Gender and Social Services MTEF estimates**

| Education, Youth, Gender and Social Services department | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | 208.7 | 229.57 | 252.53 | 277.78 | 759.88 |
| | | | | | |
| The department functions in the county mainly cater for pre-primary education, village polytechnics, home craft centres and children facilities | | | | | |

## f) Water, Energy, Environment and Natural Resources

83. The department main role is ensuring that every county citizen has access to electricity and portable water in a clean and secure environment. Over the MTEF period the department aims to achieve expansion of water coverage and sewerage facilities; scaling up water storage to improve water security; scaling up irrigation to reduce dependence of rain fed agriculture; protection, conservation and management of catchment areas; mitigation and adaptation measures on climate change; expanding generation capacity and access to electricity; enforcement of sector laws and regulations; modernization of meteorological services

84. Total MTEF estimate for the department is Ksh. 3.154.43 billion of which Ksh. 953 million has been set aside for the FY 2014/15. This represents 27.2% increase from Ksh. 749.2 million allocated in the FY 2013/14. Ksh. 1.048 billion and Ksh. 1.153 billion have been allocated to the FY 2014/15 and FY 2015/16, respectively as shown in Table 10 below.

**Table 10: Water, Energy, Environment and Natural Resources MTEF estimates**

| Water, Energy, Environment and Natural Resources department | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | 749.2 | **953** | 1,048.3 | 1,153.13 | 3,154.43 |
| | | | | | |
| The department functions in the county mainly include soil and water conservation, forestry, storm water management, and water and sanitation services, as well as energy projects. | | | | | |

## g) Lands, Housing and Physical Planning

85. The sector plays a key role in ensuring that every Kenyan has access to decent and affordable housing and sustainable land use. The key challenges include poor land use and physical planning, poor and unplanned housing development, poor land tenure system and poor legal regulations. The department aims to address the challenges through enhancing housing development through various initiatives; lowering the cost of building material to increase access to Housing and improving governance of land development.

86. Total MTEF estimate for the department is Ksh.368.61 million of which Ksh.111.36 million has been set aside for the FY 2014/15. This represents a 15% increase from Ksh. 96.83 million allocated in the FY 2013/14. Ksh. 122.5 million and Ksh. 134.75 million have been allocated to the FY 2015/16 and FY 2016/17, respectively as shown in table 11 below.

**Table 11: Lands, Housing and Physical Planning MTEF estimates**

| Lands, Housing and Physical Planning department | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | 96.83 | 111.36 | 122.5 | 134.75 | 368.61 |
| | | | | | |
| The department sections include land, physical planning and housing | | | | | |

## h) Information Communication and E-Government

87. Information Communications Technology (ICT) department continues to be an enabler for sustained development of the county economy. The department faces challenges like inadequate capacity for research in ICT and understaffing. This can be addressed through investing more funds in the department. Total MTEF estimate for the department is Ksh. 779.25 million of which Ksh. 235.4 million has been set aside for the FY 2014/15. This represents a 10% increase from Ksh. 214.02 million allocated in the FY 2013/14. Ksh.258.97 million and Ksh. 284.86 million have been allocated to the FY 2015/16 and FY 2016/17, respectively as shown in table 12 below.

**Table 12: Information Communication and E-Government MTEF estimates**

| Information Communication and E-Government department | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | 214.02 | 235.42 | 258.97 | 284.86 | 779.25 |
| | | | | | |
| The department functions in the county mainly include ICT | | | | | |

## i) Finance and Economic Planning

88. The department plays a key role in enhancing organization and coordination of county government business through planning and mobilization of financial resources. Funding over the 2014 MTEF period will enable the department to promote sound public financial and economic management for socioeconomic development; articulate and implement the county's policy for development; fast-track the CIDP, promote macroeconomic stability, mainstream MDGs, planning and budgetary process, implementation, monitoring and evaluation.

89. Total MTEF estimate for the department is Ksh. 797.7 million of which Ksh. 241 million has been set aside for the FY 2014/15. This represents a 20% increase from Ksh. 200.8 million allocated in the FY 2013/14. Ksh.265.1 million and Ksh. 291.6 million have been allocated to the FY 2015/16 and FY 2016/17, respectively as shown in table 13 below.

**Table 13: Finance and Economic Planning MTEF estimates**

| Finance and Economic Planning department | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | 200.8 | 241 | 265.1 | 291.61 | 797.7 |
| | | | | | |
| The department functions in the county mainly include county treasury, economic planning, procurement, budgeting and internal audit sections. | | | | | |

## j) County Executive

90. This is the backbone of the county government. The main function of the county executive is formulation of key county policies which facilitate all county departments to operate in a conducive environment and ensure long term sustainable development is

achieved. Total MTEF estimate for the department is Ksh. 2.164 billion of which Ksh. 654 million has been set aside for the FY 2014/15. This represents a 15 % increase from Ksh. 568.7 million allocated in the FY 2013/14. Ksh.719.4 million and Ksh. 791.34 million have been allocated to the FY 2015/16 and FY 2016/17, respectively as shown in table 14 below.

**Table 14: County Executive MTEF estimates**

| County Executive | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | 568.7 | 654 | 719.4 | 791.34 | 2,164.74 |
| | | **654** | 719.4 | 791.34 | |

## k) County Assembly

91. County assembly plays a crucial role in strengthening the democratic space and good governance in the county. Total MTEF estimate for County Assembly is Ksh. 1.564 billion. For FY 2014/15, Ksh. 472.5 million has been set aside which is a 18% increase from previous year as shown by table 15 below.

**Table 15: County Assembly MTEF estimates**

| County Assembly | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | 400.43 | 472.5 | 519.75 | 571.73 | 1,563.98 |
| | | | | | |
| | | | | | |

## l) Public Service, Labor and Decentralized Unit

92. The department will play a big role in coordinating the sub-counties operation in order for them to operate smoothly. The total MTEF estimate is Ksh. 437.25 million. For FY 2014/15, Ksh. 132.1million has been set aside as shown by table 16 below

**Table 16: Public Service, Labor and Decentralized Unit MTEF estimates**

| Public Service, Labor and Decentralized Unit | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | 101.6 | 132.1 | 145.31 | 159.84 | 437.25 |
| | | | | | |

**m) County Public Service Board**

The board is entrusted to recruit county staff, train them and ensure that county staffing is done effectively and transparent. The total MTEF estimate for the board is Ksh. 165.5 million. For FY 2014/15, Ksh. 50 million has been set aside as shown in table 17 below

**Table 17: County Public Service Board MTEF estimates**

| County Public Service Board | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | - | **50** | 55 | 60.5 | 165.5 |
| | | | | | |

**n) Town administration**

This entity will be charged with the operations of the towns and market centres. The total MTEF estimate for entity is Ksh. 496.5 million. For FY 2014/15, Ksh. 150 million has been set aside as shown in table 18 below

**Table 18: Town Administration MTEF estimates**

| Town administration | | | | | |
|---|---|---|---|---|---|
| **Ksh. Million** | **Budget** | **Medium term estimates** | | | **2014 MTEF** |
| | **2013/2014** | **2014/2015** | **2015/2016** | **2016/2017** | **Total** |
| County | - | **150** | 165 | 181.5 | 496.5 |
| | | | | | |

## *Conclusion*

93. The 2014 MTEF is marked by moderate growth in overall expenditure, taking into account the weaker economic outlook and the need to maintain fiscal disciple during the implementation of the CIDP. Expanding infrastructure investment, while maintaining reasonable growth on social development priorities remain a priority. Overall, the set of policies outlined in this C-FSP are consistent with the County strategic objectives pursued by the Government as a basis of allocation of public resources. Details of the strategic objectives are provided in the CIDP and MTP II.

# VII. ANNEXES

***Annex table 1: Revenue Allocation for Arid County Government for FY 2014/15***

| | | | FY 2013/14 | FY 2014/15 | | | | |
|---|---|---|---|---|---|---|---|---|
| **No.** | **County** | **Allocation ratio** | **Total County Allocations (Ksh.)** | **Equitable Share** | **Rural Electrification** | **Allocations - loans and grants** | **Total County Allocations** | **Per capita Allocation s (Ksh.)** |
| 1 | Wajir | 2.78% | 5,647,521,552 | 6,158,038,375 | 203,639,167 | 91,802,418 | 6,453,479,959 | 9,749 |
| 2 | Garissa | 2.22% | 4,696,466,675 | 4,914,082,809 | 162,503,003 | 91,802,418 | 5,168,388,230 | 8,295 |
| 3 | Isiolo | 1.18% | 2,423,476,882 | 2,602,395,085 | 86,058,179 | 91,802,418 | 2,780,255,682 | 19,402 |
| 4 | Kitui | 2.80% | 5,834,395,951 | 5,834,395,951 | 204,611,443 | 299,716,518 | 6,691,767,912 | 6,608 |
| 5 | Kwale | 1.97% | 4,029,400,667 | 4,364,077,915 | 144,314,981 | 168,482,418 | 4,676,875,314 | 7,196 |
| 6 | Lamu | 0.97% | 1,599,992,106 | 1,746,997,444 | 57,771,174 | 91,802,418 | 1,896,571,036 | 18,678 |
| 7 | Makueni | 2.30% | 4,721,151,803 | 5,082,646,941 | 168,077,223 | 309,133,344 | 5,559,857,508 | 6,286 |
| 8 | Mandera | 3.45% | 6,780,543,337 | 7,624,989,327 | 252,149,528 | 91,802,418 | 7,968,941,273 | 7,769 |
| 9 | Marsabit | 2.0% | 4,068,447,609 | 4,418,367,634 | 146,110,279 | 91,802,418 | 4,656,280,331 | 15,992 |
| 10 | Samburu | 1.37% | 2,805,092,097 | 3,024,453,738 | 100,015,167 | 91,802,418 | 3,216,271,324 | 14,362 |
| 11 | Tana River | 1.53% | 3,118,807,124 | 3,392,508,746 | 112,186,318 | 123,797,418 | 3,628,492,483 | 15,114 |
| 12 | Tharaka Nithi | 1.21% | 2,434,590,071 | 2,671,360,382 | 88,338,781 | 698,823,239 | 3,458,522,401 | 9,467 |
| 13 | Turkana | 4.03% | 7,894,398,068 | 8,921,969,701 | 295,039,161 | 91,802,418 | 9,308,811,280 | 10,882 |
| 14 | Baringo | 1.71% | 3,630,408,716 | 3,780,757,552 | 125,025,255 | 182,876,218 | 4,088,659,024 | 7,360 |

***Annex table 2: Budget out-turn for the first six months of the FY 2013/14 budget***

| No. | Name of the Department | Expenditure in Ksh. |
|---|---|---|
| 1 | Finance and Economic Planning | 72,795,845 |
| 2 | Water, Energy, Environment and Natural Resources | 25,868,945 |
| 3 | Agriculture, Livestock and Livestock Development | 14,646,094 |
| 4 | Education, Youth, Gender and Social Services | 2,917,369 |
| 5 | Public Health, Medical Services and Sanitation | 69,455,004 |
| 6 | Roads, Transport and Public Works | 5,545,027 |
| 7 | Lands, Housing and Physical Planning | 3,668,720 |
| 8 | Trade, Industrialization, Co-Operative Development | 4,428,884 |

| | | |
|---|---|---|
| 9 | Information Communication and E-Government | 10,918,005 |
| 10 | Public Service, Labor and Decentralized Unit | 29,504,828 |
| 11 | County Assembly | 110,640,232 |
| 12 | County Executive | 168,596,490 |

***Annex table 3: Medium Term Sector Ceilings, 2014//15 - 2016//17 (Ksh Million)***

| **SECTOR** | **Estimate 2013/14** | **CBROP ceiling 2014/15** | **CFSP ceiling 2014/15** | **Projections** | | **% change** | **Proportion of the budget (%)** |
|---|---|---|---|---|---|---|---|
| | | | | **2015/16** | **2016/17** | | |
| Agriculture, Livestock and Livestock Development | 552.7 | 552.7 | **607.97** | 668.77 | 735.64 | 10 | **9.25** |
| Roads Transport and Public works department | 1,305 | 1,305 | **1,566** | 1,722.6 | 1,894.86 | 20 | **23.83** |
| Trade, Industrialization, Co-Operative Development | 265 | 265 | **304.75** | 335.23 | 368.75 | 15 | **4.64** |
| Public Health, Medical Services and Sanitation | 719.8 | 719.8 | **863.76** | 950.14 | 1,045.15 | 20 | **13.15** |
| Education, Youth, Gender and Social Services | 208.7 | 208.7 | **229.57** | 252.53 | 277.78 | 10 | **3.49** |
| Water, Energy, Environment and Natural Resources | 749.2 | 749.2 | **953** | 1,048.3 | 1,153.13 | 27.2 | **14.5** |
| Lands, Housing and Physical Planning | 96.83 | 96.83 | **111.36** | 122.5 | 134.75 | 15 | **1.69** |
| Information Communication and E-Government | 214.02 | 214.02 | **235.42** | 258.97 | 284.86 | 10 | **3.58** |
| Finance and Economic Planning | 200.8 | 200.8 | **241** | 265.1 | 291.61 | 20 | **3.67** |
| County Executive | 568.7 | 568.7 | **654** | 719.4 | 791.34 | 15 | **9.95** |
| County Assembly | 400.43 | 400.43 | **472.5** | 519.75 | 571.73 | 18 | **7.19** |
| Public Service, Labor and Decentralized Unit | 101.6 | 101.6 | **132.1** | 145.31 | 159.84 | 30 | **2.01** |
| County Public Service board | | - | **50** | 55 | 60.5 | - | **0.76** |
| Town administration | | - | **150** | 165 | 181.5 | - | **2.28** |
| **TOTAL** | **5,413** | **5,413** | **6,571** | **7,229** | **7,951** | **21.4** | **100** |

## Annex table 4: county revenue collections analysis,

| | 2013 | | | | | | 2014 | |
|---|---|---|---|---|---|---|---|---|
| **REVENUE STREAM** | **JULY** | **AUGUST** | **SEPTEMBER** | **OCTOBER** | **NOVEMBER** | **DECEMBER** | **JANUARY** | **TOTALS PER REVENUE STREAM** |
| Stock Auction fees | 588,520.00 | 465,520.00 | 480,900.00 | 578,200.00 | 349,900.00 | 833,450.00 | 727,960.00 | ***4,024,450.00*** |
| Stock Export fees | 237,150.00 | 203,200.00 | 164,800.00 | 188,800.00 | 105,600.00 | 305,000.00 | 310,990.00 | ***1,515,540.00*** |
| Slaughter fees | 87,900.00 | 95,100.00 | 110,300.00 | 151,840.00 | 142,700.00 | 133,400.00 | 152,600.00 | ***873,840.00*** |
| Hides &Skin | 48,700.00 | 10,300.00 | 43,160.00 | 94,900.00 | 22,000.00 | 37,000.00 | - | ***256,060.00*** |
| Arabic Gum | 168,500.00 | 80,580.00 | 98,200.00 | 154,900.00 | 52,200.00 | 78,000.00 | 51,800.00 | ***684,180.00*** |
| Miraa Cess | 930,000.00 | 900,000.00 | 900,000.00 | 920,000.00 | 1,433,000.00 | 2,049,000.00 | 1,942,600.00 | ***9,074,600.00*** |
| Single Business Permit(SBP) | 233,500.00 | 1,594,500.00 | 36,000.00 | 83,500.00 | 35,000.00 | 163,500.00 | 2,983,400.00 | ***5,129,400.00*** |
| Septic Tank | 168,000.00 | 89,000.00 | 244,000.00 | 252,000.00 | 206,000.00 | 110,000.00 | - | ***1,069,000.00*** |
| Conservancy | 23,300.00 | 24,000.00 | 134,500.00 | 37,500.00 | 33,250.00 | 36,400.00 | 130,150.00 | ***419,100.00*** |
| Land Rent | 124,250.00 | 379,300.00 | 229,650.00 | 103,090.00 | 136,220.00 | 165,910.00 | 228,050.00 | ***1,366,470.00*** |
| House Rent | 6,000.00 | | | - | - | - | - | ***6,000.00*** |
| Building Materials | 238,300.00 | 268,550.00 | 395,400.00 | 410,100.00 | 309,200.00 | 388,350.00 | 360,300.00 | ***2,370,200.00*** |
| Scrap metal | 5,000.00 | 16,000.00 | 2,000.00 | 8,000.00 | 38,000.00 | 5,000.00 | - | ***74,000.00*** |
| Cereals | 249,500.00 | 110,100.00 | 183,700.00 | 179,700.00 | 175,000.00 | 104,240.00 | 76,440.00 | ***1,078,680.00*** |
| Development permision | 90,000.00 | | | - | - | 104,600.00 | - | ***194,600.00*** |
| Allotment(for schools) | 4,500.00 | | | 36,000.00 | 9,000.00 | - | - | ***49,500.00*** |
| Charcoal | | | | 3,000.00 | 750.00 | - | - | ***3,750.00*** |
| Clearance certificate | | | | 1,200.00 | - | - | - | ***1,200.00*** |
| School registration | | | | | 15,000.00 | 15,000.00 | - | ***30,000.00*** |
| Approval of Building Plan(Safcom) | | | | | 18,000.00 | | - | ***18,000.00*** |
| Advertisement | | | | | | | - | ***-*** |
| Sale of tender documents | | | | | | | 501,000.00 | ***501,000.00*** |
| **MONTHLY TOTALS** | **3,203,120.00** | **4,236,150.00** | **3,022,610.00** | **3,202,730.00** | **3,080,820.00** | **4,528,850.00** | **7,465,290.00** | **28,739,570.00** |