WAJIR COUNTY GOVERNMENT

FINANCE AND ECONOMIC PLANNING

MEDIUM TERM

FISCAL STRATEGY PAPER

FEBRUARY 2015

To Obtain copies of the document, please contact:

Chief Officer

Finance and Economic Planning

Wajir County

P.O BOX 9 – 70200

Wajir

Tel:

Fax:

ABBREVIATIONS AND ACRONYMS

AIDS	Acquired Immunodeficiency Syndrome
ASALs	Arid and Semi-Arid Lands
BPS	Budget Policy Statement
CBK	Central Bank of Kenya
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
KNBS	Kenya National Bureau of Statistics
MDG	Millennium Development Goals
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NAS	National Accounts Statistics
PERs	Public Expenditure Review
PFM	Public Finance Management Act
PPP	Public Private Partnership
VAT	Value Added Tax
V2030	Vision 2030

FOREWORD

In 2014, the County Fiscal Strategy Paper (CFSP) was prepared against the backdrop of improving global economic prospects, underpinned by gradual strengthening of the advanced economies and continued robust growth. This positive trajectory of the Kenyan economy and the global outlook continues. Kenya's GDP recorded 5.7 percent growth in 2013 against the 4.5 percent recorded in 2012. This growth is projected at 5.3 percent in 2014 based on the figures of the first three quarters of the year. The national GDP is projected to grow at 6 per cent in 2015

The National treasury has managed to maintain stable fiscal and monetary environment; it has even negotiated for precautionary credit facilities to cushion the economy against external and domestic shocks moving forward. It is against this momentum that C-FSP focuses to accelerate economic growth by riding on the macroeconomic stability; focusing on fiscal discipline and structural reforms; and deepening investment in critical economic & social infrastructure aimed at promoting productivity and facilitating expansion of the private sector. The broad strategic policies planned for the fiscal year 2015/16 and in the medium term will achieve resilience necessary for employment creation and poverty reduction.

In the current financial year 2014/15 the county has made progress in infrastructure with tarmacking of Wajir town roads is ongoing, gravelling of major county roads has been done as well as installation of solar street lights in major towns. Water sector has made a big stride in ensuring water for domestic and livestock use is brought closer to the people through drilling of boreholes and water pans. Agriculture and livestock sector has embarked on value addition of the products, adoption of modern farming technologies as well as irrigation farming.

The health sector embarked on employment of staff in order to operationalize all health facilities, construction of maternity wards as well as completion of Medical Training College. ECD classrooms have been constructed as well employment of care givers to ensure smooth learning in all ECD centres. In trade the county has embarked on creating conducive environment for traders through construction of fresh produce markets, jua kali sheds and market stores.

The county revenue collection has improved by 122.51 per cent in the first half compared to the same period in FY 2013/14. In order to ensure more revenue streams are realised, the county treasury prepared County Public Finance Bill 2015 which was passed the County Assembly. In addition to Revenue Administration Bill 2015, Land Rating Bill 2015 and Trade Licensing Bill 2015 have been forwarded in the county assembly waiting approval. Once approved will widen the revenue base as well as tap into more revenue streams and hence improved revenue collection.

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 2015 C-FSP will allow continued spending on infrastructure and economic development; support to security services and social protection for the vulnerable groups to enhance all inclusive growth. In order to attain all these, it will require efficiency, 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 second County Fiscal Strategy Paper (C-FSP) to be tabled in the County Assembly following the establishment of county governments under the leadership of His Excellency the governor Ahmed Abdullahi. It contains the county government's spending plans for 2015/16 Budget and the medium term, indicative resource envelope for the county departments and the fiscal responsibility principles. The first C-FSP was prepared in February 2014 and guided the budget making process of FY 2014/15. In addition, it gave the foundation in preparation of this year's C-FSP. The county departments were guided by the C-FSP 2014 in both budget preparation and implementation. I therefore strongly believe that its implementation was a great success.

As required, the preparation of the 2015 C-FSP was an inclusive effort with all the stakeholders involved. 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 (2014 CBROP), which provided inputs to this 2015 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 Mrs. Sahara Kunow, Head of Budget, Mr. John Maina the Chief Finance Officer and County Development Planning Officers, Mr. Stephen Muoka, Donald Matumaini and Abubakar Abdi; I also take this opportunity to thank the entire staff of the department for their continued support, teamwork, dedication and industrious efforts to public service. I am convinced that by working together as a team and remaining focused, we will realise the county's vision and deliver quality service to the people of Wajir.

FARAH A. OSMAN,
CHIEF OFFICER - FINANCE AND ECONOMIC PLANNING

TABLE OF CONTENTS

ANNEX TABLES

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;

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.

I. ENHANCING ECONOMIC TRANSFORMATION FOR A SHARED PROSPERITY

Overview

1. The 2015 County Fiscal Strategy Paper (C-FSP), the second to be prepared under the new constitutional dispensation and the devolved governance sets out the priority programs aimed at further strengthening the institutional and structural implementation of the fiscal management as per the PFM act of 2012 and the Kenya constitution 2010 achieved in 2014/15 .

2. The C-FSP focuses on five broad areas of (i) Improving business environment, Fiscal reforms and efficient budget implementation. (ii) Modernising the key productive sectors of livestock and agriculture (iii) investing in efficient transport, water and energy infrastructure (iv) Investing in efficient social service delivery (v) Climate Change Strategy and disaster management

3. Implementation of the programs under the five pillars is expected to raise efficiency and productivity in the economy and in turn accelerate and sustain growth, create opportunities for productive jobs, and secure livelihood of all citizens.

4. The C-FSP is framed against strong national economic prospects. Nationally, Inflation has been contained at a single digit, interest rates are trending downwards, and exchange rates is largely stable, public debt remain stable and both fiscal and external buffers have been strengthened, despite the downside risks associated with the sluggish global recovery. The resilience built over the years on account of sound macroeconomic management has helped to sustain growth. As a result, the economy rebounded from 0.2 percent in 2008 to 8.4 percent in 2010, before slowing down to 6.1 percent and 4.5 percent in 2011 and 2012, respectively. In 2013, the economy grew by 5.7 percent and is now expected to expand by 5.3 percent in 2014, rising to 6.9 percent in 2015 and 7.0 percent over the medium term.

5. In Sub-Saharan Africa, growth is expected to remain strong, at about 5 percent in 2014 and 5¾ percent in 2015, driven by sustained infrastructure investment, buoyant services sectors, and strong agricultural production, even as oil-related activities provide less support for the oil producers. In a few countries, economic activities are facing headwinds from the recent Ebola outbreak (Guinea, Liberia and Sierra Leon), inappropriate domestic policies (South Africa), and more recently, macroeconomic imbalances (Ghana and Zambia).

6. Globally, the world economic output is expected to strengthen gradually from 3.3 percent growth in 2014 to 3.8 percent in 2015, driven mainly by growth in advanced economies. Although the euro area has exited recession, growth remains anemic, hampered by high unemployment, large debt stocks, and tight private sector borrowing conditions. Despite deceleration in 2014, growth in emerging markets and developing economies is projected to increase modestly in 2015, supported by stronger domestic demand and some recovery in global demand.

7. Today, Kenya is considered a “frontier” economy with bright prospects. As such the basic foundation for economic transformation is now in place. However, a number of challenges still need to be addressed as part of the transformation to underpin shared prosperity. Our economy remains vulnerable to external and domestic shocks, in particular, to droughts and other weather-related shocks, the frequency of which has increased in the recent past, given the prevalence of rain-fed agriculture and high dependency on hydro-power generation. At the same time, the growing integration to global markets, while creating new financing opportunities, exposes our economy to more vulnerability, especially due to changes in global risk sentiments.

8. Wajir County is still faced with numerous challenges. Inadequate investment and inappropriate incentive structure over the years have led to a significant decline in productivity in the key livestock sub-sector, resulting in declining production and falling earnings. Other challenges include: high youth unemployment; food insecurity as a result of frequent droughts; insecurity; high cost of living; inadequate water sources and declining agricultural productivity. These challenges have been compounded by poor conditions of transport and logistics, inadequate and expensive power and non-conducive business climate. In addition, weak budget execution and fiscal related challenges surrounding local revenue generation, if not addressed will continue to constrain the economy from achieving its full potential and be a drag on our economic transformation agenda in the medium term.

9. Through the various priority economic policies, structural reforms and sectoral expenditure programs outlined in this 2015 County Fiscal Strategy Paper, the Government is taking determined steps to address these challenges, bolster resilience to shock and foster sustained high and inclusive growth as part of the Strategy of achieving economic transformation for a shared prosperity. The implementation of programs under the four pillars, as expounded in 2015 C-FSP, is expected to raise economic efficiency, productivity and in turn, make our products competitive, thus creating vast opportunities for productive jobs and securing livelihoods. The focus will be on:

Pillar I: Improving business environment, Fiscal reforms and efficient budget implementation.

10. Creating conducive business environment by providing basic infrastructure across all sectors of the economy and sub-counties, deepening structural and governance reforms to reduce the cost of doing business and supporting efforts to improve security in order to encourage innovation, investment, growth and expansion of economic and employment opportunities. In order to achieve this, the government is committed to the following measures:

11. *Expenditure Management:* transformation entails instituting measures to enhance efficiency and productivity in production and service delivery so as to unleash the economy's full potential. While there has been notable progress in institutional capacity for the county government; more still needs to be accomplished to improve efficiency and effectiveness in public resource utilization and budget execution so as to facilitate economic transformation. Going forward, the County Treasury will, in 2015, institute and strictly enforce, among others, the following measures: (a) Undertake a rationalization of public expenditures to identify and remove expenditure overlaps and waste; (b) Entrench program budget and enforce performance benchmarks for execution of the development budget of at least 80 percent by all departments and agencies as per the programmes captured in Annex IV.

12. *Revenue Reforms:* Much progress has been achieved towards broadening the revenue base and improving revenue administration. The measures implemented recently include; enactment of Public Finance act 2014. Our medium term strategy, therefore, focuses on further deepening revenue reforms in order to broaden the revenue base, reduce compliance cost, facilitate private sector growth and enhance revenue yield as part of measures to strengthen revenue effort.

Further implementation in modernization and revenue administration reforms covering automation of revenue collections; enhanced taxpayer recruitment and education program;

strategic tax audit and risk profiling, and a simplified tax regime for the informal sector: These measures are expected to streamline revenue administration systems, improve efficiency in revenue collection and enhance taxpayer services, thus reducing the cost of compliance.

13. Building on the progress achieved thus far, the national Government has committed by end- September, 2015, further simplify and modernize business regulatory regimes, rationalize all regulatory fees and other charges and establish an institutional and legal framework for management of regulatory charges, including those imposed by county governments. Equally, key public services will be automated end-to- end and at least 500 inbound payment service transactions digitalized by end of 2015 in order to hasten service delivery, reduce transaction cost and safeguard revenue. In particular, the following, among other services, will be digitized and made operational online; e-registry, land transaction services, business registration, motor vehicle and driver's license services and services under the registration of persons as well as passport application. In this regard, the county government has already embarked on the construction of Huduma centre to host the one stop shop for the services majorly provided by the national government. Currently the center is 70% complete and expected to be ready within FY 2014/15.

14. Adequate resources will be provided in FY 2015/16 to put up and make operational a state of the art one-stop- investment-shop in the county through the department responsible for trade and industrialization. .

(ii) Pillar II: Modernising the key productive sectors of livestock and agriculture to improve food security

15. Investing in agricultural & livestock production 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. The county government allocated some funds in 2014/15 budget for completion of the modern abattoir under construction by the national government; in the FY 2015/16, the county government will provide more resources to complete this abattoir and operationalize the same.

16. Expanding the fruit tree nursery center initiated in 2014/15 to effectively and adequately serve the entire county needs with high quality fruit trees. This is a first step towards building a strong agro processing industry in the county. Within the medium term, the county government will facilitate value chains through cottage industries for fruit juices, traditional fruit preservation, packaging and marketing channels to add value to the expected fruits harvest.

17. Expanding the new improved livestock breeds introduced in the 2014/15 fiscal year to cover all the sub-counties and serve all the livestock farmers effectively. Breeds for all livestock categories including goats, sheep, cattle and camel will be introduced for purpose of improving productivity.

18. 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.

Pillar III: Investing in efficient transport, water and energy infrastructure

19. 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.

20. 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. In total, 210 KMs of roads will be graveled by end of 2014/15 with a further 40KMs earmarked for 2015/16; the roads department is tarmacking 25kms of Wajir town roads.

21. The government will therefore, ensure that all major market centers are connected with electricity. 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 also provide alternative energy sources for households whereby 3,000 households are targeted with biogas energy to provide alternative energy source and save the trees.

22. Adequate and sustainable water supply is essential for sustained agricultural transformation, higher productivity and growth as well as overall development. Priority will be given to sustainable exploitation, utilization and management of water resources. Water supply infrastructure will be put in place in all centers to ensure sustainable supply in the medium term. In order to ensure sustainable water resources; appropriate environmental conservation and protection measures will be initiated and implemented in the medium term.

In FY 2013/14, the county drilled 54 boreholes, constructed 18 water pans, desilted 10 water pans and constructed 24 masonry tanks. In FY 2014/15, the county government targets to Construct 1 mega dam Drilling of 16 boreholes, Purchase one Drilling Rig and Dozzer and Excavate 10 Water pans. Further resources will be committed to drill 28 bore holes, 2 mega pans, desilt 10 existing pans and procure 2 bulldozers for dam construction

Pillar IV Investing in efficient social service delivery

23. 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.

24. The Government will ensure all Kenyans access 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. A healthy population is essential for higher productivity and sustained long term development of a county.

25. 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.

26. The transformative path of this strategy paper will need to be sustained through among others providing adequate skills and human resources. In this regard, the county government will continue to provide bursaries to bright but disadvantaged students. A loan scheme will also be put in place for residents pursuing advanced studies. The county government will continue supporting the education sector through provision of water, feeding program and infrastructure support.

Pillar V: Climate Change Strategy and Disaster Management

27. The county government will strengthen the partnerships with development partners towards adaptation and mitigation of climate change. To this effect, the government is committed to providing funds towards climate change fund being established in 2014/15 in collaboration with development partners. The government will also allocate adequate resources for contingency fund to cater for any unexpected eventualities in the FY 2015/16 and in the medium term.

Outline of the 2015 County Fiscal Strategy Paper

Global and National economic outlook

28 Section II of this C-FSP outlines the economic context in which the 2015/16 MTEF budget is prepared. It provides an overview of the recent economic developments and Macroeconomic outlook covering the global and domestic scene.

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

29. Section III outlines the fiscal framework that is supportive of growth over the medium-term, while continuing to provide adequate resources to facilitate social services, the policy priorities of the Government while at the same time ensuring that the public debt is sustainable.

Medium-Term Expenditure Framework

30. Section IV & V presents the resource envelope, criteria for resource allocation, and details of sector priorities and ceilings for the proposed 2015/16 MTEF budget and the medium term. Department priorities are also reviewed, along with their indicative costing for the 2015/16 MTEF period. Overall, Roads Transport and Public works, Water, Public Health, Medical Services and Sanitation departments account for the highest allocation, followed by Public Service, Special Programs & Decentralised Units and Agriculture, Livestock & Livestock Development departments.

Summary

31. 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 2015/16 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 CIDP provide the longer-term perspective on the county's growth and development challenges.

32. Section VI shows the Annexes.

II. RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK

Overview of recent economic performance

33. The national government has outlined general outlook through the 2015 Budget Policy statement. The following can therefore be found in the BPS:

- Growth update
- Broad money supply,
- Private Sector Credit performance
- Inflation outlook
- Interest Rates
- BOP and current account status
- Foreign Exchange Reserves
- Stock market vibrancy
- National Fiscal performance

Growth update

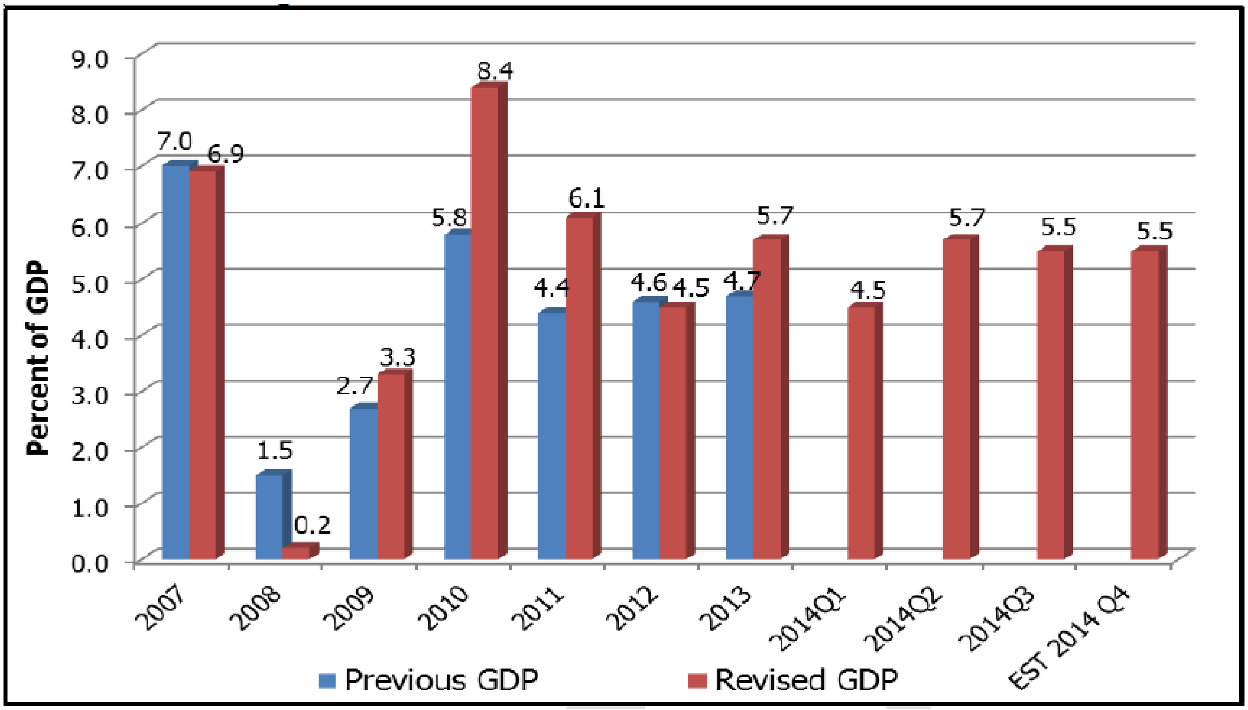
34. The economy grew by 5.7 percent in 2013, up from 4.5 percent growth in 2012 **(Chart 2.1).** The increase in growth in 2013 was supported by improved activities in agriculture, forestry and fishing (5.1 percent), manufacturing (5.9 percent), wholesale and retail trade (9.2 percent), financial and insurance activities (9.3 percent) and information and communication (13.5 percent)

35. 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.

36. The economy is estimated to have expanded by 5.5 percent in the third quarter of 2014 compared to a revised estimate of 6.2 percent in the same period of 2013. The growth was mainly supported by robust growths in; construction (11.0 percent), finance and insurance (9.9 percent), wholesale and retail trade (7.2 percent); information and communication (6.6 per cent);

and agriculture and forestry (6.2 per cent). All the sectors of the economy recorded positive growths except accommodation and food services (hotels and restaurants) which have consistently been on the decline since last year.

Chart 2.1: Comparison in GDP Growth Rates



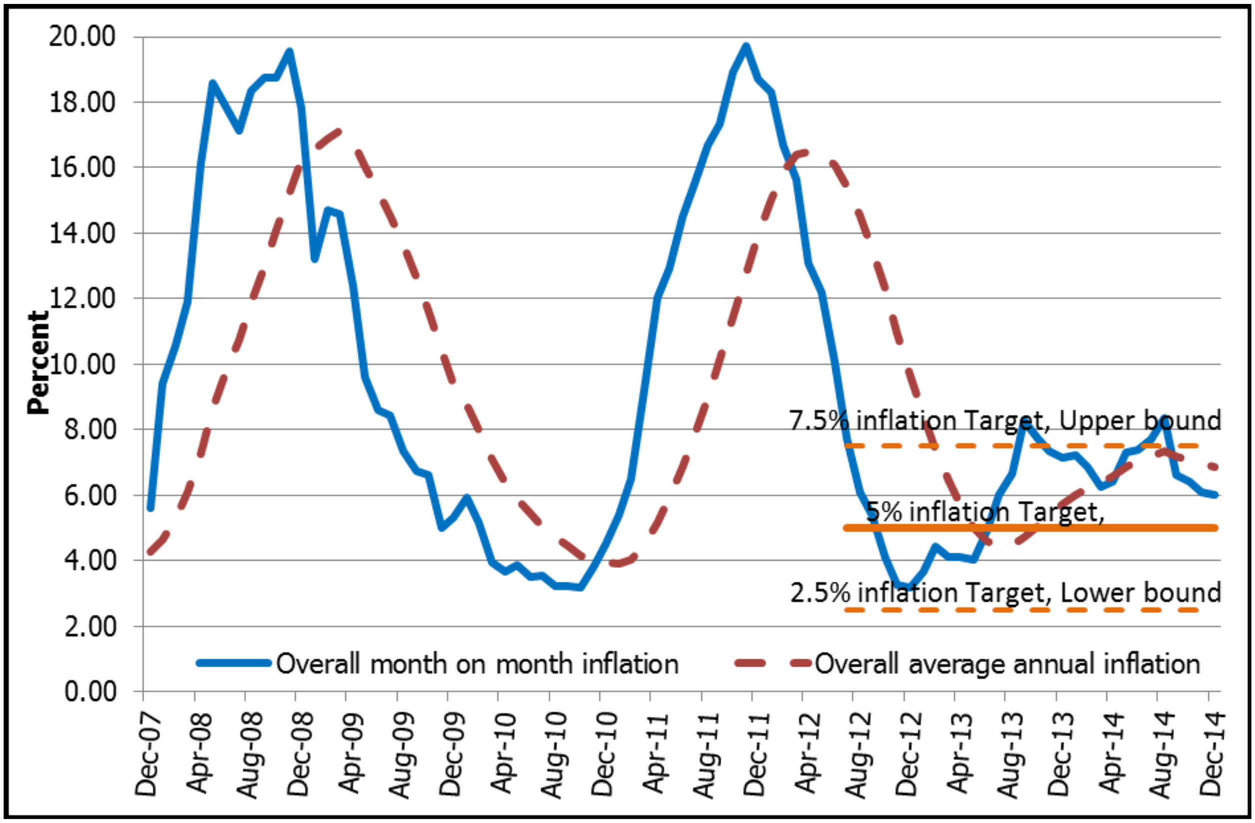
Source: KNBS

Inflation within single digit

37. 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 **(Chart 2.2).** On average, the annual inflation rate was 6.9 percent in December 2014 compared to 5.7 percent in December 2013.

38. 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.

Chart 2.2: Inflation Rate



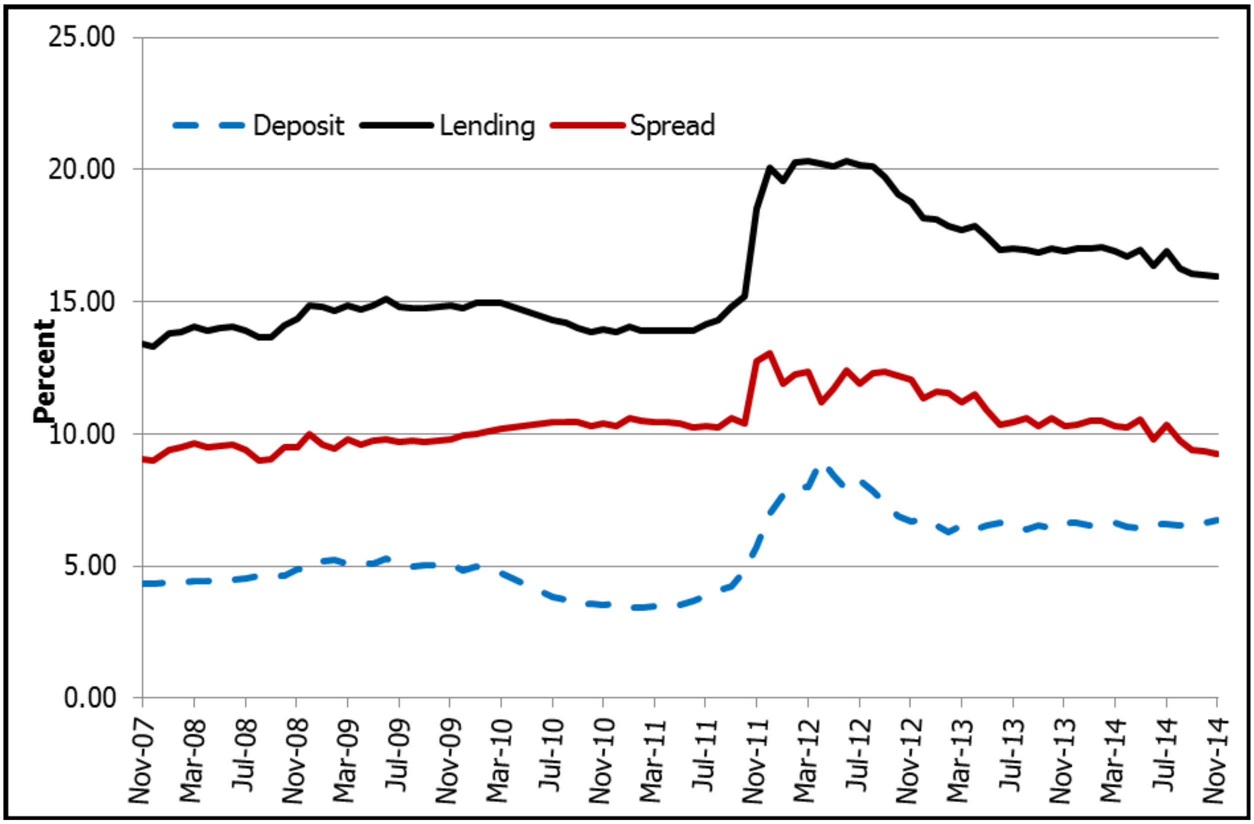
Source: KNBS and CBK

39. 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.

Source: CBK

40. 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 (Chart 2.3). 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.

Chart 2.3: Commercial Banks Lending and Deposit Interest Rates



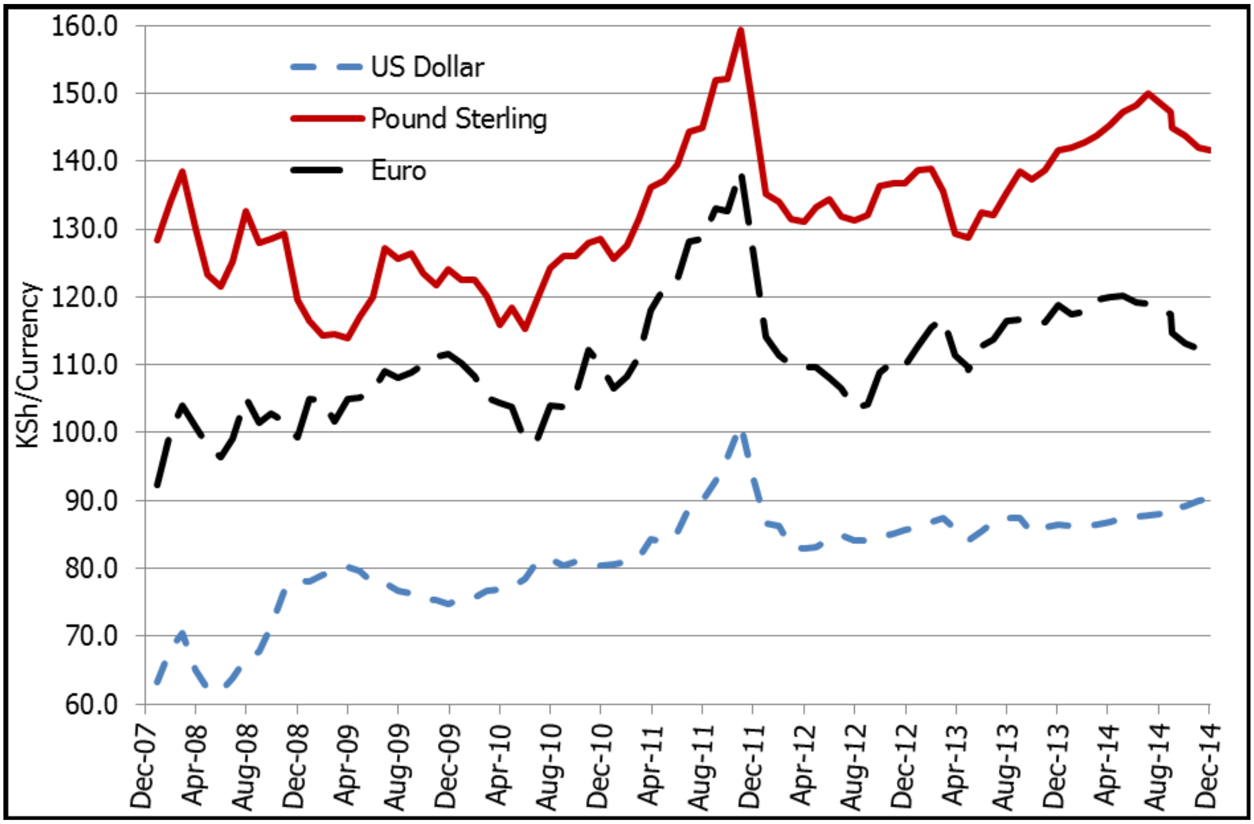
Source: CBK

The shilling Exchange rate demonstrates mixed performance

41. The Kenya Shillings exchange rate demonstrated mixed performance against major international currencies. The currency depreciated against the US dollar to Kshs 90.5 in December 2014 from Kshs 90.0 in November 2014 and Kshs 89.2 in October 2014 (Chart2.4)

42. Against the sterling pound,, the shilling appreciated to Kshs 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.

Chart 2.4: Kenya Shilling Exchange Rate



Source: CBK

Update on Fiscal Performance and Emerging Challenges

43. The FY 2014/15 fiscal framework assumed a stable macroeconomic environment and continuation of the Government's policy of containing non- priority and unproductive expenditures. After taking into account adjustments made by the National Assembly, total expenditures were projected at Ksh 1,597.8 billion and total expected revenues of Ksh 1,240.0 billion (including and grants), the overall budget deficit (including grants) in 2014/15 is projected to be about Ksh 357.8 billion.

44. However, after taking into account net external financing of Ksh 165.8 billion (2.9 percent of GDP and domestic loan repayment receipts of Ksh 2.0 billion, this will leave a deficit of Ksh 190.1 billion (equivalent to 3.4 percent of GDP), which would be financed by net borrowing from the domestic market. The detailed macro-fiscal framework underpinning the FY 2014/15 budget is articulated in the BPS 2014.

Implementation Progress and Emerging Fiscal Challenges in the County

45. Implementation of the FY 2014/15 budget is progressing well despite initial challenges encountered at the start of the financial year. Adequate measures have been taken to ensure priority programmes are fully implemented. Implementation of priority programmes will be tracked and feedback provided on a quarterly basis.

46. Fiscal outcome by the end of December 2014 year has been generally satisfactory. Expenditure is slightly lagging though and revenue recording shortfall. Despite revenues recording a slight shortfall against the target, it grew to 47.34 million from 21.47 million same period last financial year was 122.51 per cent growth.

47. Total cumulative revenue collection by the end of December 2014 amounted to Ksh 47,337,149.00 which was below the target of Kshs 60 million by Ksh 12,662,851.00 (**Table 2.1)**. This shortfall was as a result of the underperformance of all the broad categories of revenues as well as insufficient revenue collection and administration laws.

48. Total expenditures amounted to Ksh 2,192,071,061.00 billion against a target of Ksh 3,630,936,275 (or Ksh 1,438,865,214 below target) at the end of December 2014. The law absorption was occasioned by delay in release of funds by the National Treasury as well as delays in procurement procedures. **Tables 2.2a** and **2.2b** provides that information for recurrent and development expenditures respectively.

Table 2.1: Cumulative local revenue, July – December 2014

Revenue Source	Actual Dec - 13	Dec – 14 Projected	Actual Dec 2014	Deviation	% Growth
Total Revenue	**21,274,280**	**60,000,000**	**47,337,149.00**	**(12,662,851)**	**122.51**
Stock Auction fees	3,296,490		2,518,830.00		(23.59)
Stock Export fees	1,204,550		1,109,840.00		(7.86)
Slaughter fees	721,240		784,200.00		8.73
Hides &Skin	256,060		375,100.00		46.49
Arabic Gum	632,380		276,000.00		(56.36)
Miraa Cess	7,132,000		10,275,000.00		44.07
Single Business	2,146,000		5,161,500.00		140.52

Permit(SBP)					
Septic Tank	1,069,000		120,000.00		(88.77)
Conservancy	288,950		1,180,200.00		308.44
Land Rent	1,138,420		5,111,000.00		348.96
House Rent	6,000		339,650.00		5,560.83
Water			59,400.00		
Building Materials	2,009,900		2,526,950.00		25.73
Market gate fees(fresh produce)	0		379,400.00		
Scrap metal	74,000		10,000.00		(86.49)
Cereals	1,002,240		1,410,000.00		40.68
Development permission	194,600		0.00		(100.00)
Allotment(for schools)	49,500		0.00		(100.00)
Charcoal	3,750		4,500.00		20.00
Hire of County Assets	0		10,827,204.00		
Cost sharing	0		2,959,850.00		
Medical Certificate	0		375,525.00		
Clearance certificate	1,200		0.00		(100.00)
School registration	30,000		0.00		(100.00)
Approval of Building Plan(Safcom)	18,000		0.00		(100.00)
Advertisement	0		0.00		0
Sale of tender documents	0		1,533,000.00		100
Veterinary Fees	0		0.00		0

Table 2.2a: Six months recurrent budget out-turn for FY 2014/15

	Name of the Department	Dec 2013	Dec 14			
		Actual	Projected	Actual	Deviation	Growth for 2014
1	Finance and Economic Planning	72,795,845	226,088,735	154,398,268	71,690,467	112.09764
2	Energy, Environment and Natural Resources	0	19,225,000	12,899,490	6,325,510	100
3	Water	25,868,945	66,682,318	51,517,094	15,165,224	99.146482
4	Agriculture, Livestock and Livestock Development	14,646,094	60,878,836	46,324,056	14,554,780	216.28949
5	Education, Youth, Gender and Social Services	2,917,369	86,925,000	40,124,008	46,800,992	1275.3491
6	Public Health, Medical Services and Sanitation	69,455,004	365,368,700	154,084,900	211,283,800	121.84852
7	Roads, Transport and Public	5,545,027	29,700,000	22,190,705	7,509,295	300.19111

	Works					
8	Lands, Housing and Physical Planning	3,668,720	27,628,623	21,595,168	6,033,455	488.62949
9	Trade, Industrialization, Co-Operative Development	4,428,884	26,485,000	14,568,789	11,916,211	228.94944
10	Information Communication and E-Government	10,918,005	50,950,000	18,792,142	32,157,858	72.120658
11	Public Service, Labor and Decentralized Unit	29,504,828	102,569,520	90,364,310	12,205,210	206.26957
12	County Assembly	110,640,232	170,512,944	207,823,883	(37,310,940)	87.837534
13	County Executive	168,596,490	147,284,320	136,214,812	11,069,508	-19.20661
14	Town Administration		67,896,000	32,071,181	35,824,819	100
	Total	**518,985,443**	**1,448,194,996**	**1,002,968,806**	**445,226,189**	**93.255672**

Table 2.2b: Six Months Development Budget Outturn for FY 2014/15

	Name of the Department	**Dec 2013**	**Dec 14**	**Dec 14**		
		Actual	**Projected**	**Actual**	**Deviation**	**Absorption %**
	Education, Youth, Gender and Social Services	0	59,985,292	12,875,763	(47,109,529)	10.7
	Water	0	429,718,271	361,910,878	(67,807,393)	42.1
	Trade, Industrialization, Co-Operative Development	0	79,100,000	15,634,045	(63,465,955)	9.9
	Roads	0	752,867,166	309,615,123	(443,252,043)	20.6
	Lands	0	80,296,377	27,172,426	(53,123,951)	16.9
	Information Communication and E-Government	0	136,993,494	96,299,347	(40,694,147)	35.1
	Public Health, Medical Services and Sanitation	0	391,675,312	221,635,047	(170,040,265)	28.3
	Energy, Environment and Natural Resources	0	28,750,000	7,172,000	(21,578,000)	12.5
	Agriculture & Livestock Development	0	223,355,370	136,787,627	(86,567,743)	30.6
	Total	**0**	**2,182,741,281**	**1,189,102,256**	**(993,639,025)**	

49. Table 2.2b above shows very low absorption rates for the development budgetary allocations in FY 2014/15; however as the table shows, this is a major improvement from the nil development expenditure in the previous year 2013/14. This has been occasioned by the fact that 100% of the county's development expenditure as well as 98% of the overall budget is funded by the national government allocation. The resources from the national government in the first half have been expended on the statutory obligations like salaries and provision of the vital services like health and funding the legislature. It should be noted that most development projects are on course through innovatively engaging the contractors to start the projects and programmes awaiting disbursement of funds form the national treasury.

2014/15 Revised Estimates

50. We have reviewed revenues projections for the fiscal year taking into account the cumulative revenue performance to December 2014 and are projecting a shortfall of about Kshs 25,325,702 million for local revenues for FY 2014/15.

51. The adjustments above will not have a major impact on the cumulative fiscal projections for the county government.

Economic Policy and Outlook

External Environment

52. The external environment in the global economic outlook and the impact on the national economy has been explained in the 2015 BPS. This CFSP is anchored on the national economic policy highlighted in the BPS captured below.

Kenya's Growth Prospects

53. The macroeconomic forecasts are cautious considering the mixed performance of global growth and SSA growth and the continued downside risks for emerging market economies. The Macroeconomic Framework guiding the projections takes into account, the Government's national strategic objectives as outlined in the second Medium Term Plan (MTP) for the period 2013-2017 of Vision 2030 and the broad development policies of the Government.

54. Real GDP is therefore projected to expand by 5.3 percent in 2014 from an earlier forecast of 5.8 percent in the 2014 BPS, 6.9 percent in 2015 and 7.0 percent in 2018. In terms of fiscal years, the projections translate to 5.5 percent in 2013/14, 6.1 percent in 2014/15, 7.0 percent in 2015/16 and 7.3 percent in 2018/19. The economic growth outlook is underpinned by continued good performance across all sectors of the economy. The projected growth assumes normal weather pattern in 2015 and the medium term. Inflation is expected to be maintained at a single digit level and near the 5 percent target reflecting implementation of a prudent monetary policy and easing of both food and oil prices, and stability of the shilling exchange rate to the major international currencies **(Table 2.4 and Annex Table 1 of BPS)**

55. This level of growth will be supported by increased production in agriculture following the interventions being put to revamp the sector together with other measures specified in section I, continued investment in infrastructure projects, expansion of activities in other sectors of the economy such as building and construction, manufacturing, retail and wholesale and financial intermediation, among others. The growth will also benefit from increased investments and domestic demand, following investor confidence and the on-going initiatives to deepen regional integration.

Table 2.5: Macroeconomic Indicators Underlying the Medium Term Fiscal Framework, FY 2014/15-2017/18

	2011/12	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
	Act.	Act.	Prel.	Budget	Rev. Budget	Projections		
	Annual percentage change							
National Account and Prices								
Real GDP	5.3	5.1	5.5	6.1	6.1	7.0	7.1	7.0
GDP Deflator	10.1	7.5	6.2	7.2	6.7	6.5	6.4	6.2
CPI Index (eop)	10.1	6.0	5.8	5.3	5.3	5.0	5.0	5.0
CPI Index (avg)	16.1	5.9	6.0	5.7	5.7	5.0	5.0	5.0
Terms of Trade (-deterioration)	-2.2	2.0	1.5	5.1	0.2	0.3	0.2	0.2
	In percentage of GDP							
Investment and saving								
Investment	20.8	20.8	21.2	22.4	24.6	26.9	25.2	25.6
Gross National Saving	11.4	12.3	12.7	15.3	16.6	19.7	18.0	18.2
Central government budget								
Total revenue	18.7	18.8	19.3	21.0	20.3	20.6	20.8	20.9
Total expenditure and net lending	23.8	24.8	25.7	28.4	30.0	29.2	27.4	26.2
Overall balance (commitment basis) excl. grants	-5.0	-6.0	-6.5	-7.4	-9.7	-8.6	-6.6	-5.3
Overall balance (commitment basis) incl. grants	-4.5	-5.5	-5.9	-6.4	-8.7	-7.6	-5.9	-4.5
Nominal public debt, net	36.9	38.5	44.1	43.8	44.3	44.2	43.3	42.2
External sector								
Current external balance, including official transfer	-9.4	-8.5	-8.5	-7.1	-8.0	-7.2	-7.2	-7.4
Gross international reserve coverage in months of Imports	3.7	3.8	4.1	4.8	4.6	4.8	5.1	5.3

Source: National Treasury

56. The growth will accelerate in the outer years as issues suppressing growth are addressed which include: infrastructure development, removal of obstacles that includes cost of energy by increased geothermal generation, successful integration, financing access, opportunities for the SMEs, and the development of the oil and gas sector.

57. This year's Budget Policy Statement continues to implement the Medium Term five pillar thematic economic transformative strategies identified in BPS 2014. This will accelerate economic growth and transformation in the fiscal year ahead and the medium term. The policies referred to above will accelerate the pace of economic growth and will enable the country achieve the growth rates envisaged in the Vision 2030. Further, resources from the extractive industry especially mining and oil will enhance economic growth once full scale exploitation of these resources commence. It is expected therefore that economic growth by 2018 will be relatively higher than the current estimates due to the impact from this sector as well as the Standard Gauge Railway.

58. The County Fiscal Strategy Paper will contribute to the Five Pillars in the national BPS through implementation of the five transformative pillars outlined in the first section of this C-FSP. The policies will see significant resources go to the roads, public works and the water sector. These large expenditures are expected to accelerate growth of these sectors in the county. The construction industry, including dam excavation and road works, is expected to be one of the main sources of employment in the county within the medium term. Agriculture and livestock is also expected to spur growth through modern technologies like irrigation farming, fodder production, fruit farming and improved livestock breeds envisioned in the C-FSP over the medium term; this sector will also create significant job opportunities in the medium term through the mentioned programmes.

Risks to the Outlook

59. The risks to the outlook for 2015/16 and the medium-term include continued weak growth in advanced economies that will impact negatively on our exports and tourism activities.

Further, geopolitical uncertainty on the international oil market will slow down the manufacturing sector.

60. Public expenditure pressures, especially recurrent expenditures, pose a fiscal risk. Wage pressures and the inefficiencies in devolved services may limit continued funding for development expenditure. The county government will maintain modest growth in recurrent expenditure through strengthening governance structures to eliminate wastages and training new staff to ensure maximum productivity.

61. The impact of insecurity on tourism and depressed rainfall which could affect exports and agricultural production respectively remains a risk to the growth outlook. In the County, insecurity has proved to be a challenge to providing social services in the most vulnerable areas; the county government will continue to support national government initiates to curb the insecurity.

62. The government will undertake appropriate measures to safeguard macroeconomic stability should these risks materialize.

III. FISCAL POLICY AND BUDGET FRAMEWORK

Overview

63. The 2015 Medium-Term Fiscal Policy aims at supporting rapid economic growth and ensuring the debt position remains sustainable 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 raising revenue over the medium term and containing growth of total expenditure. 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 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. Once the share is prescribed in the regulations, the County Government will ensure that this principle is strictly adhered to.
- Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure. It is the Government's policy to procure external financing only for development projects a practice which is in line with this principle. In addition, the sum of domestic borrowing and additional external financing is consistently less than the allocation to domestically financed development projects in line with the stated principle.
- Public debt obligations shall be maintained at a sustainable level as approved by County Assembly (CA). External financing will be largely on concessional terms. The Government continues to ensure that the level of domestic borrowing does not crowd out the private sector given the need to increase private investment to accelerate economic expansion.

- Fiscal risks shall be managed prudently. The 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.

Continuing with Prudent Fiscal Policy

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

Observing Fiscal Responsibility Principles

65. 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 an unwarranted debt burden on future generations. Also to ensure that development portfolio is not crowded out, we shall ensure adherence to the ratio of development to recurrent of at least 30:70 per cent over the medium term, 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.

66. Timelines on paying goods should be minimized to enable the County Government get competitive prices in the market.

67. 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.

68. In this regard, the County 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:

Fiscal Responsibility Principles

69. 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 County 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 County Budget shall be allocated to development expenditure***

The County Government's development budget allocation over the medium term is above 30 per cent, the minimum set out in law. In FY 2013/14 the County Government allocated 58.8.0 per cent to development, over the medium term, development expenditure is budgeted to be 50% and 50% in FY 2014/15 and in the medium term respectively. Table 3.1 shows revenues and expenditures and their percentage growth.

Table 1~~3~~.1: Revenues and Expenditures

Financial Year	**2014/15**	**2015/16**	**2016/17**	**2017/18**
Total Expenditures	**6,277,979,988.40**	**7,483,500,000.00**	8,231,850,000.00	9,055,035,000.00
1. Total County Government Expenses	6,277,979,988.40	7,497,630,000.00	8,247,393,000.00	9,072,132,300.00
Total Recurrent	2,896,389,988.40	3,753,900,000.00	4,129,290,000.00	4,542,219,000.00
As % of CG Revenues	46.14	50.16	50.16	50.16
Development	3,381,582,562.00	3,729,600,000.00	4,102,560,000.00	4,512,816,000.00
As % of CG Expenditures	53.86	49.84	49.84	49.84
2.0 CG Domestic Borrowing	0.00`	0.00`	0.00`	0.00`

b. ***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 proportion to County Government revenues was 30 per cent in FY 2014/15, and is projected to remain the same in FY 2015/16 as well as in the medium term. Once the share is prescribed in the regulations, the County Government will ensure that this principle is strictly adhered to. The table below analyses ratios by expenditure category.

Table 3.2: Expenditure Percentage by Category

Expd category	**Approved Budget FY 2014/15**	**% propn**	**Projection 2015/16**	**% propn**	**Projection 2016/17**	**% propn**	**projection 2017/18**	**% propn**
Wages	1,537,151,316.00	24.48	2,245,000,000	30.00	2,469,500,000	30.00	2,716,450,000	30
Operations and maintenance	1,359,238,672.40	21.65	1,508,900,000	20.16	1,659,790,000	20.16	1,825,769,000	20.16
Development	3,381,582,562.00	53.86	3,729,600,000	49.84	4,102,560,000	49.84	4,512,816,000	49.84
Total	**6,277,972,550.40**		**7,483,500,000**		8,231,850,000		9,055,035,000	

c. Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure

Currently, domestic borrowing has been restricted by the national government and hence in FY2015/16 the county has no plans to secure external financing.

d. Fiscal risks shall be managed prudently

The Wajir County Government has improved its macroeconomic forecasts and regularly review the impact of macroeconomic projections and its implications for the budget. In order to cushion the county, a Contingency provision of Ksh 86 million is factored in the budget to cater for urgent and unforeseen expenditure.

e. 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

On the principle of maintaining a reasonable degree of predictability with respect to the level of tax rates and tax bases, the Wajir County Government has simplified and modernized the Finance Act. Going forward, further simplification and annual review of the Finance act will be practised. These reforms are intended to lock in predictability and enhance compliance with the tax system.

Fiscal Structural Reforms

70. The Fiscal Policy underpinning the FY 2015/16 Budget and MTEF aims at increasing revenues over the medium term and containing growth of total expenditure. Further, the policy aims at allocating more resources to capital investment so as to promote sustainable and inclusive growth. The fiscal policy will undertake reforms on the following areas, namely:

(i) Enhancing resource mobilization, including broadening revenue base; Revenue collection efforts will be enhanced to ensure all potential taxpayers make their contribution towards County's development agenda. Revenue administration capacity will be strengthened through organizational and modernization reforms. Automation of County Revenue Systems remains a priority in order to enhance revenue collection.

(ii)Expenditure rationalization will continue being a priority focusing on non-productive areas. Additionally, with the on-going public service rationalization, redundancies and duplications will be eliminated in the public service.

(iii) Expenditure efficiency and effective implementation of budget programs through enforcement of cost benchmarks for all projects and consumables. There will further be enforcement of a project implementation performance benchmark of at least 80 per cent, expenditure tracking and value for money audits to ensure efficiency and effectiveness in use of resources in all departments. Project planning and management as well as engagement with development partners will be strengthened.

(iv) With the integrated financial management system (IFMIS) as an end-to-end transaction platform and full implementation of a Government Payment Gateway, revenue and expenditure efficiency and economy will be realized.

71. The Wajir County Finance Act, 2014 which went through public participation fora before it was reviewed, amended and finally passed by the County assembly, simplifies, modernizes and reduces cost of compliance and it is expected to yield more revenues when fully implemented.

72. More specifically, the revenue targets for the FY 2015/16 and the medium term will be achieved through:

(i) Measures to simplify the tax code in line with best practices, in order to help improve tax compliance, minimize delays, and raise revenue. This will involve reviewing in order to modernize of our tax laws, institute a high level of automation in tax and revenue collection.

(ii) The County Treasury has instituted measures to reform the tax administration to eliminate leakages and to expand revenue base. Currently, three bills have been forwarded to the county assembly namely: Revenue Administration Bill 2015; Land Rating Bill 2015 and Trade Licensing Bill 2015. Once the bills are passed will increase the tax base and hence increase in revenue collection.

(iii)In addition, in modernizing the tax laws the Government will instil efficient collection, widening of tax bases, reasonable tax rates and expand the tax base. This will improve tax compliance, minimize delays and raise revenue.

73. With the recent national launch of e-procurement through the IFMIS "Procure to Pay" module, transparency, accountability and prudent use of public resources as well as absorption capacity in capital projects is expected to improve. The system introduces a new era to Government procurement and when implemented it will help eliminate manual procurement challenges that the county has experienced in the past thus instilling confidence among taxpayers. This is in addition to continued usage of IFMIS by all the departments in their financial transactions.

2015/16 Budget Framework

74. The improvements made by the economic performance of the national government in reference to inflation, economic growth, interest rates and exchange rates are expected to trickle down to the county through improved economic growth, reduced commodity prices, reduced cost of credit and improved living standards. In addition the prevailing reduction in oil prices will impact positively to the county economy through reduced cost of doing business, reduced commodity prices leading to reduced cost of living.

Revenue Projections

75. The county sources of revenue include:

i) Equitable share which is an unconditional allocation to the County Governments from the revenue generated by the National Government as provided for by the constitution. The equitable share from the National Government is estimated at Ksh 7.232 billion. This is derived from The County Allocation of Revenue Bill 2015.

ii) Conditional and unconditional grants which are additional allocations from the National Government's share to which the National Government may or may not attach conditions. In FY 2015/16 the county is estimated to receive conditional allocations for free maternity healthcare Ksh 50.28 million, compensation of user fees forgone Ksh 15.42 million, conditional allocations from Road Maintenance Fuel Levy Fund Ksh 91.87 million, conditional allocations to health facilities from World Bank grant Ksh 16.36 million and conditional allocations to health facilities from Denmark grant Ksh 20.09 million.

iii) Own Revenues - The county has imposed different rates and taxes through the County Public Finance Act 2014. Locally generated revenues are projected at Ksh 200 million in FY 2015/16 the same target as in FY 2014/15. Therefore the total revenue to fund FY 2015/16 budget is projected at Ksh 7.484 billion from Ksh 6.43 billion in FY 2014/15. This constitutes only equitable share, grants from donors, compensation of user fees and local revenue as highlighted above.

Expenditure Forecasts

76. Expenditure ceilings on goods and services for entities are based on funding allocation in the FY 2014/15 budget as the starting point. The ceilings are allocated according to priority of the programmes. Programmes with high priority and those focused to improvement of the lives and livelihoods of the people are allocated more funds.

77. The ceiling for development expenditures in nominal terms amounts to Ksh 3.73 billion in the FY 2015/16. Most of the outlays are expected to support critical infrastructure, health services and Education. About 98.0 per cent of development budget will be funded by grants from the National Government.

78. A contingency of Ksh 86.0 million is provided for in FY 2015/16. In addition, Ksh 65.0 million is provided for other special programs.

Debts and Financing

79. Reflecting the projected expenditures and revenues, just as was the case in the FY 2014/15, the government is presenting a balanced fiscal outlay with the expenditure equalling the projected revenues. However it should be noted that the county inherited a debt totalling to Ksh 52 million from the former Wajir County Council which will be settled in the 2015/16 financial year.

80. No fiscal deficit is projected in FY 2015/16, therefore there is financing mechanism put in place for the same.

Summary

Fiscal policy outlined in this C-FSP aims at improving local revenue efforts as well as curtailing recurrent expenditures. This will be achieved through administrative and legislative reforms aimed at enhancing resource mobilization, improving efficiency in government expenditure and reducing wastage. The fiscal space created will avail resources to scale up investments in human capital, including on health and education, and physical infrastructure, while at the same time providing sufficient resources to ensure the success of decentralised units.

IV. RESOURCE ENVELOPE AND CRITERIA FOR RESOURCE ALLOCATION

Resource Envelope

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

- More than 98% of the development budget will be funded through equitable share and other grants from the national government.
- About 2% will be funded through funds from local development partners and county local revenue collection.
- 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

82. The prioritization of resource allocation will be based on the second MTP and CIDP. The priority areas in MTP II include: employment creation; development of youth skills through equipping and operationalizing youth polytechnics, health and other social services; reducing the dependence of the economy on rain fed agriculture through expansion of irrigation; higher investment in alternative and green sources of energy; improving the economy‘s competitiveness through increased investment and modernization of infrastructure; rangeland rehabilitation; establishment of county early warning and response hubs to support drought and conflict mitigation; completion of abattoir in Wajir town; improved access to credit; Livestock insurance scheme; equipping boarding schools; improving national security;

The CIDP priorities include: Promotion of Dry Land crops and post-harvest Managements; establishment of irrigation systems; value addition through promotion of small industries; improvement of all county roads; Expansion access to electricity and Promote use of renewable sources of energy; Spatial planning; Improved market accessibility for livestock products and Establishment of tourist attraction areas; improvement of health facilities and improved access to health services for all; improvement of sanitation structures; Increase access to domestic and livestock water; Enhancing management of existing water works; Youth Empowerment and gender mainstreaming.

83. The Constitution and the PFM law require county governments to promote budgetary transparency, accountability and adherence to the fiscal responsibility principles. To achieve this therefore, the county government will put all efforts to eliminate inefficient and unnecessary public expenditure in order to promote public trust in county spending. In addition the government will continue involving the citizens in county planning issues through public participation as well as publishing and publicizing budget and all public policy documents

84. In finalizing the preparation of the 2015 MTEF budget, the government will continue to pursue the policy of curtailing less productive expenditures. All spending proposals will in this regard undergo rigorous scrutiny to identify areas of inefficient and non-priority expenditure. During scrutiny of 2015/16 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.

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

- The priority physical infrastructure sectors, such as Roads and Energy will continue to receive sufficient funding over the medium term. In addition, water and irrigation sector will receive increased funding in order to reduce water challenges in the county. The increased funding will lead to provision of reliable and affordable energy, as well as increased access to water and development of irrigation projects countywide.
- The priority social sectors of Health and Education & Youth will continue to receive adequate resources. 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 healthcare infrastructure, affordable drugs, as well as efficient service delivery. 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.
- Other priority sectors include Public Service & Special Programs, Trade& Cooperatives, Land, Housing & Physical Planning 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 trade and cooperative issues, land issues, youth unemployment and provide opportunities for the vulnerable members of our society in the county.

2012/13 Revised Estimates

86. Expenditure for the first six months of FY2014/15 amounted to Ksh 2.192 billion or about 30% of the appropriation for the year inclusive of pending bills which amounted to Kshs 983.90 million. Recurrent expenditure amounted to Kshs 1.003 billion and development expenditure of Kshs 1.189 billion. This was a commendable improvement from the same period last financial year whereby spending was 10% of the total budget. In order to improve spending by departments, a supplementary budget has been prepared and tabled in County Assembly which will improve the absorption capacity by departments in the remainder of the financial year through reallocation of funds to high priority programmes and reallocating idle funds. In addition, the tendering process will be fast-tracked to ensure all planned projects are timely implemented.

Medium-Term Expenditure Estimates

Table 4.1 below provides the projected baseline ceilings for the 2015/16 MTEF, classified by department.

Table 4.1: Medium Term Sector Ceilings, 2015/16 - 2017/18 (Ksh Million)

SECTOR		Estimate 2014/15 (Kshs M)	CBROP ceiling 2015/16 (Kshs M)	CFSP ceiling 2015/16	Projections 2016/17	Projections 2017/18	% change	Proportion of the budget (%)
Agriculture, Livestock and Livestock Development	**Sub-Total**	**429.06**	**653.74**	**371.00**	**408.10**	**448.91**	**-14**	**4.95**
	Rec. Gross	121.76	140.02	**170.00**	187.00	205.70		
	Dev. Gross	307.30	513.72	**201.00**	221.10	243.21		
Roads Transport and Public works department	**Sub-Total**	**1,382.35**	**1,799.90**	**1,180.00**	**1,298.00**	**1,427.80**	**-15**	**15.74**
	Rec. Gross	59.40	77.34	**130.00**	143.00	157.30		
	Dev. Gross	1,322.95	1,722.56	**1,050.00**	1,155.00	1,270.50		
Trade, Industrialization, Co-Operative Development	**Sub-Total**	**211.17**	**232.29**	**283.00**	**311.30**	**342.43**	**34**	**3.77**
	Rec. Gross	52.97	58.27	**58.00**	63.80	70.18		
	Dev. Gross	158.20	174.02	**225.00**	247.50	272.25		
Public Health, Medical Services and Sanitation	**Sub-Total**	**1,239.16**	**1,741.20**	**1,143.00**	**1,257.30**	**1,383.03**	**-8**	**15.24**
	Rec. Gross	730.74	1,026.80	**682.00**	750.20	825.22		
	Dev. Gross	508.42	714.40	**461.00**	507.10	557.81		
Education, Youth, Gender and Social Services	**Sub-Total**	**293.82**	**323.20**	**484.80**	**533.28**	**586.61**	**65**	**6.47**
	Rec. Gross	173.85	191.23	**223.80**	246.18	270.80		
	Dev. Gross	119.97	131.97	**261.00**	287.10	315.81		
Water Department	**Sub-Total**	**802.11**	**1,141.72**	**968.00**	**1,064.80**	**1,171.28**	**21**	**12.91**
	Rec. Gross	133.36	189.82	**148.00**	162.80	179.08		
	Dev. Gross	668.75	951.90	**820.00**	902.00	992.20		
Energy, Environment and Natural Resources	**Sub-Total**	**95.95**	**110.34**	**332.00**	**365.20**	**401.72**	**246**	**4.43**
	Rec. Gross	38.45	44.22	**92.00**	101.20	111.32		
	Dev. Gross	57.50	66.12	**240.00**	264.00	290.40		
Lands, Housing and Physical Planning	**Sub-Total**	**152.26**	**248.23**	**434.00**	**477.40**	**525.14**	**185**	**5.79**
		55.26	90.09	**106.00**	116.60	128.26		
		97.00	158.14	**328.00**	360.80	396.88		
Information Communication and E-Government	**Sub-Total**	**243.40**	**413.48**	**151.50**	**166.65**	**183.32**	**-38**	**2.02**
	Rec. Gross	101.90	173.10	**101.50**	111.65	122.82		
	Dev. Gross	141.50	240.38	**50.00**	55.00	60.50		
Finance and Economic Planning	**Sub-Total**	**452.18**	**520.00**	**377.00**	**414.70**	**456.17**	**-17**	**5.04**

	Rec. Gross	452.18	520.00	**355.00**	390.50	429.55		
	Dev. Gross	0.00		**22.00**	24.20	26.62		
County Executive	**Sub-Total**	**294.57**	**309.30**	**415.00**	**456.50**	**502.15**	**41**	**5.55**
	Rec. Gross	294.57	309.30	**415.00**	456.50	502.15		
	Dev. Gross	0.00			0.00	0.00		
County Assembly	**Sub-Total**	**341.03**	**358.08**	**561.00**	**617.10**	**678.81**	**65**	**7.50**
	Rec. Gross	341.03	358.08	**561.00**	617.10	678.81		
	Dev. Gross	0.00			0.00	0.00		
Public Service, Labor and Decentralized Unit	**Sub-Total**	**340.93**	**368.23**	**624.00**	**686.40**	**755.04**	**83**	**8.34**
	Rec. Gross	340.93	368.23	**624**	**686.40**	**755.04**		
	Dev. Gross	0.00	0.00	**0.00**	0.00	0.00		
WAJWASCO	**Sub-Total**	**100.00**		**126.20**	**138.82**	**152.70**	**26**	**1.69**
	Rec. Gross	100.00		54.60	60.06	66.07		
	Dev. Gross			71.60	78.76	86.64		
CPSB	**Rec. Gross**			**33.00**	**36.30**	**39.93**		
		2,896.40	3,546.51	**3,753.90**	4,032.93	4,436.22		**50**
		3,381.59	4,673.20	**3,729.60**	4,023.80	4,426.18		**50**
TOTAL		**6,277.99**	**8,219.71**	**7,483.50**	**8,056.73**	**8,862.40**		

Baseline ceilings

87. The baseline estimates reflects spending priorities in infrastructure and health receiving large shares. Water supply, Public Service Special Programs and Decentralised Units as well as Education 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 slowing 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

88. The finalization of the detailed programme based budgets, will involve comprehensive scrutiny of the programmes and sub-programmes to ensure community focused programmes and projects are given priority. 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 2015 MTEF budget.
2	Strategic intervention in the area of Education, Health, Infrastructure (especially rural/feeder roads), Tourism, Security, Disaster Management, Agriculture and Livestock (especially irrigation programmes and other food security enhancing programmes and value addition), 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.

V. DETAILS OF SECTOR PRIORITIES AND CEILINGS

Details of Sector Priorities

89. The spending estimates for MTEF period 2015/16 – 2017/18 ensures continuity in resource allocation based on prioritized programmes aligned to the Vision 2030 MTP II, CIDP and policy initiatives to accelerate growth, infrastructure improvement, creation of employment and poverty reduction. The recent achievements and key priority targets for each sector are based on the reports from the Sector Working Groups (SWG).

a) Agriculture, Livestock and Livestock Development

90. The departments' mandate is to promote, regulate and facilitate Agriculture and Livestock production for socio-economic development and industrialization. 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.

91. The challenges facing the sector include Low Agricultural and livestock Production, Food shortage, Human Wildlife conflicts, Poor access to markets, Land ownership, 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.

92. During FY 2013/14 the department implemented various projects namely: Completion of Abattoir; Establishment of irrigation scheme; Construction of hay stores; Hay harvesting; Establishment of demonstration farms and Livestock yard. In the current financial year, the planned projects include: construction of hay sheds; construction of livestock markets; establishment of agricultural mechanization; establishment of irrigation structures; completion of slaughter house; completion of Buna tannery; on farm demonstrations; establishment of grafting and fruit centre and outreach; veterinary support services and purchase of certified crop/pasture seeds.

93. During the 2015/16-2017/18 MTEF period, the focus will be on farmer empowerment, irrigation structure establishment; diseases control, market access improvement, extension services, breed improvement, agricultural mechanization, value addition, water catchment structures, infrastructure improvement, livestock insurance and alternative livelihood practices. To achieve all the above, the department will require Kshs 1.23 billion over the MTEF period. In FY 2015/16 the department has been allocated Kshs 371 Million which is a 14 % decrease from Kshs 429.06 Million allocated in FY 2014/15. The decrease in funds allocated is directed by the need move focus on infrastructure development to farmer empowerment through capacity building and trainings on value addition and adaptation of new technologies.

b) Roads, Transport and Public Works

94. The department entails Infrastructure sectors and continues to be an enabler for sustained development of our economy. Its mission is to promote and provide quality infrastructure and timely service for Sustainable Socio-Economic Development. Key achievements in the department will include improved infrastructure and management in particular public construction works; new roads and periodic road maintenance. However, the sector faces a number of challenges that limits its optimal operations, including inadequate funding comparing the vastness of the county, Lack of means of transport and other equipment in the sector and lack of adequate local construction capacity.

95. 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.

96. During 2013/14 financial year the department implemented the following projects: Purchase of hydro form; Fencing of Wajir Baraza Park; routine maintenance of roads and Construction of bridges; demarcation of Orahey Park; Purchase of road construction equipment. In FY 2014/15 the following projects will be implemented: Tarmacking of Wajir town; establishment of mobile Weigh bridges; Construction of County Assembly and Completion of County offices; Purchase of plants/ machineries and job creation through KKV program.

97. During the 2015/16-2017/18 MTEF period, the department will focus on tarmacking Wajir town roads, construction and maintenance of all county roads, youth employment; storm water management; establishment of parking bays; establishment of office space and improvement of public structures. To ensure the projects are implemented the department will require Kshs 3.9 billion. In FY 2015/16 the department has been allocated Kshs 1.18 billion which is 15% decrease from Kshs 1.382 million allocated in FY 2014/15. The reduction in funds allocated is as a result of reduced demand for funds for tarmacking Wajir town roads which were heavily funded in FY 2014/15. Key functions in the department include county roads maintenance, parking and public road transport.

c) Trade, Industrialization, Co-operative Development

98. The department plays a significant role towards achievement of the Vision 2030 and Millennium Development Goals (MDGs) through enhancement of economic growth. The main goals include: To promote trade and investment Champion private sector development improve capacity for service delivery. The sector still faces a number of challenges ranging from Lack of a coherent trade policy, High illiteracy level among the cooperative members, Inefficiency in supply chain, Lack of macro industries in the county, Lack of sharia compliant cooperative societies, business regulatory framework that impedes business and investment expansion and Low capital base for the co-operative movement.

99. Over the medium-term, the sector plans to create an enabling business environment for trade and investment; Promote and Establish Commercial Nodes Develop Markets to promote small scale businesses within the town and its suburbs; Promote Modern Business Skills and Entrepreneurial Training; Promote Industrial Value Addition through establishment of Agro-Based Industries; tourism development and marketing; undertake policy, legal and institutional reforms for the development of the sector.

100. During 2013/14 financial year the department implemented the following projects: Establishment of 9 market areas and livestock market; Co-operative movement & Enterprise Development. In FY 2014/15 the following projects will be implemented: Construction and Equipping of Industrial Park; Establishment of one Wild life Orphanage Centre at Wajir Town; Construction of Markets/Stalls; Promotion of Co-operatives & women groups; Purchase of White

Wash Crushing Machine; establish Plastic Waste Recycling Machine & Moulders; Construction & Equipping of Trade Information & Management Centre.

101. During the 2015/16-2017/18 MTEF period, the department will focus on market infrastructure improvement; Promotion of fair trade practice centres; provision of affordable credit. To ensure the projects are implemented the department will require Kshs 936.7 Million. In FY 2015/16 the department has been allocated Kshs 283 million which is 34% increase from Kshs 211 million allocated in FY 2014/15.

d) Public Health, Medical Services and Sanitation

102. The department's mandate is to provide quality, accessible and affordable health care services at the same time putting a framework of monitoring and evaluation with all stakeholders. The sector faces numerous challenges which include: inadequate infrastructure for service delivery; shortage of qualified health personnel; Poor referral system and infrastructure; Poor data generation, documentation and delay in 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 improvement and improvement in the working conditions of medical practitioners.

103. During FY 2013/14 the department implemented various projects namely: Upgrading of health facilities; Construction of 1000 pit latrines; purchase of ambulances and mobile lab; completion of Wajir MTC and Establishment of a dump-site in Wajir for biodegradable waste; supply of medical equipment to all facilities. In the current financial year, the planned projects include: establishment of new health facilities; Upgrading and improvement of Health facilities; Purchase of Nomadic Clinics/Motorbikes; establishment of Incinerators; completion of sewage system; construction of rural staff quarters and office Fencing of medical facilities; construction of Maternity wards and purchase of Medical Equipment & Non-Pharms.

104. During the 2015/16-2017/18 MTEF period, the focus will be on health infrastructure improvement; disease prevention and control; improved customer service; improvement of maternal and child health care; improved distribution of medical equipment and drugs; improved waste management and healthcare staff housing. To achieve all the above, the department will require Kshs 3.78 billion in the medium term. In FY 2015/16 the department has been allocated Kshs 1.143 billion which is 8 % decrease from Kshs 1.239 billion allocated in FY 2014/15. The health department carries 15% of the county budget.

e) Education, Youth, Gender and Social Services

105. 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; Diminishing pastoral livelihood system; increased dependency syndrome; Interrupted education system due to nomadic pastoralism: slow pace to ICT integration and dealing with accelerated admissions to youth polytechnics among others.

106. During 2013/14 financial year the department implemented the following projects: Construction of 60 ECD classrooms and toilets; Construction of child protection units. In FY 2014/15 the following projects will be implemented: Construction of 30 ECD classrooms; Infrastructure improvement for polytechnics; Desks for 84 ECD Centres (56 rural and 25 model classes); schools infrastructure support and Construction of 6 ECD Models Centres. During the 2015/16-2017/18 MTEF period, the department will focus on ECD infrastructure improvement; Sports infrastructure improvement and women empowerment. To ensure the projects are implemented successfully, the department will require Kshs 1.6 billion in the medium term. In FY 2015/16 the department has been allocated Kshs 484.8 million which is 65% increase from Kshs 293.82 million allocated in FY 2014/15.

f) Water Department

107. The mandate of the department is to develop and maintain infrastructure to supply safe, adequate water in a sustainable environment. The main challenges include: poor distribution of water to households; poor water quality; Clanism; high maintenance cost of water pumps and engines. 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

108. In FY 2013/14 the department worked mainly on maintenance of all water supplies to ensure timely repairs on broken down engines and water pumps; drilling of boreholes; In the current financial year, the planned projects include: Overhaul and Maintenance of water supplies; construction of Mega Dam; Drilling of more boreholes; establishment of Wajir Water and Sewerage Company (WASCO); Purchase of Drilling Rig and Dozzer and excavation of Water pans.

109. During the 2015/16-2017/18 MTEF period, the focus will be on Drilling and development of boreholes; Construction of 4 mega dams; Maintenance of water supplies; Survey and piping of water from Habaswein to Wajir town; water distribution to households and construction and desilting of water pans. In order to achieve the above, the department will require Kshs 3.2 billion in the medium term. In FY 2015/16 the department has been allocated Kshs 968 Million which is a 21 % increase from Kshs 802.11 million allocated in FY 2014/15.

g) Energy, Environment and Natural Resources

110. The department was curved from larger water department in 2014 and its main role is ensuring that every county citizen has access to electricity and secure environment. Over the MTEF period the department aims to achieve protection, conservation and management of catchment areas; mitigation and adaptation measures on climate change; expanding generation capacity and access to electricity and enforcement of sector laws and regulations.

111. In FY 2013/14 the department worked mainly on Purchase of Solar lamps; Installation of street light in Wajir town; Forestry conservation. In the current financial year, the planned projects include: Purchase of Solar lamps; Forestry & conservation; Woodland and bush fire protection; construction of sand and check dams; Indigenous trees nursery establishment; Mineral exploration and Environmental sensitization.

112. During the 2015/16-2017/18 MTEF period, the focus will be on renewable energy; street lighting, mining; environmental conservation and natural resource management. In order to achieve the above, the department will require Kshs 1.1 billion. In FY 2015/16 the department has been allocated Kshs 332 million which is a 246 % increase from Kshs 95.95 million allocated in FY 2014/15. This was as a result of the county to invest heavily in the environment and renewable energy.

h) Lands, Housing and Physical Planning

113. The mandate of the department is to ensure a rational sustainable and effective use and management of land and orderly development of urban and rural areas as well as safe, planned and adequate housing for socio-economic development. The key challenges include: Inadequate affordable and decent housing; slow absorption of modern technology; Encroachment of public institutional land; Unplanned and uncoordinated developments in urban and rural areas; Absence of land registration; poor land use; 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.

114. In FY 2013/14 the department developed Wajir physical plan. In FY 2014/15 it will implement the following: Three Sub-county Physical Plans; Construction of 2 ABT Centers; establishment of Land Registry block and Fencing of Government Estate. During the 2015/16-2017/18 MTEF period, the department will focus on better housing; establishment of appropriate building Technology; Planning and Surveying of Wajir town and seven other centres. To ensure the projects are implemented successfully, the department will require Kshs 1.436 billion. In FY 2015/16 the department has been allocated Kshs 434.0 million which is 185 % increase from Kshs 152.26 million allocated in FY 2014/15. This increase was due to the Public Works section transfer from Roads department to Lands.

i) Information Communication and E-Government

115. The department continues to be an enabler for sustained development of the county economy. Its mandate is to promote access to services through ICT and to enhance civic awareness The department faces challenges which include: Inadequate communication network i.e. Telephone postal services in the rural areas; Lack of modern and well equipped district information and documentation centres; Inadequate access to IT equipment like computers (e-mail internet, T.V and newspaper); Lack of training institutions; untapped energy such as wind and solar energy for running ICT equipment; Low and slow investment in the ICT sector and High level of illiteracy which limits access to print and electronic media.

116. During FY 2013/14 the department implemented various projects namely: ICT infrastructure improvement and Citizen service Center; Construction of community centres. In the current financial year, the planned projects include: Completion of Community centres; Construction of 6 public baraza sheds; setting up of Data centre; Cabling of Citizen Service Centre, Radio & Community Centres and county offices and laying Fibre optic in Wajir town.

117. During the 2015/16-2017/18 MTEF period, the focus will be on improvement of ICT Infrastructure within the county; improving communication infrastructure; enhancing public participation and civic education; To achieve all the above, the department will require Kshs 501 million. In FY 2015/16 the department has been allocated Kshs 151.5 million which is 38 % decrease from Kshs 243.4 million allocated in FY 2014/15. The reduction in the allocated funds is due to the fact that the department has already planned to set up most of the county ICT infrastructure during the FY2014/15 which required higher funding.

j) Finance and Economic Planning

118. The mandate of the department is to facilitate and coordinate county development planning and to provide leadership in county economic policy management and formulating financial and economic policies. 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, mainstream planning and budgetary process, implementation, monitoring and evaluation.

119. During FY 2013/14 the department set up the structures for the county government which included preparation of CIDP, preparation of first budget after election and provision of overall financial policy and economic management. In the current financial year, the planned programs include: updating of the CIDP; preparation of financial and economic policy papers; automation of revenue collection system; establishment of GIS system; operationalization of county resource centre; operationalization of Drought Contingency and Emergency Fund

120. During the 2015/16-2017/18 MTEF period, the focus will be on improvement of revenue collection systems; enhancincing monitoring and evaluation of county projects; efficient financial management; timely preparation of financial and economic policy papers and timely response to disasters. To achieve all the above, the department will require Kshs 1.248 billion. In FY 2015/16 the department has been allocated Kshs 377 million which is a 17 % decrease from Kshs 452.18 million allocated in FY 2014/15 which was as a result of transfer of some functions to department of public Service, Special Programs, Decentralised Units and Town Administration.

k) County Executive

121. This is the backbone of the county government. The main function of the county executive is formulation of key county policies which facilitate all the county departments to operate in synergy and ensure long term sustainable development is achieved. During the MTEF period 2015/16- 2017/18 the department will require Kshs 1.374 billion. In FY 2015/16 the department has been allocated Kshs 415 million which is a 41 % increase from Kshs 294.57million allocated in FY 2014/15.

l) County Assembly

122. County assembly plays the oversight role in strengthening good governance in the county. During the MTEF period 2015/16- 2017/18 the entity will require Kshs 1.857 billion. In FY 2015/16 the department has been allocated Kshs 561 million which is a 65 % increase from Kshs 341.03 million allocated in FY 2014/15.

m) Public Service, Special Programs, Decentralized Units and Town Administration

123. The mandate of the department is to: To investigate monitor and evaluate the organization administration and personnel practices of county public service; Ensuring that the county public service is efficient and effective; Development of human resources in the county public service; Ensuring that employees adhere to labour laws in the county and coordination of decentralised units in the county.The department will play a big role in coordinating towns and decentralised units (sub-counties & wards) operation in order for them to operate smoothly.

124. In the current financial year, the planned programs include: establishment and operationalizing of sub-county and ward administration offices; sufficient training of county staff and improvement of staff welfare; Maintenance of streetlights; Wall Fencing of cemeteries in Wajir Town; Wall Fencing of ADC Market; Beautification of roundabouts; Bush clearing of towns; Wall fencing and Beautification of Baraza park; Rehabilitation of Dumping Site.

125. During the 2015/16-2017/18 MTEF period, the focus will be on improvement of staff welfare; Efficient coordination of decentralised units and staff capacity building, establishment and improvement of waste management structures and towns' infrastructure improvement. To achieve all the above, the department will require Kshs 2.065 billion. In FY 2015/16 the department has been allocated Kshs 624 million which is a 83% increase from Kshs 340.93 million allocated in FY 2014/15. The significant increase in allocated funds is due to transfer of some functions from department of Finance and Economic planning after restructuring by His Excellency the Governor. The functions include: Disaster Management, Efficiency Monitoring Unit and Special Programs as well as town administration services which was previously independent.

n) WAJWASCO

Wajir water and sewerage started operation in FY 2014/15 after benefitting with a grant from department of water. In FY 2015/16 the company has been allocated Ksh 126.2 million

n) CPSB

In FY 2015/16 the county public service board has been allocated ksh 33 million.

Conclusion

126. The 2015 MTEF is guided by a stable economic environment with international oil prices' going down marginally it is expected that the performance of all sectors will improve and hence create youth employment as well as economic growth. The county priorities remain to be: Expanding infrastructure investment; value addition in agricultural and livestock products while maintaining reasonable growth on social development priorities. Policies outlined in this year's C-FSP are consistent with the county strategic objectives as outlined in the CIDP.

VI. ANNEXES

Annex Table 1: Revenue Allocation for Arid County Governments for FY 2014/15

			FY 2014/15	FY 2015/16							
No.	**County**	**Allocation ratio**	**Total County Allocations (Ksh.)**	**Equitable Share**	**Conditional allocations- level 5 hospitals**	**Conditional allocations- free maternity healthcare**	**Conditional grant- compensation of user fees forgone**	**Conditional Allocations – leasing of medical equipment**	**Conditional Allocations from Road Maintenance Fuel Levy Fund**	**Allocations - loans and grants**	**Total County Allocations**
1	**Wajir**	**2.78%**	**6,310,753,829**	7,232,740,318	**0**	**50,286,600**	**15,429,821**	**95,744,681**	**91,879,854**	**36,459,300**	**7,473,357,010**
2	Garissa	2.22%	5,035,948,953	5,732,441,178	206,448,000	50,286,600	14,523,507	95,744,681	73,319,649	33,028,268	6,205,791,883
3	Isiolo	1.18%	2,666,932,836	3,035,780,495	-	23,209,200	3,340,178	95,744,681	38,828,547	16,698,052	3,213,601,153
4	Mandera	3.45%	7,814,084,236	8,894,803,871	-	46,418,400	23,910,336	95,744,681	113,767,220	28,306,168	9,202,950,676
5	Marsabit	2.0%	4,527,940,355	5,154,172,924	-	19,341,000	6,787,069	95,744,681	65,923,423	25,436,676	5,367,405,773
6	Tana River	1.53%	3,476,640,816	3,957,474,383	-	19,341,000	5,596,140	95,744,681	50,617,289	17,771,988	4,146,545,481
7	Turkana	4.03%	9,143,228,902	10,407,774,652	-	23,209,200	19,939,321	95,744,681	133,118,571	32,556,700	10,712,343,125
8	Samburu	1.37%	3,099,458,277	3,528,125,964	-	14,183,400	5,220,197	95,744,681	45,125,793	19,659,898	3,708,059,933
9	West pokot	1.66%	3,763,808,689	4,284,358,741	-	41,260,800	11,950,786	95,744,681	54,798,238	27,979,898	4,516,093,144
10	Narok	2.04%	4,613,831,118	5,251,942,730	-	56,303,800	19,834,915	95,744,681	67,173,929	56,027,350	5,547,027,405

Annex Table 2: Expenditure Percentage by Economic Classification

Expenditure category	**Approved Budget FY 2014/15**	**% of budget**	**Projection 2015/16**	**% of budget**	**Projection 2016/17**	**% of budget**	**projection 2017/18**	**% of budget**
Salaries and Wages	1,537,151,316.00	24.48	1,944,663,007.62	25.94	2,139,129,308.38	25.94	2,353,042,239.22	25.94
Operations and maintenance	1,359,238,672.40	21.65	1,529,577,746.38	20.40	1,682,535,521.02	20.40	1,850,789,073.12	20.40
Development	3,381,582,562.00	53.86	4,023,390,000.00	53.66	4,425,729,000.00	53.66	4,868,301,900.00	53.66

Total	**6,277,972,550.40**		**7,497,630,754**		**8,247,393,829.40**		**9,072,133,212.34**	

Annex Table 3 : Expenditure Out-turn for the first six months of the FY 2014/15 Budget

No.	Name of the Department	Recurrent Expenditure Budget FY 2014/15	Development Expenditure budget FY 2014/15	Recurrent Expenditure in Ksh. (Dec 2014)	Development Expenditure in Ksh. (Dec 2014)	% utilization of recurrent expenditure	% utilization of development expenditure
1	Finance and Economic Planning	452,177,469		154,398,268	-	34	-
2	Water Department	133,364,636	859,436,542	51,517,094	361,910,878	38.6	42.1
3	Agriculture & Livestock Development	121,757,671	446,710,740	46,324,056	136,787,627	38	30.6
4	Education, Youth, Gender and Social Services	173,850,000	119,970,584	40,124,008	12,875,763	23.1	10.7
5	Public Health, Medical Services and Sanitation	730,737,400	783,350,623	154,084,900	221,635,047	21.1	28.3
6	Roads, Transport and Public Works	59,400,000	1,505,734,332	22,190,705	309,615,123	37.4	20.6
7	Lands, Housing and Physical Planning	55,257,246	60,592,754	21,595,168	27,172,426	39.1	16.9
8	Trade, Industrialization, Co-Operative Development	52,970,000	158,200,000	14,568,789	15,634,045	27.5	9.9
9	Information Communication and E-Government	101,900,000	273,986,987	18,792,142	96,299,347	18.4	35.1
10	Public Service, Labor and Decentralized Unit	205,139,040	-	90,364,310	-	44.1	-
11	Energy, Environment and Natural Resources	38,450,000	57,500,000	12,899,490	7,172,000	33.5	12.5
12	County Assembly	341,025,887	-	207,823,883	-	60.9	-
13	County Executive	294,568,639	-	136,214,812	-	46.2	-
14	Town Administration	135,792,000	-	32,071,181	-	23.6	-
		2,896,389,988	**4,365,482,562.00**	**1,002,968,806**	**1,189,102,256**	**34.6**	**35.2**

Annex Table 4: *Medium Term Sector Ceilings, 2015/16 - 2017/18 (Ksh Million)*

SECTOR		Estimate 2014/15 (Kshs M)	CBROP ceiling 2015/16 (Kshs M)	CFSP ceiling 2015/16	Projections	Projections	% change	Proportion of the budget (%)
					2016/17	2017/18		
Agriculture, Livestock and Livestock Development	**Sub-Total**	**429.06**	**653.74**	**371.00**	**408.10**	**448.91**	**-14**	**4.95**
	Rec. Gross	121.76	140.02	**170.00**	187.00	205.70		
	Dev. Gross	307.30	513.72	**201.00**	221.10	243.21		
Roads Transport and Public works department	**Sub-Total**	**1,382.35**	**1,799.90**	**1,180.00**	**1,298.00**	**1,427.80**	**-15**	**15.74**
	Rec. Gross	59.40	77.34	**130.00**	143.00	157.30		
	Dev. Gross	1,322.95	1,722.56	**1,050.00**	1,155.00	1,270.50		
Trade, Industrialization, Co-Operative Development	**Sub-Total**	**211.17**	**232.29**	**283.00**	**311.30**	**342.43**	**34**	**3.77**
	Rec. Gross	52.97	58.27	**58.00**	63.80	70.18		
	Dev. Gross	158.20	174.02	**225.00**	247.50	272.25		
Public Health, Medical Services and Sanitation	**Sub-Total**	**1,239.16**	**1,741.20**	**1,143.00**	**1,257.30**	**1,383.03**	**-8**	**15.24**
	Rec. Gross	730.74	1,026.80	**682.00**	750.20	825.22		
	Dev. Gross	508.42	714.40	**461.00**	507.10	557.81		
Education, Youth, Gender and Social Services	**Sub-Total**	**293.82**	**323.20**	**484.80**	**533.28**	**586.61**	**65**	**6.47**
	Rec. Gross	173.85	191.23	**223.80**	246.18	270.80		
	Dev. Gross	119.97	131.97	**261.00**	287.10	315.81		
Water Department	**Sub-Total**	**802.11**	**1,141.72**	**968.00**	**1,064.80**	**1,171.28**	**21**	**12.91**
	Rec. Gross	133.36	189.82	**148.00**	162.80	179.08		
	Dev. Gross	668.75	951.90	**820.00**	902.00	992.20		
Energy, Environment and Natural Resources	**Sub-Total**	**95.95**	**110.34**	**332.00**	**365.20**	**401.72**	**246**	**4.43**
	Rec. Gross	38.45	44.22	**92.00**	101.20	111.32		
	Dev. Gross	57.50	66.12	**240.00**	264.00	290.40		

Lands, Housing and Physical Planning	**Sub-Total**	**152.26**	**248.23**	**434.00**	**477.40**	**525.14**	**185**	**5.79**
		55.26	90.09	**106.00**	116.60	128.26		
		97.00	158.14	**328.00**	360.80	396.88		
Information Communication and E-Government	**Sub-Total**	**243.40**	**413.48**	**151.50**	**166.65**	**183.32**	**-38**	**2.02**
	Rec. Gross	101.90	173.10	**101.50**	111.65	122.82		
	Dev. Gross	141.50	240.38	**50.00**	55.00	60.50		
Finance and Economic Planning	**Sub-Total**	**452.18**	**520.00**	**377.00**	**414.70**	**456.17**	**-17**	**5.04**
	Rec. Gross	452.18	520.00	**355.00**	390.50	429.55		
	Dev. Gross	0.00		**22.00**	24.20	26.62		
County Executive	**Sub-Total**	**294.57**	**309.30**	**415.00**	**456.50**	**502.15**	**41**	**5.55**
	Rec. Gross	294.57	309.30	**415.00**	456.50	502.15		
	Dev. Gross	0.00			0.00	0.00		
County Assembly	**Sub-Total**	**341.03**	**358.08**	**561.00**	**617.10**	**678.81**	**65**	**7.50**
	Rec. Gross	341.03	358.08	**561.00**	617.10	678.81		
	Dev. Gross	0.00			0.00	0.00		
Public Service, Labor and Decentralized Unit	**Sub-Total**	**340.93**	**368.23**	**624.00**	**686.40**	**755.04**	**83**	**8.34**
	Rec. Gross	340.93	368.23	**624**	**686.40**	**755.04**		
	Dev. Gross	0.00	0.00	**0.00**	0.00	0.00		
WAJWASCO	**Sub-Total**	**100.00**		**126.20**	**138.82**	**152.70**	**26**	**1.69**
	Rec. Gross	100.00		54.60	60.06	66.07		
	Dev. Gross			71.60	78.76	86.64		
CPSB	**Rec. Gross**			**33.00**	**36.30**	**39.93**		
		2,896.40	3,546.51	**3,753.90**	4,032.93	4,436.22		**50**
		3,381.59	4,673.20	**3,729.60**	4,023.80	4,426.18		**50**
TOTAL		**6,277.99**	**8,219.71**	**7,483.50**	**8,056.73**	**8,862.40**		

Annex Table 5: Summary of Expenditure by Programmes, 2015/16 - 2017/18 (Ksh Million),

Department and details of programmes	Draft estimates 2014/15			Ceilings 2015/16			Projections 2016/17			Projections 2017/18		
	Rec	**Dev**	**Total**	**Rec**	**Dev**	**Total**	**Rec**	**Dev**	**Total**	**Rec**	**Dev**	**Total**
Agriculture, Livestock and Livestock Development	**121.76**	**307.30**	**429.06**	170.09	200.91	**371.00**	**187.10**	**221.00**	**408.10**	**205.81**	**243.10**	**448.91**
Livestock Resources Management and development	-	185.30	163.30	**61.94**	134.20	**196.14**		147.62	215.75		162.38	237.33
Crop Development & Management	-	109.00	109.00	**69.84**	55.15	**124.99**		60.67	137.49		66.73	151.24
Fisheries Development & Management	-	6.00	6.00	**9.15**	5.56	**14.71**		6.12	16.18		6.73	17.80
General administration, Planning and support services	121.76	7.00	128.76	29.16	6.00	**35.16**	32.08	6.60	38.68	35.28	7.26	42.54
Roads Transport and Public works department	**59.40**	**1,322.95**	**1,382.35**	**133.00**	**1,047.00**	**1,180.00**	**146.30**	**1,151.70**	**1,298.00**	**160.93**	**1,266.87**	**1,427.80**
Road transport services	-	1,067.95	1,067.95	30.40	1,047.00	**1,077.40**		1,151.70	1,185.14		1,266.87	1,303.65
Public works and transport services	-	255.00	255.00	91.50		**91.50**		0.00	100.65		0.00	110.72
General Administration and Support Services	59.40	-	59.40	**11.10**		**11.10**	12.21		12.21	13.43		13.43
Trade, Industrialization, Co-Operative Development	**52.97**	**158.20**	**211.17**	**57.81**	**225.19**	**283.00**	**63.59**	**247.71**	**311.30**	**69.95**	**272.48**	**342.43**
Trade Services		108.20	**108.20**	21.20	225.19	246.39		247.71	271.03		272.48	298.13
Co-operatives Services		50.00	**50.00**	14.31		14.31		0.00	15.74		0.00	17.32
General administration, Planning and support services	52.97		**52.97**	**22.30**		22.30	24.53		24.53	26.98		26.98
Public Health, Medical Services and Sanitation	**730.74**	**508.42**	**1,239.16**	**681.23**	**461.77**	**1,143.00**	**749.35**	**507.95**	**1,257.30**	**824.29**	**558.74**	**1,383.03**
Curative, rehabilitative and referral services	100.47	364.57	465.04	506.28	406.71	912.99	556.91	447.38	1,004.29	612.60	492.12	1,104.72

Preventive and promotive services	3.00	143.85	146.85	39.90	55.06	94.96	43.89	60.57	104.46	48.28	66.62	114.90
Reproductive Health Sevices				24.79		24.79	27.27		27.27	30.00		30.00
General Administration and Support Services	627.27	-	627.27	110.26		110.26	121.29		121.29	133.41		133.41
Education, Youth, Gender and Social Services	**173.85**	**119.97**	**293.82**	**196.40**	**288.40**	**484.80**	**216.04**	**317.24**	**533.28**	**237.64**	**348.96**	**586.61**
Sports promotion, sports education and development	2.85	4.50	7.35	18.59	5.40	23.99	20.45	5.94	26.39	22.49	6.53	29.03
Gender, Culture and social services	7.15	-	7.15	27.37	29.20	56.57	30.11		62.23	33.12		68.45
Early Childhood Education Development Services	63.04	60.47	123.51	77.61	73.86	151.47	85.37	81.25	166.62	93.91	89.37	183.28
Youth Polytechnic services	5.00	32.00	37.00	33.28	24.75	58.03	36.61	27.23	63.83	40.27	29.95	70.22
School Support and Development Services				3.00	127.10	130.10	3.30	139.81	143.11	3.63	153.79	157.42
General Administration and Support Services	95.81	23.00	118.81	36.55	28.09	64.64	40.21	30.90	71.10	44.23	33.99	78.21
Water,	**133.37**	**668.75**	**668.75**	**148.00**	**820.00**	**968.00**	**162.80**	**902.00**	**1,064.80**	**179.08**	**992.20**	**1,171.28**
Water Services	133.37	668.75	668.75	**148.00**	**820.00**	968.00	162.80	902.00	1,064.80	179.08	992.20	1,171.28
Energy, Environment and Natural Resources	**38.45**	**57.50**	**95.95**	**92.92**	**239.08**	**332.00**	**102.21**	**262.99**	**365.20**	**112.43**	**289.29**	**401.72**
Energy Services	-	20.00	20.00	4.40	157.49	161.89	4.84	173.24	178.08	5.32	190.56	195.89
Environment & Natural Resource Services	-	37.50	37.50	47.87	81.59	129.46	52.66	89.75	142.41	57.92	98.72	156.65
General Administration and Support Services	38.45	-	38.45	40.65	0.00	40.65	44.72	0.00	44.72	49.19	0.00	49.19
Lands, Housing and Physical Planning	**55.26**	**97.00**	**152.26**	**106.32**	**327.68**	**434.00**	**116.95**	**360.45**	**477.40**	**128.65**	**396.49**	**525.14**
Land Policy and Physical Planning	-	50.00	50.00	44.30	164.60	208.90	48.73	181.06	229.79	53.60	199.17	252.77
Government Buildings services	-	19.00	19.00	7.71		7.71	8.48	0.00	8.48	9.33	0.00	9.33

Housing Development and Human Settlement	-	28.00	28.00	3.77	7.82	11.59	4.15	8.60	12.75	4.56	9.46	14.02
Public Works and Transport Services				19.44	145.00	164.44	21.38	159.50	180.88	23.52	175.45	198.97
General Administration and Support Services	55.26	-	55.26	31.10	10.26	41.36	34.21	11.29	45.50	37.63	12.41	50.05
Information Communication and E-Government	**101.90**	**141.50**	**243.40**	**102.24**	**49.26**	**151.50**	**112.46**	54.19	**166.65**	**123.71**	59.60	**183.32**
ICT Infrastructure services	-	117.50	117.50	42.60	21.40	64.00	46.86	23.54	70.40	51.55	25.89	77.44
Public Participation Services	10.00	24.00	34.00	11.86	23.60	35.46	13.05	25.96	39.01	14.35	28.56	42.91
General Administration & support services	91.90	-	91.90	47.78	4.26	52.04	52.56	4.69	57.24	57.81	5.15	62.97
Finance and Economic Planning	**452.18**	**0.00**	**452.18**	**354.95**	**22.05**	**377.00**	**390.45**	**24.26**	**414.70**	**429.49**	**26.68**	**456.17**
Public Finance Management	29.40		25.00	145.68	16.46	162.14	160.25	18.11	178.35	176.27	19.92	196.19
County Economic Planning Services	15.93		13.93	46.59	5.59	52.18	51.25	6.15	57.40	56.37	6.76	63.14
Humanitarian coordination and Efficiency monitoring services	166.96		166.96									
General Administration and Support Services	239.89		239.89	162.68		162.68	178.95		178.95	196.84		196.84
County Executive	**294.57**		**294.57**	**415.00**		**415.00**	**456.50**		**456.50**	**502.15**		**502.15**
County Executive Affairs	294.57	-	294.57	415.00		415.00	456.50		456.50	502.15		502.15
County Assembly	**341.03**	**-**	**341.03**	**561.00**		**561.00**	**617.10**		**617.10**	**678.81**		**678.81**
County Legislative Services	341.03	-	341.03	561.00		561.00	617.10		617.10	678.81		678.81
Public Service, Labor and Decentralized Unit	**340.93**	**0.00**	**340.93**	**602.94**	**21.06**	**624.00**	**663.23**		**686.40**	**729.56**		**755.04**
Human Resources Management and decentralised services	12.00	-	12.00	160.84		160.84	176.92		176.92	194.62	0.00	194.62
Environment, Beautification and Sanitation services	20.20	0.00	20.20	177.87	21.06	198.93	195.66		218.82	215.22	0.00	240.71
Special programs		-		65.9		65.90	72.49		72.49	79.74	0.00	79.74

General Administration and Support Services	308.73		308.73	198.33		198.33	218.16		218.16	239.98	0.00	239.98
WAJWASCO				**54.50**	**71.46**	**125.96**	**59.95**	**78.61**	**138.56**	**65.95**	**86.47**	**152.41**
water services				54.50	71.46	125.96	59.95	78.61	138.56	65.95	86.47	152.41
CPSB				**33.00**		**33.00**	**36.30**		**36.30**	**39.93**		**39.93**
CPSB Services				33.00		33.00	36.30		36.30	39.93		39.93

Annex Table 6: County Revenue Collections Analysis,

REVENUE STREAM	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY
Stock Auction fees	608,900.00	515,060.00	358,400.00	235,900.00	192,000.00	608,570.00	718,000.00
Stock Export fees	234,950.00	148,740.00	232,650.00	133,400.00	71,300.00	288,800.00	239,000.00
Slaughter fees	130,700.00	138,200.00	144,500.00	119,200.00	140,600.00	111,000.00	145,200.00
Hides &Skin	100,000.00	156,100.00	50,000.00	58,000.00	8,000.00	3,000.00	50,900.00
Arabic Gum	50,850.00	5,300.00	50,900.00	121,950.00	25,000.00	22,000.00	
Miraa Cess	1,626,000.00	1,499,000.00	1,670,000.00	1,877,000.00	1,828,000.00	1,775,000.00	1,855,000.00
Single Business Permit(SBP)	2,372,800.00	191,100.00	1,664,800.00	101,800.00	515,700.00	315,300.00	1,065,300.00
Septic Tank	120,000.00	-	-	-	-	-	307,850.00
Conservancy	44,850.00	224,800.00	466,000.00	153,000.00	153,400.00	138,150.00	21,950.00
Land Rent	200,000.00	104,900.00	87,000.00	113,750.00	4,393,100.00	212,250.00	249,550.00
House Rent	20,750.00	-	61,000.00	152,600.00	72,900.00	32,400.00	
Water	-	59,400.00	-	-	-	-	
Building Materials	712,000.00	267,800.00	206,950.00	451,600.00	426,700.00	461,900.00	355,400.00
Market gate fees(fresh produce)	65,000.00	29,500.00	49,300.00	56,900.00	58,700.00	120,000.00	74,000.00
Scrap metal	-	-	-	10,000.00	-	-	
Cereals	285,700.00	190,800.00	228,400.00	184,000.00	161,000.00	360,100.00	171,300.00
Development permission	-	-	-	-	-	-	
Allotment(for schools)	-	-	-	-	-	-	
Charcoal	-	450.00	250.00	1,300.00	2,150.00	350.00	900.00
Hire of County Assets	1,604,800.00	1,872,000.00	750,000.00	1,395,300.00	3,423,134.00	1,781,970.00	2,579,000.00
Cost sharing	527,900.00	601,100.00	507,150.00	542,080.00	256,710.00	524,910.00	554,760.00
Medical Certificate			46,900.00	57,400.00	152,325.00	118,900.00	61,900.00
Clearance certificate	-	-	-	-	-	-	-
School registration	-	-	-	-	-	-	-
Approval of Building	-	-	-	-	-	-	-

Plan(Safcom)							
Advertisement	-	-	-	-	-	-	10,000.00
Sale of tender documents	7,000.00	-	64,000.00	615,000.00	508,000.00	339,000.00	250,000.00
Veterinary Fees							125,925.00
MONTHLY TOTALS	**8,712,200.00**	**6,004,250.00**	**6,638,200.00**	**6,380,180.00**	**12,388,719.00**	**7,213,600.00**	**8,835,935.00**