

COUNTY GOVERNMENT OF SAMBURU



DEPARTMENT OF FINANCE, ECONOMIC PLANNING AND ICT

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

SEPTEMBER 2024

THE REPUBLIC OF KENYA



COUNTY GOVERNMENT OF SAMBURU DEPARTMENT OF FINANCE, ECONOMIC PLANNING AND ICT (COUNTY TREASURY)

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MARALAL

Ref: SCG/ Budget/41/2024

Date: 30th September, 2024

County Secretary,
Samburu County,
P.O. Box 3-20600,
Maralal.

Dear Sir,

COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP) 2024.

The Public Finance Management Act section 118 states that, “the County Treasury shall prepare and submit the above document to the County Executive Committee for approval, by 30th September in each financial year.” The section further requires that, “not later than seven days after the C-BROP has been approved by County Executive Committee, the County Treasury shall arrange for the Paper to be laid before the County Assembly.

In compliance with the Law, the document should be tabled to the County Executive Committee for discussion and approval in the next cabinet meeting.

A handwritten signature in blue ink, appearing to read 'Kaparo', written over a horizontal line.

Hon Silvana Kaparo
CECM- Finance, Economic Planning and ICT



Copy:

✓ H.E. The Governor

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Abbreviations and Acronyms

ASDSP	Agricultural Sector Development Support Programme
BETA	Bottom-Up Economic Transformation Agenda
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
COVID 19	Coronavirus Disease 2019
EAC	East African Community
ECDE	Early Childhood Development Education
EMDEs	Emerging Markets and Developing Economies
FY	Financial Year
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
ICT	Information Communication Technology
KSH	Kenya Shillings
MPC	Monetary Policy Committee
MSME	Micro, Small and Medium Enterprise
MTEF	Medium Term Expenditure Framework
TB	Tuberculosis
US	United States
USAID	United states Agency for International Development
PFM	Public Financial Management
SDGs	Sustainable Development Goals
SSA	Sub-Saharan African

Foreward

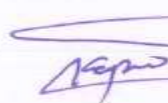
Section 118 of the Public Finance Management Act requires the County Treasury to prepare the County Budget Review and Outlook Paper (CBROP) for every financial year, specifying the details of the actual fiscal performance in the previous year, update the economic and fiscal forecasts and provide information on how the county adhered with the financial objectives and the fiscal responsibility principles.

This CBROP 2024 provides an in-depth analysis of budget performance for the financial year 2023/2024, assessing the performance towards achieving the revenue targets and a close look at how different sectors utilised their allocation; evaluates the recent economic development and outlook and the resultant effect to the County's forecasts; portrays the resource allocation framework and medium-term fiscal projections. All this in an effort to synchronise the lessons learnt from implementation of the previous budget, inform the changes in the current budget, and guide fiscal policy decisions in the medium term.

The total revenue target was Ksh 7,524,846,097 comprising Ksh 256,027,400 from own source revenue and Ksh 7,268,818,697 from external sources. The actual amount realised was Ksh 274 million from own source and Ksh 6.573 million from external sources hence a deficit of Ksh 677.2 million from the revenue target.

Total expenditures in the financial year 2023/2024 amounted to Ksh 6,316,648,010 including ksh 124 million for MES deducted at source against a target of Ksh. 7,524,846,097. The under absorption was recorded in both recurrent and development expenditures out of the total expenditure, the development was Ksh 1,631,177,598 and Ksh 4,685,470,413 was utilised for recurrent expenditure. During the year the own source revenue target was exceeded by Ksh 17 million while there was delay in remittance of June 2024 equitable share.

In the medium term, the County will implement revenue reforms, together with embracing strict financial discipline to ensure the budgets are fully implemented. Revenue projections depict a growth to Ksh. 7,482,220,180 and Ksh. 7,695,337,130 in the FY 2025/2026 and 2026/2027 respectively. This will be in tandem with a similar projected expenditure to ensure a balanced budget.



Hon. Silvana Kaparo

CECM – FINANCE, ECONOMIC PLANNING AND ICT



Acknowledgment

This policy document is prepared in line with the provisions of the Public Financial Management Act, 2012 Article 118(1) (a). The preparation of this County Budget Review and Outlook Paper continues to be a collaborative effort from an array of expertise of professionals in the County Treasury. The information in this policy document has been obtained from the Samburu County Treasury. We are grateful for their inputs.

The document provides the fiscal outturn for the FY 2023/24, the macro-economic projections and set sector ceiling for the FY 2025/26 and the Medium-Term Budget. The document also provides an overview of how the actual performance of the FY 2023/24 affected compliance in the fiscal responsibility principles and the financial objectives outlined in the PFM Act.

The preparation and compilation of this document was a concerted and collaborative effort by staff of the directorate of Finance, Economic Planning & ICT under the leadership and guidance of the County Executive member for finance. Immense appreciation goes to the Executive Member for Finance, Economic Planning & ICT for the good will and guidance provided during the entire period of preparation of this document. A core team from the budget and planning unit spent significant amount of time beyond official working hours to consolidate and fine tune this document.

Finally, I take this opportunity to thank the entire staff of the County Treasury for their tireless effort in executing their duties in the County Government.


Solomon Letirok
CHIEF OFFICER – FINANCE



Legal Basis for the Publication of the Budget Review and Outlook Paper

The CBROP is prepared per Section 118 of the PFM Act, 2012.

The law states that:

- 1) The County Treasury shall prepare and submit to the County Executive Committee for approval, by 30th September in each financial year, a CBROP which shall include;
 - a) Actual fiscal performance in the previous financial year compared to the budget appropriation for that year.
 - b) Updated macro-economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent CFSP.
 - c) Information on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the latest CFSP; and
 - d) The reasons for any deviation from the financial objectives together with proposals to address the deviation and the time estimated to do so.
- 2) The County Executive Committee shall consider the CBROP to approve it, with or without amendments, not later than fourteen days after its submission.
- 3) Not later than seven days after the CBROP has been approved by County Executive Committee, the County Treasury shall:
 - a) Arrange for the Paper to be laid before the County Assembly; and
 - b) As soon as practicable after having done so, publish and publicize the Paper.

The Fiscal Responsibility Principles laid out in section 107 of the PFM Act 2012

includes;

- (1) A County Treasury shall manage its public finances per the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.
- (2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles:
 - (a) the county government's recurrent expenditure shall not exceed the county government's total revenue;
 - (b) over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
 - (c) the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive Member for finance in regulations and approved by the County Assembly;
 - (d) over the medium term, the government's borrowings shall be used only for financing development expenditure and not for recurrent expenditure;
 - (e) the county debt shall be maintained at a sustainable level as approved by county assembly;
 - (f) the fiscal risks shall be managed prudently; and
 - (g) a reasonable degree of predictability 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.
- (3) For subsection (2) (d), short-term borrowing shall be restricted to the management of cash flows and shall not exceed five percent of the most recent audited county government revenue.
- (4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.
- (5) The regulations may add to the list of fiscal responsibility principles set out in subsection (2).

SECTION ONE: Introduction

1. The objective of the CBROP is to provide a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles set out in the last County Fiscal Strategy Paper (CFSP). This together with updated macroeconomic outlook provides a basis for revision of the current budget in the context of Supplementary Estimates and the broad fiscal parameters underpinning the next budget and the medium term.
2. The CBROP is a key document in linking policy, planning and budgeting. This year's CBROP is embedded on the priorities of the county government while taking on board emerging challenges while implementing the devolved system of government. This CBROP, therefore, continues implementation of the development agenda in the following areas of creating conducive business environment; investing in agricultural transformation and food security; provision of portable water; investing in quality and accessible health care; quality education; youth and women empowerment.
3. As required by the PFM Act, 2012, the budget process emphasizes on efficiency and effectiveness of public spending and improving revenue collection to stimulate and sustain economic activities. This will in turn ensure that the debt situation remains sustainable and enhances continued fiscal discipline. In order to meet the resource requirements of the FY 2025/26, the County Government will continue to apply prudent measures aimed at enhancing local revenue collection and rationalizing expenditures
4. The 2024 CBROP provides sector ceilings for the F/Y 2025/26 budget and the medium term guided by the PFM Act 2012 and 2015 amendment. The Ceilings set in motion the budget preparation for the Fiscal Year 2025/26.
5. **The paper is structured into four sections which are;**
 - i) Review of County fiscal performance for the previous year i.e. FY 2023/2024 details of the actual vs. budget for the year.
 - ii) Recent economic development and outlook.
 - iii) Resource allocation framework.
 - iv) Conclusions and next step.

SECTION TWO: Review of Fiscal Performance for the FY 2023/24

6. This section details the County's fiscal performance for the financial year 2023/24 to the budget appropriation for the year; and implications arising from the fiscal performance for the period under review.

Overview

7. The County's approved budget for FY 2023/24 was Ksh 7,524,846,097, comprising of Ksh 2,476,825,375 (33%) and Ksh 5,048,020,722 (67%) allocation for development and recurrent programmes respectively.
8. To finance the budget, the County expected to receive Ksh 5,594,312,489 as the equitable share of revenue raised nationally, Ksh 879,576,832 as total conditional grants, generate Ksh. 256,027,400 from own sources of revenue, and a cash balance of Ksh 794,929,376 from FY 2022/23.

Revenue Performance

In FY 2023/24, the County received Ksh. 5.146 billion as the equitable share of the revenue raised nationally, Ksh. 345 million as conditional grants, raised Ksh 274 million as own-source revenue, and had a cash balance of Ksh. 794,929,376 from FY 2022/23. The total funds available for budget implementation during the period amounted to Ksh. 6.847 billion as shown in Table 1 where we observe that most of the revenue streams almost attained the targets set.

Table 1: Revenue Performance in FY 2023/24

CODE	ITEMS	Approved 2022/23	Actuals 2022/23	%	Approved 2023/24	Actuals 2023/24	%	Approved 2024/25	Projection 2025/26	Projection 2026/27
	COUNTY GENERATED REVENUE									
1520100	Land Rates	50,000,000	19,306,856	39%	36,800,000	9,124,876	25%	40,480,000	30,000,000	31,000,000
1520200	Single Business Permits	15,000,000	16,199,720	108%	16,000,000	13,257,841	83%	17,600,000	18,480,000	20,281,000
1520300	Total Cess Receipts	12,000,000	11,974,730	100%	12,312,000	7,074,353	57%	13,543,200	14,220,300	15,606,000
1530331	Game Parks/Nature Reserves Fees	120,000,000	137,125,457	114%	125,983,800	208,542,295	166%	138,582,180	149,062,180	159,699,000
1550100	Markets and Slaughter House Fees	10,000,000	3,393,400	34%	11,000,000	5,679,842	52%	12,100,000	12,705,000	13,943,000
1550200	Vehicle Parking Receipts/Transport	5,040,000	1,826,300	36%	5,326,000	2,549,480	48%	5,858,600	6,151,500	6,751,000
1520304	Wheat Cess	280,000		0%	288,400		0%	317,240	333,100	365,000
1580211	Hospital Charges	16,000,000	10,027,783	63%	17,000,000	11,130,343	65%	18,700,000	19,635,000	21,549,000
1140501	Liquor License	6,000,000	3,352,001	56%	6,180,000	2,023,450	33%	6,798,000	7,137,900	7,833,000
1580100	Various Health Departments Fees	600,000	789,353	132%	624,000	217,200	35%	686,400	720,700	791,000
1420102	Agricultural Machinery Services	1,615,000	19,100	1%	1,693,400	391,506	23%	1,862,740	1,955,800	2,146,000
1530125	Approval of plans and supervision	1,215,500		0%	1,251,900	-	0%	1,377,090	1,445,900	1,586,000
1420102	Hawker	1,800,000	1,493,890	83%	1,854,000		0%	2,039,400	2,141,300	2,350,000
1540100	Miscellaneous Revenue	780,000	115,500	15%	803,400	503,000	63%	883,740	927,900	1,018,000
1530126	Advertisement		4,030,467		2,400,000	1,311,150	55%	2,640,000	2,772,000	3,042,000
1580300	Environment and conservancy		9,172,500		16,510,500	12,204,821	74%	18,161,550	19,069,600	20,929,000
	Direct Credits		903,172			13,000				
	Recoveries		6,328,114							
	Cooperative Audit fee		138,888							
	SUB-TOTAL LOCAL SOURCES	240,330,500	226,197,231	94%	256,027,400	274,023,157	107%	281,630,140	286,758,180	308,889,000

	SUMMARY									
	Revenue from Local Sources	240,330,500	226,197,231		256,027,400	274,023,157		281,630,140	286,758,180	308,889,000
	Revenue transfer from national government	5,371,346,037	5,371,346,037		5,594,312,489	5,146,767,494		5,806,692,471	5,961,744,200	6,148,170,400
1310102	Conditional Grant-Leasing of Medical Equipment	110,638,298	110,638,298		124,723,404	124,723,404				
1310102	DANIDA (Health support funds)	18,149,625	14,864,625		8,431,500			7,117,500	4,270,500	2,135,250
1310102	World bank loan for National agricultural and rural inclusive growth project	174,103,490	138,835,284		5,000,000	4,261,826				
9910311	Mineral Royalties				905,740			17,501	17,501	17,501
	EU Grant for instrument for devolution advice and support (Abattoir Construction)		15,626,168							
1310102	De- Risking and Value Enhancement (DRIVE) -livestock				207,839,480					
1310102	Fertilizer subsidy				12,431,664					
1310102	Agriculture Sector Development Support Programme (ASDSP)	25,141,706	25,141,706		2,793,523	300,000				
1310102	Kenya Livestock Commercialization Project (KELCLOP)				37,500,000	34,185,597		41,250,000	41,250,000	41,250,000
1310102	Kenya Urban Support Program (Grant)-UIG							35,000,000	35,000,000	35,000,000
	Kenya Urban Support Project (KUSP)-Urban Development Grant (UDG)							25,375,442	25,375,442	25,375,442
1310102	IDA (World Bank) - Credit - Food Systems Resilience Project(FSRP)							173,076,923	173,076,923	173,076,923
1330302	Road Maintenance Levy Fund		11,600,000					168,450,780	168,450,780	168,450,780
1330404	Community Health Promoters							46,140,000	36,404,915	36,404,915
	World Bank Loan for transforming health systems for universal care project B/F		1,576,606							

	Kenya Urban Support Programme (UDG and UIG)		13,069,989							
	Kenya Urban Support Programme (UDG and UIG) 20-21		2,339,915							
1310102	IDA (World Bank) Credit- Second Kenya Devolution Support Program (KDSP II)		57,215,708				37,500,000	37,500,000	37,500,000	
1310102	World bank loan for National agricultural and rural inclusive growth project B/F				39,696,527	39,696,527				
1310102	Agriculture Sector Development Support Programme (ASDSP) B/F	6,000,000	6,000,000		27,783,925	27,783,925				
1310102	ELRP(Locust)	91,588,750	91,588,750		200,970,152	199,785,419		142,500,000	142,500,000	142,500,000
	SWEDEN-Kenya Agricultural Business Development Project (KABDP)							10,918,919	10,918,919	10,918,919
1310102	ELRP(Locust) b/f	35,176,647	35,176,647		53,393,156	53,393,156				
1310102	Finance Locally led Climate Action Program(FLLoCA) b/f				17,600,000	17,600,000				
1310102	Fuel Levy b/f	11,600,000			11,615,658	11,615,658				
1310102	KDSP B/F	57,215,708			10,380,389	10,380,389				
1310102	KUSP-UIG b/f	13,069,989			1,317,155	1,317,155				
1310102	KUSP-UDG b/f	2,339,915			1,194,559	1,194,559				
	Conditional Grant-Compensation for User Fee Foregone	5,235,578								
	EU Grant for instrument for devolution advice and support (Abattoir Construction)	15,626,168	23,060,111							
	Balance brought forward 2021-22 for construction of Abattoir	23,060,111								
	COVID FUND	5,500,000	5,500,000							
1310102	DANIDA (Health support funds) B/F	5,119,125	5,119,125							

	DANIDA (Health support funds) additional		3,285,000							
	World Bank Loan for transforming health systems for universal care project B/F	1,576,606								
	Balance brought forward 2023-24 - CRF	744,788,985	744,788,985		794,929,376	794,929,376		400,000,000	400,000,000	400,000,000
1310102	Finance Locally led Climate Action Program(FLLoCA)	22,000,000	22,000,000		116,000,000	105,632,524		150,000,000	150,000,000	150,000,000
	GRAND TOTAL	6,979,607,238	6,924,970,185		7,524,846,097	6,847,590,166		7,325,669,676	7,473,267,360	7,679,689,130

Source: County Treasury 2024

Overall Expenditure Review

9. During the reporting period, the county spent Ksh. 6,316,648,010 on development and recurrent programs. Expenditure on development programmes represented an absorption rate of 26 percent while recurrent was 74 percent.

Expenditure by Economic Classification

10. Analysis of expenditure by economic classification indicates that Ksh. 2,698,236,960 was spent on employee compensation, Ksh. 1,987,233,453 on operations and maintenance, and Ksh. 1,631,177,598 on development activities as shown in Table 2.

Table 2: Summary of Expenditure by Economic Classification

Summary 23-24	Budget	Actuals	%
Recurrent	5,048,020,722	4,685,470,413	93%
Dev	2,476,825,375	1,631,177,598	66%
Itemized			
Salary	2,730,247,562	2,698,236,960	99%
Operation and Maintenance	2,317,773,159	1,987,233,453	86%
Development	2,476,825,375	1,631,177,598	66%
Totals	7,524,846,096	6,316,648,010	84%

Source: Samburu County Treasury

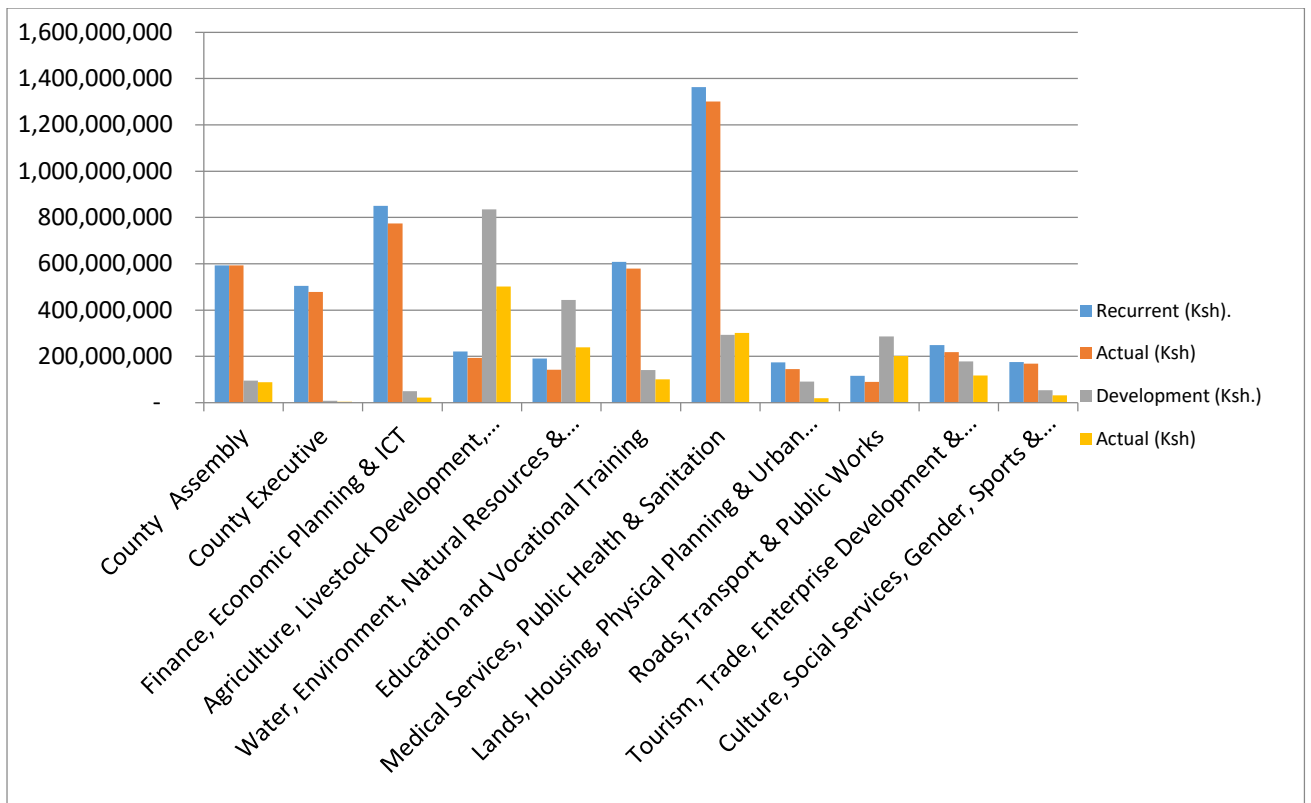
Development Expenditure

11. The County incurred an expenditure of Ksh. 1,631,177,598 on development programmes which included Ksh 124 million for Managed Equipment scheme for the Hospitals which is deducted at source. Table 3 provides a summary of the development and recurrent expenditures in the reporting period.

Table 3: Approved Expenditure Vs Actual FY2023/24

DEPARTMENT	Recurrent (Ksh).	Actual (Ksh)	Development (Ksh.)	Actual (Ksh)	TOTAL(Ksh)	Total -Actual (Ksh)	Absorption %
County Assembly	592,999,097	592,901,885	95,000,000	88,967,142	687,999,097	681,869,027	99%
County Executive	505,198,050	478,818,598	8,000,000	4,481,256	513,198,050	483,299,854	94%
Finance, Economic Planning and ICT	849,919,637	773,749,223	50,194,000	22,993,000	900,113,637	796,742,223	89%
Agriculture, Livestock Development, Veterinary Services and Fisheries	220,962,471	193,680,455	835,646,731	501,436,842	1,056,609,202	695,117,296	66%
Water, Environment, Natural Resources & Energy	191,573,517	142,603,984	443,716,050	238,742,525	635,289,567	381,346,509	60%
Education and Vocational Training	608,265,310	579,788,693	140,999,900	100,972,603	749,265,210	680,761,295	91%
Medical Services, Public Health and Sanitation	1,362,444,257	1,300,913,225	292,976,813	301,424,661	1,655,421,070	1,602,337,886	97%
Lands, Housing, Physical Planning and Urban Development	174,244,733	145,883,357	91,325,293	19,943,203	265,570,026	165,826,560	62%
Roads, Transport and Public Works	116,682,832	89,828,887	286,165,308	202,473,513	402,848,140	292,302,400	73%
Tourism, Trade, Enterprise Development and Cooperatives	249,413,566	218,810,773	178,064,250	118,264,613	427,477,816	337,075,386	79%
Culture, Social Services, Gender, Sports and Youth Affairs	176,317,252	168,491,334	54,737,030	31,478,240	231,054,282	199,969,574	87%
TOTAL	5,048,020,722	4,685,470,413	2,476,825,375	1,631,177,598	7,524,846,097	6,316,648,010	84%

Source: Samburu County Treasury 2024



Source: Samburu County Treasury 2024

Figure 1: Approved Vs Actual Expenditure 2023/24

Table 4: Absorption Rates 2023-24

Department	Budget Allocation (Ksh.)		Exchequer Issues (Ksh.)		Expenditure (Ksh.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)		Absorption %	Absorption FY 2022-2023 %		
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev		Rec	Dev	Combi ned
	County Assembly	592,999,097	95,000,000	592,902,110	88,967,142	592,901,885	88,967,142	100	100	100	94	99%	100	94
County Executive	505,198,050	8,000,000	478,818,598	4,481,256	478,818,598	4,481,256	100	100	95	56	94%	95	59	97
Finance, Economic Planning & ICT	849,919,637	50,194,000	773,749,223	22,993,000	773,749,223	22,993,000	100	100	91	46	89%	91	50	89
Agriculture, Livestock Development, Veterinary Services & Fisheries	220,962,471	835,646,731	193,680,455	501,436,842	193,680,455	501,436,842	100	100	88	60	66%	88	68	95
Water, Environment, Natural Resources & Energy	191,573,517	443,716,050	142,603,984	238,742,525	142,603,984	238,742,525	100	100	74	54	60%	74	72	83
Education and Vocational Training	608,265,310	140,999,900	579,788,693	100,972,603	579,788,693	100,972,603	100	100	95	72	91%	95	75	99
Medical Services, Public Health & Sanitation	1,362,444,257	292,976,813	1,300,913,225	176,701,257	1,300,913,225	301,424,661	100	171	95	103	97%	56	108	90
Lands, Housing, Physical Planning & Urban Development	174,244,733	91,325,293	145,883,357	19,943,203	145,883,357	19,943,203	100	100	84	22	62%	84	26	74
Roads, Transport & Public Works	116,682,832	286,165,308	89,828,887	202,473,513	89,828,887	202,473,513	100	100	77	71	73%	77	92	81
Tourism, Trade, Enterprise Development & Cooperatives	249,413,566	178,064,250	218,810,773	118,264,613	218,810,773	118,264,613	100	100	88	66	79%	88	76	89
Culture, Social Services, Gender, Sports & Youth Affairs	176,317,252	54,737,030	168,491,334	31,478,240	168,491,334	31,478,240	100	100	96	58	87%	96	60	85
Total	5,048,020,722	2,476,825,376	4,685,470,638	1,506,454,193	4,685,470,413	1,631,177,598	100	108	93	66	84%	86	71	91

Source: Samburu County Treasury 2024

Pending Bills

12. A pending bill is an unsettled financial obligation at the end of a financial year. Pending bills arise when the County Government fails to settle invoiced amounts for goods and services properly procured and delivered, or rendered at the end of a financial year. The list of pending bills is as shown in table 5 below;

Table 5: Pending Bills as of 30th June 2024

	Recurrent	Development	Total
County Assembly			-
County Executive	4,117,036	3,295,000	7,412,036
Finance, Economic Planning & ICT	219,808,770	7,964,160	227,772,930
Agriculture, Livestock Development, Veterinary Services & Fisheries	5,683,458	12,131,510	17,814,968
Water, Environment, Natural Resources & Energy	3,753,284	50,062,646	53,815,930
Education and Vocational Training	3,692,108	51,232,425	54,924,533
Medical Services, Public Health & Sanitation	8,785,629	19,826,431	28,612,060
Lands, Housing, Physical Planning & Urban Development	3,921,626	45,483,964	49,405,590
Roads, Transport & Public Works	8,464,680	46,296,209	54,760,889
Tourism, Trade, Enterprise Development & Cooperatives	12,824,636	58,980,945	71,805,581
Culture, Social Services, Gender, Sports & Youth Affairs	1,150,000	14,595,970	15,745,970
TOTALS	272,201,227	309,869,260	582,070,487

Source: Samburu County Treasury 2024

Overall balance and financing

Reflecting on the above performance in revenue and expenditure, the County had a balanced budget. The overall absorption rate was 84%. The County exceeded own source revenue by Ksh.17.9 million. The revenue from the equitable share and development partners Ksh.695.2 million was not realized, hence a deficit of Ksh.677.2 million.

Fiscal Responsibility Principles

13. In line with the Constitution, the PFM Act,2012, the PFM Regulations, and in keeping in line with prudent and transparent management of public resources, the County Government has largely adhered to the fiscal responsibility principles as set out in the statute as follows:

- a) The County Government recurrent expenditure shall not exceed the County Government total revenue i.e. balanced budget was produced in the year.
- b) The County Government's allocation to development expenditures should be above 30 percent of the total budget. In the FY 2023/24, the allocation to development in the budget was 33% of the total expenditures meeting the set threshold and actual expenditure was 26% due to the late disbursement of funds by the National Government and development partners.
- c) The County Government's share of wages and benefits to total budget should not exceed 35% of total revenue. In the year under review the percentage was above the required percentage and the county have laid the following strategies to ensure compliance in the medium term;
 - 1) The government plans to reduce its wage bill percentage through increased automation of own source revenue streams.
 - 2) In Kenya Devolution Support Program (KDSP) II one of the activity in Key Result Area (KRA) 2 is undertaking Human Resource and payroll audit at a cost of Ksh 5.8 million. This activity will result in analyzing the skills and the number of staff in existence with a view of undertaking a corrective action.
 - 3) The Government has frozen all employment in non-critical positions in the short run.
- d) The PFM Act, 2012 requires that public debt and obligations remain at sustainable levels and the County Government is committed to adhering to this at all times by reducing the pending obligations over time.
- e) On the principle of maintaining a reasonable degree of predictability with respect to the level of tax rates and tax bases, the county Government has marginally altered the Finance Act in the period.

SECTION THREE – Recent Economic Developments and Outlook

International Scene

- 14.** In 2024, the global economy is expected to grow at a similar pace as 2023, but slower than the historical (2000–19) annual average of 3.8 percent. This is on account of restrictive monetary policies, withdrawal of fiscal support, low underlying productivity growth, as well as escalating geopolitical fragmentations that could result in higher commodity prices despite a projected decline in global headline and core inflation. The global economy remained resilient in 2024 despite the disruptions emanating from the residue effects of COVID-19, the Russia-Ukraine conflict, climate change induced shocks, international conflicts and tightened monetary policies in a number of economies. These effects may not conclude soon, they will be there for some time to come; they have provided strong pointers for the year 2024, that it is likely to be the most difficult for the global economy, in terms of economic recovery.
- 15.** The projected 2023 economic growth prospect has been attributed to multiple factors including the ongoing Russia-Ukraine conflict, that will consequently continue to affect the global supply chains, causing supply disruptions, surge on inflation and incomes for exporters in the region. Most of the low-income countries have already been affected by these factors and others including surges in food and commodity prices, devastating effects of climate change, debts and limited access to foreign finance. These negative economic effects have not left out both middle and high-income economies, where a combination of factors are also hitting hard on the cost of living. According to the World Bank, the world's poorest countries have been spending the highest share of their revenues on debt-service payments. Debt-related risks are increasing for low and middle-income economies.
- 16.** Growth in the world real Gross Domestic Product (GDP) slowed to 3.1 per cent in 2023 compared to 3.5 per cent in 2022. The slowdown was more pronounced across advanced economies than in Emerging Markets and Developing Economies (EMDEs). Advanced economies expanded by 1.6 per cent in 2023 compared to the 2.6 per cent growth in 2022. The slowdown was mainly driven by slowed growth in the Euro Area and the tighter monetary conditions in most of the economies in the bloc. Growth in EMDEs remained at 4.1 per cent in the period under review. This growth was mainly supported by the easing of financial conditions, strong domestic demand and increased investments in most of the economies in the EMDEs. Sub-Saharan African (SSA) economies grew by 3.3 per cent in 2023 compared to 4.0 per cent growth in 2022.

The growth was mostly supported by strong performance in non-resource-intensive countries and improvement in macroeconomic conditions. Further growth was curtailed by the global slowdown, unfavorable weather conditions and domestic supply chain disruptions across the bloc.

17. East African Community (EAC) recorded a growth of 5.0 per cent in 2023 compared to 5.2 per cent recorded in 2022, a growth that was higher than the SSA. The inflationary shock caused by Russia-Ukraine conflict had a ripple effect on SSA, leading to decreased international demand, increased global interest rates, and exchange rate pressures.

Kenya Macroeconomic Review

18. Kenya's GDP growth averaged 4.6% between 2019 and 2023, lower than its 10% target in Vision 2030. Growth has been non-inclusive, attributable to the minimal contribution of structural transformation to growth. Real GDP expanded by 5.6 per cent in 2023 compared to a revised growth of 4.9 per cent in 2022. The positive growth was notable across most sectors of the economy. The Agriculture, Forestry and Fishing sector grew by 6.5 per cent in 2023, marking a recovery from the 1.5 per cent contraction recorded in 2022. This recovery was mostly attributed to favourable weather conditions that prevailed through most of the year.
19. Kenya's economy is supported by a robust services sector, strong performance in agriculture aided by anticipated adequate rainfall and a decline in global commodity prices that is expected to reduce the cost of production. In addition, the distribution of the subsidized fertilizer and seed subsidy program is expected to support the agriculture sector's growth. This is revealed through the leading indicators that point to continued strong performance of the economy in the first quarter of 2024, on account of robust activities in the agriculture and service sectors, particularly accommodation and food services, as well as information and communication. Further, the ongoing implementation of measures by the Government in priority sectors namely: Agricultural Transformation and Inclusive Growth; Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Industry under the Bottom-Up Economic Transformation Agenda (BETA) is expected to boost economic activity, accelerate growth as well as support recovery.

On the demand side, the easing of inflationary pressures is likely to lead to a strong household disposable income, which will in turn support household private consumption and robust private sector investments coupled with Government investments. This notwithstanding, the outlook for the economy may be hampered by risks related to unpredictable weather conditions occasioned by climate change which could adversely affect agricultural production and result in domestic inflationary pressures. The tight fiscal stance being pursued by Government may also lead to tight liquidity affecting aggregate demand. Externally, escalation of geopolitical tensions particularly the Israel-Palestinian, Israel-Iran and Russia-Ukraine conflicts could result in higher commodity prices which would pose a risk to domestic inflation outcomes.

20. Notably, the improved growth in the economy highlighted the economy's resilience following multiple shocks such as supply chain constraints, soaring global fuel prices, elevated inflationary pressures and currency depreciation. The Kenyan Economy is projected to grow at an average of 5.3% in the year 2024.
21. Kenya's general business environment improvement in the first half of 2024. The improvement was mainly on the back of the eased inflationary pressures experienced in the country, which have seen consumers increase their spending, coupled with aggressive appreciation of the Ksh which has contributed significantly to the reduced cost of inputs and production by most businesses. Achieving this requires improving governance, infrastructure, human capital development, access to finance, and macroeconomic stability.

Inflation

22. Overall inflation declined further in the first quarter of 2024, largely driven by easing food and fuel prices. It declined to 6.3 percent from 6.8 percent in the fourth quarter of 2023. Food inflation declined to 6.8 percent from 7.7 percent in the previous quarter, supported by increased domestic food production following favorable weather conditions and the general easing of international food prices. Fuel inflation declined to 13.3 percent from 14.6 percent in the previous quarter, reflecting the downward adjustment of pump prices by the Energy and Petroleum Regulatory Authority (EPRA) during the quarter and easing electricity prices. On the other hand, Non-food Non-fuel (NFNF) inflation increased modestly to 3.6 percent from 3.4 percent in the previous quarter, largely reflecting increased cost of education services during the quarter.

23. Going forward, we expect inflation to remain within the CBK's preferred range of 2.5%-7.5%, mainly on the back of a strengthened currency, tight monetary policy and reduced fuel prices. The risk, however, lies in the fuel prices which despite their decline in June 2024, still remain elevated compared to historical levels. Key to note is that the Monetary Policy Committee maintained the CBK Rate at 13.0% in its June 2024 meeting, with the aim of anchoring the inflation rates further. Additionally, favorable weather conditions may also contribute to stabilizing food prices, further supporting lower inflation rates.

The Kenyan Shilling (Ksh):

24. The Ksh exchange rate remained relatively stable against major international currencies amid high demand for the US dollar in the international markets in the period under review compared with a similar period in 2023. The Ksh weakened by 18.40 percent against the US Dollar to exchange at an average of 149.63 in the first quarter of 2024 compared to 126.37 in a similar quarter in 2023. However, appreciated against EAC regional currencies excluding the Burundi Franc.

Government Budgetary Performance.

Interest Rates

a. Central Bank Rate

25. The Monetary Policy Committee (MPC) meeting held in February 2024 raised the Central Bank Rate (CBR) from 12.5 percent to 13.0 percent to further anchor inflation expectations. The MPC noted that overall inflation has remained sticky in the upper bound of the target range. In addition, the MPC noted the continued, albeit reduced, pressures on the exchange rate and therefore concluded that further action was needed to stabilize prices. The policy action would ensure that inflationary expectations remain anchored, while setting inflation on a firm downward path towards the 5.0 percent mid-point of the target range, as well as addressing residual pressures on the exchange rate.

b. Short Term Rates

26. Short-term interest rates increased during the first quarter of 2024, partly reflecting the tight monetary policy stance and liquidity conditions in the money market. The weighted average interbank rate increased from 11.65 percent in December 2023 to 13.42 percent in March 2024 and it was within the interest rate corridor band of ± 2.5 percent around the CBR, partly supported by open market operations.

The average 91-day Treasury bill rate increased to 16.68 percent in March 2024 from 15.70 percent in December 2023, while the average 182-day Treasury bill rate increased to 16.86 percent from 15.80 percent.

27. We expect the shilling to be supported by:

- a. Diaspora remittances,
- b. High Forex and,
- c. The tourism inflow receipts

28. The shilling is however expected to remain under pressure in 2024 as a result of:

- a. An ever-present current account deficit
- b. The need for government debt servicing, continues to put pressure on forex reserves given that 67.3% of Kenya's external debt was US Dollar denominated.

Monetary Policy Committee (MPC):

29. The MPC met and adjusted the central bank rate to 13.0%, owing to the sustained depreciation of the Ksh and elevated inflationary pressures in the country on the back of high fuel and commodity prices. Additionally, the MPC has retained the CBR at 13.0% during its last two meetings despite a gaining Shilling, eased inflation, and an improved global outlook for growth, owing to continued stickiness in inflation in advanced economies, and persistent geopolitical tensions.

30. The Committee also observed that non-food-non-fuel (NFNF) inflation has remained persistent in recent months and that interest rates in major economies are expected to stay higher for longer due to persistent inflation. The MPC concluded that the current monetary policy stance will maintain overall inflation around the mid-point of the target range in the short term while ensuring continued exchange rate stability. The MPC will closely monitor the impact of its policy measures, as well as developments in the global and domestic economy, and stands ready to take further action as necessary in line with its mandate.

Fiscal Policy:

31. The fiscal deficit widened from 6.3% of GDP in 2022 to 7% in 2023, as revenues underperformed, and interest costs rose. Public debt expanded from 66.7% of GDP in 2022 to 70.2% in 2023, driven by increased loans to finance the primary deficit and by exchange rate depreciation. The current account deficit narrowed from 5.2% of GDP in 2022 to 4.9% in 2023, as trade deficits shrank, and secondary incomes increased.

The deficit was financed by drawing down reserves, which declined from 4.3 months of import cover to 3.6 months. The shilling depreciated by 24% year on year in 2023. The capital adequacy ratio of 18.6% in 2023 was above the prudential minimum of 14.5%, and the liquidity ratio of 49.7% was above the 20% prudential minimum. Nonperforming loans increased from 13.6% of gross loans in 2022 to 14.5% in 2023 due to rate hikes and public sector debt arrears (or outstanding government payments to contractors). Credit-risk concentration was high in manufacturing, real estate, and personal and household sectors.

- 32.** Poverty increased from an estimated 33.6% in 2019 to 36.1% in 2021, and unemployment rose slightly, from 13.3% in 2021 to 13.9% in 2022. Income inequality from a Gini coefficient of 0.36 in 2020 to 0.39 in 2021.

Outlook and risks

- 33.** Kenya's GDP is projected to grow 5.4% in 2024 and 5.6% in 2025, driven by services and household consumption. Inflation is expected to fall to 6.2% in 2024 and 5.5% in 2025, as food and global inflation both decline. This growth will be reinforced by the Government's BETA geared towards economic turnaround and inclusive growth. Avenues of inclusive growth include creating jobs and agro-processing for export. This can only work if markets are properly governed. The BETA will drive the economic recovery agenda that will emphasize several dimensions to support the country's economic recovery. The Government has in this regard launched the Hustlers Fund, as an intervention to correct market failure problems at the bottom of the pyramid. This program aims to lift those at the bottom of the pyramid through structured products in personal finance that includes savings, credit, insurance and investment in the past interventions moved up the Microfinance Institution (MFIs).

- 34.** Monetary policy is expected to be accommodative due to projected stable inflation and exchange rates. The fiscal deficit is projected to narrow to 5.9% of GDP in 2024 and 5.0% in 2025 in response to a revenue-led fiscal consolidation program. The current account deficit is projected to narrow to 4.6% of GDP in 2024 and 4.5% in 2025 as a recovery in global trade reduces the trade deficit. However, the outlook is subject to considerable risks, including tight global financing, drought, political instability in neighboring countries, and slow recovery of global growth. Risk mitigation measures in the medium to long term include building fiscal and external buffers (e.g., foreign exchange reserves), strengthening disaster preparedness, and accelerating structural transformation.

- 35.** It is against this backdrop that the Government of Kenya will pursue fiscal consolidation to ensure debt sustainability. This involves gradual reduction of the overall fiscal deficit and the pace of debt accumulation over the medium-term as well as an effective liability management strategy. The policy will be supported by enhanced revenue mobilization and instituting austerity measures on non-priority recurrent expenditure as well as redirecting resources to finance priority growth-supporting programmes.
- 36.** The global financial architecture presents challenges to Kenya in meeting its financing gap. Kenya needs \$12 billion annually by 2030 and \$2 billion annually by 2063 to close its financing gap to fast-track structural transformation. Some of the funds could be raised through domestic resource mobilization; the current tax-to-GDP ratio of 13% is below its 27% potential. Other options include deepening the domestic financial market and mobilizing private capital and rents from natural resources. Kenya raised resources equivalent to 5% of GDP from external sources recently.
- 37.** In Kenya, food security and climate change have led to severe crises – increased poverty, widening inequality across regions and households and increased incidences of social conflicts due to competition for resources, like water resources. This has been compounded by the supply disruptions, inequality, poverty and social conflicts.
- 38.** In Preparation of the FY 2025/26 budget and the medium term, emphasis will be on aggressive revenue mobilization including policy measures to bring on board additional revenue. The strong outcome in revenue collection in the FY 2023/24 offers a strong base for supporting the expenditure estimates.

County Specific Performance 2023/2024

The performance for Samburu County for the financial year 2023/24 in different sectors was as follows;

County Administration/Executive

- 39.** The County Executive established a directorate of public communication under public service. The Governor's Press Service has also initiated preparation of county communication strategy. The rebranding of Samburu county website has also begun with support of USAID KUZA. The Governor's Press Service has sustained strong presence and visibility in social media, radio and through regular Tele Vision feature stories.

The Governor's Press Service has provided media coverage to all newsworthy activities presided over by the Governor and Deputy Governor. Governor's Press officers have also provided media coverage to activities of other departments upon request by the departments. The Governor's Press Service in partnership with USAID Resilience Learning Activities has also trained the Governor's press officers, CECMs, chief officers and journalists on crisis communication, public relations, media relations and social media management.

Sub- County Administration- Achievements

40. The sub-County administration has its structures complete to the lowest level of administration i.e. from the Director public administration through Sub-County administrators to the village council as established by Law. This has enabled smooth channels of coordination, management and supervision of Government programs to the village level. As a result, public participation and citizen engagement has improved immensely due to proper use of existing structures. The gap between the citizens and the leadership has reduced tremendously due to the presence of administrators in all devolved units. One Ward administrator's offices for Nyiro has been constructed and complete but without a fence and a Toilet for official commissioning at a cost of Ksh. 4million. The allocated budget was underestimated the reason for partial completion without a fence and a Toilet.

County Public Service Board.

41. County Public Service Boards are created by the law. They are then given a host of mandatory duties and responsibilities which they have to accomplish. Among these responsibilities are implementation of Articles 10 and 232 of the Constitution of Kenya on National Values and Principles in the county government. This is designed to be done through preparation of training materials on topical issues and thereafter carrying out civic education to the county public service and the public. The county public service board also faced numerous financial challenges due to irregular flow of funds from the National Exchequer. This derailed effort to carry out some of the mandatory duties and responsibilities. However, the county public service board carried out some of its responsibilities among them recruitment of staff as per department requests, staff promotion, administering declaration of incomes, assets and liabilities.

Finance, Economic Planning and ICT

- 42.** The department of Finance, Economic Planning and ICT is charged with responsibilities of developing and implementing policies, strategies and development plans for financial accounting, budget formulation and management, planning and management of socio-economic and political development resources.
- 43.** The County Treasury's achievements during the period include; completion of value for money audits in selected departments, implementation of policy on access to County Government procurement opportunities for women, successful implementation of e-procurement, the youth and persons with disabilities, preparation of annual procurement plan, revenue collections, preparation of financial statement on time, preparation of the annual development plan, preparation of the annual budget, preparation of quarterly progress reports and the county annual progress report. Enactment of the Monitoring & Evaluation bill which is at the county assembly level. The Launch of the revenue collection automation system was done. Installation of Safaricom Wi-Fi at the county headquarters. Production of County Statistical Abstract 2023 is at publication stage.
- 44.** The main constraint in budget implementation has been caused by the COVID-19 effects, the vastness of the County coupled with the poor road infrastructure, delay in disbursement of funds by the National Treasury, in addition, accrued pending bills leads to insufficient funds for priority projects since they form the first charge of the budget.
- 45.** Going forward, the County Treasury will continue to put in place appropriate measures by fully implementing performance contracts, developing the department service charter to enhance service delivery to promote county economic growth. The requirement of preparation of programme based budgets and application of e-procurement is to be adhered to by all departments.

Special programmes

- 46.**
- a) Training of 20 Village level disaster risk management committees.
 - b) Conducted 30 peace meetings/peace dialogues across the county and reaching out to 1200 peace stakeholders.
 - c) Conducted County Capacity Needs gaps assessment and development of the county capacity strengthening programmes.

- d) Through a partnership with development partners, 4,900 vulnerable households received about Ksh 400 million cash transfers. This is in addition to 12,171 households receiving about Ksh 200 million cash per year.
- e) With the support of the Kenya Red cross society established a Ksh 10 million worth county emergency operation Centre.
- f) Review of Disaster Risk Management policy, Disaster Risk Management bill of 2015, Peace and cohesion building policy/ bill of 2023.

Agriculture, Livestock Development, Veterinary Services and Fisheries.

Livestock production.

47. During the period under review, under the ongoing livestock breed improvement the Directorate of Livestock Production's made a tremendous achievement of procuring and distribution of 907 Somali Camels in Samburu East and North Sub-counties, 950 Sahiwal cattle in Samburu Central Sub-County, 280 Kenya Alpine dairy goats in Samburu Central Sub-County, 765 Galla bucks in North and East Sub-Counties and 56 Dairy cattle to Angata Nanyukie Ward in Samburu North Sub-County. During the same period, the Nomotio Livestock Improvement Centre received Ksh 7 million grant for implementation of targeted farm projects and to cater for farm recurrent operations

Irrigation & Fisheries development

48. During the review period, the Directorate of Fisheries and Irrigation's achievements included purchase of 36 fishing nets pond cover nets, procured 2075kgs of starter fish feeds, introduction of 28,571 fingerlings to stock 7dams within Samburu Central Sub-County.

Crop production

49. During the period under review, the Directorate of Crop Production's achievements included distribution of 85 tons of certified maize seeds and 46 tons of certified beans seeds, cultivated 4,500 acres of land for needy and displaced farmers under the "one-acre initiative" by H.E. the governor Samburu county, whereby each selected farmer is cultivated one-acre piece of land free of charge, either as individual or group. Repair of 16 tractors and 8 frames of the disc plough that were out of service at cost of Ksh 3.9M of the Ksh 10M that was allocated to the Agriculture machinery services. Under enabling environment, the directorate has successfully completed, the formulation of the Samburu county Crops policy.

Distribution of pesticides targeting 6,000 acres of land was also done while 25 motorized sprayers and other personal protective equipment were distributed to spraying service provider in different villages.

Veterinary services.

50. The period under review was vibrant but with a lot of challenges. The weather and pasture conditions were favorable all year round for the good to excellent body condition scores for all livestock except for the various livestock disease outbreaks reported across all sub counties.
51. Although development activities and livestock vaccinations were initially funded, their budgetary reallocation brought activities almost to a standstill. Several non-governmental organizations were sought to complement the lack of funding and therefore the achievements in disease surveillance, livestock vaccinations and treatments, policy development, staff trainings and extension education to livestock keepers.

Performance of National government programmes implemented in the County

52. During the period under review the project achieved the following: construction of Honey refinery for Hope Enterprise cooperative at Maralal, establishment of 500 acres of land under pasture in Samburu central, construction of two hay sheds with capacity of 20,000 bales each and purchase of two sets of hay bailing machines. Drilling and equipping of a borehole at Archer's Post Livestock market and Construction of 48 farm ponds across the three sub-counties was also done.
53. Kenya Livestock Commercialization Project (KELCOP) has been implementing animal health activities this financial year. This includes, recruiting and enrolment of 20 animal and livestock health assistants in the AHITI. The project also trained 6 livestock beneficiaries groups on basic animal husbandry and TIMPS.
54. ASDSP has participated in extension education and fully funded for one Artificial Insemination kit.

Water, Environment, Natural Resources and Energy

- 55.** The County Water and Environment sector comprises of: Water and Sanitation; Environment and Climate Change; Natural Resources and Energy. The sector also has a semi-autonomous institution, the Samburu Water and Sanitation Company (SAWASCO) that it supports to provide water and sanitation services within the urban centers' and/or major towns of the county.
- 56.** The sector is one of the key players towards the achievement of Sustainable Development Goals (SDGs), specifically **Goal 6: *Ensure availability and sustainable management of water and sanitation for all***; **Goal 7: *Ensure access to affordable, reliable, sustainable and modern energy for all***; **Goal 13: *Take urgent action to combat climate change and its impacts***; and **Goal 15: *Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss***. It is also an enabler in a number of other SDG's, Vision 2030 and BETA Agenda.

In view of the above, during the FY 2023-2024, some of the key achievements realized by the department include: -

- a) Undertaking hydrogeological surveys and water feasibility studies to ascertain underground and surface water potentials for 6 proposed borehole sites. (Ntapes, Lingatuny, Nontoto/Sere-eloikari, Lentanai, Loshooriong and Loosuk).
- b) Drilling and equipping of 6 No. above mentioned borehole sites.
- c) Equipping and Solarization of 4 No. boreholes that were previously drilled and not equipped and Solarized. (Lankarm, Ngari, Angata Lerai and Angata Rongai boreholes).
- d) Pipe laying, rehabilitation and repair of 38 kilometres of water extensions and/or supplies and overall maintenance of rural water supplies across the county (mainly at Seketet, Loruko, Ng'ambo, Lkitasine / Lowamara, Suguta and Lolmolog water supplies).
- e) Excavation and desilting of 7No. earth dams/pans at Morijo, Kirapash, Ngari, Lemolog, Lemomo, Lorok Enyokie and Lodokume soko).
- f) Construction of 2No. rock catchment at Ilakweny and Siangan.
- g) Capacity building of Water User Associations (WUA's) on the proper utilization and management of water resource.

- h) In partnership with UNICEF supported the development and rehabilitation of 7 No. water facilities and constructed 30 No. water tanks concrete slabs in designated areas across the County. (Water facilities rehabilitated were Lomirok, Parkati Shallow well, Lesirkan borehole, Lantasim borehole, Sepei borehole, Nkutoto Arus borehole and Lesuwa borehole).
- i) The department distributed and fixed to position 22 No. 10m³ plastic tanks capacity donated by United Nations International Children's Emergency Fund (UNICEF) to designated areas where the above tanks slabs were constructed.
- j) In collaboration with other State and Non-State Agencies facilitated establishment and rehabilitation of new and existing water utilities across the County.
- k) One key notable milestone move is the department partnership with Sustainable Transformational and Accessible Water Interventions (STAWI) leading to commencement of the process of formulating a County Water Policy which will ensure efficiency and effectiveness of service delivery to the Mwananchi.
- l) In partnership with the Ministry of Energy, we are implementing Kenya Off-Grid Solar Access Project (K-OSAP) for the underserved counties in terms of energy provision. The project is targeting to power five (5) upcoming towns through setting up of Solar Mini-grids (i.e. Sereolipi, Tuum, Latakweny, Barsaloi and Suraadoru) and stand-alone solar systems in a number of public facilities (dispensaries, schools and administrative offices) and supporting solarization of about 23 Boreholes. The evaluation of the tender documents was done awaiting the award of contracts.
- m) On waste management the directorate has constructed waste management sites (dumpsites) at Suguta and Baragoi.
- n) The County Climate Change Steering Committee, Climate Change Planning Committee, Climate Change Unit were established and trained. Ward Climate Change Planning Committees (WCCPCs) in 13 wards. Through support of partners, 7 Committees were trained (Suguta Marmar, Loosuk, Poro, Nyiro, Ndoto, Wamba North and Wamba East).

The directorate established 4 Water Resource Users Associations (Nachola, Losesia, Arsim and South Horr) and developed Sub-Catchment Management Plans with assistance of partners.

- o) On rangelands management, the directorate in partnership with USAID Nawiri and VSF-Suise continued with Lenchekut, Sirata Lengamarita, Lengusaka, Lerata, Anderi, Nachola, Masikita and Arsim rangelands.

Some rangeland restoration demonstration plots were developed in Raraiti, Mabati, Nakwamur, Lderkesi and Barsaloi to sensitise communities on rangeland restoration techniques. In partnership with the World Food Programme, a section of the degraded Jerusalem area in Wamba was restored and will serve as a learning field plot for communities around in the rehabilitation of their rangelands. Department officers were also trained as Trainers of Trainers (ToTs) on techniques of alternative uses of invasive species, and subsequently established a briquettes making business for a youth and women group in Lerata area using Mesquite (*Prosopis juliflora*) in partnership with VSF-Suisse. The directorate also initiated the formulation of a Rangeland Management Bill in partnership with the LISTEN project. In partnership with Caritas and Namunyak Community Conservancy, the directorate developed community driven grazing by-laws for the conservancy.

- p) On sustainable forest management in partnership with KFS, Ngiro CFA was established with support from IMPACT Project. The directorate also implemented the Presidential directive on nationwide tree planting initiative by partnering with KFS to drive tree planting campaigns at Tamiyoi forest restoration site in Kirisia Forest, where 15,000 tree seedlings have been planted so far. Grazing plans were also established in partnership with the Boma Project and IKEA foundation in Kirisia forest in collaboration with the Kirisia Community Forest Association.

Education and Vocational Training

57. The sector presents a platform for imparting much-needed skills, competencies, and attitudes to propel the County's development.

S/N	Project	No	Project cost
1.	ECDE kitchens constructed	32	22,700,000
2.	ECDE classrooms constructed	23	31,100,000
3.	ECDE pit latrines constructed	68	39,300,000
4.	Water tanks provided to ECDE	30	3,600,000
5.	ECDE Fences erected	17	12,500,000
6.	ECDE furnitures sets provided	60 Sets	9,300,000
7.	Cooking appliances provided	45	9,000,000

58. Vocational Training

S/N	Project	No	Project cost
1	Modern kitchen constructed	1	4,000,000
2.	Sanitary block constructed	1	1,500,000
3.	Assorted tools provided to VTC	1	1,000,000

Medical Services, Public Health and Sanitation

59. Environmental and health promotion

The department was able to implement measures to reduce environmental health risks factors and conditions. This was coordinated efforts across multiple sectors in the department. By implementing these measures, communities can significantly improve public health, reduce disease burden, and promote sustainable development. Continued monitoring, evaluation, and adaptation of strategies will be essential to achieving and sustaining these improvements.

60. The increase in the percentage of households with handwashing facilities from 34% to 52.6% can be considered a significant improvement in public health and hygiene. The implications and possible factors behind this increase: are Reduced Disease Transmission. Handwashing with soap is one of the most effective ways to prevent the spread of infectious diseases, including diarrheal diseases and respiratory infections. An increase in households with handwashing facilities likely correlates with a decrease in the incidence of these diseases. Improved Child Health, as Children are particularly vulnerable to diseases that can be prevented through proper hand hygiene. Improved handwashing facilities can lead to better health outcomes for children, including reduced absenteeism from school due to illness.

Communicable disease control

61. Improving tuberculosis (TB) treatment success rates from 80% to 85% involves enhancing various aspects of TB care and management. Here are several measures were implemented by Improving Diagnostic Facilities: Ensure timely and accurate TB diagnosis by enhancing laboratory infrastructure and access to rapid diagnostic tests such as Gene pert.

Decentralize TB Services: Bring TB diagnostic and treatment services closer to patients by integrating them into primary healthcare facilities. Increase Availability of TB Medications: Ensure an uninterrupted supply of quality-assured TB drugs to prevent treatment interruptions.

62. Improving malaria diagnosis from 60% to 75% involves a multi-faceted approach that includes enhancing diagnostic facilities, training healthcare workers, increasing community awareness, ensuring a reliable supply of diagnostic tools, strengthening health systems, leveraging technology, and advocating for supportive policies. By implementing these measures, healthcare systems can achieve more accurate and timely malaria diagnoses, leading to better treatment outcomes and reduced transmission.
63. Improving HIV testing and counseling services from 62% to 104% requires a multi-faceted approach that includes expanding access, enhancing service quality, increasing community awareness, leveraging technology, strengthening health systems, advocating for supportive policies, and targeting key populations. By implementing these measures, healthcare systems can achieve higher testing rates, early diagnosis, and better linkage to care, ultimately contributing to the control and prevention of HIV/AIDS.

Non-Communicable Disease Prevention and Control

64. Detecting and managing cancer cases more effectively to achieve a 115% improvement requires a comprehensive strategy that encompasses early detection, improved access to diagnostic and treatment services, and robust patient support systems. Raise awareness about the importance of regular cancer screenings and early detection through public health campaigns. Provide specialized training for healthcare workers in cancer diagnosis, including the use of diagnostic equipment and interpretation of results. Promote the use of multidisciplinary care teams to provide comprehensive care that addresses all aspects of a patient's health and treatment. Achieving a 97% awareness level among the population regarding diabetes risk is a significant accomplishment. This high level of awareness likely results from a comprehensive strategy involving public health campaigns, community engagement, education, and partnerships with various stakeholders.

Reproductive, Maternal, Neonatal, child and Adolescent Health

- 65.** Achieving a 95% reduction in mother-to-child transmission of HIV involves a comprehensive and integrated approach that includes universal HIV testing, early and continuous ART, safe delivery and infant feeding practices, community engagement, healthcare worker training, supportive policies, and continuous monitoring and evaluation. By implementing these strategies, healthcare systems can significantly reduce the transmission of HIV from mothers to their children, improving health outcomes for both.
- 66.** Improving immunization coverage from 60% to 66% requires a multifaceted approach that includes enhancing access, strengthening health systems, engaging and educating the community, addressing barriers, improving service delivery, advocating for supportive policies, and ongoing monitoring and evaluation. By implementing these strategies, the county can increase immunization rates, protect more children from vaccine-preventable diseases, and move closer to achieving universal coverage.
- 67.** Achieving 100% attendance of under-fives at child welfare clinics for growth monitoring requires a multifaceted approach that includes increasing accessibility, enhancing community engagement and awareness, improving service quality, addressing barriers, implementing reminder systems, engaging community leaders, advocating for supportive policies, and continuous monitoring and evaluation. By implementing these strategies, the county can ensure that all children receive regular growth monitoring and early intervention, promoting better health and development outcomes.

Nutrition.

- 68.** There was a significant improvement! Increasing deworming coverage for children aged 12 to 59 months from 65% to 95% is a major achievement in child health care. This improvement could be due to various factors, such as enhanced outreach programs, more effective community education and outreach might have increased awareness about the importance of deworming. Improved access to health services Expanded access to healthcare facilities or mobile clinics could have made deworming services more available. Increased funding or resources from implementing partners supported in in reach services. The county has been spearheading Malezi bora program that improved the deworming program.

Lands, Housing, Physical Planning and Urban Development

69. The sector was able to achieve the following in 2023-24;

- a) Re-planning and Cadastral Survey of Archers Post (Development, Survey Plans, Registry Index Maps. Letters of Allotment, Title Deeds) which is 70% complete Plan.
- b) Registration of community land (Ndonyo Nasipa/Ngare Narok, Nyiro and Loonjorin Communities) funded by partners is 10% complete.
- c) Advisory Plan for Lpartuk Group Ranch (Approved Plan, Survey Plans, Title deeds) was completed.
- d) Community land use plans for 5 communities (Lpus, Opiroi) (Base Maps, Thematic Maps, Thematic Plans) was 30% completed.
- e) Consultancy services for Preparation of Valuation Roll for Rating Purposes was 30% completed.
- f) Provision of affordable housing sites and Market sites was completed
- g) Construction of public washrooms was done.
- h) Installation of 4 high mast floodlights in Maralal municipality.
- i) Completion of Maralal Retail Market.
- j) Construction of slaughter slab in Loikas was 10% done.

Roads, Transport and Public Works

70. The department installed two (2) kilometers of streetlight, installed four (4) floodlights, constructed one (1) foot bridge, installed 250 gabion boxes, constructed twenty (20) lines of culverts, constructed sixty (60) meters of drift, graded 219 kilometers of roads, graveled ten (10) kilometers of roads and constructed 112 kilometers of new roads.

Tourism, Trade, Enterprise Development and Co-operatives.

Tourism and wildlife sub-sector

71. The Directorate of Tourism, Marketing and Conservation falls within the Department of Cooperatives, Trade, Investments, Tourism and Enterprise development and is charged with the responsibility of developing and implementing sound policies, strategies, development plans and programmes for development and promotion of tourism, sustainable growth, development /support of community based conservation programs, conservation and management of natural resources through sustainable utilization for socio-economic and development of the county and the country at large.

- 72.** Tourism promotion, economic empowerment and natural resource-based activities and products are critical for socio-economic development of the county and the country at large. This therefore means that Tourism product development, conservation and management of our natural resources require sound management and capacity building of community and government institutions and/or structures that are critical in supporting sustainable management of these resources.
- 73.** During the period under review, the Directorate of Tourism, Marketing and wildlife conservation realized the following achievements: - Support of operations and development projects for community conservancies to enhance protection of the environment as well as foster security initiatives, this includes development of conservancy management's plans to enhance sustainability, economic cost and benefits, social, community and biodiversity conservation impacts, trainings and capacity buildings for scouts and managements boards. At the same time, county's natural resource endowment profiling and documentation was carried out to enable a detailed website aiming to market and promote tourism with key focus to untapped markets.
- 74.** In order to enhance security of wildlife in the conservation areas and improve the welfare of the workforce within conservancies, the tourism sector embarked on construction of 2 door /urinal pit latrines blocks and fencing at Naturkan, and Nkume fortified camps. The department has so far constructed several fortified camps complete with water storage tanks, protective hide outs and toilets and various ranger's camps, i.e. Leparachau, Nompuya, Pura, Mlima blue fortified camps, losesia and Siangan Ndoto rangers camp.
- 75.** On improvement of staff welfare in Samburu national reserve, The Directorate of Tourism, Marketing and wildlife conservation has renovated rangers' quarters in Archers gate, and Samburu lodge unit, completion of the SNR headquarter complex block to decongest the park and give more space for wildlife and tourist and enhance carriage capacity. Renovation and branding of Archers gate, and Managers house to enhance service delivery and renovation of campsite and Archers gate. On capacity building and training, the department trained twenty rangers on basic wildlife conservation programs, community based conservation, wildlife monitoring and evaluations at Mpala ranch in Laikipia, and a further 30 rangers were train through a partnership with CROW program in SNR and another 100 community scouts at Nkume-elmaalo fortified camp at Nyiro Conservation area.

76. Other realizations include; installation of solar power at Sera wildlife conservancies staff quarters, Construction and completion of Molpusi eco-lodge at Ltungai community conservancies, to enhance revenue collection and job creations, construction of ranger's quarters at Nkoteyia conservancy to improve staff welfare, and in collaboration with other conservation partners and through the conservancies support program; the department has also supported the construction of a Lorubae rangers camp, construction of staff quarters and tourist bandas at Nkoteyia conservancy, construction of an eco-lodge and establishment of water supply system at Ltungai community conservancy, construction of manager house and tourist banda at rhino camp at Sera wildlife conservancy, construction of radio room, mess and kitchen, construction of Ipus leluai rangers camp at Westgate conservancy, Construction of Lorubae rangers camp at Kalama community conservancy among other development.

77. Other programs that were achieved through collaboration and partnership with conservation partners includes: - Construction of ranger's camp at Namunyak, construction of security establishment at Sera conservancy, construction of warden house at Ngilai central conservancy. Support of Kirisia forest restoration program at Nkoteiya conservancy and planned construction of community Eco lodge (home stay) at Ndoto conservancy. Support of existing community conservancies through SNR revenue sharing to Girgir and Ngutuk e Ngiron community lands.

78. The department in partnership with Northern Rangeland trust (NRT) also carried out capacity building on community based conservation at Baragoi, Ndoto, Nyiro, Kirisia Nkoteyia, and Ltungai/ Malaso conservation areas. This involved training and practical demonstrations of Community Conservancies and Grazing Management committees on the concept of conservancy management, holistic management and planned grazing.

Marketing and Promotions

79. In a bid to market Samburu as a preferred tourist destination, the department realized the following achievements:

- a) About 2,000 brochures were produced in English and distributed in different tourism marketing both locally and international.

- b) Participation in the travel fairs, Expos, local and international exhibitions for instance at Sarit- Expo travel fair and exhibitions in Nairobi, Magical Kenya Expo in Nairobi, SKAL World International conference in Mombasa, an opportunity to show case the tourism potentials in Samburu County. We also received two awards in the cultural creativity and the best stand in design and fashion, namely the best exhibitor in terms of information about tourism, cultural variety and general presentation and the best authentic cultural design.
- c) Maralal International Camel derby annual events were conducted successful which attracted both local and international participation. The Derby continued to attract various international participants from USA, Canada, Australia, Germany, Poland, Switzerland and local participants with a turnout of about 2000 attendance per day. These tourism and cultural promotional events are critical and puts Samburu on the global tourism map. The focus is to now improve standards to make the events more popular and attractive to tourists both locally and internationally. Miss tourism event and Samburu night were some of the other cultural events that were conducted in pursuit to showcase the tourism potential in cultural tourism events.
- d) The Department show cased tourism products locally and in exhibitions such as at World travel market in Berlin in Germany besides meetings with clients and distribution of brochures, CDs and giveaways that market Samburu as a tourist destination road shows were organized where presentations were made to target markets and further selling the wider investment opportunities Samburu has to offer on tourism sector.
- e) Other events that created prominence of Samburu with respect to tourism was participation in Devolution Conference held at Eldoret Uasin Ngichu County.
- f) Profiling and Documentation of the tourist sites, attractions and sightseeing's within the all-county have been done, with the main objective being to map out areas of potential interest in terms of tourism infrastructure development and promotion.

Partnership with stakeholders to Promote Tourism:

80. The Department partnered with stakeholders such as KWS, AWF, NRT, Gravy's Zebra trust, Ewaso lions, and Save the Elephants in the following areas of promoting tourism development;

- a) Release to the wild the rescued and rehabilitated elephants at Reteti to Namunyak community wildlife conservancy at the East Sub-county in partnership with KWS and Sarara foundation.
- b) Training support of 27 Scouts from Kirisia / Nkoteyia Conservation area at Nkoteyia by FAO.
- c) Financial Support by STE to support the review of lease for lodges in SNR and SNR taskforce.
- d) Training of 10 rangers on lion monitoring and provisions of three (3) smart phone by Ewaso lions to track the lions within the reserve and offer timely reports on the same.
- e) Monitoring and treatment of Gravy Zebra by the Gravy Zebra trust within the park on need basis.
- f) Training of all conservation boards, scouts, communities at the North –Sub County on rangeland management by conservation experts in coordination with the County Department of Environment and natural resources.
- g) Training of scouts from Ltungai-Malaso Conservation area on wildlife monitoring by Northern Rangelands Trust.

Trade sub-sector

81. During the year under review, the projects and activities for trade and enterprise development sub sectors and the main achievement during the period under review was the Construction of public toilet facility at Wamba and trainings of youths and women groups in all the sub counties on table banking and financial literacy.

Cooperatives Sub-sector.

82. The subsector achieved the following in 2023-24;

- a. A total of 16 new cooperatives registered:15 new rural Sacco's registered to cater for common interest groups (CIGs) financed by both NARIGP & ELRP Projects at ward level. One butchers' cooperative also registered to mobilize savings from meat handlers in Maralal town.
- b. 6 pre-cooperative education meetings carried out for livestock marketers with a view to forming Umbrella Livestock Society.

- c. 19 member's trainings/education days held for 15 Ushanga cooperatives, cereal & fodder cooperatives in Central and 2 beekeeping cooperatives in North
- d. 10 cooperative leader's trainings undertaken in the course of financial year targeting boards of management of both Sacco Leaders & producer/marketing Cooperatives
- e. 11 cooperatives audits carried out and 52 inspections undertaken in the course of financial year
- f. national trade fare forums attended by representatives of marketing cooperatives (Ushanga and beekeeping) with facilitation from this office
- g. Beads, beading equipment procured for the 15 registered Ushanga cooperative
- h. Construction of Ushanga shade for Poro Beadwork Cooperative

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

- 83.** The department managed to participate in Maa cultural festivals, KICOSCA, Maralal International Camel derby, Marked International women's day, marked zero tolerance day to FGM and 16 days of gender activism against GBV.
- 84.** Inspection of liquor and alcohol drinks premises was carried out to ensure that premises complied to set standards and regulations that govern the said premises.
- 85.** It also managed to continue creating awareness on prevention of GBV, carried out women empowerment programs, create awareness on children rights and carried out activities to support vulnerable and marginalized groups.
- 86.** The following was realized in the development and promotion of sports and Youth Affairs: held tournaments in all the fifteen wards where the winners participated in the Governor's Cup, held the Samburu County soccer league where two teams namely Exotica Fc and Talanta Fc were promoted to the Lower Rift regional league. Participated in the Kenya Intercounties Sports and Cultural Association (KICOSCA) games held in Meru where we emerged champions in the tricycle race and second runners up in darts. Four of our players were also selected to represent the country at the East Africa Local Authorities Sports and Cultural Association (EALASCA) games held in Kisumu.

87. Our county emerged the champions in the 12th edition of the Desert Wheel chair race ladies' category. We trained coaches and referees and sports administrators in various sports disciplines. Procured assorted sports equipment and uniforms to various teams. Participated in the cross country and athletics championships to the North rift region.

Our girls team emerged the champions in the upper eastern region of the Talanta Hela initiative to enable them to participate in the national competition where two of our girls were scouted. Held a very successful governor's cup tournament which involved soccer men and women, volleyball men and women, basketball men and women netball, women darts and sitting volleyball where we partnered with the Kenya Academy of Sports (KAS) where several players were scouted. We supported various youth talent development programs and training in business and product marketing skills and serving and lending skills.

88. We completed several development projects namely: renovation of Kenyatta stadium, Maralal, fencing grading of Archers post stadium, grading of Opiroi and Lailei playgrounds, leveling of Waso Rongai playground, construction of toilet at Baragoi stadium and grading of Lodokejek playground.

89. Going forward the department will put more emphasis on the development infrastructure projects. Further the department intends to widen links with stakeholders and partners to ensure better collaboration for effective implementation of programs.

Medium Term Economic outlook

90. The County Government will continue pursuing prudent fiscal policy to ensure stability. In addition, our fiscal policy objective will provide an avenue to support economic activity while allowing for sustainable management of public finances. As such, the CG will continue honoring the repayment plan of the pending bills so as to offset all the pending bills in the shortest period possible and ensuring expenditure is strictly done guided by availability of funds going forth.

91. The growth of the outlook for the calendar year 2023 and the FY 2023/24 and the medium term, will be supported by the stable macroeconomic environment, ongoing investments in strategic priorities of the County Government to compliment the Bottom Up Transformation Agenda (BETA).

92. With respect to revenue, the CG will maintain above 5 percent of Revenue Growth over the medium term. Measures to achieve this effort include upgrading of the county revenue automated systems, interdepartmental concerted efforts towards revenue collection, implementation of the finance act 2024. In addition, the CG will rationalize existing fees and charges incentives, expand the income base as envisaged in the Constitution.
93. On the expenditure side, the CG will continue with rationalization of expenditure to improve efficiency and reduce wastage. Expenditure management will be strengthened with continued implementation of the Integrated Financial Management Information System (IFMIS) across all the departments.
94. The county will continue redirecting expenditure towards those priority programmes as identified in public consultative forums. The critical programmes to be implemented are expected to accelerate economic activities and socio-economic welfare.

Risks to Domestic Economic Outlook

95. The specific Fiscal Risks outlines the County's exposure to fiscal risks that are associated with macroeconomic assumptions used for fiscal projections, public debt dynamics, operations of state corporations, contingent liabilities, vulnerabilities of the financial sector, as well as risks posed by nature
96. There are various risks and challenges that have been identified including; weak linkage between planning and budget formulation, high outstanding pending bills, low development budget absorption, under-performance in own-source revenue, failure to use the prescribed financial systems (such as IFMIS, IPPD among others), non-adherence to fiscal responsibility principles, pilferage of public resources, inadequate linkages and cohesion between the County and the National Government entities , high wage bill, weaknesses in human resource management, weak oversight by County Assembly and a weakened internal audit function.
97. In the medium term, the shortfalls in revenue continues to pose a threat of a budget deficit due to the ever-increasing pending bills and a high wage bill. Systems, controls and structures are being put in place to improve the own source revenue performance coupled with a revenue collection reforms and moderation in recurrent expenditure, so as to increase the revenue bases and the fiscal position in the medium term.
98. The Government will monitor and mitigate the above risks and take appropriate measures to safeguard macroeconomic stability including preparation of supplementary budgets to regularize and align any emerging issues.

99. Other than the frequent late disbursement of exchequer issues, the main challenges that continue to be experienced relate to unrealized projected local revenue collection, bloated wage bill and huge pending bills some of which are statutory deductions that accrue huge interests.

100. In the medium term, due to revenue shortfalls, the ever-increasing pending bills and a high wage bill, continues to pose a threat of a budget deficit. Systems are being put in place to improve local revenue performance, following revenue collection reforms and moderation in recurrent expenditure, so as to increase the revenue bases and the fiscal position in the medium term.

101. The County Government recognizes that further stringent measures need to be put in place to ensure scaling up of revenue collection and mobilization of resources and more efficient production structure towards the implementation of the third generation CIDP 2023-2027.

Proposed Measures to address the risks

102. There is need for the development of a national legislation on planning to guide planning at both levels of Governments; integration of national and county planning; development of a national resource mobilization strategy; operationalization of all IFMIS modules including pending bills, accounts receivables; monitoring and evaluation; development of a standardized framework for assets valuation in counties; fast-tracking the processing of Auditor General's reports in the County Assemblies and the Senate to strengthen oversight in the management of public finance functions in counties; customization of human resource policies by the Ministry of Public Service in consultation with the Public Service Commission, IGRTC and County Governments; amendment of various Sections of PFMA, 2012 and continuous capacity building of County Governments officials on all PFM related areas.

SECTION FOUR - Resource Allocation Framework

Adjustment to the 2024/25 MTEF Budget

- 103.** Given the fiscal performance in 2023/24 and the updated fiscal outlook, the risks to the FY 2024/25 budget include lack of realization of the projected revenue which will hinder the full implementation of the budget. Expenditure pressures with respect to increased personnel emoluments continue to affect the county government operations.
- 104.** In addition, implementation pace in the spending units continues to be a source of concern especially with regard to the development expenditures and uptake of external resources. These risks will be monitored closely and the County Government would take appropriate measures in the context of the Supplementary Budget.
- 105.** Adjustments to the 2024/25 budget will take into account actual performance of expenditure so far and absorption capacity in the remainder of the financial year because of the resource constrains, the Government will rationalize expenditures by cutting those that are non-priority. These may include slowing down or reprioritizing development expenditures and increased budgeting for debt resolution.
- 106.** Any review of salaries and benefits for the personnel continues to be conducted by the Salaries and Remunerations Commission (SRC) in accordance with Article 230 of the Constitution and Regulations.
- 107.** On the Revenue side, the County Treasury continues to institute corrective measures to curb the revenue leakages by enhancing compliance and updating of the revenue automation system.
- 108.** Departments are expected to prioritize their expenditure and reallocate funds guided by the priorities during the preparation of the supplementary budget guided by the resource availability.

Medium-Term Expenditure Framework

- 109.** Progressively, and in view of the limited resources, MTEF budgeting will entail adjusting non-priority expenditures to cater for the priority sectors. In the Meantime, the resource allocation will be based on the Annual Development Plan and the Fiscal Strategy Paper.

- 110.** In preparing the budget proposals for the FY 2025/2026 and the Medium Term, Sector Working Groups will be guided by the following broad criteria;
- a. Linkage of programmes that Economic Recovery
 - b. Linkage of programmes that support completion of ongoing projects
 - c. Linkage of the programme with the priorities of County Integrated Development Plan 2023-2027 and the Vision 2030 blue print;
 - d. Degree to which a programme addresses job creation and poverty reduction;
 - e. Degree to which a programme addresses the core mandate of the department
 - f. Expected outputs and outcomes from a programme;
 - g. Cost effectiveness and sustainability of the programme;
 - h. Extent to which the Programme seeks to address viable stalled projects and verified pending bills;
- 111.** The priority social sectors will continue to receive adequate resources in the budget and are required to utilize the allocated resources more efficiently to generate fiscal space to accommodate other strategic interventions in their sectors.
- 112.** The 2025/2026 and the medium-term projections shall be guided by the ceilings provided in Table 6. In addition, Sector working Groups are required to ensure compliance with timelines provided in Circular No 02/2024 and any other advisories that may issue from time to time
- 113.** The county will continue reorienting expenditure towards those priority social programmes. The critical programmes to be implemented are expected to accelerate economic activities and socio-economic development. The expected share of development funds of the total expenditure will be 30%.
- 114.** The CBROP 2024 will be anchored on the following:
- a. The county shall enhance its revenue base with a view to ensuring we increase own source revenue collection and achieve greater efficiency in terms of cost savings from non-crucial expenditure to ensure priority is given to the set priorities.

- b. Maintaining a lean workforce will assist in controlling the wage bill. This will create fiscal space for spending on the key county priorities especially in the social sectors and other development programmes. This will further provide adequate room for future countercyclical fiscal policy in the event of a shock.
- c. The County Government is committed to a reduction in the recurrent expenditure to devote more resources to development. At least thirty percent of the total county revenue shall be used in the implementation of development projects.

115. Reflecting the above medium-term expenditure framework, the table 6 below provide the tentative projected baseline ceilings for the 2025/26 MTEF, classified by Departments.

Table 6: Medium Term Sector Ceiling 2025/2026 - 2026/2027, Ksh.

	Departments	Approved Budget 24-25	CBROP Ceilings 25-26	CBROP Projections 26-27
1.	County Assembly	661,430,761	665,565,622	674,807,836
2.	County Administration/Executive	587,128,284	599,675,291	616,755,912
3.	Finance, Economic Planning and ICT	830,329,724	848,073,977	862,229,767
4.	Agriculture, Livestock Development, Veterinary Services and Fisheries	873,132,706	890,791,665	900,192,671
5.	Water, Environment, Natural Resources and Energy	512,060,570	520,003,373	527,900,139
6.	Education and Vocational Training	763,610,039	770,928,484	782,143,278
7.	Medical Services, Public Health and Sanitation	1,505,016,842	1,574,179,245	1,690,962,904
8.	Lands, Housing, Physical Planning and Urban Development	376,625,469	380,674,004	385,630,716
9.	Roads, Transport and Public Works	469,919,774	475,962,017	483,632,831
10.	Tourism, Trade, Enterprise Development and Co-operatives	454,244,089	460,951,343	470,166,123
11.	Culture, Social Services, Gender, Sports and Youth Affairs	292,171,418	295,415,159	300,914,953
	TOTAL	7,325,669,676	7,482,220,180	7,695,337,130

Source: Samburu County Treasury 2024

2025/2026 Budget Framework

116. The 2025/26 budget framework is set against the background of the updated medium-term macro-fiscal framework set out above.

Revenue Projections

117. The FY 2025/26 budget targets for revenue (equitable share and local) collection of Ksh. 7,482,220,180 as per table 7. This revenue performance will depend on the trend of growth of the Kenyan Gross Domestic and the own source revenue.

118. The government is planning to give huge focus to local revenue mobilization, Automation of revenue collection is the first strategy, other strategies to enhance collection are as follows;

- a) **Preparation of the valuation roll:** In order to increase collection from land and property rates the county will prepare the valuation roll and sensitize stakeholders on the valuation roll as well as capture all plots in the current revenue automation system to encourage payments.
- b) **Preparation and Implementation of the revenue administration and enhancement policy:** The strategy is geared towards sealing gaps that have been bedevilling revenue collection in the past and enhance collections.
- c) **Exploiting and investing in sectors with high revenue potential in the county:** The government will look into generating more revenue from the county' natural resources.
- d) **Reviewing all revenue potential assessment for all streams (structured and unstructured):** The county will map and asses the revenue potential of all the streams and project the county revenue potential.
- e) **Fully automating revenue collection and establish one-stop-shop payment and approval for all licenses:** This is expected to ensure efficient revenue collection as well as curbing pilferages and leakages in the revenue collection structures. Automation of all streams is expected to tremendously improve Own Source Revenues in the county. Implementing cashless modes of payment and self-service portal to reduce leakages will improve own source revenue.

- f) **Interlinking the departments in revenue collection.** This will be implemented through the establishment of a committee at the cabinet and directors level involving all the departments who collect revenue.
- g) **Establishing a rewarding system to individuals,** markets and wards who have been consistently paying their revenue within set deadlines in each calendar year. This will be through initiatives like special funding for programs and projects in specific areas as well as recognizing large tax payers.

119. The funding for conditional allocations, loans and grants to the county has been fluctuating over the years. In the Medium term, the allocation is expected to improve as the County enhances its engagement with development partners and the National Government through the council of governors to fund specific County Government development initiatives. Other measures to enhance external funding include;

- a) Strengthen the external resource mobilization unit;
- b) Enhance the county capacity in resource mobilization and strengthening working relationship between line departments and the relevant development partners;
- c) Develop proposals for funding by potential investors.

120.

Table 7: Medium-Term Revenue 2024/25 - 2026/27

CODE	ITEMS	Approved 2023/24	Approved 2024/25	Projection 2025/26	Projection 2026/27
	COUNTY GENERATED REVENUE				
1520100	Land Rates	36,800,000	40,480,000	30,000,000	31,000,000
1520200	Single Business Permits	16,000,000	17,600,000	18,480,000	20,281,000
1520300	Total Cess Receipts	12,312,000	13,543,200	14,220,300	15,606,000
1530331	Game Parks/Nature Reserves Fees	125,983,800	138,582,180	149,062,180	159,699,000
1550100	Markets and Slaughter House Fees	11,000,000	12,100,000	12,705,000	13,943,000
1550200	Vehicle Parking Receipts/Transport	5,326,000	5,858,600	6,151,500	6,751,000
1520304	Wheat Cess	288,400	317,240	333,100	365,000
1580211	Hospital Charges	17,000,000	18,700,000	19,635,000	21,549,000
1140501	Liquor License	6,180,000	6,798,000	7,137,900	7,833,000
1580100	Various Health Departments Fees	624,000	686,400	720,700	791,000
1420102	Agricultural Machinery Services	1,693,400	1,862,740	1,955,800	2,146,000

1530125	Approval of plans and supervision	1,251,900	1,377,090	1,445,900	1,586,000
1420102	Hawker	1,854,000	2,039,400	2,141,300	2,350,000
1540100	Miscellaneous Revenue	803,400	883,740	927,900	1,018,000
1530126	Advertisement	2,400,000	2,640,000	2,772,000	3,042,000
1580300	Environment and conservancy	16,510,500	18,161,550	19,069,600	20,929,000
	Direct Credits				
	SUB-TOTAL LOCAL SOURCES	256,027,400	281,630,140	295,711,000	324,537,000
	SUMMARY				
	Revenue from Local Sources	256,027,400	281,630,140	295,711,000	324,537,000
	Revenue transfer from national government	5,594,312,489	5,806,692,471	5,961,744,200	6,148,170,400
1310102	Conditional Grant-Leasing of Medical Equipment	124,723,404			
1310102	DANIDA (Health support funds)	8,431,500	7,117,500	4,270,500	2,135,250
1310102	World bank loan for National agricultural and rural inclusive growth project	150,000,000			
9910311	Mineral Royalties	905,740	17,501	17,501	17,501
1310102	De- Risking and Value Enhancement (DRIVE) -livestock	207,839,480			
1310102	Fertilizer subsidy	12,431,664			
1310102	Agriculture Sector Development Support Programme (ASDSP)	2,793,523			
1310102	Kenya Livestock Commercialization Project (KELCLOP)	37,500,000	41,250,000	41,250,000	41,250,000
1310102	Kenya Urban Support Program (Grant)-UIG		35,000,000	35,000,000	35,000,000
	IDA (World Bank Credit: Kenya Urban Support Project(KUSP)- Urban Development Grant (UDG)		25,375,442	25,375,442	25,375,442
1310102	IDA (World Bank) - Credit - Food Systems Resilience Project(FSRP)		173,076,923	173,076,923	173,076,923
1330302	Road Maintenance Levy Fund		168,450,780	168,450,780	168,450,780
1330404	Community Health Promoters		46,140,000	36,404,915	36,404,915
1310102	IDA (World Bank0 Credit- Second Kenya Devolution Support Program (KDSP II)		37,500,000	37,500,000	37,500,000
1310102	World bank loan for National agricultural and rural inclusive growth project B/F	39,696,527			
1310102	Agriculture Sector Development Support Programme (ASDSP) B/F	27,783,925			
1310102	ELRP(Locust)	200,970,152	142,500,000	142,500,000	142,500,000
	SWEDEN-Kenya Agricultural Business Development Project (KABDP)		10,918,919	10,918,919	10,918,919
1310102	ELRP(Locust) b/f	53,393,156			
1310102	Finance locally led Climate Action Program(FLLoCA) b/f	17,600,000			
1310102	Fuel Levy b/f	11,615,658			

1310102	KDSP B/F	10,380,389			
1310102	KUSP-UIG b/f	1,317,155			
1310102	KUSP-UDG b/f	1,194,559			
	Balance brought forward 2023-24 - CRF	794,929,376	400,000,000	400,000,000	400,000,000
1310102	Finance locally led Climate Action Program(FLLoCA)	11,000,000	150,000,000	150,000,000	150,000,000
	GRAND TOTAL	7,564,846,097	7,325,669,676	7,482,220,180	7,695,337,130

Source: Samburu County Treasury 2024

Expenditure Forecasts

121. The Budget for FY 2025/26 is projected to increase from Ksh 7.48 billion in FY 2025/26 to Ksh 7.69 billion representing an overall growth of 3%. The Recurrent expenditure is projected to be Ksh 5.32 billion. in which ksh 2.9 billion is expected to go to fund personnel emolument and ksh 2.33 billion for operations and maintenance services. The Development Expenditure is estimated at Ksh 2.25 billion which is around 30% of the overall budget

In this regard, the county government will over the medium term ensure compliance with the fiscal responsibility principles as outlined in section 107 of the PFM Act 2012. The county government is expected to enhance expenditure productivity in the FY 2025/26 and manage the rising wage bill to be within the required limit.

SECTION FIVE - Conclusion and Next Steps

- 122.** The County budget review and outlook paper being a key policy document is meant to instill financial discipline and fiscal responsibilities within the county government's financial management framework. It guides the county in the budget making process within the Medium-Term expenditure framework. The document details the previous year's actual fiscal performance compared to appropriation for the same year and the updated economic and financial forecast. It also details how actual financial performance for the previous financial year may have affected compliance with the responsibility principles.
- 123.** The FY 2025/26 and the Medium-Term budget and fiscal framework projections presented in this CBROP takes into account the continued recovery in the global economy and risks facing our economy such as public expenditure pressures. Further, the document set indicative sectorial ceiling for FY 2025/2026 in line with key sector strategic objectives and priorities as set out in the third county integrated development plan and governor's manifesto.
- 124.** There is moderate growth in the overall revenue collection and a decline in overall recurrent expenditure as more resources are allocated to complete the ongoing development projects to ensure implementation of the 2023-2027 CIDP. These measures take into account the need to maintain fiscal discipline in all levels of the government for maximum return from public resources.
- 125.** The fiscal discipline will be important in ensuring proper management of funds and delivery of expected output. Effective and efficient utilization of funds especially on capacity building on different sectors of the county will be crucial in ensuring that the County gets to deliver on its functions.
- 126.** Going forward, all the sector working groups are therefore required to make reference to tentative sector ceiling provided herein. The next County Fiscal Strategy Paper due by 28th February 2025 shall firm up the baseline expenditure ceilings proposed in this CBROP 2024 document. The proposed recurrent and development expenditure for the coming financial year will also be aligned to county transformative agenda and priorities set out in the CIDP, ADP and sector strategic objectives and also ensure compliance with the fiscal responsibility principles as entailed in PFM Act 2012.