

**COUNTY GOVERNMENT OF KAKAMEGA**



**THE COUNTY TREASURY**

**COUNTY BUDGET AND OUTLOOK PAPER**

**OCTOBER 2015**

Kakamega County Budget and Review Paper (CBROP) 2015

To obtain copies of the document, please contacts

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The document is also available on the official county website [www.kakamega.go.ke](http://www.kakamega.go.ke)

# Foreword

This County Budget Review and Outlook Paper (CBROP), prepared in accordance with the Public Financial Management Act, 2012 is the second to be prepared under the County government Administration. It presents the recent economic developments and actual fiscal performance of the FY2014/2015 and makes comparisons to the budget appropriations for the same year. It further provides updated economic and financial forecasts with sufficient information to show changes from the projections approved in June 2015

In this Paper, we will also provide an overview of how the actual performance of the FY2014/2015 affected our compliance with the fiscal responsibility principles and the financial targets as contained 2015/2016 annual budget.

We are committed to the implementation of annual budgets performance and ensure transparency by relaying our performance indicators to the public through this, and other publications, as required by the Constitution and the PFM Law.

**MR. KULATI F. WANGIA**

Ag EXECUTIVE COMMITTEE MEMBER  
THE COUNTY TREASURY

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## Abbreviations and Acronyms

ADP	Annual Development Plan
BPS	Budget Policy Statement
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CILOR	Contribution in Lieu of Rates
FY	Financial Year
GDP	Gross Domestic Product
GoK	Government of Kenya
KNBS	Kenya National Bureau of Statistics
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
PFM	Public Financial Management
SWGs	Sector Working Groups
V 2030	Vision 2030

### **Legal Basis for the Publication of the County Budget Review and Outlook Paper**

The County Budget Review and Outlook Paper is prepared in accordance with Section 118 of the Public Financial Management Act, 2012. The law states that:

- 1) A County Treasury shall-
  - a) prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and
  - b) Submit the paper to the County Executive Committee by 30<sup>th</sup> September of that year.
- 2) In preparing its county Budget Review and Outlook Paper, the County Treasury shall specify-
  - a. Details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
  - b. The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent Budget Fiscal Strategy Paper;
  - c. Information on-
    - i. Any changes in the forecast compared with the County Fiscal Strategy Paper; or
    - ii. How actual financial performance for the previous financial year may have affected compliance with fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
  - d. The reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated to do so.
- 3) County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission
- 4) Not later than seven days after the CBROP is 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 having done so, publish and publicize the paper.

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

In line with the Constitution, the new Public Financial Management (PFM) Act, 2012, Sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM law (Section 15) states that:

- 1) The county government's recurrent expenditure shall not exceed the county government's total revenue.
- 2) Over the medium term, a minimum of 30% of the county budget shall be allocated to development expenditure
- 2) The county government's expenditure on wages and benefits for 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.
- 3) Over the medium term, the county government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure
- 4) County debt shall be maintained at a sustainable level as approved by county assembly
- 5) Fiscal risks shall be managed prudently
- 6) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future

## I. INTRODUCTION

### Background

1. This budget review is the second to be prepared by the County. In line with the law and according to Public Finance Management Act, 2012, the County Budget Review and Outlook Paper (CBROP) contains review of the fiscal performance of the financial year 2014/2015, updated macroeconomic forecast as provided by the national Government (Gok), deviations from the County Fiscal Strategy Paper prepared in line with budget policy statement of February 2015 submitted to the County Assembly and Parliament respectively.

### Objectives of CBROP

2. 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 Budget Fiscal Strategy Paper (CFSP) which was prepared in line with BPS. This together with updated macro-economic 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.
3. The CBROP is a key document in linking policy, planning and budgeting. The County Government prepared County Integrated Development plan (CIDP) which is the First Medium Term Plan (MTP) covering 2013-2017. This is the basic document that guides budgetary preparation and programming from 2013 onwards
4. The rest of the paper is organized as follows: The next section provides a review of the fiscal performance in FY2014/15 and its implications on the financial objectives set out in the last MTEF submitted to the County Assembly in June 2015. This is followed by brief highlights of the recent economic developments and updated macroeconomic outlook in Section III. Section IV provides the resource allocation framework, while Section V gives the conclusion.



## II. REVIEW OF FISCAL PERFORMANCE IN 2014/15

### A. Overview

5. The fiscal performance and absorption of approved budget of 2014/15 was better than that of 2013/2014 despite the challenges of cash flow disbursements during the last quarter of the FY 2014/15 and other several challenges related to shortfall in revenues and the continued mounting expenditure pressures. As a result, the budget performance was 72 percent of the overall budgeted estimates for 2014/15.
6. Due to several challenges including use of non-automated revenue system and inadequate capacity of staff in the last financial year 2014/15, local revenue collection fell short of the budget estimates target by Ksh 387 Million of the targeted 903 million. On the other hand, the total revenue from the National Government of Kshs 7.999 Billion consisted of Conditioned grant of Kshs. 206 Million meant for Level Five Hospitals, HSSF 21.12 Million and shareable amount of Kshs. 7.772 Billion. Out of the national government allocation for FY 2014/15 there was a short fall of Kshs 1.434 Billion of the expected revenue from the national government. This makes up 17.5 % shortfall.
7. On the expenditure side, the County Government had to incur higher expenditure on capital projects in roads, health and education. Furthermore, funds were spent on recruitment of additional technical staff in health and education sectors as well as in public administration. There were challenges in the implementation of the revised budget due to shortfall in local revenue targets, late disbursement of funds and delays in procurement processes, designs of projects and inadequate technical staff.

## B. 2014/15 Fiscal Performance

8. The table below presents the fiscal performance for the FY2014/15 and the deviations from the Original budget and revised estimates.

**Table 1: Fiscal out turn**

	Fiscal Outturn						
	Budget	Actual	Budget	Revised Budget	Actual	Groth	% growth 2014/15 over 2013/14
	2013/14		2014/15				
<b>TOTAL REVENUE AND GRANTS</b>	<b>13,255,550,421</b>	<b>7,467,389,958</b>	<b>8,645,363,747</b>	<b>8,903,527,798</b>	<b>8,650,361,838</b>	<b>-253,165,960</b>	(3.39)
<b>Own sources</b>	<b>3,523,030,178</b>	<b>329,272,846</b>	<b>874,243,747</b>	<b>903,537,623</b>	<b>516,889,025</b>	<b>187,616,179</b>	56.98
Single Business Permit	58,472,574	39,216,196	117,295,528	117,295,528	91,237,493.00	52,021,297	132.65
Barter Market	36,560,824	42,905,440	37,487,059	37,487,059	39,761,963.00	-3,143,477	(7.33)
Property Rates	51,065,953	37,173,324	45,000,000	45,000,000	20,894,388.00	-16,278,936	(43.79)
CESS	127,354,968	17,123,608	230,000,000	230,000,000	42,083,893.75	24,960,286	145.77
Housing/Stall	10,457,528	1,856,205	3,820,640	3,820,640	1,777,435.00	-78,770	(4.24)
Kiosk Fee	0	0	12,329,480	12,329,480	4,755,690.00	4,755,690	-
Slaughter	50,701,573	0	6,789,080	6,789,080	915,314.00	915,314	-
Bus Park	0	48,866,080	45,986,088	45,986,088	45,123,400.00	-3,742,680	(7.66)
Parking Fee	53,797,916	18,838,018	46,350,800	46,350,800	11,359,310.00	-7,478,708	(39.70)
Hire of Machinery	10,865,653	2,271,370	5,821,760	5,821,760	2,417,490.00	146,120	6.43
Water Services	0	0	10,000,000	10,000,000	0	0	-
Tender Documents	0	4,056,542	8,000,000	8,000,000	0	-4,056,542	(100.00)
Other Revenues	3,004,647,096	0	0	0	0	0	-
ATC & ATDC service charges	0	0	10,000,000	10,000,000	4,154,000.00	4,154,000	-
Education	0	1,437,500			0	-1,437,500	(100.00)
Bonding	0		33,363,312	33,363,312	0	0	-
Dividends	0	0			1,140,000.00	1,140,000	-
Liquor license	0	0		29,293,876	7,444,500.00	7,444,500	-
Court Fines	0	0			344,086.00	344,086	-
Health facilities & Others	119,106,093	115,528,563	262,000,000	262,000,000	243,480,062	127,951,499	110.75
						0	-
<b>Exchequer balance brought forward</b>	<b>0</b>		<b>1,675,926,000</b>	<b>1,675,926,000</b>	<b>1,363,618,000</b>	<b>1,363,618,000</b>	

	Fiscal Outturn						
	Budget	Actual	Budget	Revised Budget	Actual	Growth	% growth 2014/15 over 2013/14
	2013/14		2014/15				
<b>Total Allocation from the National Government</b>	<b>7,356,000,000</b>	<b>6,826,813,935</b>	<b>7,771,120,000</b>	<b>7,999,990,175</b>	<b>6,577,475,729</b>	<b>-249,338,206</b>	<b>(3.65)</b>
Equitable share of revenue	7,356,000,000	6,515,510,758	7,750,000,000	7,772,533,929	6,385,096,645	-130,414,113	(2.00)
<b>Conditional Grants</b>	<b>2,376,520,243</b>	<b>311,303,177</b>	<b>21,120,000</b>	<b>227,456,246</b>	<b>192,379,084</b>	<b>-118,414,113</b>	<b>(38.20)</b>
Level 5 Hospital		311,303,177	0	206,336,246	171,259,084	-140,044,093	(44.99)
<b>Roads Maintenance Levy Fund</b>	<b>397,600,000</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	
<b>Devolved Functions</b>	<b>1,978,920,243</b>	<b>0</b>				<b>0</b>	
<b>HSSF</b>			<b>21,120,000</b>	<b>21,120,000</b>	<b>21,120,000</b>	<b>21,120,000</b>	
						<b>0</b>	
<b>EXPENDITURES</b>	<b>13,255,550,421</b>	<b>5,459,504,851</b>	<b>10,321,289,747</b>	<b>10,579,453,798</b>	<b>7,955,804,201</b>	<b>2,496,299,350</b>	<b>45.72</b>
<b>Office of the Governor</b>	<b>0</b>	<b>0</b>	271,125,751	239,887,784	155,995,573	155,995,573	
Current			216,125,751	184,887,784	155,126,573	155,126,573	
Development			55,000,000	55,000,000	869,000	869,000	
<b>Public Service and Administration</b>	<b>1,893,099,564</b>	<b>3,524,418,247</b>	<b>2,101,513,781</b>	<b>2,557,424,560</b>	<b>1,797,464,465</b>	<b>-1,726,953,782</b>	<b>(49.00)</b>
Current	1,613,099,564	2,802,807,816	1,916,513,781	2,372,424,560	1,786,153,393	-1,016,654,423	(36.27)
Development	280,000,000	721,610,431	185,000,000	185,000,000	11,311,072	-710,299,359	(98.43)
<b>County Treasury</b>	<b>502,797,412</b>	<b>216,834,929</b>	<b>497,260,168</b>	<b>728,510,168</b>	<b>582,051,507</b>	<b>365,216,578</b>	<b>168.43</b>
Current	452,797,412	199,884,929	180,310,168	167,560,168	97,471,517	-102,413,412	(51.24)
Development	50,000,000	16,950,000	316,950,000	560,950,000	484,579,990	467,629,990	2,758.88
<b>Water, Environment and Natural Resource</b>	<b>284,463,240</b>	<b>36,573,646</b>	<b>275,468,000</b>	<b>246,949,947</b>	<b>134,089,399</b>	<b>97,515,753</b>	<b>266.63</b>
Current	119,463,240	15,011,525	102,268,000	73,749,947	63,601,067	48,589,542	323.68
Development	165,000,000	21,562,121	173,200,000	173,200,000	70,488,332	48,926,211	226.91
<b>Social Services, Youth &amp; Sports</b>	<b>376,757,786</b>	<b>67,143,661</b>	<b>276,029,110</b>	<b>285,420,637</b>	<b>97,194,000</b>	<b>30,050,339</b>	<b>44.76</b>
Current	156,557,786	40,130,833	39,779,110	29,170,637	16,919,269	-23,211,564	(57.84)
Development	220,200,000	27,012,828	236,250,000	256,250,000	80,274,731	53,261,903	197.17

	Fiscal Outturn						
	Budget	Actual	Budget	Revised Budget	Actual	Groth	% growth 2014/15 over 2013/14
	2013/14		2014/15				
<b>Transport, Infrastructure &amp; Public Works</b>	<b>2,416,881,694</b>	<b>153,277,669</b>	<b>1,139,690,660</b>	<b>1,320,690,660</b>	<b>958,435,015</b>	<b>805,157,346</b>	<b>525.29</b>
Current	91,281,694	24,083,687	62,690,660	43,690,660	30,038,685	5,954,998	24.73
Development	2,325,600,000	129,193,982	1,077,000,000	1,277,000,000	928,396,330	799,202,348	618.61
<b>Lands, Housing, Urban Areas and Physical Planning</b>	<b>362,804,888</b>	<b>17,930,637</b>	<b>364,540,000</b>	<b>302,034,419</b>	<b>72,461,586</b>	<b>54,530,949</b>	<b>304.12</b>
Current	52,804,888	4,430,637	72,540,000	50,034,419	23,869,966	19,439,329	438.75
Development	310,000,000	13,500,000	292,000,000	252,000,000	48,591,620	35,091,620	259.94
<b>Health Services</b>	<b>3,333,169,208</b>	<b>593,857,839</b>	<b>2,378,072,277</b>	<b>2,284,548,523</b>	<b>1,744,453,345</b>	<b>1,150,595,506</b>	<b>193.75</b>
Current	2,059,669,208	159,092,588	1,749,072,277	1,660,212,277	1,459,834,113	1,300,741,525	817.60
Development	1,273,500,000	434,765,251	629,000,000	624,336,246	284,619,232	-150,146,019	(34.53)
<b>Agriculture, Livestock, Fisheries and Co-operatives</b>	<b>715,065,446</b>	<b>57,147,543</b>	<b>1,040,200,000</b>	<b>807,597,100</b>	<b>431,610,586</b>	<b>374,463,043</b>	<b>655.26</b>
Current	330,065,446	26,303,410	310,200,000	57,597,100	37,983,357	11,679,947	44.40
Development	385,000,000	30,844,133	730,000,000	750,000,000	393,627,229	362,783,096	1,176.18
<b>Trade, Tourism &amp; Industrialization</b>	<b>1,022,457,000</b>	<b>43,267,757</b>	<b>409,950,000</b>	<b>386,950,000</b>	<b>318,669,048</b>	<b>275,401,291</b>	<b>636.50</b>
Current	32,457,000	14,486,126	69,950,000	46,950,000	26,117,105	11,630,979	80.29
Development	990,000,000	28,781,631	340,000,000	340,000,000	292,551,943	263,770,312	916.45
<b>Education , Science &amp; Technology</b>	<b>1,233,550,000</b>	<b>497,823,942</b>	<b>816,440,000</b>	<b>668,440,000</b>	<b>562,296,531</b>	<b>64,472,589</b>	<b>12.95</b>
Current	433,550,000	13,127,222	316,440,000	118,440,000	88,953,592	75,826,370	577.63
Development	800,000,000	484,696,720	500,000,000.00	550,000,000.00	473,342,939	-11,353,781	(2.34)
<b>County Assembly</b>	<b>1,114,504,183</b>	<b>228,980,973</b>	<b>751,000,000</b>	<b>751,000,000</b>	<b>693,214,617</b>	<b>464,233,644</b>	<b>202.74</b>
Current	745,504,183	203,895,355	651,000,000	651,000,000	648,214,617	444,319,262	217.92
Development	369,000,000	25,085,618	100,000,000	100,000,000	45,000,000	19,914,382	79.39
OTHER TRANSFERS		22,248,008			407,868,529	385,620,521	1,733.28

Source: The County Treasury

## Revenue

9. Total revenue from own collection amounted to Kshs. 516 million compared to the target in the revised budget of Ksh 903 million. This represents revenue short fall of Ksh 386.6million (or 42.7% deviation in the revised budget). The National Government revenue amounted to Ksh 7.156 billion against a target of Ksh 7.999 billion, representing deviation of 10.54 percent of the overall amount including grants, which consisted of Level Five Hospital and Health Sector Service Fund (HSSF). The balance of Kshs 1.434 billion from the National Government was disbursed in the beginning of the FY 2015/2016.

**Table 2: Table amount of actual disbursements for 2014/15**

Amount of actual revenue against actual revenue received from exchequer				
	Budget	Actual	Amount received	Balance
	2014/15			
<b>Gok- National Government</b>	7,999,990,175	7,999,990,175	6,577,475,729	1,422,514,446
<b>Own sources</b>	903,537,623	516,889,025	382,500,000	134,389,025
Balance carried forward from 2013/14	1,675,926,000	1,363,618,000	1,363,618,000	0
<b>Total</b>	<b>10,579,453,798</b>	<b>9,880,497,200</b>	<b>8,323,593,729</b>	<b>1,556,903,471</b>

Source: The County Treasury

10. The underperformance in local revenue collection was largely on account of unmet targets in the following revenue streams
- i. Agricultural Cess by Kshs 187 million
  - ii. Single Business permit by Ksh. 26 million
  - iii. Property rates by Kshs 24 million
  - iv. Parking fees by Kshs 34.9 million and
  - v. Bonding of County assets by Kshs 33 million

11. As a proportion of approved and the revised budget, total local revenue collections and National Government shareable revenue disbursements and grants averaged 78.83 percent in the period under review. This consists of only the actual amount of funds received and spent for the period under review.

12. Non automation of revenue collections and ineffective enforcement are the main cause of revenue shortfall. Meanwhile, the underperformance in own collections reflect the under collection from the above mentioned sources which are the major sources of local revenue. This may be as a result of companies reluctant to pay and inadequate follow up by the revenue department on agricultural cess. The County Treasury will, however, continue to enforce the various guidelines as provided for in the PFM Law, for county government to report on their quarterly revenue returns which will enable taking appropriate action to reverse this trend.

**Table 3: Revenue Sources**

<b>County Government Revenue and Conditional Grants</b>					
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Revised Budget</b>	<b>Actual</b>
	<b>2013/14</b>		<b>2014/15</b>		
<b>TOTAL REVENUE AND GRANTS</b>	<b>13,255,550,421</b>	<b>7,467,389,958</b>	<b>8,645,363,747</b>	<b>8,903,527,798</b>	<b>7,395,986,178</b>
<b>Own sources</b>	<b>3,523,030,178</b>	<b>329,272,846</b>	<b>874,243,747</b>	<b>903,537,623</b>	<b>516,889,025</b>
Single Business Permit	58,472,574	39,216,196	117,295,528	117,295,528	91,237,493.00
Barter Market	36,560,824	42,905,440	37,487,059	37,487,059	39,761,963.00
Property Rates	51,065,953	37,173,324	45,000,000	45,000,000	20,894,388.00
CESS	127,354,968	17,123,608	230,000,000	230,000,000	42,083,893.75
Housing/Stall	10,457,528	1,856,205	3,820,640	3,820,640	1,777,435.00
Kiosk Fee	0	0	12,329,480	12,329,480	4,755,690.00
Slaughter	50,701,573	0	6,789,080	6,789,080	915,314.00
Bus Park	0	48,866,080	45,986,088	45,986,088	45,123,400.00
Parking Fee	53,797,916	18,838,018	46,350,800	46,350,800	11,359,310.00
Hire of Machinery	10,865,653	2,271,370	5,821,760	5,821,760	2,417,490.00
Water Services	0	0	10,000,000	10,000,000	0
Tender Documents	0	4,056,542	8,000,000	8,000,000	0
Other Revenues	3,004,647,096	0	0	0	
ATC & ATDC service charges	0	0	10,000,000	10,000,000	4,154,000.00
Education	0	1,437,500			0
Bonding	0		33,363,312	33,363,312	0
Dividends	0	0			1,140,000.00
Liquor license	0	0		29,293,876	7,444,500.00
Court Fines	0	0			344,086.00

<b>County Government Revenue and Conditional Grants</b>					
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Revised Budget</b>	<b>Actual</b>
	<b>2013/14</b>		<b>2014/15</b>		
Health facilities & Others	119,106,093	115,528,563	262,000,000	262,000,000	243,480,062
<b>Exchequer balance brought forward</b>	<b>0</b>		<b>1,675,926,000</b>	<b>1,675,926,000</b>	<b>1,363,618,000</b>
<b>Allocations from the National Government</b>	<b>7,356,000,000</b>	<b>6,826,813,935</b>	<b>7,750,000,000</b>	<b>7,772,533,929</b>	<b>6,686,718,069</b>
Equitable share of revenue	7,356,000,000	6,515,510,758	7,750,000,000	7,772,533,929	6,494,338,985
<b>Conditional Grants</b>	<b>2,376,520,243</b>	<b>311,303,177</b>	<b>21,120,000</b>	<b>227,456,246</b>	<b>192,379,084</b>
Level 5 Hospital		311,303,177	0	206,336,246	171,259,084
<b>Roads Maintenance Levy Fund</b>	<b>397,600,000</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Devolved Functions</b>	<b>1,978,920,243</b>	<b>0</b>			
<b>HSSF</b>			<b>21,120,000</b>	<b>21,120,000</b>	<b>21,120,000</b>

Source: The County Treasury

### *Expenditure*

13. Total expenditure was Kshs 7.955 billion against a target of Kshs10.579 billion, representing an under spending of Ksh 2.623 billion (or 24.80 percent deviation in the revised budget). The shortfall was attributed to non- disbursement of funds for May and June 2015. As a result the target of spending during the two months did not take place. Overall absorption in both recurrent and development expenditures by the line ministries was above 50% except for the Ministry of Lands, Housing, Urban Areas and Physical Planning which had absorption rate of 24%. The performance for FY 2014/15 was satisfactory as compared to the financial year 2013/2014 which had the spending of 41% of the total budget.

**Table 4: Expenditure**

<b>County Government Expenditures and transfers</b>					
	Budget	Actual	Budget	Revised Budget	Actual
	2013/14		2014/15		
<b>EXPENDITURES</b>	<b>13,255,550,421</b>	<b>5,459,504,851</b>	<b>10,321,289,747</b>	<b>10,579,453,798</b>	<b>7,955,804,201</b>
<b>Office of the Governor</b>	<b>0</b>	<b>0</b>	<b>271,125,751</b>	<b>239,887,784</b>	<b>155,995,573</b>
Current			216,125,751	184,887,784	155,126,573
Development			55,000,000	55,000,000	869,000
<b>Public Service and Administration</b>	<b>1,893,099,564</b>	<b>3,524,418,247</b>	<b>2,101,513,781</b>	<b>2,557,424,560</b>	<b>1,797,464,465</b>
Current	1,613,099,564	2,802,807,816	1,916,513,781	2,372,424,560	1,786,153,393
Development	280,000,000	721,610,431	185,000,000	185,000,000	11,311,072
<b>County Treasury</b>	<b>502,797,412</b>	<b>216,834,929</b>	<b>497,260,168</b>	<b>728,510,168</b>	<b>582,051,507</b>
Current	452,797,412	199,884,929	180,310,168	167,560,168	97,471,517
Development	50,000,000	16,950,000	316,950,000	560,950,000	484,579,990
<b>Water, Environment and Natural Resource</b>	<b>284,463,240</b>	<b>36,573,646</b>	<b>275,468,000</b>	<b>246,949,947</b>	<b>134,089,399</b>
Current	119,463,240	15,011,525	102,268,000	73,749,947	63,601,067
Development	165,000,000	21,562,121	173,200,000	173,200,000	70,488,332
<b>Social Services, Youth &amp; Sports</b>	<b>376,757,786</b>	<b>67,143,661</b>	<b>276,029,110</b>	<b>285,420,637</b>	<b>97,194,000</b>
Current	156,557,786	40,130,833	39,779,110	29,170,637	16,919,269
Development	220,200,000	27,012,828	236,250,000	256,250,000	80,274,731
<b>Transport, Infrastructure &amp; Public Works</b>	<b>2,416,881,694</b>	<b>153,277,669</b>	<b>1,139,690,660</b>	<b>1,320,690,660</b>	<b>958,435,015</b>
Current	91,281,694	24,083,687	62,690,660	43,690,660	30,038,685
Development	2,325,600,000	129,193,982	1,077,000,000	1,277,000,000	928,396,330
<b>Lands, Housing, Urban Areas and Physical Planning</b>	<b>362,804,888</b>	<b>17,930,637</b>	<b>364,540,000</b>	<b>302,034,419</b>	<b>72,461,586</b>
Current	52,804,888	4,430,637	72,540,000	50,034,419	23,869,966
Development	310,000,000	13,500,000	292,000,000	252,000,000	48,591,620
<b>Health Services</b>	<b>3,333,169,208</b>	<b>593,857,839</b>	<b>2,378,072,277</b>	<b>2,284,548,523</b>	<b>1,744,453,345</b>
Current	2,059,669,208	159,092,588	1,749,072,277	1,660,212,277	1,459,834,113
Development	1,273,500,000	434,765,251	629,000,000	624,336,246	284,619,232



County Government Expenditures and transfers					
	Budget	Actual	Budget	Revised Budget	Actual
	2013/14		2014/15		
<b>Agriculture, Livestock, Fisheries and Co-operatives</b>	<b>715,065,446</b>	<b>57,147,543</b>	<b>1,040,200,000</b>	<b>807,597,100</b>	<b>431,610,586</b>
Current	330,065,446	26,303,410	310,200,000	57,597,100	37,983,357
Development	385,000,000	30,844,133	730,000,000	750,000,000	393,627,229
<b>Trade, Tourism &amp; Industrialization</b>	<b>1,022,457,000</b>	<b>43,267,757</b>	<b>409,950,000</b>	<b>386,950,000</b>	<b>318,669,048</b>
Current	32,457,000	14,486,126	69,950,000	46,950,000	26,117,105
Development	990,000,000	28,781,631	340,000,000	340,000,000	292,551,943
<b>Education , Science &amp; Technology</b>	<b>1,233,550,000</b>	<b>497,823,942</b>	<b>816,440,000</b>	<b>668,440,000</b>	<b>562,296,531</b>
Current	433,550,000	13,127,222	316,440,000	118,440,000	88,953,592
Development	800,000,000	484,696,720	500,000,000.00	550,000,000.00	473,342,939
<b>County Assembly</b>	<b>1,114,504,183</b>	<b>228,980,973</b>	<b>751,000,000</b>	<b>751,000,000</b>	<b>693,214,617</b>
Current	745,504,183	203,895,355	651,000,000	651,000,000	648,214,617
Development	369,000,000	25,085,618	100,000,000	100,000,000	45,000,000
OTHER TRANSFERS		22,248,008			407,868,529

Source: County Treasury

**Table 5: Expenditure, Ksh million**

PAYMENTS	2013/14 Actual	2014/15			% change 2014/15 over 2013/14
		Actual	Target	Deviation	
<b>1. RECURRENT</b>	<b>3,767,287,612</b>	<b>4,434,283,254</b>	<b>5,455,717,552</b>	<b>666,995,642</b>	<b>18</b>
Compensation of Employees	2,831,056,530	3,247,713,320	3,564,735,344	416,656,790	14.72
Operations and Maintenance	936,231,082	1,186,569,934	1,890,982,208	250,338,852	26.74
<b>2. DEVELOPMENT</b>	<b>1,692,217,239</b>	<b>3,113,652,418</b>	<b>5,123,736,246</b>	<b>1,421,435,179</b>	<b>108</b>
Development projects	1,692,217,239	3,521,520,947	5,123,736,246	1,829,303,708	108
<b>TOTAL EXPENDITURE</b>	<b>5,459,504,851</b>	<b>7,955,804,201</b>	<b>10,579,453,798</b>	<b>2,496,299,350</b>	<b>46</b>

Source: County Treasury

14. Overall recurrent expenditure amounted to 4.43 billion, representing an under-spending of Ksh 1.02 billion (or 18.7 percent deviation from the approved recurrent expenditure). The under-spending was in respect of non-disbursement of May and June 2015 shareable revenue from the National Government.

15. Development expenditure incurred amounted to Ksh 3.11 billion compared to a target of Ksh 5.12 billion. This represented an under-spending of Ksh 2.01 billion. The underperformance in development expenditure reflects low absorption in respect of the above cause in the recurrent budget.

16. Overall, it should be noted that the expenditure out turn for FY 2014/15 is preliminary. The full and complete report will be availed after compiling reports to be audited by the Auditor General.

17. Though there was under collection of local revenue, the performance was better in the FY 2014/15 as compared to 2013/14 financial year. The improvement was 57.1% which was as a result of the efforts being undertaken by the County Treasury to ensure enhanced revenue collections. The previous year 2013/14 un-spent balance of Ksh, 1.363 billion formed part of the following year (2014/15) source of revenue which was spent during the first quarter of the FY 2014/15.

**C. Implication of 2014/15 fiscal performance on fiscal responsibility principles and financial objectives contained in the 2015 County Fiscal Strategy Paper (CFSP)**

18. The performance in the FY 2014/15 has affected the financial objectives set out at the latest County Fiscal Strategy paper for financial year 2015/2016 in the following ways:

- (i) Revenue and expenditure projections have been affected by payment of pending bills carried forward from 2014/2015 financial year, implying the need for adjustment in the fiscal aggregates for the current budget and the medium-term.
- (ii) Delays in the execution of the FY 2015/16 budget by the county departments due to challenges in the use of procure to pay module in the Integrated Financial Management Systems (IFMIS).
- (iii) Delays in projects and programme implementation due to many factors such as delays in preparation of designs and bills of quantities.

19. The overall revenue performance in 2014/15 forms the basis for revenue projections for FY 2015/16 and the medium term. This means that the new base will be used to make adjustment to projected revenue to depict the reality in our revenue estimates. Therefore, in updating the fiscal outlook the new base has been taken into account. In addition, effects arising from automation of revenue functions and collection system are expected to boost revenue through improving efficiency of revenue administration as well as compliance by citizens.
20. Even though spending in the last financial year has improved as compared to FY 2013/2014 it is noted that there is still under-spending in both recurrent and development budget for the FY 2014/15. Additionally this has implications on the base used to project expenditures in the FY 2015/16 and the medium term. The County Treasury will work closely with the implementing agencies to improve budget absorption.
21. The county specific economic data has neither been provided nor reviewed. The county relies on the economic data provided by the National Government and the KNBS. The economic planning department in conjunction with the KNBS will review and update this accordingly.
22. Given the above implications of FY 2014/15 performance, the adjustment in revenues and expenditures will be based on the following macroeconomic assumptions;
- i. All local revenue targets will be achieved.
  - ii. Timely exchequer releases.
  - iii. Prevailing macroeconomic conditions will remain stable such as inflation, interest rates and currency exchange rates.

These assumptions will be firmed up in the context of the next CFSP. The County Government will not deviate from the fiscal responsibility principles, but will make

appropriate modifications to the financial objectives contained in the latest CFSP to reflect the changed circumstances.

23.Measures to improve trade volume in ministry of Trade, Industrialization and Tourism sector through various initiatives such opening new markets and industrial centers as well as improved infrastructure in the county are expected to support our favourable growth prospects. In addition, the county is undertaking promotion of agricultural activities through mechanization of agriculture and provision of subsidized fertilizers. These initiatives will boost economic growth prospects of the county for the wellbeing of the citizens.

### **III. RECENT ECONOMIC DEVELOPEMNT AND OUTLOOK**

#### **A. Recent Economic Developments**

24. The County Government relies on the National Government statistics on economic issues (KNBS).
25. Kenya's economy is estimated to have expanded by 5.3 per cent in 2014, compared to a growth of 5.7 per cent in 2013. This was as a result of major drivers of the economy that includes agriculture, forestry and fishing; construction; wholesale and retail trade; education; and finance and insurance with respective contributions of 14.5, 11.1, 9.8, 9.7 and 9.1 per cent to the growth. This macro-economic situations are encouraging for the county and therefore this means that the county economic growth will follow the same pattern (KNBS)

#### **Growth in real GDP**

26. According the first quarter report of the year 2015, the country's economic performance improved to 4.9per cent during the first quarter of 2015 compared to a growth of 4.7 per cent realized in the same quarter of 2014. The growth was mainly supported by strong expansions of activities of Construction; Finance and Insurance; Information and Communication; Electricity and Water Supply; Wholesale and Retail Trade; and Transport and Storage. All the sectors of the economy recorded positive growths of varying magnitudes except the Hotels and Restaurant whose growth contracted. This was the fifth consecutive decline in growth which is mainly attributed to low hotel occupancy rates arising from insecurity concerns mainly by international visitors. The growth recorded is encouraging since its effect is being felt in the counties and in Kenya as a whole(KNBS)

#### **Inflation Rate**

27. According to the Kenya National Bureau of Statistic report of 2015, inflation has increased from 5.7 percent in the year 2013 to 6.9 percent in the year 2014. In 2015, Inflation eased downwards to an average of 5.8 per cent compared to 6.8 per cent recorded in the same quarter of 2014. The decline in inflation was mainly driven by a significant drop in oil prices during the review period

## **B. Implementation of 2015/16 budget**

28. Implementation of 2015/16 budget started well despite initial challenges encountered at the start of the financial year mainly occasioned by the cash flow and procurement issues because of e-procurement compliance by the County Governments.
29. Lack of exchequer disbursement for May and June 2015 affected the implementation of this year occasioning expenditure on pending bills in quarter one of FY 2015/2016. We anticipate having higher absorption by all the departments as structures are in place to enable the departments to carry out their functions based on their strategic priorities as set out in the ADP 2015/2016.
30. Meanwhile, the efforts for achievements of local collections target remain on track. Expectations are high due to the creation of the Revenue Agency and automation of the revenue collection. Furthermore, additional revenue streams are being explored such as charges and fees from approval of County Plans and contribution in lieu of rates (CILOR).

## **C. Medium Term Fiscal Framework**

31. The county will continue to pursue prudent fiscal policy aimed at macroeconomic stability. In addition, our fiscal policy objectives will provide an avenue to support economic activities while allowing for the implementation of the county integrated development plan, improving efficiency through capacity building to effectively deliver public services and ensuring various departments receive adequate resources to undertake their functions sustainably.
32. The County Government is committed to achieve its full budgetary targets in the Medium Term. This will help to improve absorption rate to 100 percent up from 72 percent for fiscal year 2015/16.

33. With respect to revenues, the County Government continues to improve on a strong revenue collection effort of between 8.5-10percent of total approved budget over the medium term. Measures to achieve this include; automation of county revenue collection system and complete formation of county revenue agency. In addition, the County Government will rationalize existing revenue sources and expand the revenue base.

34. On the expenditure side, the county Government will continue with its rationalization of expenditures to improve efficiency and reduce wastages. Expenditure management will be strengthened within the Integrated Financial Management Information System (IFMIS) platform which is already in operation. Above all, the PFM Act, 2012 and financial Regulations will accelerate reforms in expenditure management system in the county.

#### **D. Risks to the outlook**

35. The risks to the outlook for 2015 and medium-term include lack of good will on the part of the citizens to pay out required fees for service delivery. With civic education, the risk will reduce and this will increase county revenue collections.

36. Public expenditure pressures, especially recurrent expenditures, pose a fiscal risk. Wage pressures and the need to higher more personnel limit continued funding for development expenditure.

37. The county government will undertake appropriate measures to safeguard stability should these risks materialize.

## IV. RESOURCE ALLOCATION FRAMEWORK

### A. Adjustment to 2015/16 Budget

38. Given the performance in 2014/15 and the updated macro-economic outlook, the risks to the FY 2015/16 budget include uncertainty of expenditure pressures arising from the desire to achieve more by the citizens of the county especially on health, education, infrastructure sectors and wage pressures which will limit continued funding for development expenditure. 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 resources. These risks will be monitored closely and the County Treasury will take appropriate measures in the context of the next Supplementary Budget.
39. Adjustments to the 2015/16 budget will take into account actual performance of expenditures and absorption capacity in the remainder of the financial year. In the face of expenditure pressures, the County Government will rationalize expenditures by cutting those that are non-priority. However, the resources earmarked for development purposes will be utilized in the said projects and none, whatsoever, can be expended as recurrent. Utilization of the Emergency fund will be within the criteria specified in the PFM law.
40. On the revenues side, the county is in the process of forming Revenue Agency which will be expected to come up with efficient ways of streamlining revenue collections. This will need careful interpretation to the players to avoid eroding the expected gains through political side shows, persons and individuals who would want to take advantage of the new initiative for their own benefit at the expense of citizens as well as county revenues. Enhanced compliance audit of county revenue collection system, expansion of revenue base and rationalization of existing revenue incentives are some measures required to boost revenue collection.



## **B. Medium-Term Expenditure Framework**

41. Going forward, and in view of the macroeconomic outlook, MTEF budgeting will entail adjusting non-priority expenditures to cater for the priority sectors. The MTEP priorities will guide resource allocation as follows:

- The priority sectors such as Agriculture, Health and Roads, Infrastructure, Transport and Public works and Education will continue to receive adequate resources. These sectors are already receiving significant share of resources in the budget and require them to utilize the allocated resources more efficiently to generate fiscal space to accommodate other strategic interventions in their sectors.
- Other sectors such as Water, Environment and Natural Resources; Lands, Housing, Urban Areas and Physical planning; Social Services, Youth and Sports will continue to receive adequate resources.

42. Reflecting the above medium-term expenditure framework, the table below provides the tentative projected baseline ceilings for the 2015/16 MTEF, classified by departments.

## **C. 2015/16 Budget framework**

### **Revenue projections**

43. The 2015/16 budget targets revenue collection of 8.11 percent of total budget estimates. As noted above, this performance will be made effective by the reforms in the County revenue administration. As such, total local revenues are expected to be Kshs one billion while national government revenue is estimated to be Kshs 8.908 billion.

## **Expenditure Forecasts**

44. In 2015/16, overall expenditures are projected to be 12.329 billion, up from the estimated Ksh10.579 billion in the FY 2014/15 budget.

- Recurrent expenditures are expected to increase due to increase in salaries and wages that comes from new hiring and posting of personnel more so in Health services and Education.
- Out of the total budget estimates of Kshs. 12.329 billion, development budget proportion is 49.10 percent. This has been revised upward from 5.123 billion in 2014/2015 to Kshs 6.054 billion.

## **V. CONCLUSION AND WAY FORWARD**

45. The fiscal outcome for 2014/15 will have negative implications on the County objectives as laid out in the last County Fiscal Strategy Paper of February 2015. Going forward, the set of policies outlined in this CBROP reflect the changed circumstances and are broadly in line with the fiscal responsibility principles outlined in the PFM law. They are also consistent with the national strategic objectives pursued by the Government as a basis of allocation of public resources.
46. The policies and sector ceilings annexed herewith will guide the line ministries in preparation of the 2016/17 budget.
47. The next County Fiscal Strategy Paper (CFSP) will be finalized by the February 2016 deadline as per the PFM law.

## ANNEX

**Annex 1: Total Expenditure Ceiling for MTEF 2015/2016-2017/18, Kshs million**

	2013/14	2014/15		2015/16	2016/17	2017/18
	Approved	Approved	Revised		Projections	
<b>Office of the Governor</b>	<b>0</b>	<b>271,125,751</b>	<b>239,887,784</b>	<b>413,269,838</b>	<b>484,527,531</b>	<b>470,993,757</b>
Current		216,125,751	184,887,784	318,599,838	364,527,531	450,993,757
Development		55,000,000	55,000,000	94,670,000	120,000,000	20,000,000
<b>Public Service and Administration</b>	<b>1,893,099,564</b>	<b>2,101,513,781</b>	<b>2,557,424,560</b>	<b>1,980,547,705</b>	<b>2,278,582,651</b>	<b>2,250,286,281</b>
Current	1,613,099,564	1,916,513,781	2,372,424,560	1,721,147,705	2,018,582,651	2,010,286,281
Development	280,000,000	185,000,000	185,000,000	259,400,000	260,000,000	240,000,000
<b>County Treasury</b>	<b>502,797,412</b>	<b>497,260,168</b>	<b>728,510,168</b>	<b>603,972,806</b>	<b>662,440,538</b>	<b>588,533,070</b>
Current	452,797,412	180,310,168	167,560,168	250,642,806	248,440,538	228,533,070
Development	50,000,000	316,950,000	560,950,000	353,330,000	414,000,000	360,000,000
<b>Water, Environment and Natural Resource</b>	<b>284,463,240</b>	<b>275,468,000</b>	<b>246,949,947</b>	<b>322,157,691</b>	<b>411,909,295</b>	<b>420,284,762</b>
Current	119,463,240	102,268,000	73,749,947	98,057,691	129,309,295	135,684,762
Development	165,000,000	173,200,000	173,200,000	224,100,000	282,600,000	284,600,000
<b>Social Services, Youth &amp; Sports</b>	<b>376,757,786</b>	<b>276,029,110</b>	<b>285,420,637</b>	<b>417,030,280</b>	<b>549,463,033</b>	<b>557,705,117</b>
Current	156,557,786	39,779,110	29,170,637	56,780,280	65,131,870	49,840,834
Development	220,200,000	236,250,000	256,250,000	360,250,000	484,331,163	507,864,283
<b>Transport, Infrastructure &amp; Public Works</b>	<b>2,416,881,694</b>	<b>1,139,690,660</b>	<b>1,320,690,660</b>	<b>1,742,435,569</b>	<b>1,886,543,990</b>	<b>2,051,952,202</b>
Current	91,281,694	62,690,660	43,690,660	63,789,401	70,458,895	73,981,847
Development	2,325,600,000	1,077,000,000	1,277,000,000	1,678,646,168	1,816,085,095	1,977,970,355
<b>Lands, Housing, Urban Areas and Physical Planning</b>	<b>362,804,888</b>	<b>364,540,000</b>	<b>302,034,419</b>	<b>296,062,159</b>	<b>329,647,015</b>	<b>338,361,394</b>
Current	52,804,888	72,540,000	50,034,419	84,062,159	108,017,015	102,068,394
Development	310,000,000	292,000,000	252,000,000	212,000,000	221,630,000	236,293,000
<b>Health Services</b>	<b>3,333,169,208</b>	<b>2,378,072,277</b>	<b>2,284,548,523</b>	<b>3,173,551,311</b>	<b>3,490,906,443</b>	<b>3,774,621,308</b>
Current	2,059,669,208	1,749,072,277	1,660,212,277	2,127,786,204	2,340,564,825	2,574,621,308
Development	1,273,500,000	629,000,000	624,336,246	1,045,765,107	1,150,341,618	1,200,000,000
<b>Agriculture, Livestock, Fisheries and Co-operatives</b>	<b>715,065,446</b>	<b>1,040,200,000</b>	<b>807,597,100</b>	<b>939,862,773</b>	<b>1,153,799,034</b>	<b>1,226,662,257</b>
Current	330,065,446	310,200,000	57,597,100	364,862,773	512,776,258	527,436,064
Development	385,000,000	730,000,000	750,000,000	575,000,000	641,022,776	699,226,193
<b>Trade, Tourism &amp; Industrialization</b>	<b>1,022,457,000</b>	<b>409,950,000</b>	<b>386,950,000</b>	<b>451,613,185</b>	<b>496,441,574</b>	<b>537,793,484</b>
Current	32,457,000	69,950,000	46,950,000	47,657,156	53,174,392	60,199,584
Development	990,000,000	340,000,000	340,000,000	403,956,029	443,267,182	477,593,900
<b>Education, Science &amp; Technology</b>	<b>1,233,550,000</b>	<b>816,440,000</b>	<b>668,440,000</b>	<b>1,016,586,176</b>	<b>2,868,630,600</b>	<b>1,860,045,222</b>
Current	433,550,000	316,440,000	118,440,000	269,586,176	228,630,600	240,045,222
Development	800,000,000	500,000,000.00	550,000,000.00	747,000,000	2,640,000,000	1,620,000,000
County Public Service Board	-	-	-	<b>85,798,312</b>	<b>96,354,803</b>	<b>99,843,655</b>
	-	-	-	85,798,312	96,354,803	99,843,655
<b>County Assembly</b>	<b>1,114,504,183</b>	<b>751,000,000</b>	<b>751,000,000</b>	<b>886,853,365</b>	<b>944,666,802</b>	<b>1,022,111,626</b>
Current	745,504,183	651,000,000	651,000,000	786,853,365	844,666,802	922,111,626
Development	369,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
<b>TOTAL</b>	<b>13,255,550,421</b>	<b>10,321,289,747</b>	<b>10,579,453,798</b>	<b>12,329,741,170</b>	<b>15,653,913,309</b>	<b>15,199,194,135</b>

**Annex 2: Recurrent Sector Ceilings for the Period for MTEF 2015/2016-2017/18, Kshs Million**

Name of the Sector	2013/14	2014/15		2015/16	2016/17	2017/18
	Approved	Approved	Revised	Projections		
<b>Office of the Governor</b>						
Current		216,125,751	184,887,784	318,599,838	364,527,531	450,993,757
<b>Public Service and Administration</b>						
Current	1,613,099,564	1,916,513,781	2,372,424,560	1,721,147,705	2,018,582,651	2,010,286,281
<b>County Treasury</b>						
Current	452,797,412	180,310,168	167,560,168	250,642,806	248,440,538	228,533,070
<b>Water, Environment and Natural Resource</b>						
Current	119,463,240	102,268,000	73,749,947	98,057,691	129,309,295	135,684,762
<b>Social Services, Youth &amp; Sports</b>						
Current	156,557,786	39,779,110	29,170,637	56,780,280	65,131,870	49,840,834
<b>Transport, Infrastructure &amp; Public Works</b>						
Current	91,281,694	62,690,660	43,690,660	63,789,401	70,458,895	73,981,847
<b>Lands, Housing, Urban Areas and Physical Planning</b>						
Current	52,804,888	72,540,000	50,034,419	84,062,159	108,017,015	102,068,394
<b>Health Services</b>						
Current	2,059,669,208	1,749,072,277	1,660,212,277	2,127,786,204	2,340,564,825	2,574,621,308
<b>Agriculture, Livestock, Fisheries and Co-operatives</b>						
Current	330,065,446	310,200,000	57,597,100	364,862,773	512,776,258	527,436,064
<b>Trade, Tourism &amp; Industrialization</b>						
Current	32,457,000	69,950,000	46,950,000	47,657,156	53,174,392	60,199,584
<b>Education , Science &amp; Technology</b>						
Current	433,550,000	316,440,000	118,440,000	269,586,176	228,630,600	240,045,222
County Public Service Board	-	-	-	85,798,312	96,354,803	99,843,655
<b>County Assembly</b>						
Current	745,504,183	651,000,000	651,000,000	786,853,365	844,666,802	922,111,626
<b>TOTAL</b>	<b>6,087,250,421</b>	<b>5,686,889,747</b>	<b>5,455,717,552</b>	<b>6,275,623,866</b>	<b>7,080,635,475</b>	<b>7,475,646,404</b>

**Annex 3: Development Sector Ceilings for the Period for MTEF 2015/2016-2017/18, Kshs million**

Name of the Sector	2013/14	2014/15		2015/16	2016/17	2017/18
	Approved	Approved	Revised	Projections		
<b>Office of the Governor</b>						
Development		55,000,000	55,000,000	94,670,000	120,000,000	20,000,000
<b>Public Service and Administration</b>						
Development	280,000,000	185,000,000	185,000,000	259,400,000	260,000,000	240,000,000
<b>County Treasury</b>						
Development	50,000,000	316,950,000	560,950,000	353,330,000	414,000,000	360,000,000
<b>Water, Environment and Natural Resource</b>						
Development	165,000,000	173,200,000	173,200,000	224,100,000	282,600,000	284,600,000
<b>Social Services, Youth &amp; Sports</b>						
Development	220,200,000	236,250,000	256,250,000	360,250,000	484,331,163	507,864,283
<b>Transport, Infrastructure &amp; Public Works</b>						
Development	2,325,600,000	1,077,000,000	1,277,000,000	1,678,646,168	1,816,085,095	1,977,970,355
<b>Lands, Housing, Urban Areas and Physical Planning</b>						
Development	310,000,000	292,000,000	252,000,000	212,000,000	221,630,000	236,293,000
<b>Health Services</b>						
Development	1,273,500,000	629,000,000	624,336,246	1,045,765,107	1,150,341,618	1,200,000,000
<b>Agriculture, Livestock, Fisheries and Co-operatives</b>						
Development	385,000,000	730,000,000	750,000,000	575,000,000	641,022,776	699,226,193
<b>Trade, Tourism &amp; Industrialization</b>						
Development	990,000,000	340,000,000	340,000,000	403,956,029	443,267,182	477,593,900
<b>Education , Science &amp; Technology</b>						
Development	800,000,000	500,000,000	550,000,000	747,000,000	2,640,000,000	1,620,000,000
<b>County Assembly</b>						
Development	369,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
<b>TOTAL</b>	<b>7,168,300,000</b>	<b>4,634,400,000</b>	<b>5,123,736,246</b>	<b>6,054,117,304</b>	<b>8,573,277,834</b>	<b>7,723,547,731</b>

**Annex 4: Budget Calendar for 2016/2017 Financial Year**

Activity	Responsibility	Deadline
<b>Develop and issue MTEF guidelines</b>	<b>Treasury</b>	<b>30-Aug-15</b>
<b>Launch Sector Working Groups</b>	<b>Treasury</b>	<b>15-Sep-15</b>
<b>Performance Review and Strategic Planning</b>	<b>MDAs</b>	<b>15-Sep-15</b>
Review and update of strategic plans		15-Sep-15
Review of programme outputs and outcome		15-Sep-15
Expenditure review		15-Sep-15
Progress report on MTP implementation		15-Sep-15
Preparation of annual plans		15-Sep-15
<b>Determination of Fiscal Framework</b>	<b>Macro Working Group</b>	<b>30-Sep-15</b>
Estimation of Resource Envelope		30-Sep-15
Determination of policy priorities		30-Sep-15
Preliminary resource allocation to sectors and County Assembly		30-Sep-15
Draft County Budget Review and Outlook Paper (C-BROP)		30-Sep-15
Submission and approval C-BROP by County Cabinet		15-Oct-15
Submit approved C-BROP to County Assembly		22-Oct-15
<b>Preparation of MTEF budget proposals</b>	<b>Line ministries</b>	<b>1-Oct-15</b>
Draft Sector Report	Sector Working Group	1-Oct-15
Review of the Proposal	Treasury	22-Nov-15
Submission of Sector Report to Treasury	Sector Working Group	30-Nov-15
<b>Draft County Budget Policy Statement (C-BPS)</b>	<b>Macro Working Group</b>	<b>1-Dec-15</b>
Draft C-BPS	Macro Working Group	1-Dec-15
Division of Revenue Bill (DORB)	Treasury	15-Dec-15
County Allocation of Revenue Bill (CARB)	Treasury	5-Jan-16
Submission of BPS, DORB and CARB National Treasury	Treasury	15-Jan-16
Submission of BPS, DORB and CARB to National Parliament	Treasury	15-Jan-16
<b>The 2015/16 Supplementary Budget</b>	<b>Treasury</b>	<b>10-Nov-15</b>
Develop and issue guidelines on the 2015/16 revised budget	Treasury	10-Nov-15
Submission of Supplementary Budget Proposals	MDAs	20-Nov-15
Review of Supplementary Budget Proposals	Treasury	3-Dec-15
Submission of Supplementary Budget Proposals to County Cabinet	Treasury	5-Dec-15
Submission of Supplementary Budget Proposals to County Assembly	Treasury	15-Dec-15
<b>County Fiscal Strategy Paper</b>	Treasury	28-Feb-16
Submission & approval of the C-FSP by CEC	Macro Working Group	15-Feb-16
Submit approved C-FSP to County Assembly	Treasury	28-Feb-16
Passing the C-FSP by the County Assembly	Assembly	14-Mar-16
Publishing and publicizing the C-FSP	Treasury	21-Mar-16
<b>Preparation and approval of Final MDAs Programme Budgets</b>	<b>Treasury</b>	<b>28-Feb-16</b>
Develop and issue final guidelines on preparation of 2015-16 MTEF Budget	Treasury	28-Feb-16
Submission of Budget Proposals to Treasury	Line ministries	15-Mar-16
Consolidation of Draft Budget Estimates	Treasury	1-Apr-16

<b>Activity</b>	<b>Responsibility</b>	<b>Deadline</b>
Submission of Draft Budget Estimates to the County Assembly	Treasury	30-Apr-16
Review of Draft Budget Estimates by County Assembly	County Assembly	15-May-16
Report on Draft Budget Estimates from County Assembly	County Assembly	30-May-16
Consolidation of Final Budget Estimates and Cash flows	Treasury	15-Jun-16
Submission of Appropriation Bill to County Assembly	Treasury	15-Jun-16
Appropriation Bill passed	County Assembly	30-Jun-16
Finance Bill passed	County Assembly	30-Sep-16