

# **COUNTY GOVERNMENT OF KITUI**



## **COUNTY TREASURY**

### **COUNTY FISCAL STRATEGY PAPER**

**2020/2021 FINANCIAL YEAR**

FEBRUARY 2020

## **Foreword**

This is the seventh Kitui County Fiscal Strategy Paper (CFSP) under the devolved governance structure and the third under the current administration regime. Its purpose is to build direct linkages between policies, plans and budgets, and present the County fiscal framework for the FY 2020/21 budget estimates and over the medium term. The paper, prepared under the theme “*Harnessing the Five Pillar Development Agenda for Wealth Creation and Shared Prosperity in Kitui County*” provides expenditure ceilings for County Departments, units and agencies and detailed guidelines that are aimed at structuring County Government expenditure towards priority areas. These priorities are set on the basis of the county development agenda, sector proposals arising from feedback from the public and other stakeholders, the 2020/21 Annual Development Plan as well as the approved County Integrated Development Plan 2018-2022.

The FY 2020/21 County Fiscal Strategy Paper is aligned to the Budget Policy Statement (BPS) 2020/21 prepared by the National Treasury which sets out the national broad strategic priorities and policy goals guiding budget preparation for the next financial year at the national level. It is a requirement to subject the proposals to public scrutiny as a way of ensuring transparency and accountability. In this regard, public participation on the paper was conducted and the views arising thereof taken on board. Further, the draft CFSP has also been approved by the County Budget and Economic Forum (CBEF) and their views also incorporated. The report was circulated to the Commission on Revenue Allocation (CRA) and the National Treasury. Their inputs and positive criticism has gone a long way in shaping this paper.

The fiscal data included is indicative and subject to adjustments during the budget preparation if circumstances change. The County Government proposes to allocate more resources to programmes, projects and activities targeted towards addressing water provision challenges, access to affordable, accessible and quality health care and infrastructural developments especially in the road sector.

It is with great humility that I take this opportunity to express my profound gratitude and deepest regards to members of the County Executive Committee led by Her Excellency the Governor for the visionary leadership that has enabled us chart a clear way forward. It is through her guidance, support and leadership that the County Treasury has been able to produce this important budget policy document. It is my strong believe that the document will steer the County to great success on development matters thereby ensuring improved welfare of county residents.

Finally, to all our stakeholders, we reiterate our commitment to serving you diligently and promise never to let you down on matters of transparency and accountability in the budget making process.

**Ben Katungi**

**A.g CECM, County Treasury**

**County Government of Kitui.**

## **Acknowledgement**

The preparation of County Fiscal Strategy Paper (CFSP) 2020/21 was collaborative, with stakeholders drawn from all sectors, departments and agencies of County Government of Kitui, views from citizens and written memoranda from organized groups. The whole process was guided by the department of Economic Planning and could not have been accomplished without the commitment, dedication, sacrifice and determination of all the members of staff of the County Government.

First and foremost, I acknowledge the valuable leadership and support of Her Excellency the Governor Charity Ngilu. I wish to extend my gratitude to Ben Katungi, Acting County Executive Committee Member for County Treasury for the technical support extended in the preparation of this paper. I appreciate the role played by all Chief Officers in leading their staff in providing information and real time data towards preparation of this document.

I would like to pay special thanks to the officers working under Economic Planning department under the leadership of Director, Paul Kimwele, Principal Statistician, Victor Mwangi and the entire team of county economists including Daniel Mbathi, Boniface Muli, Faith Munah, Hanrietah Ndunge, Charles Mulatia, Nicholas Koome and Geoffrey Gisaina who helped to put this document together. The team put tireless quality time in production of this document.

I may not mention everybody, but do acknowledge all those individuals who directly or indirectly contributed to the success of development and production of this paper.

**Dr. Justus Kalii (PhD)**

**Chief Officer – Economic planning**

**County Treasury**

## Table of Contents

Foreword .....	ii
Acknowledgement .....	iv
Legal Basis for the Publication of the County Fiscal Strategy Paper .....	vii
1.0 INTRODUCTION .....	1
1.1 Overview .....	1
1.2 Strategic Commitment .....	2
1.3 The Value Chain Approach.....	2
1.4 Lands and Infrastructure Development .....	3
1.4.1 Land Development.....	3
1.4.2 Roads.....	4
1.4.3 Housing .....	4
1.5 Health and Sanitation .....	4
1.6 Agriculture, Water and Livestock Development .....	6
1.7 Education, ICT & Youth Development .....	7
1.8 Trade, Co-operatives and Investments.....	9
1.9 Environment and National Resource Management.....	10
1.10 Tourism, Culture and Sports .....	10
1.11 The County Treasury .....	10
2.0 RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK.....	12
2.1 Overview .....	12
2.2 Recent Economic Developments and Outlook .....	12
2.2.1 Global and Regional Economic Developments .....	12
2.2.2 Domestic Economic Developments .....	13
2.2.3 Inflation Rate.....	15
2.2.4 Kenya Shilling Exchange Rate .....	16
2.2.5 Interest Rates.....	16
2.2.6 Money and Credit.....	17
2.2.7 Balance of Payments .....	17
2.2.8 Foreign Exchange Reserves .....	18
2.2.9 Nairobi Securities Exchange.....	19
2.2.10 Fiscal Performance.....	19
2.2.11 Expenditure Performance.....	20
2.2.12 Fiscal Policy .....	21
2.3 Economic Outlook .....	23

2.3.1 Global Growth Outlook .....	23
2.3.2 Domestic Growth Outlook.....	23
2.3.3 County Growth Outlook.....	24
2.3.4 Risks to the Economic Outlook .....	25
3.0 FISCAL POLICY, 2020/21 FY BUDGET AND THE MEDIUM-TERM EXPENDITURE FRAMEWORK.....	28
3.1 FY 2020/21 Budget Framework .....	28
3.2 Revenue Projections.....	28
3.3 Expenditure Projections .....	33
3.4 Recurrent Expenditure Projections.....	33
3.5 Development Expenditure Projections .....	34
3.6 Overall Deficit and Financing.....	34
3.7 Risks to the 2020/21 County budget framework.....	35
3.8 Fiscal Structural Reforms.....	36
3.8.1 Revenue mobilization: .....	36
3.8.2 Expenditure Management .....	36
3.9 Guiding Principles in Resource Allocation.....	37
3.10 The County’s Adherence to the Fiscal Responsibility Principles.....	38
3.11 Resource Sharing Guidelines .....	38
4.0 ANNEXURE: DEPARTMENTAL/ SECTOR PRIORITIES .....	40
Annex 1. Office of the Governor .....	40
Annex 2. Public Service Management and Administration.....	43
Annex 3. Ministry of Agriculture, Water and Livestock Development.....	45
Annex 4. Ministry of Basic Education ICT and Youth Development.....	50
Annex 5. Ministry of Lands, Infrastructure, Housing and Urban Development .....	56
Annex 6. Ministry of Health and Sanitation .....	61
Annex 7. Ministry of Trade and Cooperatives.....	66
Annex 8. Ministry of Environment and Natural Resources.....	68
Annex 9. Ministry of Tourism, Sports and Culture .....	71
Annex 10. The County Treasury.....	78
Annex 11. County Public Service Board .....	81
Annex 12. The County Assembly .....	83
Annex 13. Kitui Municipality .....	84
Annex 14. Mwingi Town Administration.....	87

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

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

1. The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly, by the 28th February of each year.
2. The County Treasury shall align its County Fiscal Strategy Paper with the National objectives in the Budget Policy Statement.
3. In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the coming financial year and over the Medium term.
4. The County Treasury shall include in its County Fiscal Strategy Paper the Financial outlook with respect to County Government revenues, expenditures and borrowing for the coming financial year and over the medium term.
5. In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of—
  - (a) The Commission on Revenue Allocation;
  - b) The public;
  - (c) Any interested persons or groups; and
  - (d) Any other forum that is established by legislation.
6. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments.
7. The County Treasury shall consider any recommendations made by the County Assembly when finalizing the budget proposal for the financial year concerned.
8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly

## **1.0 INTRODUCTION**

### **1.1 Overview**

The County Fiscal Strategy Paper (CFSP) 2020/2021, is the third one in implementing County Government of Kitui Manifesto and has been prepared by taking cognizance of the 2020/2021 Economic outlook and the five Pillar county development agenda namely; Food and Water; Healthcare, Education and Youth Development; Women Empowerment and Wealth Creation. Further, the paper seeks to give a framework for implementation of programmes and projects prioritized by the citizens. The paper is aligned to the Vision 2030, the 3<sup>rd</sup> Medium Term Plan, the United Nations Sustainable Development Goals (SDGs), national government policies and guidelines as communicated through various circular's, the 2020/ 2021 Budget Policy Statement (BPS), the approved County Integrated Development Plan (CIDP) 2018-2022 and the County's Annual Development Plan for 2020/2021 FY.

Additionally, the policy paper benefited from feedback from members of the public and other interested stakeholders. It will serve as a guide in the preparation of the budget estimates for FY 2020/21.

The paper highlights programmes, policies, strategies and activities while at the same time underlining the structural reforms required for actualization of the County Government of Kitui five (5) development Agenda.

Capacity in Public Financial Management (PFM) will be strengthened to improve governance and this will underpin our achievements on the objectives of fiscal discipline and sound financial management. With improvement in management of resources coupled with clarity of vision and strategic planning, the county will be sure to achieve improved service delivery, create more jobs and wealth for better livelihoods of our people. This is particularly important because Kitui County has been both food and water insecure with various interventions now bearing fruits despite the adverse weather conditions, a common phenomenon in the County, the second quarter of 2019/20 the County has been receiving heavy rainfall and bumper harvest is expected despite the Locust outbreak. The rampant un-employment and under- employment (particularly among the youth and women), and the lack of formal cash crop (s), Kitui County residents are now



hopeful for a brighter future due to many impactful programmes currently being rolled out, thus calling for very prudent fiscal discipline, policies and well-designed programmes to realize the full benefits and meet the high expectations.

Additionally, deliberate efforts will also be undertaken to grow the local revenue base, seal all leakages while at the same time developing new and innovative ways of generating additional revenue. To stimulate the full realization of the five agenda manifesto, the County Government will aggressively seek the support of development partners, while at the same time identifying projects and activities with the highest potential to generate wealth.

Further, the County Government will continue using programme based budgeting with the view to formulating and prioritizing expenditure plans and budgets within the available resource envelop; with public participation being the hallmark of the development of this Fiscal Strategy Paper as well as in the development of the Annual Budget. By so doing, both ownership and sustainability of the programmes and projects identified for implementation will be assured.

## **1.2 Strategic Commitment**

The period 2020/2021 FY, and the years to follow, the County Government of Kitui Strategic commitment is to continue rolling out various programmes, projects and activities with the highest potential for high economic and social impact over the medium term. These development interventions will be in line with the five pillar County development agenda of Food and water, healthcare, youth empowerment, women empowerment and wealth creation as identified by the public through the various forums held. Major areas of focus will be ensuring provision and access to water, universal health care and the road infrastructure. Other areas will include value addition in the livestock sector, textile sector, agribusiness and empowerment programmes.

## **1.3 The Value Chain Approach**

The County Government will continue to support farmers to produce according to the market demand and depended on supply of products and services. The value chain approach will enable the producers to improve the quality of the products and ensure high prices at the end line with minimal cost of production. The County Government will ensure that information and training on value chain is available to the producers.

In the past, for instance, it has been up to the individual farmers to grow their crop (s), store them, look for markets/ marketing outlets, and transport them to the market through whatever means they deemed appropriate. This approach has, since time in memorial left the farmer at the mercy of scrupulous middlemen who exploit the farmers without fear or mercy. The farmer toils the most, but gets the least, with all the other players along the value chain smiling all the way to the bank.

Value Chains are about Products, Processes and People. During the 2020/21 FY, the County Government plans to continue supporting producers directly right from operations at the farm level/production through: increasing agricultural output and productivity, reduction of pre and post-harvest crop losses, mechanization of farming activities; intensification and commercialization of small holder agriculture, planting of certified seeds; supply of subsidized fertilizers timely use of appropriate pesticides; and complete post-harvest management services (transport / logistics related to bulking and to the final market/ marketing outlets; value addition, branding and marketing.

To achieve this, deliberate efforts will be put on organized groups (including faith based organizations, youth groups, women groups) and encourage them to transform themselves into sector focused Co-operatives, with special focus to value addition and access to local, regional and global markets.

During the FY 2020/21, the County Government also plans to invest heavily on capacity development through applied training / learner centered knowledge diffusion with the view to ensuring that, regardless of one's previous academic background, a critical mass of people from Kitui acquire practical skills alongside the specific value chains identified above. Through Vocational training Centers, Co-operatives, Financial Services Associations (FSAs), and other credit giving institutions, the County Government plans to ensure that there is affordable credit for our women and youth for wealth and income generation.

## **1.4 Lands and Infrastructure Development**

### **1.4.1 Land Development**

Land as a factor of production is critical to economic, social, political and cultural development. Secure access to land and sustainable land use planning remains immensely important for food security, employment creation and the socio-economic development of the county. In order to

support the attainment of the county manifesto, the county will assist to fast track issuance of title deeds and settlement of land adjudications as well as undertake physical planning through proper engineering and design plans of Mwingi, Mutomo, Kyuso, Zombe and Kwa Vonza towns.

#### **1.4.2 Roads**

To support and unlock the country's potential in contributing to the national economy and supporting wealth creation within the county, the county will continue to increase the coverage and motor-ability of both rural access and urban roads.

This will improve connectivity and enable farmers and traders in getting their produce and goods to markets faster and cheaply. This will be achieved through routine repairs and maintenance of roads and related infrastructure like bridges, drifts and culverts, bush clearing and grading programme of 50km per ward (2,000KM).

In the FY2020/2021 county government will carry out upgrade of town roads to bitumen standards under dustless town program in an effort to support business activities and reduce dust levels in towns.

#### **1.4.3 Housing**

The housing situation in Kitui County is characterized by an acute shortage of affordable housing. The County will improve efficiency in house provision and safe disposal of asbestos waste within Kitui County. This situation is exacerbated by the rapidly rising rural urban migration in search of work, business opportunities as well as modern living and the low percentage of individuals within the County who are engaged in gainful economic activity. To enable construction of decent housing units, the county will develop a comprehensive housing programme to be implemented through a joint venture arrangement to incentivize low cost housing.

#### **1.5 Health and Sanitation**

In FY 2020/21 the Ministry of Health and Sanitation will continue to enhance healthcare access in the County. Already the Ministry has formulated a medium term County Health Sector Strategic Plan (2018-2022) to guide it on key priority areas to ensure quality health care in the County. Key area of focus for the Ministry is the Universal Health Coverage. Towards this, the Ministry will continue scaling up Kitui County health insurance Cover (KCHIC) through mobilisation, procurement of KCHIC registration software and prompt printing of members cards. This

programme will be complemented by other health insurance covers including NHIF. Towards this reason, the Ministry will mobilise Kitui people to scale up the uptake of health insurance cover. Additionally, the national government through the Ministry of Health is rolling out Universal Health Coverage programme countrywide to complement the county interventions.

To ensure a healthy and productive County, as envisaged in the Ministry's Vision, there is need to address various health gaps. These include gradual increase of the health workforce coupled with capacity building the staff, prompt promotions and re-designations to those who are due. Further the Ministry will focus on health infrastructure which will involve expansion of Kitui County referral Hospital and Mwingi Level IV hospitals to attain Level IV status. Other 12 County Hospitals will also witness expansion to enable them cope with the increasing workload due to KCHIC programme. Additionally, the primary health facilities will witness renovations/expansions to enable them serve the Community better. To minimise the number of patients served at the hospitals level, all the 56 health centres will be equipped with basic laboratory equipment and expanded to enhance their diagnostic capacity. All this will be complemented by an effective health referral system. This will be achieved through implementation of the County Health Referral Policy.

On health products and technologists, the Ministry will prioritise procurement of adequate drugs, construction and equipping of drug stores to ensure there is buffer stock and effective drugs forecasting and redistribution mechanisms. Additionally, the Ministry is in the process of establishing a robust Integrated Health Management and Information System (IHMIS) in all the 14 hospitals.

For smooth management of the Ministry affairs, Health Facilities Management Committees are being revamped for better performance. These facility committees will be supported by the Subcounty Health Management Teams (S/CHMTs) and County Health Management Team (CHMT). Further, the County Health Management Board will be strengthened to ensure it performs her responsibilities effectively.

To reduce high burden of both communicable and non-communicable disease, the ministry will revamp the Community Health Strategy. This is a community based promotive and preventive health services. To make this more effective, the County will engage Community Health Volunteers (CHVs) and equip them with the relevant resources and skills.

## 1.6 Agriculture, Water and Livestock Development

During FY 2020/2021, the County proposes to utilize available land to enhance food security and wealth creation of Kitui residents. To increase Agriculture production, food and nutrition security the County plans to purchase certified seeds for farmers in a timely manner to facilitate timely planting and quality yield for drought and disease resistant crops. The ministry will continue promoting agriculture mechanization service. This will promote productivity and mechanization of farming activities for improved crop production. The plan and support to livestock farmers and traders has already been alluded to under the value chain approach.

Kitui County is located in Semi-Arid area where rainfall is usually minimal throughout the year hence rain-fed agriculture faces serious draw back for growing both food and cash crops, with cyclical drought and famine being the norm than the exception. With increasing negative effects of climate change now being a reality in Kitui County, deliberate efforts will be made to tap seasonal rivers by constructing dams to ensure that water is available for use by residents during dry seasons. During the second quarter of 2019/20 the county received adequate rainfall which is still ongoing. The county is expecting bumper harvest but the outbreak of locusts in some parts of County that is Mwingi West and Mwingi North Sub Counties is expected to reduce food production. The County Government and the National Government are working hand in hand to control locust by spraying with pesticide using Airplane.

During the FY 2020/2021, deliberate efforts will also be made to lay the ground work for irrigated agriculture under 40 irrigation clusters along river meanders. Efficient use of water resources to increase area under irrigation development and re-habitation along rivers (Wikithuki, Athi, Kilawa and 40 irrigation clusters), micro irrigation schemes will be developed around dams, riverine areas along seasonal rivers, shallow wells and weirs. *Myanda* irrigation will continue to be given priority to ensure that farmers improve production of high value horticulture crops like tomatoes, onions, water melons, spinach, chillies, coriander and local vegetables among others.

Cotton production will be prioritized to provide raw materials to Kitui County Textile Centre (KICOTEC) to complete the value chain, the concept of forward linkage with the garment factory. To enhance production and productivity, the County shall support farmers with quality seeds, pesticides, marketing and value addition.

Sorghum is best suited to the local climate. In FY 2020/21, the ministry will promote Sorghum production and utilization. Sorghum is grown in all the eight sub counties although concentration is more on the agro-ecological zones LM4, LM5 and IL5 where large tracts of land can be readily available for investment in the crops. To enhance production and productivity, there will be need to invest in quality seeds, marketing, utilization and value addition.

Access to adequate supply of clean water is fundamental for the achievement of the first pillar of the County Government of Kitui manifesto. Indeed, adequate safe drinking water and sanitation do compliment efforts towards improved primary health care and productivity of labor. In addition, adequate supply of water is essential for increased agricultural production. For this reason, the county will continue to invest in clean water supply, prioritize construction of earth dam, pipe line extension, borehole drilling and repairs and water pans across the county as well as completing the ongoing water projects in urban and rural areas in order to increase the number of people connected to clean water. In addition, the county will continue to expand sanitation infrastructure in urban areas within Kitui Municipality and Mwingi Town administration.

In FY 2020/21, the ministry will scale up improvement of local livestock breeds. This will be undertaken through sensitization of farmers, use of hormones to synchronize ovulation and use of artificial insemination. This programme aims at increasing meat and milk productivity using the locally available breeds. This programme will further be supported by a livestock disease management programme. The later programme will address the high threats of vector borne diseases which lead to poor animal health and high mortality rate hence affecting livelihoods. The county shall support the farmers with acaricides, spray pumps (manual and motorized), carry out disease surveillance, procure an assortment of vaccines and sera to cover common and frequent disease outbreaks and carry out vaccination.

### **1.7 Education, ICT & Youth Development**

The education, ICT and Youth development sector continues to work towards achieving its overall goal of equipping Early Childhood Development Education (ECDE) to improve the quality of ECD education, promoting youth development and integration of ICT in all County government operations.

In order to improve access to education and support the national government policy of 100% transition from primary to secondary schools the ministry will continue to offer bursaries and scholarships to support bright but vulnerable students to complete their secondary and university education.

To mitigate the high unemployment rate among the youth, the County will continue to make deliberate efforts to support out of school youth to acquire technical skills which increase their chances of getting employment or starting their own small businesses. Towards this end during the FY 2020/2021 the county government will rehabilitate and equip existing Vocational Training centers (Youth Polytechnics) with training tools and equipment to provide out of school youth with increased access to Vocational skills training. In addition, the government will continue to partner with key strategic partners including National Industrial Training Authority (NITA), International Labour Organization (ILO), Toolkit Institute, among others, to develop and implement tailor made short intensive work based skills development programmes for the youth to enhance their employability status.

In order to provide youth acquiring basic technical skills with an opportunity to advance their careers by undertaking specialized courses the Ministry plans to establish and equip one Skills Training Center of excellence to offer advanced Technical Training and applied research courses at Certificate and Diploma Levels.

On ICT, the county will continue to leverage on ICT to improve service delivery through initiatives such as e-procurement, IFMIS, revenue automation and online tracking of county programmes and projects. Further, the county will continue to increase online access to government publications and information through digitizing government records and expanding the available ICT infrastructure.

The government is committed to promoting an active reading culture in the County. Towards this end the ministry proposes to construct and equip one library facility and youth resource center within Kitui town as a multi-year project. This facility will provide school going children with opportunities for reference materials, study and research resources, as well as provide youth with supportive services such as career guidance, job applications and unlimited internet services.

The County Government recognizes the role played by Information and Communications Technology (ICT) to drive social economic development. In the 2020/2021 FY the government

will seek to integrate ICT in its operations and service delivery programmes and promotion of e-government services. The sub sector will undertake development of ICT infrastructure at both county offices and sub county levels to support service delivery, e-government use and adoption.

### **1.8 Trade, Co-operatives and Investments**

The Ministry of Trade, Cooperatives and Investment aims to provide an enabling business environment through appropriate incentives and innovation to promote trade, industry and viable cooperatives for job and wealth creation. This has been achieved through strengthening the cooperative movement, initiating various business enterprises and promoting the viable value chains within the County.

The Kitui County Textile Centre (KICOTEC) set up in Syongila Polytechnic aims to promote people's livelihoods by ensuring Kitui wealth is retained within its borders. Over 300 youths have been equipped with skills and knowledge and employed at the Factory. So far, school uniforms have been made at affordable prices and of high quality for various institutions within the county. This has reduced the burden on the parents and the generated savings now being used for other economic activities. The County government has partnered with the National government through the ministry of interior and coordination to produce police, chiefs and assistant chiefs' uniforms. The County government also plans to set up other textile industries in Mwingi and Mutomo.

The Ministry has partnered with Yatta Kwa Vonza Marketing Cooperative Society to set up a Ballast Crushing Plant in Kyusani, Kitui Rural Subcounty. The cooperative has over 2,000 members who will increase their household income from payment of dividends from the cooperative profits from sales of the crushed stone. The plant will create employment for various relevant professionals, promote use of local construction materials and increase revenue collection in the County.

In FY 2020/21, the Ministry will continue with the programme of modernization of markets and the Jua Kali industry. To empower the residents of Kitui County, the ministry will continue to allocate funds to the County Empowerment Fund and support establishment of the County Investment Corporations. The ministry will also undertake a multi-year project of construction of a county abattoir at Kanyonyoo area.



## **1.9 Environment and National Resource Management**

To counter the serious threats posed by climate change, the County will continue to enhance mitigation and adaptation measures. In particular, the County has set up the Kitui County Climate Change Fund through regulations that have already been approved by the County Assembly. The fund will be key in mobilizing climate change finances from both national and international levels. Continuing with these efforts and with the aim of avoiding health and environmental effects of deteriorating climate, the county government enforced a charcoal and sand transportation ban for commercial use of these resources outside the county. So far, the ban has been a major milestone, earning the county international recognition for the efforts and the good results yielded. Going forward, the county will continue to enforce the ban and mainstream climate change mitigation measures such as tree planting programmes and supporting the local population in the affected areas with alternative economic income generating activities such as brick making using modern technology kilns and briquette making. To promote the skills of local artisanal miners and increase the value of their products, the county will commit more resources to construct and equip a mineral lab in the county.

## **1.10 Tourism, Culture and Sports**

Tourism transformation and its integration with sports, culture and arts are important for revenue generation and employment creation. To support growth of the sector, the county in partnership with key stakeholders will implement the following strategies; revamping and refreshing major tourist products, developing heritage tourism products, mainstreaming conservancies into the tourism value chain, development of infrastructure especially tourism areas and marketing of the county as a viable tourism destination. In addition, the County will continue to nurture talented youths in various sports discipline, promotion of gender parity and national building, support community charitable children institution, preservation promotion and development of culture and support them to participate in national and even international events.

## **1.11 The County Treasury**

Achievements of the county manifesto necessitates prudent management of available public resources. As such, the County Treasury will continue to strengthen expenditure control and improve the efficiency of public spending through strengthening of systems and PFM reforms with

a view to enhancing transparency and accountability to provide fiscal space for financing priority programmes. The focus will be to fast track consideration of reports on budget implementation, audited accounts of the county and its agencies/ corporations, digitization of all payments, review of revenue sources, adoption of e-procurement and expanding automation of public service delivery systems. These activities will go a long way in entrenching good governance and ensuring accountability of public resources. A major focus to all this will be capacity building of our staff with the major area being on budgeting and financial reporting.

The priorities of Treasury operations in the FY 2020/2021 will be to facilitate all ministries/entities and offer with maximum support for effective implementation of the prioritized programmes. To achieve the objective, the County Treasury plans to train more staff through capacity building and technical assistance by mobilizing donor support which will ensure effective service delivery to the public. County planning requires real data for decision making. In the FY 2020/21 the ministry will continue updating the County Statistical Database that will inform the County Statistical Abstract. This will be done in partnership with the Kenya National Bureau of Statistics (KNBS).

To effectively and efficiently track implementation of development projects in the County, the ministry will roll out a comprehensive package of Monitoring and evaluation (M&E) and uptake of CIMES. The M&E reports will ensure value for money in the County projects and programmes.

The ministry will also undertake a review of the CIDP with a view to establishing the implementation status and revising strategies where necessary. The County Treasury will continue to coordinate public participation for all policy documents of concern along the budget cycle. These comprise; the Annual Development Plan (ADP), the County Fiscal Strategy Paper (CFSP), the Finance Bill and the Budget estimates. To maximize our own source revenue and hence strengthen our revenue base, the County Treasury will continue to undertake a comprehensive county revenue administrative reforms and legislative frameworks to guide revenue collection.

To mobilize resources, the County treasury will seek external financial support for implementation of capital projects. Further the County Treasury will develop risk management strategy

## **2.0 RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK**

### **2.1 Overview**

In 2019, Kenyan economy has grown at average of 5.5 in the first three quarters as a result of improved services sector, manufacturing and conducive climatic changes hence the economic growth is projected to pick at 5.6% in full year 2019, 6.1% in 2020 and 7.0% in 2021. Under the “Big Four” plan, the government has invested in continuous economic recovery through industrial activities and agriculture.

Macro-economic stability is low with stable interest rates by the Central bank of Kenya and the other commercial banks which enables customers to access credit services. In exchange rates, the rates were competitive which supported the international business in exports and imports.

At 5.8 percent in December 2019, the inflation rate was within the projected range of 5(+/-2.5) in December 2018 as a result of improved agricultural production across the year. In addition, the inflation rate is estimated to remain within the range due to projected low energy prices and low food prices.

The current account deficit is estimated at 4.3 percent of GDP in 2019 down from 5.0 percent in 2018 which has resulted to stability in foreign exchange market. The key components of the foreign market included the strong growth in diaspora remittances and tourism receipts, higher tea and horticultural exports, slower growth in imports due to lower food imports, decline in international oil prices although expected to rise in 2020.

### **2.2 Recent Economic Developments and Outlook**

#### **2.2.1 Global and Regional Economic Developments**

The global growth recorded in 2019 was 3.0 percent and projected 3.4 percent in 2020. The growth rate picked up on the account of recoveries in stressed emerging markets and macroeconomic policy support in major economies.

Economic growth is expected to slow down to 1.7 percent in 2020 from an estimated 2.3 percent in 2018 mainly due to trade tensions between the United States of America (U.S.A) and China, uncertainties surrounding the Brexit outcome, rising global oil prices due to tensions between U.S.A and Iran, and the pace of normalization of monetary policy in the advanced economies.

In the global emerging markets and developing economies, growth is expected to pick up to 4.6 percent in 2020 from an estimated 3.9 percent in 2019 reflecting recoveries in stressed economies such as Turkey, Argentina and Iran as well pickup in growth for Brazil, Mexico, India, Russia and Saudi Arabia which recorded significant slowdowns in 2019 relative to 2018.

Growth prospects for sub-Saharan Africa continue to strengthen. Growth is projected to improve to 3.6 percent in 2020 from 3.2 percent in 2018 and 2019, supported by higher commodity prices, improved capital market access and contained fiscal imbalances in many countries.

Growth in the East African Community (EAC) region is estimated to improve to 6.0 percent in 2020 from 5.6 percent in 2019 mostly supported by the stable macroeconomic environment, rebound in agricultural activities on the backdrop of favourable weather conditions, ongoing infrastructure investments, and strong private consumption.

### **2.2.2 Domestic Economic Developments**

Kenya's economic growth has remained strong and resilient even under emerging global challenges, supported by strong public and private sector investment and appropriate economic and financial policies. The broad-based economic growth has averaged 5.7 percent for the last six years (2013 to 2018) outperforming the average growth rate of 4.7 percent in the period 2008 to 2012 and 5.4 percent in the period 2003 to 2007. Growth is estimated at 5.6 percent in 2019 and projected to recover to 6.1 percent in 2020.

Per capita income rose from Ksh 113,539 in 2013 to an estimated Ksh 202,859 in 2019, a 79 percent increase. This enabled generation of around 831,000 new jobs per year in the period 2013 - 2018 up from 656,500 new jobs per year in the period 2008 -2012.

A resilient non-agricultural sector continues to support economic growth. The economy grew by an average of 5.5 percent in the first three quarters of 2019 and the full year growth is estimated at 5.6 percent in 2019 down from 6.3 percent in 2018.

In the third quarter of 2019, the economy grew by 5.1 percent compared to a growth of 6.4 percent in a similar quarter in 2018, mainly supported by strong performance in the services sub-sector such as information and communication, transportation and storage, and accommodation and restaurant.

The agriculture sector recorded a decreased growth of 3.2 percent in the third quarter of 2019 compared to a growth of 6.9 percent in a similar quarter of 2018, as a result of delayed long rains. Consequently, the sector's contribution to GDP growth declined to 0.6 percent in the third quarter of 2019 compared to 1.3 percent in the same period in 2018.

The non-agricultural sector (service and industry) remained vibrant and grew by 5.7 percent in the third quarter of 2019 down from a growth of 6.5 percent in a similar quarter in 2018. It has the largest percentage points contribution to real GDP growth at 4.0 in the third quarter of 2019, mainly supported by the services sector.

Services remained the main source of growth and expanded by 5.7 percent in the third quarter of 2019 compared to a growth of 6.5 percent in the same quarter of 2018. The service sector was supported by improved growth in accommodation and restaurant (9.0 percent), transport and storage (7.1 percent) and financial and insurance (5.6 percent). Growth of activities in information and communication (8.4 percent) and real estate (4.9 percent) also remained vibrant.

The services sector contributed 3.0 percentage points to real GDP growth in the third quarter of 2019 largely supported by Transport and storage (0.5 percentage points), wholesale and retail trade (0.4 percentage points) and Real estate (0.4 percentage points).

The performance of industry declined to 4.5 percent in the third quarter of 2019 compared to 5.8 percent in the same quarter in 2018 following subdued activities in the manufacturing, electricity and water supply and construction sectors. The slowdown in the manufacturing sector was attributed to the fall in agro-processing activities, a reflection of declining agricultural production.

Growth in the electricity and water supply remained vibrant, driven by increased use of less input intensive sources of energy such as hydro generated electricity supported by sufficient rainfall, wind power and geothermal power generation coupled with growth of thermal generation.

The industry sector accounted for 0.8 percentage points of growth in the third quarter of 2019, largely driven by construction and manufacturing sectors with a contribution of 0.4 and 0.3 percentage points respectively.

In the County level, the period 2018/2019 FY, the National government had several planned projects/programmes at County level which have great impacts in the Kitui County economy. The two main projects are road construction and Mega dam construction.

The government rolled out the Kibwezi-Mutomo-Kitui Road which is a project under the Lamu Port Southern Sudan Ethiopia Transport (LAPSSET) will have great impact on the economic growth of Kitui County. The interconnectivity of the road is expected to improve trade between Kitui County and other counties in the coastal region and Mount Kenya region. The project in end 2019 FY, 130 km of tarmac road had been completely constructed from Kibwezi-Mutomo-Chuluni shopping Center.

To improve the food production and availability of clean water, the government started construction of Mega dam (Thwake Dam) along the Athi-river. The project will enable the residence of Kitui County specifically in Kitui rural and Kitui south to access the water for domestic and agricultural use. In addition, the projects have created job opportunities for the youth in areas along the dam.

### **2.2.3 Inflation Rate**

Year-on-year overall inflation remained low, stable and within the Government target range of 5+/-2.5 percent in December 2019 at 5.8 percent up from 5.7 percent in December 2018 reflecting higher food prices.

Core inflation (Non-Food-Non-Fuel) remained below 5.0 percent in the period under review reflecting subdued demand pressures in the economy. Fuel inflation declined from 6.9 percent in December 2018 to 2.5 percent in December 2019 on account of declining energy prices.

The delay in the onset of rains resulted in lower agricultural activities and raised food inflation from March 2019. Food inflation increased from 2.6 percent in December 2018 to 9.3 percent in December 2019 reflecting rising prices of key food items.

The contribution of core inflation to overall inflation has been low and stable reflecting muted demand pressures in the economy on account of prudent monetary policies. The major driver

of overall inflation from December 2018 to March 2019 was fuel inflation. However, beginning March 2019 food inflation has been the major driver of inflation.

Kenya's rate of inflation compares favorably with the rest of Sub-Saharan African countries and its peers such as Nigeria and Ghana whose inflation rates were 11.9 percent and 8.2 percent, respectively in November 2019.

#### **2.2.4 Kenya Shilling Exchange Rate**

The Kenya Shilling has been relatively stable supported by continued narrowing of the current account deficit and adequate foreign reserve buffer. The Shilling appreciated against the US Dollar and the Euro exchanging at an average of Ksh 101.4 and Ksh 112.7 in December 2019 from Ksh 102.3 and Ksh 116.4 in December 2018, respectively. However, against the Sterling Pound, the Shilling weakened exchanging at an average of Ksh 133.0 in December 2019 compared to Ksh 129.7 in December 2018.

The Kenya Shilling has continued to display relatively less volatility, compared to most Sub-Saharan currencies. This stability reflects strong inflows from tea and horticulture exports, resilient diaspora remittances and improved receipts from services particularly tourism.

#### **2.2.5 Interest Rates**

Interest rates were low and stable for the period 2008 to 2011 due to ample liquidity in the money market. However, interest rates increased in 2012 following tight monetary policy stance in order to ease inflationary pressures. Interest rates remained stable and low in the period 2013 to October 2019, except from June to December 2015 when world currencies were under pressure. During the period, the Central Bank Rate (CBR) was adjusted appropriately to anchor inflation expectations. The Central Bank Rate was reduced to 8.5 percent on 25th November 2019 from 9.0 percent in August 2018 as there was room for easing monetary policy stance to support economic activity.

The interbank rate declined to 5.9 percent in December 2019 from 8.2 percent in December 2018 due to enhanced liquidity in the money market. The interest rates for government securities have been declining indicating that the implementation of government domestic borrowing program supported market stability. The 91-day Treasury bills rate declined to 7.2 percent in December 2019 compared to 7.3 percent in December 2018. The 182-day Treasury bills rate declined to 8.2 percent from 8.4 percent while 364-day increased to 9.8 percent from 9.7 percent.

In November 2019, the president repealed the interest rate cap which the commercial banks used since June 2016 allowing the rates to be controlled by market factors. The end of cap will enable SMEs in Kitui to easily access loans from commercial banks hence improving the county economy.

### **2.2.6 Money and Credit**

Growth in broad money supply, M3, slowed down to 5.9 percent in the year to November 2019 compared to a growth of 8.4 percent in the year to November 2018. This was due to the decline in both net foreign assets (NFA) and net domestic assets (NDA). Despite the slowdown, growth in M3 was supported by an improvement in the growth of demand deposits despite a decline in the time and savings deposits, foreign currency deposits, and currency outside banks.

NFA of the banking system in the year to November 2019 grew by 15.0 percent, a deterioration, compared to a growth of 29.4 percent in the year to November 2018. The decline in NFA of the Central Bank partly reflects declined foreign currency deposits. On the other hand, increase in NFA of commercial banks, partly reflected increase in growth of their deposit holdings with nonresident banks alongside decreased borrowings from non-residents.

Meanwhile, NDA declined to register a growth of 3.5 percent in the year to November 2019 from a growth of 3.9 percent over a similar period in 2018. This is largely due to a decline in net credit flows to other public sectors. However, net credit flows to the government and the private sector increased during the review period.

Annual credit to the private sector grew by 7.3 percent in the year to November 2019, compared to a growth of 3.0 percent in the year to November 2018. In particular, it was observed that credit to consumer durables, manufacturing, trade, finance and insurance and mining and quarrying sectors experienced strong growths of 25.9 percent, 5.7 percent, 7.3 percent, 15.8 and 31.2 percent, respectively. This offset the substantial loan repayments recorded in the building and construction sectors in the year to November 2019. Private sector credit growth is expected to strengthen in 2019 relative to 2018, due to the repeal of interest rate cap.

### **2.2.7 Balance of Payments**

The overall balance of payments position improved to a deficit of US\$ 873.3 million (0.9 percent of GDP) in the year to October 2019 from a deficit of US\$ 1352.4 million (1.5 percent



of GDP) in the year to October 2018. This deficit was due to a decline in the capital and financial account despite an improvement in current accounts.

The capital account declined by US\$ 38.6 million to US\$ 223.6 million in the year to October 2019, reflecting a decline in project grants. Similarly, financial account deteriorated to US\$ 6,346.3 million in October 2019 compared to US\$ 5,829.5 million in October 2018. The financial inflows were mainly in the form of other investments, direct investments and portfolio investments which stood at US\$ 3,680.8 million, US\$ 1,357 million and US\$ 1,284.4 million, respectively in October 2019. Other investment inflows mainly include foreign financing for Government infrastructure projects.

The current account balance narrowed by 35.4 percent to a deficit of US\$ 3783.2 million (4.0 percent of GDP) in the year to October 2019 compared to a deficit of US\$ 4,452.8 million (5.1 percent of GDP) in the year to October 2018. This reflects resilient performance of exports particularly horticulture and manufactured goods, strong diaspora remittances, higher receipt from tourism and transport services and lower imports of food and SGR-related equipment. The current account deficit is expected to narrow to 4.3 percent in 2019.

The deficit in the merchandise account narrowed by US\$ 252.6 million to US\$ 9965.7 million in the year to October 2018 reflecting a decline in merchandise import. Net services recorded a decline of 11.4 percent in the year to October 2019 mainly on account of higher receipts from transport and travels.

### **2.2.8 Foreign Exchange Reserves**

Foreign exchange reserves have increased from around 3.0 months of import cover in 2003 to above 5.0 months of import cover in 2019. This fulfils the requirement to maintain at least 4 months of imports cover, and the EAC region's convergence criteria of 4.5 months of imports cover and thus provide an adequate buffer against short term shocks in the foreign exchange market.

The banking system's foreign exchange holding remained strong at US\$ 13,343.9 million in October 2019 from US\$ 11,667.9 million in October 2018. The official foreign exchange reserves held by the Central Bank improved to US\$ 9,336.8 million (5.7 months of import cover) in October 2019 compared with US\$ 8,553.9 million (5.6 months of import cover) in October 2018. Commercial banks holdings stood at US\$ 4,007.2 million in October 2019 up from US\$ 3,114.0 million in October 2018.

### **2.2.9 Nairobi Securities Exchange**

Activity in the capital market picked up in December 2019 compared to December 2018, with equity share prices rising as shown by the NSE 20 Share Index. The NSE 20 Share Index was at 2,654.4 points by end of December, 2019 compared to 2,383.8 points by end December, 2018. On the other hand, market capitalization improved from Ksh 2,102.0 billion to Ksh 2,540.0 billion over the same period.

### **2.2.10 Fiscal Performance**

Budget execution started on a slow note in the first quarter of the FY 2019/20. The slowdown was due to delays in the county allocation of revenue proposed in the revised Division of Revenue Bill, 2019. In addition, expenditure rationalization was effected to reflect lower revenues after the realization that the revenues would perform less than earlier projected leading to a wider fiscal deficit.

The exercise to clean-up the development project portfolio triggered by the budget rationalization on inclusion of new projects in the budget also slowed down the uptake of development expenditures in the first quarter of FY 2019/20. However, this picked up strongly in the second quarter of FY 2019/20.

The Government embarked on expenditure rationalization to ensure a sustainable fiscal position in the FY 2019/20 and the medium term, and reaffirm its commitment to the fiscal consolidation plan and to prudent fiscal management in general. Revenue Performance.

Revenue collection to December 2019 grew by 15.9 percent compared to the same period in the FY 2018/19. This growth was driven in part by a rebound effect, after the poor performance in the previous financial year as well as the effect of the tax policy measures introduced in the Finance Act 2019. Despite the growth, cumulative ordinary revenue fell short of the December target by Ksh 138.7 billion. The shortfall was in all broad categories of ordinary revenues with income tax recording the highest shortfall on account of depressed performance in Pay as You Earn followed by excise tax and VAT. 44. This shortfall is expected to close in the second half of the financial year as the yields from the full impact of the revenue policy measures take effect and the continued implementation of the Revenue Enhancement Initiatives (REI) by the Kenya Revenue Authority (KRA).

As the financial year progresses, we will closely monitor the performance of income tax from individuals (P.A.Y.E), excise taxes and taxes from international trade and transactions (Import

duty) which performed below the cumulative December 2019 targets. Income tax from corporations is expected to bounce back to target levels by the third quarter due to the strong performance recorded in the economy in the first half of the financial year. Value Added Tax (VAT) on locally produced goods remained largely on target and is expected to remain on course into the second half of the year.

In nominal terms, total revenue collection including Appropriation in Aid (A.i.A) by December 2019 amounted to Ksh 920.6 billion (equivalent to 8.9 percent of GDP) against a target of Ksh 1,059.3 billion (equivalent to 10.2 percent of GDP). The recorded shortfall of Ksh 138.7 billion was due to underperformance in ordinary revenue by Ksh 88.4 billion and A.i.A amounting to Ksh 50.3 billion.

County level, the total disbursement to the county revenue fund account during the financial year 2018/2019 was Kshs 8,729,200,000, representing 100% of the total equitable share the county expected to receive from National Treasury. This represents an improvement of 0.8% from previous financial year of 2017/18 FY.

Over the same period, the county expected to receive grants totalling to Kshs 1,220,269,857 from both the National Treasury and International donors (World Bank, United Nations Development Fund and DANIDA).

A total of Kshs 782,621,011 was received from grants, representing 64 % of the total grants while Grants from World Bank Kenya Devolution Support Program (KDSP) Kshs 65,054,392; FAO Support Vaccination Program Kshs 9,925,960 were not received.

### **2.2.11 Expenditure Performance**

Total expenditure and net lending for the period ending December 2019 amounted to Ksh 1,144.9 billion which was below the projected amount by Ksh 163.1 billion. Recurrent spending amounted to Ksh 772.5 billion while development expenditures and transfer to County Governments (equitable share only) were Ksh 250.2 billion and Ksh 112.0 billion respectively.

Recurrent spending was below the projected target by Ksh 24.8 billion mainly on account of lower than targeted pensions. The shortfall in pensions & other consolidated fund services (CFS) was due to slower than targeted processing of pension payments in the recurrent

category. Similarly, development expenditures were below target by Ksh 98.0 billion on the account of below target absorption of foreign and domestically financed development expenditure by Ksh 42.3 billion and Ksh 52.6 billion respectively.

Fiscal operations of the Government by end of December 2019 in the FY 2019/20 resulted in an overall deficit of Ksh 214.0 billion against a projected deficit of Ksh 232.2 billion. This deficit was financed through net domestic borrowing of Ksh 152.9 billion and net foreign borrowing of Ksh 78.8 billion.

The county expenditure for the year ending 30th June 2019 amounted to Kshs 10,092,709,987; representing gross absorption of 86%, up from 83% in 2017/18 FY. Of this expenditure, recurrent expenditure was Kshs 6,611,386,144 (65.5%) while development expenditure amounted to Kshs 3,481,323,843 (34.5%).

### **2.2.12 Fiscal Policy**

Going forward into the medium term, the Government will continue in its fiscal consolidation path with the overall fiscal deficit being maintained broadly at the levels outlined in this BPS. This will ensure debt is maintained within sustainable levels. The fiscal deficit is expected to decline from 7.7 percent of GDP in FY 2018/19 to 3.3 percent by FY 2023/24. This deliberate fiscal consolidation plan also resonates well with the East African Monetary Union's (EAMU) protocol target ceiling of 3.0 percent of GDP.

To achieve this target, the Government will continue to restrict growth in recurrent spending and double its effort in domestic resource mobilization. In the FY 2019/20, the Government is implementing a raft of tax policy measures through the tax amendment law and the Finance Act, 2019 whose revenue yield is estimated at about 0.3 percent of GDP. In addition, the modernized Income Tax Bill currently undergoing legal drafting, will also ease administrative bottlenecks, improve compliance and boost revenue collection, thereby supporting the government's fiscal consolidation efforts.

Further, the establishment of Public Investment Management (PIM) Unit at the National Treasury continues to play a great role in enhancing efficiency in identification and implementation of priority social and investment projects. This takes into account the Government's efforts to increase efficiency, effectiveness, transparency, and accountability of public spending. In particular, the implementation of PIM regulations under the Public Finance Act will streamline the initiation, execution and delivery of public investment

projects. It will also curtail runaway project costs, eliminate duplications and improve working synergy among implementation actors for timely delivery of development projects.

In this regard, expenditures as a share of GDP are projected to decline from 26.0 percent in the FY 2018/19 to 23.6 percent in the FY 2020/21 and further to 21.7 percent in the FY 2023/24.

On the other hand, revenues as a share of GDP are projected to remain at 18.0 percent in the medium term. The additional resources are expected to support the fiscal consolidation program and bring the fiscal deficit down to 3.3 percent of GDP by FY 2023/24.

The Government continues to implement initiatives to boost revenue performance and enhance tax compliance. These revenue supporting initiatives have been implemented at considerable cost and will over the medium to long term help drive revenue performance. The initiatives include:

- i. Government systems integration to allow for 3rd party data matching and improve service delivery;
- ii. Implementation of a Consolidator framework to enhance trader traceability and accountability of all imports coming through the Eldoret International Airport;
- iii. Integration of scanners which has drastically reduced cases of mis-declaration and concealment while simultaneously allowing for nonintrusive inspection;
- iv. Identification and elimination of revenue administration gaps and stop revenue leakages, including leveraging on information technology to improve collection efficiency, through the use of third party data and ensure compliance of registered professionals;
- v. Identification and implementation of strategies to improve Value Added Tax collection including fast tracking automation, enhanced tax payer education;
- vi. Carrying out a comprehensive audit of all exemptions over the past 5 years to identify multiple use of a single exemption and make relevant tax demands; and,
- vii. Fast track Tax Appeals Tribunal cases and get cases to move from Court to Alternative Dispute Resolutions

Given the expenditure rationalization and the revenue enhancement measures put in place, fiscal deficit inclusive of grants is projected to reduce from Ksh 715.2 billion (equivalent to 7.7 percent of GDP) in the FY 2018/19 to Ksh 569.4 billion (equivalent to 4.9 percent of GDP)

in the FY 2020/21 and further to Ksh 547.2 billion (equivalent to 3.3 percent of GDP) in the FY 2023/24. To finance the fiscal deficit in the FY 2020/21, domestic borrowing is projected at Ksh 318.9 billion, foreign financing at Ksh 247.3 billion and other domestic financing Ksh 3.2 billion as reflected in Table 1.5. In the medium term, debt is projected to remain sustainable.

The county total revenue generated by the county over the period (June 2018-June 2019) was Kshs 443,644,680, up from Kshs 335,122,477 collected in the previous year 2017/2018 amounting to a 32.4% improvement.

## **2.3 Economic Outlook**

### **2.3.1 Global Growth Outlook**

Owing to weaker trade and investment at the start of the year, global economic growth is expected at 3.4 percent in 2019 from a projection of 3.0 percent in 2019 down from 3.6 percent in 2018. The sluggish growth reflects the continued global trade sanctions between the U.S.A and China, subdued investment and demand for consumer durables in emerging markets and developing economies, rising energy prices and the continued Brexit-related uncertainties.

As a result of the weaker prospects in the United States as its fiscal stimulus fades and the forthcoming increase in the consumption tax rate in Japan, growth in the advanced economies is expected to ease to 1.7 percent in 2020 from 2.3 percent in 2018.

Growth in the emerging markets and developing economies is expected to pick up to 4.6 percent in 2020, from an estimated growth of 3.9 in 2019. Similarly, the sub-Saharan Africa region is expected to remain relatively robust growing by 3.6 percent in 2020 from 3.2 percent in 2019.

### **2.3.2 Domestic Growth Outlook.**

On the domestic scene, despite the challenging global environment, Kenya's economy has remained strong and resilient. The economy expanded by 6.3 percent in 2018 up from the 4.9 percent growth registered in 2017. The growth momentum continued in the first three quarters of 2019, with the economy expanding by an average of 5.4 percent. The latest economic indicators in the third quarter of 2019 point to continued economic recovery that will culminate to an overall projected growth of about 5.9 percent in the FY 2019/20. Economic growth is further projected to rise to 6.2 percent in the FY 2020/21 and 6.9 percent by FY 2023/24.

The growth outlook for the FY 2019/20 and the medium term is supported by a stable macroeconomic environment, investments in the strategic areas under the “Big Four” Plan and their enablers, and existing business and consumer confidence in the economy. Further, the ongoing public investments in infrastructure projects, growth in tourism, resilient exports and the associated benefits from regional economic integration in the sub region will reinforce the projected growth. The economic growth projections over the medium term are aligned to those of the MTP III.

### **2.3.3 County Growth Outlook**

Kitui County’s economy has significantly improved in the 2018/2019 FY as compared to 2017/2018 FY. This has been achieved through the driving power of the five pillars (food security and water, health care, Education and Youth Empowerment, Women Empowerment and Wealth Creation). The local revenue under the period increased by 32.4% in relation to the previous 2017/2018 FY.

In the 2018/2019 FY, the county purchased a stone crusher with an aim of creating more wealth and maximizing the available resources in Kitui Rural Sub-County. The crusher will act as economic boost with its supply of ballast to Thwake dam and other infrastructure within the county. In addition the crusher will create job opportunities to the youth and revenue to the County.

With an aim of wealth creation and Youth empowerment, the county established a Textile center (garment factory) at Syongila in Kitui Township ward. The Kitui County Textile Centre (KICOTEC) which was awarded a tender by the National Government to produce uniforms to all chiefs across the country. The factory has continuously produced school uniforms to secondary and primary schools, special group’s uniforms. Due its operational, the factory has created job opportunities to 350 youths and additional revenue to the county.

In 2018/2019 FY, the county empowered the farmers in bee keeping and honey production which involved training, purchase and distribution of the bee hives. This ensured the modern methods of bee keeping with increase the honey production and quality hence value chain addition on the honey.

Within the same period 2018/2019 FY, the county promoted the high value horticultural crops programmes in the Myanda irrigation project which aimed to increase the food security. The

projects involved supply of assorted seeds, fungicides and the insecticides to the selected areas. This promoted the crop value chain, creates wealth and job opportunities.

Within the same period, operationalization of farm tractor ploughing services was conducted across the county with an aim of improving the food productivity. The long and short rains of year was below normal hence affected the productivity of green grams and other crops.

In order to create wealth, the county introduced dairy improvement projects across the county through artificial insemination in 2018/2019 FY. The project aimed in improving the livestock local breeds to increase meat and milk production with a breed which is high resistant to diseases and climatic changes.

The continuity of enrolling residence in the Kitui County Health Insurance Cover (KCHIC) has ensured that residents get comprehensive health services. Disease burden has reduce hence reducing morbidity. This has ensured that out-of-pocket expenditures on health services has been eliminated drastically. The savings out of all this has been reinvested to other gainful ventures, thus improving the county economy.

In the 2018/2019 FY, to provide the county residence with clean water for domestic use and agriculture, the county constructed/disilting of earth dams/pan and rock catchments, water pipelines extensions and drilling and equipping of boreholes. These promoted the production of food and development of the livestock across the county. The boreholes were installed with solar powered pumps which reduces the cost of operation.

In the 2018/19 FY, the county government provided subsidies to WSPs to KITWASCO & KIMWASCO who supply water to Kitui town and Mwingi town respectively. These promoted the provision of clean water to residence of the two towns.

For any economy to grow, road infrastructure is a key enabler hence the county graded, constructed and repaired roads across the county. The road project included bush clearing and construction of drifts. As a result, there smooth movement of persons and goods across the county.

### **2.3.4 Risks to the Economic Outlook**

The macroeconomic outlook is faced with risks from both external and domestic sources. Risks from global economies relate to increased volatility in the global financial markets due to tensions between the U.S.A and China, the slower growth of the Chinese economy,



uncertainties over the nature and timing of Brexit and the pace of normalization of monetary policy in the advanced economies. Further, the uncertainty of trade agreements such as between the United Kingdom and the European Union, the free trade area encompassing Canada, Mexico, and the U.S.A as well as uneven and sluggish growth in advanced and emerging market economies could hamper the forecasted growth. The low commodity prices and the risk of energy prices taking an upward trend, if the rising geopolitical tensions are not subdued, could negatively impact on our exports.

Domestically, the economy will continue to be exposed to risks arising from public expenditure pressures, particularly related to wage related recurrent expenditures and the inevitable climate change and variability which has enhanced the frequency of disaster such as landslides, droughts and destruction of physical infrastructure. Locust invasion witnessed in the country in late 2019 and early 2020 poses a risk to agricultural production and food security. These shocks are likely to have negative impact on energy generation and agricultural output leading to higher inflation that could slow down economic growth.

The Government continually monitors these risks to inform appropriate mitigating monetary and fiscal policy measures to preserve macroeconomic stability and strengthen resilience in the economy. To cushion the country against the downsides of the risks emanating from the global sphere, the Government is deepening reforms in the financial sector to ensure a stable and strong financial system in Kenya. The Government is also safeguarding macroeconomic stability through prudent fiscal and monetary policies. In particular, the Government continues to accumulate foreign exchange reserves to deal with any external shocks. Additionally, the diversified nature of our economy continues to offer resilience to the global challenges.

To protect the country from climate related risks and disasters, the Government has put in place various policies, strategies and financial risk protection instruments to cushion the economy against budget disturbances emanating from the need to address the unforeseen natural disaster. In particular, the Government has put in place a Disaster Risk Financing Strategy which outlines various financial protection instruments in the economy in the event of a disaster.

On risks emanating from domestic sources, the Government has laid foundations to enhance faster and lasting growth through the “Big Four” Plan, which will enhance growth momentum, and positively impact on the lives of people through jobs creation and poverty reduction. For

example, the Government is expanding irrigation schemes to reduce dependence on rain-fed agriculture, diversifying exports and promoting value addition in agriculture. Further, the Government is accelerating infrastructure development to support manufacturing and expand intra-regional trade by deliberately targeting new markets for our products. In addition, the ongoing enhanced domestic resource mobilization and expenditure rationalization will significantly reduce wage related pressures and reduce debt accumulation thus creating fiscal space necessary for economic sustainability.

The county economic growth was much affected by the political goodwill from the political class which involved the delay in enacting of bills into laws and liquor licensing structure, approving annual supplementary budgets hence affecting project implementations and service delivery.

In revenue collection, resistance of revenue payments in some areas and more gaps in the revenue collection resulted to low revenue turnout across the ministries. To address the issues, most of the revenue avenues are fully automated, staff training and public awareness on the benefits of the optimum revenue collection within the county.

### **3.0 FISCAL POLICY, 2020/21 FY BUDGET AND THE MEDIUM-TERM EXPENDITURE FRAMEWORK**

The County government is committed to fiscal discipline in order to promote productive sector growth and overall economic growth. In this regard, expenditure management and revenue administration reforms will be implemented to increase efficiency, reduce wastage and mobilize revenues to create fiscal space for funding development programmes within the budget.

#### **3.1 FY 2020/21 Budget Framework**

In the FY 2020/21 prioritization of resource allocation will be based on the County Integrated Development Plan (CIDP), Departmental priorities, programmes and development policies of the County Government. The 2020/21 FY budget will institute reforms targeted at consolidating gains, achieving efficiency and productivity of government spending. The CIDP takes into account the development Agenda of the Country by including programmes for the County residents with high impact on their welfare.

#### **3.2 Revenue Projections**

The County government projects to receive a transfer of about Kshs.9.6 billion from the National Government for the FY 2020/21 constituting an equitable share allocation of Kshs. 8.898 billion and conditional grants of Kshs 0.702 billion respectively. The allocations are indicative as the actual allocation will be provided in the County Allocation of Revenue Act (CARA), 2019.

The County's revenues have been growing slowly over the past financial years, but we expect them to improve further in the FY 2020/21 with the enactment of the relevant laws and automation of revenue. For the 2020/21 FY, the County projects Kshs. 0.6 billion revenues from its own sources. The projected total revenue for the FY 2020/21 is therefore Kshs 10.2 Billion comprising of Kshs. 0.6 billion as County's own revenues and Kshs. 9.6 billion as transfers from the National Government.

The County Executive will present to the County Assembly, more detailed structural measures to boost revenue generation through the Finance Bill, 2020, for consideration and enactment as required by the PFM Act, 2012.

## REVENUE PROJECTIONS FOR FY 2019/2020 AND THE MTEF

S/No	Source	Actual Revenue	Actual revenue	Actual Revenue	Revenue Estimates	Revenue Estimates	Projected Estimates	
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 (Kshs)	2022/23 (Kshs)
		(Kshs)	(Kshs)	(Kshs)	Kshs	Kshs		
1	<b>Equitable share</b>	7,841,480,359	8,652,300,000	8,729,200,000	8,830,350,000	8,898,400,000	9,788,240,000	10,767,064,000
2	<b>Grants</b>							
	Free Maternal Healthcare	70,080,000			-			
	Compensation for User Fees Forgone	23,144,996	23,144,997	22,499,906	22,499,906	22,499,906	24,299,898	26,243,890
	Road Maintenance Fuel Levy	120,484,292	309,636,150	287,290,294	280,638,858	264,131,438	285,261,953	308,082,909
	Grants from World Bank (KDSP)	-	53,665,066		30,140,998		-	-
	World Bank (Universal Health)		47,013,831	67,082,450	146,059,341	323,076,845	348,922,993	376,836,832
	World Bank (Agriculture - Rural Growth)	-	50,609,855	50,078,476	384,709,261		-	-
	HSSP/HSPS - (DANIDA/IDA)	150,020,244	32,522,346	29,008,126	26,062,500		-	-
	World Bank loan to Supplement financing of County Health Facilities	-		-			-	-
	Development of Youth Polytechnics	-	67,576,636	44,141,075	72,882,525	92,646,170	100,057,864	108,062,493

S/No	Source	Actual Revenue	Actual revenue	Actual Revenue	Revenue Estimates	Revenue Estimates	Projected Estimates	
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 (Kshs)	2022/23 (Kshs)
		(Kshs)	(Kshs)	(Kshs)	Kshs	Kshs		
	Other GOK Grants (Doctors & Nurses Allowance)	88,992,000		-	-		-	-
	Kenya Urban Support Project - World Bank			232,374,200	363,132,592		-	-
	Kenya Urban Support Project (UIG)- World Bank			41,200,000	50,000,000		-	-
	ASDSP			8,946,484	36,633,313		-	-
	KCEP-COCRLA				3,251,286		-	-
	FAO				4,337,271		-	-
	Pro Poor				1,592,166		-	-
	<b>Subtotal</b>	<b>452,721,532</b>	<b>584,168,881</b>	<b>782,621,011</b>	<b>1,421,940,017</b>	<b>702,354,359</b>	<b>758,542,708</b>	<b>819,226,124</b>
		<b>8,294,201,891</b>	<b>9,236,468,881</b>	<b>9,511,821,011</b>	<b>10,252,290,017</b>	<b>9,600,754,359</b>	<b>10,546,782,708</b>	<b>11,586,290,124</b>
3	<b>Own Revenue</b>							
	<b>County Ministries/Entity</b>							
	Office of the Governor	16,392,240	17,002,350		-	-	-	-
	Ministry of Public Service Management and Administration	-		9,876,970	15,200,000	15,200,000	15,960,000	16,758,000
	The County Treasury	106,022,233	91,863,116	126,941,699	140,000,000	140,000,000	147,000,000	154,350,000

S/No	Source	Actual Revenue	Actual revenue	Actual Revenue	Revenue Estimates	Revenue Estimates	Projected Estimates	
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 (Kshs)	2022/23 (Kshs)
		(Kshs)	(Kshs)	(Kshs)	Kshs	Kshs		
	Ministry of Health and Sanitation	72,740,757	106,553,358	176,097,641	230,000,000	230,000,000	241,500,000	253,575,000
	Ministry of Basic Education, ICT and Youth Development		-	-			-	-
	Ministry of Trade, Cooperatives and Investments	425,671	428,707	1,046,812	50,000,000	50,000,000	52,500,000	55,125,000
	Ministry of Land Infrastructure and Urban Development	24,958,150	26,196,850	26,925,512	35,000,000	35,000,000	36,750,000	38,587,500
	Ministry of Tourism, Sports and Culture	-	1,095,150	132,500	2,000,000	2,000,000	2,100,000	2,205,000
	Ministry of Agriculture water and Livestock Development	17,167,612	12,989,871	16,418,764	24,000,000	24,000,000	25,200,000	26,460,000
	Ministry of Environment, Energy and Minerals Investment Development	6,785,460	5,060,700	850,900	1,800,000	1,800,000	1,890,000	1,984,500
	Kitui Municipality	45,252,270	48,923,181	57,387,816	67,000,000	67,000,000	70,350,000	73,867,500
	Mwingi Town Administration	25,602,970	25,009,194	27,966,066	35,000,000	35,000,000	36,750,000	38,587,500
	<b>Subtotal</b>	<b>315,347,363</b>	<b>335,122,477</b>	<b>443,644,680</b>	<b>600,000,000</b>	<b>600,000,000</b>	<b>630,000,000</b>	<b>661,500,000</b>
	<b>TOTAL</b>	<b>8,609,549,254</b>	<b>9,571,591,358</b>	<b>9,955,465,691</b>	<b>10,852,290,017</b>	<b>10,200,754,359</b>	<b>11,176,782,708</b>	<b>12,247,790,124</b>
	% of Equitable Share	91	90	88	81	87	88	88

S/No	Source	Actual Revenue	Actual revenue	Actual Revenue	Revenue Estimates	Revenue Estimates	Projected Estimates	
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 (Kshs)	2022/23 (Kshs)
		(Kshs)	(Kshs)	(Kshs)	Kshs	Kshs		
	% of Own Resources	4	4	4	6	6	6	5
	% of Grants	5	6	8	13	7	7	7
		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
	<b>Revote from previous budget</b>	1,843,914,081	1,319,665,314	880,167,531	526,210,232		-	-
	<b>Total Resource Envelope</b>	<b>10,453,463,335</b>	<b>10,891,256,672</b>	<b>10,835,633,222</b>	<b>11,378,500,249</b>	<b>10,200,754,359</b>	<b>11,176,782,708</b>	<b>12,247,790,124</b>

**Source:** KITUI County Treasury

### **3.3 Expenditure Projections**

To redirect expenditure to the priority programmes highlighted in chapter two, County departments will review their budgets with an aim of removing one-off expenditures from previous years and low-priority expenditures in order to realize and shift of the savings to the highly priority programmes and ensure completion of the ongoing projects. The performance of earlier funded projects/programmes will also be reviewed with a view to improving the implementation and absorption capacity of development projects. This will also ensure that projects are well planned and executed as planned.

### **3.4 Recurrent Expenditure Projections**

Total recurrent expenditure budget in the FY 2020/21 is estimated to be Kshs.6.66 billion as compared to Kshs.7.095 billion in FY 2019/20 printed budget estimates, thereby decreasing the amount by 6.2 %. The wage bill is projected at Ksh. 4.6 Billion in the FY 2020/21 compared to Kshs. 4.4 Billion in 2019/20 FY thereby increasing by 5.0%. The projected wage bill is 45 percent of total revenues.

The PFM (County Governments) Regulations, 2015, requires that the County Governments maintain employee compensation levels at not more than 35 percent of their total revenue. In the medium term, the County government is committed to ensuring compliance with this fiscal responsibility principle.

The Operations and Maintenance expenditures will be lower in the medium term due to removal of one-off expenditures such as office infrastructure and equipment from the recurrent budget coupled with other expenditure rationalization measures. The estimated amount in the FY 2020/21 is Kshs. 2.06 billion down from the printed estimate of Kshs. 2.72 billion for the FY 2019/20 reflecting a reduction of 24.2 %.



**Table 2: FY 2020/21 Budget Allocation**

County Ministry	Revised Estimates 2018/19 (Kshs)	Printed Estimates 2019/20 (Kshs)	Projected Estimates 2020/21 (Kshs)	% to Total Budget (2020/21)
<b>Recurrent Budget</b>				
Personal Emoluments	4,334,457,124	4,376,067,679	4,594,871,062	45.0
Operations & Maintenance	2,764,830,019	2,719,001,185	2,061,030,928	20.2
<b>Total Recurrent Estimates</b>	<b>7,099,287,143</b>	<b>7,095,068,863</b>	<b>6,655,901,990</b>	<b>65.2</b>
<b>Development Budget</b>				
Development Estimates	4,589,385,303	4,283,431,386	3,544,852,369	34.8
<b>Total Budget Estimates</b>	<b>11,688,672,447</b>	<b>11,378,500,249</b>	<b>10,200,754,359</b>	<b>100</b>

Source: Kitui County Treasury

### 3.5 Development Expenditure Projections

In the FY 2020/21, the overall development expenditure is expected to be Ksh. 3.545 billion. This accounts for 34.8 percent of the overall budget, which is in line with the fiscal responsibility requirement of allocating at least 30 percent of the budget to development expenditure.

### 3.6 Overall Deficit and Financing

To avoid deficits that have no clear plan on how they will be funded, the County Government has allocated resources for spending that are commensurate to the revenues expected in the FY 2020/21. In that FY therefore, the County budget shall be financed through transfer from the National Government and local revenue collected from fees, charges, rates, among others as allowed by the governing legal framework. The FY 2020/21 fiscal framework is therefore fully financed.

### **3.7 Risks to the 2020/21 County budget framework**

The risks to the fiscal framework for the FY 2020/21 includes failing to meet the revenue target due to unforeseen factors. This remains a major challenge as it can generate pending bills and cause general cash flow problems or even cause undue demand for borrowing. To counter this, the County will put in structural reforms aimed at sealing loopholes, revenue enhancement measures while ensuring there are efficient and cost effective methods of collecting the revenues.

Another risk is the County's high wage bill. Even though recruitment of new staff in the county has been frozen, there have been demands for promotions and strikes by especially health workers on pay increments. Furthermore, the County is waiting for proposed recommendations under the CARPs programme and the SRC's job evaluation exercise. The lack of clear guidelines for clarity, harmony of operations and delay by the National Government in finalizing the CARPS exercise has been a drawback. It is expected that once the exercise is completed, the National Treasury will allocate enough funds for implementation of the recommendations, which may include staff compensation in the event of rationalization.

Over reliance on national government transfers is another risk that also undermines the County's fiscal autonomy. Coupled with the unpredictability on account of the delays in release of the resources, this poses a great risk to proper implementation of the County's budget.

Duplication of functions in some areas that are still contentious between the National and County Governments that risk generating intergovernmental conflicts, wasteful spending and financing gaps that could adversely affect implementation of the County's fiscal framework is another risk that needs to be mitigated through dialogue and consensus building.

Delays in passing of crucial bills by the County Assembly could also affect budget implementation.

There has been adequate rainfall and we are anticipated to have bumper harvest. However the locust invasion pose a big threat on our harvest which will likely affect crop and livestock productivity.

## **3.8 Fiscal Structural Reforms**

### **3.8.1 Revenue mobilization:**

The County government will put in place measures to meet its revenue target as this will enable the County to implement its development programmes. The County has so far implemented various reforms aimed at sealing revenue leakage loopholes. This will be facilitated through completion of the automation of systems and revenue collection. By so doing, all payments in the County will be made electronically and in return administrative costs are expected to significantly reduce. Also, this will minimize leakages and expand access to payment points, which will improve on accountability.

The County Government will adopt other key strategies amongst them; mobilization of additional revenue by strengthening enforcement and expansion of the revenue base. This will continue to remain the key focus in the next FY. The County will focus on land and property tax as the most appropriate and equitable source of revenue to finance development and provision of essential services. To this effect, the County will finalize and implement the Draft Valuation Roll completed recently in order to widen the tax base. These, and other measures laid down for implementation are contained in a Revenue Enhancement plan by County Treasury.

### **3.8.2 Expenditure Management**

The County will continue to use Integrated Financial Management System (IFMIS) as the system for processing payments. On implementation of projects, the County will continue to undertake capacity building initiatives to properly support other Departments. Consultations with the County Budget and Economic Forum (CBEF) will be deepened on all matters of planning, budgeting and financial management. Audit Committees have so far been formed and fully operational. Such consultations also ensure that there is transparency, accountability, and adherence to the PFM Act on budget making process.

The County Government will use bottom up approach on project identification. Projects will be identified at the ward level based on community needs in each ward. This will be approved by the County Assembly and implemented by the County Executive in compliance with the law. The County services are expected to be brought closer to residents which will go a long way in deepening devolution.

The County Government will continue with civic education programmes to enhance awareness and facilitate proper flow of information. Increased cooperation between the County Government and the County Assembly will ensure there is efficient running of County government thereby improving service delivery.

In order to contain recurrent and non-essential spending, the County will focus on the following areas of intervention:

- Foreign and domestic travel will be limited to essential travels
- Limiting training to the need basis and essential/critical.
- Issuance of circulars and strict enforcement of cost reduction measures to all County Departments.
- Implement a strict commitment control system to reduce the stock of pending bills.

### **3.9 Guiding Principles in Resource Allocation**

The PFM Act, 2012 and the PFM (County Regulations), 2015 sets out fiscal responsibility principles that guide the Medium Term Expenditure Framework (MTEF) for the County. The guiding principles that are considered in the allocation of the available resources include:

- (i) The requirement that the County public debt shall never exceed twenty (20) percent of the County government's total revenue at any one time. The county will not be incurring any debt;
- (ii) The County Government wages shall be contained at thirty-five (35) percent of the County government's total revenue in the medium term;
- (iii) The approved expenditures of a County assembly will be as per senate's recommendations.
- (iv) The County government actual expenditure on development shall be at least thirty percent.

### **3.10 The County's Adherence to the Fiscal Responsibility Principles.**

The proposed MTEF adheres to the fiscal responsibility principles outlined above as follows.

- (i) The development expenditures have been projected at 34.8 percent of the County budget against an obligatory minimum of 30 percent. (See table 2)
- (ii) The wage bill is estimated at 45 percent of total revenues for FY 2020/21. The principle that wage bill shall not exceed 35 percent of the County government's total revenue is not met;
- (iii) The expenditure estimates for the County Assembly are at 8.4 percent of the total County revenues. Fiscal risks will be managed prudently to ensure a reasonable degree of predictability with respect to the level of tax rates, charges and tax bases.
- (iv) The County does not intend to borrow in the FY 2020/21 and has therefore adhered to the principle of debt not exceeding 20 percent of the County government's total revenue.

### **3.11 Resource Sharing Guidelines**

Allocation of Departmental ceilings over the medium has been informed by the following guidelines.

- (i) In the recurrent expenditure category, non-discretionary expenditures take first charge. This includes payment of Salaries and wages projected at 45 percent of the expected total revenue receipts.
- (ii) Other recurrent expenditures that include operations and maintenance account for 20.2 Percent of the projected total revenue.
- (iii) Development expenditure takes 34.8 percent of the total revenue available. Development expenditures have been shared out on the basis of the CIDP priorities and strategic interventions identified in various forums.

Also included in the criteria used for apportioning the capital budget is on-going projects and intervention on investment projects in priority areas that support social development, economic growth and transformation of the County. The projected Departmental expenditure ceilings are summarized in the table 3 below.

#### 4.0 ANNEXURE: DEPARTMENTAL/ SECTOR PRIORITIES

##### Annex 1. Office of the Governor

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2020/21
Office of the Governor	Promote socio-economic development in the community	To increase the rate of access, transition and retention of learners from financially disadvantaged backgrounds through school fees bursary support	Education support programme
	Promote socio-economic development in the community	To promote equitable development across the entire County's 40 Wards and 247 villages through implementing small scale infrastructure projects addressing immediate community needs	Community Level Infrastructure Development Programme (CLIDP)
	Improved service delivery through support to the available work force	To provide residence as well as hosting and reception during county functions	Completion of the Governor and the Deputy Governor's residence: <ul style="list-style-type: none"> <li>· Construction works</li> <li>· Furniture and fittings</li> </ul>
	Improved service delivery	To ensure a conducive working environment	Refurbishment/partitioning of buildings(staff offices)
	Enhanced disaster management	To minimize risks and harmful effects of disasters including supply of food items and other humanitarian support	Disaster Management and response preparedness

<b>County Ministry/Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programmes for FY 2020/21</b>
	preparedness within the County		
	Positioning, branding and county image	To enhance and sustain County image and favorable reputation with stakeholders through consultation, collaborations and partnerships	Communication, County Branding, publicity and advocacy programmes
	Fostering intra and intergovernmental relations	Promote cordial and coordinated intergovernmental relations	Inter-Governmental Relations Programmes
	Effective public service delivery	Improved socio-economic livelihoods for county residents	Monitoring and Coordination of the five pillars of Governors Manifesto
			Coordination of value chain and value addition
		Enhanced Management of CEC/Cabinet affairs via proper planning and execution of Cabinet meetings	Cabinet affairs programme
		To ensure vehicles are well repaired and maintained	
		Review and implement county transport policy	General administration programme
		Dispose vehicles that are aged and costly to maintain	
		Acquire new vehicles	



<b>County Ministry/Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programmes for FY 2020/21</b>
		Human resource reforms	development of staff competences and capacity building
			Institutionalize performance management systems
			Automation of HR records
	Leadership and integrity	Coordinate initiatives to fight corruption and build ethics and integrity	Development of anti-corruption action plans, programmes to enhance government, setting up various structures to promote governance.
		Sensitization of public officers on leadership and integrity code as well as the fight against corruption	
	Improvement of records management within County Government of Kitui	Build capacity of records management staff	General administration programme
	Enhanced service delivery and economic development	To strengthen the existing human resource capacity and enhance human resource discipline, remuneration and staff welfare	Control of Alcohol, Drugs and Substance Abuse through awareness creation to the staff and the general public
		To provide conducive working environment	

<b>County Ministry/Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programmes for FY 2020/21</b>
	Improved public service delivery and economic development	To rehabilitate existing human resource capacity and enhance HR discipline	HIV/AIDs and pornography Control Programme through creation of awareness to the staff

## **Annex 2. Public Service Management and Administration**

<b>County Ministry / Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed projects and programmes for FY 2020/21</b>
Public Service Management and Administration	To coordinate and ensure participation of communities in Governance at the local level	To provide Civic Education and disseminate county policies and strategies	Civic education programmes in collaboration with other stakeholders
	To enhance the implementation of development projects in the County	Track the progress of county projects in order to ensure compliance with set deadlines.	Tracking programmes for County projects and programmes
		Coordinate other departments to harmonize county projects and ensure fairness in distribution of projects and avoid duplication of projects	Harmonization activities/programmes in collaboration with other stakeholders
		Identify and Prioritize county projects to enhance the spirit of public participation	Project identification and prioritization programmes in

County Ministry / Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed projects and programmes for FY 2020/21
			collaboration with other stake holders
Public Service Management and Administration	Provide conducive working environment for efficient and effective service delivery to the residents of Kitui.	To provide office space for good county image service delivery	<ul style="list-style-type: none"> <li>• Completion of Ward Offices</li> <li>• Construction of sub county and Village offices</li> <li>• Acquisition of land for office construction</li> </ul>
		To improve and dignify the movement of ward and village administrators from one place to another within their areas of jurisdiction.	<ul style="list-style-type: none"> <li>• Purchase of Motorbikes for Ward and village administrators.</li> <li>• Purchase of a vehicle for the Directorate of Administration</li> <li>• Purchase of 2 vehicles: one for the County Executive Committee Member and the other for the Chief Officer</li> </ul>
	Liquor Licensing Board	To ensure smooth licensing of liquor business	Formation of Liquor Licensing Board and various committees as outlined in the Alcoholic drinks

<b>County Ministry / Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed projects and programmes for FY 2020/21</b>
			control act,2014 and operationalization
	Staff Training and capacity development program.	To enhance public administration staff skills for improved service delivery	Capacity building and training.

### **Annex 3. Ministry of Agriculture, Water and Livestock Development**

<b>County Ministry</b>	<b>Broad Priorities</b>	<b>Broad strategic objectives</b>	<b>Proposed Projects/Programmes for 2020/2021 FY</b>
Ministry of Agriculture, water and Livestock Development	Increased agricultural production, food and nutrition security	i) Increasing agricultural output and productivity	Promotion of horticultural crops-Fruits and vegetables (Mangoes, onions, tomatoes, etc) through use of SHEP Approach
		ii) Reduction of pre- and post-harvest crop losses	Promotion of sorghum production, utilization, and marketing
			Promotion of Sisal production
			Promotion of pulses (Ndengu and cowpeas) production and utilization
	Improved farm income and profitability	i) Intensification and commercialization of smallholder agriculture	Promotion of Soil and Water Conservation practices

County Ministry	Broad Priorities	Broad strategic objectives	Proposed Projects/Programmes for 2020/2021 FY
		ii) Promoting market linkage and value addition	<p>Soil testing and fertility improvement</p> <p>Water harvesting for crop production (dams and stream irrigation ponds for runoff harvesting)</p> <p>Mango Value Addition- Preservation of mangoes and vegetables</p> <p>Agricultural Mechanisation Service Program</p> <p>National agricultural and rural inclusive growth project (NARIGP)</p>
	Improved human and institutional capacity	Effective delivery and supply of agricultural extension and advisory services	<p>Reconstruction of an existing dam and de-silting of earth dam</p> <p>Construct one general store</p> <p>Procure farm implements and small equipment</p> <p>Construction of poultry structures</p> <p>Construct 50 room hostel block/conference centre (Phase I)</p> <p>Procure and raise 10,000 banana plantlets</p> <p>Demonstration on hydroponic technologies</p>

<b>County Ministry</b>	<b>Broad Priorities</b>	<b>Broad strategic objectives</b>	<b>Proposed Projects/Programmes for 2020/2021 FY</b>
			Construction of Kitui East and Kitui south Sub county office blocks
			Rehabilitation of Township and Kyangwithya east ward extension office block
			Procure assorted fruit-tree and vegetable seeds
			Procure assorted polybag tubes for nursery use
	Agricultural sector development support programme	Improved income, food and nutrition security	Development of sustainable priority value chains for improved income, food and nutrition security
	Sustainable use and conservation of agricultural resources	Efficient use of water resource to increase area under irrigation	Irrigation development and rehabilitation (Wikithuki, Athi kilawa and 40 irrigation clusters)
	livestock breeds improvement and management	Increased livestock output, productivity and quality of products	Dairy/Beef improvement through artificial insemination (AI)
			Provision of high quality cocks for breeding and Galla bucks
	Pasture and fodder production and conservation	Improving pasture and fodder production and conservation	Provision of pasture seeds for feed production and seed multiplication as well as building capacity of farmers

<b>County Ministry</b>	<b>Broad Priorities</b>	<b>Broad strategic objectives</b>	<b>Proposed Projects/Programmes for 2020/2021 FY</b>
	Rehabilitation of denuded rangelands	Improve production from rangelands and the provision of feed for livestock while conserving soils and harvest water.	Range Improvement Programme; Capacity building of farmers and provision of fencing, soil conservation and water harvesting materials. Construction of sample storage structures and procurement of grass harvesting equipment.
	Apiculture and management	Improving technology adoption, market linkage and value addition	Provision of modern bee hives for apiary establishment and honey extraction equipment
	Livestock disease prevention and control	Reducing livestock disease incidence and outbreak	Provision of portable spray pumps, disease surveillance and animal vaccinations
			Construction of one livestock office block and gate
Promotion of aquaculture	Promoting interventions in aquaculture development that increase fisheries productivity and profitability	Climate smart (water saving) aquaculture demonstrations Dam restocking/stocking	
<b>Water Department</b>	Improvement of water availability and accessibility.	Enhancing accessibility and availability of safe water	Drilling and Equipping of Boreholes
			Construction/de-silting of earth dams and Rock catchments

County Ministry	Broad Priorities	Broad strategic objectives	Proposed Projects/Programmes for 2020/2021 FY
			Construction/Extension of water pipelines including Spring water supplies
			Construction of Sump well water supplies
			Borehole Hybridization programme
			Supply and installation of bulk storage tanks and plastic water tanks to institutions and needy areas
	Efficient utilization and management of water supplies	To ensure sustainability and reliable water services	Borehole & pipeline repairs/rehabilitations
			Subsidies to WSPs
			Capacity building of water management committees



#### Annex 4. Ministry of Basic Education ICT and Youth Development

County Ministry / Strategy Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects & Programmes FY2020/2021
Basic Education ICT & Youth Development (Training & Skills Development)	Promote quality and relevant Vocational Training and skills development & Establish collaborations and networking strategies with stakeholders to develop education standards in Kitui	<p>Rehabilitation of Vocational Training Centres (Identification of needy VTCs, Drawing of BOQs, Tendering and Awarding, Monitoring Construction, Commissioning)</p> <p>Supply of tools and equipment to VTCs (Identification of needy VTCs, Tendering &amp; awarding, Delivery and inspection)</p> <p>Supply of furniture (working benches) to VTCs (Identification of needy VTCs, Tendering &amp; awarding, Delivery and inspection)</p> <p>Upgrading of Mulango VTC to Technical Training College (Identification of site, Drawing of BOQs, Tendering &amp; awarding, Monitoring construction, Commissioning)</p> <p>Establish Centres of Excellence in FIVE Vocational Training Centers (Identification of skill, Drawing of BOQs, Tendering &amp; awarding, Monitoring construction, Commissioning)</p>	<p>- Rehabilitation of Vocational Training centres (VTCs), Supply of tools and equipment, and supply of furniture to VTC workshops</p> <p>- Upgrading FIVE VTCs to Centres of Excellence, and upgrading Mulango VTC to Technical Training College</p> <p>- Provision of teaching learning aids and scholastic materials; and examinations fees and certification support to VTCs</p>

County Ministry / Strategy Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects & Programmes FY2020/2021
		<p>Recruitment of VTC Instructors (Advertisement, Recruitment and deployment of VTC instructors)</p> <p>Provision of VTC curriculum textbooks and reference materials (Identification of priority list, Tendering &amp; awarding, Delivery and inspection)</p> <p>Provision of VTC teaching/learning aids (Identification of priority list, Tendering &amp; awarding, Delivery and inspection)</p> <p>Provision of VTC scholastic materials-chalks, dusters, exercise books, pens,</p> <p>Examination Fees support and certification for VTC Trainees (Payment of national examination fees to NITA/KNEC for VTC Trainees)</p> <p>Capacity building of VTC Instructors, Supervisors and BOMs on implementation of CBC and school management (Training of BOM members and VTC Instructors on CBC)</p>	

County Ministry / Strategy Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects & Programmes FY2020/2021
		<p>Monitoring and Evaluation programme for VTC (Regularly carry out Monitoring and evaluation programme in VTCs in the county)</p> <p>Implement Co-curricular activities in VTCs (Support VTCs co-curriculum activities in the county)</p>	
<p>Education ICT &amp; Youth Development (Youth Development)</p>	<p>Promote empowerment of youth and creation of employment opportunities &amp; Establish collaborations and networking strategies with stakeholders to develop education standards in Kitui</p>	<p>Identify youth for training, secure admissions to colleges, facilitate training, support post training to employment</p>	<p>Youth Skills Training (1,000 youth in partnerships with TVET, KCB Foundation), Youth apprenticeship skills training (500 youth in partnership with National Government)</p>
		<p>Develop Policy and Guidelines on Youth Skills Training and implementation of policy (Develop policies and guidelines on Apprenticeship skills training, youth internships and volunteerism)</p>	<p>Youth Policy</p>
		<p>Identify youth for training, secure placement to existing enterprises, monitor training, support post training to employment</p>	<p>Youth apprenticeship skills training (500 youth in partnership with the National Government)</p>
		<p>Conduct Baseline Survey to profile youth alongside skills (To identify skills available</p>	<p>Youth skills Mapping</p>

County Ministry / Strategy Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects & Programmes FY2020/2021
		among youth for planning purposes on employability and training, To plan with locally available human resources in mind)	
		Youth cooperatives (SACCOs) sensitized on, Formation of youth SACCOs, Entrepreneurship skills training (Savings and investment opportunities, Availability of Government procurement opportunities, Linkage with existing youth empowerment programmes)	Sensitization and capacity building of youth cooperatives (SACCOs)
		Identify needy youth, Seek admissions to training centres, Facilitate training (Affirmative action for the youth realized, hence more empowerment to the youth, as envisaged in Article 55, of the Kenyan Constitution, 2010	Support youth with special needs to acquire skills training
Education ICT & Youth Development (ICT Department)	-Promotion of e-government services. -Provision of ICT services to other county departments,	To establish a facility for mentorship, coaching and development of innovative talents in the ICT sector (Increased ICT	Establishment of County Youth ICT incubation centre and Expansion and equipping of ICT centres and Connecting Existing ICT Centres to Internet

County Ministry / Strategy Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects & Programmes FY2020/2021
		adoption, Acquisition and use of IT skills, Graduates able to compete in the labour market, Prepare graduates to create job opportunities in ICT	Establishment of County ICT incubation centre / centre of excellence
		Identify youth to undertake ICT courses, Link up with Computer Society of Kenya, Adopt ICT curriculum, Facilitate training (	Youth trainings in VTCs on basic ICT literacy
		To provide youth with increased access to Communication and Information Technology service (Enhanced and secure access to ICT Services and systems)	Expansion and equipping of ICT centres and Connecting Existing ICT Centres to Internet
		Operational VOIP Infrastructure	Unified County Communication/Telephony System/County Call centre
		A County call centre/IP Telephony system in place covering all County department at HQs and Sub-county HQs	Service/Maintenance contracts for Completed ICT Projects
		To streamline the use of ICT in the County (Harmonized utilization of ICT Services)	Review ICT Policy
		Improved network coverage in collaboration with the various mobile service providers	Mobile telephony services

County Ministry / Strategy Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects & Programmes FY2020/2021
Basic Education	Improve quality of Basic education	1.Improve infrastructure	1.Construct 40 ECDE classrooms 2. Construct ECDE toilets – 3.Purchase teaching/ learning materials – 2 4.Provision of appropriate –age ECDE furniture 5.Provision of outdoor play equipment 6.Purchase and installation of 5,000l water tanks for ECDE 7. Construction of childcare facilities in kitui, mutomo and mwingi 8. Implement co-curricular activities in ECDE centres 9.ECDE feeding programme Resource library – kitui town – multi year

### Annex 5. Ministry of Lands, Infrastructure, Housing and Urban Development

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for FY 2020/2021
Ministry of Lands, Infrastructure, Housing and Urban Development			
Roads Department	Improving Infrastructure within the County	Enhance efficient transport and support effective service delivery through construction, maintenance and rehabilitation of road network in the County.	Roads repair and Maintenance
			Upgrading to Bitumen Standard roads in Kitui and Mwingi Towns using LVSR
			Dustless Towns programme in which market roads will be upgraded to bitumen standards
			Access Roads (Fuel, Maintenance of plant and Machinery
			In-house grading 2000km-50km per ward
			Bush clearing programme
Mechanical services	Improving Infrastructure within the County	Enhance efficient transport and support effective service delivery through construction, maintenance and rehabilitation of road network in the County	Maintenance of Motor Vehicle
			Maintenance of Plant, Machinery and Equipment
			Purchase of Heavy Plant Machinery
			Purchase of Workshop Tools, Spares and Small equipment

<b>County Ministry/Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programs for FY 2020/2021</b>
			Purchase of Plant Machinery Tyres and accessories
			Purchase of Maintenance and supervision vehicle( A double cab and a Single cab)
Transport Services	Improving efficiency of the transport system	Enhance efficient transport and support effective service delivery through proper transport Management within the county	Upgrade of Fleet Management System
			Construction of car parking Yard at the public works compound
Physical Planning	Develop 120 Geo referenced market layouts.	To have timely and up to date data for making key planning decisions and resolving related land disputes as well as providing a basis for preparation of future physical development plans	Market stakeholders meeting, delineation of market boundaries and ground picking of data in respective markets followed by validation exercise.
	Develop special area (purpose) plans for Thwake Multipurpose dam and Kivandini development plan.	To provide a basis for expansion and future development of physical and social infrastructure like roads, schools,	Notice of intention to plan Reconnaissance survey Base map preparation Data collection and analysis Conduct Consultative stakeholder meetings Planning report



County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for FY 2020/2021
			Advertisement Publication for approval Approved plan Engagement of Neighbouring Counties of Machakos, Embu and Makueni
	Implement a county GIS lab.	To provide reliable mapping tools for development planning decision making	Mapping of Infrastructure and Natural Resources, Data Collection and Acquisition, Stakeholder Engagement, Populating GIS Database,
	Preparation of Local Physical development Plans for sub county headquarters.	To provide a basis for expansion and future development of physical and social infrastructure like roads, schools,	Notice of intention to plan Reconnaissance survey Base map preparation Data collection Conduct Consultative stakeholder meetings Planning report Advertisement Publication for approval Approved plan
	Preparation of Physical planning bills and policies.	To provide a basis for addressing pertinent issues affecting the public	Public participation, policy production and approval

<b>County Ministry/Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programs for FY 2020/2021</b>
	Conducting development control collaboration and sensitization exercise in all 40 wards in Kitui County.	Well informed public on development application processes/procedures and increased revenue collection to the County	Conducting open day barazas in respective markets across the County
	Equipping of all Physical Planning Offices in the County (8 sub counties)	Improved service delivery to the public across the county	Equipping all the Physical Planning offices with furniture, desktop computers, modems, printers
	Digitization of Planning Records.	To have an up to date records for key decision making and enhanced Service Delivery and Plan Records Management	Digitization of Plans and Other Spatial Records
	Resettlement action plan for Kitukuni/Ndwila settlement scheme (Kwa Vonza)	To determine eligibility for resettlement entitlement to avoid unnecessary fraudulent claims for compensation.	Conduct Consultative stakeholder meetings, develop a resettlement action plan (RAP), resettlement surveys, monitoring and supervision
Land Adjudication	Land adjudication and titling.	Provision of titles to all land owners with an aim of rationalizing and regularizing land ownership	Hearing of Objection Cases
		Record people's rights and interests over their land and solve arising cases	Publication & Solving of objection cases

<b>County Ministry/Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programs for FY 2020/2021</b>
		in order to have land registered in the whole County	
Survey and mapping	Cadastral fixed survey	Improve security of tenure and land rights dispute resolution	Cadastral Survey of Mutomo, Kabati, Kwa-Vonza, Migwani, Zombe, Kyuso and Mwingi towns
Valuation Housing and Estate Management	Improve efficiency in housing services provision in Kitui County	Improve and increase knowledge of appropriate building technology to the public	Affordable Housing
		Provide affordable housing units	Refurbishment of 20 Nos. Residential Institutional Houses for devolved functions
			Equipping the 8 Sub counties with Hydra form machines, Workshop Tools, Spares and Small Equipment (Manual & Motorised)
	Fencing. other Infrastructure and Civil Works – drainage system		
Safe disposal of Asbestos waste within the county		Acquisition of suitable site for disposal of asbestos	Identification and purchase of suitable land
			Fencing of the site

<b>County Ministry/Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programs for FY 2020/2021</b>
	Enhance own source revenue sources from property Rates	To capture changes in rateable properties to maximize on revenue from Property Rates	Preparation of Draft Supplementary Valuation Roll
Public works	Supervision of construction works of all building projects and other works, then maintenance of the same.	Development and maintenance of public buildings and other works.	Completion of county building blocks as per user requirements.

#### **Annex 6. Ministry of Health and Sanitation**

<b>COUNTY MINISTRY</b>	<b>BROAD PRIORITIES</b>	<b>BROAD STRATEGIC OBJECTIVES</b>	<b>PROPOSED PROJECTS/ PROGRAMMES</b>
Health & Sanitation	1. Increasing access to healthcare quality, timely and responsive health care services.	1. To Improve access to Medical products & Vaccines and Technologies	1. Construction and equipping of medical store at KCHR and all other hospitals (construction of the store; Procurement of 260 Drug store Self-standing metallic shelves and 14 lockable DDA metallic cabinets; Customisation and printing of antibiotic registers for all the 283 health facilities; installation of Chemotherapy hoods chamber (ChemoShield/ Baker) in Kitui County referral Hospital)
		2. To enhance healthcare provision through Improved	2. Completion of Construction of X-ray rooms in 9 hospitals (Tseikuru, Kyuso, Nuu, Kauwi, Kanyangi, Mutitu, Zombe,

		<p>Health Infrastructure and personnel</p>	<p>IKanga and Mutomo) and infrastructure expansion in the hospitals to enable them accommodate more clients.</p> <p>3. Infrastructure Improvement of Kitui County Referral hospital and Mwingi Level IV to enable them attain Level V status (Completion of stalled Maternity/ paediatric ward at KCRH, expansion of maternity at Mwingi, Completion and equipping of OPD at KCRH, master plan for KCRH, a modern kitchen at KCRH, blood satellite bank; an oxygen plant at KCRH, renal Unit for Mwingi, equipping of OPD at Mwingi; equipping of amenity/ surgical ward at Mwingi; sewerage system for KCRH, renovation of CHMT block and construction of a new block at CHMT; completion of mortuaries in KCRH and Mwingi; completion of stalled amenity/ surgical ward at KCRH; installation of solar heating system in KCRH; oxygen pipjng at new born unit and theatre at KCRH; opening and equipping of doctor’s plaza at KCRH and Mwingi)</p> <p>4. Construction of stone Fence at Kitui County Referral Hospital, CHMT compound and Mwingi Level IV Hospital</p> <p>5. Procurement of a laundry Machines for KCRH and Migwani hospital</p> <p>6. Construction of 7 class rooms and ablution block at Mwingi MTC</p>
--	--	--	---

			7. Construction of septic tank at Ikutha hospital, relocation of a gate and fence. Drug store and other buildings affected by Kibwezi- Kitui road)
			8. Construction and equipping of an Intensive Care Units (ICU); Trauma centre, a psychiatric centre and a cancer treatment centre at Kitui County referral hospital and Mwingi Level IV hospital
			9. Expansion of 12 hospitals to enable them attain Level IV status (Tseikuru, Kyuso, Nuu, Migwani, Kauwi, Katulani, Kanyangi, Mutitu, Zombe, Ikanga, Mutomo and Ikutha) and Recruitment and training of healthcare workers, prompt promotion of staff and re-designations
			10. Renovations of 27 health facilities, (expansion of existing ones, completion of uncompleted facilities), connecting 159 facilities with electricity and additional 100 facilities with reliable water supply; completion of Mukame dispensary OPD; expansion of wanzua Dispensary; Completion of maternity at Tulia Dispensary; Upgrading of Kwavonza dispensary, Kivani Dispensary and Matinyani Health centre
			11. Construction and equipping of Model health centres at Chuluni, Voo, Matinyani and Nguni health centres
			12. Construction of a placenta pit and incinerator in Mutomo

			<p>13. Equipping of laboratory units in all 56 health centres with Biosafety cabinets; Procurement of emergency equipment for 269 primary health facilities ( oxygen cylinders, adult Abu-bags, paediatric bags and nebulizers); Procurement of office telephone sets for all the 14 hospitals and 56 health centres and Procurement of basic equipment for 269 primary health facilities: blood pressure machines, gun thermometers, stethoscopes and paediatric weighing scale machines.</p>
			<p>14. Procurement of surgical implants for all the 14 hospitals; Purchase of the following laboratory equipment for the 14 Hospitals: a Blood bank freezer; a Blood bank refrigerator; 10 Blood donor couches, a Plasma extractor; Plasma thawing bath; Plasma agitator with incubator; Refrigerated centrifuge; tube sealer; 1,000 Ziplo bags and 100 Cool boxes; Equipping Laboratory Units in 12 hospitals with: Automated biochemistry analyser, Automated hematology analyser, Analytical balance, Electrolyte analyser, Laboratory incubator and a Microscope. The facilities are: Tseikuru, Kyuso, Nuu, Migwani, Kauwi, Katulani, Kanyangi, Mutitu, Zombe, Ikanga, Mutomo and Ikutha; Procurement of rehabilitation equipment for 5 hospitals (Mwingi Level IV hospital; Kyuso, Kauwi, Kanyangi and Ikutha hospitals)</p>
	2. Improving maternal, new	To Minimise maternal mortalities and child mortalities in the County	15. Equipping of 12 Maternity theatres and newborn Units to make them operational (Kyuso, Nuu, Kauwi, Kanyangi,

	born and child health care		kusyani, Zombe, Mutitu, Mutomo, Mbitini, Ikanga, Mathuki and Katse health facilities); Establishment (construction and equipping) of Kangaroo Mother rooms in all the 14 hospitals; Strengthen Cold chain system in the county through procurement of 50 KEPI fridges; 100 solar batteries; 37,000 solo shots and 300 vaccine carriers.
	3. Strengthening health information systems for tracking performance	To strengthen Health information systems for effective monitoring and evaluation system in the Ministry	16. Installation of communication/ telephone networking at the 14 hospitals; Completion of Implementation of Integrated Health Information Management System (IHIMS); Printing And Distribution of data Registers and reporting tools and Construction of Modern Health Records and Information Department in all the 14 Hospitals and equipping the offices with desktops for data entry
	4. Promoting community based promotive and preventive health services	Minimise both communicable and non-communicable disease through effective community strategy in the County	17. Construction of toilets and installation of handwashing facilities to 51 health facilities; Procurement of motorcycles and repair of existing motorcycles for Community Health Extension Workers (CHEWs) and subcounty disease surveillance coordinators; engagement and training of Community Health Volunteers; Purchase of 16 sample carriers for all the eight sub counties and Purchase of 2 paqua labs for KCRH and Mwingi Level IV Hospital.



## Annex 7. Ministry of Trade and Cooperatives

County Ministry : Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Project/Programmes FY 2020/2021
Ministry of Trade , Cooperatives and Investment	Creating an enabling environment for trade and industrial development	Improve efficiency in value chain	Cottage industry development and manufacturing (Ballast crusher, Textile industry and Leather industry)
			Honey processing (Construction, equipping and commission of honey processing plant and operationalization of the existing apiaries/ honey collection units)
			Fruit processing factory
			Specialized equipment for processing of green grams (Ndegu Revolution)
			Interlocking blocks and pottery machines
		Improve efficiency and effectiveness in supply chains within trade function	Construction of livestock loading ramps
			Development and renovation of market infrastructure and Construction of modern kiosks
			Promotion of Jua kali sector
			Construction and renovation of abattoirs/slaughter houses
			Licensing
		To increase traders access to affordable business/entrepreneurial finance/credit	Kitui County Empowerment Fund
			Capacity building on MSMEs

<b>County Ministry : Spending Units</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Project/Programmes FY 2020/2021</b>
		To improve knowledge and skills in running business	Youth empowerment through IGAs ( car wash Machines) and other interventions
		To promote fair trade and ensure consumer protection	Verification and stamping of weighing machines
	Strengthening and promoting cooperative movement in the County	To improve economic wellbeing of the society	Registration of new Cooperative Societies.
			Audit of cooperative societies.
			Corporate Governance
			Members Education
	Promotion/ Development of Cooperative Societies	To Create enabling environment for Co-operatives to develop and spur wealth creation.	Leaders training
			Promotion and registration of cooperative societies
			Marketing and Branding programme
			Co-operate Governance
	Positioning and enhancing county brand as positive and progressive	Enhance and strengthen the county brand and image, locally and internationally	Members education
			Leaders Training
			Brand all county offices and properties
	Marketing County Products	Create and expand markets for locally produced county products, nationally and internationally	Brand all ongoing county projects
			Brand all county borders
Field sales and marketing programmes			
			Active participation in various sales and marketing forums e.g. exhibitions
			Sales promotion through advertisements in various media

County Ministry : Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Project/Programmes FY 2020/2021
			Promotional give-aways highlighting county products
			Build/rent a county showroom to market various county products to general public

### Annex 8. Ministry of Environment and Natural Resources

Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for 2020/2021 FY
<b>Ministry of Environment and Natural Resources</b>			
Administration	General administration and support services	To ensure a conducive working environment	<ul style="list-style-type: none"> <li>• PE &amp; OM</li> </ul>
Environment and climate change	Climate Change Adaptation and Mitigation	To mitigate effects of climate change and create resilience	<ul style="list-style-type: none"> <li>• Climate change mitigation and adaptation measures</li> <li>• Promotion of green energy technologies</li> <li>• Water catchment Rehabilitation</li> <li>• Rehabilitation of Ecosystems</li> <li>• Awareness creation and capacity building</li> </ul>
	Environmental Management	To increase environmental conservation and enhance compliance of environmental guidelines	<ul style="list-style-type: none"> <li>• Development of Environmental Management policy</li> <li>• Establishment of an Environment Resource centre</li> <li>• Enforcement and compliance of environmental guidelines</li> </ul>

<b>Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programmes for 2020/2021 FY</b>
	Sustainable waste management	To ensure a clean and safe environment through waste management	<ul style="list-style-type: none"> <li>• Development of waste management guidelines</li> <li>• Integrated solid waste management plant</li> <li>• Town and market clean ups</li> <li>• Hazardous waste management</li> <li>• Awareness creation and capacity building</li> </ul>
Forestry	Forest management and conservation	To increase the forest cover and enhance resilience	<ul style="list-style-type: none"> <li>• Forest management and conservation</li> <li>• County tree growing programme</li> <li>• Development of forest legal framework</li> <li>• Implementation of forest management plans</li> <li>• Increasing forest cover</li> <li>• Establishment of woodlots</li> <li>• Awareness creation and capacity building</li> <li>• Forest conservation measures</li> </ul>
Energy	Power Transmission and distribution	Increase electricity access and connectivity in all the County rural areas	<ul style="list-style-type: none"> <li>• Awareness creation of power transmission and distribution of energy</li> <li>• Rural electrification of institutions and households in partnership with REA and Kenya Power.</li> </ul>
	Alternative energy technologies	To ensure clean and affordable green energy source to all	<ul style="list-style-type: none"> <li>• Installation of Solar Powered Pumps</li> <li>• Installation of Solar Security Lights</li> <li>• Establishment of Woodlots for Fuel</li> <li>• Establishment of energy centres</li> </ul>

Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for 2020/2021 FY
			<ul style="list-style-type: none"> <li>• Promotion of modern Technology kilns and Briquetting Technology</li> <li>• Awareness creation of alternative sources of energy</li> </ul>
Minerals	Mineral resources development	To enhance proper mineral resource utilisation and sustainable wealth creation	<ul style="list-style-type: none"> <li>• Initiation and operationalisation of legal frameworks</li> <li>• Establishment and capacity building of Community Liaison Committees in Minerals Rich areas</li> <li>• Promotion of pre-market value addition of county natural resources such as sand, gemstones, etc</li> <li>• Establishment and strengthening of market linkages</li> </ul>
	Community Sensitization and awareness creation	To enhance participation of communities in mining sector	<ul style="list-style-type: none"> <li>• Community Sensitization and awareness creation for communities living around minerals rich area</li> <li>• Enhance capacity building of artisanal miners</li> <li>• Awareness creation and capacity building</li> </ul>
	Establishment of Mineral Database	To attract investment into mining sector	<ul style="list-style-type: none"> <li>• Mineral resource mapping</li> <li>• Establishment of mineral database of Kitui County</li> <li>• Establishment of mineral testing and gemmology laboratory</li> <li>• Establishment of research centres with mining cottage industries e.g. small quarries, ballast, brick making, gemstones Tambling/ beading</li> </ul>

### Annex 9. Ministry of Tourism, Sports and Culture

County Ministry/Spending entity	Broad Priorities	Broad Strategic Objectives	Proposed objectives and programmes for 2018/2019 FY
<b>Ministry of Tourism, Sports and Culture</b>			
<b>Tourism</b>	Tourism Development	To Develop And Promote Tourism Activities In The County	Tourism Promotion and Marketing events of :- <ul style="list-style-type: none"> <li>• Media and other stakeholders familiarization trips,</li> <li>• Camping expeditions, world tourism day and end year tourism expos’</li> <li>• Development of a County Documentary and infomercials that market tourism and other achievements that Kitui has</li> <li>• GIS Mapping and feasibility studies for tourism attraction sites</li> <li>• Development and hosting of a Ministry webpage within the main County website</li> <li>• Development of a 5 year Tourism marketing strategy</li> </ul>

County Ministry/Spending entity	Broad Priorities	Broad Strategic Objectives	Proposed objectives and programmes for 2018/2019 FY
	Enhance wildlife conservation	To improve accessibility and security in wildlife conservation areas	<p>Development of Ikoo Valley as a tourist attraction site (Bazaar View Point)</p> <p>Develop phase 3 of Kalundu Dam Eco-park that includes and not limited to;-</p> <ul style="list-style-type: none"> <li>• Construction of water falls,</li> <li>• Swimming pool</li> <li>• Additional sitting benches</li> <li>• Cottages</li> <li>• Children play ground</li> <li>• Nature trails</li> <li>• Kalundu Marathon</li> </ul>
		To Enhance Conservation Education and Rewards to Upcoming Conservation Champions	<ul style="list-style-type: none"> <li>• Organize for tourism investment and hospitality business stakeholders’ workshops in Mwingi and Mutomo towns.</li> <li>• Construction and operationalizing snake houses and snake pit at Mutomo reptile park</li> <li>• Promote bird watching expeditions in Mumoni and Mutitu hills IBA centers</li> <li>• Conduct Miss Kitui pageantry with view of promoting modeling talent and art</li> </ul>

County Ministry/Spending entity	Broad Priorities	Broad Strategic Objectives	Proposed objectives and programmes for 2018/2019 FY
			<ul style="list-style-type: none"> <li>• Rehabilitated George Adamson Picnic site and Prepare for leasing Ikime Campsite</li> <li>• Upgrading of access roads and opening up of new roads in Mwingi National Reserve, South Kitui National Reserve, and Kanyonyoo Wildlife Conservancy</li> <li>• Office construction and equipping, fencing and water pans in Kanyonyoo wildlife conservancy</li> <li>• Provision of Means of transport to community rangers (Motorbikes and 4X4 patrol vehicle)</li> <li>• Establish a Rangers base at Masyungwa area marking the end of high use zone in the Mwingi National Reserve</li> <li>• Conduct conservation campaigns and essay competitions in conjunction with KWS to raise awareness on conservation and improve literacy on conservation education</li> </ul>
Sports	Development of Sports Facilities and Talent Promotion	To upgrade sports Infrastructure To identify, nurture and develop sports talent	<p>Develop Kitui Stadium – Perimeter wall, Construction of changing rooms, spectator terraces, flood lights, packing area and toilets to attain international standards. Improve drainage &amp; Install watering system.</p> <hr/> <p>Establishment of ward level sports facilities</p>



County Ministry/Spending entity	Broad Priorities	Broad Strategic Objectives	Proposed objectives and programmes for 2018/2019 FY
			<p>County tournaments in Football, Volleyball, Athletics and Basketball from village level culminating into Governor’s Road Race and Governor’s Cup.</p> <p>Organize, Prepare teams and participate in Kenya Youth Inter-county Sports Association games (KYISA)</p> <p>Participate in CASA and KICOSCA games</p> <p>Support Federation Tournaments (Athletics Kenya, Football Federation of Kenya and Kenya Volleyball Federation)</p> <p>Identify and develop Rugby, Badminton, Lawn tennis, Handball teams, and Scrabble teams in the County.</p> <p>Procure and Supply sports equipment such as uniforms, balls, nets and playing boots to active Football and Volleyball clubs in the County.</p>
Gender and Social Services	Promotion of gender parity and participation in nation building	To enhance reporting of atrocities and ensure successful prosecution of GBV perpetrators	<p>Carry out outreaches to sensitize community members on GBV, referral services, reporting and other interventions</p> <p>Collaborate with partners both Civil society and private players to: Facilitate interventions in cases of violations; Support the Kitui County GBV Committee in enhancing access to justice for survivors of GBV</p>

County Ministry/Spending entity	Broad Priorities	Broad Strategic Objectives	Proposed objectives and programmes for 2018/2019 FY
		To eliminate Gender Based Violence in the community	Establish a Rescue center for GBV survivors in Kitui Township and facilitate linkages with the Judiciary, Office of the Public Prosecutor, Department of Health, the Kenya Police Service and other stakeholders who have a role in the chain of evidence
		Enhance the legislative and policy environment for effective gender mainstreaming and gender promotive work	<ul style="list-style-type: none"> <li>• Operationalize the County Gender Policy</li> <li>• Operationalize the Kitui County Gender Mainstreaming Bill and Kitui County Women Empowerment Fund</li> </ul>
	Promoting economic empowerment through enhanced access to government procurement opportunities	Facilitate equal access for members of the community especially the marginalized to Government Procurement Opportunities	<ul style="list-style-type: none"> <li>• Sensitize communities and carry out trainings for registration of businesses, technical capacity to deal with procurement documentation and related knowledge.</li> <li>• Facilitate registration of business enterprises for marginalized groups to increase uptake of the 30% Government Procurement Opportunities set aside for Women, Youth and Persons with Disabilities.</li> </ul>
	Support Community	Empowerment of the marginalized segments of	Carry out trainings on AGPO and assist groups of Women and PWDs to register businesses and teach them how to interact with contract application documents

<b>County Ministry/Spending entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed objectives and programmes for 2018/2019 FY</b>
	On social life and self-supporting economic systems	the society : women, youth, men and PLWDS	Procure and supply materials for support of groups to start income generating activities(as per the group requests)
			Procure PWDs assistive devices such as wheelchairs and white canes
			<ul style="list-style-type: none"> <li>• Support marking and celebration of International Days;</li> <li>• International Women’s Day,</li> <li>• International Day of Disability,</li> <li>• International Day of African Child</li> </ul>
	Support Community Charitable Children Institutions (CCCI)	Promote healthy living for the youth and members of the community	Support children homes (CCIs) with food and other utilities
Culture	Preservation, Promotion and development of culture	Conservation of the Intangible Kamba heritage	Support recording of Cultural programs for community performing groups, artists and schools through drama, music, acrobatics, visual arts and other forms of art Rehabilitation / Protection of Cultural Centers in AIC Ikutha, AIC Mulango, Kavea caves
		Rehabilitation and restoration of tangible heritage (cultural sites) for tourism and research	Participate in the Kenya Music and Cultural Festival program in the Country
			Identification, documentation, preservation and Promotion of historical and cultural sites:

County Ministry/Spending entity	Broad Priorities	Broad Strategic Objectives	Proposed objectives and programmes for 2018/2019 FY
			<p>Prefeasibility studies for Cultural sites, Ngomeni, Mukenyeke Shrine, and development of online repository for Kamba art facts</p> <p>Equip Mwingi and Kyoani Resource Centers complete with culinary and audio sets for seminar hosting</p> <p>Operationalize Mwitika Social hall</p> <p>Complete Lower Eastern Heritage Center Gallery 1 and curator’s residence</p> <p>Purchase of band equipment for youth talent development in music and dance development of a recording studio</p> <p>Public park, construction of a tuck shop, toilets, benches and dustbins</p> <p>Carry out a comprehensive study to map the county heritage in conjunction with National Museums of Kenya, KNATCOM-UNESCO and the National Department of Culture</p> <p>Sponsor bills to facilitate registration and licensing of herbalists and other cultural practitioners.</p> <p>Develop policies to facilitate promotion and preservation of culture and heritage in the county</p>

**Annex 10. The County Treasury**

<b>County Ministry :Spending Units</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects/ Programmes FY 2020/2021</b>
Administration	Staff Training and capacity development program.	To improve staff performance through capacity building and training	Undertake staff capacity building through technical assistance programmes.
	Emergency Fund	To promote quick and sustainable interventions to the public in case of emergency occurrences	Emergency Fund.
Economic Planning Department	County budget coordination and control	To ensure smooth implementation of the budget	County budget preparation, implementation coordination and control.
	Availability of updated county statistical data	To establish a county database for effective, efficient and sound planning	Development of Updated County Statistical Database/ County wellbeing survey.
	Coordination of public participation on specific budget policy documents	To promote public participation in budget policy documents for effective decision making	County Development planning, public participation, governance systems, procedures
	Mobilization for donor support	To raise more funds for development expenditure	Mobilization for donor support
	County Monitoring and Evaluation process	To ensure easy tracking of development projects.	Coordinate County Monitoring and Evaluation system.
Finance Department	County Financial Management System	To control the movement of assets and to ensure quality of the county assets.	County assets management, investments and inventory control.

	Ensure timely preparation and submission of financial reports	To promote use of technology in county operations	Automation of county operations
Revenue Department	Staff Training and capacity development program.	To improve staff performance through capacity building and training	Undertake staff capacity building through technical assistance programmes.
	Revenue Collection and Administration	To improve revenue collection and administration	Revenue administration and operations, County revenue reforms and formulation of a revenue policy
			Purchase of 8 revenue vehicles for all the sub counties and One Vehicle for inspection purposes
			Employment of more revenue collectors as most of collectors are over 55 years
			Maintenance of cess points and installation of additional cess points at Kitui town and Mwingi town. Digitalization of Kwa vonza and Kanyonyoo Cess check point
	Purchase of revenue staff uniform	To ensure ease identification of revenue collectors and ensure collection even during rainy season	Purchase uniforms for revenue staff, Boots and rain coats and identification badges
Business data mapping	To identify and estimate revenue capacity for the County across all sectors	Develop revenue data sources and estimate by numbers/quantity.	

Audit department	Risk framework policy	To mitigate risk	<ul style="list-style-type: none"> <li>• Auditing software</li> <li>• Risk register</li> </ul>
	Staff recruitment and capacity building	Efficient running of the work.	<ul style="list-style-type: none"> <li>• Annual work plan</li> <li>• Capacity building</li> </ul>

### Annex 11. County Public Service Board

<b>County Ministry / Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed projects and programmes for FY 2020/2021</b>
County Public Service Board	Efficient Implementation of Values and principles	Promotion of Values and Principles in the County Public Service	<ul style="list-style-type: none"> <li>• Develop, produce and distribute Values and Principles IEC Materials</li> <li>• Sensitize public service officers on values &amp; principles</li> <li>• Monitor compliance with values and principles</li> <li>• Prepare and submit regular reports on the extent of compliance with values &amp; principles to the county assembly</li> <li>• Carry out satisfaction surveys</li> </ul>
	Strengthen Human Resource systems and procedures	Efficient procurement and management of human resource services	<ul style="list-style-type: none"> <li>• Review and advise on departmental structures</li> <li>• Review and approve job indents/adverts</li> <li>• Advertise and fill vacant positions</li> </ul>



<b>County Ministry / Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed projects and programmes for FY 2020/2021</b>
			<ul style="list-style-type: none"> <li>• Develop, harmonize and review schemes of service for all cadres</li> <li>• Audit casuals to inform rationalization</li> <li>• Facilitate development of a succession planning policy</li> </ul>
	Improve productivity within the county public service	Enhance employee capacity	<ul style="list-style-type: none"> <li>• Sensitize Cos and HROs on Training policy</li> <li>• Monitor and report on training and development</li> <li>• Approve and authorize long duration training</li> <li>• Facilitate pre –retirement programmes</li> <li>• Sensitize county public service on pensions policy</li> </ul>
	Strengthen discipline procedure	Efficient provision of discipline services within the county	<ul style="list-style-type: none"> <li>• Review and enhance the discipline procedure manual</li> <li>• Sensitize county HR Advisory Committee on discipline matters</li> <li>• Process and finalise discipline cases</li> </ul>
	Promote operational efficiency of the Board	Improve Board Image	<ul style="list-style-type: none"> <li>• Develop Board Strategic Plan</li> <li>• Develop Board brand elements,</li> <li>• Review Board Service Charter</li> </ul>

**Annex 12. The County Assembly**

<b>County Ministry/Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programs for 2021/2021 FY</b>
County Assembly	➤ Housing the Speaker	<ul style="list-style-type: none"> <li>Enhance the Speakers performance</li> </ul>	<ul style="list-style-type: none"> <li>Construction of Speaker’s Residence</li> </ul>
	➤ Provide offices for Members and Staff	<ul style="list-style-type: none"> <li>Ensure Conducive Working Environment</li> </ul>	<ul style="list-style-type: none"> <li>Construction of Office Block</li> </ul>
	➤ Ensure improved Legislation, Representation and Oversight.	<ul style="list-style-type: none"> <li>Impact necessary legislative skills to members and staff</li> </ul>	<ul style="list-style-type: none"> <li>Carry out necessary capacity building programs to members and staff</li> </ul>
		<ul style="list-style-type: none"> <li>Improve performance through provision of requisite tools and equipment</li> </ul>	<ul style="list-style-type: none"> <li>Purchase of Office Equipment</li> </ul>
		<ul style="list-style-type: none"> <li>Provide a recreational facility for Members</li> </ul>	<ul style="list-style-type: none"> <li>Construction of a recreational facility</li> </ul>
		<ul style="list-style-type: none"> <li>Reduce amounts paid in monthly rent</li> </ul>	<ul style="list-style-type: none"> <li>Construction of ward offices</li> </ul>

**Annex 13. Kitui Municipality**

<b>County Ministry/ Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programmes for FY 2020/2021</b>	<b>Expected impact</b>
Kitui Municipal	Training & Capacity Building	To improve Staff Performance	Staff Training	Improved performance in service
	Construction of Non- residential Buildings	To have better working environment	Face-lifting of the Kitui Municipal blocks and compound	To create enabling environment for an inclusive and safe work place
		To have better working environment	Fencing of Municipal compound and gate fitting	To create enabling environment for an inclusive and safe work place
		Improved market	Construction of Kiembeni modern Market	Good working business environment for operators in the Sector. Stimulated economic growth and empowerment of traders
	Office furniture, fittings and equipment	To enhance work effectiveness	Acquisition of office electronics and Board room furniture	Enhance work effectiveness
	Specialized Equipment, Materials and Supplies	To have Longer working hours and security.	Street/security lights maintenance tools	To improve security, ensure extended business hours as well as provision of aesthetics
		Effective street/security light maintenance	Acquisition of Man Hoist	To improve security, ensure extended business hours as well as provision of aesthetics
		Clean and beautification	Purchase of cleaning equipment	

Specialized plant & Machinery	Sustainable waste management	Purchase of Tipper truck, Skip loader, Twenty (40) Skippers, Compactor and exhauster Acquire and develop suitable land (at Kanyonyo) for establishing modern waste disposal facility for toxic and hazardous waste	To ensure efficiency in solid waste management, service delivery and clean town environment
Revenue collection stations	To enhance revenue collection	Purchase a double cabin motor vehicle	Improved revenue collection & mobility
	Improved revenue collection	Equipment, networking and software	Improved revenue collection and connectivity
Construction of Civil Works	To Open up & improve urban roads	Urban Roads Survey and opening	Open up & improved urban roads and access
	To have efficient and effective transport.	Tarmacking of town access roads (3KM )	Improved transport infrastructure
	To have efficient and effective transport.	Roads Gravelling within Kitui town estates (10km)	Improved transport infrastructure
	Improved transport infrastructure	Walk ways, culverts, Storm water drains(10km)	Improved transport infrastructure
Town beautification program	Improved town image	Planting of trees, flowers and fencing.	Enhanced aesthetic value at the county headquarter

	Community development initiatives	Inclusive citizen driven development	Public Participation (citizen foras)	Enhanced public responsiveness to environmental management
--	-----------------------------------	--------------------------------------	--------------------------------------	--

#### Annex 14. Mwingi Town Administration

County Ministry/ Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2020/2021
Mwingi Town Administration	General administration and support services	To create enabling environment for an inclusive and safe work place through effective administration and corporate services	Training and capacity building.
			Town public fora.
			Office equipment and ICT Infrastructure
	Specialized Equipment, Materials and Supplies	To ensure efficiency in solid waste management, service delivery and clean town environment	10 No. Skipper
			Assorted cleansing tools and equipment
			Purchase 1 NO. double cabin motor vehicle
Construction of Non-residential Buildings	To provide more working space	Construction of 4 additional office rooms	
		To improve security, ensure extended business hours as well as provision of aesthetics	Installation of three electric 'Mlika Mwizi' in Human rights area, behind Pinnacle Guest House and Kiberiti Apartments
			Installation of twenty solar 'Mlika Mwizi'

<b>County Ministry/ Spending Entity</b>	<b>Broad Priorities</b>	<b>Broad Strategic Objectives</b>	<b>Proposed Projects and Programmes for FY 2020/2021</b>	
		To landscape MTA office compound	Cabro paving and construction of office car park sheds	
		To enhance town sanitation	Rehabilitation of the Ablution block system in Mwingi town	
		To provide ample parking space and enhance ease in revenue collection	Modification of modern market	
		To enhance visibility and ease of access to the markets	Branding of Markets	
		To increase office space for improved service delivery	Renovation of the Old Mwingi County Council offices	
	Construction of Civil Works	To have increased commercial activities and efficient mobility in Town.	Road upgrading to bitumen standards- 3.5 kilometre of roads	
		To ensure efficient traffic flow, reduced risks of accidents and controlled storm water.	Redesign and construct storm water drainage lines (1 km) in Mwingi Town	
		To ensure constant supply of water at Mwingi slaughterhouse	Connect piped water and install tank at slaughterhouse	
			To improve town aesthetic value	Beautification of the Town
			To improve accessibility to open air market and the surrounding residential areas.	Grading, Gravelling & Culverts on TSC Wangura Target furniture to

County Ministry/ Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2020/2021
			Open Air Market with an extension to Human Rights Offices)
		To provide conducive and traversable road for residents	Grading, Gravelling & Vented Drift at Mwingi Boys, Syungome Kwaiciru to Kathonzweni Day Secondary school)
			Grading and gravelling of Backstreet Roads (5 No. Kms)
		To provide adequate and ready water for firefighting engine in case of fire outbreak.	Erection/ Installation and water connection of 10M3 water tank for fire fighting