

REPUBLIC OF KENYA

GOVERNMENT OF MAKUENI COUNTY



DEPARTMENT OF FINANCE AND SOCIO-ECONOMIC PLANNING

COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP) – 2020

Theme

Community driven development for enhanced prosperity

October 2020

FOREWORD

The Makueni County Budget Review and Outlook Paper (CBROP) reviews budget implementation for FY 2019/20 as well as projecting the broad outlook for county's development agenda for FY 2021/22. The CBROP provides a reflection of fiscal framework for charting a strong basis for fiscal discipline and public funds accountability. The CBROP reminds us the need for maintaining an ideal balance between government receipts and expenditures.

During preparation of the FY 2020/2021 budget, the County prepared five (5) concept notes with different themes whose main objective was to conceptualize government programmes/projects that are reflecting inter-departmental collaboration. The clustering of the themes has been redefined in the policy direction to provide versatility in fitting departments into the concept notes. The same concepts will be applied in projecting indicative ceilings for development allocation. The Treasury has analyzed what has been funded in the current financial year in relation to the projections of the medium term framework for the concepts. The analysis will be used by a resource allocation panel in interrogating submissions by sector working groups on programmes/projects presented for funding in the FY 2021/2022. The resource allocation will look at the clarity of the programmes/projects in achieving outcomes set out in the Annual Development Plan 2021/2022, County Integrated Development Plan 2018-2022 and contribution to realizing the vision of the Makueni County Vision 2025.

The County is committed to enhancing participatory planning and budgeting. This increases communities' participation in development and programme/project ownership. The County will also improve on communicating budget allocation and performance to communities.

The theme for development for FY 2021/22 will be "Community driven development for enhanced prosperity". The theme pushes for revitalizing economic development at the local level by engaging community members while at the same time building the resilience and the adaptive capacity of the community members. The preparation of the Budget for FY 2021/22, will leverage on the multi-sectoral approach in development that was initiated in FY 2019/20 in preparing the FY 2020/2021 budget. This is geared towards ensuring development is outcome and result oriented for increased household income. Allocation of funds to programs will be done on the basis of how they demonstrate alignment to the objectives as identified in the Concept notes, ADP 2021/22 and CIDP 2018-2022.

I call upon all to adhere to the schedule of activities and timelines as outlined in the Budget circular to enable finalization and appropriation of the FY 2021/22 budget.

MARY KIMANZI

EXECUTIVE COMMITTEE MEMBER-FINANCE and SOCIO-ECONOMIC PLANNING, AND HEAD OF COUNTY TREASURY

ACKNOWLEDGEMENT

The 2020 County Budget Review and Outlook Paper (CBROP) has been prepared at a time when there is need to strengthen multi sectoral approach in development in order to enhance synergies between departments, entities and development partners to ensure delivery of envisaged socio-economic development agenda amidst the shrinking fiscal space. As we prepare for the FY 2021/22 budget, emphasis will be on enhancing community driven development for enhanced prosperity.

The preparation of this 2020 CBROP was a collaborative effort among various Government Departments. We thank all the Government Departments for the timely provision of useful data and information on their budget execution for the FY 2019/20.

We express our gratitude to the leadership of H.E the Governor, H.E the Deputy Governor and the entire County Executive Committee members for their support and inputs. Special appreciation goes to the entire County Budget and Economic Forum (CBEF) for their inputs and comments.

We would like to acknowledge the unlimited support and guidance by the Executive Committee Member – Finance and Socio-Economic Planning and the dedicated team from the Budget and Socio-Economic Planning who spent valuable time to put together this CBROP.

I also acknowledge immense efforts of the technical team led by Boniface Mutua (Director, Socio-economic Planning) and John Karanja (Ag. Director, Budget) which included Amos Bitok (Senior Economist); Stanlus Matheka (Principal Economist); Samuel Kaunde (Statistician); Hastings Mwangangi (Statistician); Charity Mumo (Economist), Richard Mwendwa (Budget Officer), Evans Muema (Economist), Nathan Wahome (Economist), John Nyamai (Budget Officer); Jackline Kiting'o (Budget Officer); Mathias Mbweli (Economist); Ruth Mwangeli (Economist); Jacob Kyungu (Economist); Janet Mutua (Economist) and Jeremiah Mutunga (Budget Officer).

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TABLE OF CONTENTS

| | |
|---|----|
| FOREWORD | 2 |
| ACKNOWLEDGEMENT | 3 |
| ABBREVIATIONS AND ACRONYMS | 7 |
| EXECUTIVE SUMMARY | 8 |
| CHAPTER ONE: INTRODUCTION | 9 |
| 1.1 Background..... | 9 |
| 1.2 The Objective of 2020 CBROP | 9 |
| CHAPTER TWO: REVIEW OF FISCAL PERFORMANCE IN 2019/20 FINANCIAL YEAR | 10 |
| 2.1 Analysis of 2019 CFSP against the FY 2019/20 budget and the implication in the county | 10 |
| 2.2 Forecasts compared with Budget estimates..... | 12 |
| 2.3 2019/20 Fiscal Performance | 12 |
| 2.3.1 Revenue Performance | 12 |
| 2.3.2 Deviations from the Original and Revised Budget Estimates | 14 |
| 2.3.3 Expenditure Performance..... | 14 |
| 2.4 County Sectoral performance | 16 |
| 2.4.1 Agriculture, Irrigation, Livestock and Fisheries Development | 16 |
| 2.4.2 Lands, Urban Development, Environment and Climate Change | 18 |
| 2.4.3 Water Resource Management..... | 18 |
| 2.4.4 Health services..... | 20 |
| 2.4.5 Road, Infrastructure and Energy..... | 21 |
| 2.4.6 Trade, Industry, Marketing, Tourism and Cooperative Development..... | 22 |
| 2.4.7 Education, Sports and ICT Department | 23 |
| 2.4.8 Gender and social services | 25 |
| 2.4.9 Public Administration Sector | 26 |
| 2.5 Fiscal Responsibility Principles..... | 27 |
| CHAPTER THREE: ECONOMIC DEVELOPMENTS AND OUTLOOK | 28 |
| 3.1 National Performance Review and Outlook..... | 28 |
| 3.2 County Outlook | 28 |
| CHAPTER FOUR: RESOURCE ALLOCATION FRAMEWORK | 32 |
| 4.1 Adjustments to the FY 2020/21 Budget..... | 32 |
| 4.2 Medium-Term Fiscal Projections | 32 |
| 4.2.1 Revenue projections..... | 32 |
| 4.2.2 National Government Transfers | 33 |
| 4.2.3 Own Source Revenue Mobilization | 33 |
| 4.2.4 External Resource Mobilization | 34 |
| 4.2.5 Public-Private Partnerships | 34 |
| 4.3 Expenditure Projections | 34 |
| 4.3.1 2019/20 – 2022/23 Projected Expenditure | 34 |
| 4.3.2 Overall Deficit and Financing: | 35 |
| 4.3.3 Transfers to Entities | 35 |
| 4.4 FY 2021/22 Medium-Term Expenditure Framework Policy shift | 35 |
| 4.5 Sector Indicative Ceilings | 43 |
| CHAPTER FIVE: CONCLUSION | 46 |
| Annex I: 2021/22 MTEF BUDGET CALENDAR..... | 47 |
| Annex II: National Sector Performance Review Gross Domestic Product by Activity | 48 |
| Annex III: Main Own Source Revenue Streams | 49 |

LIST OF TABLES

| | |
|--|---------------|
| Table 1: Changes in CFSP loans and grants projection against the FY 2019/20 estimates | printed 10 |
| Table 2: CFSP 2019 Fiscal Projections and FY 2019/2020 Budget Fiscal Estimates | 11 |
| Table 3: Fiscal Performance for the FY 2019/20 (Kshs Millions) | 13 |
| Table 4: Own Source Revenue Performance FY 2012/13 – 2019/2020 per Quarter | 13 |
| Table 5: Deviations from the Original and Revised Budget Estimates (in Millions) | 14 |
| Table 6: Expenditure by Economic Classification – FY 2017/18 – 2019/20 | 15 |
| Table 7: Department of Agriculture Budget Allocation Vs Expenditure Trends (in Millions) | 17 |
| Table 8: Department of Lands Programme Performance - FY 2018/19-FY 2019/20 | 18 |
| Table 9: Department of water programme performance – FY 2018/19 – FY 2019/20 | 19 |
| Table 10: Department of Health Budget Allocation and Expenditure –FY 2018/19 – 2020/21 | 21 |
| Table 11: Department of Transport Budget Trend – FY 2017/18 – FY 2020/21 (in Millions) | 22 |
| Table 12: Department of Trade Expenditure by programme - FY 2017/18 – FY 2019/20 | 23 |
| Table 13: Department of Education Budget and Expenditure – FY 2018/19 – FY 2020/21 (in millions) | 24 |
| Table 14; Funds allocated to Social Protection Programmes Since 2016 | 25 |
| Table 15: Department of Gender Budget & Expenditure – FY 2017/18 – 2020/21 (in Millions) | 26 |
| Table 16: Summary of budget vs. expenditure per Programme for Public Administration sector FY 2018/19 – FY 2020/21 | 27 |
| Table 17: Budget and Expenditure for Recurrent and Development | 27 |
| Table 18: Summary of Makueni County Gross Product, 2017 | 31 |
| Table 19: FY 2020/21 Budget (Millions) | 32 |
| Table 20: Fiscal Revenues for 2019/20-2022/23 MTEF period (Millions) | 32 |
| Table 21: Projected Expenditures for 2019/20-2022/23 MTEF period | 34 |
| Table 22: Analysis of policy shift areas, programmes and cross-sectoral linkages | 37 |
| Table 23: Indicative Ceilings for FY 2021/22 | 44 |

LIST OF FIGURES

| | |
|--|----|
| Figure 1: Analysis of variance (%) between CFSP Ceilings and printed estimates. | 12 |
| Figure 2: Sectoral analysis of variance between CFSP ceilings and Budget estimates | 12 |
| Figure 3: FY 2013/14 - FY 2019/20 Overall Expenditure and absorption performance | 15 |
| Figure 4: Departmental Performance – FY 2019/20..... | 16 |
| Figure 5: Makeni GCP and per capita projections..... | 29 |
| Figure 6: change in Own Source Revenue and Equitable share | 33 |
| Figure 7: Revenue Growth Trend | 33 |

ABBREVIATIONS AND ACRONYMS

| | |
|--------|--|
| ABT | Appropriate Building Technology |
| ADP | Annual Development Plan |
| ANC | Antenatal Care |
| BROP | Budget Review and Outlook Paper |
| CBA | Collective Bargaining Agreements |
| CBEF | County Budget Economic Framework |
| CBR | Central Bank Rates |
| CBROP | County Budget Review and Outlook Paper |
| CCPP | Contagious Caprine Pleuropneumonia |
| CFSP | County Fiscal Strategy Paper |
| CIC | County Information Centre |
| CIDP | County Integrated Development Plan |
| CIGs | Community Driven Development Committees |
| COVID | Corona Virus Disease |
| CTTIs | County Technical Training Institutes |
| DNRC | Dry Lands Natural Resource Centre |
| ECDE | Early Childhood Development Education |
| ERM | External Resource Mobilization |
| FIF | Facility Improvement Fees |
| FY | Financial Year |
| GBV | Gender Based Violence |
| GCP | Gross County Product |
| GDP | Gross Domestic Product |
| GVRC | Gender Violence Rescue Centre |
| IFAS | Iron Folic Acid Supplementation |
| KDSP | Kenya Devolution Support Project |
| KFS | Kenya Forest Service |
| KUSP | Kenya Urban Support Programme |
| KWS | Kenya Wildlife Service |
| MABEKA | Makueni Bee Keepers Association |
| MSMEs | Medium Small Medium Enterprises |
| MTEF | Medium Term Expenditure Framework |
| MYAP | Makueni Youth Apprenticeship Programme |
| NARIGP | National Agricultural and Rural Inclusive Growth Project |
| NCA | National Construction Authority |
| NHIF | National Hospital Insurance Fund |
| NITA | National Industrial Training Authority |
| NMK | National Museums Of Kenya |
| NPI | National Products Industry |
| OSR | Own Source Revenue |
| OVC | Orphans, Vulnerable Children |
| PBB | Programme Based Budget |
| PFMA | Public Finance Management Act |
| PLHIV | People Living With HIV |
| PPPs | Public-Private Partnerships |
| PWDs | Persons with Disability |
| SGBV | Sexual and Gender-Based Violence |
| SGR | Standard Gauge Railway |
| SRC | Salaries Remunerations Commission |

EXECUTIVE SUMMARY

The 2020 County Budget Review and Outlook Paper is the 8th to be prepared by the County Government. The paper presents the fiscal and sectoral review for FY 2019/20 and also presents the outlook for development for the FY 2021/22. The County Government has made numerous development strides from the year 2013/14. These interventions are geared towards realizing the Makueni Vision 2025 theme for increased household income for the Makueni citizenry.

The overall Government expenditure has been on a rising trend from FY 2013/14. This trend is expected to be maintained in the medium term due to the ongoing performance contracting systems. The overall expenditure in FY 2019/20 reduced by 0.4 Per cent and absorption declined to 77 Per cent from the 81 Per cent recorded in FY 2018/19. This was attributed to the slow activity in the third and fourth quarter of the financial year Part due to the effects of the COVID-19 pandemic.

Over the years, the equitable share has demonstrated tremendous 70 per cent grown from Kshs 4.7 billion in FY 2013/14 to Kshs 7.4 billion in FY 2019/20. The equitable share is expected to stabilize at that amount for the Medium Term. This calls for more innovative ways for resource mobilization focusing on enhancing own source revenue mobilization, seeking funding through Public-Private Partnerships (PPPs), donors and other development partners. In the medium term, Departments will be required to develop innovative ways to fund development programmes through PPPs and Donors at the same time reducing on the operation and Maintenance costs by being more efficient and adopting technology. In FY 2021/22, departments will be expected to enhance project concept notes and proposal development as a way of sourcing financial and technical support from development partners.

The theme for development for FY 2021/22 is ***Community driven development for enhanced prosperity***. The theme emphasizes the county government commitment and response to socio-economic recovery post COVID-19 pandemic. It also pushes for revitalizing economic development at the local level by engaging community members while at the same time building the resilience and the adaptive capacity of the community members.

In developing the outlook for FY 2021/22, the CBROP enhances the multi sectoral approach in development processed while preparing the FY 2020/21 Budget. This is aimed at ensuring development is result oriented towards increased household income. The development is anchored in five concepts namely; product development and processing; water resource management; universal health care; urban development and institutional strengthening. All departments and entities programs and priorities are aligned towards realizing the objectives of the five concepts.

CHAPTER ONE: INTRODUCTION

1.1 Background

1. The Budget Review and Outlook Paper (BROP) is prepared according to the provisions of Section 118 of the Public Finance Management Act (PFMA), 2012. The provisions state that:
 - a. A County Treasury shall—
 - i. Prepare a County Budget Review and Outlook Paper in respect of the County for each financial year; and
 - ii. Submit the paper to the County Executive Committee by the 30th September of that year.
 - b. In preparing its County Budget Review and Outlook Paper, the County Treasury shall specify—
 - i. The details of the actual fiscal performance in the previous year, compared with the budget appropriation for that year;
 - ii. The updated economic and financial forecasts with sufficient information, to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
 - iii. Information on— Any changes in the forecasts compared with the County Fiscal Strategy Paper; or how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
 - iv. Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper, as well as proposals that address the deviation and the time estimated for doing so.
 - c. The County Executive Committee shall consider the County Budget Review and Outlook Paper, to approve it, with or without amendments, within fourteen days after its submission.
 - d. Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall—
 - i. Arrange for the Paper to be laid before the County Assembly; and
 - ii. As soon as practicable after having done so, publish and publicize the Paper.

1.2 The Objective of 2020 CBROP

2. The 2020 County Budget Review and Outlook Paper (CBROP) provides a review of fiscal performance for the FY 2019/20 and how this performance impacts on the financial objectives and fiscal responsibility principles set out in the 2020 County Fiscal Strategy Paper (CFSP). The CBROP provides;
 - a. Budget performance (estimated expenditure against the actual expenditure for FY 2019/20)
 - b. An analysis of policy shifts in the 2019 CFSP and the implication in the county
 - c. Information on any changes in forecasts, compared with the CFSP 2020.
 - d. The fiscal and economic outlook for FY 2021/22
 - e. Indicative sector ceilings for preparation of the FY 2021/22 budget and the MTEF period, guided by the PFM Act, 2012 and ADP 2021/22.

CHAPTER TWO: REVIEW OF FISCAL PERFORMANCE IN 2019/20 FINANCIAL YEAR

This chapter provides an analysis of policy shifts in the 2019 CFSP and the implication in the county and information on any changes in forecasts compared with CFSP 2020 as well as review of fiscal and sectoral performance for the FY 2019/20.

2.1 Analysis of 2019 CFSP against the FY 2019/20 Budget and the Implication in the County

3. The equitable share projection in the FY 2019/20 budget was more than the 2019 CFSP by Kshs 217,000,000. The increase in revenue was brought about by an improvement of the fiscal effort criteria in resource allocation by the Commission on Revenue Allocation.
4. Own Source Revenue (OSR) was revised to Kshs 609,000,000 up from Kshs 450,000,000. This was informed by the impressive performance of the OSR in the FY 2018/19, which recorded Kshs 511,702,071.85 up from Kshs 322,104,226.70 in the FY 2017/18. On the other hand, the conditional allocations increased by Kshs 35 Million attributed to changes in allocation of conditional allocations for youth Polytechnic's and fuel levy by Kshs 28.7 Million and 6.3 Million respectively. The allocation for loans and grants increased by Kshs 299 Million due to change in projections of loans and grants as indicated in the table 1.

Table 1: Changes in CFSP Loans and Grants Projection against the FY 2019/20 Printed Estimates

| Revenue source | CFSP Projection | FY 2019/20 Printed Estimates | Variance |
|--|-----------------------|------------------------------|-------------------------|
| KDSP Grant - Investment Grant | 241,907,528.30 | 296,651,733.00 | -54,744,204.70 |
| IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) " Level 1 grant" | - | 30,000,000.00 | -30,000,000.00 |
| IDA (World Bank) credit: Kenya Urban Support Project(KUSP) | 149,887,760.00 | 136,261,600.00 | 13,626,160.00 |
| Kenya Urban Support Programme - Urban institutional Grant | - | 8,800,000.00 | -8,800,000.00 |
| EU Grant (Instruments for Devolution Advice and Support IDEAS) | - | 50,180,747.00 | -50,180,747.00 |
| IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) " Level 1 grant" | 55,980,546.42 | | 55,980,546.42 |
| Transforming Health Systems for Universal Care Project (WB) | 100,000,000.00 | 89,179,782.00 | 10,820,218.00 |
| IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP) | 154,478,679.30 | 350,000,000.00 | -195,521,320.70 |
| DANIDA Grant (Universal Healthcare in Devolved System Program | | 21,281,250.00 | -21,281,250.00 |
| Agriculture Sector Support Development Programme | - | 19,051,135.00 | -19,051,135.00 |
| Total Loans and Grants | 702,254,514.02 | 1,001,406,247.00 | (299,151,732.98) |

Source: The County Treasury

5. The percentage share of personnel emolument to the total budget reduced from 44.35 per cent in the 2019 CFSP to 41 per cent attributed to staff who had retired and not planned for replacement and various vacancies that were anticipated but not prioritized in the

budget estimates. These measures were implemented to reduce the wage bill burden on the county budget. The table 2 summarizes comparison of key indicators between the CFSP 2019 and the FY 2019/20 budget estimates.

Table 2: CFSP 2019 Fiscal Projections and FY 2019/2020 Budget Fiscal Estimates

| Item | 2019 CFSP projections | 2019 Printed Estimates | Variance |
|--|------------------------------|-------------------------------|-----------------|
| Revenues | | | |
| Equitable share | 7,037,000,000.00 | 7,254,000,000.00 | 217,000,000.00 |
| Own Source Revenue | 450,000,000.00 | 609,000,000.00 | 159,000,000.00 |
| Conditional allocations | 386,858,873.00 | 421,911,015.00 | 35,052,142.00 |
| Loans and grants | 702,254,514.00 | 1,001,406,247.00 | 299,151,733.00 |
| Reallocation funds FY 2018/19 | - | | |
| Total Budget | 8,576,113,387.00 | 9,286,317,262.00 | 710,203,875.00 |
| Expenditures | | | |
| Recurrent Total | 5,941,464,917.13 | 5,985,791,812.95 | 44,326,895.82 |
| Operations and Maintenance | 2,138,135,480.82 | 2,195,980,243.78 | 57,844,762.96 |
| Personnel Emoluments | 3,803,329,436.31 | 3,789,811,569.17 | -13,517,867.14 |
| Development Budget | 2,634,648,469.87 | 3,300,525,449.05 | 665,876,979.18 |
| Total | 8,576,113,387.00 | 9,286,317,262.00 | 710,203,875.00 |
| Percentage share of personnel emoluments | 44.35 | 41 | -3.35 |
| Percentage share of Operations and Maintenance | 24.93 | 24 | -0.93 |
| Percentage share of own source revenue | 5.25 | 7 | 1.75 |
| Percentage share of recurrent to budget | 69.28 | 64 | -5.28 |
| Percentage share of Development Budget | 30.7 | 36 | 5.30 |

Source: The County Treasury

- There has been considerable improvement in reduction of the variance between the set CFSP projections and the final budget estimates. Measures related to setting ceilings through a realistic macroeconomic framework and participation of the various sectors in sectoral reviews and projections have contributed to improving budget reliability. The variance between the CFSP ceilings and budget estimates has improved over time as shown in figure 1;

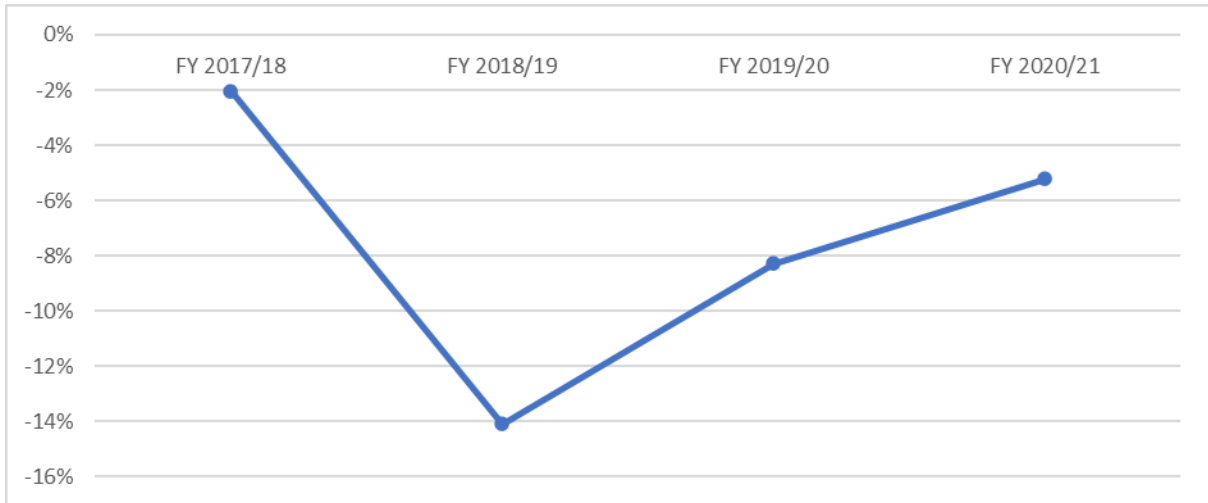


Figure 1: Analysis Of Variance (%) Between CFSP Ceilings and Printed Estimates
Source: The County Treasury

2.2 CFSP Forecasts Compared With Budget Estimates 2019/20

In FY 2019/20, the largest variance was recorded in Agriculture and Rural Development and Social Protection culture and recreation sectors at -150 Per cent and -110% respectively. The variance was attributed to a change in projected interventions occasioned by the final prioritized programs at the ward levels. The variance is expected to level out in the medium term as we strengthen participatory budgeting process to ensure there is continuous engagement of the citizenry before setting the ceilings in the CFSP.



Figure 2: Sectoral analysis of variance between CFSP Ceilings and Budget estimates
Source: The County Treasury

2.3 Financial Year 2019/20 Fiscal Performance

2.3.1 Revenue Performance

7. The FY 2019/20 County Budget was funded from three main sources namely equitable share Ksh 7,406,100,000.00, own-source revenues Ksh. 655,235,126.00, and conditional allocations and other grants Ksh. 1,387,288,655.00. The county is heavily dependent on national government transfers to finance its development initiatives. On average, from

inception of the county, national transfers and conditional funding account for 90.42 per cent of the total budget. Own Source revenue accounts for 6.10 per cent while development partners have funded 3.4 per cent of the county budgets. The County realized 89.7% of the total budgeted revenues in the financial year. This was a reduction of 3% of from the revenue performance recorded in the financial year 2018/19. Analysis of actual revenues is illustrated in Table 3.

Table 3: Fiscal Performance for the FY 2019/20 (Kshs Millions)

| Sources | FY 2017/18 Actuals | FY 2018/19 Actuals | FY 2019/20 Budgeted | FY 2019/20 Ratio | FY 2019/20 Actuals | 2019/20 Performance |
|--|-----------------------|--------------------------|---------------------------|------------------------|--------------------------|------------------------|
| Equitable share from National Government | 6,825.20 | 7,127.80 | 7,406.10 | 66% | 6,769.18 | 91.40% |
| Conditional allocations | 337.93 | 230.94 | 290.00 | 3% | 290.00 | 100.00% |
| Other loans and grants | 157.31 | 527.25 | 1,097.29 | 10% | 800.63 | 72.96% |
| Own Source Revenue | 322.10 | 511.70 | 655.24 | 6% | 435.58 | 66.48% |
| Total | 7,642.55 | 8,397.69 | 9,448.62 | 84% | 8,295.38 | 87.79% |

Source: The County Treasury

8. The County Government own source revenue has been on an upward trend from FY 2013/14. The FY 17/18 and 18/19 recorded the highest increase at 47 per cent and 59 per cent respectively. However, in the FY 19/20, the performance declined by 9 percent. This was attributed to the disruption caused by COVID-19 in third and fourth quarter of the year and closure of livestock markets through quarantine as measures to prevent spread of lumpy skin disease in cattle. The third and fourth quarters recorded a decline of 13 and 44 per cent respectively as compared to the same quarters in the FY 2018/19. The FY 2019/20 OSR performance was 28.8 per cent off- set target of Ksh 655,235,126.00. Table 3 below provides a summary of the trend in OSR in the county since FY 2013/14.

Table 4: Own Source Revenue Performance FY 2012/13 – 2019/2020 per Quarter

| Financial Year | Q1 Actual | Q2 Actual | Q3 Actual | Q4 Actual | Total Actual |
|-------------------|----------------|---------------|----------------|----------------|----------------|
| 2012/2013 | 39,610,012.00 | 31,080,950.00 | 64,063,086.00 | 35,747,141.00 | 170,501,189.00 |
| 2013/2014 | 39,355,534.00 | 24,580,099.00 | 52,640,736.00 | 72,611,372.00 | 189,187,741.00 |
| 2014/2015 | 51,801,993.00 | 34,986,402.00 | 65,866,418.00 | 63,114,454.00 | 215,769,267.00 |
| 2015/2016 | 40,295,311.00 | 46,964,142.00 | 64,084,092.00 | 66,810,040.00 | 218,153,585.00 |
| 2016/2017 | 45,650,471.10 | 26,839,715.50 | 83,003,428.00 | 63,579,885.50 | 219,073,500.10 |
| 2017/2018 | 66,268,246.00 | 46,023,459.00 | 94,948,640.70 | 114,863,881.00 | 322,104,226.70 |
| 2018/2019 | 76,463,361.70 | 65,424,891.05 | 175,394,062.00 | 194,419,757.10 | 511,702,071.85 |
| 2019/2020 | 111,368,463.00 | 93,401,566.80 | 151,797,454.70 | 109,371,971.25 | 465,939,455.75 |

Source: County Treasury

9. The County Government faced the following challenges faced during the FY 2019/20 in revenue mobilization:
 - i. Inadequate personnel and technical skills deficiency;

- ii. Disruption of normal market activities through closure due to Covid-19 pandemic and quarantine imposed to contain the spread of the lumpy skin disease leading to sub-optimal exploitation of the affected revenue streams;
- iii. Untapped revenue opportunities in the county;
- iv. Weak interdepartmental linkages in revenue collection; and
- v. Limited voluntary taxpayer compliance.

2.3.2 Deviations from the Original and Revised Budget Estimates

10. The budget for FY 2019/20 was revised from Kshs 9.2863 Billion to Kshs 11.186 Billion, a deviation of Kshs 1.9 Billion. The deviations resulted from the equitable share own source revenue and the fund balances brought forward from FY 2018/19 amounting to 1,899,961,309.72 which included Kshs. (1,920,733,396.92) and Ksh. 20,772,087.20 for County Executive and County Assembly respectively.

Table 5: Deviations from the Original and Revised Budget Estimates (in Millions)

| FY Category | FY 2018/19 | | | 2018/19 as a per cent of Budget | | FY 2019/20 | | | 2019/20 as a per cent of Budget | |
|-------------|------------|--------|-----------|---------------------------------|--------|------------|-----------|-----------|---------------------------------|--------|
| | Actual | Budget | Deviation | Actual | Budget | Actual | Budget | Deviation | Actual | Budget |
| Recurrent | 5,904 | 6,234 | -329 | 69% | 59% | 5985.79 | 6379.12 | -393.33 | 64% | 21% |
| Development | 2,629 | 4,417 | -1,788 | 31% | 41% | 3300.53 | 4807.16 | -1,506.63 | 36% | 79% |
| Total | 8,534 | 10,651 | -2,117 | | | 9,286.32 | 11,186.28 | -1,899.96 | | |

Source: The County Treasury

2.3.3 Expenditure Performance

11. The overall expenditure in FY 2019/20 reduced by 0.4 per cent and absorption declined to 77 per cent from the 81 per cent recorded in FY 2018/19. This was attributed to the slow activity in the third and fourth quarter of the financial year due to the effects of restrictions imposed to address COVID-19 pandemic in the country and the county. Figure 3 highlights the expenditure trend since FY 2013/14.

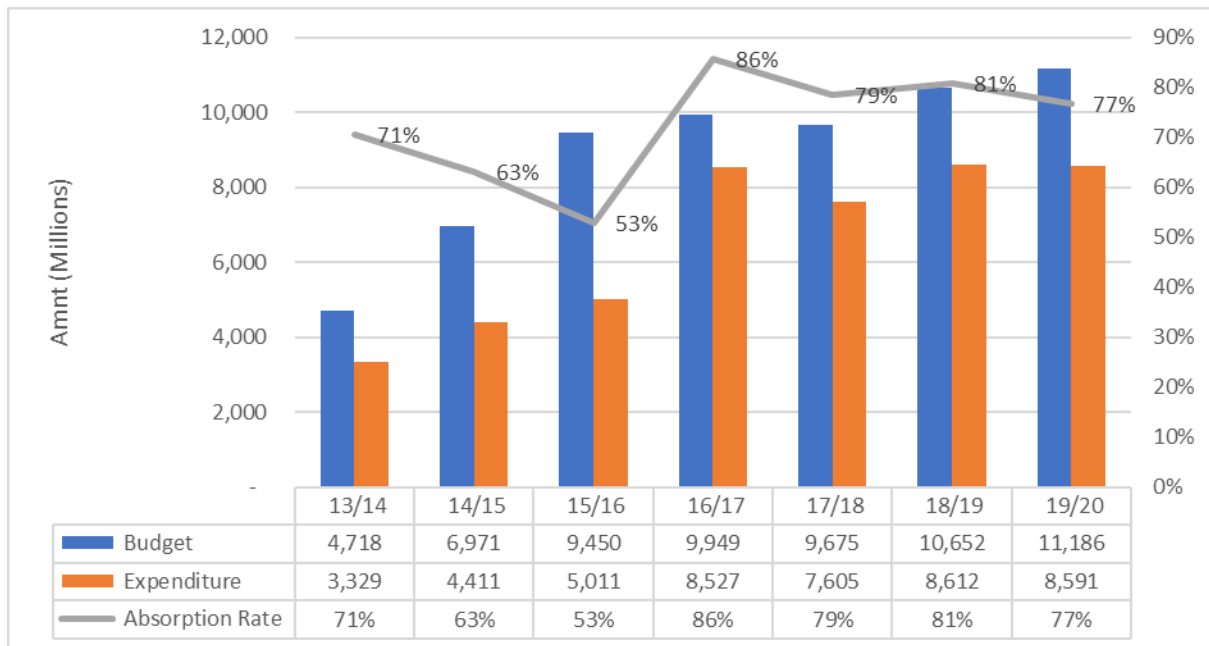


Figure 3: FY 2013/14 - FY 2019/20 Overall Expenditure and absorption performance
Source: The County Treasury

12. As the government continue to enhance performance contracting by all Government entities, it is expected that service delivery will improve, further improving the performance of the government and absorption rate to more than 90 per cent absorption in the financial 2020/21.
13. The total budget for the year under review was Ksh. 11,186,278,571.72. The total Executive budget amounted to Ksh. 10,361,050,658.92 while the County Assembly budget amounted to KSh. 825,227,912.80. The overall County expenditure for the period amounted to Kshs. 8,591,014,857.66 representing an underspending of Ksh. 2,595,263,714.06 equivalents to 23 per cent deviation from the revised budget.
14. Recurrent expenditure for FY 2019/20 amounted to KSh. 5,948,265,168.51, against a target of KSh.6, 379,118,237.62. This represented 93 per cent absorption rate. The Development expenditure amounted to Kshs. 2,642,749,689.15 against a target of Kshs. 4,807,160,334.09. This represented 55 per cent absorption rate, a decrease of 6 per cent from the absorption rate of the FY 2018/19.

Table 6: Expenditure by Economic Classification – FY 2017/18 – 2019/20

| Expenditure Item | 2017/18 | | | 2018/19 | | | 2019/20 | | |
|------------------|-----------------|-----------------|------------|------------------|-----------------|------------|-----------------|-----------------|------------|
| | Budget | Expenditure | Absorption | Budget | Expenditure | Absorption | Budget | Expenditure | Absorption |
| Salaries | 3,352.32 | 3,350.26 | 100 | 3,706.14 | 3,628.52 | 98 | 3,789.8 | 3,787.54 | 99.9% |
| O&M | 2,743.07 | 2,285.11 | 83 | 2,528.22 | 2,273.37 | 90 | 2,589.3 | 2,160.72 | 83.4% |
| Recurrent | 6,095.39 | 5,635.37 | 92 | 6,234.36 | 5,901.89 | 95 | 6,379.1 | 5,948.27 | 93.2% |
| Development | 3,579.50 | 1,970.07 | 55 | 4,417.36 | 2,710.37 | 61 | 4,807.1 | 2,642.75 | 55.0% |
| Total | 9,674.90 | 7,605.44 | 79 | 10,651.72 | 8,612.26 | 81 | 11,186.2 | 8,591.01 | 77% |

Source: The County Treasury

2.4 County Sectoral Performance

15. This section highlights the review of the FY 2019/20 fiscal performance and trends in budget allocation and expenditure. It highlights sectoral summary performance in the year under review and development outcomes since FY 2013/14. The overall county budget absorption was 55 per cent in FY 2019/20, the Department of Health reported the highest absolute expenditures while the Office of Governor; County Secretary recorded the highest absorption at 99 percent, with the Department of Lands recording the least absorption at 43 per cent as shown in Figure 4;

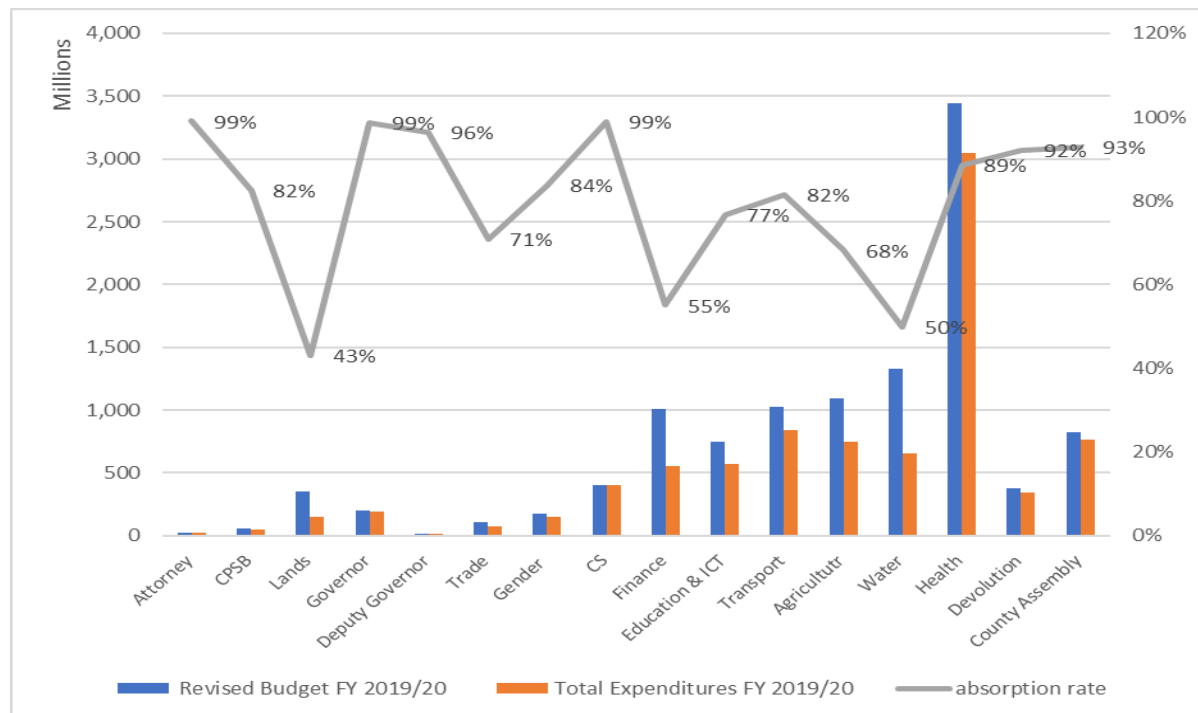


Figure 4: Departmental Performance – FY 2019/20

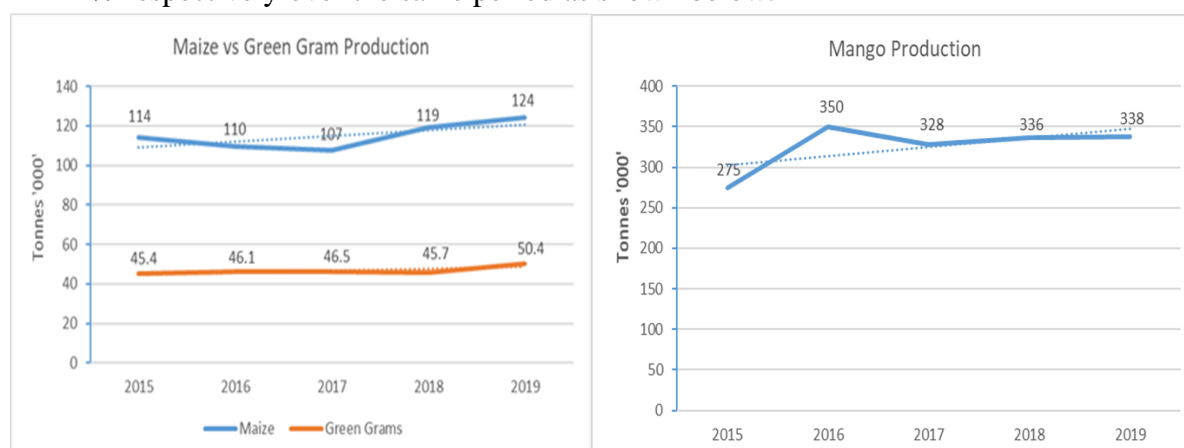
Source: County Treasury

2.4.1 Agriculture, Irrigation, Livestock and Fisheries Development

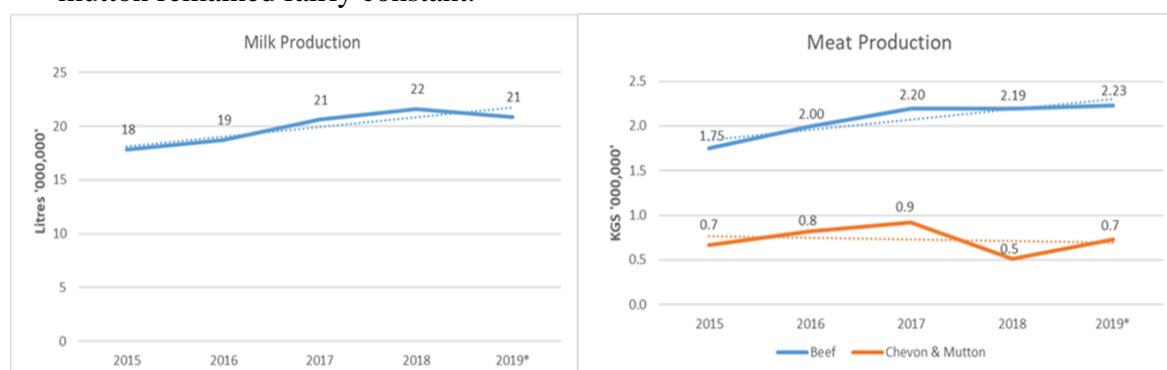
16. Agriculture remains the key driver of economic growth accounting for 47 per cent of the Gross County Product (GCP) and providing a main source of livelihood for majority of county citizens. In the period since FY 2013/14, the poverty index and the proportion of the Food poor have reduced from 64.3 per cent and 57.2 per cent to 34.8 per cent and 30.2 per cent respectively according to the Kenya Integrated Household Budget Survey 2015/16. This is attributed to government efforts in enhancing food security through farm pond initiatives, distribution of certified planting materials to farmers, adoption of climate smart technologies as well as intensified extension services.

17. Over the period, the county has continued investing in the four main value chains (green gram, mango, dairy and poultry). With majority of farmers practicing subsistence farming at 183,660 farm households, maize farming is still dominant. The investment in the green gram value chain is aimed at encouraging farmers to engage in high value drought resistant crops farming. Mango production has increased by 23 per cent from 275 MT in

2015 to 338 MT in 2019. Maize and green grams' production increased by 8.77% and 11% respectively over the same period as shown below.



18. On the other hand, livestock production has improved over the years with the increased uptake of Artificial Insemination and modern animal husbandry. The milk production has increased from 18 M litres in 2015 to 21 Million litres in 2019 representing 16 per cent increase. Meat production also increased by 27.4 % while production of chevon and mutton remained fairly constant.



19. The budget allocation in agriculture sector in the last three years has been consistent with the Maputo Declaration which requires allocation of a minimum of 10% of the total budget towards the sector. In FY 2019/20, the department spent Kshs. 747.34M out of the total budget of Ksh 1,095.97, representing 68.1 per cent absorption which is an 8 per cent decline from previous year's 76 percent. Table 8 illustrates the trend of the allocation and expenditure since FY 2018/19 to FY 2020/21.

Table 7: Department of Agriculture Budget Allocation Vs Expenditure Trends (in Millions)

| Programme | FY 2018/19 | | | FY 2019/20 | | | FY 2020/21 |
|--|-----------------|---------------|---------------------|-----------------|---------------|---------------------|-----------------|
| | Revised Budget | Expenditure | Absorption Rate (%) | Revised Budget | Expenditure | Absorption Rate (%) | Budget |
| Land and Crop development and productivity | 108.64 | 75.95 | 70 | 525.25 | 297.73 | 57 | 42.76 |
| Livestock production, management and development | 79.99 | 65.31 | 82 | 86.53 | 61.54 | 71 | 75.68 |
| Agribusiness and information management | 137.29 | 117.97 | 86 | 98.81 | 79.39 | 80 | 161.33 |
| General administration | 706.08 | 522.09 | 74 | 385.38 | 308.68 | 80 | 913.04 |
| Total | 1,032.00 | 781.31 | 76 | 1,095.97 | 747.34 | 68 | 1,192.82 |

Source: The County Treasury

2.4.2 Lands, Urban Development, Environment and Climate Change

20. Land is a key factor of production and the requisite investment in human settlement, land secure tenure and environmental conservation contributes immensely to sustainable development. In 2013, the county had only 19.8 per cent of all land owners with title deeds. Over the years' investment and collaboration with national government agencies, a total of 97, 079 title deeds have been issued to land owners.
21. Through the Kenya Urban Support Project (KUSP), the government carried out urban infrastructural development where Ksh 40,202,909.20 was used to renovate Wote Marikiti Market project and Ksh 69,575,499.40 used to construct Wote Green Park. The grant was also used to establish of offices and operationalize Wote Municipality and the preparation of Municipal Integrated Development Plan and Spatial Plan. The programme awaits disbursement of Kshs 136,261,600.00 to improve Wote town access roads and install high mask floodlights in major towns within Wote Municipality.
22. The budget allocation for the department has been increasing since FY 2018/19. During the Financial Year 2019/20, the department spent Kshs 150,932,498.20 against a total budget of Kshs 350,772,984.63 representing 43 per cent absorption rate. The expenditure on development programmes was Kshs 98,667,171.70 against the budget of Kshs 290,774,341.40 representing 34 per cent absorption rate. The department recorded the lowest absorption rate because of delayed disbursement of Kenya Urban Support Programme funds.

Table 8: Department of Lands Programme Performance - FY 2018/19-FY 2019/20

| Programme | FY 2018/19 | | | FY 2019/20 | | | FY 2020/21 Budget |
|---------------------------------------|----------------|---------------|------------|----------------|---------------|---------------------------|-------------------|
| | Revised Budget | Expenditure | Budget | Revised Budget | Expenditure | Absorption Rate (Percent) | |
| Urban planning | 200.07 | 97.34 | 49% | 278.53 | 82.02 | 29% | 226.01 |
| General administration & planning | 72.20 | 58.18 | 81% | 41.00 | 39.90 | 97% | 45.99 |
| Land Survey & Mapping | 31.23 | 25.50 | 82% | 28.63 | 27.11 | 95% | 66.37 |
| Mining mapping & development | 4.39 | 2.75 | 63% | 2.62 | 1.90 | 72% | 1.42 |
| Environment management and protection | - | - | | - | - | | 127.12 |
| Total | 307.88 | 183.77 | 60% | 350.77 | 150.93 | 43% | 466.91 |

Source: County Treasury

2.4.3 Water Resource Management

23. Access to safe and reliable water is undoubtedly a key development outcome and critical in the realization of Makueni Vision 2025 and the Sustainable Development Goals (SDGs). The county has invested heavily in water harvesting since FY 2013/14, with the rallying call *Kutwiikanya kiwu*. Several milestones have been attained with the distance to the nearest water point reducing, with some Wards on the verge of attaining universal water access, where citizens can access water within radius of 2 Kms. This is significant

drop from high of 8 Kms in 2013. The percentage distribution of households by time taken to fetch drinking water with 65.5 per cent taking less than 30 minutes to fetch drinking water.

| Department | Objective | Outcome | Indicator | Baseline 2009 | Performance 2019 |
|--|--|--|--|---------------|------------------|
| Thematic Area: Water Resource Management | | | | | |
| Objective: To increase availability and access to water | | | | | |
| Water | To increase availability and access to safe water within 2 kms | Access to improved water sources | Proportion of population accessing water from improved water sources | 33.3% | 44.2% |
| | | | No. of HHs accessing water from borehole | 17,941 | 28,790 |
| | | | No. of HHs with access to piped water | 10,019 | 17,079 |
| | | | No. of HHs harvesting rain water | 13,747 | 25,374 |
| Sanitation | To improve sanitation in the county | Improved access to sanitation services | Proportion of HHs with access to improved sanitation service | 55.60% | 82.7% |
| | | | Proportion HHs with covered pit latrine | 50.01% | 67.1% |
| | | Improved sanitation in urban areas | Quantity of solid waste (tons) collected in urban areas | | 102.2 |

In FY 2019/20, the Government allocated Kshs 1,326,341,776.42 to the water sector. Out of these Ksh 224,889,632 was for recurrent and Kshs 1,101,452,143.75 for Development. By closure of the FY, the Department had spent Ksh 659.38M representing 50 % absorption of the total budget as shown in the table 9

Table 9: Department of Water Programme Performance – FY 2018/19 – FY 2019/20

| Programme | FY 2018/19 | | | FY 2019/20 | | | FY 2020/21 Budget |
|---------------------------------------|----------------|-------------|--------|----------------|-------------|---------------------------|-------------------|
| | Revised Budget | Expenditure | Budget | Revised Budget | Expenditure | Absorption Rate (Percent) | |
| Piped water supply infrastructure | 284.94 | 130.45 | 46% | 467.24 | 130.99 | 28% | 375.56 |
| Ground water development | 253.69 | 115.34 | 45% | 293.96 | 155.10 | 53% | 157.79 |
| Water harvesting and storage | 284.80 | 138.94 | 49% | 264.17 | 110.48 | 42% | 321.92 |
| General administration & planning | 175.84 | 108.58 | 62% | 170.94 | 141.06 | 83% | 125.11 |
| Environment management and protection | 160.24 | 101.34 | 63% | 129.06 | 121.76 | 94% | 1.85 |
| Irrigation infrastructure development | 3.50 | 0.78 | 22% | - | - | | - |

| Programme | FY 2018/19 | | | FY 2019/20 | | | FY 2020/21 |
|---|-----------------|---------------|------------|-----------------|---------------|---------------------------|-----------------|
| | Revised Budget | Expenditure | Budget | Revised Budget | Expenditure | Absorption Rate (Percent) | Budget |
| Sand Authority; General administration & planning | - | - | | - | - | | 125.12 |
| Total | 1,163.01 | 595.44 | 51% | 1,325.36 | 659.38 | 50% | 1,107.35 |

Source: The County Treasury

2.4.4 Health Services

24. The health sector has made substantive gains since FY 2013/14 in the areas of child health, maternal health, preventive, and promotive health care through the community health strategy. The Makueni Care Programme was a great initiative and milestone towards achievement of Universal Health coverage. Each household pays Kshs 500 annually and every member of the household accesses health care in all health facilities in the county. The programme is aligned to the national universal health care in the Big Four Agenda. The funding objective is to enhance access to efficient and effective quality health care services to Makueni residents. The following notable gains have been made since FY 2013/14.

| Department | Objective | Outcome | Indicator | Baseline 2013 | Performance 2019 |
|-----------------|---|--|--|---------------|------------------|
| Health Services | To enhance access to preventive and promotive services | Improved maternal health | % of deliveries conducted by skilled personnel | 35% | 72% |
| | | Strengthened community health strategy | No. of established community health units | 98 | 219 |
| | | Reduced HIV prevalence | % of HIV positive clients linked to care | 78% | 93% |
| | | Child nutrition & Immunization | Proportion of children under 5 fully immunized | 85% | 93% |
| | To provide effective and efficient curative and rehabilitative services | Effective and efficient curative and rehabilitative health care services to county residents | Average length of stay in hospital | 8 days | 5 days |
| | | Increased medical insurance coverage | No. of HHs under Makueni Care Programme | 61,000 (2017) | 91,059 |

25. In FY 2019/20, the department total cumulative budget was Kshs. 3,443,854,405.46. By 30 June 2020, the Department had spent Kshs. 3,049,490,159.02 translating to absorption rate of 89 percent. The department's recurrent budget has been increasing and this can be attributed to additional new staff, annual salary increments, and implementation of collective bargaining agreements, which are at various implementation stages. Development budget decreased in 2019/20 FY compared to

2018/19 FY. Overall, Ksh 10.7 billion has been allocated to health sector from 2018/19 FY to 2020/21 FY where 8.4 billion (78.5 percent) was allocated for recurrent and 2.3 billion (21.5 percent) allocated for development.

Table 10: Department of Health Budget Allocation and Expenditure –FY 2018/19 – 2020/21

| Programme | FY 2018/19 | | | FY 2019/20 | | | FY 2020/21 Budget |
|---|-----------------|-----------------|---------------------------|-----------------|-----------------|---------------------------|-------------------|
| | Revised Budget | Expenditure | Absorption Rate (Percent) | Revised Budget | Expenditure | Absorption Rate (Percent) | |
| General administration & planning | 3,424.29 | 2,936.28 | 86% | 3,062.36 | 2,758.11 | 90% | 3,392.77 |
| Curative health care services | 4.40 | 4.11 | 93% | 310.83 | 259.65 | 84% | 207.00 |
| Preventive and promotive health care services | 135.70 | 53.43 | 39% | 70.66 | 31.73 | 45% | 121.50 |
| Total | 3,564.39 | 2,993.82 | 84% | 3,443.85 | 3,049.49 | 89% | 3,721.27 |

Source: The County Treasury

2.4.5 Road, Infrastructure and Energy

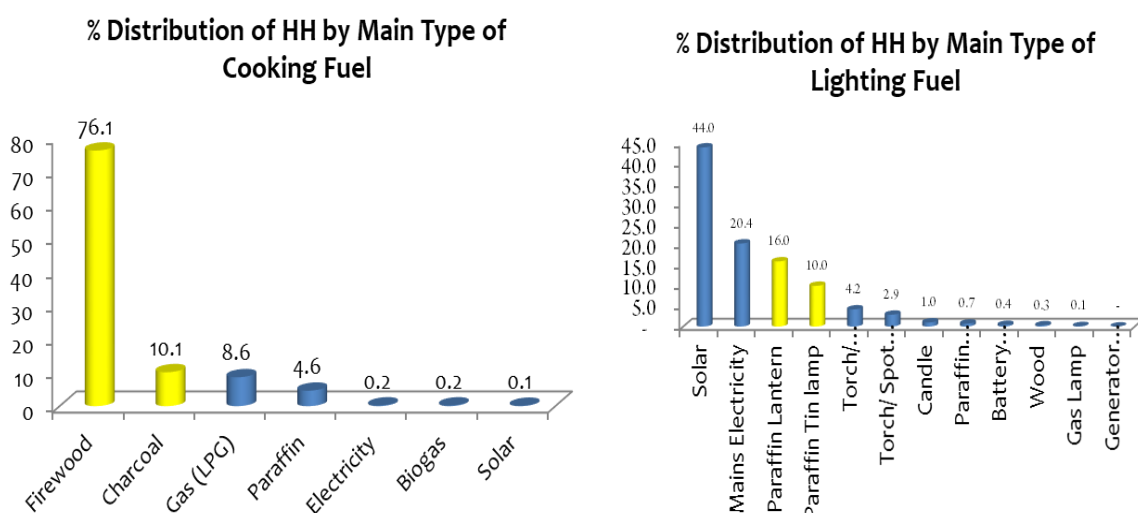
26. Infrastructure development is key to the generation of employment opportunities, wealth creation, and improved productivity in the county. In the last seven years of devolution, the county has made remarkable progress in the infrastructure investment to accelerate socio-economic transformation. In 2013, the county had poor roads network with gravel and earth roads accounting for 555.2 Kms and 2,194.6 Kms respectively. Most of the roads were impassable during the rainy season and the county invested heavily in machinery to ensure sufficient county own machinery to make it easy to upgrade all the roads to weather.

27. In the period under review, the department opened 533.9 Kms, gravel 432.4 km, graded 2513.1 km, installed 3032M of culvert, 39 drifts and 1,509 gabions.

| Road Class | Surface Type | Mbooni | Kilome | Kaiti | Makueni | Kibwezi West | Kibwezi East | Total |
|-----------------------------------|----------------|--------|--------|-------|---------|--------------|--------------|----------|
| International Trunk Road (A)..... | Bitumen | 0.0 | 48.5 | 0.0 | 0.0 | 97.0 | 63.0 | 208.50 |
| National Trunk Roads (B)..... | Bitumen/Gravel | 0.0 | 0.0 | 36.1 | 42.7 | 34.0 | 0.0 | 112.80 |
| Primary Roads (C)..... | Bitumen/Gravel | 171.5 | 46.8 | 52.7 | 71.8 | 107.3 | 99.4 | 549.53 |
| Secondary Roads (D)..... | Earth Road | -- | 66.4 | -- | 41.5 | 47.0 | 55.2 | 210.10 |
| Minor Roads (E)..... | Earth Road | 33.3 | 51.3 | 53.4 | 56.2 | 43.0 | 42.6 | 279.80 |
| Urban Roads..... | | 0.0 | 0.0 | 0.0 | 9.6 | 0.0 | 0.0 | 9.60 |
| Other Unclassified Roads | Earth Roads | 201.5 | 748.4 | 106.5 | 898.9 | -- | 1133.2 | 3,088.50 |

Source: Department of Infrastructure Development, KEnHA, KURA, KeRRAMakueni County

28. There have been considerable gains in the energy Sub Sector with the proportions of HHs using solar for lighting increased from 24.5 per cent in FY2015/16 to 48.3 per cent in 2019 and the proportion using electricity increasing from 17.6 per cent to 20.4 per cent over the same period. This is attributed to the good uptake of the national electrification programme and penetration of solar energy for lighting in rural homes. The use of firewood as the main cooking fuel still remains a challenge, this leads to destruction of environment.



29. In FY 2019/20, the department had a total budget of Kshs. 1,029,948,243.91, which represented 9 per cent of the total county budget. In the financial year 2018/19, the department had the highest budget of Ksh. 1,182,482,978.08, however in the financial year 2019/20 the allocation reduced to Kshs. 1,029,948,243.91. FY 2019/20 recorded the highest absorption rate of 82 per cent, an increase from 80 per cent of FY 2018/19.

Table 11: Department of Transport Budget Trend – FY 2017/18 – FY 2020/21 (in Millions)

| Programme | FY 2018/19 | | | FY 2019/20 | | | FY 2020/21 Budget |
|-------------------------------------|-----------------|---------------|---------------------------|-----------------|---------------|---------------------------|-------------------|
| | Revised Budget | Expenditure | Absorption Rate (Percent) | Revised Budget | Expenditure | Absorption Rate (Percent) | |
| Road transport | 860.80 | 678.84 | 79% | 771.65 | 654.22 | 85% | 705.22 |
| General administration & planning | 202.65 | 184.71 | 91% | 167.86 | 115.81 | 69% | 198.21 |
| Infrastructure development | 78.93 | 51.37 | 65% | 70.71 | 56.64 | 80% | 31.40 |
| Energy Infrastructure & development | 40.10 | 34.61 | 86% | 19.73 | 12.82 | 65% | 49.65 |
| Total | 1,182.48 | 949.53 | 80% | 1,029.95 | 839.49 | 82% | 984.49 |

Source: The County Treasury

2.4.6 Trade, Industry, Marketing, Tourism and Cooperative Development

30. Trade plays an important role in the economy of the county by ensuring that products and goods have access markets. It is also source of employment opportunities for sustainable economic development. Over the years, the county has invested in improving the work environment for the Micro, Small and Medium Enterprises to thrive. The

county government has facilitated hawkers and small traders to access markets by provision of information, support through tools and equipment, as well as safe working spaces and consumer protection. To enhance financial inclusion, the county has supported strengthening of the cooperative movement and enhancing governance structures in the management of the cooperatives.

31. The number of active cooperatives increased from 142 in 2015, to 242 in 2019. According to audited books in 2018, the total membership stood at 56, 980 while the total turnover was Ksh. 263, 202, 999.00.

32. In the FY 2019/20, the Department had a total allocation of Kshs 106,299,928.26 out of which Kshs 75,280,575.95 was spent on various activities and programs representing 71% absorption.

Table 12: Department of Trade Expenditure by Programme - FY 2017/18 – FY 2019/20

| Programme | FY 2018/19 | | | FY 2019/20 | | | FY 2020/21 Budget |
|--|----------------|--------------|---------------------------|----------------|--------------|---------------------------|-------------------|
| | Revised Budget | Expenditure | Absorption Rate (Percent) | Revised Budget | Expenditure | Absorption Rate (Percent) | |
| General administration & planning | 48.75 | 42.72 | 88% | 46.68 | 46.01 | 99% | 64.90 |
| Trade marketing & promotion | 37.75 | 19.20 | 51% | 33.24 | 12.05 | 36% | 62.25 |
| Cooperative development and management | 34.90 | 31.24 | 89% | 16.34 | 9.85 | 60% | 28.96 |
| Tourism development & promotion | 7.39 | 5.43 | 73% | 8.37 | 5.92 | 71% | 6.38 |
| Industrial development and promotion | 0.55 | 0.04 | 8% | 1.66 | 1.45 | 87% | 10.70 |
| Total | 129.35 | 98.63 | 76% | 106.30 | 75.28 | 71% | 173.18 |

Source: The County Treasury

2.4.7 Education, Sports and ICT Department

33. Over the years, the county has invested heavily in both education infrastructure and human resource development for the ECDEs and CTTIs. The number of ECDE centers increased from 1,385 in 2015 to 1,452 in 2019, while the Gross Enrollment increased from 89.9 per cent to 119.4 per cent over the same period. For the CTTIs, the number of CTTIs increased from 36 in 2015 to 51 in 2019 while enrollment increased by 39.14 % from 3,311 to 4,607 over the same period. The CTTIs enrollment is still characterized by low enrollment and apathy because of negative attitude by the community towards vocational training. However, with the introduction of market oriented courses and ICT, there has been improvement. Summary of ECDE and CTTIs enrollment is as shown in the tables below;

| Department | Objective | Outcome | Indicator | Baseline 2013 | Performance 2019 |
|------------|--|---|--------------------------|---------------|--|
| Education | To enhance access to quality pre-primary education | Increased access to ECDE | Gross enrolment for ECDE | | Total – 119.4% Boys – 115.1% Girls – 123.9% |
| | To enhance access to quality education and vocational training | Increased access and equity of students in tertiary education | Enrolment in CTTIS | | Total – 4,589 Male – 2,497 Female – 2,110 |

| Indicators | 2015 | | | 2016 | | | 2017 | | | 2018 | | | 2019 | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Boys | Girls | Total | Boys | Girls | Total | Boys | Girls | Total | Boys | Girls | Total | Boys | Girls | Total |
| ECDE | | | | | | | | | | | | | | | |
| Enrolment | 26,437 | 26,391 | 52,828 | 26,247 | 27,583 | 53,830 | 26,928 | 26,970 | 53,898 | 26,763 | 27,202 | 53,965 | 24,436 | 25,243 | 49,679 |
| Eligible Population (3-5 Years) | 29,806 | 28,974 | 58,781 | 30,190 | 29,244 | 59,434 | 30,578 | 29,516 | 60,094 | 30,972 | 29,791 | 60,762 | 31,396 | 30,081 | 61,477 |
| Gross Enrollment Rates (GER) | 88.7% | 91.1% | 89.9% | 86.9% | 94.3% | 90.6% | 88.1% | 91.4% | 89.7% | 86.4% | 91.3% | 88.8% | 77.8% | 83.9% | 80.8% |
| PRIMARY SCHOOL | | | | | | | | | | | | | | | |
| Enrolment | 134,820 | 138,768 | 273,588 | 134,871 | 130,078 | 264,949 | 139,048 | 132,574 | 271,622 | 127,442 | 129,052 | 256,494 | 128,346 | 123,671 | 252,017 |
| Eligible Population (6-13 Years) ¹ | 114,914 | 109,408 | 224,318 | 116,302 | 118,519 | 226,572 | 117,705 | 128,390 | 228,849 | 119,126 | 139,082 | 231,149 | 100,690 | 98,702 | 199,392 |
| Gross Enrollment Rates (GER) | 117.3% | 126.8% | 122.0% | 116.0% | 109.8% | 116.9% | 118.1% | 103.3% | 118.7% | 107.0% | 92.8% | 111.0% | 127.5% | 125.3% | 126.4% |
| SECONDARY SCHOOL | | | | | | | | | | | | | | | |
| Enrolment | 44,588 | 46,114 | 90,702 | 48,033 | 47,976 | 96,009 | 47,705 | 49,106 | 96,811 | 56,356 | 52,180 | 108,536 | 54,228 | 59,241 | 113,469 |
| Eligible Population (14-17 Years) ¹ | 51,874 | 47,341 | 99,216 | 52,501 | 51,283 | 100,213 | 53,134 | 55,554 | 101,220 | 53,776 | 60,180 | 102,237 | 55,509 | 52,728 | 108,237 |
| Gross Enrollment Rates (GER) | 86.0% | 97.4% | 91.4% | 91.5% | 93.6% | 95.8% | 89.8% | 88.4% | 95.6% | 104.8% | 86.7% | 106.2% | 97.7% | 112.4% | 104.8% |

34. In FY 2019/20, the Department had a total allocation of Ksh. 744,530,693.45; Ksh. 406,408,242.14 as recurrent and Ksh. 338,122,451.30 as development allocation respectively. The department recorded a high absorption in the FY 2018/19 at 84 per cent compared with FY 2019/20 recording 77 per cent.

Table 13: Department of Education Budget and Expenditure – FY 2018/19 – FY 2020/21 (in millions)

| Programme | FY 2018/19 | | | FY 2019/20 | | | FY 2020/21 Budget |
|---|----------------|---------------|---------------------------|----------------|---------------|---------------------------|-------------------|
| | Revised Budget | Expenditure | Absorption Rate (Percent) | Revised Budget | Expenditure | Absorption Rate (Percent) | |
| General administration & planning | 277.04 | 271.47 | 98% | 271.40 | 266.90 | 98% | 273.16 |
| Early childhood education | 136.38 | 108.44 | 80% | 151.07 | 79.94 | 53% | 86.73 |
| Technical training & non formal education | 102.45 | 73.35 | 72% | 120.38 | 74.01 | 61% | 104.75 |
| Sports Development | 49.14 | 16.53 | 34% | 96.17 | 74.06 | 77% | 89.60 |
| Support to education | 30.00 | 28.67 | 96% | 63.79 | 54.00 | 85% | 71.58 |
| ICT Infrastructure & Systems Development | 23.39 | 19.81 | 85% | 38.02 | 19.84 | 52% | 41.83 |
| Youth Development | 63.78 | 55.80 | 87% | 3.69 | 2.29 | 62% | - |
| Total | 682.18 | 574.06 | 84% | 744.53 | 571.03 | 77% | 667.65 |

Source: The County Treasury

2.4.8 Gender and Social Services

35. The county has over time invested in measures aimed at improving the living conditions of the poor and the vulnerable members in the community. These efforts are key in alleviating poverty and reducing the dependency levels within the community while enhancing self-reliance and economic empowerment. In the county, the dependency rate reduced from a high of 96.1 per cent in 2013 to 78.5 per cent in 2019. The uptake of the social protection funds and the cash transfer programme had greatly improved with a cumulative disbursement of over Kshs 3.3 Billion since 2016. This has played a critical role in empowering the vulnerable community members.

| Department | Objective | Outcome | Indicator | Baseline 2013 | Performance 2019 |
|------------|---|--|---|---------------|--------------------------------|
| Gender | To reduce economic and social deprivation among the vulnerable population | Improved social protection and livelihood of vulnerable groups | Dependency rate | 96.1% | 78.5% |
| | | Increased access and utilization of special interest funds for women, youth and PWDs | Total uptake of empowerment funds (Tetheka, Elderly cash transfer, PWD cash transfer, Uwezo fund) | | Kshs 1,115,931,000 |
| | | Increased productive participation of women, youth and PWD in development | Participation in economic activities by men and women | | Male – 70.9% Female – 54.7% |

Table 14: Funds allocated to Social Protection Programmes Since 2016

| Social Protection & Empowerment Funds | 2016 | 2017 | 2018 | 2019 | Total |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Tetheka Fund | 35,240,000.00 | 72,260,000.00 | 32,425,000.00 | 115,744,000.00 | 255,669,000.00 |
| Elderly Cash Transfer | 135,288,000.00 | 305,712,000.00 | 576,328,000.00 | 555,516,000.00 | 1,572,844,000.00 |
| OVC Cash Transfer | 213,552,000.00 | 201,312,000.00 | 155,760,000.00 | 168,240,000.00 | 738,864,000.00 |
| PWD Cash Transfer | 17,880,000.00 | 23,976,000.00 | 23,208,000.00 | 20,892,000.00 | 85,956,000.00 |
| Women Enterprise Fund | 84,219,000.00 | 131,919,000.00 | 179,019,000.00 | 249,919,000.00 | 645,076,000.00 |
| Uwezo Fund | 36,269,500.00 | 5,632,000.00 | 5,980,000.00 | 5,620,000.00 | 53,501,500.00 |
| Totals | 522,448,500.00 | 740,811,000.00 | 972,720,000.00 | 1,115,931,000.00 | 3,351,910,500.00 |

Source: The County Treasury

36. The FY 2019/20 departmental budget allocation increased from 94.35M in 2018/19 to 178.30M in 2019/20 as key departmental programmes allocations were enhanced.

Table 15: Department of Gender Budget & Expenditure – FY 2017/18 – 2020/21 (in Millions)

| Programme | FY 2018/19 | | | FY 2019/20 | | | FY 2020/21 |
|-----------------------------------|----------------|--------------|---------------------------|----------------|---------------|---------------------------|---------------|
| | Revised Budget | Expenditure | Absorption Rate (Percent) | Revised Budget | Expenditure | Absorption Rate (Percent) | Budget |
| Gender & Social Development | 35.56 | 34.71 | 98% | 114.41 | 86.16 | 75% | 47.89 |
| General administration & planning | 58.79 | 50.99 | 87% | 63.89 | 63.27 | 99% | 98.49 |
| Youth Development | - | - | | - | - | | - |
| Sports Development | - | - | | - | - | | - |
| Total | 94.35 | 85.70 | 91% | 178.30 | 149.43 | 84% | 146.38 |

Source; County Treasury

2.4.9 Public Administration Sector

37. The public administrative sector coordinates and provides strategic direction in the management of county affairs. This sector includes; Office of Governor, Office of Deputy Governor, Office of County Secretary, County Public Service Board, the County Treasury, Legal Department, Department of Devolution, and the County Assembly plays an important role in oversight and legislative.

38. The sector plays a facilitative and coordinating role in service delivery of county government functions. It also provides overall policy direction and leadership to the county government, coordinates policy formulation, resource mobilization, allocation and management, participatory development, oversight and legislation, monitoring and evaluation, and human resource management.

39. The following are overall macro development outcomes over the years;

| Department | Objective | Outcome | Indicator | Baseline 2013 | Performance 2019 |
|--------------|-------------------------------|--|--|---------------|------------------|
| Macro | To accelerate economic growth | Reduced poverty levels | % of HHs below poverty level | 64.3% | 34.8% |
| | | Increased revenue mobilization for development | Ratio of own source revenue to total county revenues | 3% | 5% |
| | | Improved performance of County economy | % Gross County Product contribution to national GDP | 1.4% | 1.4% |

40. The overall budget absorption rate for the sector in 2019/20 was 81.48 per cent compared to 93.77 per cent in the FY 2018/19. Within the Public administration sector, the Office of the Governor recorded the highest budget absorption rate of 99.4 per cent followed by the Office of the County Secretary. The department of finance and planning had the lowest absorption rate of 57.5 per cent.

Table 16: Summary of budget vs. expenditure per Programme for Public Administration sector FY 2018/19 – FY 2020/21

| Programme | FY 2018/19 | | | FY 2019/20 | | | FY 2020/21 |
|---|-----------------|-----------------|---------------------------|-----------------|-----------------|---------------------------|-----------------|
| | Revised Budget | Expenditure | Absorption Rate (Percent) | Revised Budget | Expenditure | Absorption Rate (Percent) | Budget |
| Assembly -Legislation & Oversight | 847.45 | 823.66 | 97% | 825.23 | 766.31 | 93% | 812.89 |
| Legal & advisory services | 36.09 | 21.08 | 58% | 24.84 | 24.59 | 99% | 46.13 |
| CPSB - General Administration and Planning | 61.24 | 58.74 | 96% | 56.35 | 46.44 | 82% | 65.68 |
| CS - Leadership and coordination of departments. | 312.13 | 298.26 | 96% | 405.69 | 400.93 | 99% | 431.92 |
| Devolution - General administration & planning | 233.26 | 217.43 | 93% | 227.76 | 227.29 | 100% | 200.11 |
| Devolution - Youth Development | - | - | | 61.43 | 54.06 | 88% | 47.70 |
| Devolution - Enforcement and compliance | 11.44 | 11.43 | 100% | 35.55 | 17.28 | 49% | 41.95 |
| Devolution - Public Participation & Civic Education | 34.34 | 34.47 | 100% | 32.38 | 28.78 | 89% | 39.59 |
| Devolution - Volunteerism & mentorship | 14.78 | 14.74 | 100% | 14.00 | 14.00 | 100% | - |
| Devolution - Information and communication | 7.97 | 4.95 | 62% | 2.90 | 2.54 | 88% | 5.07 |
| Finance - General administration & planning | 569.42 | 527.52 | 93% | 799.34 | 382.89 | 48% | 937.28 |
| Finance - Budget formulation, coordination and management | 62.88 | 59.68 | 95% | 67.97 | 65.07 | 96% | 29.14 |
| Finance -Resource mobilization | 40.72 | 39.72 | 98% | 57.21 | 46.86 | 82% | 58.91 |
| Finance - Economic planning | 30.91 | 21.36 | 69% | 41.21 | 26.08 | 63% | 40.11 |
| Finance - Accounting services | 11.45 | 7.45 | 65% | 18.96 | 15.06 | 79% | 7.96 |
| Finance - Internal audit services | 10.75 | 7.64 | 71% | 16.71 | 11.52 | 69% | 9.57 |
| Supply chain management services | 7.40 | 6.27 | 85% | 11.71 | 10.08 | 86% | 6.07 |
| Govern ship - General administration & planning | 203.85 | 195.59 | 96% | 212.03 | 208.86 | 99% | 206.49 |
| Total | 2,496.08 | 2,349.99 | 94% | 2,911.24 | 2,348.64 | 81% | 2,986.55 |

Source: The County Treasury

2.5 Fiscal Responsibility Principles

41. Government has adhered to the fiscal responsibility principles as set out in the statute by ensuring that the County Government's revised development expenditure as a per cent of total budget was 42.97 per cent in FY 2019/20, and is set to remain above the 30 per cent minimum threshold set out in the PFMA framework over the medium term.

Table 17: Budget and Expenditure for Recurrent and Development

| Classification | Budget | Budget ration | Expenditure | Absorption | Expenditure ration |
|----------------|------------------|---------------|-----------------|------------|--------------------|
| Recurrent | 6,379.12 | 0.570263 | 5,948.27 | 93% | 69% |
| Development | 4,807.16 | 0.429737 | 2,642.75 | 55% | 31% |
| Total | 11,186.28 | | 8,591.01 | 77% | |

Source: The County Treasury

3.1 National Performance Review and Outlook

42. According to the Economic Survey 2020 and the first-quarter GDP report, economic activity remained vibrant in 2019 though the performance was slower relative to 2018. The real Gross Domestic Product (GDP) is estimated to have expanded by 5.4 per cent in 2019 compared to a growth of 6.3 per cent in 2018. The growth was spread across all sectors of the economy but was more pronounced in service-oriented sectors. Agriculture, Forestry and Fishing sector accounted for a sizeable proportion of the slowdown, from 6.0 per cent growth in 2018 to 3.6 per cent in 2019. Agriculture remained the dominant sector, accounting for slightly over a third of the total value of the economy. Other sectors that accounted for notable contribution to the total economy included transport and storage (8.5 percent); wholesale and retail trade (7.6 percent); and Manufacturing (7.5 percent). Taxes on products also contributed significantly to the GDP with a share of 8.5 percent.
43. Performance of Kenya's economy in 2020, like most economies all over the world, will largely be determined by how long life and economic activities are going to be disrupted by the Coronavirus disease (Covid-19). Most of the economic activities have so far been slowed down by restrictions resulting from containment and cessation of sections of the population, the nationwide curfew and stoppage of international passenger travel. The first case of Covid-19 in the country was confirmed on the 12th March 2020 and a raft of precautionary and preventives measures have increasingly been implemented to counter the impact of the pandemic on the population as well as socio-economic aspects.
44. The restriction of movement of population has significantly slowed the performance of activities of transportation and storage, education, accommodation and food services. Other sectors whose activities have been restrained, albeit at a lesser degree, include manufacturing; construction; wholesale and retail trade; public administration and defence; and mining and quarrying. Demand for financial and insurance services, Real estate and other services are expected to be suppressed due to a slowdown in economic activities and declining disposable incomes. However, increasing demand for health services is likely to boost the performance of the human health and social work sector.

In the short term, the government's fiscal policies in the national budget are likely to focus on re-orientation of expenditure to initiatives aimed at control and eventual elimination of the COVID-19 in the country. Overall, factors against accelerated growth are likely to outweigh pro-growth aspects by far in 2020.

3.2 County Outlook

45. Makueni County contributes 1.4 per cent of the national GDP annually. The county economy is expected to have produced 136.4 billion in 2019, at current prices. The county is expected to grow at an annualized rate of 8.6 per cent from 2017 to 2021, which is higher than the national annual rate of 5.5 per cent over the same period. In

2020 and 2021, the county economy is expected to grow at a slower rate due to the effects of containment measures instigated by the COVID-19 pandemic. Revamping and boosting agricultural production and value addition through government and private investment will accelerate economic growth. Moreover, easing COVID-19 restrictions and funding MSMEs will boost growth in; accommodation and food sector; transport and storage sector as well as the wholesale and retail trade.

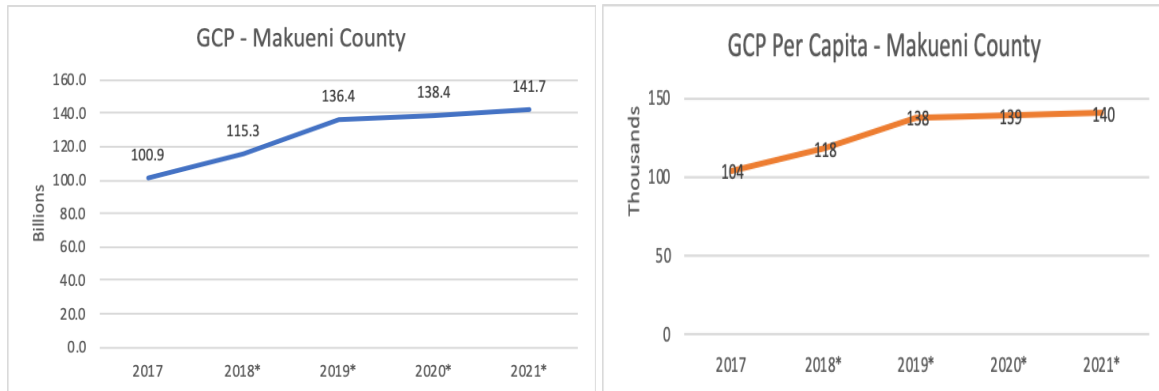


Figure 5: Makueni GCP and Per Capita Projections

Source: County Treasury

46. Allocation of funds towards field extension services will impart farmers with valuable knowledge and skills on good agricultural practices which will likely lead to increased production. Unlike other sectors, agricultural production in 2020 is not likely to decelerate though farm gate prices may dip due to reduced incomes.

47. At the county level, manufacturing contributes 0.5 per cent towards the county product. Agricultural manufacturing is expected to increase, with strategies put in place to increase delivery of farm produce to milk and fruit factories in the county. Good amounts of rainfall experienced during the year have led to increased production hence availing the following raw materials; fruits, milk, meat, grains and fibre crops for processing and milling. Milk processing at the County through several milk processors commissioned in the County is expected to drive the growth of revenue generated from milk. Growth of cottage industries in sisal, macadamia and minerals is expected to increase value addition and boost the county's manufacturing sector. Completion of the Makindu grain processing facility will add value to the grains in the county through sorting, grading and milling. This is expected to grow positively grow the food processing sub-sector in manufacturing.

48. The construction sector accounts for 5.7% of the county gross county product. Major construction and civil works are expected in the roads sector, and housing from the private sector, occasioned by the rising demand for housing in urban centers. This is due to increasing urbanization, which estimated at 11 percent. Construction activities around Thwake dam, Thwake Bridge, Konza techno city and rehabilitation of classified roads are expected to keep the sector afloat.

49. In Makueni County, accommodation and food services sector accounts for 0.3 per cent of the total county gross value added. The county has been experiencing increased demand for accommodation and food services due to increased urbanization and a growing middle class. This sector has been the hardest hit by COVID-19 guidelines and restrictions. Hotels closed or scaled down their operations for an indefinite period, and movement restrictions imposed in the country. MSMEs conducting activities around this sector have recorded a major drop in revenues of up 80 percent. This implies that the sector may face huge growth deceleration in 2020. Interventions by both levels of government are necessary to spur consumption and growth of the sector. The County Government of Makueni has allocated 20 million shillings to cushion and boost MSMEs engaged in this sector. Continued investment in urban infrastructure and tourist attraction sites, is expected to increase private sector investment.
50. Transportation and storage sector in Makueni County accounts for 5.2 per cent of the total county gross product. The sector remained robust in 2019 due to increase in demand for the goods and services produced in the county to other parts of the country and vice versa. In 2020, the sector is expected to record slow growth due to COVID-19 restrictions and lockdowns, which reduced the movement of people. The courier services sub-sector is expected to record a substantial growth since the movement of goods was exempt from the COVID-19 restrictions. Interventions geared towards the improvement of the county roads are expected to the movement of goods and services within the county.
51. At the county level, the information and communication sector contributes 0.9 per cent of the gross county product. The sector experienced growth within the county due to increased consumption of e products and services. Information communication technology is expected to increase with the government's intention to increase automation of its functions and robust ICT applications training. The county is also leveraging technology in linking MSMEs with customers. This will be realized through marketing agricultural, tourism and cottage products through e-commerce platforms and other marketing platforms.
52. The output from the finance and insurance activities sector accounts for 7 per cent of the county gross product. In 2019, the sector recorded growth due to investments geared towards financial inclusion for the unbanked through table banking and connecting them to financial services. Access to financial services has also been improved through government support. The county population has received increased access to subsidized loans, through local banks. Citizens have also increased subscription to insurance premiums ranging from property, health and life thereby translating to a growth of the insurance subsector.

Table 18: Summary of Makueni County Gross Product, 2017

| No. | Sector | 2017 Makueni Gross County Product | | | |
|-----|--|--|-------------------------|---|-------------------------|
| | | 2017 GCP at Constant Prices (000,000) | Percent Contribution | 2017 GCP at Current Prices (000,000) | Percent Contribution |
| 1 | Agriculture, forestry and fishing | 17,616 | 33.11 | 47,606 | 47.2 |
| 2 | Education | 10,026 | 18.85 | 9,477 | 9.4 |
| 3 | Real Estate Activities | 3,650 | 6.86 | 5,463 | 5.4 |
| 4 | Public administration and defense | 3,647 | 6.86 | 6,927 | 6.9 |
| 5 | Construction | 3,119 | 5.86 | 5,739 | 5.7 |
| 6 | Wholesale and retail trade; repair of motor vehicles | 3,203 | 6.02 | 5,875 | 5.8 |
| 7 | Transport and storage | 2,943 | 5.53 | 5,276 | 5.2 |
| 8 | Financial and Insurance Activities | 3,133 | 5.89 | 7,050 | 7.0 |
| 9 | Information and communication | 1,596 | 3.00 | 881 | 0.9 |
| 10 | Human Health and Social Work Activities | 1,590 | 2.99 | 2,885 | 2.9 |
| 11 | Other Service Activities | 1,218 | 2.29 | 1,972 | 2.0 |
| 12 | Mining and quarrying | 530 | 1.00 | 638 | 0.6 |
| 13 | Manufacturing | 282 | 0.53 | 412 | 0.4 |
| 14 | Water supply; waste collection | 456 | 0.86 | 768 | 0.8 |
| 15 | Accommodation and food service Activities | 286 | 0.54 | 285 | 0.3 |
| 16 | Electricity Supply | 212 | 0.40 | 373 | 0.4 |
| 17 | Professional, technical, and support services | 1 | 0.002 | 2 | 0.002 |
| 18 | FISIM1 | -306 | -0.58 | (703) | -0.7 |
| | Total | 53,202 | 100.00 | 100,926 | 100.0 |

Source: Kenya National Bureau of Statistics (2018 GCP Report)

CHAPTER FOUR: RESOURCE ALLOCATION FRAMEWORK

4.1 Adjustments to the FY 2020/21 Budget

53. The FY 2020/21 Budget was consolidated with ongoing programmes and projects from FY 2019/20. This was necessitated by the need to ensure there is continuity in delivering services to the citizenry. As such all departments are required to ensure full implementation of the programmes and projects carried forward from FY 2019/20.

Table 19: FY 2020/21 Budget (Millions)

| Revenues | FY 2019/20 (Printed Estimates) | FY 2019/20 Revised Budget | FY 2020/21 Budget | FY 2020/21 Approved Combined Estimates | Variance |
|--|--------------------------------------|---------------------------------|----------------------|---|-----------------|
| Equitable share from National Government | 7,254.00 | 7,406.10 | 7,279.50 | 7,279.50 | |
| County generated revenue | 609.00 | 655.24 | 1,065.00 | 1,065.00 | |
| Conditional allocations | 421.91 | 290.00 | 556.44 | 556.44 | |
| Loans and Grants | 1,001.41 | 1,097.29 | 591.73 | 591.73 | |
| Reallocation Funds | 0 | 1,737.65 | 0 | 1,953.95 | 1,953.95 |
| Total | 9,286.32 | 11,186.28 | 9,492.66 | 11,446.61 | 1,953.95 |

Source: The County Treasury

4.2 Medium-Term Fiscal Projections

4.2.1 Revenue projections

54. The FY 2021/22 budget targets total revenue collection of Kshs 9,938,924,531.02. This is a 5 per cent increase from the FY 2020/21 revenue targets. The Equitable share from the National Government accounts for 82% of the total projected revenues for FY 2021/22. The Equitable share has been increasing on a decreasing trend from FY 2013/14 to date. The change in Equitable share has reduced from Kshs 827M in FY 2014/15 to Kshs 278M in FY 2019/20. This trend calls for more innovative programs to enhance the county resource mobilization. The allocation is expected to stabilize at Kshs 8,132,000,000.78 over the medium term an increase of 10% from the allocation for FY 2020/21 of Kshs 7,406,100,000.00.

Table 20: Fiscal Revenues for 2019/20-2022/23 MTEF period (Millions)

| Revenues | FY 2019/20 (Printed Estimates) | FY 2019/20 Revised Revenues | FY 2020/21 Printed Revenues | FY 2021/22 Projected Revenues | FY 2022/23 Projected Revenues | FY 2023/24 Projected Revenues |
|--|---|--------------------------------------|--------------------------------------|--|--|--|
| Equitable share from National Government | 7,254.00 | 7,406.10 | 7,279.50 | 8,132.00 | 8,132.00 | 8,132.00 |
| County generated revenue | 609.00 | 655.24 | 1,065.00 | 800.00 | 850.00 | 900.00 |
| Conditional allocations | 421.91 | 290.00 | 556.44 | 550.00 | 500.00 | 500.00 |
| Loans and Grants | 1,001.41 | 1,097.29 | 591.73 | 356.92 | | |
| PPPS & other Development partners | | | | | | |
| Reallocation Funds | | | | | | |
| Total | 9,286.32 | 11,186.28 | 9,492.66 | 9,938.92 | 9,982.00 | 10,232.00 |

Source: Makueni County Treasury Projections, 2020

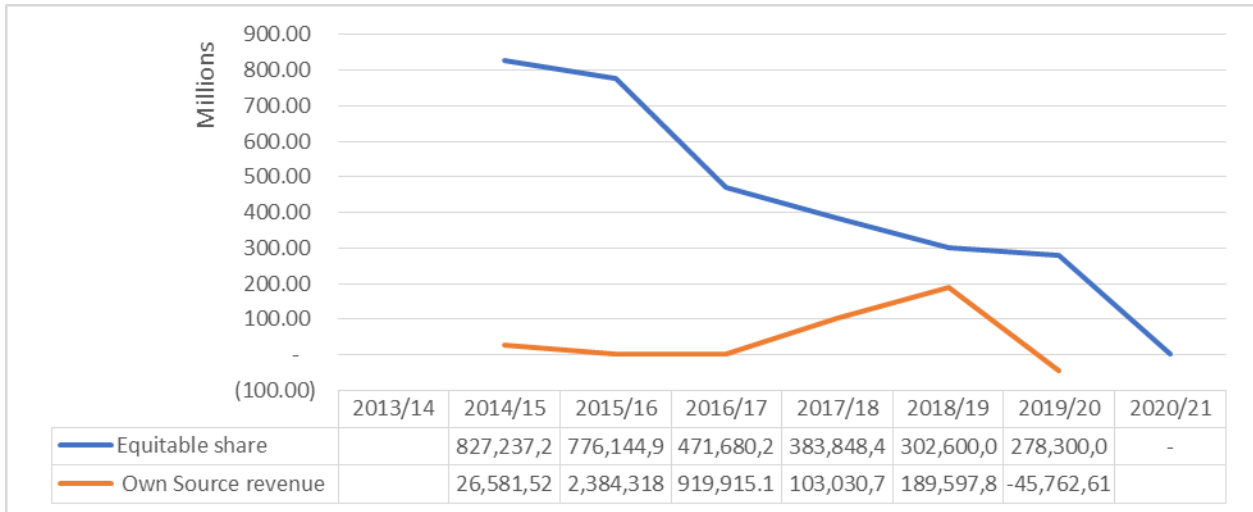


Figure 6: change in Own Source Revenue and Equitable share
Source: The County Treasury

4.2.2 National Government Transfers

55. Since the inception of the county government, the share of the revenue from the National Treasury has been increasing at a decreasing trend as shown in Figure 7.

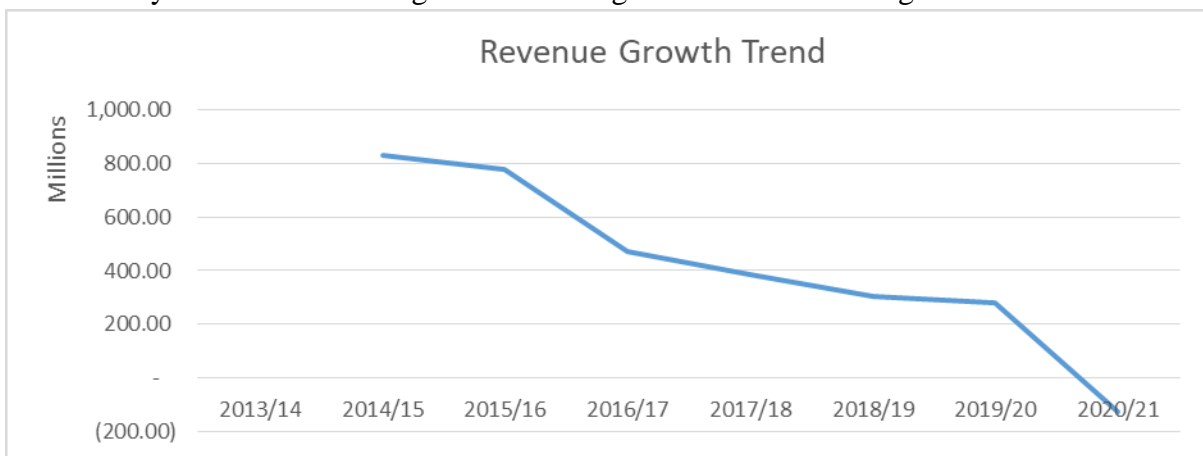


Figure 7: Revenue Growth Trend
Source: The County Treasury

4.2.3 Own Source Revenue Mobilization

56. The County Own Source Revenue Mobilization has been on a rising trend from FY 2013/14. To enhance resource mobilization, the county will;

- i. Carrying out Revenue administration reforms, which includes reviewing and implementing revenue policies and laws, assessment, data collection and management, monitoring, reporting and accountability, and enforcement;
- ii. Increased efficiency in revenue collection by the use of market committees and revenue volunteers;
- iii. Enhancing overall institutional and human resources capacity to handle all facets of revenue collections and management within the county;
- iv. Creating awareness among the revenue stakeholders on the importance of making revenue payments and its connection with service delivery; and

- v. Managing revenue waivers and variations in line with the Constitution and the Law.

4.2.4 External Resource Mobilization

57. An External Resource mobilization unit has been established at the Treasury to support coordination of efforts in increasing access to external resources for implementation of the county priorities. The County will strengthen the established External Resource Mobilization (ERM) unit through capacity building staff and strengthening the working relationship between the line departments and the relevant development partners. The partnership through South Eastern Kenya Economic Bloc will also be enhanced.

4.2.5 Public-Private Partnerships

58. The government will develop bankable projects and market the County as the County investment of choice. The County Treasury is in the process of preparing the county investment handbook that will outline investment opportunities in the county that will facilitate the delivery of the CIDP and Vision 2025. The engagements will be guided by a county private-public partnerships' legal and policy framework that will provide an avenue of mobilizing resources and offer guidelines into actualizing the partnerships.

4.3 Expenditure Projections

4.3.1 2019/20 – 2022/23 Projected Expenditure

59. In FY 2021/22, overall expenditures are projected to be Kshs 9,938,924,531.01, which is an increase from Kshs 9,492,662,437.00 in FY 2020/21. The Recurrent expenditure is estimated at Kshs 6,700,658,339.52 an increase of 3 per cent from Kshs 6,574,574,536.21 in FY 2020/21, which is explained, by the increase in personnel emoluments. The Capital Expenditure is estimated at Kshs 3,364,349,994.80 up from Kshs 3,129,538,232.75. The Development Index is estimated at 34 per cent up from 33 per cent recorded in FY 2020/21. The increase is as a result of the increment in equitable share from the National Government.

Table 21: Projected Expenditures for 2019/20-2022/23 MTEF period

| Economic Classification | FY 2019/20 Revised Estimates | FY 2020/21 Printed Estimates | FY 2021/22 Projected Expenditures | FY 2022/23 Projected Expenditures | FY 2023/24 Projected Expenditures |
|--|------------------------------|------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Salaries | 3,789,811,568.82 | 4,002,660,422.27 | 4,202,793,443.38 | 4,328,877,246.69 | 4,458,743,564.09 |
| Operation & Maintenance | 2,589,306,668.81 | 2,360,463,781.98 | 2,371,781,092.83 | 2,371,781,092.83 | 2,371,781,092.83 |
| Recurrent | 6,379,118,237.63 | 6,363,124,204.25 | 6,574,574,536.21 | 6,700,658,339.52 | 6,830,524,656.92 |
| Total Development | 4,807,160,334.09 | 3,129,538,232.75 | 3,364,349,994.80 | 3,281,341,661.26 | 3,401,475,343.86 |
| Ward Allocations | 990,000,000.00 | 990,000,000.00 | 990,000,000.00 | 990,000,000.00 | 990,000,000.00 |
| Conditional Allocations/loans& grants PPPs | 1,387,288,655.00 | 1,148,162,437.00 | 1,006,924,530.24 | 1,000,000,000.00 | 1,200,000,000.00 |
| Net HQ Development | 2,429,871,679.09 | 991,375,795.75 | 1,367,425,464.56 | 1,291,341,661.26 | 1,211,475,343.86 |
| Total Budget | 11,186,278,571.72 | 9,492,662,437.00 | 9,938,924,531.01 | 9,982,000,000.78 | 10,232,000,000.78 |
| Development Index | 43% | 33% | 34% | 33% | 33% |

Source: The County Treasury

4.3.2 Overall Deficit and Financing

60. The Government aims at maintaining a balanced budget in FY 2021/22. Moreover, the county will pursue auxiliary mechanisms of raising revenues through loans and grants which will be guided by the County Debt Management Strategy Paper. The External Resource Mobilization unit will also target to raise resources from development partners and enhance financing through Public-Private Partnerships (PPPs).

4.3.3 Transfers to Entities

61. The MTEF resources take into account the transfers to County Agencies and Authorities including water companies, Sand Authority, Makueni Fruit Processing Authority and Municipality. The various entities will be required to maximize revenues, which will subsequently reduce the over-reliance on the county exchequer.

4.4 FY 2021/22 Medium-Term Expenditure Framework Policy shift

62. The county will continue to entrench development principles adopted through the County Annual Development Plan which is a continuation of the multi-sectoral approach adopted during concept preparation. The MTEF budgeting framework will therefore be improved to ensure attainment of the key priorities set out in the FY 2021/22 ADP which include;
- a. **Equity in development.** The county has implemented its development within the county while ensuring high levels of equity across the county. It has however been noted some village clusters have not been adequately covered and development in such areas will be prioritized to ensure all county residents benefit from government development programmes.
 - b. **Community-Led Development - Inclusive participation of communities in development at Village Cluster.** To accelerate local community development, the Village Cluster has been adopted as the planning unit for community economic empowerment. Each Village Cluster has been facilitated to prepare Village Cluster Action Plan. The Action Plan will be considered as key community documents that provide development strategies as well as community contribution towards the development in the Cluster.
 - c. **Community volunteerism in development (*Mwethya wa Maendeeyo*):** The county will incorporate community volunteers in driving development in various sectors. These include; Community Health Workers; Community Extension Workers; Revenue champions; Community Animal Health Workers; Community Road Volunteers; Community Water Volunteers as well as Community Data and SDG champions through the Development Committee Members. This paradigm will be anchored on a policy framework developed by the County Executive and approved by the County Assembly.
 - d. **County development post-COVID-19 pandemic.** Funding for development programmes and projects acknowledges the emerging threat of COVID19 pandemic. Budgetary ceilings and provisions will therefore give priority to strategies and initiatives that will protect the communities from and infection, safeguard their

livelihoods and provide the best care to infected persons. It will also make provisions to ensure that there is an accelerated return to normalcy of the county economy.

- e. **Livelihood/Employment guarantee scheme:** The County will initiate a livelihood/employment security scheme targeting the households in rural and poor communities by providing at least 100 days of guaranteed employment to members who are willing to volunteer in development initiative and undertake unskilled and manual work. The programme will be implemented by the Village Clusters and will mainly be labour-intensive to build community infrastructure such as water, roads and food security initiatives.
- f. **Universal water coverage:** The government will continue funding priorities geared towards development, improvement and extension of water sources and services closer to Makueni citizens. Programmes designed to increase access to clean water and sanitation in the urban areas and rural areas will also be prioritized to ensure universal water coverage in the county.
- g. **Inclusiveness in development;** The Government will ensure all Makueni citizenry take part in development. Special consideration will be given to key interest groups; youth, PWD, PLHIV and children to focus on the interventions that are geared towards addressing specific challenges affecting them. These interest groups will be mainstreamed in all development initiatives to ensure they take part in economic development.

Table 22: Analysis of policy shift areas, programmes and cross-sectoral linkages

| Key Programme Areas | Key Programme Intervention Area | Key Outputs | Interlinking sectors | Cross-Sectoral Linkages and Synergies |
|--|---|--|--|--|
| Thematic Area | Product Development and Processing | | | |
| Key Outcomes | <ul style="list-style-type: none"> • Increased agricultural production and productivity through the adoption of appropriate technology • Enhanced industrialization | | | |
| Increased production & Food security | 1.1 Promotion of irrigated agriculture 1.2 Dairy, beef and poultry development 1.3 Crop, livestock pests and disease control – disease surveillance system 1.4 Intensifying extension services for increased technology uptake | <ul style="list-style-type: none"> • Increased irrigation capacity • Improved extension services development • Improved household food security | <ul style="list-style-type: none"> • Agriculture, Water, Environment, cooperatives • ICT • Devolution | 1.1.1 Construction of sand dams 1.1.2 Provision of adequate water infrastructure for irrigation services 1.1.3 Linkage of farmers to markets. 1.1.4 ICT will play a role in enhancing adaptation of extension service through e-extension 1.1.5 Awareness creation on a demand-driven extension. 1.1.6 Identification of vulnerable households 1.1.7 Awareness and sensitization on nutrition 1.1.8 Provision of adequate extension services 1.1.9 Formation and management of agri-based cooperatives 1.1.10 Deepening financial inclusion among the cooperative members |
| Product Value Addition and agro-processing | 2.1 Operationalizing Makueni Sand Plant 2.2 Dairy processing 2.3 Grain and pulses agro-processing | <ul style="list-style-type: none"> • Increased value of associated outputs | <ul style="list-style-type: none"> • Agriculture and rural development • Trade • Water and sanitation | <ul style="list-style-type: none"> • Training of youth in technical institutes on the preparation of sand products • Marketing of processed products from the county |

| Key Programme Areas | Key Programme Intervention Area | Key Outputs | Interlinking sectors | Cross-Sectoral Linkages and Synergies |
|---------------------------------|--|---|---|---|
| | | | <ul style="list-style-type: none"> • Education and social services | |
| Trade improvement and promotion | 3.1 Establishment of ENE microfinance bank 3.2 Strengthening cooperative development | <ul style="list-style-type: none"> • Increased financial access • Improved governance in cooperatives | <ul style="list-style-type: none"> • Public Administration and international relations • Finance and Socio-economic planning • Agriculture and rural development | 1.1.1 Organization of farmers into groups/cooperatives for ease of marketing 1.1.2 Enhancing marketing and market linkages 1.1.3 Enhancing access to Tetheka Fund by farmers 1.1.4 Linking farmers to credit facilities through banks and cooperative societies 1.1.5 Establishment of produce collection centres |
| Thematic Area | Water Resource Management | | | |
| Key Outcomes | 1. Increased access to safe water 2. Improved environmental conservation | | | |
| Rural water supply | 4.1 Construction of 2 mega dams 4.2 Construction of 7 medium sized dams 4.3 Construction of 30 small sized dams 4.4 Promotion of rain water harvesting at HH and institutions 4.5 Water policy/master plan | <ul style="list-style-type: none"> • Increased participation of communities in water governance and management | <ul style="list-style-type: none"> • Education, Gender and social services • Sand Authority • Health services • Agriculture and Rural development | <ul style="list-style-type: none"> • Training of plumbers to improve water distribution • Training of communities on safe potable water • Community sensitization on climate change mitigation and adaptation |
| Sanitation and environmental | 5.1 Conservation of forests and water catchment areas/water | <ul style="list-style-type: none"> • | Health Water and | 1.1.6 Provision of toilets in markets and sporting facilities |

| Key Programme Areas | Key Programme Intervention Area | Key Outputs | Interlinking sectors | Cross-Sectoral Linkages and Synergies |
|--|--|--|---|---|
| improvement | towers 5.2 Sourcing for the financing of climate change activities. | | sanitation Education and Sports Finance and socio-economic planning | 1.1.7 Adequate financing of market cleaning 1.1.8 Certification of food handling and selling enterprises 1.1.9 Promote the establishment of youth-owned tree nurseries |
| Thematic Area | Socio-Economic Development | | | |
| Key outcomes | <ul style="list-style-type: none"> • Enhanced access to preventive and promotive services • Effective and efficient curative and rehabilitative healthcare services | | | |
| Social protection for the vulnerable | 6.1 Empowerment of women, PWD and marginalized groups 6.2 Social assistance to the most at-risk groups 6.3 Gender-based violence mitigation | | | 1.1.10 Vetting bursaries and scholarship to ensure that more orphans and vulnerable children (OVCs) benefit. |
| Youth empowerment and technical skills development | 7.1 Promotion of youth participation in economic activities 7.2 Sports and talent promotion and management 7.3 Promotion of market-driven technical courses in CTTIs 7.4 Establishment of incubation centres (agro-entrepreneurship) in CTTIs | • | Health, Devolution, Roads, Education and social protection | 1.1.11 Development and maintenance of playing grounds and stadiums 1.1.12 Training on drug and substance, responsible and protected sex during sporting activities |
| Universal Health Care | 8.1 Intensifying community health strategy 8.2 Sanitation promotion at HH and institutional level 8.3 Community awareness creation | <ul style="list-style-type: none"> • Increased uptake of family planning services • Increased uptake and registration to | <ul style="list-style-type: none"> • Devolution & public service • Agriculture • Education, & Social | <ul style="list-style-type: none"> • Provision of safe drinking water will reduce water-related diseases and improved sanitation • Awareness creation on best nutrition practices to the residents and food |

| Key Programme Areas | Key Programme Intervention Area | Key Outputs | Interlinking sectors | Cross-Sectoral Linkages and Synergies |
|-----------------------------------|--|--|--|---|
| | <p>to change health-seeking behaviour</p> <p>8.4 Equipping of health facilities</p> <p>8.5 Promotion to reduce increasing trends of non-communicable diseases</p> <p>8.6 Child health nutrition and promotion</p> <p>8.7 Family planning and contraceptive uptake promotion</p> <p>8.8 Enhancing health care financing</p> | <p>Makuenicare</p> <ul style="list-style-type: none"> Improved immunization coverage | <p>protection</p> <ul style="list-style-type: none"> Water and sanitation Gender and social services | <p>diversification from agriculture</p> <ul style="list-style-type: none"> Identification of the ECDE pupils to benefit from the nutrition programme Awareness creation/ sensitization on early screening of Non-communicable diseases through public baraza organized by devolution Sensitization on GBV Sensitize communities to register for Makueni-care Issuance of ownership documents of health facilities. |
| Thematic Area | Lands and Urban Development | | | |
| Key Outcomes | <ul style="list-style-type: none"> Improved security of land tenure Improved urban planning | | | |
| Urban infrastructural development | <p>9.1 Infrastructural development (<i>water, electricity, roads, recreational and open spaces</i>) in Emali and Wote</p> <p>9.2 Survey and titling in urban areas</p> <p>9.3 Urban housing development including street indexing</p> | <ul style="list-style-type: none"> Increased urban planning and development Develop sewerage and waste management in Wote and Emali Decentralized waste treatment facilities in urban areas Develop Urban Land Use Plans | <ul style="list-style-type: none"> Water and sanitation Finance and socio-economic planning Health services | <ul style="list-style-type: none"> During the implementation of development plans, the department will collaborate with roads to open access roads, housing to promote appropriate building structures and environment to ensure an improved business environment within the urban areas The department of trade and finance to establish revenue streams and create a market for goods and services The department of water should |

| Key Programme Areas | Key Programme Intervention Area | Key Outputs | Interlinking sectors | Cross-Sectoral Linkages and Synergies |
|----------------------------------|--|---|---|--|
| | | | | <p>provide water supply after implementation of the development plan</p> <ul style="list-style-type: none"> • The Director of Survey will issue title deeds following market planning and surveying to plot owners • The department of health and education will provide social services to towns with implemented plans |
| Land survey, mapping and titling | <p>10.1 Land title deed issuance</p> <p>10.2 Automation of land records – land information system and database</p> <p>10.3 Land banking for strategic government investments</p> | <p>Increased security of land tenure</p> <p>Issuance of title deeds</p> <p>Developed Land Information Management System</p> <p>Support to land adjudication</p> | • Devolution & Public Service | <ul style="list-style-type: none"> • Organize meetings to address land issues |
| Thematic Area | Enablers – Institutional Capacity and Strengthening | | | |
| Key Outcomes | <ul style="list-style-type: none"> • Improved efficiency in service delivery • | | | |
| Government services automation | 11.1 Automation – 30% of government services | Increased efficiency in service delivery | All County Departments and Agencies | <ul style="list-style-type: none"> • Link with departments in the automation of main government services and uploading and online publishing of public information. |
| Road network development | <p>12.1 Upgrading 1,150 Kms of road to gravel</p> <p>12.2 Rehabilitating existing road network</p> | Improved road network | <ul style="list-style-type: none"> • Water & Sanitation • Agriculture | <ul style="list-style-type: none"> • Promote the harvesting of water surface runoff • Construction of farm ponds along |

| Key Programme Areas | Key Programme Intervention Area | Key Outputs | Interlinking sectors | Cross-Sectoral Linkages and Synergies |
|----------------------------------|--|--|--|---|
| | | | Environment & Climate change | roads for harnessing water surface runoff <ul style="list-style-type: none"> • Conduct Environmental Impact Assessment |
| Energy development and promotion | 13.1 Promotion of green energy (biogas and solar) at HH and institutional level 13.2 Enhancing access to electricity 13.3 Promote solar energy farming | Increased access to electricity/solar | Water and environment Devolution and public service | <ul style="list-style-type: none"> • Pumping of water through solar power • |
| Citizen engagement | 14.1 Strengthening participatory development and citizen capacity building | Increased citizen participation in the development | All Sectors | <ul style="list-style-type: none"> • Provision of up to date needs for prioritization • Sensitization on governance and community development |
| Enhanced fiscal responsibility | 15.1 Enhancing own source revenue mobilization | Increased county revenues | All Sectors | <ul style="list-style-type: none"> • External resource mobilization • Enforcement of county finance bill |

4.5 Sector Indicative Ceilings

63. The 2020 County Budget Review and Outlook Paper, advances the priorities and programs outlined in the FY 2021/22, Annual Development Plan. The ADP prioritizes resource allocation towards Community-driven development for enhanced prosperity. To enable us to achieve this objective, prioritization and resource allocation for FY 2021/22 will be based on how programs;
- i. Achieve the strategies and interventions identified in the 2021/22 Annual Development Plan (ADP)
 - ii. Demonstrate the achievement of the results the County Government intends to realize on socio-economic transformation through increasing the County Gross County Product (GCP) and household income,
 - iii. Demonstrate achievement of the outcomes as prioritized in the concept notes,
 - iv. Support the growth of the productive sectors of the economy,
 - v. Have detailed concept notes detailing the objectives, desired outcomes, beneficiaries, costs and in line with the Annual Development Plan 2021-22,
 - vi. Demonstrate proper design through KPIs on a detailed three-year rolling framework,
 - vii. Strengthen the integrated community development,
 - viii. Demonstrate counter funding from other development programmes,
 - ix. Demonstrate how the programmes will support youth economic empowerment strategies, and
 - x. Demonstrate consideration of all projects not completed to scope/ not being utilized to capacity/ ongoing projects

Table 23: Indicative Ceilings for FY 2021/22

| Department | Classification | FY 2020/21 Printed Estimates | FY 2021/22 Indicative ceilings |
|---|-----------------------|-------------------------------------|---------------------------------------|
| County Attorney's Office | Rec Gross | 46,131,942.46 | 46,357,949.68 |
| | Dev Gross | | - |
| | Total Budget | 46,131,942.46 | 46,357,949.68 |
| County Public Service Board | Rec Gross | 50,677,868.59 | 52,337,379.15 |
| | Dev Gross | 15,000,000.00 | 15,000,000.00 |
| | Total Budget | 65,677,868.59 | 67,337,379.15 |
| Department of Lands, Mining & Urban Development | Rec Gross | 94,771,483.93 | 96,295,358.13 |
| | Dev Gross | 132,900,000.00 | 60,000,000.00 |
| | Total Budget | 227,671,483.93 | 156,295,358.13 |
| Environment | Rec Gross | | - |
| | Dev Gross | - | 40,000,000.00 |
| | Total Budget | - | 40,000,000.00 |
| Office of Governor | Rec Gross | 192,579,018.62 | 196,710,448.47 |
| | Dev Gross | | - |
| | Total Budget | 192,579,018.62 | 196,710,448.47 |
| Office of Deputy Governor | Rec Gross | 13,912,622.46 | 13,912,622.46 |
| | Dev Gross | | |
| | Total Budget | 13,912,622.46 | 13,912,622.46 |
| Department of Trade, Industry, Tourism & Cooperatives | Rec Gross | 48,119,223.68 | 49,922,382.55 |
| | Dev Gross | 101,000,000.00 | 80,000,000.00 |
| | Total Budget | 149,119,223.68 | 129,922,382.55 |
| Department of Gender, Children, Culture & Social services | Rec Gross | 103,084,971.60 | 105,663,774.18 |
| | Dev Gross | 19,500,000.00 | 100,000,000.00 |
| | Total Budget | 122,584,971.60 | 205,663,774.18 |
| County Secretary | Rec Gross | 431,922,812.93 | 437,109,294.18 |
| | Dev Gross | | |
| | Total Budget | 431,922,812.93 | 437,109,294.18 |
| Department of Finance & Socio Economic Planning | Rec Gross | 506,962,046.07 | 529,427,428.90 |
| | Dev Gross | 259,795,683.00 | 118,557,777.00 |
| | Total Budget | 766,757,729.07 | 647,985,205.90 |
| Department of Education, Sports & ICT | Rec Gross | 381,403,674.65 | 394,495,857.17 |
| | Dev Gross | 198,899,894.00 | 268,299,894.00 |
| | Total Budget | 580,303,568.65 | 662,795,751.17 |
| Department of Roads, Transport, Works & Energy | Rec Gross | 222,164,802.95 | 225,801,346.72 |
| | Dev Gross | 676,100,000.00 | 506,965,109.00 |
| | Total Budget | 898,264,802.95 | 732,766,455.72 |
| Department of Agriculture, Irrigation, Livestock | Rec Gross | 267,418,288.29 | 279,047,615.52 |

| Department | Classification | FY 2020/21 Printed Estimates | FY 2021/22 Indicative ceilings |
|---|--------------------------|-------------------------------------|---------------------------------------|
| & Fisheries development | Dev Gross | 561,096,190.00 | 674,033,910.00 |
| | Total Budget | 828,514,478.29 | 953,081,525.52 |
| Department of Water, Environment & Climate Change | Rec Gross | 149,021,359.27 | 153,548,374.45 |
| | Dev Gross | 313,217,080.35 | 550,000,000.00 |
| | Total Budget | 462,238,439.62 | 703,548,374.45 |
| Sand Authority | Rec Gross | 42,124,271.34 | 43,392,185.09 |
| | Dev Gross | 83,000,000.00 | 70,000,000.00 |
| | Total Budget | 125,124,271.34 | 113,392,185.09 |
| Department of Health Services | Rec Gross | 2,841,876,358.59 | 2,951,436,174.57 |
| | Dev Gross | 695,979,385.40 | 709,067,841.00 |
| | Total Budget | 3,537,855,743.99 | 3,660,504,015.57 |
| Department of Devolution, Administration, Youth, Participatory Development & Public Service | Rec Gross | 266,968,629.83 | 275,300,352.05 |
| | Dev Gross | 28,050,000.00 | 150,000,000.00 |
| | Total Budget | 295,018,629.83 | 425,300,352.05 |
| County Assembly | Rec Gross | 703,984,829.00 | 723,815,992.96 |
| | Dev Gross | 50,000,000.00 | 22,425,463.80 |
| | Total Budget | 753,984,829.00 | 746,241,456.76 |
| Total County Budget | Recurrent Gross | 6,363,124,204.25 | 6,574,574,536.21 |
| | Development Gross | 3,134,538,232.75 | 3,364,349,994.80 |
| | Total Budget | 9,497,662,437.00 | 9,938,924,531.01 |

CHAPTER FIVE: CONCLUSION

64. The Medium-Term budget and fiscal framework projections presented in this CBROP assumes increased revenues from local & donor / public-private partnerships. To this end, the Government will institute measures to ensure the growth of both domestic and external revenues. This will be done through strengthening of the external resource mobilization unit. In FY 2021/22, departments will be expected to work together with the external resource mobilization unit and Liaison in development of project concept notes and proposals as a way of sourcing financial and technical support from development partners.
65. Going forward, the set of policies outlined in this CBROP ensures continuity in resource allocation based on prioritized programs that have been earmarked by the county to accelerate County GCP growth and increased household income.
66. The policies and sector ceilings in this document will guide the Sector/Pillar Working Groups and line ministries in the preparations of the FY 2021/22 budget and is embedded on the priorities of the 2021/22 ADP and the Makueni CIDP 2018-2022. The ceilings will form inputs into the next County Fiscal Strategy Paper to be finalized by February 2021.
67. Accounting officers are advised to plan within the set sector ceilings. Revision of ceilings within a sector will be done during sector hearings where an increase in a sub-sector's ceiling will require a corresponding reduction of another sub-sector's ceiling within that sector to offset the changes. This will be facilitated through the resource allocation panel. To ensure meaningful sector-level engagements all accounting officers are requested to commence their departmental expenditure reviews and adequately prepare to take charge of their respective Sector Working Groups.
68. Based on the challenges experienced in participatory budgeting in FY 2019/20, the process will be restructured to ensure;
 - i. Concept notes prepared for FY 2020/21 form the basis for advancement for the budget for FY 2021/22.
 - ii. Project technical feasibility/appraisals is done to all community proposals to assist the citizenry in making informed decisions while prioritizing projects.
 - iii. community action plans as prepared in FY 2020/21 budget reflect the outcomes and goals as outlined in the concept notes and all Thematic group hearings focusing on youth, the business community, children, senior citizens, OVCs, PLHIV are held
 - iv. The County Budget and Economic Forum Members to take a lead role in engaging their constituents
69. All accounting officers should ensure they adhere and take part in the budget-making process as outlined in the budget circular issued on 28th August 2020

Annex I: 2021/22 MTEF BUDGET CALENDAR

| Activity | Responsibility | Timeframe/ Deadline |
|--|--|------------------------------------|
| Develop and issue circular on Budget preparation and MTEF guidelines. | C.E.C Finance & Planning | By 30 th August 2020 |
| Develop the County Annual Development Plan | C.E.C Finance & Planning | By 30 th August 2020 |
| Presentation of County Budget Review and Outlook Paper (BROP) to County Executive Committee for approval | County Treasury | By 27 th September 2020 |
| Preparation of Departments Public Expenditure Reviews – covering FY 2013/14 – FY 2019/20 | All departments/ Finance & Planning to Co-Ordinate | By 27 th September 2020 |
| Presentation of County Budget Review and Outlook Paper to County Budget and Economic Forum (CBEF) | C.E.C Finance & Planning in consultation with the Governor | By 4 th October 2020 |
| Submission of County Budget Review and Outlook Paper (BROP) to the County Assembly | County Treasury | By 21 st October, 2020 |
| Circulation of approved BROP to County Executive and Accounting Officers | County Treasury | By 21 st October, 2020 |
| Dissemination and feedback forums on ADP 2021-22, CBROP 2020 & FY 2020/21 Budget at the Village Clusters | CEC Finance & Planning | September – October 2020 |
| Start of Sector Consultations | All departments – Finance and Planning to coordinate in consultation | By 1 st November, 2020 |
| Participatory Budgeting E budgeting – Citizen Engagements on 2021 CFSP and FY 2021/22 Budget –Village, Village clusters, Sub Wards, Ward levels, Thematic groups (Youth, Women, Children, PWDS, PLHIV, Diaspora) | To be done in conjunction with departments | By end of December 2020 |
| Presentation & Submission of final sector reports | All C.E.Cs /SWGs for their respective departments | By 31 st January 2021 |
| Resource allocation panel sittings | All C.E.Cs /SWGs for their respective departments | By 31 st January 2021 |
| Development of County Fiscal Strategy Paper (CFSP) | County Treasury. | By 31 st January 2021 |
| Submission of County Fiscal Strategy Paper (CFSP) to C.E.C for approval. | County Treasury. | By mid - February 2021 |
| Presentation of County Fiscal Strategy Paper to County Budget and Economic Forum (CBEF) | C.E.C Finance & Planning in consultation with the Governor | By 21 st February, 2021 |
| Submission of County Fiscal Strategy Paper (CFSP) to County Assembly | County Treasury | By 28 th February 2021 |
| Issue of circular for finalization of 2021/22 – 2023/24 MTEF estimates and PBB | County Treasury | By mid - March 2021 |
| Circulate Approved County Fiscal Strategy Paper (CFSP) to county executive and Accounting officers | County Treasury | By mid - March 2021 |
| County Peoples Forum | County Treasury | By mid - March 2021 |
| Finalization of Departmental itemized and Programme Based Budget (PBB) | All departments | By end - March 2021 |
| Review and finalization of Departmental itemized and Programmed Based Budgets | County Treasury | By mid - April 2021 |
| Submission of Budget Estimates to County Executive for approval | County Treasury | By mid - April 2021 |

| Activity | Responsibility | Timeframe/ Deadline |
|--|--|------------------------------------|
| Publish departmental itemized and Programme Based Budgets | County Treasury | By 17 th April 2021 |
| Presentation of Budget to County assembly | C.E.C Finance & Planning | By 30 th April 2021 |
| Approval of the Budget & Appropriation Bill by the County Assembly | County Assembly | By 30 th June 2021 |
| Publication of the Budget Estimates | County Treasury | By 17 th July 2021 |
| Submission & Approval of the Finance Bill | C.E.C Finance & Planning & County Assembly | By 30 th September 2021 |

Annex II: National Sector Performance Review Gross Domestic Product by Activity

| Industry | Percentage Contribution to GDP | | | | | 2019* Billions |
|---|--------------------------------|-------------|-------------------|-------------------|-------------|----------------|
| | 2015 | 2016 | 2017 ⁺ | 2018 ⁺ | 2019* | |
| Agriculture, forestry and fishing..... | 30.2 | 31.1 | 34.8 | 34.1 | 34.1 | 3,326 |
| Mining and quarrying..... | 0.9 | 0.8 | 0.7 | 0.8 | 0.7 | 67 |
| Manufacturing..... | 9.4 | 9.3 | 8.1 | 7.8 | 7.5 | 735 |
| Electricity supply..... | 1.4 | 1.9 | 1.7 | 1.7 | 1.7 | 164 |
| Water supply; sewerage, waste management..... | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 65 |
| Construction..... | 4.9 | 5.1 | 5.6 | 5.5 | 5.6 | 542 |
| Wholesale and retail trade; repairs..... | 7.5 | 7.2 | 7.4 | 7.5 | 7.6 | 740 |
| Transportation and storage..... | 8.1 | 8.1 | 7.4 | 8.1 | 8.5 | 831 |
| Accommodation and food service activities..... | 0.8 | 0.7 | 0.7 | 0.8 | 0.7 | 831 |
| Information and communication..... | 1.5 | 1.5 | 1.3 | 1.3 | 1.2 | 116 |
| Financial and insurance activities..... | 6.7 | 7.1 | 6.8 | 6.3 | 6 | 583 |
| Real estate..... | 7.5 | 7.6 | 7 | 7 | 6.9 | 675 |
| Professional, scientific and technical activities... | 0.9 | 0.9 | 0.8 | 0.8 | 0.8 | 78 |
| Administrative and support service activities..... | 1 | 1 | 0.9 | 0.9 | 0.9 | 85 |
| Public administration and defence..... | 4.3 | 3.9 | 3.4 | 3.4 | 3.6 | 353 |
| Education..... | 4.9 | 4.4 | 4 | 4.3 | 4.2 | 414 |
| Human health and social work activities..... | 1.7 | 1.7 | 1.5 | 1.5 | 1.5 | 149 |
| Arts, entertainment and recreation..... | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 12 |
| Other service activities..... | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 62 |
| Activities of households as employers..... | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 40 |
| Financial Intermediation Services Indirectly Measured (FISIM) | -2.6 | -2.8 | -2.3 | -2 | -2 | -197 |
| All economic activities..... | 91.1 | 91.4 | 91.6 | 91.6 | 91.5 | 8,911 |
| Taxes on products..... | 8.9 | 8.6 | 8.4 | 8.4 | 8.5 | 829 |
| GDP at market prices..... | 100 | 100 | 100 | 100 | 100 | 9,740 |

Provisional*

Revised⁺

Source: Kenya National Bureau of Statistics (2019 Economic Survey Report)

Annex III: Main Own Source Revenue Streams

| No. | Revenue Sources | 1 st QTR | 2 nd QTR | 3 rd QTR | 4 th QTR | TOTALS |
|-----|--------------------------------|---------------------|---------------------|---------------------|---------------------|----------------|
| 1 | NHIF Reimbursement | 17,925,903.00 | 36,509,980.80 | 21,731,585.00 | 26,777,091.50 | 102,944,560.30 |
| 2 | Single Business Permits | 15,731,670.00 | 4,220,750.00 | 46,807,650.00 | 25,016,800.00 | 91,776,870.00 |
| 3 | Health AIA (FIF) | 10,911,227.00 | 11,911,528.00 | 21,359,690.50 | 16,536,542.80 | 60,718,988.30 |
| 4 | Sand Authority-Sand Cess | 7,814,300.00 | 5,385,800.00 | 6,798,600.00 | 6,769,800.00 | 26,768,500.00 |
| 5 | Parking | 6,530,200.00 | 6,716,510.00 | 8,103,000.00 | 3,847,005.00 | 25,196,715.00 |
| 6 | Market Entrance | 7,507,034.00 | 6,259,738.00 | 5,319,535.00 | 790,166.00 | 19,876,473.00 |
| 7 | Universal Health Care | 6,653,500.00 | 3,318,420.00 | 3,700,500.00 | 3,721,502.50 | 17,393,922.50 |
| 8 | Agricultural Cess | 2,990,805.00 | 2,593,905.00 | 4,825,007.00 | 3,297,990.00 | 13,707,707.00 |
| 9 | Development Approvals | 4,387,132.00 | 3,304,854.00 | 2,748,600.00 | 1,721,264.00 | 12,161,850.00 |
| 1 | Liquor License | 4,066,500.00 | 796,000.00 | 3,511,440.00 | 3,480,788.45 | 11,854,728.45 |
| 1 | Public health | 3,056,200.00 | 1,421,300.00 | 3,883,050.00 | 2,394,600.00 | 10,755,150.00 |
| 1 | Advertisement & Wall Branding | 969,201.00 | 601,254.00 | 1,856,420.00 | 6,067,615.00 | 9,494,490.00 |
| 1 | Makueni Fruit Processing Plant | - | - | 8,965,440.20 | - | 8,965,440.20 |
| 1 | Insurance Compensation | 8,312,912.00 | - | - | - | 8,312,912.00 |
| 1 | Livestock-Vet services | 2,665,690.00 | 1,494,629.00 | 1,896,619.00 | 1,616,873.00 | 7,673,811.00 |
| 1 | Plot Rent/Rates & other dues | 2,334,476.00 | 1,129,555.00 | 2,291,933.00 | 1,313,577.00 | 7,069,541.00 |
| 1 | Livestock Market | 1,371,464.00 | 1,492,615.00 | 772,580.00 | 517,825.00 | 4,154,484.00 |
| 1 | Agriculture- ATC | 1,644,720.00 | 558,800.00 | 1,292,850.00 | 523,140.00 | 4,019,510.00 |
| 1 | Renewal Fee(Kiosks) | 846,600.00 | 246,420.00 | 1,415,960.00 | 1,184,000.00 | 3,692,980.00 |
| 2 | Conservancy | 780,000.00 | 224,010.00 | 1,329,120.00 | 1,011,700.00 | 3,344,830.00 |
| 2 | Motor Veh/Cycle Reg | 663,200.00 | 709,500.00 | 1,306,600.00 | 151,000.00 | 2,830,300.00 |
| 2 | Change of User | 620,000.00 | 470,000.00 | 490,000.00 | 470,000.00 | 2,050,000.00 |
| 2 | Fines and Penalties | 1,170,930.00 | 388,460.00 | 129,370.00 | 358,601.00 | 2,047,361.00 |
| 2 | Communication masts | 225,508.00 | 1,729,628.00 | 50,700.00 | - | 2,005,836.00 |
| 2 | Livestock Movement | 836,435.00 | 438,566.00 | 175,775.00 | 73,750.00 | 1,524,526.00 |
| 2 | Stall Rent | 386,300.00 | 555,600.00 | 193,200.00 | 221,800.00 | 1,356,900.00 |
| 2 | Weights & Measures | 33,600.00 | 110,990.00 | 51,640.00 | 691,400.00 | 887,630.00 |
| 2 | Building Materials Cess | 216,206.00 | 133,350.00 | 94,600.00 | 242,100.00 | 686,256.00 |
| 2 | Plot Registration | 138,450.00 | 137,824.00 | 151,550.00 | 76,000.00 | 503,824.00 |
| 3 | Clearance Certificate | 129,000.00 | 67,000.00 | 68,200.00 | 94,560.00 | 358,760.00 |
| 3 | Coop Audit services | 51,300.00 | 24,200.00 | 129,640.00 | 75,450.00 | 280,590.00 |

| No. | Revenue Sources | 1 st QTR | 2 nd QTR | 3 rd QTR | 4 th QTR | TOTALS |
|-----|----------------------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| 3 | Occupation Certificate | 53,000.00 | 61,500.00 | 86,000.00 | 40,500.00 | 241,000.00 |
| 3 | Hire of County Facilities/Equips | 66,600.00 | - | 38,500.00 | 127,090.00 | 232,190.00 |
| 3 | Plot Transfer | 68,000.00 | 50,000.00 | 64,500.00 | 44,540.00 | 227,040.00 |
| 3 | Plot Application | 77,000.00 | 50,000.00 | 23,500.00 | 52,500.00 | 203,000.00 |
| 3 | Fire Inspection | 3,000.00 | 56,000.00 | 70,600.00 | 26,300.00 | 155,900.00 |
| 3 | Printing and other ICT services | 44,900.00 | 14,500.00 | 52,500.00 | 6,000.00 | 117,900.00 |
| 3 | Other Revenue | - | 110,080.00 | - | - | 110,080.00 |
| 3 | Road Cutting | 52,000.00 | 27,300.00 | 5,000.00 | - | 84,300.00 |
| 4 | Plot Extension | 19,000.00 | 23,000.00 | 3,500.00 | 16,000.00 | 61,500.00 |
| 4 | Plot Sub -Division | 14,500.00 | 23,000.00 | 2,500.00 | 16,100.00 | 56,100.00 |
| 4 | Agriculture-Mechanization | - | 33,000.00 | - | - | 33,000.00 |
| 4 | County gym | - | 2,000.00 | - | - | 2,000.00 |
| | Total | 111,368,463.00 | 93,401,566.80 | 151,797,454.70 | 109,371,971.25 | 465,939,455.75 |

Source: The County Treasury