



**KERICHO COUNTY ASSEMBLY**

**SECOND ASSEMBLY**

**(Fourth session)**

**COUNTY BUDGET AND APPROPRIATION COMMITTEE**

**REPORT ON KERICHO COUNTY FISCAL STRATEGY PAPER 2020**

**(Submitted pursuant to standing order 220)**

**MARCH 2020.**

**CLERK'S CHAMBERS**

**KERICHO COUNTY ASSEMBLY BUILDING**

**KERICHO**

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## **1.0 PREAMBLE**

**Mr. Speaker Sir,**

Pursuant to Standing Order 220 (1), the County Fiscal Strategy Paper 2020, was submitted to the County Assembly in accordance with section 117 of the Public Finance Management Act of 2012 on 28<sup>th</sup> February 2020 and was deemed committed to each sectoral committee and subsequently the committee of Budget and Appropriation was to consider the same on 12<sup>th</sup> March 2020 after getting views from the sectoral committees.

The committee on Budget and Appropriation had sittings to deliberate and consider the ceilings of the departments of the County. The committee in coming up with this report relied on the following documents:-

1. The Constitution of Kenya 2010
2. The Public Finance Management Act 2012
3. The Public Finance Management Act 2012( Regulations)
4. Kericho County Integrated Development Plan (2018-2022)
5. The Annual Development Plan 2020
6. The programmes as submitted by the respective County Executive Committee Members

### **1.1 Committee Mandate**

**Mr. Speaker Sir;**

Standing Orders No. 201 (1) & (2) establishes the County Budget and Appropriation Committee and its mandate is as follows:

*(a) Investigate, inquire into and report all matters related to coordination control and monitoring of the county budget.*

*(b) Discuss and review the estimates and make recommendation to the assembly*

*(c) Examine the County Fiscal Strategy Paper presented to the assembly*

*(d) Examine bills related to the county budget including appropriations bills; and  
(e) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays .*

## **1.2 Committee Membership**

The members of budget and appropriation committee are as follows:

1. Hon. Albert Kipkoech	Chairperson
2. Hon. Collins Biegon	Vice Chairperson
3. Hon. HezronNgetich	Member
4. Hon. Gilbert Ngetich	Member
5. Hon. Sammy Rono	Member
6. Hon. Bernard Mutai	Member
7. Hon. Cheruiyot Bett	Member
8. Hon. Eric Kosgey	Member
9. Hon. David Rono	Member
10.Hon. Joseph Kirui	Member
11.Hon. David Mitei	Member
12.Hon. Alex Bett	Member
13.Hon. JosphatRutto	Member
14.Hon. Anthony Rutto	Member
15.Hon. Nancy Kimetto	Member
16.Hon. Paul Chirchir	Member
17.Hon. Evans Kibet	Member
18.Hon. Philip Rono	Member
19.Hon. Denis Kirui	Member
20.Hon. HumpreyKirui	Member
21.Hon. Stanley Kipraisi	Member
22.Hon. Harun Rotich	Member
23.Hon. Daniel Ngetich	Member
24.Hon. Eric Bett	Member
25.Hon. HesbornTonui	Member
26.Hon. Hillary Bett	Member
27.Hon. William Soi	Member

28.Hon. Alfred Cheruiyot	Member
29.Hon. KipyegonKoech	Member
30.Hon. Eric Korir	Member

## **2.0 PREFACE**

**Mr. Speaker sir**, on behalf of the Members of the Budget and Appropriations Committee, and as required under Section 117 of the Public Finance Management Act 2012 as well as Standing Order 220; it is with great pleasure that I present to this House the Committee’s report on the County Fiscal Strategy paper (CFSP 2020.)

### **2.1 Examination of the County Fiscal Strategy Paper**

**Mr. Speaker sir**,this is the third CFSP prepared under the fourth session of this County Assembly. It builds on the pillars of the economic transformation agenda and the achievements of the County government over the last five years and sets the pace for key policies, priority programmes and reforms which will be implemented over the five years (2018 -2022) to enhance job creation and improve the quality of life for Kenyans and in this aspect Kericho residents.

The County Government aims at achieving quality life for the residents of Kericho. The CFSP highlights the following strategic priorities in the following order:

**Strategic Priority 1:** Enhanced provision of Quality Health Care and implementation of universal health care to residents.

**Strategic Priority 2:** Promotion of Food Security.

**Strategic Priority 3:** County wide promotion of Infrastructural developments.

**Strategic Priority 4:** Supply and access to quality basic services

**Strategic Priority 5:** Enhancing efficiency and effectiveness in service delivery.

### **3.0 Acknowledgement**

**Mr. Speaker Sir**, the Committee wishes to thank the Offices of the Speaker and the Clerk of the County Assembly for the support extended in fulfilling this mandate. The Committee is also grateful to the Departmental Committees who participated in the process by working hard to ensure that the report is finalized on time.

**Mr. Speaker Sir**, I would also like to express my gratitude to the County Assembly Budget Office and Secretariat attached to this committee for the unwavering support given to this Committee.

**Mr. Speaker Sir**, It is therefore my pleasant undertaking, on behalf of the Budget and Appropriations Committee, to table this Report and recommend it to the House for consideration and adoption.

Signed

Hon. Albert Kipkoech MCA

**Chairman, Budget & Appropriation Committee**

## **4.0 THE KERICHO COUNTY FISCAL STRATEGY PAPER, 2020 (CFSP).**

### **4.1 Introduction**

- 1) **Mr. Speaker Sir**, the County Fiscal Strategy Paper, (CFSP) is a government policy document that sets out the broad strategic priorities and policy goals that will guide County government in preparing the budget for the next financial year. The policy direction of the CFSP is typically informed by the policies outlined in the various government policy documents such as the Vision 2030, Medium term plans, and Sectoral Strategic plans as well as the strategic interventions. The County Fiscal Strategy Paper (CFSP) therefore provides broad strategic direction that will guide the County government in formulating their annual budget for a given financial year.
  
- 2) **Mr. Speaker Sir**, for the County Fiscal Strategy Paper to provide strategic policy information, it requires the annual development plan to be provided and disseminated so as to link the budget to our county development agenda. In future, the departments should endeavor to cooperate with the committee by submitting programmes and other supporting documents on time and when requested.

### **4.2 Adherence to the Legal Framework for the County Fiscal Strategy Paper**

- 3) **Mr. Speaker Sir**, the format and content of the County Fiscal Strategy Paper should be in line with provisions of the various relevant legal instruments such as the Public Finance Management Act 2012, the Public Finance Management Regulations, 2015 the Standing Orders and any other relevant policy. In reviewing the CFSP, the committee established that to a large extent, the 2020 CFSP has complied with the provisions of the law and has provided most of the required information. However, there were concerns with regard to some information not being provided.

4). Furthermore, **Mr. Speaker**, the County Assembly is the budget making institution of this county constitutionally. As such, any recommendations on the budget should be taken seriously especially if these are tied to existing legal provisions. Since failure to provide this information inhibits County Assembly review of CFSP and estimates, the House must take necessary measures, including censuring the relevant departments, to ensure that the failures are addressed.

5) The CFSP should at all times conform to the following legal provisions and principles:

- i. Compliance with Articles 201 of the Constitution of Kenya 2010;
- ii. Compliance with section 117 of the Public Finance Management Act, 2012;
- iii. Demonstrate linkages to other planning documents namely C-BROP, CIDP, ADP;
- iv. Should show priority areas that the county undertakes;
- v. Revenue sources;
- vi. Ceilings and programmes of the various departments;
- vii. The proof that public participation on CFSP was done; and
- viii. The proof of county executive committee approval.

### **4.3 Resource Envelope**

The County Government of Kericho is earmarked to receive Kshs 5.443 billion from National equitable share. Other sources of revenue include, local revenue of Ksh.499 million, FIF of Kshs 433 million, DANIDA fund Kshs 17 million, Transformative health system Fund(World Bank) Kshs 71.5 million, Kenya Devolution Support Project (World bank) Kshs 30 million and Kenya Climate Smart Agriculture Project(World bank)Kshs 280 million and Kenya Urban Support Programme (KDSP) Kshs 30.2 million.

Other conditional grants include RMLF of Kshs 162.2 million, User fee reimbursement of Kshs 18 million and Development of Youth Polytechnic fund of Kshs 22.8 million.

The total revenue amounts to Kshs 7.02 billion. The recurrent expenditure stands at Kshs 4.30 billion (61%) and Kshs 2.72 billion as development vote (39%).



## 5.0 SECTORAL PRIORITIES

**Mr. Speaker Sir**, allow me to highlight details of sectoral priorities as per the committee observations:-

### 5.1 Public Works, Roads and Transport

The departmental development and recurrent ceilings amount to Kshs.998 million and Kshs 97 million respectively.

The development vote will cater for the following programmes:-

1. Construction of access roads county wide was allocated Kshs.683 million equally among 29 wards.
2. Drainage works and culverts across the county was allocated Kshs116 million equally among 29 wards.
3. The roads maintenance and levy fund is allocated Kshs 162.2 million;
4. Construction of *bodaboda* sheds county wide was allocated Kshs 30 million;
5. Street lighting was allocated Kshs 5 million;
6. Construction of Kericho and Litein bus parks was allocated Kshs 1 million.

### 5.2 Agriculture, Livestock and Fisheries

**Mr. Speaker Sir**,

The new ceilings for the department as are Kshs 359.91million and Kshs 156 million for development and recurrent expenditure respectively.

The development vote will cater for the following programmes:

- |                                                    |                  |
|----------------------------------------------------|------------------|
| 1. Enhancement of Industrial Crops                 | Kshs. 50 million |
| 2. Livestock Pests and disease control program     | Kshs.5million    |
| 3. Soin Agricultural Training Center Modernization | Kshs. 1 million  |
| 4. Agriculture Mechanization techn. dev't projects | Kshs. 500,000    |
| 5. Livestock Breeding                              | Kshs. 2 million  |
| 6. Agriculture Extension Service Programme         | Kshs.5million    |
| 7. Climate Smart Agriculture project(world bank)   | Ksh.280Million   |

8. Agricultural Sector dev't support Fund(ASDP11) Ksh.16.41Million
9. Dairy value addition/ factory

### **5.3 Water, Environment, Energy, Forestry and Natural Resources**

**Mr. Speaker Sir,** The department was allocated Ksh.219 million for the development expenditure while Kshs. 121 is for recurrent expenditure respectively.

The development ceiling will cater for the following programs and projects:

1. Ksh.174 million was allocated for construction and water works infrastructure across the 29 wards at Ksh.6 million per ward;
2. Purchase of plastic water tanks was allocated Ksh.5 million;
3. Grant of Ksh.25 million allocated to Tililbei Water Project;
4. Rehabilitation of dumpsites has been allocated Ksh.3 million;
5. Purchase of tree seeds, seedlings and nursery materials was allocated Kshs 7 million; and
6. Purchase of a compacting machine to deal with garbage collection was allocated Ksh.5 million.

### **5.4 Trade, Industrialization, Tourism, Wildlife and Co-Operative.**

**Mr. Speaker Sir,**

The departmental development ceiling is Kshs 25 million and recurrent ceiling is Kshs 66 million as per the CFSP 2020/2021.

The projects approved under trade was as follows:-

1. Development of trade and markets has been allocated Kshs 20 million;
2. Promotion of cooperative development has been allocated Kshs 5 million;
3. Construction of Jua Kali Sheds across Kericho County.

## **5.5 Health Sector**

**Mr. Speaker Sir,**

The department's development ceiling has been set at Kshs.493.65million and the recurrent ceiling was set at Ksh.2.03 billion.

The development vote ceiling will cater for the following programmes and projects:

1. Construction and completion of dispensaries was allocated Kshs. 116 million which should be divided equally among the 29 wards;
2. Refurbishment and maintenance of health centres and dispensaries was allocated Ksh. 29 million which should be divided equally among the 29 wards;
3. Purchase of furniture and equipment for completed health facilities was allocated Kshs 40 million;
4. Oxygen plant and strategy for Kericho and Kapkatet hospitals was allocated Kshs 20 million;
5. Construction of orthopedic unit at county referral hospital was allocated Kshs 20 million;
6. Construction of Burns unit at County referral hospital was allocated Kshs 15 million;
7. Construction of a maternity theatre at county referral hospital was allocated Kshs 15 million;
8. Construction of a psychiatric and rehabilitation centre at County referral hospital has been allocated Kshs. 10 million;
9. Construction of a medical store at Kapkatet Sub County hospital was allocated Kshs 9 million;
10. Construction of Sosiot Sub County hospital was allocated Kshs 15 million (Phase II);
11. Construction of a laundry unit at Londiani Sub County hospital was allocated Kshs 5 million;
12. Construction of a theatre at Fort-Tenan Sub County hospital was allocated Kshs 8 million (Phase II);
13. Equipping of a surgical unit at Fort-Tenan Sub County hospital was allocated Kshs 4 million;

14. Construction of a maternity at Londiani Sub County hospital has been allocated Kshs 10 million;
15. Equipping of wards at Kipkelion Sub County allocated Kshs 4 million;
16. Construction of an accident and emergency unit at Chesinende health centre was allocated Kshs 8 million;
17. Equipping of a theatre at Ainamoi Sub County hospital was allocated Kshs 8 million;
18. Construction of a surgical ward at Ainamoi Sub County Hospital was allocated Kshs 15 million;
19. Chain link fencing for Sigowet Sub County hospital has been allocated Kshs 5 million;
20. Construction of a perimeter wall for Sigowet morgue has been allocated Kshs 8 million;
21. Purchase of hardware and software for Hospital Management Information System (HMIS) for County referral hospital has been allocated Kshs 8 million;
22. Construction of an **Amenity Wing at Kericho County Referral Hospital** is introduced as a new budget line item and allocated Kshs 15 million;
23. A new item line item be introduced to cater for construction of public utilities across the county;
24. DANIDA Fund of Kshs 17.06 million, User Fee Reimbursement of Kshs 18.04 million and Transformative health systems fund of Kshs 71.54 million.

## **5.6 Education, Child Welfare and Vocational Training**

**Mr. Speaker Sir,**

The department was allocated Kshs. 247.66million and Kshs. 384 million for development and recurrent expenditures respectively.

The ceiling for development will cater for the following programs and projects:

1. Construction of ECDE classrooms and ablution blocks was allocated Kshs. 151 million which should be divided equally among the 29 wards;

2. Equipping and furnishing of ECDE classrooms was allocated Kshs 10 million;
3. Renovation of ECDE centres was allocated Kshs 29 Million which should be divided equally among the 29 wards;
4. Purchase of equipment for PLWDs Kshs 5 million;
5. Construction of playgrounds has been allocated Kshs. 30 million which should be divided equally among the 30 wards;
6. Development of Youth Polytechnics fund of Kshs 22.86 million.
7. Purchase of sports gear and accessories was allocated Kshs 30 million which should be divided equally among the 30 wards (recurrent);

### **5.7 Land, Housing, Physical Planning and settlement**

**Mr. Speaker Sir,**

The department was allocated Kshs.94.24 million and Kshs.80.6 million for development and recurrent respectively.

The development programmes under lands include the following;

1. Preparation of development plans was allocated Kshs. 5 million;
2. Up-grading of informal settlement was allocated Kshs 5 million;
3. Construction and refurbishment of non- residential was allocated Kshs 5million;
4. Acquisition and construction of Governors and deputy governor's residence was allocated Kshs 10million;
5. Compensation of land for KEWASCO owned water tanks was allocated Kshs 10 million;
6. Acquisition of land for markets across the county was allocated Kshs 29 million;
7. Acquisition of land for dispensaries and feeder ECDE centres;
8. Kenya Urban Support Programme UDG (SIDA) of Kshs 30.2 million.

#### **5.7.1 Municipal Boards**

**Mr. Speaker Sir,**

Kericho and Litein Municipal boards have been allocated Kshs 30 million, whereby Kshs. 20 million comprises of recurrent expenditure and Kshs10 million is for development.

### **5.8 Information, Communication and E-Government**

The development vote ceiling was retained at Kshs 28 million and the recurrent vote ceiling was set at Kshs 70 million as per CFSP 2020/2021.

### **5.9 Public Service Management and Administration**

The public service Management and administration was allocated Kshs.5 million for development and Kshs. 272.8 million for recurrent expenditure.

The development vote of Kshs 5 million will cater for construction of a fire station.

### **5.10. County Public Service Board**

The County Public Service Board's recurrent expenditure ceiling was capped at Kshs69 million.

### **5.11. Finance and Economic Planning**

**Mr. Speaker Sir,**

The departmental ceiling for development and recurrent expenditure amount to Kshs 225 million and Kshs 221 million respectively.

The committee noted that there are on-going projects under the strategic intervention programmes which have not been captured in the CFSP 2020. The respective departments have since issued the LPOs/LSOs for the said projects.

The committee recommends that the said projects allocations for the benefit of project implementation be under the Finance department and Kshs 170 million be set aside for the continuity of the projects.

The development ceiling will cater for the following projects:

1. CIDP review has been allocated Kshs 5 million;
2. County statistical review has been allocated Kshs 5 million;
3. Strategic plan has been allocated Kshs 5 million;

4. Revenue automation has been allocated Kshs 5 million;
5. Establishment of a resource centre has been allocated Kshs 5 million.
6. Kenya Devolution Support Programme (World Bank) of Kshs30 million;
7. On - going programmes which are roll over from the previous Financial Year under Strategic intervention be allocated Kshs 170 million for all the projects that has LPOs/LSOs.

### **5.12 Office of the Governor and the Deputy Governor**

**Mr. Speaker sir,**

The recurrent vote ceiling has been allocated Kshs110 million.

### **5.13 County Assembly**

**Mr. Speaker,**

The County Assembly development amounts to Kshs. 13.78 million to cater for construction of Speaker's residence. The recurrent expenditure stands at Kshs 603 million for personnel emoluments and operations.

The Committee introduced a line item for construction of an office block and chambers for County Assembly.

## **6.0 CONCLUSION**

**Mr. Speaker,**

I wish to thank the Offices of the Speaker and the Clerk for the support and the entire County Assembly for their trust to the committee and by extension the committee members for their tireless effort and commitment in production of the report.

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Hon Albert Kipkoech,

**Chairman, Budget and Appropriation Committee**