

THE REPUBLIC OF KENYA



COUNTY GOVERNMENT OF SAMBURU
COUNTY TREASURY

Telephone: (065) 62456
Tel/Fax: (065) 62075

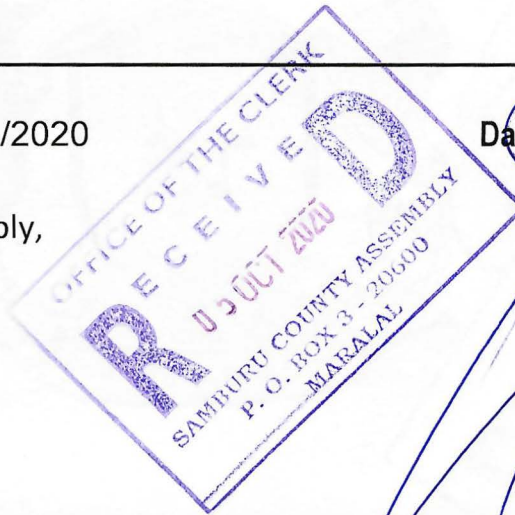
P.O. BOX 3 – 20600
MARALAL

Ref: SCG/ Budget/36 /2020

Date: 5th October, 2020

Clerk of County Assembly,
Samburu County,
P.O. Box 3,
Maralal.

Dear Sir,



COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP) 2020.

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

In compliance with the Law the document was submitted to the County Executive committee for discussion and approval. I therefore formally forward to you the approved document.

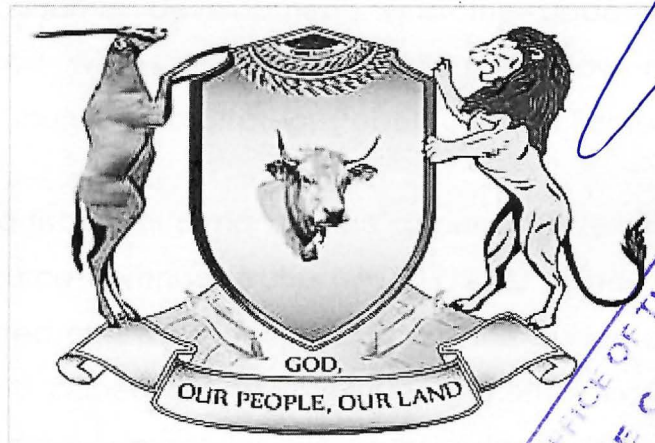


Dorcas Lekesanya
CECM- Finance, Economic Planning & ICT

Copy:

✓ H.E. The Governor

COUNTY GOVERNMENT OF SAMBURU



DEPARTMENT OF FINANCE, ECONOMIC PLANNING & ICT

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

SEPTEMBER 2020

Foreword

This County Budget Review Outlook Paper (CBROP) was prepared as required by section 118 of the Public Finance Management Act, 2012. It reviews the actual fiscal performance of the financial year 2019/2020 and makes comparisons to the budget appropriations of the same year. It also provides the recent economic developments and the updated economic and financial forecast with sufficient information to show changes from the forecast in the County Fiscal Strategy Paper (CFSP) of February, 2020.

In reviewing the fiscal performance, this paper analyzes the performance of county own source revenue in the FY 2019/2020. It has included the total revenue collected and made comparison to the budgeted revenue for the same year. The paper also provides departmental expenditures for both recurrent and development for the year under review. A comparison of actual performance against targets for FY 2019/20 is provided.

The preparation of this CBROP will be an important tool/exercise that will help in the formulation of 2021/22 budget and will also provide foundation for the 2021 CFSP.

Through proper planning, the county intends to achieve maximum fiscal discipline that ensure proper management of public resources and delivery of expected output. To ensure transparency and accountability, the county executive will involve and relay budget performance and management reports to all county stakeholders as required by the constitution 2010 and Public Finance Management Act, 2012.



Dorcas Lekesanyal
CECM - Finance, Economic Planning & ICT



Acknowledgement

The preparation of CBROP 2020 was collaborative, with stakeholders drawn from all sectors, departments and entities of County Government of Samburu. The whole process was guided by the department of Finance, Economic Planning & ICT. The process could not have been accomplished without the commitment, dedication, sacrifice and determination of all the members of staff of the County Government.

First and foremost, I acknowledge the valuable leadership and support of His Excellency the Governor Moses Kasaine Lenolkulal. I wish to extend my gratitude to Dorcas Lekesanyal, County Executive Committee Member for County Finance for her technical support extended in the preparation of this paper. I appreciate the role played by all Chief Officers for leading their staff in providing information and real time data towards preparation of this document.

Finally, since it would not be possible to list everybody individually in this page, I would like to take this opportunity to thank the entire staff of the County Treasury for their dedication, sacrifice, commitment and assistance during the CBROP 2020 preparation process.


David Lesamana
Chief Officer - Economic Planning & ICT



Table of Contents

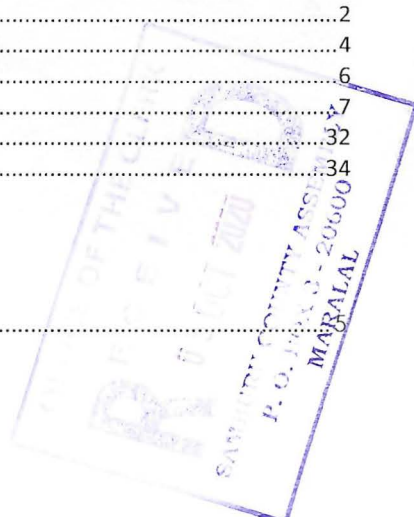
FOREWORD	I
ACKNOWLEDGEMENT	II
TABLE OF CONTENTS.....	III
ABBREVIATIONS AND ACRONYMS	IV
LEGAL BASIS FOR THE PUBLICATION OF THE BUDGET REVIEW AND OUTLOOK PAPER	V
THE FISCAL RESPONSIBILITY PRINCIPLES LAID OUT IN SECTION 107 OF THE PFM ACT 2012 INCLUDES;	VI
SECTION ONE: INTRODUCTION.....	1
SECTION TWO: REVIEW OF FISCAL PERFORMANCE FOR THE FY 2019/20.....	2
OVERVIEW	2
EXPENDITURE.....	3
PENDING BILLS.....	7
SECTION THREE – RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK.....	9
THE GLOBAL ECONOMY.....	9
THE DOMESTIC ECONOMY.....	10
FISCAL SECTOR	11
INFLATION.....	12
EXCHANGE RATE	13
EXTERNAL SECTOR.....	13
INTEREST RATES.....	14
B: COUNTY SPECIFIC PERFORMANCE 2019/20.....	15
C. MEDIUM TERM FISCAL FRAMEWORK.....	28
D. RISKS TO FISCAL OUTLOOK.....	30
SECTION FOUR - RESOURCE ALLOCATION FRAMEWORK.....	30
A. AMENDMENT TO THE 2020/2021 MTEF BUDGET	30
B. MEDIUM TERM EXPENDITURE FRAMEWORK.....	31
C. REVENUE PROJECTIONS	31
SECTION FIVE - CONCLUSION AND NEXT STEPS.....	36

List of Tables

Table 1: Approved Vs Actual Revenue 19/20	2
Table 2: Approved Vs Actuals Expenditure FY 2019/20.....	4
Table 3: Exchequer Releases and Absorption Rates.....	6
Table 4: Pending Bills as at 30 th June 2020	7
Table 5: Medium Term Revenue Ceiling 2021/22	32
Table 6: Medium Term Expenditure Ceiling 2021/22-2022/23	34

List of Figures

Figure 1: Approved Vs Actual Expenditure 2019/20.....	
---	--



Abbreviations and Acronyms

ASDSP	Agricultural Sector Development Support Programme
CBK	Central Bank of Kenya
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
COVID 19	Coronavirus Disease 2019
CPSC	County Project Steering Committee
CTAC	County Technical and Advisory Committee
DRSP	Drought Resilience and Sustainable Project
ECDE	Early Childhood Development Education
EU	European Union
FY	Financial Year
GDP	Gross Domestic Product
ICT	Information Communication Technology
IDEAS	instrument for Devolution, Advice and Support
IMF	International Monetary Fund
KERRA	Kenya Rural Roads Authority
KNBS	Kenya National Bureau of Statistics
KSH	Kenya Shillings
MTEF	Medium Term Expenditure Framework
NARIG	National Agricultural Rural Inclusive Growth
NDM	National Drought Management Authority
PFM	Public Financial Management
PMI	Purchasing Managers' Index
RPLRP	Regional Pastoral Livelihood Resilience Project
THS UC	Transforming Health Systems Universal Care
USD	United States Dollar
WUA	Water Users Associations

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

The CBROP is prepared in accordance with Section 118 of the PFM Act, 2012. The law states that:

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

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

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

Section One: Introduction

1. The law requires County Budget Review and Outlook Paper (CBROP) to present the fiscal outcome for the previous financial year and to state how this outcome affects the financial objectives contained in that year's County Fiscal Strategy Paper (CFSP). In line with the law, this CBROP contains a review of the fiscal performance of the financial year 2019/20, updated macroeconomic forecast, and deviations from the CFSP 2020.
2. The objective of the CBROP is to provide a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles set out in the CFSP. This together with updated macroeconomic outlook provides a basis for revision of the current budget in the context of Supplementary Estimates and the broad fiscal parameters underpinning the next budget and the medium term. Details of the fiscal framework and the medium-term policy priorities will be firmed up in the next CFSP.
3. The CBROP will be a key document in linking policy, planning and budgeting. The County Government have been implementing the County Integrated Development Plan (CIDP) 2018-2022 through the Annual Development Plans and the Annual Budget estimates for the financial year.
4. The PFM Act 2012 has set high standards for compliance with the Medium-Term Expenditure Framework (MTEF) budgeting process. Therefore, it is expected that the sector ceilings for the third Year of the MTEF provided in the previous CFSP will form the indicative baseline sector ceilings for the next budget of 2021/22. However, following the fiscal outcome of 2019/20 and the updated macroeconomic framework these sector ceilings have been modified as indicated in the annex of this CBROP.
5. The updated macroeconomic outlook will be firmed up in the next CFSP to reflect any changes in economic and financial conditions. We are committed to maintain the trend of economic growth and development in line with the expectations and commitments that the County Government has made to the people of Samburu County. Towards this end, we shall ensure there is transparency and accountability by relaying our performance indicators to the public as well as publicizing other publications as required by the PFM Act 2012.

Section Two: Review of Fiscal Performance for the FY 2019/20

Overview

6. This section presents a review of the fiscal performance for the period 2019/20 FY. The section starts by providing an overview of the overall performance, a review of the County's fiscal performance, a comparison of the approved budget and the actual performance has been done to bring out the county's fiscal stance. The total 2019/20 FY revised budget estimates amounted to Ksh **6,968,608,323**. Revenue comprised of the following: equitable share Kshs. **5,186,789,004** which is 79% of the total revenue; local revenue Kshs. **267,032,787** which is 4% of the total revenue; and Kshs. **1,163,598,132** conditional grants which is 17% (Table 1). Equitable share recorded 82% performance of the expected target whereas conditional grants performance was 78% of the total target while Local revenue recorded 80% performance against the target.

2019/20 Fiscal Performance

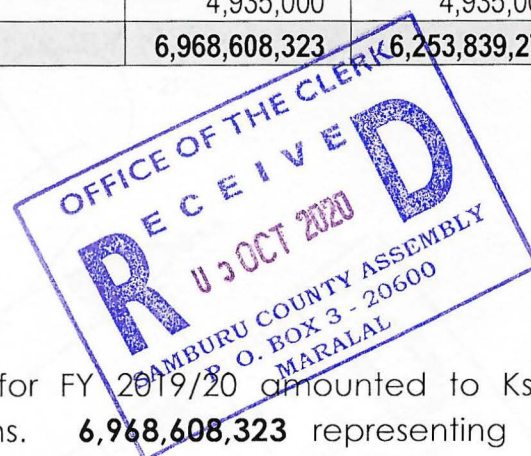
7. Revenue

Table 1: Approved Vs Actual Revenue 19/20

Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Revenue (Kshs.)
Land Rates	15,750,000	13,694,690
Single Business Permits	20,000,000	7,394,150
Total Cess Receipts	21,000,000	9,011,288
Game Parks/Nature Reserves Fees	168,000,000	159,131,265
Markets and Slaughter House Fees	8,400,000	3,299,965
Vehicle Parking Receipts/Transport	3,508,458	1,258,300
Wheat Cess	735,000	154,074
Prospecting Licenses	288,750	
Tender Application Fees	579,751	
Liquor License	6,200,000	1,109,500
Various Health Departments Fees	12,706,265	221,875
Agricultural Machinery Services	1,659,563	42,000
Approval of plans and supervision	1,050,000	
Insurance Recoveries	1,155,000	
Proceeds from sale of Motor Vehicles		
Miscellaneous Revenue	6,000,000	20,354,179

SUB-TOTAL LOCAL SOURCES	267,032,787	215,671,286
SUMMARY		
Revenue from Local Sources	267,032,787	215,671,286
Revenue transfer from national government	4,620,900,000	4,269,711,600
Balance brought forward 2018-19	917,077,404	917,077,404
Road Maintenance Fuel Levy	264,413,635	131,167,313
Conditional Grant-Compensation for User Fee Foregone	5,235,578	5,235,575
Conditional Grant-Leasing of Medical Equipment	131,914,894	131,914,894
Conditional Allocation for Development of Youth Polytechnics	15,483,298	15,483,298
Kenya Urban Support Programme (UDG and UIG)	50,000,000	50,000,000
Kenya Devolution Support Program (KDSP)	30,000,000	30,000,000
DANIDA (Health support funds)	13,218,750	18,153,750
World bank loan for National agricultural and rural inclusive growth project	350,000,000	204,998,690
EU Grant for instrument for devolution advice and support (Abattoir Construction)	32,159,348	1,500,000
Balance brought forward 2018-19 for construction of Abattoir	67,182,582	67,182,582
Agriculture Sector Development Support Programme (ASDSP)	18,994,320	10,747,160
Urban Institutional Grant (KUSP)	8,800,000	8,800,000
World Bank Loan for transforming health systems for universal care project	52,658,727	52,658,727
Kenya Urban Support Programme (UDG) 18-19	50,000,000	50,000,000
Kenya Urban Support Programme (UIG) 18-19	41,200,000	41,200,000
COVID 19 Funds from National Government	27,402,000	27,402,000
DANIDA (Health support funds)	4,935,000	4,935,000
GRAND TOTAL	6,968,608,323	6,253,839,278

Source: Samburu County Treasury 2020



Expenditure

- The total actual expenditure budget for FY 2019/20 amounted to Kshs. **5,167,605,249** against a target of Kshs. **6,968,608,323** representing an absorption rate of 74%. The Kshs. **5,167,605,249** comprised of an actual recurrent expenditure of Kshs. **4,069,064,651** which is 79% absorption rate and development expenditure of Kshs. **1,098,540,598**, indicating 21% absorption rate.

Table 2 shows a comparison between estimates against the actuals at the close of the financial year and is illustrated graphically by figure 1 below. The exchequer release verses the actual expenditure is illustrated by Table 3.

Table 2: Approved Expenditure Vs Actuals FY 2019/20

DEPARTMENT	Recurrent (Ksh.)	Actual (Ksh.)	Development (Ksh.)	Actual (Ksh.)	TOTAL (Ksh.)	Total
County Assembly	490,297,034	490,316,618	65,000,000	-	555,297,034	
County Executive	480,573,894	433,192,747	12,000,000	-	492,573,894	
Finance, Economic Planning & ICT	1,011,043,477	837,190,136	48,016,141	-	1,059,059,618	
Agriculture, Livestock Development, Veterinary Services & Fish	522,785,990	325,590,599	327,048,293	98,941,908	849,834,283	
Water, Environment, Natural Resources & Energy	172,751,828	143,961,838	407,671,563	203,830,125	580,423,391	
Education and Vocational Training	433,089,068	405,801,733	165,240,733	76,379,985	598,329,801	
Medical Services, Public Health & Sanitation	1,030,654,343	940,778,899	337,913,541	193,773,164	1,368,567,884	1,
Lands, Housing, Physical Planning & Urban Development	143,362,716	105,413,969	139,972,050	69,972,050	283,334,766	175,3
Roads, Transport & Public Works	98,084,780	75,681,326	534,204,303	349,629,556	632,289,082	425,310
Tourism, Trade, Enterprise Development & Cooperatives	183,916,448	162,890,803	162,889,211	106,013,810	346,805,659	268,904,6
Culture, Social Services, Gender, Sports & Youth Affairs	166,092,910	148,245,983	36,000,000	-	202,092,910	148,245,98
TOTAL	4,732,652,488	4,069,064,651	2,235,955,835	1,098,540,598	6,968,608,323	5,167,605,2

Percentages

68

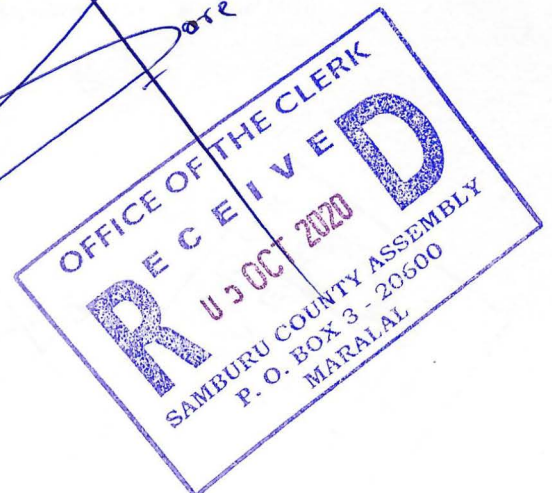
79

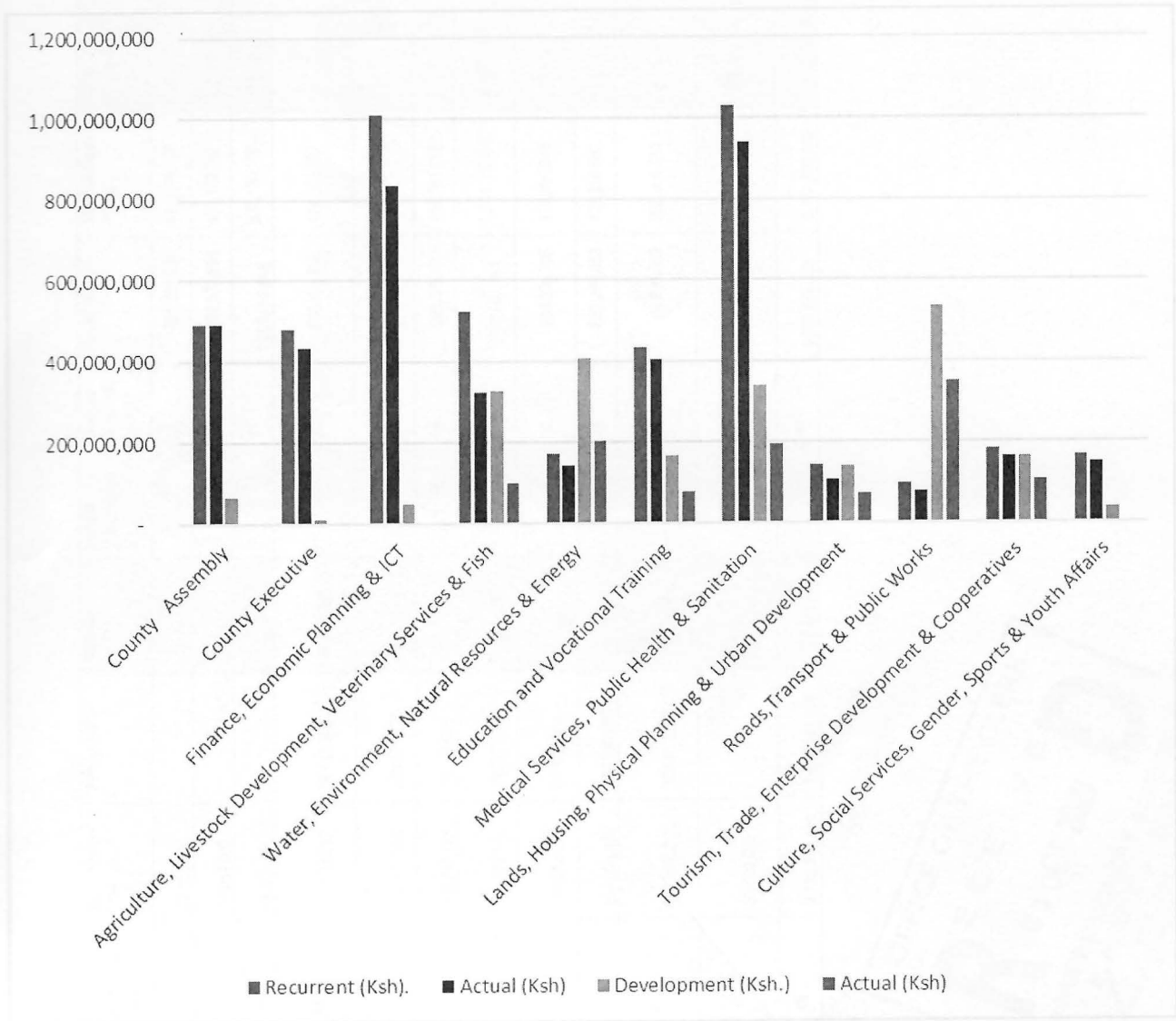
32

21

Source: Samburu County Treasury 2020

[Handwritten signature]





Source: Samburu County Treasury 2020

Figure 1: Approved Vs Actual Expenditure 2019/20

[Handwritten signature]



Table 3: Exchequer Releases Absorption Rates

DEPARTMENT	Recurrent (Ksh).	Actual (Ksh)	Releases	Actual Absorption	Budget Absorption rate	Development (Ksh.)	Actual (Ksh)	Releases	Actual Absorption	Budget Absorption rate	TOTAL(Ksh)	Total -Actual (Ksh)	Total Releases	Actual Absorption	Budget Absorption rate
County Assembly	490,297,034	490,316,618	490,297,034	100	100	65,000,000	-	-	-	0	555,297,034	490,316,618	490,297,034	100	88
County Executive	480,573,894	433,192,747	416,968,394	104	90	12,000,000	-	-	-	0	492,573,894	433,192,747	416,968,394	104	88
Finance, Economic Planning & ICT	1,011,043,477	837,190,136	944,726,857	89	83	48,016,141	-	-	-	0	1,059,059,618	837,190,136	944,726,857	89	79
Agriculture, Livestock Development, Veterinary Services & Fish	522,785,990	325,590,599	515,606,415	63	62	327,048,293	98,941,908	94,170,308	105	30	849,834,283	424,532,507	609,776,723	70	50
Water, Environment, Natural Resources & Energy	172,751,828	143,961,838	132,933,462	108	83	407,671,563	203,830,125	209,623,863	97	50	580,423,391	347,791,963	342,557,325	102	60
Education and Vocational Training	433,089,068	405,801,733	431,283,834	94	94	165,240,733	76,379,985	77,607,329	98	46	598,329,801	482,181,718	508,891,163	95	81
Medical Services, Public Health & Sanitation	1,030,654,343	940,778,899	934,466,532	101	91	337,913,541	193,773,164	61,858,270	313	57	1,368,567,884	1,134,552,063	996,324,802	114	83
Lands, Housing, Physical Planning & Urban Development	143,362,716	105,413,969	112,617,752	94	74	139,972,050	69,972,050	-	-	50	283,334,766	175,386,019	112,617,752	156	62
Roads, Transport & Public Works	98,084,780	75,681,326	79,349,789	95	77	534,204,303	349,629,556	349,629,556	100	65	632,289,082	425,310,882	428,979,345	99	67
Tourism, Trade, Enterprise Development & Cooperatives	183,916,448	162,890,803	152,268,905	107	89	162,889,211	106,013,810	91,059,560	116	65	346,805,659	268,904,613	243,328,465	111	78
Culture, Social Services, Gender, Sports & Youth Affairs	166,092,910	148,245,983	124,980,076	119	89	36,000,000	-	-	-	0	202,092,910	148,245,983	124,980,076	119	73
TOTAL	4,732,652,488	4,069,064,651	4,335,499,051	94	86	2,235,955,835	1,098,540,598	883,948,886	124	49	6,968,608,323	5,167,605,249	5,219,447,937	99	74

Percentages

68

79

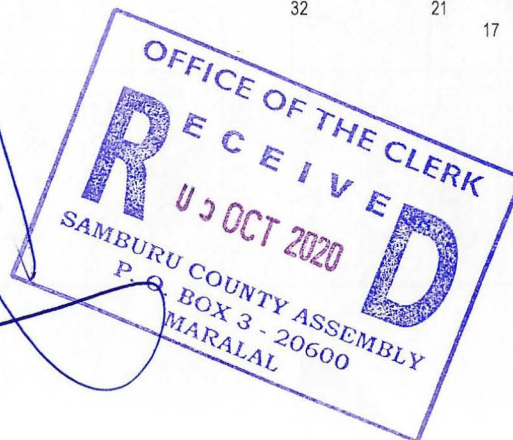
88

32

21

17

Source: Samburu County Treasury 2020



Pending Bills

9. These are payments that had begun to be prepared, but were not complete at the close of the year. Payroll Subjects had the highest recurrent pending bills for the services contracted while department of Health services had the highest development pending bills as shown on the table below;

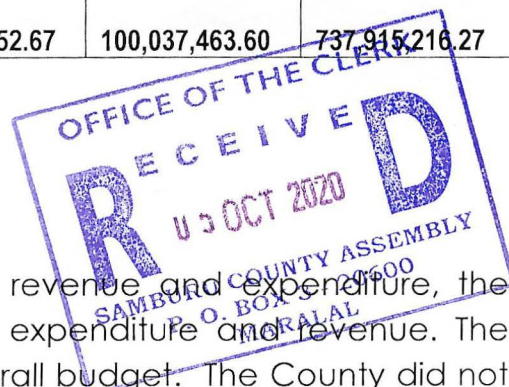
Table 4: Pending Bills as at 30th June 2020

SUMMARY OF YR 2019/20 PENDING BILLS			
Department	Development	Recurrent	Totals
County Assembly			
County Executive	-	3,254,975.00	3,254,975.00
Finance, Economic planning & ICT	5,864,000.00	4,059,941.00	9,923,941.00
Payroll Subjects	-	30,594,121.60	30,594,121.60
Agriculture, Livestock Development, Veterinary Services & Fisheries	73,620,405.74	10,322,139.00	83,942,544.74
Water, Environment, Natural Resources & Energy	145,356,935.30	302,599.00	145,659,534.30
Education and Vocational Training	60,581,436.50	30,550,040.00	91,131,476.50
Medical Services, Public Health & Sanitation	187,487,860.00	996,300.00	188,484,160.00
Lands, Housing, Physical Planning & Urban Development	-	4,736,748.00	4,736,748.00
Roads, Transport & Public Works	129,814,845.00	-	129,814,845.00
Tourism, Trade, Enterprise Development & Cooperatives	12,672,927.40	11,312,100.00	23,985,027.40
Culture, Social Services, Gender, Sports & Youth Affairs	22,479,342.73	3,908,500.00	26,387,842.73
Totals	637,877,752.67	100,037,463.60	737,915,216.27

Source: Samburu County Treasury 2020

Overall balance and financing

10. Reflecting on the above performance in revenue and expenditure, the County had a balanced budget both in expenditure and revenue. The overall absorption rate was 72% on the overall budget. The County did not realize **Ksh 51,361,501** from own source revenue and **ksh 535,096,219** from external sources hence a total of **ksh 586,457,720** of the budgeted revenue.



Implication of 2019/20 fiscal performance on the set financial objectives in the 2020 CFSP;

- a) The performance in the FY 2019/20 has affected the financial objectives set out in the latest CFSP 2020 and the Budget for FY 2020/21 in the following ways:
 - I. The county development for the year was 19% versus 32% in the budget and 30% required in PFM regulations;
 - II. The staff emoluments was 35% as opposed to 31% in budget but was within the required threshold by PFM regulations.
- b) The county will continuously look into ways of enhancing own source revenue collection and achieving greater efficiency in terms of cost savings in recurrent expenditure to ensure priority is given to the development projects.
- c) The County Government is committed to a reduction in the recurrent expenditure to devote more resources to development. At least thirty percent of the total county revenue shall be used in the implementation of development projects.
- d) The county will continue corroborating with development partners to assist in development of the county.
- e) Notably is the fact that Departments have been taking measures to ensure that they prioritize projects and programs that they are able to implement in the short term which has increased the overall Departmental absorption rate and this trend should be maintained.

Section Three – Recent Economic Developments and Outlook

Recent Economic Developments

The Global Economy

11. Global economic performance weakened significantly in the first half of 2020 on account of the disruptions brought about by the Covid-19 pandemic. Lockdowns, travel restrictions and other measures aimed at containing the pandemic have adversely affected supply and demand of goods and services. As a result, the global economic growth projection has been downgraded significantly by the International Monetary Fund (IMF) from a previous forecast of 3.3% in January 2020 to -4.9 percent in June 2020; denoting a global recession. The world bank on the other hand projects a global GDP contraction of -5.2% in 2020.
12. According to the IMF, first quarter economic performance was generally worse than expected in emerging markets with the exception of Chile, China, India, Malaysia and Thailand. In the advanced economies, apart from Australia, Germany and Japan, all the other economies faced lower than expected GDP growth. The IMF further argues that it is very likely that most economies experienced more severe contractions in the second quarter of 2020 since more strict containment measures were implemented in this quarter with the exception of China where most restrictions were lifted in early April 2020.
13. Oil producing countries faced a double challenge in the first half of the year. The global reduction in economic activities adversely affected demand for Oil leading to a significant decline in oil prices. Notably, the declining prices happened amidst a global crude oil price war. The demand by the Organization of Petroleum Exporting Countries (OPEC) to further restrict production from April was rejected by Russia, leading to the scrapping of production restrictions that existed at the time which led to increased oil production. Increasing production at a time when demand was low negatively affected the economies of oil-exporting countries. Going forward, Oil demand is projected to increase driven by the phased reopening of most economies and resumption of air travel across the globe.
14. The second half of the year is expected to experience better economic performance compared to the first half. The factors that may contribute to the improved outlook include the general easing of Covid 19 restrictions across the globe leading to increased economic activities. Most countries have now developed new systems and knowledge to contain the Virus as opposed to lockdowns and restrictions. However, the optimistic outlook in the second half is only possible with an assumption that the pandemic does

not worsen going forward such that it necessitates the imposition of stiffer containment measures. However, the performance of the second half of 2020 is expected to be lower than the performance in the same period of 2019.

The Domestic Economy

15. The National Treasury downgraded the economic growth projection from a previous forecast of 6.1% in February 2020 to 3% in April and further downwards to 2.5% in June 2020 on account of the economic uncertainty brought about by the health pandemic.
16. The revised growth projections are as a result of challenges in both the supply and demand side of the economy. Since the emergence of COVID-19, there has been a gradual slowdown in production globally and this, along with the ban on air travel, has adversely affected the supply of goods to Kenya. In particular, the complete shutdown of China in February 2020 adversely affected production in Kenya due to the country's heavy reliance on production inputs from China. Kenya imports approximately 21% of its total imports, especially production inputs, from China. Between January and March, imports from China had fallen by 36.6%, with 82% of businesses in the wholesale and retail sector that depend on imports from China reporting a disruption in their business operations.
17. The imposition of COVID 19 containment measures in March 2020 led to a significant reduction in economic activity. The situation is expected to improve in the second half of the year as a result of reduced Covid 19 restrictions.
18. On the demand side, the effects have been profound. The Covid-19 containment measures adversely affected the transport sector, recreation, tourism, hospitality and accommodation. According to the Kenya Integrated Household Survey (2015/16), expenditure on these sectors accounts for approximately 50% of total expenditure. These sectors contribute significantly to employment by hiring directly and indirectly through supply contracts and account for 60% of the country's working population. Reduction in economic activity resulted in mass layoffs, cancellation of supply tenders and consequently loss of tax revenue for the government. A KNBS survey shows that over 3 million Kenyans have been directly and indirectly affected by job cuts due to the pandemic.
19. In the first quarter of 2020, KNBS indicates slowed growth in some sectors of the economy. Manufacturing contracted by -1% compared to a growth of 3.5% in 2019, Wholesale retail grew by 7.2% compared to 11.6% in 2019, Accommodation & restaurant experienced a contraction of -5.6% compared to a growth of 10.2% in 2019. Transport and Agriculture were less affected in the first quarter. Agriculture was supported by adequate rainfall

during the October – December short rains season in 2019 while restrictions in the transport sector had not been initiated in the first quarter.

20. It is estimated that the performance of these sectors worsened between April and June except Agriculture whose performance is likely to have been buoyed by above-average rainfall in most parts of the country during the March-May long rains season. Stiffer restrictions announced in late March adversely affected Accommodation & restaurant and the transport sectors. The Accommodation and restaurant sector depends almost entirely on the tourism sector which is estimated to have incurred a loss of about Ksh.85 billion due to the pandemic and is projected to recover by only 30% between July and December 2020.
21. Going forward, the outlook for food production is generally favorable though there are risks emanating from the likelihood of desert locust upsurge as well as projected below-average rainfall for the October to December short rains season. In particular, food security outcome in urban areas may worsen due to declining incomes particularly among urban poor households on account of reduced economic activity.
22. The phased reopening of the economy from early July could improve the performance of some sectors albeit slowly. The slight improvement in business activity as illustrated by the Purchasing Managers Index (PMI) is largely on account of change in curfew hours, easing of movement restrictions, and the increased economic activity in trading partner countries especially in Europe which has led to increased export orders and a resumption of cargo flights. The sectors expected to benefit from the easing of restrictions include; Wholesale & retail trade, Accommodation & restaurant as well as Transportation and storage. Accommodation and restaurant will, however, continue operating at a lower capacity particularly for the large hotels that depend on international tourists. This is because International tourism may not pick in the first quarter of the year. The wholesale and retail sector may still experience setbacks due to the reduction in consumer spending that is likely to persist to the end of the year. It should be noted that this economic outcome is largely dependent on the status of the pandemic. A drastic worsening of COVID-19 statistics could result in re-introduction of restrictions. Taking all these factors into account, GDP growth is, therefore, likely to average 1% to 2% in 2020.

Fiscal Sector

23. By the end of March 2020, revenue collection was below target by Ksh.204.8 billion with a total collection of Ksh. 1,332.2 billion against a target of Ksh.1, 537 billion. Total expenditure stood at Ksh. 1,868.2 billion against a target of Ksh. 2,028.5 billion. The low expenditure was mainly due to lower absorption of the national government recurrent expenditure. Expenditures such as

foreign and domestic travel, trainings and operations reduced significantly in the final quarter. This Expenditure could pick up in the 2020/2021 financial year with the phased reopening of the economy announced by the President in July 2020.

24. Going forward, reduced economic activity along with the reduced tax rates and tax reliefs introduced by the government to cushion Kenyans against the adverse effects of the Covid 19 pandemic is expected to significantly reduce revenue collection in the first quarter of 2020/21 and for the rest of the year.
25. External financing amounted to a net borrowing of Ksh.98.4 billion by 31st March 2020. Total disbursements amounted to Ksh.173.7 billion against a target of Ksh.331.2 billion. External repayments of principal debt amounted to Ksh.75.3 billion against a target of 98.371 billion. The net domestic borrowing amounted to Ksh.367.4 billion against a target of Ksh.233.4 billion.
26. By the end of June, the government surpassed its domestic borrowing target, possibly taking advantage of the increased liquidity by the commercial banks. Given increased caution in lending by commercial banks and the increased borrowing by the government, the private sector credit will be negatively affected hampering private sector growth. Commercial banks are expected to increase lending to the private sector towards the end of the year as the level of optimism rises. The government should adhere to its target domestic borrowing to avoid crowding out the private sector in the year.

Inflation

27. The Kenya National Bureau of Statistics rebased the Consumer Price Index and the Producer Price Index with an objective of enhancing the quality of statistics. The Consumer price index (CPI) increased the size of the basket from 234 items to 330 items. It introduced more relevant items in the basket and dropped items that have become obsolete. The weights on the CPI have been updated and the expenditure groups have been recalculated in line with the Kenya Integrated Household Budget Survey of 2015/16. The rebased Producer price index (PPI) was to reflect the changing production patterns and a new industrial structure and is derived from the census of Industrial Production of 2018. The consumer price index on the other had increased significantly in February before stabilizing between April and May. Inflation declined from 7.17 in February 2020 to 4.59 in June 2020. This is attributed to decreased demand and less money in circulation in the economy after a decline in economic activity due to Covid 19 restrictions.
28. Going forward, Inflation is expected to increase on account of increased fuel prices. The Energy Regulatory Authority announced new fuel prices as from July 14, 2020, citing the recovery of crude oil prices and the increase in

the petrol levy from Ksh.0.4 to Ksh.5.40 as the reasons for the major increase in fuel prices. Fuel is a major component in production and transportation and thus will drive up the price of goods due to increased costs.

Exchange Rate

29. The value of the Kenya shilling was stable between December and February averaging Ksh.100 to the United States Dollar (USD). However, by April 2020 the shilling had deteriorated to Ksh.107.29 to the USD. This was likely a result of increased dollar demand with less supply. The demand had been driven by two forces; the first one being the Central Bank of Kenya (CBK) communication of the intention to buy USD 300 Million from commercial banks for three months (March, April and May); the second one was, the possible buying and hoarding of USD as a result of panic in the market caused by uncertainty due to the Covid-19 pandemic. The shilling gained slightly in May to Ksh.106.94 to the USD and appears to have stabilized at that level as indicated by the Ksh.106.75 to the USD in June.
30. Going forward, the value of the Kenya shilling is expected to decline further as importation picks up pushing the USD demand upwards. The tourism sector which is expected to alleviate the pressure by earning foreign revenue for the country, may not earn much in the first quarter of the year due to reduced international travel on account of Covid 19.

External Sector

31. The trade balance improved from - Ksh 102,629.88 billion in January to - Ksh 72,590 billion in March before deteriorating - Ksh 101,339 billion in April. The performance of the trade balance was a bit stable in the same period in 2019 compared to the same period of 2020 reflecting the negative impact of the Covid 19 pandemic to international trade.
32. The deterioration in the trade balance is as a result of the Covid 19 pandemic. The grounding of International flights negatively affected the Kenyan Export Market a case in point is the horticulture exports which is estimated to have lost European Union (EU) dollars 3million per day during the lockdown period.
33. Diaspora remittances had generally increased in early 2020 before taking a dip from mid-March. The remittances declined from Ksh. 259,392.10 million in January to Ksh.208, 217.73 million in April indicating the Covid 19 effects on the Kenyan diaspora community. Going forward, Diaspora remittances will entirely depend on how the Covid 19 situation revolves globally.

Interest Rates

- 34.** The Monetary Policy Committee has maintained a downward trend of the Central Bank Rate since December 2019. The rate was reduced from 8.5 in December 2019 to 7 in March 2020. The objective of the lowered rate is to reduce the lending and deposit rates by commercial banks. To augment this, and in response to the Covid 19 pandemic, the Central Bank lowered the Cash Reserve Ratio to 4.25 per cent in order to avail Ksh. 35.2 billion to commercial banks. This liquidity availed by CBK to banks is based on their demonstrated requirement to directly support borrowers who are distressed as a result of COVID-19.
- 35.** A look at the interbank rate shows a decline from 5.3% in March 2020 to 1.8% in July 2020. The decline in the interbank rate indicates low demand for cash by banks from other banks signifying adequate liquidity in the commercial banks. The objective of the Central bank lowering its ratios was for banks to lend more due to reduced cost of funds. However, the continued increase in liquidity in the banking sector between March and July shows that the CBK objective was not achieved. This could be explained by low demand for credit and/or increased caution in the banking sector due to uncertainty caused by the health pandemic. Going forward, the phased reopening of the economy may boost confidence for commercial banks to release the additional liquidity to borrowers and may also revive some businesses thereby enabling them to seek credit from banks.
- 36.** As a result of the drop in the stock market index, investors lost billions of investments. It is noted that the market lost a market cap of Ksh.345 billion in a week (16th -20th March) indicating a panic by investors due to the uncertainty as a result of the Covid 19 pandemic. The Nairobi Securities Exchange (NSE) 20 share index, one of the stock market indices was pushed to the lowest level in a decade representing huge capital losses by blue-chip companies. This signalled capital flight due to uncertainty on the potential effects of Covid 19 to the economy. As a result, the bourse suspended trading for 12 minutes as per the NSE rules. This phenomenon has been experienced across the world with the Dow Jones Industrial Average (DJIA) and the Standard & Poor's 500 Index (S&P 500) which are the two most widely followed American stock market indexes also experiencing the steepest daily falls since 1987 leading to the suspension of trading by 15 minutes at the New York stock exchange.

B: County Specific Performance 2019/2020

The performance for Samburu County for the financial year 2019/20 in different sectors was as follows;

County Assembly

37. Programs and activities geared towards promotion of County assembly legislative, representation and oversight role were undertaken for continued functioning of the county assembly to the best interest of the people of the county.

County Executive

38. The County Executive's achievements during the period includes; completion of County administration system by recruiting various cadres and staff's promotion to ease service delivery. The County Executive is also undertaking construction of ward offices and equipping of Sub County Office in Samburu East.
39. The main constraint in budget implementation has been caused by the vastness of the County coupled by the poor road infrastructure and delayed funding and release of equity share from the National Treasury. In addition, accrued pending bills leads to insufficient funds for priority projects since they form first charge of the budget. COVID-19 pandemic has caused scaling down of the budget for the department and has slowed down administration operations.
40. Going forward, the County Executive will continue to put in place appropriate measures by implementing performance contract and cascading it to lower levels and develop departmental service charter to enhance service delivery and mitigate on the adverse effects with a view to promoting county economic growth, public administration and human resource management. Public communications office will be strengthened to enhance dissemination of information and provide essential publicity for the county government.

Finance, Economic Planning & ICT

41. The County Treasury's achievements during the period includes; completion of value for money audits in selected departments, implementation of policy on access to County Government procurement opportunities for women, successful implementation of e-procurement, the youth and persons with disabilities, annual procurement plan preparation, enhancement of revenue collections despite the COVID-19 pandemics, preparation of financial statement on time, preparation of annual budget, completion in preparation of County Monitoring and Evaluation policy,

preparation of quarterly progress reports and County Annual Progress Report. Full implementation of Kenya Devolution Support Programme with Capacity Building Plan preparation and quarterly reporting undertaken.

42. The main constraint in budget implementation has been caused by the vastness of the County coupled by the poor road infrastructure, delay in disbursement of funds by National Treasury.

43. Going forward, the County Treasury will continue to put in place appropriate measures by implementing performance contract by cascading it to lower levels and develop departmental service charter to enhance service delivery and mitigate on the adverse effects with a view to promoting county economic growth. The requirement of preparation of Programme based budgets and application of e-procurement is to be adhered by all departments.

Agriculture, Livestock Development, Veterinary Services & Fisheries

44. Livestock production projects

- a) Community Camel breed improvement and food security project (Provision of 396 Somali camel breeds breeding camels to pastoralist living in the lowlands).
- b) Dorper Rams project (Provision of 170 breeding Dorper Rams).
- c) Galla Bucks Project (Provision of 92 Galla Bucks).
- d) Dairy Cattle Project (Provision of 35 Ayrshire Heifers).
- e) Development and Rehabilitation of livestock marketing infrastructures (Construction of Loibor Ngare Sale Yard).
- f) Pasture and Fodder Development Project (Supply & delivery of 1500 Kg of Assorted pasture seeds).
- g) Dairy Milk Products Processing Plant Joint Project in Maralal (Construction of a masonry wall).
- h) Construction of Nomotio abattoir & Auxiliary structures.

45. Fisheries development projects

- a) Enhancing capacity of farmers in aquaculture technologies.
- b) Construction of 21 fish demonstration ponds.

46. Agriculture projects

- a) Provision of certified assorted crop seeds to farmers.
- b) Procurement of tractor.
- c) Construction of Arsim Irrigation project.
- d) Construction of Lulu Irrigation project.
- e) Hold 3 Field days in three community farms.

47. Veterinary services projects

- a) Rehabilitation of 2 Slaughter House.
- b) Foot and Mouth Disease vaccine -53,000 doses procured by County and 50000 herds of cattle vaccinated.
- c) Pest of small ruminants (PPR) vaccine-600,000 doses procured and 600, 000 shoats vaccinated.
- d) Residential training workshops of farmers, livestock traders, cobblers, flayers and hides and skins traders.

48. PERFORMANCE OF THE NATIONAL PROGRAMMES & OTHER PROJECTS

Since the inception of devolution, the Samburu County Government has entered into a number of Memorandum of understanding with the National Government and other development partners to support the County in many development initiatives ranging from building drought-resilience pastoral communities, enhancing food security, promoting livestock and livestock products, value addition, increasing market access for our products, range improvement and water development for livestock and domestic use. During the period under review, the following Programmes have registered good performance accumulated overtime.

49. Regional Pastoral Livelihood Resilience Project (RPLRP)

The RPLRP has the overall development objective of enhancing livelihoods resilience of pastoral and agro-pastoral communities in the drought prone areas of the Arid and Semi-Arid Lands (ASAL) of Kenya including Samburu County. The project started its operations in March 2015 and so far, it has developed and handed over several projects to the communities including; the Lengarde borehole; Baragoi and Latakweny Livestock and Lpus Sale Yards; Nomotio hay shade; Nkaroni poultry project; Siangan rock catchment; Lolmolog grain warehouse; Nairimirimo borehole, Nairimirimo water pan and Lerata water pan.

50. Drought Resilience and Sustainable Project (DRSLP)

The DRSRP with the overall development objective to enhance drought resilience and improve sustainable livelihoods of the communities in the arid and semi-arid lands including Samburu County has supported the county in the accomplishment of the Loosuk, Longewan and Lemisigiyo water pans; 13 Bore Holes (Noomboroi, Muruankai Lbukoi, Mugur, Lowa, Mabati, Swari, Locho, Angata Nanyukie, Longewan, Lesuwa Loiting, Lowabebne, and Lkichaki) complete and handed-over to WUA committees; 4 livestock

Markets (Maralal, Lekuru, Suguta and Poro,); 10 ha communal pasture demonstration plots established at Longewan and Nchoro Lerai; supplied Veterinary assorted equipment worth Ksh 3.8 million; and 2 Cattle dips complete and in use (Sawan and Loifing).

51. Agricultural Sector Development Support Programme (ASDSP) Phase II

The ASDSP with the overall goal; "To contribute to "transformation of crop, livestock and fishery production into commercially oriented enterprises that ensure sustainable food and nutrition security" through the Development of Sustainable Priority Value Chains (Beef, Honey & Maize value chains) in the county for Improved income, food and nutrition security in the County has accomplished Capacity Knowledge enhancement of existing service providers on identified opportunities enhanced; 1 (one) innovation concept per value chain developed; Geo-referencing of the Value Chain organizations- Value chain maps for Beef, Honey and Maize have been developed; Participated on Training on suitability maps; Conducted a 2 day desk review to scoop Prioritized Value Chain Actors (PVCAs) based on their Per Capital Income for coaching mentorship and training; inventoried the existing and potential Service Providers (SPs) on Entrepreneurship skills; held meeting to review/profile market information service providers; supported and participated in development of market led Value chain plans; Developed action plan to fill identified gaps(1 day Meeting; Developed a county Programme strategic plan; and Developed the 2020/21 Annual Work Plan and Budget (AWP&B).

52. National Agricultural Rural Inclusive Growth (NARIG) Programme

The NARIG Programme with the project development objective (PDO); "To increase agricultural productivity and profitability of targeted rural communities in selected Counties, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response," recorded major achievements during the period under review. These included: The project advertised, through local newspapers, request for expression of interest from qualified firms to provide extension service to farmers under 4 agricultural value chains supported by the project; The project conducted backstopping of the Community Driven Development Committees (CDDCs) at the ward level to ensure compliance to the requirements of the committee to operate as required by the project documents; the CDDCs

and SCTT vetted community micro-projects and forwarded to CPCU for further appraisal by County Technical and Advisory Committee (CTAC) and eventually approval by County Project Steering Committee (CPSC) with a total of 400 community micro-projects approved for funding; The project organized for a ceremony to present cheques to CDDCs for the 100 approved micro-projects; The project trained 4 data collection clerks per ward on data collection using Open Data Kit (ODK) mobile app; The project trained 4 PFS facilitators per ward and also trained ward extension officers on farmer field school methodology. Field school is a participatory approach to extension where farmers meet regularly, guided by a trained facilitator, to analyze their production system and identify the best options through a discovery-based approach. It's expected that all funded farmer groups will for the PFS platform for farmer training and engagement; The project trained all the 15 CDDCs and Social Accountability and Integrity Committee (SAIC) members on fiduciary issues. The CDDCs, through their respective procurement committees, developed procurement plans and procured materials on behalf of the funded groups. The project organized value chain stakeholders' forums for 4 priority value chains supported by the project; The project supported Dairy producer organizations (PO), 3 Honey POs to develop proposals for inclusion and membership registration drive grants proposals as well as matching grants proposals; Three (3) POs were funded to undertake membership recruitment exercise, Samburu Dairy Farmer's Cooperatives – Ksh 1,500,000, Hope Enterprise Society Ltd – Ksh 1,500,000, Samburu Bee Keepers Cooperative Society –Ksh 1,500,000. The project also supported farmers under the sheep/goat's Value chain to form producer organizations at the sub-county level through federation of funded groups. 3 new POs formed and registered to support farmers under the value chain. 35 youths were trained to Participatory Education Theater to dramatize project messages as a way to raise project awareness. Trained youth were used during project occasions.

53. Establishment of a Dairy Processing Plant (SCG/NDMA/SDCL)

The main purpose of the project is to promote and improve value addition in the dairy industry in the county as well as increasing the market access for milk and milk products resulting to increased household incomes, creation of employment opportunities and increased Samburu County Government revenue for wealth creation and uplifting the living standards of its citizens. The main achievements to date include Construction works of the main buildings completed; Procurement of lab equipment and reagents; Milk freezers (4,000 litres) procured; A milk coolant (3,000 litres) provided; and Milk ATMs procured.

54. Instrument for Devolution, Advice and Support (IDEAS) Programme

This is a EU-Co-Funded Development Contract signed between the County Government and the Ministry of Devolution & ASALs, State Department of Devolution (The "Contracting Authority") with an overall objective; "To contribute to improved livestock economy thereby contributing to poverty reduction, wealth creation and overall local economic development in Samburu County through the establishment of a Mini-Meat processing plant, the Nomotio Abattoir with a maximum capacity of slaughtering and processing 200 Shoats and 50 large stock. The key project activities reported include the construction of the abattoir and auxiliary structures (54% complete); hydrological survey of the proposed borehole construction; One technical consultative meeting held to establish the gap analysis for counties implementing the construction of abattoirs. The COVID-19 pandemic has been the biggest challenge affecting the smooth running of the project implementation. The COVID-19 prevention rules and regulations prohibit social gatherings hence affected the official launching of the project by halting all the preparations that were ongoing during the month of March 2020. Another challenge that has temporary stopped the construction of the main abattoir construction has been the ongoing Gap Analysis of the Abattoir being undertaken by the County Project Engineers guided by the National IDEAS Technical Advisory Team in Nairobi. The analysis basically involves the revision of the abattoir designs to meet the national and international standards and the eventual cost implications to the initial project budget.

Water, Environment, Natural Resources & Energy

55. Key achievements realized include:

- a) Undertaking hydrogeological surveys and water feasibility studies to ascertain underground and surface water potentials;
- b) Borehole Drilling 35 Sites.
- c) Borehole equipping of both previously drilled boreholes (16 No. Sites) and FY/2019/2020 Drilling with equipping component and where water has already been struck (16 No. sites) therefore making a total of 32 No. of boreholes for equipping.
- d) Rehabilitation of 35 kilometres of water extensions and/or supplies and numerous repairs and overall maintenance of rural water supplies across the county.
- e) Excavation and desilting of 2 earth dams/pans in Ngari and Naisunyai still on going.

- f) Designated and constructed a perimeter wall to secure Archer's Post Solid Waste Management site.
- g) Restoration of degraded rangelands through control and management of invasive species in Maralal environs (specifically Loikas, Lmataro and Ngari areas) and Meibae conservancy.
- h) The sector was also able to operationalize the County Environment Committee to undertake its mandate of overseeing environmental management and coordination in the county.
- i) Formulation of rangelands management and planned grazing policy, which is currently in its last stages of formulation process.
- j) Observation of critical days to sensitize the public with regards to environmental conservation and management of natural resources in general such as World Environment Day, the World Day of Forests, and World Water Day.
- k) Capacity building of Natural Resource Management institutions to support protection and management of natural resources i.e. training of four (4) Water Resource User Associations (WRUAs), three (3) Community Forest Associations (CFAs), 3 Charcoal producer Associations, Water User Associations (WUA's), sand harvesting and other environmental groups.
- l) In partnership with IMPACT trust, Water Resources Authority (WRA), Food and Agriculture Organization of the United Nations (FAO), Kenya Forest Service (KFS) and Kenya Water Towers Agency (KWTA) supported the development of Natural Resource Management Plans for 2 WRUA's and 3 CFA's.
- m) In partnership with Ministry of Energy and World Bank, we were also able to undertake feasibility studies for solar connectivity through establishment of Mini-Grids in 10 of our upcoming centres and/or towns and community facilities such as health centres, schools and boreholes as well as undertaking market surveys on clean energy initiatives.
- n) Staff training on different areas of specialization and interest, such as Geographic Information System (GIS), Project Planning & Management, Monitoring & Evaluation, and Solar PV installation and management.

Education and Vocational Training

56. The sector presents a platform for imparting much needed skills, competencies and attitude to propel the County development. In the 2019-2020 financial year, Key achievements includes;

- a) 36 ECDE classrooms constructed.
- b) 18 sanitary blocks constructed.
- c) 17 Fencing ECDE.
- d) Kitchen and stores constructed.
- e) Provision of school feeding program.

- f) Competency based curriculum books.
- g) 32 sets of furniture's provided.
- h) 80 Water tanks 5000Ltr.
- i) Construction of Multipurpose hall (Maralal Polytechnic).
- j) Purchase of 3 Motorbikes.

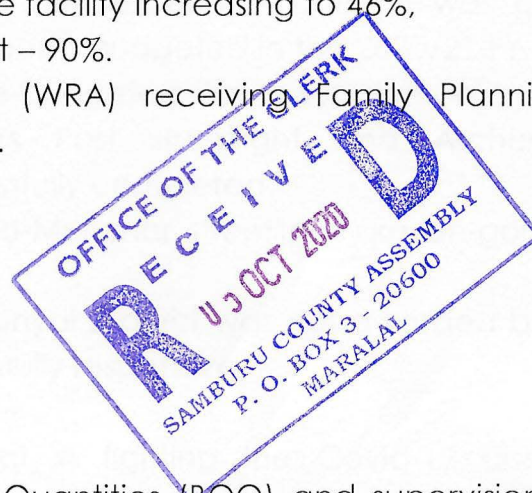
Medical Services, Public Health & Sanitation

57. Some of the key for the financial year 2019/2020 are: -

- a) 65 outreaches Antenatal Care, Immunization, Family planning and nutrition services Conducted through Transforming Health Systems Universal Care (THS UC) but several have been also supported by other partners.
- b) One Ambulance Purchased for Baragoi Sub County Hospital on procurement process, the ambulance will be procured using THS UC funds.
- c) Operations and Maintenance support for all gazetted level 2 and 3 health facilities.
- d) All gazetted Dispensaries supplied with Kenya Medical Supply Authority (KEMSA) drugs and they will also receive Denmark's development cooperation (DANIDA) funds since they are now gazette.
- e) Quality Improvement teams formed, 2019/2020 Training of managers on KQMH tools, dissemination of information to County Health Management Team, Sub County Health Management Team and Facility in charges.
- f) Procurement of two Hematology Analyzers for Baragoi and Maralal County Referral Hospitals.
- g) Sample transportation of Viral load, early infant Diagnostic, sputum culters Cd4 and Genexpert samples from peripheral facilities to testing Hub. i.e. Maralal County Referral Hospital, Wamba Health Centre, Kemri and Tuberculosis Reference Laboratories.
- h) Malezi Bora activities supported during which immunization, Family planning, Antenatal Care, Health Education amongst other reproductive health services were provided Targeting 300 community members (100 per sub county)
- i) Purchase of baby warmers for several facilities.
- j) Formation of County and Sub County Maternal Perinatal Death Surveillance and Response Committee. Quarterly perinatal and maternal and perinatal audit review by the County Maternal Perinatal Death Surveillance and Response Committee and Sub County.
- k) Fully immunized improved from 58.2% in 2016 to 69% in 2019/2020.
- l) EPI mentorship done in 31 health facilities done with THS UC support. The County was issued with Motor bike tom improve immunization services.

- m) Mothers Support Groups Meetings and Sensitization-22 Groups. Mother to Mother Support Groups meeting and sensitization done in 33 Community Units.
- n) Capacity Building of Health Care Workers - training on Tuberculosis, Direct Observed Therapy & Multi drug resistant patient management.
- o) Procurement of 11 Tuberculosis Biosafety cabinets.
- p) Training of Nurses, Clinical Officers on malaria case management, microscopy, diagnosis and commodity management.
- q) Conducted community screening on Neglected Tropical Disease (jiggers).
- r) Community Led Total Sanitation activities in the county: 28.3 % (141) of the villages have been triggered. 3.5% (6) have been declared Open defecation free (ODF) and celebrated, 3.5% (6) are awaiting Celebrations, 2.8% (4) are awaiting Verification, 90% (127) requires to be followed up and 357 villages requires to be triggered. Representing 71%.
- s) Distribution of water treatment chemicals, 20litre Jerricans, Bar Soaps for hand washing to Households in the community units.
- t) Sensitization of School Head Teachers and Health club patrons, Board of Management on Hygiene promotion.
- u) Establishment of 32 community health units: (. Increased of community health units from 32 in 2018/19 to 60 in 2019/20.
- v) Recruitment of 12 Community health extension worker's/ community health assistance.
- w) Health worker's salaries and remuneration paid.
- x) The Human Resource department was able to undertake the following in the previous year of 2019/2020, Employed 164 Health staff on contract under universal health care program and 23 staff under internship, national government program. New health workers employed by Afya Nyota Nuru ya Bonde.
- y) Senior staff were trained on strategic leadership skills and recommended others to join the Kenya school of Gov't for senior management course.
- z) Afya TIMIZA has signed a contract agreement of employing 17 nurses in the financial 2019 2020.
- aa) Renovations and cosmetic improvements carried out at the centers of learning in each Sub County namely in Samburu North Baragoi Sub District Hospital, Samburu Central Maralal District Hospital and Samburu East.
- bb) Procurement of Pharmaceuticals, Non-Pharmaceuticals, Renal Commodities. Procurement from; Kenya Essential Medical Supplies Agency. (KEMSA) Mission for Essential Drugs Supplies (MEDS) Angelica Medical Supplies (Renal Commodities).
- cc) Collected Two hundred and fifty (250) Pallets as a donation from the Kenya Essential Medical Supplies Agency (KEMSA) and this pallet were redistributed to all the facilities in Samburu County so as to improve the storage conditions of the commodities.

- dd) Purchase of essential - emergency obstetric and newborn care equipment's which include delivery packs etc.
- ee) Conducted Quarterly Data review meeting on RMNCAH indicators at County and Sub County levels by the County Health Management Team (CHMT) and Sub County Health Management Team (SCHMT) targeting all the Health Care Facilities and Community Health Units.
- ff) AWP development for financial year 2019/2020 involving all health service delivery levels 1, 2, 3 and 4. All Community Health Units and Health facilities prepared their 2019/2020 AWP's.
- gg) Improvement of referral system because of increase of community units to 42.
- hh) Capacity building of health workers among others trainings e.g. Basic emergency obstetric care, Comprehensive Maternal Obstetric Care.
- ii) Deliveries by skilled delivery at the facility increasing to 46%.
- jj) TB patients completing treatment – 90%.
- kk) Women of Reproductive Age (WRA) receiving Family Planning (FP) commodities from 21.9%. to 39%.



Transport, Roads & Public Works

58. Assisted in preparation of Bill of Quantities (BOQ) and supervision of on-going construction works for other departments. A total of 159 number of bid documents were prepared for client departments apart from supervision of few on-going projects of low value, we supervised two major projects of high value namely:

- a) Construction of Outpatient Department Complex (ODP).
- b) Nomotio abattoir and auxiliary structures.

1. Conducted Firefighting Training for institutions and business premises.

- a) Conducted 3 No. firefighting trainings for schools and dispensaries at the three sub-counties.
- b) Conducted trainings for premises/dealers selling gas cylinders and petroleum products. These were done for 26 dealers in Samburu central and for 25 dealers in Samburu east and issued them with fire certificates.
- c) Conducted one fire rescue mission at Loikas.

2. Road Projects completed in FY 2019-2020

- a) The Department budgeted a total of 96 No. projects out of which:

- i. 90 No. projects successfully went through the procurement process. However, only 85 No. went into implementation. The remaining five (5) did not take off for reasons of three (3) No. awards not accepted, contractor not taking over site for one (1No) while one (1) was cancelled since it had been done by Kenya Rural Roads Authority (KERRA).
- ii. Out of the 85 No. projects that successfully went through procurement, 62 No. have been completed, 21No. are on-going while two (2) No. have not taken off.
- iii. From the 85 No. projects budgeted at Kshs. 476,237,313, projects worth Kshs340,070,000 were completed while projects worth Kshs. 102,667,313 are ongoing. A savings of Kshs, 30,614,888 was realized from the competitive bidding.
- iv. Six (6) No. projects were not responsive: one (1) was given to KERRA, four (4) No. have been budgeted in the 2020/21 FY budget while two (2) No. will be re-budgeted during supplementary.
- b) Wamba streetlight, Archers Post streetlight and Archers post floodlights have been successfully completed.
- c) Kisima streetlight and Suguta-Mar mar streetlight are on-going and near completion.
- d) Floodlights at treetop and Sunyai project was not awarded because the bidders were not successfully responsive.

3. Covid-19 pandemic response.

Supported the Health department in fighting the Covid-19 disease in preparation of bills of quantities for the following units:

- a) Intensive Care Unit and High Dependency Unit (ICU/HDU) at Maralal referral hospital.
- b) Isolation centre at Nomotio farm.
- c) Isolation centre at Maralal Youth polytechnic.
- d) Donning and doffing room at ICU/HDU centre.

Lands, Housing, Physical Planning & Urban Development

59. The department engaged in implementation of several Programmes key among them and which are currently ongoing include;

- a) Preparation of Baragoi and Lengusaka Town plans.
- b) Titling of Milimani Area.
- c) Planning Titling of Maralal Municipality.
- d) Construction of Maralal Retail Market.
- e) Finalization of County Spatial Planning.
- f) Forest vs community boundary delineation.

60. Co-operative sub-sector

- a) 2 pre cooperative education meetings carried out.
- b) 1 Special General Meeting/Members education facilitated by the office.
- c) 1 Cooperative leaders training.
- d) 4 exposure/Marketing/study visits done & coop representatives participated in Rwanda.
- e) 3 production camps held in every sub county.
- f) 7 general meeting attended by officers.
- g) 8 cooperatives audits carried out.
- h) 1 beading shed constructed at west gate, Wamba West ward.
- i) 30 packets of beadwork materials bought for use in trainings.

61. Tourism and wildlife subsector

- a) Construction of SNR headquarters at Archer's gate.
- b) Construction of Fortified camps at Nyiro (Lwantani) and Ndoto (Marti dorop).
- c) Support of existing conservancies, through Samburu National Reserve revenue sharing; Kalama & West gate.
- d) Support of Newly established conservancies.
- e) Construction of Ltungai community conservancy eco-lodge.
- f) Support for operation of Kirisia Nkoteyia community scout program and Kirisia Forest ecosystem.
- g) Construction of Tourist bandas in Meibae.
- h) Purchase of Vehicles 1 NO. for Samburu National Reserve.
- i) The department participated at Magical Kenya travel Expo in October 2019 and Other events like World Trade Fair in Berlin March 2019, World Travel Market (WTM) in London and Sarit Expo.
- j) Formulation Community Conservation Fund Act.

62. Trade and Investment

- a) Construction of market stalls at Kisima Town, Tangar market and south horr.
- b) Construction of Toilets in Lolmolog market.
- c) Construction of Public Toilet in Nomotio Abattoir.
- d) Construction of 11 boda boda sheds county wide.
- e) Sensitization for Covid-19 precaution Measures to Poro Women and Youth groups.
- f) Facilitation of small and medium-sized enterprises (SMEs) to attend the East Africa Jua Kali/ Nguvu Kazi Exhibitions.

Culture, Social Services, Gender, Sports & Youth Affairs

63. The following was realized: participated in various athletic and cross-country championships at the County level, regional and national levels, participated in Maralal International Camel Derby event, Kenya Youth Inter-County Sports Association Games held in Busia County where several players were scouted. Participated in Kenya Inter-Counties Sports Association (KICOSCA) games held in Kericho counties, participated in the Desert wheel chair race held in Isiolo County. We also participated in the 11th Edition of East Africa Local Authorities Sports and Cultural Association (EALASCA) Games held in Kampala. We also participated in the Chapa Dimba na Safaricom games which is aimed at transforming the lives of young people.
64. Going forward the sport subsector will put more emphasis on completion of the ongoing infrastructure projects namely: completion of the high-altitude sports Centre in Loibor Ngare and also construction of playgrounds to all the wards. Further the department intends to widen links with stakeholders and partners to ensure better collaboration for effective implementation of programs.

65. Culture sub- sector achievements

- a) Maralal International Camel Derby.
- b) Community Training on Menstrual Hygiene/Reproductive health Samburu East and North.
- c) International Day for persons with Disability held and also contribution to disability fund.
- d) Training on sexual Gender Based Violence (GBV) in Samburu North.
- e) Anti- Female genital mutilation (FGM) training in the county.
- f) Peace Caravan at Baragoi.
- g) Liquor Inspection in Samburu East and Central.
- h) Training on Community Sensitization of Early Pregnancy/Marriages and Street Children in Maralal town.
- i) Observed various National Day Celebrations.
- j) Circumcision of Orphaned/Vulnerable Boy Child.
- k) Conducted Youth Trainings in various wards.
- l) Conducted women empowerment programs to various groups.
- m) Community Sensitization on covid-19.

66. Special Programme

- a) Effective control of first locust invasion Jan-2020 to 28th July 2020.

- b) Surveillance teams identified and registered 517 swarms of which 314 swarms successfully controlled.
- c) Trained 98 desert locust control personnel including 7 Training of Trainers and 3 Master Trainers.
- d) Established surveillance teams.
- e) Sprayed protected over 100,000 *hectares* of pasture/browse/crops.
- f) Mobilized ksh 30 million to support the Amaya ecosystem and conservation in Samburu.
- g) Draft Disaster Risk Management policy discussed by the County Assembly Ad hock committee.
- h) Updated the multi hazard contingency plan.
- i) Updated partners **Who** does **What** **Where** (3Ws) matrix.
- j) Successful partnerships for desert locust control and COVID -19 mitigation through:
 - I. Supply of control equipment and
 - II. Supply of personal protective equipment.
- k) Mobilized and supported partners to target and deliver cash transfer 43,000 Households, seeds and vet services.
- l) Successfully developed Frontier County Development Council peace and security policy and strategy.
- m) Promotion of regional peace and cohesion.
- n) Provision of 495 Metric tons to 196066 beneficiaries and Transportation supported by World food Programme.

County Development Challenges

- 67. Inadequate funding and funds delays from national treasury greatly affected the implementation of departmental Programmes.

C. Medium Term Fiscal Framework

- 68. The County Government will operate within a framework of balanced budget. The County Governments fiscal policy objective in the medium term will focus on channeling resources to priority and growth potential areas including health, water, education, agriculture and livestock production.
- 69. The County targets to implement major flagships projects as outlined in the CIDP 2018-2022. This will be achieved by enhancing efficiency and effectiveness and accountability in public spending and enhanced revenue collection in order to effectively finance implementation of the

budget. Containing the growth of recurrent expenditure in favor of capital investment will further be checked. In order to implement the County's development priorities, investment projects and programs will be scrutinized to ensure that they are well aligned to the CIDP 2018-2022.

70.The County Government resource allocation will be aligned towards achieving the development programs under the current medium-term theme 'fostering socio-economic development for sustainable growth. The following specific areas will receive more emphasis in the 2021/22 MTEF:

- a) Improvement of Education;
- b) Agriculture and livestock development;
- c) Improved water access, sanitation and environment;
- d) Improved health care access and quality.

71.The County Government resource allocation will be aligned towards achieving the development programs under the current medium-term theme 'fostering socio-economic development for sustainable growth. The following specific areas will receive more emphasis in the 2021/22 MTEF:

- a) Improvement of Education;
- b) Agriculture and livestock development;
- c) Improved water access, sanitation and environment;
- d) Improved health care access and quality.

72.The County Government administration aims to implement the transformative agenda that ensures enhanced service delivery, improved standard of living among the county residents through employment creation and improved incomes. In setting departmental ceilings, attention will be given to projects and Programmes that meet the following criteria:

- a) Linkage of the Programme with the 2018-2022 CIDP, the 'Big Four' agenda and the objectives of Third Medium-Term Plan of Vision 2030.
- b) Degree to which a Programme addresses job creation and poverty reduction.
- c) Degree to which the Programme is addressing the core mandate of the County Department.
- d) Expected outputs and outcomes from a Programme; and
- e) Cost effectiveness and sustainability of the Programme.

73.Financing of rolling Programmes will receive a first priority to ensure completion of ongoing Programmes to deliver on the expected results. The County Fiscal Strategy Paper 2021 (to be finalized in February 2021) will be the basis for resource allocation to specific programs.

74.The county will continue reorienting expenditure towards those priority Programmes as identified in public consultative forums. The critical

Programmes to be implemented are expected to accelerate economic activities and socio-economic development.

D. Risks to Fiscal Outlook

75.The county government has a good prospect of performing better in the following financial year. However, the following factors pose considerable risks to the realization of the county's noble objectives;

- a) Overreliance on national government funding due to inadequate local revenue performance.
- b) There is risk of decreased funding for county governments due to the austerity measures adopted by national government occasioned by a biting cash crunch.
- c) Unrealized projected local revenue collection.
- d) Non timely disbursement of funds by the national government continues to be another challenge as this could lead to delay in execution of planned activities of the County thus compromising service delivery.
- e) External risks: Desert Locust and COVID 19 Pandemic may derail implementation of planned projects/Programmes as this shifts the focus of the county government.

76.The Government will monitor the above risks and take appropriate measures to safeguard macroeconomic stability including preparation of supplementary budgets to regularize and align any emerging issues.

Section Four - Resource Allocation Framework

A. Amendment to the 2020/2021 MTEF Budget

77.The Medium-Term Fiscal Framework (MTFF) for the FY2021/22 emphasizes on efficiency and effectiveness of public spending and improving revenue collection to ensure full budgetary funding, support rapid and inclusive economic growth and continued fiscal discipline.

78.Adjustments to the 2020/21 budget will take into account actual performance of expenditure so far and absorption capacity in the remainder of the financial year because of the resource constrains, the Government will rationalize expenditures by cutting those that are non-priority.

79. On the Revenue side, the County Treasury is expected to institute corrective measures to curb the revenue leakages. Options could include enhanced compliance.
80. Departments are expected to prioritize their expenditure and reallocate funds as per their expenditure during the preparation of the supplementary budget guided by the resource availability.

B. Medium Term Expenditure Framework

81. The County will continue to implement the Medium-Term Expenditure Framework (MTEF) through policies, projects, and programs set out in the County Integrated Development Plan (CIDP)-2018-2022, County Annual Development Plan and County Fiscal Strategy Paper. The MTEF will involve adjusting non-priority expenditures to cater for priority Programmes and projects.
82. The priority sectors will continue to receive adequate resources in the budget and are required to utilize the allocated resources more efficiently to generate fiscal space to accommodate other strategic interventions in their sectors.
83. The county will continue reorienting expenditure towards those priority Programmes outlined in County's Integrated Development Plan 2018-2022 and as identified in public consultative forums. The strategy will thus implement the priority Programmes/ projects as entailed in the draft CIDP 2018-2022. The critical Programmes to be implemented are expected to stimulate the County's socio-economic development. The key County proposed priority areas are;
 - a) Increased accessibility to water and food security;
 - b) Investing in accessible and quality health services;
 - c) Provision of Quality Education.

Proposed Budget Framework.

C. Revenue Projections

84. The FY 2021/22 budget targets for revenue (equitable share and local) collection of Ksh **6,157,444,566** as per table 5. This revenue performance will depend on the trend of growth of the Kenyan Gross Domestic Product amidst the COVID 19 pandemic which is also affecting the own source revenue sources.

Table 5: Medium Term Revenue 2021/22

	ITEMS	Approved Budget 2019/20	Actuals 2019/20	Deviations	Estimate 2020/21	Projection 2021/22	Projection 2022/23
	COUNTY GENERATED REVENUE						
1130104	Land Rates	15,750,000	13,694,690	(2,055,310)	24,000,000	36,000,000	36,000,000
1420328	Single Business Permit	20,000,000	7,394,150	(12,605,850)	16,000,000	16,000,000	16,000,000
1110104	Total Cess Receipts	21,000,000	9,011,288	(11,988,712)	18,000,000	12,000,000	12,000,000
1420327	Game Parks/ National Reserves Fees	168,000,000	159,131,265	(8,868,735)	186,000,000	84,000,000	84,000,000
1420405	Markets/ Slaughter Houses Fees	8,400,000	3,299,965	(5,100,035)	6,400,000	3,600,000	3,600,000
1420404	Wheat Cess	735,000	154,074	(580,926)	300,000	3,000,000	3,000,000
	Liquor License	6,488,750	1,109,500	(5,379,250)	6,410,000	4,500,000	4,500,000
1140509	Agricultural Machine Services		42,000	42,000	6,000,000	5,000,000	5,000,000
1420601	Various Health Dept. Fees	12,706,265	221,875	(12,484,390)	-	10,000,000	10,000,000
1140501	County transport and public work charges	3,508,458	1,258,300	(2,250,158)	3,583,882	2,400,000	2,400,000
	Vehicle insurance	1,155,000	-	(1,155,000)	1,212,750		
	Tender application fees	579,751	-	(579,751)			
	Building plan approval	1,050,000		(1,050,000)	1,102,500	1,200,000	1,200,000
	Other revenue	7,659,563	20,354,179	12,694,616	11,000,000	6,000,000	6,000,000
	Prospecting Licenses	-	-	-	303,188		
	SUB-TOTAL LOCAL SOURCES	267,032,787	215,671,286	(51,361,501)	280,312,319	183,700,000	183,700,000
	SUMMARY						
	Revenue from Local Sources	267,032,787	215,671,286	(51,361,501)	280,312,319	183,700,000	183,700,000
	Revenue transfer from national government	4,620,900,000	4,269,711,600	(351,188,400)	3,987,900,000	5,371,350,000	5,371,350,000
	Road Maintenance Fuel Levy	131,167,313	131,167,313	-	118,859,147	118,859,147	118,859,147
	Road Maintenance Fuel Levy b/f	133,246,322	133,246,322	-	110,400,000		
	Conditional Grant-Compensation for User Fee Foregone	5,235,578	5,235,578	-	5,235,578	5,235,578	5,235,578
	Conditional Grant-Leasing of Medical Equipment	131,914,894	131,914,894	-	132,021,277	132,021,277	132,021,277
	Conditional Allocation for Development of Youth Polytechnics	15,483,298	15,483,298	-	10,549,894	10,549,894	10,549,894
	Kenya Urban Support Programme (UDG and UIG)	50,000,000	50,000,000	-			
	Kenya Urban Support Programme (UDG and UIG) 18-19	50,000,000			50,000,000		
	Kenya Devolution Support Program (KDSP)	30,000,000	30,000,000	-	45,000,000	45,000,000	45,000,000
	DANIDA (Health support funds)	13,218,750	13,218,750	-	13,140,000	13,140,000	13,140,000
	DANIDA (Health support funds) additional	4,935,000	4,935,000				
	World bank loan for National agricultural and rural inclusive growth project	350,000,000	204,998,690	(145,001,311)	216,145,500	216,145,500	216,145,500
	EU Grant for instrument for devolution advice and support (Abattoir Construction)	32,159,348	1,500,000	(30,659,348)	15,626,168	15,626,168	15,626,168
	Balance brought forward 2018-19 for construction of abattoir	67,182,582	67,182,582		77,594,506		
	Agriculture Sector Development Support Programme (ASDSP)	18,994,320	10,747,160	(8,247,160)	14,496,213	14,496,213	14,496,213
	Urban Institutional Grant (KUSP)	8,800,000	8,800,000				

ste

OFFICE OF THE CLERK
R E C E I V E D
 10 OCT 2020
 SAMBURU COUNTY ASSEMBLY
 P. O. BOX 3 - 20600
 MARALAL

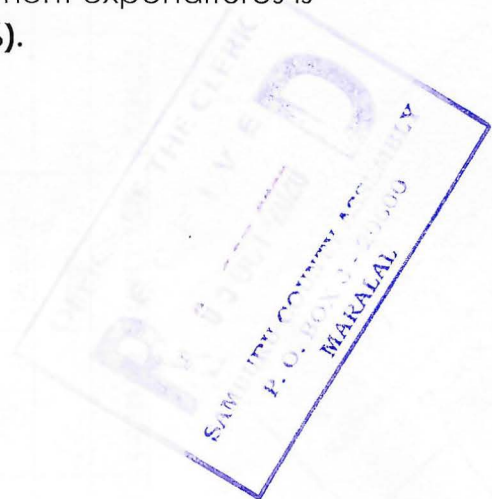
	Urban Institutional Grant (KUSP) b/f	41,200,000	41,200,000				
	World Bank Loan for transforming health systems for universal care project	35,000,000	34,999,999	(1)	31,320,789	31,320,789	31,320,789
	World Bank Loan for transforming health systems for universal care project	17,658,727					
	COVID FUND	27,402,000	27,402,000	-			
	Brought forward revenue	917,077,404	917,077,404	-			
	GRAND TOTAL	6,968,608,323	6,314,491,876	(586,457,720)	5,108,601,391	6,157,444,566	6,157,444,566

Source: Samburu County Treasury 2020

85. Expenditure Forecasts

In the proposed 2021/22 budget, overall expenditures are projected to be Ksh **6,157,444,566** as indicated in the table 6 below comprising;

- a) With most County positions having been filled, the wage bill is projected to be at Ksh **2,213,578,834 (36%)**.
- b) The Operations and Maintenance are expected to be Ksh **2,035,057,916 (33%)**.
- c) The allocation of resources for development expenditures is projected to be Ksh **1,908,807,815 (31%)**.

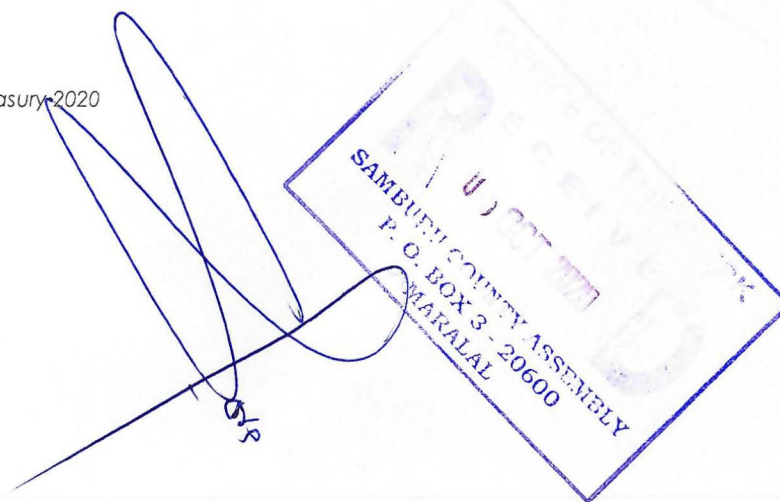


Expenditure Table

Table 6: Medium Term Expenditure Sector Ceilings 2021/22-2021/22

	Total Expenditure, Ksh									Final %
	Approved Budget 2020/21	Development Partners	NET	DEV PARTNERS	Actual Absorption 19-20	Adjusted salary by 2.5%	Balance * absorption	CBROP Ceilings 2021/22	Share + Dev partners	
County Assembly	495,602,219	-	495,602,219	-	100	313,615,374	249,538,781	568,154,155	568,154,155	9%
County Executive	417,499,596	-	417,499,596	-	104	260,245,036	255,899,180	521,144,216	521,144,216	8%
Finance, Economic Planning & ICT	468,940,954	45,000,000	423,940,954	45,000,000	89	195,696,989	670,556,801	532,058,299	577,058,299	9%
Agriculture, Livestock Development, Veterinary Services & Fisheries	593,089,071	323,862,387	269,226,684	246,267,881	70	104,936,613	239,418,771	284,355,385	530,623,266	9%
Water, Environment, Natural Resources & Energy	416,041,022	-	416,041,022	-	102	46,351,958	123,858,679	490,210,637	490,210,637	8%
Education and Vocational Training	490,266,488	10,549,894	479,716,594	10,549,894	95	278,040,059	(204,922,689)	503,117,370	513,667,264	8%
Medical Services, Public Health & Sanitation	1,177,067,956	181,717,644	995,350,312	181,717,644	101	747,845,644	890,172,584	1,388,018,228	1,569,735,872	25%
Lands, Housing, Physical Planning & Urban Development	161,572,010	50,000,000	111,572,010	-	156	60,043,977	81,933,555	241,977,533	241,977,533	4%
Roads, Transport & Public Works	443,661,316	229,259,147	214,402,169	118,859,147	99	43,218,556	838,177,120	431,395,676	550,254,823	9%
Tourism, Trade, Enterprise Development & Cooperatives	316,889,023	-	316,889,023	-	111	119,338,724	(5,912,996)	383,425,728	383,425,728	6%
Culture, Social Services, Gender, Sports & Youth Affairs	127,971,735	-	127,971,735	-	119	44,245,904	146,946,870	211,192,774	211,192,774	3%
TOTAL	5,108,601,391	840,389,072	4,268,212,319	602,394,566	96	2,213,578,834	3,285,666,657	5,555,050,000	6,157,444,566	1

Source: Samburu County Treasury 2020



86. In this regard, the County Government will over the medium term ensure compliance with the fiscal responsibility principles as outlined in the sections 107 of the PFM Act 2012. The County Government is expected to enhance expenditure productivity in the proposed year and manage the rising wage bill to be within the required limit.



Section Five - Conclusion and Next Steps

87. The 2020 CBROP has highlighted the key county government policies and objectives that will underpin the creation of the 2021/2022 budget. The fiscal framework discussed is also in line with tone of the CIDP, the Annual Development Plan and the fiscal responsibility principles outlined in the 2012 PFM law.
88. The preparation of the FY 2021/2021 will be broad based and consultative. To achieve this, the accounting officers have already been advised through budget circular to form Sector Working Groups (SWGs). The SWGs will do a detailed and careful costing of various programs and projects and ensure the key priorities of every sector is articulated in the coming budget. These SWGs is the only vehicle through which county departments can bid for resources and justify allocations.
89. The 2021 CFSP which will be issued mid-February next year will provide a more updated fiscal framework and will add more flesh to the information already provided in this CBROP. Further, the CFSP will give a clear budget ceiling to every sector. This will enable SWGs to prioritize their projects and come up with a balanced budget that accommodates their priority programs.
90. In pursuit of this, effective budget implementation at the county level will be facilitated through capacity building and development of systems for close monitoring and evaluation of spending entities to ensure that resource application bears maximum benefits to the taxpayer. Involvement of all stakeholders in budget execution is also key in enhancing overall budget implementation and the priority public needs will be key in shaping the final budget policies and allocations for the 2021/22 financial year.
91. The county will also strengthen its revenue collection and management systems with the goal of generating more revenues to strive towards budgetary self-reliance while ensuring the stability of the fiscal framework and financial health of the County.