REPUBLIC OF KENYA

BARINGO COUNTY GOVERNMENT

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

30TH SEPTEMBER 2017

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Foreword

The County Budget Review Outlook Paper (CBROP) is prepared in accordance with section 118 of the Public Finance Management Act, 2012. It reviews the actual fiscal performance of the financial year 2016/17 and makes comparisons to the budget allocations in the same year.

In reviewing the fiscal performance, this outlook paper analyzes the performance of revenue in the FY 2016/17. It has included the total revenue collected and made comparison over projected revenue for the same year. Furthermore, the document analyses revenue streams and underpins some possible causes of underperformance/over performance as well as analysis of performance of departmental expenditures for the period under review.

It is also expected that CBROP will help in improving the link between policy, planning and budgeting, transparency and accountability in the use of public resources. This is vital in the preparation of annual budgets, management of public resources, and prioritization of resources to key sectors. Thus this will help in addressing weaknesses in implementation of spending priorities consistent with government policies of achieving high and sustained economic growth and poverty reduction.

This outlook paper also provides an overview of how the actual performance of the FY 2016/17 affected the financial objectives as detailed in the CFSP and will form a basis for projecting the 2018/19 budget based on the recent economic development. It is projected that, the revenue and expenditure for 2018/19 will be achieved with strict expenditure controls and enhanced revenue collection measures. This will be achieved through fiscal discipline in ensuring proper management of public resources and opening up of new as well as maintaining of existing sources of revenue.

The 2017 CBROP shall spell out broad fiscal parameters for the 2018/19 budget and the medium term that is consistent with county's strategies. Subsequently, the County Fiscal Strategy Paper (CFSP) for 2018 will provide an update of available resources and set firm departmental ceilings and expenditure priorities.

The CPROP will be made available to the public including members of County Assembly to facilitate understanding of the fiscal situation and proposed county government strategies in line with the objective of improving public transparency and accountability.

Hon. Geoffrey K. Bartenge County

Executive Member

Treasury and Economic Planning

Acknowledgements

The development of the County Budget Review and Outlook Paper has been made possible through the participation of many individual officers. Special thanks go to the Executive Committee Members under the leadership of His Excellency Governor Stanley K Kiptis and Deputy Governor H.E Jacob Chepkwony for their steadfast leadership, guidance and support during the entire process of writing the paper. Special gratitude goes to the Executive Committee Member for Treasury and Economic Planning Mr. Geoffrey K Bartenge for his invaluable input and leadership in preparation of this document.

Treasury and economic Planning unit would like to appreciate the Chief Officers from various departments and the following officers from accounting unit; Mr. Rerimoi David, Mr. Karimi Francis, Mr. Alvin Lopakale and Mr. Nicholas Kiprotich for generously availing data that was used in the report. Also individual appreciation goes to the core team from Directorate of Budget and Economic Planning who pieced up the document. These officers include the Director of Economic Planning Mr. Evans K. Lokabel, head of budget Mr. Jacob Kendagor and senior economists Mr. Eric K. Kosgei, Mr. Michael K Ngetich and Mr. Solomon C. Kimuna.

Finally, we are grateful to those whom we would not individually mention here particularly staff from various departments whose input, efforts and personal dedication led to timely submission of this document.

Finally, we hope the implementation of the interventions provided herein will be useful while preparing 2018/19 budget as well as implementation of 2017/18 approved budget.

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Mr. Richard K. Koech
Chief Officer-Treasury and Economic Planning

Acronyms and Abbreviations

ADP	Annual Development Plan
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CMA	Capital Markets Authority
DANIDA	Danish International Development Agency
FSI	Financial Services
FY	Financial Year
GDP	Gross Domestic Product HSSF
KNBS	Kenya National Bureau of Statistics
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
SWGs	Sector Working Group

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Executive summary

The County Budget Review Outlook Paper (CBROP) is prepared in accordance with section 118 of the Public Finance Management Act, 2012. It reviews the actual fiscal performance of the financial year 2016/17 and makes comparisons to the budget allocations in the same year. It presents the Budget performance for FY 2016/17 and how the budget adhered to the fiscal responsibility principles and financial objectives as set out in the PFM Act, 2012. The updated fiscal forecasts therein also provides the basis to revise the FY 2017/18 budget in the context of supplementary estimates set out in the broad fiscal parameters for the FY 2018/19 budget, the aspirations of the new administration and the medium term expenditure framework.

The approved budget for 2016/17 financial year was Kes. 6,511,437,735 comprising of equitable share of Kes 4,791,438,190, Local Revenue Kes 330 Million, Grants Kes, 446,492,055, and roll over Kes. 943,507,490.

In the financial year under review, locally collected revenue amounted to Kes 286,546,866 short of the revenue target of Kes. 330 Million by Kes 43,453,134. This represents an achievement of 87 percent compared to Kes 279, 736, 551 representing 93 percent achievement in 2015/16 fiscal year.

The shortage in revenue collection during the 2016/17 fiscal was due to drought situation which prevailed in the entire county from the month of September 2016 to April 2017 which affected livestock market. Insecurity also affected both livestock trading and tourism sector particularly in the three sub counties of Baringo North, Baringo South and Tiaty. Further, geopolitical situation in the period under review affected revenue collection enforcement.

The total exchequer releases as at 30th June, 2017 was Kes 5,393,098,898. The total expenditure for the period under review was Kes 5,282,701,131.05 representing an overall absorption rate of 81 percent of the revised budget of Kes 6,511,437,735. This compares to an overall absorption of 82 percent in 2015/16 F/Y.

The recurrent expenditure was Kes 3,787,971,396.95 and development expenditure was Kes 1,494,729,734.10 presenting absorption of 97 percent and 57 percent respectively. In 2015/16 fiscal year the absorption was 98.8 percent and 56 percent for recurrent and development respectively.

The FY 2016/17 budget adhered to the fiscal responsibility principles as set out in the PFM Act, 2012, by allocating 30 percent of the budget to development and 70 percent recurrent comprising of 48 percent on employee compensation, and 22 percent on operations and maintenance (O&M).

Moving forward, implementation of 2017/18 F/Y budget and formulation subsequent budgets in the medium term will be premised on the lessons drawn from the performance of the period under review. The issue of under-performance in revenue collection, low absorption and increasing wage bill and O&M should be addressed. The prudent management of resources and continued timely release of funds by the national government, peaceful co-existence in the country as well as stable global economic environment and favorable weather conditions is expected during the period to realize the set objectives.

The budget for FY 2017/18 targets local revenue collection of Kes 450 million up from Kes. 330 million in FY2016/17 and is projected to Kes 371.147 million in FY 2018/19. The target set for the 2017- 2018 of Kes 450 million will be reviewed to reflect the MTEF projections.
Overall expenditure is projected at Kes. 6.233 Billion in 2017/18 F/Y up from the approved budget of Kes 5.567 Billion in the FY 2016/17. Recurrent expenditures will amount to Kes. 4.239 Billion while development expenditure is projected at Kes. 1.994 Billion in FY 2018/19.

The risks to the medium term framework include: increased fear of insecurity in some parts of the county, political instability, pressures on expenditures especially recurrent related to new salary demands from the health workers, climate change and droughts, external risks and uncertainties in the tourism sector and weakening global economic growth. To confront these risks, the County will closely monitor the developments and undertake appropriate measures to safeguard its economic stability should these risks materialize.

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

The County Budget Review and Outlook Paper is prepared in accordance with Section118 of the Public Financial management Act, 2012, states that:

(1) A County Treasury shall:

(a) Prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and

(b) Submit the paper to the County Executive Committee by the 30th September of that year.

(2) in preparing its county Budget Review and Outlook Paper, the County Treasury shall specify (a) the details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;

(b) the updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;

(3) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission. (4) Not later than seven days after the County Budget Review and Outlook Paper is approved by the 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.

Responsibility Principles in the Public Financial Management Law

In line with the Constitution, the new Public Financial Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudency and transparency in the management of public resources.

The PFM law (Section 107(b)) states that:

1) The county government's recurrent expenditure shall not exceed the county government's total revenue

2) Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure

3) The County government's expenditure on wages and benefits for public Officers shall not exceed a percentage of the County government revenue as prescribed by the regulations.

4) Over the medium term, the County government's borrowings shall be used only for the

Purpose of financing development expenditure and not for recurrent expenditure

5) Public debt and obligations shall be maintained at a sustainable level as approved by County Government (CG)

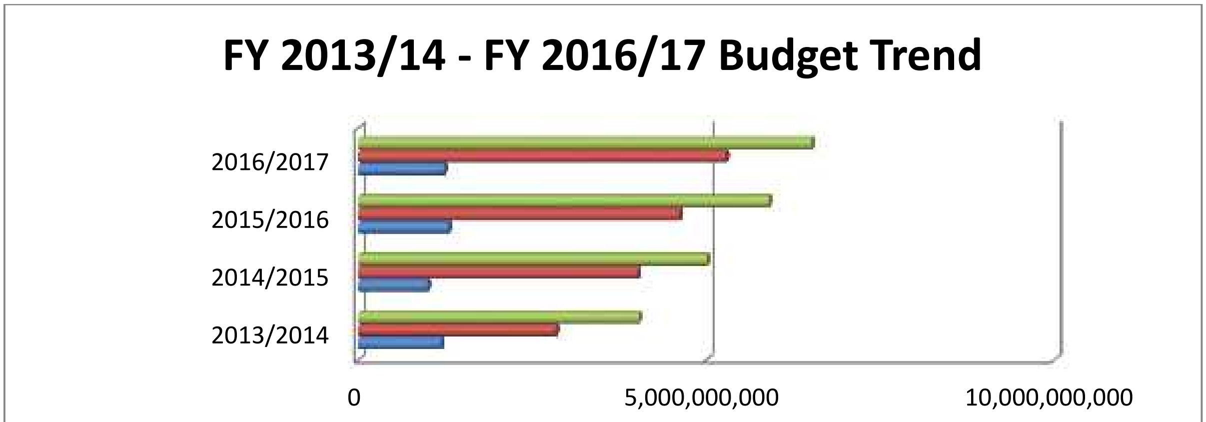
6) Fiscal risks shall be managed prudently

7) 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

Key Highlights

Chart 1: Annual Budget Trend (2013/14 -2016/17)



	2013/2014	2014/2015	2015/2016	2016/2017
Budget	4,027,493,342	5,012,341,436	5,901,775,981	6,511,437,735
Actual	2,837,391,101	4,013,402,477	4,613,254,282	5,282,701,131
balance carried forward	1,190,102,241	998,938,959	1,288,521,699	1,228,736,604

- ***Balance carried forward*** – Amounts related to rolled-over projects, revenue not received

Chart 2: Budget for FY 2016/17

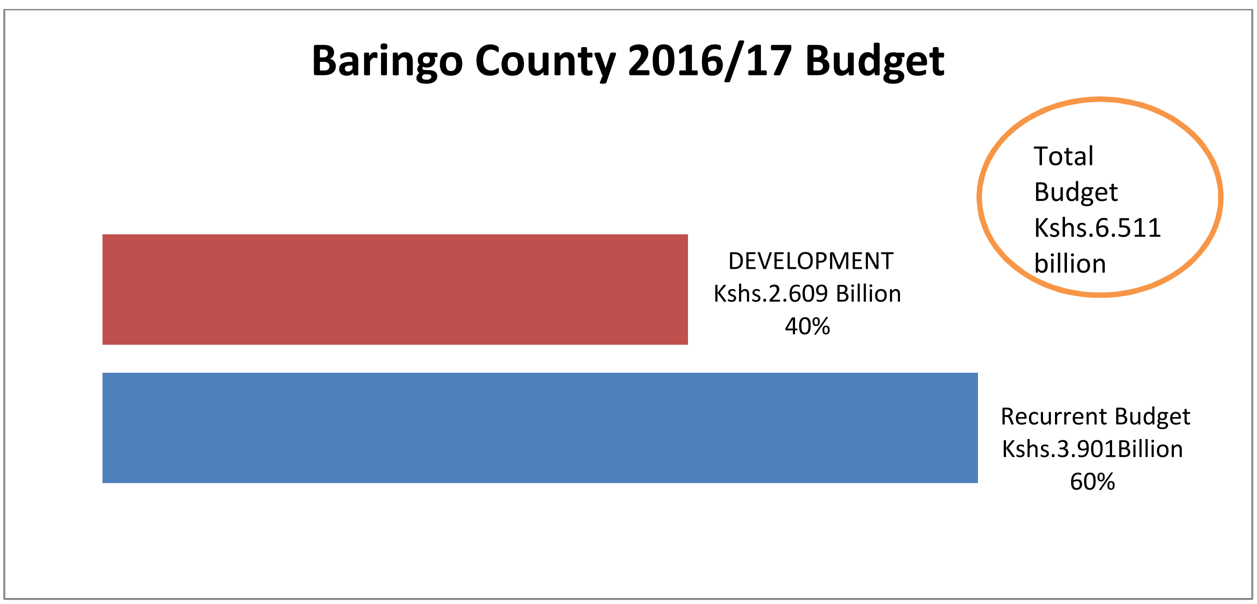
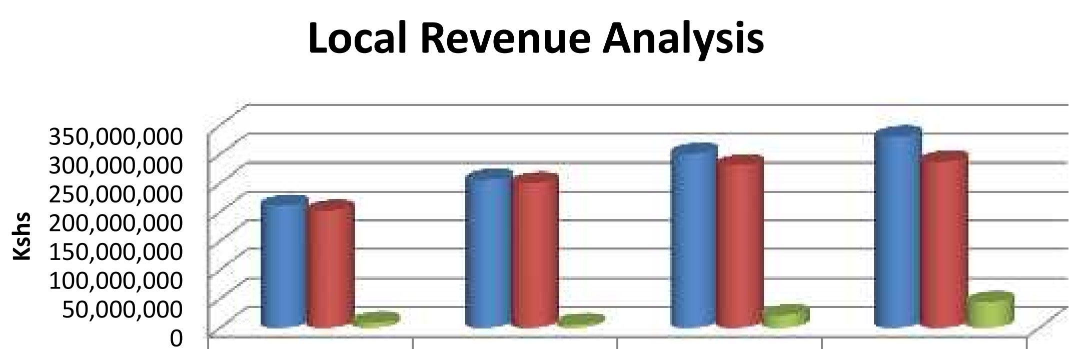
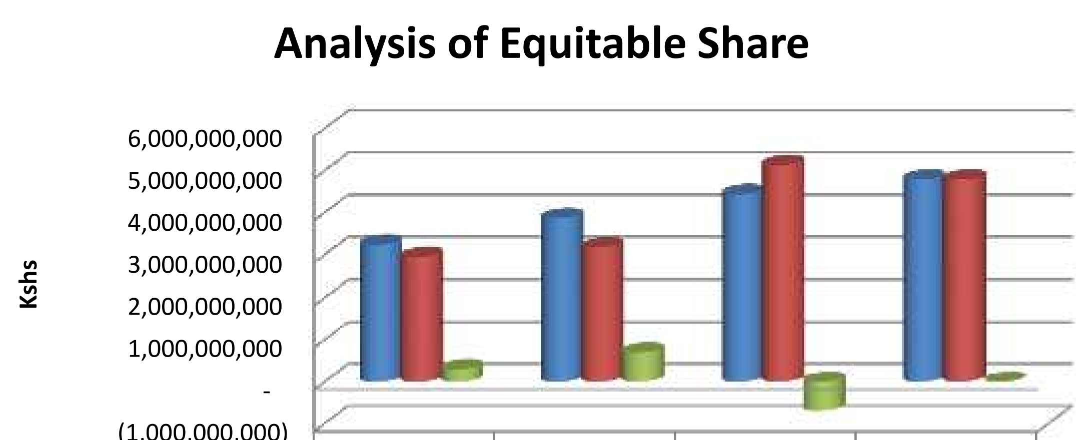


Chart 3: Annual Local Revenues



	2013/2014	2014/2015	2015/2016	2016/2017
Budget	210,000,000	255,000,000	300,000,000	330,000,000
Actual	201,519,603	249,723,429	279,736,551	286,546,866
variance	8,480,397	5,276,571	20,263,449	43,453,134

Chart 4: Equitable Share Trends



	2013/14	2014/15	2015/16	2016/17
Budget	3,247,937,841	3,874,911,817	4,440,576,026	4,791,438,190
Actual	2,950,935,465	3,177,427,690	5,138,060,153	4,791,438,190
balance caried forward	297,002,376	697,484,127	(697,484,127)	-

Chart 5: Overall revenue analysis for review period

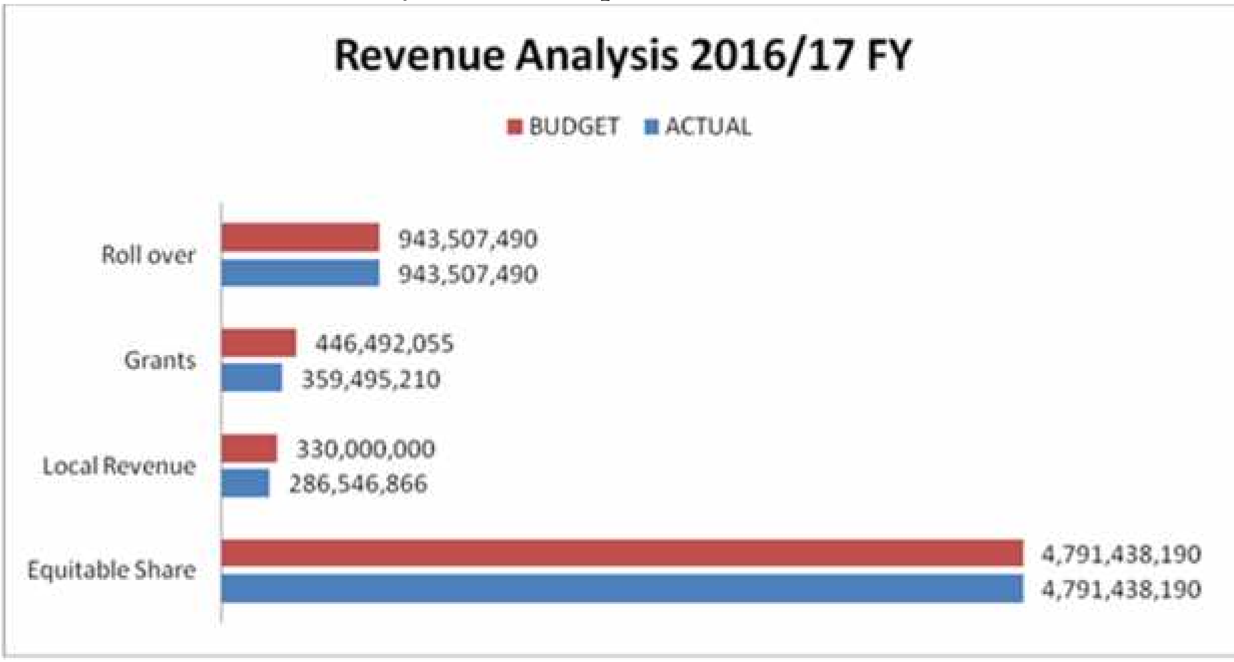
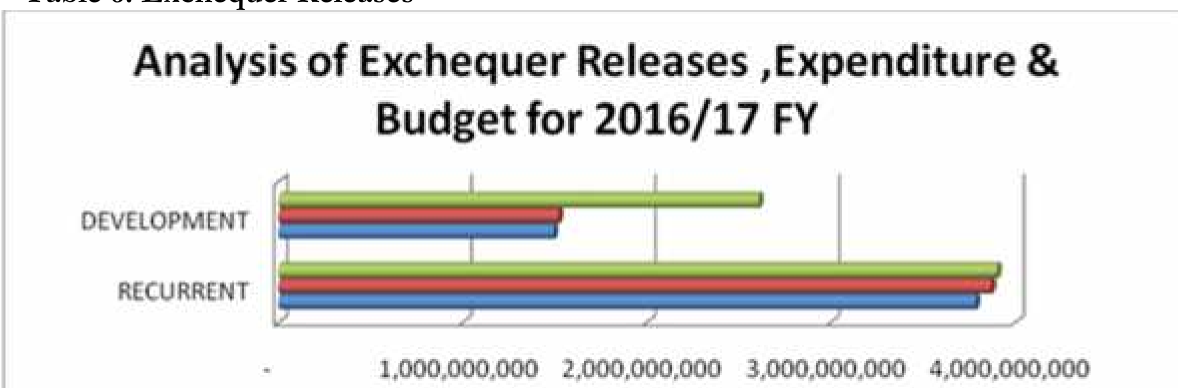
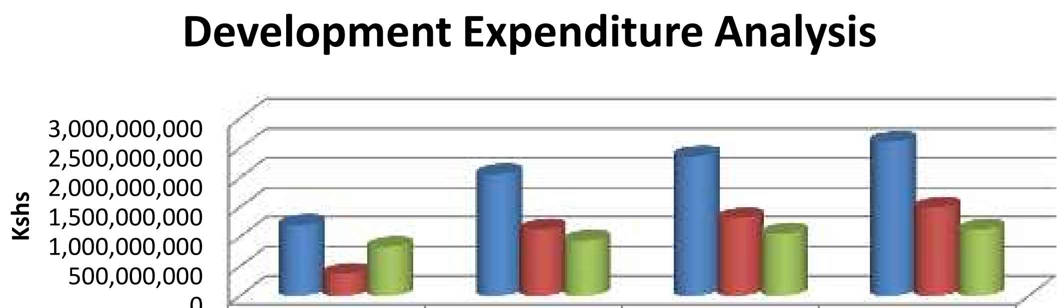


Table 6: Exchequer Releases



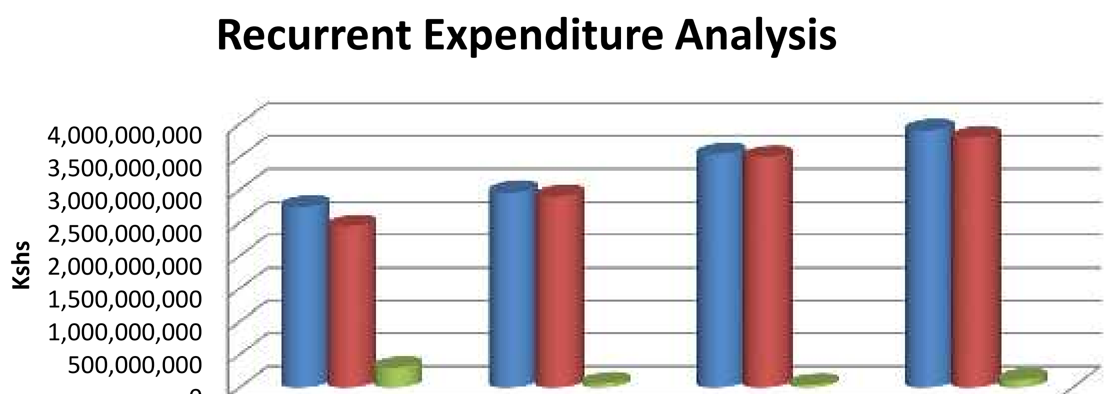
	RECURRENT	DEVELOPMENT
BUDGET	3,901,722,416	2,609,715,319
EXCHEQUER	3,871,597,655	1,521,501,244
EXPENDITURE	3,787,971,397	1,494,729,734

Chart 7: Development Expenditure Analysis for the Four Years



	2013/2014	2014/2015	2015/2016	2016/2017
Budget	1,193,708,731	2,051,774,651	2,360,893,835	2,609,715,320
Actual	366,484,041	1,115,663,103	1,310,357,631	1,494,729,734
variance	827,224,690	936,111,548	1,050,536,204	1,114,985,586

Chart 8: Recurrent Expenditure for the Four Years



	2013/2014	2014/2015	2015/2016	2016/2017
Budget	2,740,110,737	2,960,575,785	3,540,082,146	3,901,722,415
Actual	2,444,463,308	2,897,739,398	3,497,687,800	3,787,971,397
variance	295,647,429	62,836,387	42,394,346	113,751,018

Chart 9: Overall Expenditure Absorption Rate for FY 2016/17

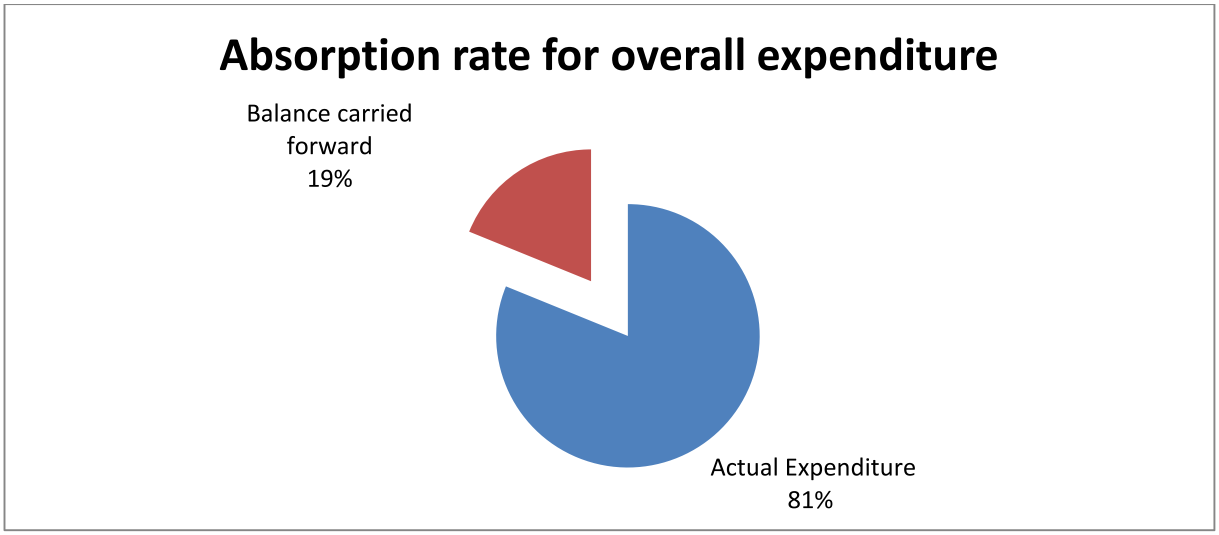


Chart 10: Overall Absorption for Development and Recurrent (Billion)

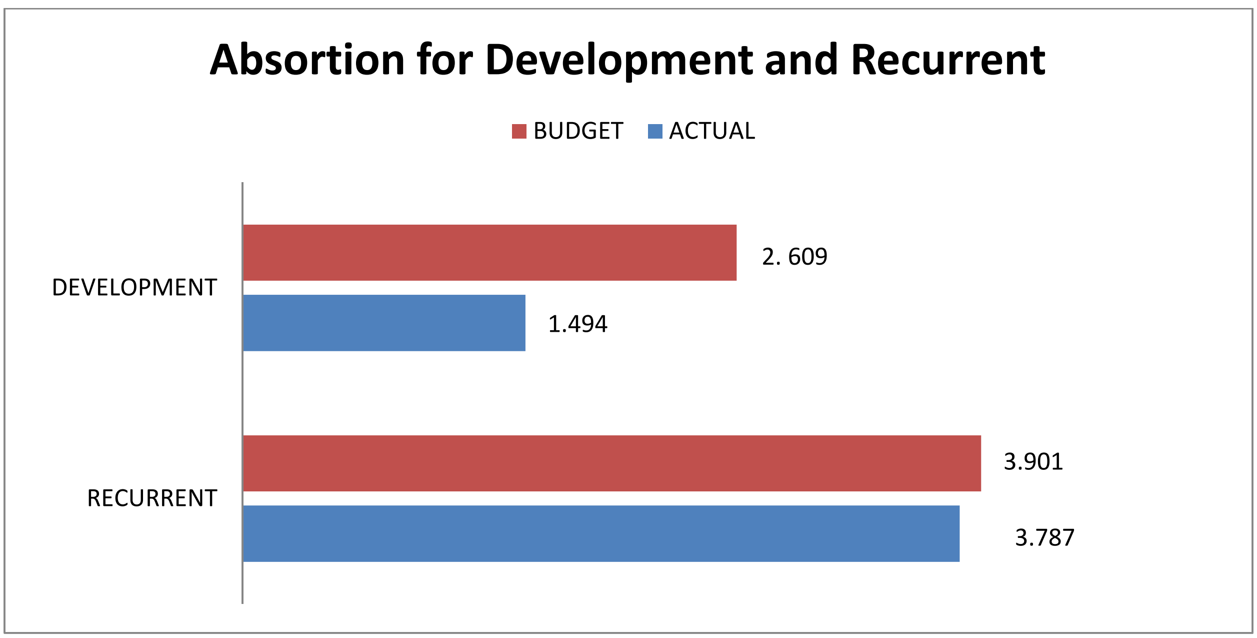


Chart 11: Overall Expenditure Analysis Per Department

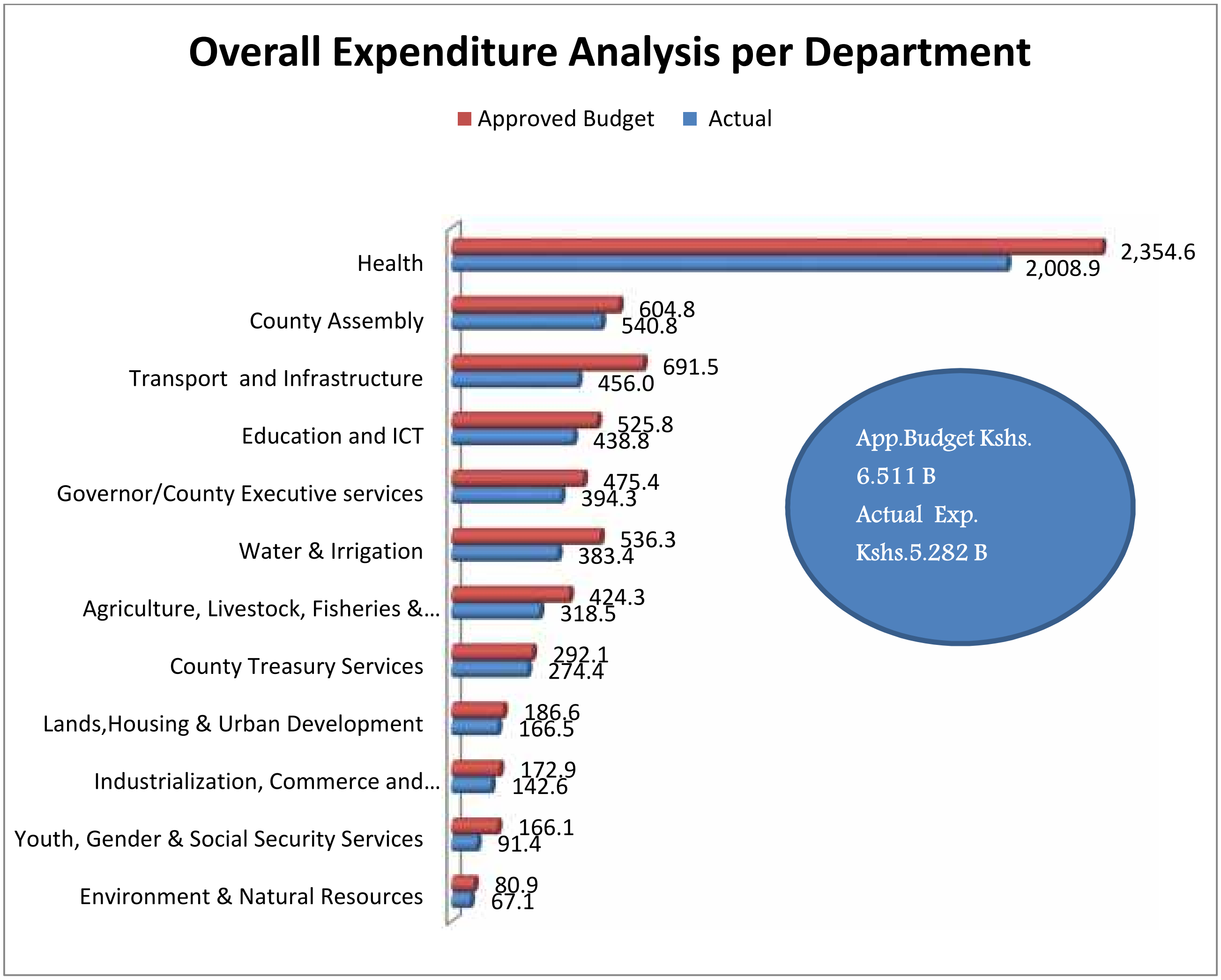


Chart 12: Development Summary for FY 2016/17

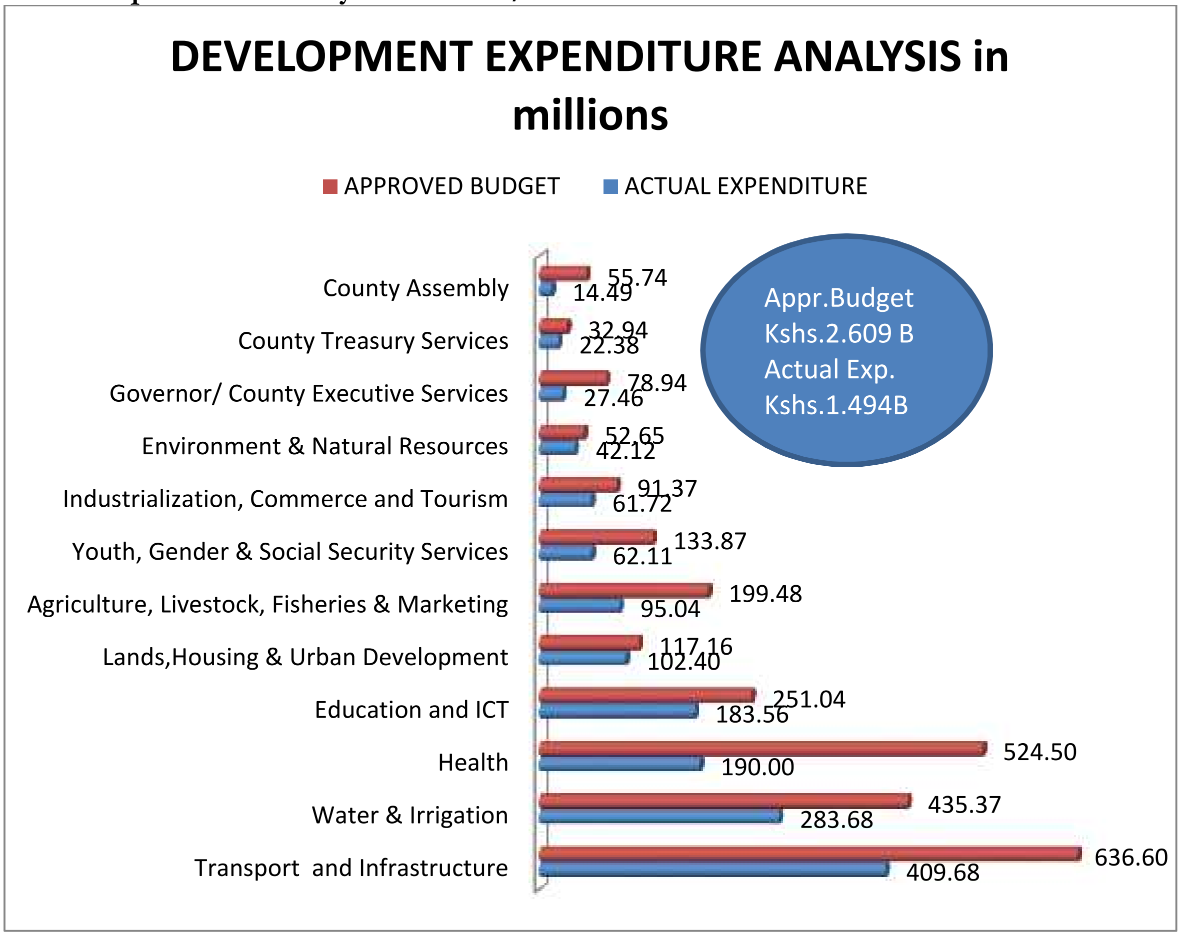


Chart 13: Analysis of Actual Recurrent Expenditure Vs Approved Budget 2016/17

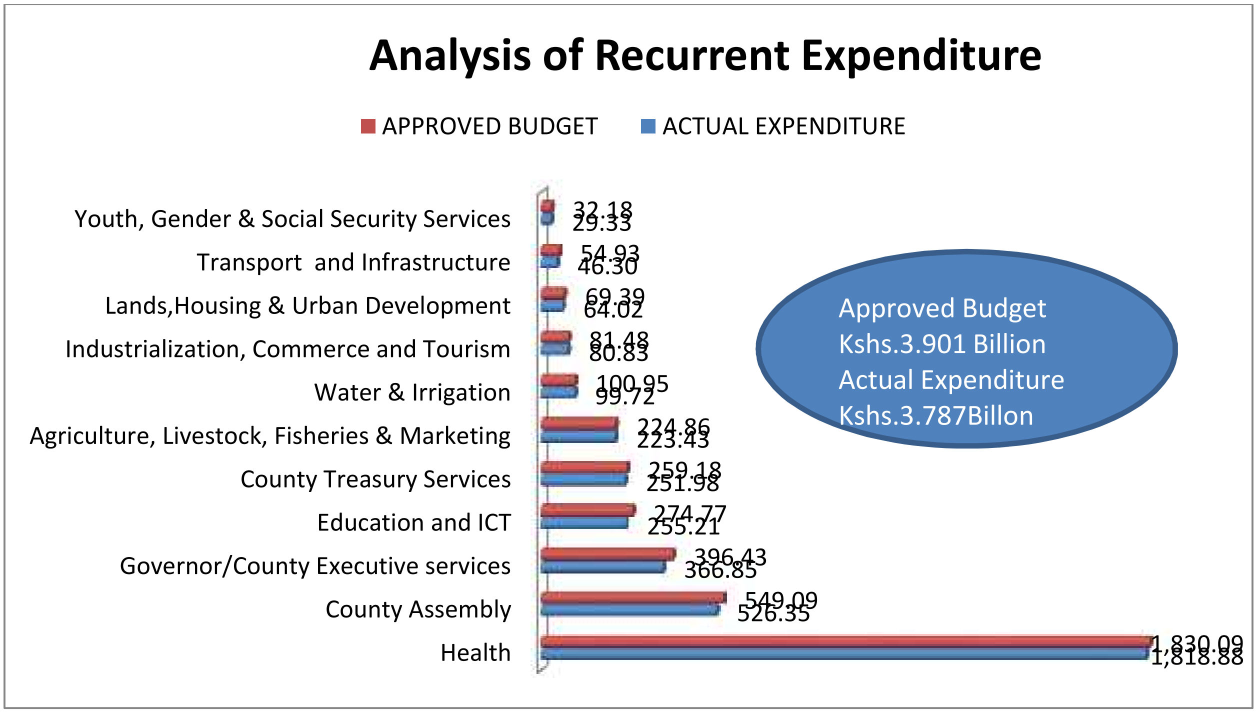
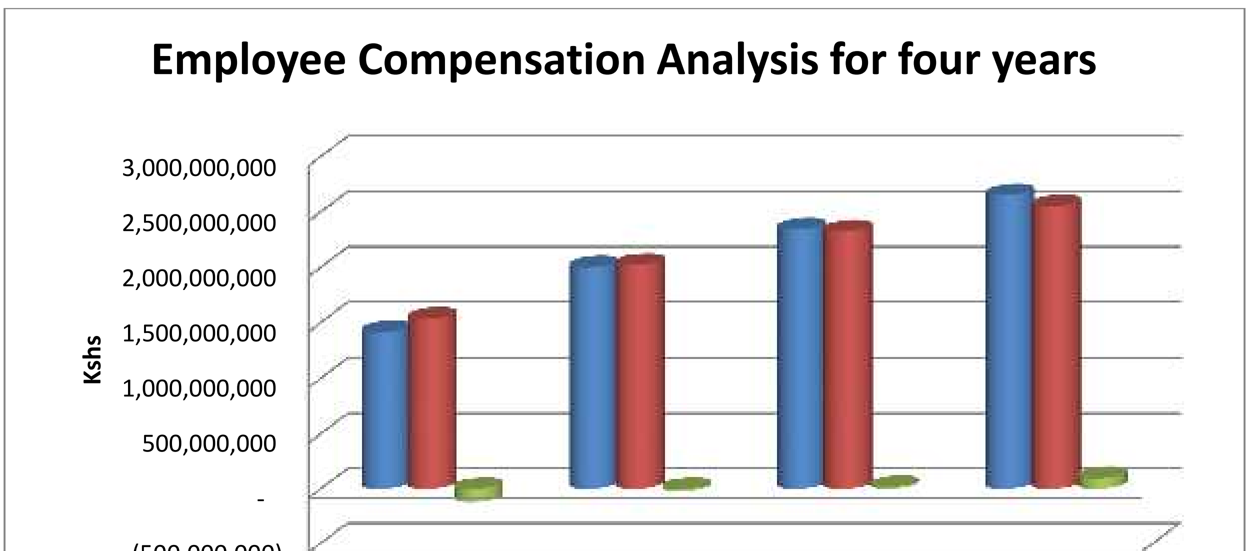
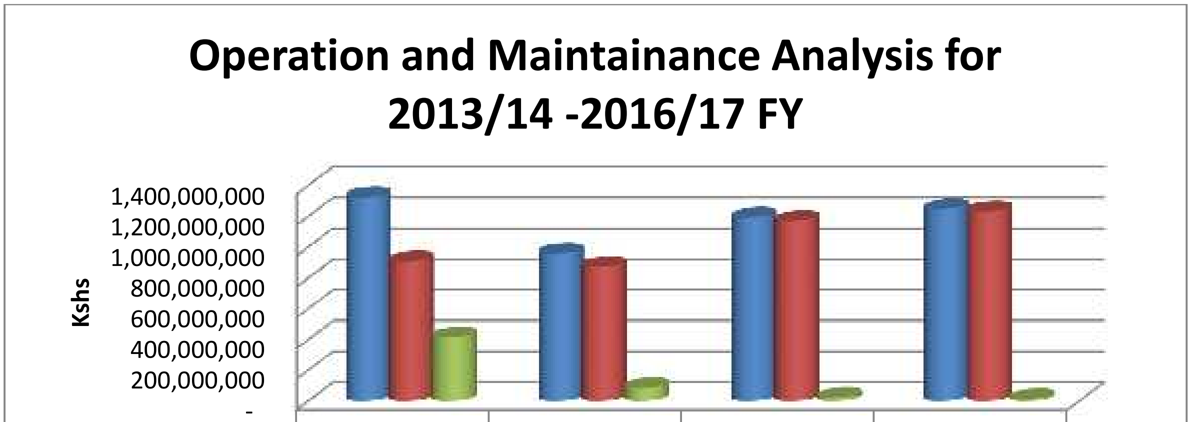


Chart 14: Employee Compensation Analysis for four years



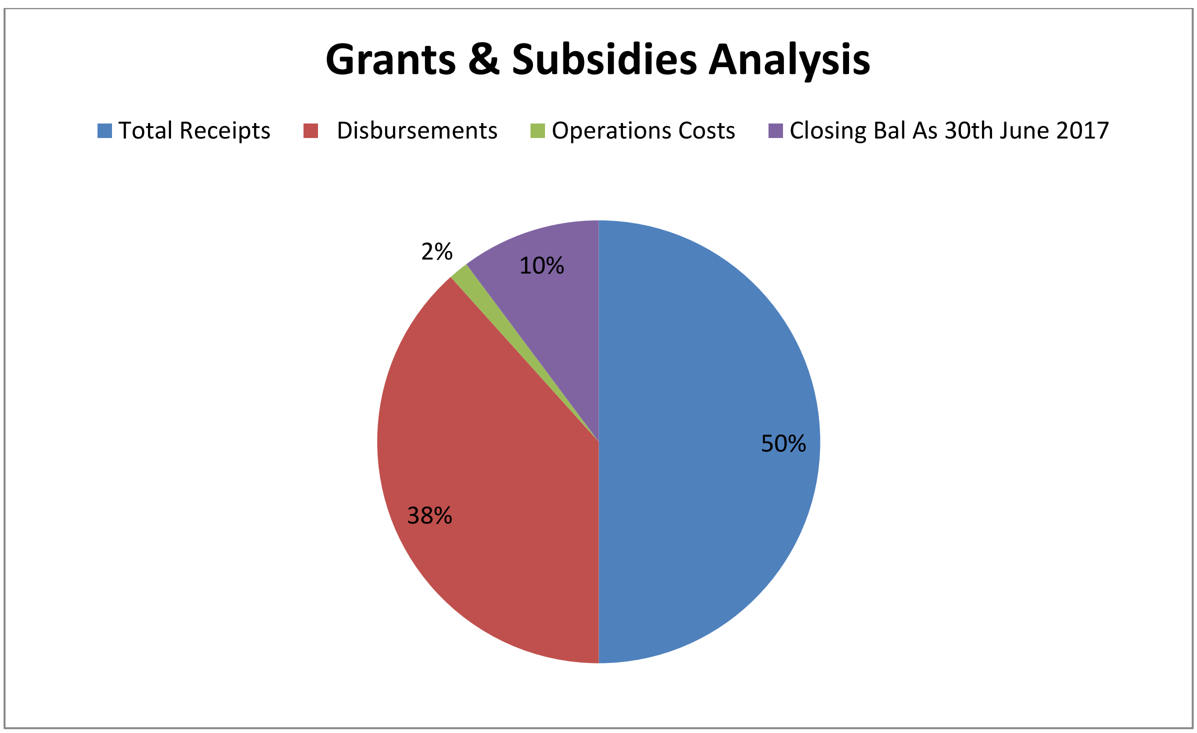
	2013/2014	2014/2015	2015/2016	2016/2017
Budget	1,414,085,435	2,000,424,346	2,345,936,233	2,651,572,740
Actual	1,535,626,757	2,022,272,998	2,326,232,231	2,552,788,425
variance	(121,541,322)	(21,848,652)	19,704,001	98,784,315

Chart15: Operations and Maintenance Analysis



	2013/2014	2014/2015	2015/2016	2016/2017
Budget	1,326,025,302	960,151,439	1,194,145,914	1,250,149,675
Actual	908,620,187	875,466,377	1,171,455,568	1,235,182,972
variance	417,405,115	84,685,062	22,690,345	14,966,703

Chart 16: Analysis of Grants and Subsidies



I. INTRODUCTION

Objectives County Budget and Outlook Paper

1. The main objective of County Budget Review and Outlook Paper is to provide a review of the previous fiscal performance and how it impacted on the financial objectives and fiscal responsibility principles as set out in the County Fiscal Strategy Paper (CFSP).

2. Other key objectives the are to:
   - Set the broad strategic priorities and policy goals that will guide the County government in preparing its budget for the coming financial year and over the medium term;
   - Highlight the financial outlook with respect to County government revenues, expenditures and borrowing for the coming financial year and over the medium term;
   - Assess the current financial year and the projected state of the economy for the succeeding three years; and
   - Set the indicative departmental ceilings
3. In essence, preparation of FY 2018/19 budget and medium term will be guided by this CBROP. This CBROP therefore, continues to analyze the revenue and expenditure in the implementation of the development agenda in 8 thematic areas as identified in 2014 CFSP as follows: Investing in reviving, maintaining and extension of existing irrigation schemes, water supplies and sanitation systems; Invest in key infrastructural facilities including- opening of rural access roads, improving existing rural and urban roads; Investing in quality, affordable and accessible (curative, preventive and rehabilitative) healthcare services; Investing in agricultural transformation; Promoting social programs and education; Creating conducive business environment; Working towards effective management of land, environment and natural resources/spatial planning and land banks for strategic developments; and Investing in county governance structures to enhance service delivery through building a competent, responsive and accountable county public service.
4. The 2017 CBROP projects the anticipated revenue and expenditure for the medium term as guided by the PFM Act, 2012. The projection sets in motion the budget preparation for the Fiscal Year 2018/19.

II. REVIEW OF FISCAL PERFORMANCE FOR FY 2016/17

Overview

5. During the period under review, county's approved budget estimates was Kes 6.521 billion which was revised downwards to Kes 6.511 billion. The revised estimates consisted of Kes 3.901 billion for recurrent and Kes 2.609 billion for development. The larger share of the revenue was from equitable share of Kes 4.791 billion which constituted 73.5 percent. Other revenues funds included: Maternal Health Care of Kes 83.230 million (1.28 percent); Medical Equipment of Kes 95.744 million (1.47 percent); HSSF DANIDA of Kes 12.985 million (0.2 percent), Compensation for user fees forgone of Kes 13.370 million (0.21 percent); Roads Maintenance Fuel Levy of Kes 73.620 million (1.13 percent); World Bank Support to Health of Kes 77.761 million (1.19 percent); Universal health Care Project of Kes 24.656 million (0.38 percent); Health workers Salary Remittance (Doctors) of Kes 65.124 million (1 percent); Local Revenue Source of Kes 330 million (5.07 percent) and Project Roll Over of Khs 943.507 million (14.49 percent).
6. The actual revenue received for the fiscal year was Kes 6.380 billion comprising of Kes 4.791 billion equitable share, Kes 252.266 million from grants, Kes 107.229 Health workers Salary Remittance (Doctors and nurses) Kes 943.507 million from rollover and Kes 286.546 million from County own revenue.
7. Over the review period, actual expenditure amounted to Kes 5.282 billion as compared to Kes 4.808 billion during the same period of FY 2015/16. This percentage increase was attributed by increase of health workers salary remittance. Of the total expenditure, Kes 3.787 billion was spent on recurrent, comprising of Personnel Emoluments of Kes 2.552 billion, Operations & Maintenance of Kes 1.235 billion and Kes 1.494 billion on development representing overall absorption of 81 percent.

Performance of Revenue

8. Revised revenue projection for the county was Kes 6.511 billion comprising of Kes 4.791 billion equitable share, Kes 381.368 million from grants, Kes 65.124 for health workers salary remittance, Kes 943.507 million rollover and own revenue of Kes 330 million. However, the actual revenue received was Kes 6.380 billion which was below the target by Kes 130.449 million. This shortfall of revenue target is explained by Kes 95.744 million from medical equipment, Kes 21.506 million from Maternal Health Care and Kes 43.453 million from own revenue collection. Additional revenue was received from HSSF DANIDA of Kes 12.805 million and Kes 42.105 million for health workers salary remittance for nurses as shown in Table 1.
9. Locally collected revenue was Kes 286.546 million against a target of Kes 330 million, an increase of 7.229 million from the previous fiscal year.

   Compared to the previous years, there has been gradual increase in own revenue from Kes 201.519 million, Kes 249.723 million and Kes 279.317 in FY 2013/14, FY 2014/15 FY and FY 2015/16 respectively as in Table 2. This improvement is attributed to adoption of policies geared towards revenue enhancement measures including automation of revenue system, strong internal control systems as well as setting up of good business working environment for trade through construction and upgrading of markets and sale yards, street lighting and cabro works in major towns among others.

10. The shortage in local revenue collection during the 2016/17 fiscal year was due to drought situation which prevailed in the entire county from the month of September 2016 to June 2017 which affected livestock markets. Insecurity also affected both livestock trading and tourism sector particularly in the three sub counties of Baringo North, Baringo South and Tiaty. Further, geopolitical situation in the period under review affected revenue collection enforcement.

Table1: Revenue Trends and MTEF Projections

	2014/15	2015/16		2016/17		2017/18	2018/19	2019/2020	2020/2021
Revenue	**budget**	**Approved Budget**	**Actual**	**Approved Budget**	**Actual**	**Approved Budget**	**Projection**		
Total Equitable /Grants Revenue	4,756,541,436	5,600,975,981	5,464,764,400	6,181,437,735	6,094,440,890	6,438,334,345	5,744,294,874	5,998,946,947	6,273,634,822
Conditional Allocation Free Maternity	-	65,759,400	51,262,500	83,230,118	61,724,000	-	-		
Leasing Of Medical Equipment	-	95,744,681	-	95,744,681	-	95,744,681	95,744,681	95,744,681	95,744,681
HSSF DANIDA -Health facilities	23,790,000	25,970,000	-	12,985,000	25,790,000	12,820,885	12,820,885	12,820,885	12,820,885
Loans And Grants(WHO)	73,673,500	-	-	-	-	31,707,536	33,292,913	31,707,536	31,707,536
World Bank Support To Health Facilities	-	17,224,300	17,224,300	77,761,278	77,761,278	94,210,000	98,920,500	94,210,000	94,210,000
Compensation For Use Fees Forgone	-	12,950,107	12,950,107	13,370,516	13,370,516	13,191,000	13,850,550	13,191,000	13,191,000
Salary Remittance (Doctors)	-	-	-	65,124,000	65,124,000	-	-	-	-
Salary Remittance (Nurses)	-	-	-	-	42,105,000	-	-	-	-
Universal Health Care	-	-	-	24,656,046	-	54,243,300	54,243,300	54,243,300	54,243,300
Roll Over Funding	784,166,119	886,341,385	886,341,385	943,507,490	943,507,490	950,144,898	-	-	-
Roads Maintenance Fuel Levy Fund	-	56,410,082	56,410,082	73,620,416	73,620,416	130,725,000	130,725,000	130,725,000	130,725,000
C & P Grant	-	-	-	-	-	40,839,509	40,839,509	40,839,509	40,839,509
Development of Youth Polytechnics	-	-	-	-	-	31,707,536	31,707,536	31,707,536	31,707,536
EU Grant Devolution Advice and Support	-	-	-	-	-	66,000,000	66,000,000	66,000,000	66,000,000
Equitable Share	3,874,911,817	4,440,576,026	4,440,576,026	4,791,438,190	4,791,438,190	4,983,000,000	5,232,150,000	5,493,757,500	5,768,445,375
Local Revenue	255,800,000	300,000,000	279,317,203	330,000,000	286,546,866	350,139,102	371,147,448	393,416,295	417,021,273
Total Revenues	**5,012,341,436**	**5,900,975,981**	**5,744,081,603**	**6,511,437,735.00**	**6,380,987,756.00**	**6,788,473,447**	**6,115,442,322**	**6,392,363,242**	**6,690,656,095**

Table 2: County Own Revenue Trends and Projections

	BARINGO COUNTY GOVERNMENT									
	PROJECTED LOCAL REVENUE FOR THE MTEF									
No		2013/2014	2014/2015	2015/2016	2016/2017		2017/2018	2018/2019	2019/2020	2020/2021
	Sources	Actual (Kes)	Actual (Kes)	Actual(Kes)	Actual (Kes)	Approved Budget (Kes)	Approved Budget (Kes)	Projections (Kes)		
1	Game Park Fees	69,456,838	54,429,063	44,298,390	62,320,050	67,820,432	72,228,760.08	76,562,485.68	81,156,234.83	86,025,608.92
2	Animal Stock Sale Fees	7,497,705	9,928,000	15,258,665	11,812,060	20,110,246	21,316,860.76	22,595,872.41	23,951,624.75	25,388,722.23
3	Produce & Other Cess	18,374,372	32,385,244	48,506,214	36,985,511	48,016,320	50,897,299.20	53,951,137.15	57,188,205.38	60,619,497.70
4	Single Business Permit	31,737,095	35,722,947	38,098,248	32,366,030	40,086,128	42,491,295.68	45,040,773.42	47,743,219.83	50,607,813.02
5	Plot Rent/ Rates	15,127,880	17,317,051	16,744,873	12,916,819	21,780,288	23,087,105.28	24,472,331.60	25,940,671.49	27,497,111.78
6	Market Fees & Others	29,184,504	30,303,827	37,215,442	35,942,724	40,225,197	42,638,708.82	45,197,031.35	47,908,853.23	50,783,384.42
7	Koibatek ATC	-	7,404,056	2,893,400	2,282,212	3,996,043	4,235,805.58	4,489,953.91	4,759,351.15	5,044,912.22
8	Marigat AMS	-	4,159,189	3,930,042	934,745	7,197,410	7,629,254.60	8,087,009.88	8,572,230.47	9,086,564.30
9	Public Health	570,900	1,136,942	2,157,105	4,080,680	3,388,924	3,592,259.44	3,807,795.01	4,036,262.71	4,278,438.47
10	Veterinary	266,320	1,200,000	1,158,190	11,601,340	1,285,835	1,362,985.10	1,444,764.21	1,531,450.06	1,623,337.06
11	Hospital Revenue	29,303,991	55,737,110	69,475,982	75,304,695	76,093,177	80,658,767.62	85,498,293.68	90,628,191.30	96,065,882.78
	TOTAL	**201,519,605**	**249,723,429**	**279,736,551**	**286,546,866**	**330,000,000**	**350,139,102.16**	**371,147,448.29**	**393,416,295.19**	**417,021,272.90**

Overall Expenditure Performance

11. During the period under review, the county's revised budget was Kes 6.511 billion from initial approved budget of Kes 6.521 billion, inclusive of balance brought forward from development as rollover fund of Kes 943.507 million from FY 2015/2016. However, from the overall budget, Kes 3.901 billion was allocated to finance recurrent and Kes 2.609 billion for development operations.
12. The cumulative expenditure for the period under review was Kes 5.282 billion which was below target of Kes 6.511 billion by Kes 1.228 billion representing 81 percent overall absorption rate, this is illustrated in **Annex2.**
13. The recurrent and development expenditures for the review period was Kes 3.787 billion and Kes 1.494 billion respectively implying that utilization of recurrent was 97.3 percent and 57 percent on development allocation.
14. The recurrent expenditure of Kes 2.552 billion representing 48 percent of the total budget was used to finance employee compensation as per attached staff establishment in Annex 6 while Kes 1.235 billion representing 22 percent of the total budget was spent on operations and maintenance.
15. As at the end of period ending 30th June 2017, total actual recurrent expenditure was Kes3.787. The departments of health services and county assembly accounted for the highest expenditure of 48 percent and 13.9 percent respectively, while county executives spent 9.7 percent, the department for treasury and economic planning and education and ICT each accounted for 6.7 percent.
16. Analysis of development outlay indicates that the department of transport and infrastructure accounted for the largest absorption share of 27.4 percent, followed by the department of water and irrigation at 19.4 percent. Other departments of health and education and ICT each had, 12.7 percent and 12.3 percent respectively. Details of various departmental expenditures for the FY 2016/17 are provided in Table 3 below.
17. Analysis of grants and Subsidies in the year under review shows an opening balance of Kes 90,286,486, with a total receipts of Kes,192,439,901. The total amount disbursed during the review period amount to Kes, 147,633,529 with high operation cost of Kes, 5,568,120 . Ref:Annex 6.
18. Total receipts for Emergency fund was Kes 40,959,018 with a disbursement of Kes 40,462,053 with an operation expenditure of Kes, 23,658. Lake Bogoria Community Grant received Kes 6,,708,819 and managed to disburse Kes, 4,253,551 with an operating expenditure of Kes, 978,774. Cooperatives Fund received a total of Kes, 10,388,595 and managed to disburse Kes, 8,000,000 with an operating costs of Kes, 528,174. Small and Medium Entreprises receipts amounted to Kes, 12,627,035 and disbursement of Kes, 8,028,150 with an operation expenditure of Kes, 1,466,405.
19. Commmunity Wildlife Conservancy Fund received a total of Kes 4,554,696 and managed to disburse Kes 3,188,000 with an operating expenditure of Kes 1,361,320 which was among the highest expenses in the funds. Bursary Fund had receipts of Kes 48,232,407 and disbursed Kes 44,935,175 with an operating expenditure of Kes 585,130. Executive Mortgage Scheme had a receipt of Kes, 23,551,389 and managed to disburse Kes, 23,150,000 with an operation expenditure of Kes, 660.

20. Executive Car Loan Scheme had receipts of Kes 18,396,484 and it managed a disbursement of Kes 3, 430,000 and operion expenditure of Kes 660. People Living with Disability and Youth and Women Groups Funds received Kes 12,387,559 and Kes, 14,633,899 respectively and disbursement was Kes 4,486,600 and Kes 7,700,000 respectively. Operation expenditure was Kes 256,047 and Kes 367,293 respectively for the two funds.

Table 3: Absorption Rates

Department	**Recurrent**		**Development**	
	Actual	**%**	**Actual**	**%**
County Assembly	526,356,675.80	13.9	14,497,190.30	1
Governor/County Executive Services	366,853,111.70	9.7	27,460,360.45	2
County Treasury Services	251,988,760.55	6.7	22,385,531.00	1
Transport and Infrastructure	46,307,616.70	1.2	409,683,453.20	27
Industrialization, Commerce and Tourism	80,833,110.60	2.1	61,728,258.00	4
Education and ICT	255,213,109.15	6.7	183,562,941.40	12
Health	1,818,885,586.65	48.0	190,007,739.00	13
Lands, Housing & Urban Development	64,026,105.05	1.7	102,437,752.05	7
Agriculture, Livestock, Fisheries & Marketing	223,439,504.00	5.9	95,048,470.10	6
Youth, Gender & Social Services	29,333,681.90	0.8	62,110,192.00	4
Water and Irrigation	99,726,463.00	2.6	283,682,022.80	19
Environment & Natural Resources	25,007,671.85	0.7	42,125,823.80	3
GRAND TOTAL	**3,787,971,396.95**	**100.0**	**1,494,729,734.10**	**100**

Table 5: Overall Expenditure per Department

DEPARTMENT	Budget	Expenditure	(%)
County Assembly	604,842,190	540,853,866	89.4
Governor/County Executive Services	475,381,261	394,313,472	82.9
County Treasury Services	292,130,403	274,374,292	93.9
Transport and Infrastructure	691,536,822	455,991,070	65.9
Industrialization, Commerce and Tourism	172,865,495	142,561,369	82.5
Education and ICT	525,821,618	438,776,051	83.4
Health	2,354,602,004	2,008,893,326	85.3
Lands, Housing & Urban Development	186,560,453	166,463,857	89.2
Agriculture, Livestock, Fisheries & Marketing	424,342,079	318,487,974	75.1
Youth, Gender & Social Services	166,056,261	91,443,874	55.1
Water and Irrigation	536,325,196	383,408,486	71.5
Environment & Natural Resources	80,973,952	67,133,496	82.9
GRAND TOTAL	6,511,437,735	5,282,701,131	81.1

Departmental Performance

A. County Assembly

21. The county assembly comprises of the Speaker's office, clerk and county assembly members. Their main objective is to provide oversight role and enact relevant legislations.
22. During the fiscal year, the county assembly was allocated Kes 604.842 million to finance its operations consisting of Kes 549.094 million for recurrent and Kes 55.747 million for development operations. However, the county assembly overall expenditure amounted to Kes 540.853 million, this was 89.4 percent absorption rate.
23. Out of the recurrent budget, Kes 315.17 million was allocated to finance employee compensation but the County Assembly spent Kes 292.432 million. On the other hand, the entity utilized Kes 233.924 million on operations and maintenance. Overall, Percentage absorption on recurrent was 95.9 percent.
24. Of the kes. 55.74 Million allocated for development thew department absorped Kes. 14.49 Million representing an absorption of 26 percent

B. Administration and Governance

25. The Department is comprised of the following sections: Office of the Governor, Office of the Deputy Governor, County Secretary, County Public Service Board and sub county administration. The overall mandate of the department is to provide leadership in the county's governance and development.
26. The department was allocated ksh 475.381 million for its operations consisting of Kes 396.438 million and Kes 78.942 million for recurrent and development expenditure respectively. During the review period, actual recurrent expenditure and development expenditure was Kes.366.853 million and Kes 27.46 million respectively which represented 82.9 percent absorption rate.
27. From the recurrent expenditure of Kes 366.853 million, Kes 155.798 million was spent on employee compensation and Kes 211.054 million spent operations and maintenance. This represented 92.5 percent absorption rate of its allocation.
28. Of Kes. 78.94 million allocated for development the department utilized Kes. 27.46 Million representing 35 percent absorption.
29. The department managed to deliver the following: Mapping of county hazards and publication of county hazards map, Construction of 12 wards Offices 2 in each sub-county, Cabro Works at the Governor's office, formulation and adoption of DRM policy and Agriculture policy, Formulation and adoption of DRM policy and Agriculture policy, Carried out a gender analysis survey in partnership with WFP and a lead consultant contracted by WFP and disseminated the survey findings to different levels of county officers, Carried out civic education civic education forums in all sub county with over 20,000 people reached on various issues ranging from devolved system of governance to The Constitution.
30. Challenges experienced during implementation of the fiscal year include inadequate funding to support programme implementations, disaster emergencies especially cattle rustling, floods and droughts with county having little resources to respond to while largely depending

    It is therefore highly recommended affirmative action to be taken to empower the county's administration and management systems including sub-county administration, enforcement and compliance and other units offering essential coordination services. Also, continuous training and staff development is a right and a requirement towards equipping and empowering staff to provide optimum service delivery thus the need for an affirmative action in budgeting on employees training and motivation

C. County Treasury and Economic Planning

31. The county treasury department has five divisions, that is: Administration and Revenue, accounting, Audit, Supply Chain Management and Budget and Planning. The main function of the department is to manage county funds as stipulated in the public finance management Act, 2012 as well as to manage revenue from local and National Governments' sources including grants and loans.
32. The departments' allocation in the fiscal year was Kes 292.130 million consisting of Kes 259.185 million for recurrent and Kes 32.945 million for development expenditure. During the period, the department's expenditure was Kes 274.374 million representing 93.9 percent absorption.
33. From the total expenditure, recurrent amounted to Kes 251.988 million to finance both employee compensation and operations and maintenance at a cost of Kes 136.222 million and Kes 115.765 million respectively, representing 97.2 percent absorption rate. The development expenditure indicates that Kes 22.385 million was spent against allocated budget of Kes 32.945 million representing absorption rate of 68 percent which was below the target by Kes 10.559 million.

D. Department of Transport and Infrastructure

34. This department is in charge of provision of road infrastructural facilities for sustainable economic growth and development through maintenance of existing road networks and opening up rural areas. During the financial year, the department was allocated Kes 691.536 million to finance its operations, development being allocated Kes 636.604 million and recurrent Kes 54.932 million.
35. Out of this allocation, departments' expenditure stood at Kes 455.991 million representing 65.9 percent absorption. Of Kes. 54.932 Million recurrent expenditure Kes 41.165 Million was allocated to employee compensation and Kes. 13.766 Million was allocated to operations and maintenance. Of the Kes 46.307 million spent on reccurent Kes 32.54 million was spent on employee compensation and Kes 13.766 million incurred for operation and maintenance representing a total recurrent absorption of 84.3 percent
36. On development expenditure, the department spent Kes 409.683 Million representing 64 percent.
37. The department was able to undertake the following: Opening up of 389 Km, gravelling 30km of road network and maintaining 100 km of road network, improved 0.6 Km to bitumen standard, 2 number of footbridges constructed and 4 number street and floodlights installed.
38. During project implementation, the department encountered a number of challenges which affected the speed and the quality of the output. These challenges include: thinly distribution of funds to many projects, lengthy, Procurement processes and Weather patterns which also affected the implementation plan.
39. To overcome the challenges, the following measures should be adopted: Funding allocated to high impact projects/programmes, procurement be done in time to allow projects be done timely to avoid the rainy seasons and also a budget for emergency be introduced to assist during the season and to achieve quality works contractors need to be informed more about road construction and training from KRB team.

E. Department of Industrialization, Commerce, Tourism and Enterprise Development

40. The Department comprises of five sections: Industrialization, Commerce, Tourism, Wildlife, Cooperatives and Small & Medium Enterprises (SMEs).
41. The departments' Mission is to promote, co-ordinate and implement integrated socio-economic policies and programs for a rapidly industrializing economy through: Promotion and creation of enabling environment to facilitate growth in trade, commerce, enterprise development and industrialization; million promote good governance and effective management of Cooperative Societies and develop and exploit tourism potential in the County
42. The sector was allocated a total of ksh. 172.865 million consisting of Kes.81.488 million and Kes. 91.377 million for recurrent and development expenditure respectively. During the review period, the actual expenditure was Kes 142.561 million representing 82.5 percent. On recurrent and development expenditure Kes.80.833 million and Kes 61.728 million were spent respectively. This repsents an aborption of 99.2 and 68 percent on recurrent and development respectively.
43. Out of the recurrent expenditure, Kes 57.848 million was spent on employee compensation and Kes 22.984 million for operations and maintenance against a target of Kes 57.848 million and Kes 23.64 respectively.
44. The department achieved the following: Landscaping Tenges Market site, Refurbishment of Koriema Aloe Factory, Costruction of 7 Boda Boda, Construction of Kabarnet and Marigat Market and Stalls, Support to Co-operative societies and Supported Small and Micro Enterprises through loans to 111 traders worth Kes 8 million and Maintenance of National reserves road networks
45. Challenges to the department are not limited to: Phenomenal rise of water levels in all Rift Valley Lakes from 2013 to 2014; destruction of hotels/lodges dispensaries, schools, roads and households, Frequent Advisory bans by the foreign Embassies, Road infrastructure and tourism facilities aging and in dilapidated condition and loan to coops limited to 1M to one society per sub-county per year.
46. There is need to establish marketing unit within the department, hastening the construction of abattoirs in Barwessa, Loruk and Maoi and commencing slaughter of goats and cows for value addition and Enhanced capacity building to strengthen corporate Governance

F. Education and ICT Department

47. The department consists of three (3) sections, namely Vocational Education & training (VET), Information Communication Technology (ICT) and Early Childhood Development Education (ECDE).
48. The mandate of the department is to provide funds required for the development of the necessary infrastructure for the institutions of basic education and training used for conducting preliminary education, child care facilities, home craft centres and vocational training centres.
49. In the FY 2016/2017, the department was allocated Kes 525.821 million for its operations which consisted of Kes 274.774 million recurrent allocations and Kes 251.047 million for development operation. But during the period the department total expenditure was Kes 438.776 million representing 83.4 percent absorption rate.

50. The actual recurrent expenditure comprised of Kes 212.353 million for employee compensation and Kes 42.859 million for operation and maintenance against an allocation of Kes 231.807 million and Kes 42.966 million respectively. This represents a total absorption rate of 92.9 percent. Similarly, the the actual development expenditure was Kes 183.562 million representing 73 percent of the total development allocation.
51. The department was able to achieve the following: Constructed 113 ECDE classrooms, constructed polytechnic 2 hostels and 1 hostel at Lelian ECDE College and equipped with assorted tools, dispersed a total of Kshs 30 million for bursaries, bought and distributed furniture to 120 ECDE centers and developed feeding programme policy.
52. Challenges affecting implementation include limited staff in the vocational training centers, lack of office space in the sub counties for ECDE coordinators, Lack of mobility for assessing ECDE and vocational training centers and allocation of few funds to project causing inefficiency.
53. Going forward, there is need to allocate funds satisfactorily to ensure that there is efficiency and effectiveness in project and to implementation. Opening of new centres should be determined by data with the input of the technical team.

G. Health Services

54. The sector plays a key role in the prevention of disease, provision of curative and rehabilitative services. The County has a total of 201 health facilities comprising 6 hospitals, 167 primary care facilities and 29 community units. During the fiscal year the department was allocated Kes 2.354 billion for both recurrent and development. Kes 1.830 billion was allocated to finance recurrent and Kes 524.501 million for development.
55. During the period under review, the department spent a total of Kes 2.008 billion representing 85.3 percent absorption rate. On recurrent expenditure Kes 475.368 million was spent for operations and maintenance while Kes 1.343 billion was spent on employee compensation. This implies that Kes. 1.818 Billion was spent on recurrent representing 99.4 percent.
56. Of the total allocation of Kes. 524.501 Million on development expenditure Kes 190.007 Million was spent representing 36 percent absorption.
57. The ultimate goal of the County Government is Investing in quality, affordable and accessible (curative, preventive and rehabilitative) healthcare services through infrastructural development towards upgrading of Kabarnet and Eldama Ravine County hospital to a level five and five Sub-county hospitals to level 4, equipping existing hospitals and health centres as well as ensuring continuous supply of drugs and other non-pharmaceuticals.
58. The key objects of the sector are to promote access to quality and affordable curative health care services and to deliver preventive and promotive health care services. The sector also strives to achieve efficiency and effectiveness in health care delivery through appropriate health management systems so as to promote excellence in service delivery.
59. Under promotion of access to quality and affordable curative health care services program, the department has continued: Upgrading rural health facilities, Equipping of health facilities, Supporting and maintenance of the transport system, Enhance disease surveillance and response, Scale up community health strategies/activities, Roll down of CLTS and WASH activities,

Support of nutrition activities, Improve maternal and child health, Improve the quality of life of people living with HIV, Improve TB treatment rate as well as elimination of NTDs.

H. Department of Agriculture, Livestock Development and Fisheries

60. The agricultural department comprises of the following four sections: agriculture; livestock development; fisheries development; and veternary. Its Mission is to improve livelihoods through promotion of competitive agriculture, innovative research, growth of a viable cooperatives sub sector.
61. The department was allocated Kes 424.342 million out of which Kes 224.861 million and Kes 199.480 million for recurrent and development activities respectively. During the period, total expenditure was Kes 318.487 million repsenting 75.1 percent absorption rate. Kes 223.439 million was spent on recurrent representing a total absorption rate of 99.4 percent while Kes 95.048 million was spent development representing 48 percent absorption.
62. Investing in agricultural transformation, the department was able to complete Kitchen and Dining Hall-ATC Koibatek, Completion of borehole and Construction of Storage Tank-Water harvesting at ATC, Renovation of 26 self-contained contained rooms, Support cooperative on Construction of Coffee Mill, Support farmers in Fruit tree development, Soil Sampling and Testing Services (development of soil fertility) the department also Purchased of Green houses, coffee seeds, Macadamia seedlings, Jiko liners and solar cookers for demonstrations, Purchase of extension training materials including GIS equipment. It also undertook Gulley protection (Menonin), Lomet agricultural Protection site, Fencing and planting trees at Kaptalai, Construction of Kresteswo agricultural site, Purchase of water Pumps for Kolowa Irrigation Scheme, Completion of Kewangoi Farmers Store, Construction of ATC Guest House.
63. Under Livestock Upgrading Program, the sub sector has invested in construction of Kimalel goat auction, Procurement and distribution of pasture seeds, Procurement and distribution of beehives, accessories and packaging materials, Procurement and distribution of 15,000 day old chicks for poultry upgrading and support farmers on construction of a milk processing plant and Support farmers on construction of a milk processing plant and Counter funding for EU IDEAS project.

I. Department of Youth, Gender, Labour, Sports, Culture, Social Security and Services

64. The department's aspiration is to make a cohesive, secure, socially, culturally and economically empowered community that seeks to enhance a better living for its people.its mission is to maximize the full potential of Baringo community through participatory engagements that will safeguard the rights and welfare of all.
65. The department was allocated Kes 166.056 million during the fiscal year out of which Kes 32.185 million was allocated to recurrent whereas Kes 133.870 million was allocated for development activities. During the period, the expenditure for the department was Kes 91.443 million which represented 55.1 percent absorption rate.
66. During the review period, actual recurrent expenditure amounted to Kes 29.333 million which represented 91.1 percent absorption rate. Of this recurrent expenditure, Kes 11.980 million was spent on employee compensation whereas Kes 17.353 million was spent on operations and maintenance.

67. Of the total allocation of Kes. 133.87 Million on development Kes. 62.11 Million was spent representing 46 percent.
68. Undertook training on entrepreneurship to the youth, women and persons with disability as well as youth talent search and development, Supported sports activities and Disbursement of youth, women fund and grants for PWDs and the Elderly
69. There is need to facilitate the units in the department to undertake their functions exhaustively since it is the key department responsible with addressing socio-cultural and economic issues affecting the society.

J. Department of Environment and Natural Resources

70. The department of environment and natural resources manages the diverse landscapes and renewable natural resources for the people of the County in a manner that supports a healthy environment.
71. The department's programme is categorized into; environmental conservation and management and natural resource conservation and management.
72. The overall objectives of the programmes is to; (i) ensure a clean, healthy and protected environment for sustainable future of the people of Baringo County; and (ii) conserve and manage the existing ecosystem functions while providing benefits to the society.
73. The sector was allocated a total of Kes 80.973 million for its operations consisting of Kes 28.32 million and Kes 52.651 million for recurrent and development operations respectively. During the review period actual expenditure was Kes 67.133 million representing 82.9 percent absorption for the department. The total recurrent and development expenditure was Kes 25.007 million and Kes 42.125 million respectively. This represented absorption rate of 88.3 and 80 percent on recurrent and development respectively. From the recurrent expenditure, Kes 17.262 million was spent in employee compensation and Kes 7.745 million on operations and maintenance.

K. Department of Water and Irrigation

74. The department comprises of the following section: water and irrigation and related research and development. The department is mandated with the responsibility of water resource development for irrigation and to enhance access to clean and affordable water services
75. During the period, expenditure was Kes 383.408 million against allocated budget of Kes 536.325 million representing 71.5 percent absorption rate.
76. The recurrent expenditure amounted to Kes 99.726 million which was spent on employee compensation and operations and maintenance each amounting Kes 50.603 million and Kes 49.123 million respectively. The recurrent expenditure had 98.8 percent absorption rate. However, development expenditure was Kes 283.682 million which was below target by Kes 151.692 million representing absorption rate of 65.2 percent.
77. The department achieved the following: Rehabilitation of 81 water supplies was undertaken, Construction of 7 number weirs, Construction of 19 number water pans, Construction of 7 Irrigation infrastructures out of which 3 are complete and 4 are ongoing, Drilling and equipping of 13 boreholes, operationalized and maintenance of 25 existing water systems, Installation of 81

roof catchment structures and Investigation Planning and Design of 108 water and irrigation infrastructure.

78. **Challenges and Recommendations**

a) Below normal rainfall, over pumping resulting in frequent breakdowns, aging pumping equipment
b) Delay in project preparation and design
c) Delay in funding from the donor
d) Insecurity in parts of Tiaty
e) Low Funding from JICA
f) Inadequate Community Management

L. Department of Lands, Housing and Urban Development

79. Land is the foundation upon which all economic activities are based; hence its effective management is paramount for social, economic and political development. Its mision is to promote, co-ordinate and implement integrated socio-economic policies and programs in the management of lands, Housing and Urban Development within Baringo County.
80. The department was allocated Kes 186.560 million out of which Kes 69.396 million was allocated to finance recurrent operations and Kes 117.163 million was allocated for development activities. During the review period, total expenditure was Kes 166.463 million comprising Kes 64.026 million and Kes 102.437 million for recurrent and development expenditures respectively. This represented 89.2 percent absorption rate. Of the recurrent expenditure, Kes 42.648 million was spent on employee compensation whereas Kes 21.377 million spent on operations and maintenance.
81. Lands department initiated the preparation of Integrated Urban Development Plan for Kabarnet Town, prepared of ten (10) development plans for trading centres, cadastral, Land adjudication, acquisition of modern survey equipment – 1RTK machines, improvement of parking lots/carbro works and walkways(Approx.12,000M2) in Kabarnet and Eldama Ravine Towns, improvement of 3 km drainage system within Kabarnet town, installation of approximately Street lighting in Kabarnet and Eldama Ravine Towns, opening of 4km access roads in Kabarnet town and Road parching in Eldama ravine town.
82. While carrying out project implementation, the department has been encountering a number of challenges including insecurity in some project areas, staff shortage and lack of utility/field operation vehicle to be used by planning and survey sections.
83. In order to further improve on service delivery, there is need of purchasing at least one field operation vehicle for physical planning and survey works, recruitment of more technical staff (Physical Planners And Surveyors) and for towns and civic education on land related issues to reduce the cases of land disputes and conflicts. In addition, there is need to establish sub-county physical planning and survey units to enable easier implementation of projects at the lowest level and resolution of land related disputes.

III. MEDIUM TERM FISCAL PERFORMANCE AND PROJECTIONS

84. This section highlights the assumptions that can affect the implementation process, performance on revenue and expenditure and looks at the Fiscal Responsibility Principles that will guide the future projections.

Assumptions

During the medium term fiscal framework, it is expected that:

- National economy will grow at a steady growth rate of more than five percent;
- Timely release of audited financial statements and approved by the National Assembly on time resulting in increased equitable share;
- County assembly approval of budgets within the legal framework;
- Normal weather pattern during the year favouring agriculture;
- Improved investor confidence through partnerships;
- There will be peace in the county during and after elections;
- Inflation will be expected to remain low and stable;
- Oil prices and exchange rate will be expected to remain stable;
- The County expects to continue receiving conditional grants;
- The revenues assumed to grow steadily over the medium term;
- Donor funds through MOUs with donors will continue
- The wage bill will be maintained or reduce to the recommended rate
- Strategy on flagship project implementation will reduce operations and maintenance

IV. FISCAL PERFORMANCE FOR FY 2016/17 IN RELATION TO FISCAL RESPONSIBILITY

85. The fiscal performance in the FY 2016/17 affected the financial objectives set out in the 2016 County Fiscal Strategy Paper (CFSP) and the Budget for FY 2017/18 in the following ways: The local revenue collected was less than the set target of Kes 330 milion. The actual realised revenue collection was Kes 286.546 million.
86. The under-spending in development budget for the FY 2016/17 additionally will have implications on the base used to project expenditures in the FY 2017/18 and the medium term. The reasons for the deviations from the financial objectives include: lower than projected revenue collection; and slow uptake of development allocation in the FY 2016/17.
87. To remedy future deviations, the fiscal outlook will focus on reforming enhancing revenue administration systems to enhance revenue yields, promote compliance and facilitate private sector growth and development. Revenue projections will remain on upward trajectory in line with the initial projections taking into account improved security, enhancement of revenue measures and taking into account that the assumptions mentioned above remain constant.
88. The equitable share is also expected to increase based on approval of the audited accounts. Local own revenue is also expected to be on upward trend based on improved security, implementation of valuation roll, opening of new revenue streams,enhancement of revenue measures and taking into account that the assumptions mentioned above remain constant.

89. The overall revenue collection during the fiscal year was lower than projected estimates of Kes 330 million by Kes 43.453 million. This was attributed by travel advisories which mainly affected revenues from tourism,plot rent/rates. As compared to the previous years, own revenue has been improving from Kes 201.51 million in FY 2013/14, Kes 249.72 million in FY 2014/15 and Kes 279.7 million in FY 2015/16. This local revenue is further expected to rise to Kes. 350 million in 2017/18 financial year. To achieve this, the county will focus in enhancing revenue systems and embark on infrastructure development of game parks which is the main source of revenue.
90. Towards achievement of the revenue target of FY 2017/18, the County Treasury is expected to properly rollout the implementation of Finance Act, 2017 and implementation of other subsidiary legislation of Property Rates Bill and Alcohol Bill which will significantly improve revenue collection. This will need more public participation forums through civic education for compliance.
91. Equitable share has been on a rising trend from Kes. 3.247 billion in FY 2013/14 to Kes 3.874 billion in FY 2014/15, Kes 4.440 in FY 2015/16 and Kes 4.791 billion in FY 2016/17and expect to rise to Kes 4.983 billion in 2017/18.
92. In addition, implementation pace in the spending units continues to be a source of concern especially with regard to the development expenditures. To improve on this slow absorption rate of project/programme implementation, the county has put in place various measures. These measures include close monitoring of programme/project implementation while observing high standards of accounting processes and implementation of monitoring and evaluation framework. Other measures include reducing the number of projects implemented and adopt high impact projects within a plan period.

Fiscal Responsibility Principles

93. In line with the Constitution, the Public Finance Management (PFM) Act, 2012, and in keeping with the prudence and transparent management of public resources, the County Government adhered to the fiscal responsibility principles on development expenditure as set out by law.

Budget Implementation of the financial year 2016/17

94. Implementation of 2016/17 budget took off with slow pace attributed by reduction of the allocated funds by division of Revenue Allocation and the passage of a bill by national assembly and the senate that increased the recurrent allocation to the county assembly. Preliminary outturn indicates that the expenditure by mid September 2016 had not commenced due to delays in passage of appropriation bill by the county assembly.

IV. RECENT NATIONAL ECONOMIC DEVELOPMENTS AND OUTLOOK

Overview

95. The Kenyan economy continues to register robust growth despite the slower global and regional economic slowdown due to its diversified nature. The economy grew by 5.8 percent in 2016 up from 5.7 percent in 2015. The improved growth is a reflection of our economy's resilience, effectiveness of macro-economic stabilization policies and growing dividends of massive public investment in infrastructure. The vibrant and dynamic private sector has also contributed to this resilience. In 2017, the economy is projected to expand by 5.5 percent,

but growth could be lower if the on-going drought persists and the slowdown in private sector credit is not reversed.

96. The economy continues to register macroeconomic stability with low and stable interest rates and competitive exchange rate to support exports. The short term interests have remained fairly stable and low oscillating around the Central Bank rate (10 percent), reflecting sufficient liquidity in the market. The monthly inflation has remained within the target up to the month of January 2017 when the effect of the drought was felt in food prices and hence the rising of inflation from 9.0 percent in February 2017 to 11.7 percent in May 2017. However, the recent rains and interventions by the Government are expected to provide some relief.
97. Kenya's external position has strengthened supported by a narrower current account deficit. Current account deficit narrowed to 6.18 percent of GDP in March 2017, supported by improved export earnings from tea and horticulture, reduced oil import bill and resilient diaspora remittances. The narrowing of the current account deficit together with strong capital inflows has ensured a stable Kenya Shilling exchange rate allowing the accumulation of international reserves. The foreign exchange market has also been relatively stable despite volatility compared with the East African currencies.
98. The Government's prudent macroeconomic policies have helped us anchor the conditions for strong and stable growth. The fiscal policy has also ensured checks and balances in the management of public resources to foster more transparency and accountability, while our monetary has ensured stabilized interest rates and inflation broadly within policy target range.

Macroeconomic Outlook/Real GDP Growth

99. The macroeconomic framework underpinning the FY 2017/18 budget takes into account the global economic performance and the domestic risks including the effects of drought in most parts of the country. The macroeconomic outlook for the FY 2017/18 therefore, points to a continued robust growth, sharply lower fiscal deficits, contained inflation within target range and a gradual improvement in the external current account balance.
100. Real GDP is projected to expand by 5.7 percent in FY 2016/17, 5.9 percent in FY 2017/18, 6.3 percent in FY 2018/19 and 6.6 percent by FY 2019/20. This growth will be supported by on-going investments in infrastructural development, resilient domestic demand, continued recovery in the tourism sector and growth of exports to the sub region. In addition, the growth will be supported by structural reforms aimed at improving competitiveness of the private sector and promoting overall productivity in the economy.
101. The growth profile also accommodates the strategic objectives as outlined in the draft Third Medium Term Plan (2017-2022) of the Vision 2030, considering progress made in the implementation of key projects and the on-going strategic interventions outlined in the our Economic Transformation Agenda. Specifically, we will continue to create a conducive business environment for job creation, invest in sectoral transformation to ensure broad-based growth, invest in infrastructural development, invest in quality and accessible health care services and education, and consolidate the gains made in devolution.

102. To anchor macro stability, our fiscal policy will continue to efficiently apply the limited resources on priority programs with the highest impact on the stated objectives, but within a medium term framework of sustainable debt and strong financial position. On the other hand, the monetary policy stance will aim to maintain overall month-on-month inflation rate within the Government's target range of 2.5 percent on either side of 5.0 percent target and ensure that movements in the short-term interest rates support the objective of price stability.

103. Kenya's external position is projected to strengthen over the medium term supported by a narrower current account deficit due to a slowdown in consumer imports, improved earnings from tea and horticulture exports and the resilient diaspora remittances.

104. The fiscal policy strategy will involve gradual reduction of fiscal deficits, with a focus on higher revenues to protect growth, enhance public investments and social spending, and ensure the continued sustainability of our debt. In this regard, in the FY 2017118, it is projected that the fiscal deficit will decline to about 6.1 percent of the GDP from the revised estimate of 10.2 percent in the FY 2016/17. The sharp decline in the deficit reflects reduced expenditures owing to the non-recurring one-off expenditures mainly those related to the General Election and the drought mitigation. Over the medium term, the fiscal deficit is expected to narrow t05.1 percent of GDP by 2019/20 which will further lower our debt-to-GDP ratio.

Overall inflation

105. Overall month on month inflation declined to 9.2 percent in June 2017 from 11.7 percent in May 2017. The decline in June, 2017 was largely on account of significant decline in prices of key food items following improved weather conditions and Government policy interventions on maize and milk. Fuel prices also decreased during the period on account of reductions in fuel pump prices. On average, the annual inflation rate increased to 8.1 percent in June 2017 compared to 6.5 percent in the same period in 2016.

106. The economy continues to register macroeconomic stability with low and stable interest rates and competitive exchange rate to support exports. The short term interests have remained fairly stable and low oscillating around the Central Bank rate (10 percent), reflecting sufficient liquidity in the market. The monthly inflation has remained within the target up to the month of January 2017 when the effect of the drought was felt in food prices and hence the rising of inflation from 9.0 percent in February 2017 to 11.7 percent in May 2017. However, the recent rains and interventions by the Government are expected to provide some relief.

107. Kenya's external position has strengthened supported by a narrower current account deficit. Current account deficit narrowed to 6.18 percent of GDP in March 2017, supported by improved export earnings from tea and horticulture, reduced oil import bill and resilient diaspora remittances. The narrowing the current account deficit together with strong capital inflows has ensured a stable Kenya Shilling exchange rate allowing the accumulation of international reserves. The foreign exchange market has also been relatively stable despite volatility compared with the East African currencies.

108. The Government's prudent macroeconomic policies have helped anchor the conditions for strong and stable growth. The country’s fiscal policy has also ensured checks and balances

in the management of public resources to foster more transparency and accountability, while our monetary policy has ensured stabilized interest rates and inflation broadly within target range.

Interest Rates

109. The short term interest rates have remained fairly stable and oscillated around the 10 percent Central Bank Rate (CBR). The interbank rate declined to 4.8 percent in June 2017 from 4.9 percent in May 2017 reflecting ample liquidity in the interbank market, while the 91-day Treasury bill rate also declined to 8.4 percent from 8.7 percent over the same period. The 182 day and the 364 day Treasury Bills averaged 10.3 percent and 10.9 percent, respectively in June and May, 2017.

110. Lending rates in the banking industry declined to 13.6 percent in June 2017 which is below the maximum lending rate now at 14.0 percent as per the Banking (Amendment) Act, 2016 while the deposit rate averaged 7.0 percent over the same period. The developments in the lending and deposit rates have resulted to the narrowing of the interest rate spread which was at 6.6 percent in June 2017. In addition, as a result of the new Act, Kenya has the lowest lending rate among the East African countries

Exchange Rates

111. The Kenya shilling exchange rate has continued to display relatively less volatility compared with the East African currencies and depreciated by 2.3 percent for the period June 2016 to June 2017. The stability of the Kenya shilling exchange rate reflected resilient receipts from tea and horticulture despite lower export volumes due to adverse weather conditions in the first quarter of 2017. Additionally, receipts from tourism, coffee exports and Diaspora remittances remained strong.

112. The Kenya shilling exchange was Ksh 103.5 against the dollar in June 2017 from Ksh 103.3 against the dollar in May 2016. Against the Sterling Pound and the Euro, the exchange rate averaged to Ksh 132.5 and Ksh 116.2 in June 2017 from Ksh 133.5 and Ksh 114.9 in May 2017, respectively.

V. MEDIUM-TERM EXPENDITURE FRAMEWORK

113. Going forward, and in view of the recent macroeconomic circumstance and limited resources, MTEF budgeting will entail adjusting non-priority expenditures to cater for the priority sectors. Resource allocation will be based on the new County Integrated Development Plan (2018-2022) and its updated Annual development Plans within the MTEF period.

114. Reflecting the above medium-term expenditure framework, Annex 6 below provides the tentative projected ceilings for the MTEF, classified per Sub Sector.

Budget framework for FY 2018/19

Revenue projections

115. The 2018/19 budget targets revenue of Kes 6.115 billion of which Kes.371.147 million will be from local revenue sources, Kes. 578.144 million Grants and Kes 5.232 billion will be from equitable share. This revenue is expected to rise to Kes 6.205 billion and Kes. 6.515 billion in the FY 2019/20 FY and FY 2020/21.

Expenditure Forecasts

116. In FY 2018/19, overall expenditure is projected to rise from approved estimates of Kes 5.567 billion in the FY 2016/17 to Kes. 6.233 billion. The expenditure trends is further expected to rise to Kes 6.529 billion in FY 2019/20 and Kes 6.840 billion in FY 2019/20. The FY 2017/18 approved estimate is Kes 5.966 billion composed of development and recurrent allocations of Kes 1.870 billion and Kes 4.095 billion respectively. The total recurrent expenditure for FY 2017/18 has Kes 2.735 billion and Kes 1.359 billion will be for compensation of employees and operation and maintenance respectively.

117. Expenditure projections for operations and maintenance for the MTEF period is expected to reduce over time as indicated in **table 4 below**. Similarly, compensation of employees is projected to be Kes 2.954 billion, Kes 3.190 billion and Kes. 3.446 billion in FY 2018/19, FY 2019/20 and FY 2020/21 respectively. On the other hand, development expenditure is projected to be on upward trends as indicated the table below.

Table 4: Projected Expenditure Trends

Projected Expenses For The MTEF									
	2013/14	**2014/15**	**2015/16**	**2016/17**					
	Actual	**Actual**	**Actual**	**Actual**	**Budget**	**Approved Budget 2017/2018**	**Projection 2018/2019**	**Projection 2019/2020**	**Projection 2020/2021**
Total Recurrent Expenditure	**2,444,246,944**	**2,897,739,375**	**3,497,687,800**	**3,783,103,248**	**3,901,722,415**	**3,982,977,595**	**4,239,070,911**	**4,440,119,284**	**4,651,371,503**
Employee Compensation	1,535,626,757	2,022,272,998	2,326,232,231	2,552,771,759	2,651,572,740	2,735,740,385	2,954,599,616	3,190,967,585	3,446,244,992
Operation and Maintenance	908,620,187	875,466,377	1,171,455,568	1,230,331,489	1,250,149,675	1,247,237,210	1,284,471,295	1,249,151,699	1,205,126,511
Total Development	**393,144,156**	**1,115,663,103**	**1,310,357,631**	**1,464,675,867**	**1,666,207,829**	**1,709,133,259**	**1,994,856,899**	**2,089,467,898**	**2,188,880,707**
Development expenditure	393,144,156	1,115,663,103	1,310,357,631	1,464,675,867	1,666,207,829	1,709,133,259	1,994,856,899	2,089,467,898	2,188,880,707
Total Expenditure	**2,837,391,100**	**4,013,402,478**	**4,808,045,431**	**5,247,779,115**	**5,567,930,244**	**5,692,110,854**	**6,233,927,810**	**6,529,587,182**	**6,840,252,210**

Risks to the Outlook

118. Risks to the outlook emanate from both external and from within. The external risks to the economic growth projected include, any unfavorable structural changes by advanced economies, continued uneven and sluggish growth in advanced and emerging market economies as well as falling commodity prices that may have a negative impact on our exports and tourism activities. Further, the uncertainty in the global markets due to potential tightening of US monetary policy and consequent increase in the US interest rates, Britain's vote to exit the European Union and persistent geopolitical uncertainty on the international oil markets may have an impact on our economy.

119. Domestically, the national economy is exposed to risks including any occurrence of adverse weather conditions, public expenditure pressures especially recurrent expenditures pose a fiscal risk and any inefficiency in spending government resources that may lower impact of development expenditure. The repeat of the presidential elections also poses risk to the growth as the resources have to be availed for the exercise and may mean foregoing some programmes. The country may also experience the possibility of slowed economic activity as investors hold-back awaiting the conclusion of the elections.

If the anticipated risks materialize, macro framework and medium term ceilings shall be revised.

120. Public expenditure pressures particularly wage related recurrent expenditures, continue to pose fiscal risks. Impacts of insecurity on tourism and general economic performance as this will directly affect the investor confidence in the country and beyond.

RECOMMENDATION AND CONCLUSIONS

121. The PFMA, 2012 stipulates that a county treasury to prepare a fiscal framework for the next financial year which lays ground for preparing the budget estimates as well as prioritization of resource allocation. In this regard, the 2018/19-2020/21 MTEF presented in this CBROP is developed while taking into consideration key County Government's priority policies outlined in the County Integrated Development Plan (CIDP), Sector plans, Annual Development Plan and Third Medium Term Plan towards realization of Vision 2030.

122. Therefore, SWGs should carefully consider detailed costing of programmes/projects in addressing county strategic objectives. The sector ceilings annexed herewith will guide the Sector Working Group (SWGs) in rolling out preparation of 2018/19 budget. It is critical to note that SWGs and respective department as well as involvement of key stakeholders in prioritizing and allocating resources based on prioritized programs earmarked for 2018/19 but within the CBROP projections.

123. For effective budget implementation, enhanced capacity building will be carried out as well as development of systems for monitoring and evaluation to be used by all relevant entities. This will ensure that resource are utilised effectively and efficiently towards improvement of livelihoods of the residents.

124. Going forward, the county shall ensure faster project execution through implementation of monitoring and evaluation policy, use of integrated M&E soft ware and adherence to procurement plan. The monitoring and evaluation framework has been rolled and that sub county and county steering committees will engage various entities in executing development activities and provide timely feedback. When these processes are implemented by all key players, then roll over development fund will be expected to reduce significantly.

venue Against Budget - 2016-2017

	Approved Budget	Actual
enue	**6,181,437,735**	**6,094,440,890**
ernity	83,230,118	61,724,000
	95,744,681	-
	-	-
s	12,985,000	25,790,000
	-	-
Facilities	77,761,278	77,761,278
gone	13,370,516	13,370,516
	65,124,000	65,124,000
	-	42,105,000
	24,656,046	-
	943,507,490	943,507,490
und	73,620,416	73,620,416
	-	-
nics	-	-
d Support	-	-
	4,791,438,190	4,791,438,190
	330,000,000	286,546,866
	6,511,437,735.00	**6,380,987,756.00**

Annex 2: Recurrent and Development Expenditure-2016-2017

Department	Personnel Emoluments (Kes)	Operations & Maintenance (Kes)	Total Recurrent	Development Expenditure (Kes)	Total Expenditure (Kes)
County Assembly	292,432,354.00	241,806,779.95	534,239,133.95	14,497,190.30	**548,736,324.25**
Governor/County Executive Services	67,646,861.70	123,461,699.50	191,108,561.20	17,993,324.80	**209,101,886.00**
County Secretary Office	12,313,517.65	49,501,100.40	61,814,618.05	-	**61,814,618.05**
Tiatiy Sub County	1,118,283.50	2,791,535.00	3,909,818.50	4,607,860.05	**8,517,678.55**
Baringo North Sub County	1,537,408.80	4,371,238.00	5,908,646.80	2,764,780.00	**8,673,426.80**
Baringo Central Sub County	1,322,367.50	2,136,976.00	3,459,343.50	240,668.60	**3,700,012.10**
Baringo South Sub County	4,582,912.95	3,021,670.00	7,604,582.95	325,791.00	**7,930,373.95**
Mogotio Sub County	2,657,860.25	2,157,287.00	4,815,147.25	-	**4,815,147.25**
Eldama Ravine Sub County	4,559,209.05	3,199,493.00	7,758,702.05	1,527,936.00	**9,286,638.05**
County Public Service Board	26,786,513.30	13,054,031.35	39,840,544.65	-	**39,840,544.65**
County Treasury Services	136,222,977.55	139,499,663.90	275,722,641.45	22,385,531.00	**298,108,172.45**
Transport and Infrastructure	32,540,926.70	23,421,984.00	55,962,910.70	409,683,453.20	**465,646,363.90**
Industrialization, Commerce and Tourism	62,856,152.60	22,984,948.60	85,841,101.20	61,728,258.00	**147,569,359.20**
Education and ICT	206,066,511.30	42,859,200.25	248,925,711.55	183,562,941.40	**432,488,652.95**
Health	1,376,790,987.40	420,831,325.90	1,797,622,313.30	190,007,739.00	**1,987,630,052.30**
Lands, Housing & Urban Development	36,246,991.65	22,169,416.05	58,416,407.70	42,135,224.40	**100,551,632.10**
Eldama Ravine Town	-	-	-	35,703,597.20	**35,703,597.20**
Kabarnet Town	-	-	-	24,598,930.45	**24,598,930.45**
Agriculture, Livestock, Fisheries & Marketing	200,268,995.05	32,583,590.35	232,852,585.40	95,048,470.10	**327,901,055.50**
Youth, Gender & Social Services	11,980,085.90	21,016,326.10	32,996,412.00	62,110,192.00	**95,106,604.00**
Water and Irrigation	57,594,837.35	56,569,705.55	114,164,542.90	283,682,022.80	**397,846,565.70**
Environment & Natural Resources	17,262,670.85	7,745,001.00	25,007,671.85	42,125,823.80	**67,133,495.65**
GRAND TOTAL	**2,552,788,425.05**	**1,235,182,971.90**	**3,787,971,396.95**	**1,494,729,734.10**	**5,282,701,131.05**
%	**49**	**23**		**28**	**100**

Annex 3: Employee Compensation & Operations and Maintenance-2016/17

DEPARTMENT	Employee Compensation		Operation & Maintenance		Total Recurrent			Development		Total		(%)
	Budget	Actual	Budget	Actual	Budget	Actual	%	Budget	Actual	Budget	Actual	
County Assembly	315,170,349	292,432,354.00	233,924,322	233,924,321.80	549,094,671	526,356,676	95.9	55,747,519	14,497,190.30	604,842,190	540,853,866	89.4
Governor/County Executive Services	184,288,824	155,798,431.10	212,150,171	211,054,680.60	396,438,995	366,853,112	92.5	78,942,266	27,460,360.45	475,381,261	394,313,472	82.9
County Treasury Services	143,419,433	136,222,977.55	115,765,783	115,765,783.00	259,185,216	251,988,761	97.2	32,945,187	22,385,531.00	292,130,403	274,374,292	93.9
Transport and Infrastructure	41,165,683	32,540,926.70	13,766,690	13,766,690.00	54,932,373	46,307,617	84.3	636,604,449	409,683,453.20	691,536,822	455,991,070	65.9
Industrialization, Commerce and Tourism	57,848,162	57,848,162.00	23,640,020	22,984,948.60	81,488,182	80,833,111	99.2	91,377,313	61,728,258.00	172,865,495	142,561,369	82.5
Education and ICT	231,807,531	212,353,908.90	42,966,750	42,859,200.25	274,774,281	255,213,109	92.9	251,047,337	183,562,941.40	525,821,618	438,776,051	83.4
Health	1,343,517,491	1,343,517,491.00	486,574,790	475,368,095.65	1,830,092,281	1,818,885,587	99.4	524,509,723	190,007,739.00	2,354,602,004	2,008,893,326	85.3
Lands, Housing & Urban Development	48,018,623	42,648,123.05	21,377,982	21,377,982.00	69,396,605	64,026,105	92.3	117,163,848	102,437,752.05	186,560,453	166,463,857	89.2
Agriculture, Livestock, Fisheries & Marketing	199,637,251	199,580,264.00	25,223,940	23,859,240.00	224,861,191	223,439,504	99.4	199,480,888	95,048,470.10	424,342,079	318,487,974	75.1
Youth, Gender & Social Services	14,832,260	11,980,085.90	17,353,596	17,353,596.00	32,185,856	29,333,682	91.1	133,870,405	62,110,192.00	166,056,261	91,443,874	55.1
Water and Irrigation	51,825,450	50,603,030.00	49,125,090	49,123,433.00	100,950,540	99,726,463	98.8	435,374,656	283,682,022.80	536,325,196	383,408,486	71.5
Environment & Natural Resources	20,041,683	17,262,670.85	8,280,542	7,745,001.00	28,322,225	25,007,672	88.3	52,651,727	42,125,823.80	80,973,952	67,133,496	82.9
GRAND TOTAL	**2,651,572,740**	**2,552,788,425**	**1,250,149,676**	**1,235,182,972**	**3,901,722,416**	**3,787,971,397**	**97**	**2,609,715,319**	**1,494,729,734**	**6,511,437,735**	**5,282,701,131**	**81.1**

Annex 4: Projected Expenditure and Revenue Per Economic Classification in the MTEF period

	Projected Revenue And Expenses For The MTEF								
	2013/14	**2014/15**	**2015/16**	**2016/17**		**2017/18**	**Projection For MTEF Period**		
Revenue Source	**Actual**	**Actual**	**Actual**	**Actual**	**Approved Budget**	**Approved Budget**	**2018/2019**	**2019/2020**	**2020/2021**
Total Equitable /Grants Revenue	**3,817,493,342.00**	**3,972,375,317.00**	**5,464,764,400.00**	**6,094,440,890.00**	**6,181,437,735.00**	**5,616,195,473.00**	**5,862,780,362.10**	**6,136,170,886.61**	**6,423,230,937.34**
Conditional Allocation Free Maternity	-	-	51,262,500.00	-	-	-	-	-	-
Leasing Of Medical Equipment	-	-	-	-	95,744,681.00	-	-	-	-
User Charges	50,000,000.00	-	-	-	-	-	-	-	-
HSSF DANIDA -Health facilities	-	23,790,000.00	-	25,790,000.00	12,985,000.00	12,820,885.00	12,820,885.00	12,820,885.00	12,820,885.00
Other Loans And Grants(WHO)	382,555,501.00	73,673,500.00	-	-	-	31,707,536.00	31,707,536.00	31,707,536.00	31,707,536.00
World Bank Support To Health Facilities	-	-	17,224,300.00	77,761,278.00	77,761,278.00	94,210,000.00	94,210,000.00	94,210,000.00	94,210,000.00
Compensation For Use Fees Forgone	-	-	12,950,107.00	13,370,516.00	13,370,516.00	13,191,000.00	13,191,000.00	13,191,000.00	13,191,000.00
Maternal Health Care	-	-	-	61,724,000.00	83,230,118.00	95,744,681.00	95,744,681.00	95,744,681.00	95,744,681.00
Universal health Care Project	-	-	-	-	24,656,046.00	54,243,300.00	54,243,300.00	54,243,300.00	54,243,300.00
Salary Remittance (Doctors)	-	-	-	65,124,000.00	65,124,000.00	-	-	-	-
Salary Remittance (Nurses)	-	-	-	42,105,000.00	-	-	-	-	-
Roll Over Funding	137,000,000.00	-	886,341,385.00	943,507,490.00	943,507,490.00	-	-	-	-
Roads Maintenance Fuel Levy Fund	-	-	56,410,082.00	73,620,416.00	73,620,416.00	189,199,286.00	198,659,250.30	208,592,212.82	219,021,823.46
C & P Grant	-	-	-	-	-	40,839,509.00	27,052,470.00	27,052,470.00	27,052,470.00
Development of Youth Polythecnics	-	-	-	-	-	35,239,276.00	37,001,239.80	38,851,301.79	40,793,866.88
EU grant Devolution Advisory	-	-	-	-	-	66,000,000.00	66,000,000.00	66,000,000.00	66,000,000.00
Equitable Share	3,247,937,841.00	3,874,911,817.00	4,440,576,026.00	4,791,438,190.00	4,791,438,190.00	4,983,000,000.00	5,232,150,000.00	5,493,757,500.00	5,768,445,375.00
Local Revenue	**201,519,605.00**	**249,723,429.00**	**279,736,551.00**	**286,546,866.00**	**330,000,000.00**	**350,139,102.16**	**371,147,448.29**	**393,416,295.19**	**417,021,272.90**
Total Revenues	**4,019,012,947.00**	**4,222,098,746.00**	**5,744,500,951.00**	**6,380,987,756.00**	**6,511,437,735.00**	**5,966,334,575.16**	**6,233,927,810.39**	**6,529,587,181.79**	**6,840,252,210.23**
Projected Expenses For The MTEF									
	2013/14	**2014/15**	**2015/16**	**2016/17**					
	Actual	**Actual**	**Actual**	**Actual**	**Budget**	**Approved Budget 2017/2018**	**Projection 2018/2019**	**Projection 2019/2020**	**Projection 2020/2021**

	Projected Revenue And Expenses For The MTEF								
	2013/14	2014/15	2015/16	2016/17		2017/18	Projection For MTEF Period		
Revenue Source	**Actual**	**Actual**	**Actual**	**Actual**	**Approved Budget**	**Approved Budget**	**2018/2019**	**2019/2020**	**2020/2021**
Total Recurrent Expenditure	**2,444,246,944.00**	**2,897,739,374.88**	**3,497,687,799.67**	**3,783,103,247.60**	**3,901,722,415.00**	**3,982,977,595.00**	**4,239,070,911.06**	**4,440,119,283.62**	**4,651,371,502.96**
Employee Compensation	1,535,626,757.00	2,022,272,997.80	2,326,232,231.45	2,552,771,759.10	2,651,572,740.00	2,735,740,385.00	2,954,599,615.80	3,190,967,585.06	3,446,244,991.87
Operation and Maintainance	908,620,187.00	875,466,377.08	1,171,455,568.22	1,230,331,488.50	1,250,149,675.00	1,247,237,210.00	1,284,471,295.26	1,249,151,698.55	1,205,126,511.09
Total Development	**393,144,156.00**	**1,115,663,103.00**	**1,310,357,630.85**	**1,464,675,867.05**	**1,666,207,829.00**	**1,709,133,259.00**	**1,994,856,899.32**	**2,089,467,898.17**	**2,188,880,707.27**
Development expenditure	393,144,156.00	1,115,663,103.00	1,310,357,630.85	1,464,675,867.05	1,666,207,829.00	1,709,133,259.00	1,994,856,899.32	2,089,467,898.17	2,188,880,707.27
Total Expenditure	**2,837,391,100.00**	**4,013,402,477.88**	**4,808,045,430.52**	**5,247,779,114.65**	**5,567,930,244.00**	**5,692,110,854.00**	**6,233,927,810.39**	**6,529,587,181.79**	**6,840,252,210.23**
Project Net Deficit/Surplus	-	-			-	-	-	-	-
Projected Ratios For Major Budget Categories (%)									
Employee Compensation Rate	54	50	48	49	48	48	47	49	50
Operation and Maintenance rate	32	22	24	23	22	22	21	19	18
Recurrent Rations	**86**	**72**	**73**	**72**	**70**	**70**	**68**	**68**	**68**
Development rate of change	14	28	27	28	30	30	32	32	32
TOTAL RATE	**100.00**	**94.92**		**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Annex 5: Projected locally generated revenue for MTEF Period 2018-2021

Projected Local Revenue For The MTEF									
	2013/2014	2014/2015	2015/2016	2016/2017		2017/2018	2018/2019	2019/2020	2020/2021
Sources	Actuals	Actuals	Actuals	Actuals	Approved Budget	Approved Budget	Projections		
	Kes	Kes	Kes	Kes	Kes	Kes	Kes	Kes	Kes
Game Park Fees	69,456,838.00	54,429,063.00	44,298,390.00	62,320,050.00	67,820,432.00	72,228,760.08	76,562,485.68	81,156,234.83	86,025,608.92
Animal Stock Sale Fees	7,497,705.00	9,928,000.00	15,258,665.00	11,812,060.00	20,110,246.00	21,316,860.76	22,595,872.41	23,951,624.75	25,388,722.23
Produce & Other Cess	18,374,372.00	32,385,244.00	48,506,214.00	36,985,511.00	48,016,320.00	50,897,299.20	53,951,137.15	57,188,205.38	60,619,497.70
Single Business Permit	31,737,095.00	35,722,947.00	38,098,248.00	32,366,030.00	40,086,128.00	42,491,295.68	45,040,773.42	47,743,219.83	50,607,813.02
Plot Rent/ Rates	15,127,880.00	17,317,051.00	16,744,873.00	12,916,819.00	21,780,288.00	23,087,105.28	24,472,331.60	25,940,671.49	27,497,111.78
Market Fees & Others	29,184,504.00	30,303,827.00	37,215,442.00	35,942,724.00	40,225,197.00	42,638,708.82	45,197,031.35	47,908,853.23	50,783,384.42
Koibatek ATC	-	7,404,056.00	2,893,400.00	2,282,212.00	3,996,043.00	4,235,805.58	4,489,953.91	4,759,351.15	5,044,912.22

Projected Local Revenue For The MTEF									
	2013/2014	2014/2015	2015/2016	2016/2017		2017/2018	2018/2019	2019/2020	2020/2021
Marigat AMS	-	4,159,189.00	3,930,042.00	934,745.00	7,197,410.00	7,629,254.60	8,087,009.88	8,572,230.47	9,086,564.30
Public Health	570,900.00	1,136,942.00	2,157,105.00	4,080,680.00	3,388,924.00	3,592,259.44	3,807,795.01	4,036,262.71	4,278,438.47
Veterinary	266,320.00	1,200,000.00	1,158,190.00	11,601,340.00	1,285,835.00	1,362,985.10	1,444,764.21	1,531,450.06	1,623,337.06
Hospital Revenue	29,303,991.00	55,737,110.00	69,475,982.00	75,304,695.00	76,093,177.00	80,658,767.62	85,498,293.68	90,628,191.30	96,065,882.78
TOTAL	**201,519,605.00**	**249,723,429.00**	**279,736,551.00**	**286,546,866.00**	**330,000,000.00**	**350,139,102.16**	**371,147,448.29**	**393,416,295.19**	**417,021,272.90**

Annex 6: Funds Accounts Annual Report FY 2016-2017 (Grants and Subsidies)

Descriptions	Emergency Fund	Lake Bogoria Community Grant	Co-operative Fund	SME Fund	Community Wildlife Conservancy Fund	Bursary Fund	Executive Mortgage Scheme	Executive Car Loan Scheme	PWDs	Youth & Women Fund
Opening Bal	23,817,900	2,272,183	5,698,245	3,214,685	693,896	28,232,407	5,650,000	748,428	9,353,778	10,604,964
Receipts From Baringo	17,000,000	4,387,480	3,000,000	3,000,000	3,860,800	20,000,000	17,000,000	13,481,080	3,000,000	-
Loan Recovery	-	-	1,690,350	6,412,350	-	-	901,389	4,166,976	-	4,020,629
Interest Earned	141,118	49,156	-	-	-	-	-	-	33,781	8,306
Total Receipts	40,959,018	6,708,819	10,388,595	12,627,035	4,554,696	48,232,407	23,551,389	18,396,484	12,387,559	14,633,899
Less : Disbursements	40,462,053	4,253,551	8,000,000	8,028,150	3,188,000	44,935,175	23,150,000	3,430,000	4,486,600	7,700,000
Operations Costs	23,658	978,774	528,174	1,466,405	1,361,320	585,130	660	660	256,047	367,293
Total Expenses	40,485,711	5,232,325	8,528,174	9,494,555	4,549,320	45,520,305	23,150,660	3,430,660	4,742,647	8,067,293
Closing Bal As 30th June 2017	473,306	1,476,494	1,860,421	3,132,480	5,376	2,712,102	400,729	14,965,824	7,644,912	6,566,606

Annex 7: Staff Establishment per Department (as at 30/6/2017)

S/No	**Department**	**Number of Staff**
1	County Assembly	139
2	Office Of the County Executive services	51
3	Office of the County Secretary	24
4	County Public Service Board	13
5	County Treasury Services	265
6	Tiaty Sub county	12
7	Baringo North Sub County	15
8	Baringo Central Sub County	7
9	Baringo South Sub County	18
10	Mogotio Sub County	10

S/No	Department	Number of Staff
11	Eldama Ravine Sub County	12
12	Transport and Infrastructure	54
13	Industrialization, Commerce and Tourism	77
14	Education and ICT	1,836
15	Health	1,251
16	Lands, Housing & Urban Development	25
17	Eldama Ravine Town	18
18	Kabarnet Town	32
19	Agriculture, Livestock, Fisheries & Marketing	264
20	Youth, Gender & Social Security Services	13
21	Water & Irrigation	112
22	Environment & Natural Resources	26
	TOTAL	**4,279**