

**COUNTY FISCAL STRATEGY PAPER**  
**2016**

## **FOREWORD**

The Migori County 2016 Fiscal Strategy Paper sets out the framework for the preparation of the 2016/2017 budget as required under Section 117 of the Public Finance Management Act, 2012. It articulates economic policies and structural reforms as well as sector based expenditure programs that the County intends to implement in line with the Annual Development Plan 2015/2016 in realization of Migori County Integrated Development Plan 2013-2017.

The Medium Term Expenditure Framework aims at ensuring efficiency and effectiveness in the implementation of the development activities outlined in the 2015 Annual Development Plan. This is important to create fiscal space for financing priority projects by the departments in the County.

In compliance with the mandate bestowed on the County governments by the Constitution, Migori County Government is dedicated to prudently utilizing the available resources and enhancing fiscal discipline so as to improve the living standards of her citizens. The County Government will work on the improved macro-economic environment to overcome the devolution transition and the various interrelationship challenges within the national and county governance structures. The County Government will promote value addition, investment on infrastructure and support especially the small and medium enterprises so as to expand employment opportunities.

Once the strategies that have been highlighted in this document shall be enforced and implemented, the county shall witness improved growth that shall result to reduced poverty and improved standard of living among the people of Migori.

**Hon Tom Kasera**

CECM Finance and Economic Planning



## **ACKNOWLEDGEMENTS**

The Migori County Fiscal Strategy Paper 2016 is informed by the Public Finance Management Act 2012 Section 117 (1) which stipulates that the County Treasury should prepare the Fiscal Strategy Paper for the County. It sets out broad strategic priorities and policy goals that will guide the Migori County Government in preparing its budget over the medium term and for the Financial Year 2016/2017.

The content of this Fiscal Strategy Paper has benefited from an array of expertise of professionals and key stakeholders in the County. Their tireless efforts have informed the four chapters of this Strategic paper. We wish to express our gratitude to all those persons that participated in the drafting and printing of this paper.

We are particularly grateful to His Excellency the Governor for his lead role, direction and guidance in developing this document; His Excellency the Deputy Governor, County Executive Committee Members and Chief Officers for their input in providing the much needed information.

Special thanks goes to the secretariat coordinator and Director of Economic Planning Mr. Lazarus Onyancha, Mr. Paul Mwita Director of Finance, Mwita Robi head of Revenue, Collins Bala Head of Accounting Treasury; County economists, Mr. Douglas Kimaiga, Andrew Njogu, Duncan Mburu and Emilly Moraa.

We cannot forget the role of members of the public, for their contributions during the public forums held in the eight sub counties.

Finally, it is our sincere hope that this Fiscal Strategy Paper would serve to guide the budget making process for the 2016/2017 Financial year.

**Samuel Omuga**

Chief Officer Finance and Economic Planning

## ABBREVIATIONS

ADP	ANNUAL DEVELOPMENT PLAN
AMS	AGRICULTURAL MECHANISATION SERVICES
CCTV	CLOSED CIRCUIT TELEVISION
CECs	COUNTY EXECUTIVE COMMITTEE MEMBER
CFMIS	COUNTY FINANCIAL MANAGEMENT INFORMATION SYSTEM
CIDP	COUNTY INTEGRATED DEVELOPMENT PLAN
ECDE	EARLY CHILDHOOD DEVELOPMENT EDUCATION
FSP	FISCAL STRATEGY PAPER
FY	FINANCIAL YEAR
GDP	GROSS DOMESTIC PRODUCT
ICT	INFORMATION COMMUNICATION TECHNOLOGY
JFMIS	INTEGRATED FINANCIAL MANAGEMENT SYSTEM
KPLC	KENYA POWER AND LIGHTING COMPANY
KSHS	KENYA SHILLING
MCA	MEMBER OF COUNTY ASSEMBLY
MTEF	MEDIUM TERM EXPENDITURE FRAMEWORK
PFM	PUBLIC FINANCE MANAGEMENT
SBP	SINGLE BUSINESS PERMIT
SMEs	SMALL AND MEDIUM ENTERPRISES
TOL	TEMPORARY OCCUPATION LICENSE



## CHAPTER ONE: COUNTY STRATEGIC BLUEPRINT

### Overview

1. The 2016 Fiscal Strategy Paper identifies the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for Financial Year (FY) 2016/2017 and the Medium Term.
2. The paper discusses the performance of the FY 2015/2016 budget up to 31<sup>st</sup> December, 2015 which forms the basis for projecting the financial outlook with respect to the County Government revenues and expenditures for FY 2016/2017 and over the Medium Term.
3. The County priorities outlined in this paper shall form the basis for formulation of FY 2016/2017 budget and the Medium Term. The framework ensures adherence to principles of public finance and fiscal responsibility principles as set out in the Constitution and the Public Finance Management Act 2012. Specifically, the paper will ensure that the development to recurrent expenditures has been maintained within the required ratios of 70:30 It will detail on how the expenditures will be funded fully from the allocations from the equitable share, Local revenue sources and revenue from the development partners.
4. The paper covers the following broad areas: review of the fiscal performance of first half of the FY 2015/2016; highlights of the recent economic developments and economic outlook; broad strategic priorities and policies for FY 2016/2017 as spelled out in the Annual Development Plan and the Medium Term Fiscal Framework as outlined in the County Integrated Development Plan (CIDP) 2013-2017.
5. During the medium term plan the following areas of concern shall be given priority as articulated in the 2013-2017 CIDP and Governor's manifesto;
  - i. Infrastructural development and agricultural transformation
  - ii. Socio-economic empowerment particularly provision of solar lamps, street lighting, bursaries, education,
  - iii. and health and water improvement.
  - iv. Affirmative action
  - v. Environmental management

The focus of this paper and Medium Term Plan is to expand and maintain infrastructure development specifically roads network in the county, increase employment opportunities, improve health facilities, reduce poverty levels and enhance social protection.



6. This fiscal strategy paper articulates economic policies and structural reforms as well as sector based expenditure programmes that the county intends to implement in order to achieve the broad goal of its development agenda. In particular, it emphasizes continued shift of resources in favour of programmes that enhance growth and job creation, and to support stronger private sector investment in pursuit of new opportunities in a changing economic environment. The proposed fiscal framework ensures continued fiscal discipline and provides support for sustained growth, broad based development and employment growth that benefits all citizens.
7. The County government through its CIDP 2013-2017 has prioritized physical infrastructure as the key driver in facilitating the private sector to expand its business, promote productivity and build resilience necessary for employment creation and poverty reduction. Key priorities in infrastructure include investing in roads and energy. Other strategic priorities include adequate allocation to key socio-economic sectors such as agriculture, energy, water, environment, health and education through a pro-poor approach to address the endemic poverty levels that have afflicted the citizens of Migori County over the years. All these will be done within the fiscal framework to avoid budget deficit.
8. The County Government of Migori will build on the comparative advantage in resource availability and enhance fiscal discipline to navigate through the challenges posed by the global and domestic development in order to sustain and improve the resilience of the county economy.
9. With limited resources, the County government will be required to be more efficient to make meaningful gains in poverty reduction. The fiscal framework outlined in this Fiscal Strategy Paper (FSP) requires greater fiscal discipline and alignment of resources and priorities. In particular, better control of expenditure and a clear focus on core mandates by county departments will be required. Thus, in preparing the 2015/2016 budget, departments will be expected to identify savings that will contribute to financing the county government's targeted outcomes in line with the CIDP.

### **Objective**

10. The objective of the 2016 Fiscal Strategy Paper is to set the frame work for the preparation of the County budget. It is a requirement under section 117 of the Public Finance Management Act, 2012 that each County Treasury shall prepare and submit to the County Executive Committee the Fiscal Strategy Paper for approval, and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the 28<sup>th</sup> February of each year. This Fiscal Strategy Paper contains the following:
  - The principles that will guide the 2016/2017 budgetary process;
  - The broad fiscal parameters for the 2016/2017 budget and the key strategies and policies for management of revenues and expenditures;

- The broad strategic priorities and policy goals that will guide the preparation of the budget over the medium term;
- A discussion of risks to the budget parameters and Budget Strategies;
- The medium-term outlook for county government revenues and expenditures;
- A discussion of how the Budget Strategies relates to the County priorities as drawn from the County Integrated Development Plan (CIDP); and
- A framework for the preparation of departmental forward budget estimates and the development of detailed budget policies.

**Outline of the 2016/2017 Fiscal Strategy Paper**

11. The Fiscal Strategy Paper is presented in four Chapters. Chapter One presents an overview and objective of the Paper, Chapter Two outlines the economic context within which the 2016/2017 budget will be prepared, the recent economic developments and the macroeconomic outlook covering the global, national and domestic scene.

12. Chapter Three presents the Fiscal Policy and Budget Framework that will support planned growth over the medium to long term, while continuing to provide sufficient resources to support programmes earmarked for implementation during the plan period.

13. Chapter Four presents the resource envelope and spending priorities for the proposed 2016/2017 budget and medium term. Sector achievements and priorities are also reviewed.



## CHAPTER TWO: RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK

14. Kenya's economic growth has been robust supported by significant infrastructure investments, construction, mining, lower energy prices and improvement in agriculture following improved weather conditions. The economy grew by 5.3 percent in 2014 and is projected at 5.6 percent in 2015, 6.0 percent in 2016 and 6.5 percent in the medium term.
15. Macroeconomic stability has been preserved with inflation remaining on average within target. Overall, month-on-month inflation was at 8.0 percent in December 2015 from 6.0 percent in December 2014. This was attributed to the increase in prices of several food items which outweighed the decreases as well as increase in the Alcoholic Beverages, Tobacco & Narcotics index.
16. The Kenya Shilling exchange rate has stabilized following increased foreign exchange in flows in the money market. The current level of foreign exchange reserves, backstopped by the precautionary program with the IMF, continues to provide an adequate cushion against exogenous shocks. Furthermore, the current account deficit narrowed, mainly due to a lower oil import bill, and a slowdown in consumer imports.
17. Short term interest rates have declined following improved monetary conditions that led to increased liquidity in the money market. The interbank rate was at 6.2 percent as of 21<sup>st</sup> January 2016 while the 91-day Treasury bill rate was 11.4 percent as of 22<sup>nd</sup> January 2016.

### Implications of The Recent Economic Development on the Economy of Migori County

18. As the result of the above positive-economic development, the economy of Migori benefited as follows:
  - a) The reduced interest rates enabled investors to access bank loans at concessionary rates which translated to increased investments in the building sub-sectors in major towns of Migori, Awendo, Rongo and Isibania
  - b) The reduced inflation rate resulted to reduced prices of common goods which eventually enabled most contractors to complete their works with minimal variations and extensions of time due to stable prices of the construction materials.
  - c) The favorable weather conditions resulted to good harvest in the sugarcane, maize and other agricultural material consequently resulting to reduced incidences of food insecurity compared to the previous years.

### Growth Update

19. The economy grew by 5.3 percent in 2014 (**Chart 2.1**) supported by strong performance in most sectors of the economy which offset the contraction in the tourism sector. Kenya's economic growth remained resilient in 2015. The first three quarters of 2015 recorded an average of 5.5 percent growth compared to 5.3 percent growth in a similar period in 2014.



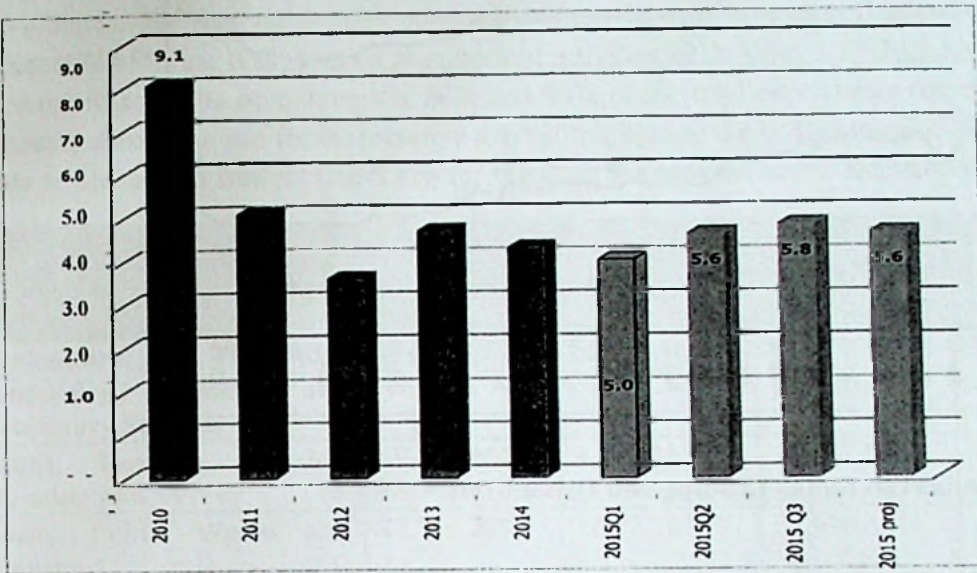


Figure 1: Comparison in GDP Growth Rates

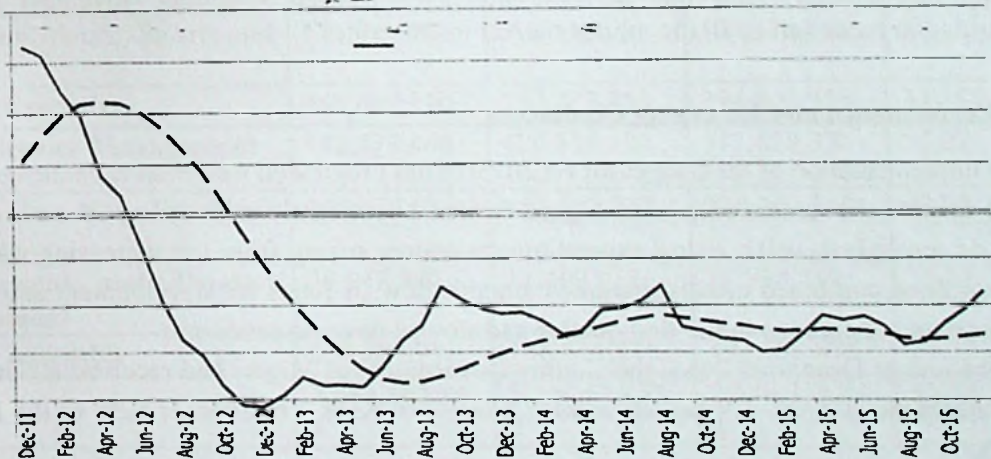
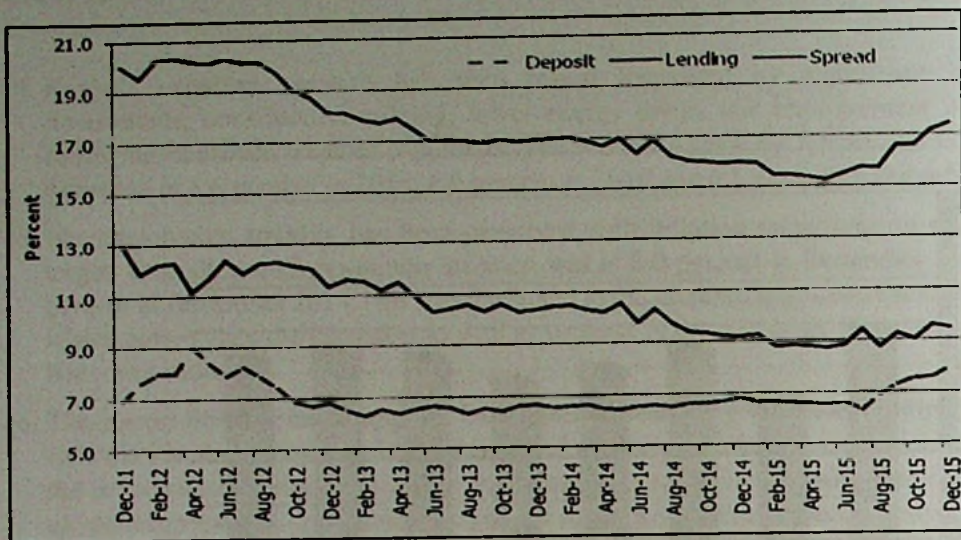


Figure 2: Inflation Rate

20. Overall month on month inflation was at 8.0 percent in December 2015 from 7.3 percent in November 2015 (Chart 2.2) above. This was attributed to the Food and Non-Alcoholic Drink's Index which increased by 1.23 percent following increases in prices of several food items the Alcoholic Beverages, Tobacco & Narcotics index increased by 11.46 percent from November 2015. However, during the same period there were notable falls in the cost of electricity, kerosene and cooking gas. The annual inflation rate was 6.5 percent in December 2015 compared to 6.9 percent in December 2014 and was therefore, within the current allowable margin of 2.5 percent on either side of the target of 5.0 percent.





**Figure 3: Commercial Banks Lending and Deposit Interest Rates**

### Interest rates

21. Liquidity conditions remained tight between September and October 2015, with short-term interest rates remaining above the Central Bank Rate (CBR) and the rates on treasury bills rising substantially. This tight liquidity situation improved beginning November 2015 resulting in reduction in all the money market interest rates.

### Fiscal Performance and Emerging Challenges

22. The implementation of the budget for FY2015/16 has progressed well despite challenges in the first quarter. Revenues collection lagged behind significantly and delayed release of funds coupled with rising expenditure pressures arising from the increasing wage bill. These three combined effects disrupted smooth flow of funds for development and general government operations in the first quarter and slowed down expenditures.
23. By the end of December 2015, the County Government of Migori had received a cumulative disbursement of Kshs. 1.9 Billion against a target of Kshs 3.6billion or 52% of the targeted funds.
24. During the period under review, the cumulative revenue raised by the Migori County Government amounted to Kshs. 151.1 million which was 38% of the annual local revenue target. This is against a target of Kshs.200 Million for the first Half of 2015/2016 financial year. This represents a revenue deficit of Kshs 48.9 Million (or 24 % deviation from the approved target).
25. In the period under review, the total cumulative expenditure was Kshs. 1.898 Billion against Kshs. 6.507 Billion, representing 29.17 per cent of the budget. The County Executive



departments spent Kshs. 1.697 Billion (89%) while the County Assembly spent Kshs. 200.56 Million (11%). Analysis of the County expenditure by economic classification indicates that Kshs874.8Million Was spent on development activities while Kshs. 1.14 Billion was spent on recurrent activities accounting for 60% and 40% of the total expenditure respectively. The county absorption rate for the recurrent expenditure against the budget stood at 32 per cent.

**Table 1: Recurrent Budget Out-Turn for the First Six Months of FY 2015/2016**

<b>TOTAL EXPENDITURE ABSORPTION RATES-OCTOBER TO DECEMBER 2015</b>				
<b>Sector</b>	<b>Budget</b>	<b>Actual</b>	<b>Deviation</b>	<b>Absorption Rates</b>
<b>Agriculture, Livestock Production, Fisheries and Veterinary Services</b>	184,473,626	55,753,989	128,719,637	30.22
<b>Lands, Housing, Physical Planning and Survey</b>	39,309,464	4,811,868	34,497,596	12.24
<b>Roads, Public Works and Transport</b>	43,214,280	10,123,879	33,090,401	23.43
<b>Trade Development and Regulation</b>	56,037,732	6,501,657	49,536,075	11.60
<b>Health</b>	909,329,857	176,216,654	733,113,203	19.38
<b>Education, Youth, Sports and Culture</b>	134,024,601	29,651,315	104,370,286	22.12
<b>County Executive</b>	445,089,110	150,222,755	294,866,355	33.75
<b>Public Service Management</b>	742,478,444	424,850,107	317,628,337	57.22
<b>Finance and Economic Planning</b>	340,675,976	112,372,817	228,303,159	32.99
<b>Environment and Disaster Management</b>	34,347,800	11,409,081	22,938,719	33.22
<b>County Assembly</b>	652,304,951	158,614,275	493,690,676	24.32
<b>Total</b>	<b>3,581,282,841</b>	<b>1,140,528,397</b>	<b>2,440,754,444</b>	<b>31.85</b>



**Table 2: Development Budget Out-Turn for the First Six Months of FY 2015/2016**

<b>DEVELOPMENT FUNDS ABSORPTION RATES, OCTOBER TO DECEMBER 2015</b>				
<b>Sector</b>	<b>Budget</b>	<b>Actual</b>	<b>Deviation</b>	<b>Absorption Rates</b>
<b>Agriculture, Livestock Production, Fisheries and Veterinary Services</b>	478,225,550	46,390,564	431,834,986	9.70
<b>Lands, Housing, Physical Planning and Survey</b>	94,190,000	54,652,453	39,537,547	58.02
<b>Roads, Public Works and Transport</b>	900,000,000	233,255,750	666,744,250	25.92
<b>Trade Development and Regulation</b>	77,313,000	25,171,198	52,141,802	32.56
<b>Health</b>	224,280,000	98,372,434	125,907,566	43.86
<b>Education, Youth, Sports and Culture</b>	104,734,000	25,564,352	79,169,648	24.41
<b>County Executive</b>	121,000,000	20,314,195	100,685,805	16.79
<b>Public Service Management</b>	185,540,000	134,216,964	51,323,036	72.34
<b>Finance and Economic Planning</b>	495,000,000	52,912,569	442,087,431	10.69
<b>Environment and Disaster Management</b>	100,060,000	24,562,370	75,507,690	24.54
<b>County Assembly</b>	145,300,000	41,974,356	103,325,644	28.89
<b>Total</b>	<b>2,925,642,550</b>	<b>757,377,145</b>	<b>2,168,265,405</b>	<b>25.89</b>

*Source: MIGORI County Treasury*

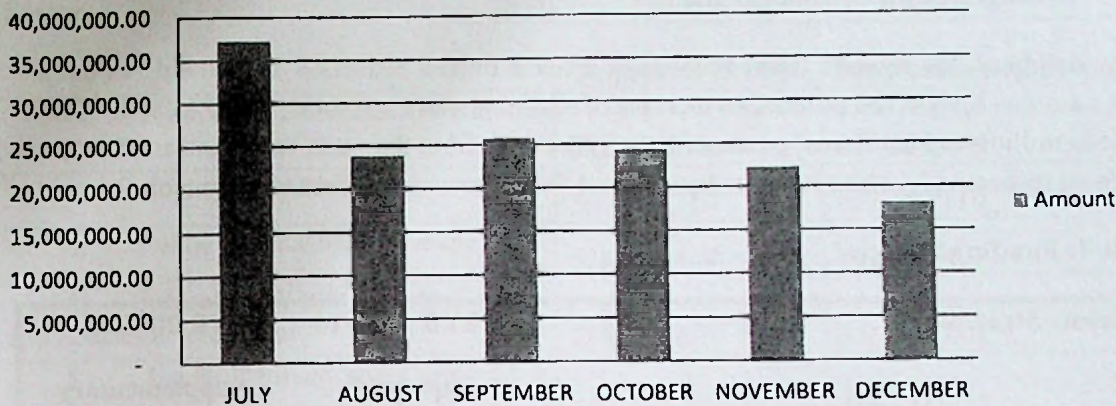
26. To adhere to the financial regulations, the County Treasury shall ensure that no department shall spend more than the exchequer releases and expenditures remains within the departmental ceilings as we move towards the closure of 2015/16 FY.

### **Revenue Projections**

27. Migori County Government had targeted to raise Kshs. 400 Million from local sources in the financial year 2015/16 to supplement the national equitable share of revenue from the National Government. During the period under review, the cumulative revenue raised by the Migori County Government amounted to Kshs. 151.1 million which was 38% of the annual local revenue target. This is against a target of Kshs.200 Million for the first Half of 2015/2016 financial year. This represents a revenue deficit of Kshs 48.9 Million (or 24 % deviation from the approved target).



## Revenue (Kshs.)



**Figure 4: Monthly Locally Collected Revenue Collection - July to December 2015**

There was significant decrease in local revenue collection during December where Kshs. 18 Million was raised compared to the Kshs. 22 Million raised in November. This represented a decrease of Kshs. 4 Million or 18% drop in revenue collection.

Major drop in local revenue collection can be attributed to Six major revenue items, which contributed to over Kshs. 4.4 Million drop as tabulated in the table below.

**Table 3: Revenue Streams with Dropped Performance**

RVENUE ITEM	NOVEMBER	DECEMBER	DECREASE
S.B.P./APPLICATIONS/RENEWAL	518,500.00	220,750.00	(297,750.00)
CESS - SUGAR-CANE	2,880,463.35	-	(2,880,463.35)
CESS - COPPER	300,000.00	-	(300,000.00)
TRANSPORT ON LAND	589,080.00	235,500.00	(353,580.00)
MINISTRY OF HEALTH	3,066,065.00	2,475,355.00	(590,710.00)
<b>GRAND - TOTAL</b>	<b>7,354,108.35</b>	<b>2,931,605.00</b>	<b>(4,422,503.35)</b>

### 2015/16 Revised Estimates

28. Supplementary budget was necessitated in order to the factor in the following issues which were not factored in the 2015/16FY budget:

- i. The balances from last FY 2014-2015 which was majorly pending bills,



- ii. Additional equitable share from CRA
- iii. Grants and other funds pledged that was pledged by the Water Trust Fund international European Union and UNFPA
- iv. Reduction of the conditional grants

29. In summary, the revised fiscal framework reflects overall reduction in conditional grants by Ksh162 million, an increase of equitable share by 144M, UNFPA funds of Ksh 45M million and additional grants of Kshs 100m each from the water trust fund and European union respectively. The overall impact of these developments is reflected in the table 2.1 below

**Table 4: Funding Sources**

Revenue Streams	FYR 2015/16 Approved	FYR 2015/16 Supplementary Estimates
Opening balance(CRF Account)		
Balance from 2014/2015		538,738,279
Equitable share (CRA)		5,836,852,127
Conditional allocation -free maternal Health	109,699,053	109,699,053
Allocation for Leasing of medical equipment	44,488,459	44,488,459
Road maintenance fuel levy fund	74,147,432	74,147,432
Conditional grants	162,099,800	0.00
Grants from European Union		100,000,000
Grants from Water Trust Fund		100,000,000
Total Share of National Revenue	6,086,485,391	6,803,925,350
Danida funds	20,440,000	20,440,000
UNFPA funds		45,000,000
Locally Collected Revenue	400,000,000	400,000,000
<b>RAND TOTAL</b>	<b>6,506,925,391</b>	<b>7,269,365,350</b>



**Table 5: Sectors Apportionment of 2015/16 FY Supplementary Budget**

Sector		
	Approved 2015/16	Supplementary 2015/16
1. Agriculture, Livestock, Fisheries and Water	662,699,176	831,355,176
2. County Executive	566,089,110	622,189,110
3. Public Service Management	928,018,444	902,068,444
4. Education, Youth, Sports, Culture and Social Development	238,755,601	326,506,001
5. Trade, Tourism and Cooperative Development	133,350,732	106,250,732
6. Lands, Physical Planning and Housing	133,499,464	117,063,464
7. Finance and Economic Planning	835,675,976	844,395,535
8. Health	1,133,609,857	1,212,609,857
9. Management Environment, Natural Resources and Disaster Management	134,407,800	119,407,800
10. Roads, Transport, Public Works and Energy	943,214,280	1,319,614,280
11. County Assembly	797,604,951	867,904,951
<b>Total</b>	<b>6,506,925,391</b>	<b>7,269,365,350</b>



## **CHAPTER THREE: MACROECONOMIC POLICIES, OUTLOOK AND STRATEGIES TO ACHIEVE MEDIUM TERM OUTLOOK**

### **Growth Prospects**

30. The growth prospect in the county during the period under review is favourable assuming the favourable weather conditions that prevailed in the 2014/2015 FY persist. This will be boosted if the on-going infrastructural projects in roads, energy, education and trade are completed on time. However, great caution should be taken to control the growing wage bill not to crowd out the gains so far made.
31. Domestic demand of goods and services is expected to be robust following a drop in inflation at the national level and fostering of investor confidence in the county particularly in the mining sub-sector, sand harvesting, cross border trade and fishing.

### **Policies to Achieve Medium Term Outlook**

32. Strategies set out in this 2016 county fiscal strategy paper re-emphasizes the ongoing Economic Transformation Agenda being implemented by the Migori County Government as follows:
- (i) Investing in infrastructure in areas such as roads, energy and water thus creating a conducive business environment for job creation;
  - (ii) Investing in agricultural transformation to ensure food security. Investing in quality and accessible health care services and quality education.
  - (iii) Strengthening the social safety net to reduce the burden on households and promote shared prosperity among the youths and other vulnerable groups within the County.
33. The continued implementation of programmes under the above four pillars will make the economy maintain a strong growth momentum while at the same time remaining resilient to shocks.

### **Strategy One: Infrastructural Expansion to Facilitate Economic Growth**

#### **Expanding Road network**

34. In order to ensure sustained economic transformation and open the rural markets for competitive economy, the county government of Migori embarked on massive investments in upgrading and opening of rural access roads where the following achievements have been made:
- Graveling of 2400kms of existing unclassified roads against the CIDP target of 1600kms
  - Routine maintenance of 1000Kms.classified roads against the CIDP target of 1000kms
  - Opening of 2400kms of new earth roads against at target of 1600km
  - 50kms of Emergency roads reserve and 100kms of disaster community roads maintenance done.
  - Improvement and Tarmacking of 5km town roads



- Construction of 10 footbridges
  - Construction of 15 box culverts
  - Commencement of Uiri-Uria road(Tarmac)
35. Over the medium term, the strategy is to develop the road transport in order to have an effective, efficient and secure road network, The Government will continue to enhance road network connectivity across the county with the aim of enhancing trade, commerce, agricultural productivity and inter county and sub-county trade.

#### **Access to Adequate, Affordable and Reliable Energy Supply**

36. The realization of the development objectives set out in the County Government's economic transformation agenda (CIDP) and Vision 2030 will be feasible if quality energy services are availed in a sustainable, competitive, cost effective and affordable manner to all sectors of the economy up to the village level.
37. In order to provide affordable and competitive energy to transform the rural economy of the people of Migori, the Government has planned to provide solar lamps particularly to the rural poor and vulnerable homes. This is in addition to provision of street lights in all the major towns and markets across the county with the view of enhancing and promoting small scale trade.

#### **Strategy Two: Sectoral Policies-Agricultural Transformation**

38. Agriculture is one of the key sectors aimed at delivering the 10 percent economic growth under Vision 2030. In addition, majority of the Migori population live in rural areas and derive their livelihood from agriculture. Therefore, promoting substantial investments in agriculture is key to our economic transformation. Improving agricultural productivity and value addition would thus be an effective way to enhance food security, employment creation, and income generation
39. The county government has over the years put in place policies, strategies and interventions to ensure sustainable food security in the county including; provision of farms inputs to 8000 farmers ;provision of tissue culture bananas and promotion of rice acreage from 150 acres in 2013 to 1,972 in 2015; Purchase of tractors; construction and equipping of Miyare ATC; Distribution of 150 dairy cows to farmers in all 40 Wards; Purchase of 40 bee hives and distribution of 10 honey extractors to 20 groups in Nyatike and Suna West sub counties respectively. Other achievements include; Rehabilitation of 10 cattle dips; Construction of 3 slaughter houses and supply of 802,000 Monosex fish
40. During the medium term the government priority investments shall include; research and extension services, enhancement of food security through provision of agricultural inputs, dairy animals and water dams; marketing; value addition and agricultural extension services. It will also develop appropriate policies and strategies to eliminate middlemen in all areas of agricultural marketing, and establish community and village markets to improve food security and increase household income.

#### **Strategy Three: Social Sectors**

41. In order to ensure sustained economic transformation, reduce the burden of economic shocks on the households and enhance access to services by most people in the county, the



government will continue to invest in quality and accessible health care services and quality education as well as strengthening the social safety nets programme as detailed below:

### **Health Care**

42. The main strategy includes; scaling up universal health coverage initiatives including free maternity services, equipping public hospitals with specialized medical equipment reducing morbidity and mortality from malaria, HIV/AIDS, tuberculosis and non-communicable diseases and recruitment of more health workers and strengthening the supply of drugs for improved quality of health will continue being implemented in this fiscal year.

### **Education**

43. The county government is committed to enhanced access to basic education and raise the quality and relevance of education and ensure equity as well as exploit knowledge for competitiveness with a view to achieving Education for all pupils in the county.

44. Major achievements in education over the three years includes:

- (i) Establishment of the Governors scholarship for needy and bright students where a total of 200 have benefited to the tune of Ksh20m as at January 2016. This is in addition to Ksh 220m bursary programme administered at the ward level.
- (ii) Construction of 120 ECD classrooms where 42 are complete and 80 are at advanced stages.
- (iii) Construction of 10 vocational school one per Sub County with 7 complete and 3 at 90% completion

45. Going forward the medium term strategy will focus on:

- Improving and expanding ECD school and polytechnics institutions infrastructure through construction/rehabilitation of classrooms, provision of tools and other teaching aids;
- Increasing provision of student loans, bursaries and scholarships to fully finance the universal free primary education, free day secondary education and tertiary education.
- Recruitment of EDC teachers and other tertiary instructors in order to enforce and uphold quality education;

### **Water Accessibility**

46. Indeed, safe drinking water and sanitation do complement efforts towards improved primary health care and productivity of labour. For this reason, the County Government of Migori will continue to invest in clean water supply, harvest rain water as well as to construct dams and pans

47. So far, this sector has made achievements as follows:

Construction of 2 new water Dams/Pans ;drilling and equipping of 7 boreholes; rehabilitation/Augmentation of 3 existing Water Supply Schemes and Construction of 2 New Water Supply Schemes; installation of 248 Roof Catchment and Tanks serving a population of 124,000;Capacity Building for 32 Water Management Committees at the Sub County Water Officers, and Water Supply Operators; Enforcement of EMCA-1999



and Related Regulations; Construction of 9 Public Ablution Blocks ;Purchase of 3 Motor Vehicles; Purchase, delivery & commissioning of Drilling Rig Support Truck Test pumping unit & Ground water survey equipment

48. Over the medium term, the Government will prioritize construction and equipping of boreholes, water pans and rehabilitation of existing dams and p a n s

#### **Environmental Management**

49. The County government recognizes that protecting and conserving the environment, underpinned by effective climate change mitigation and adaptation measures is fundamental to sustain access to clean water, clean environment and a healthy productive population

50. In the last two and half years, the sub-sector achieved the following: Establishment of county greening programme; Conservation of ecosystem and wetlands Rehabilitation of hilltops where over 7000 seedlings planted and training of several groups on effective disaster response methods

51. In order to mitigate the impact of climate change, the Government will continue to mainstream climate change measures in to its projects and programmes. This includes: tree planting and re-forestation and water harvesting storage in all public ECD and primary institutions throughout the county.

#### **Strategy Four: Empowering Youth, Women and Persons with Disabilities -**

52. The county government of Migori recognizes that for the county to reach its full potential, it is important to empower youth, women and persons with disabilities and remove all obstacles to ensure full participation in social economic development of the county. This will be ensured through assisting them with funds through groups to enable them start income generating activities.

The government is therefore committed to promote gender and youth empowerment, livelihoods for the vulnerable groups and marginalized areas during the fiscal year 2016/17. Youths will be trained through the social transformation programme in a bid to attain sustainable youth led enterprises and promote employment creation services while others will be mentored on leadership and national values. Further efforts shall be made to sensitize them on entrepreneurship skills and social vices. The government will develop and disseminate women economic empowerment strategies as well as issues dealing with disabilities and venture into modalities of enabling them to engage in sustainable income generating activities.

#### **Risks to the Outlook**

53. The risks to the economic outlook for 2016 includes both external and fiscal risks which may impact negatively on the economic performance of the county

#### **External Risks:**

54. The external risks to the economic outlook of the county for the year 2015 and medium-term include weakening in global economic growth and unfavorable weather conditions should there be any drought or floods in the year. Other risks are frequent power blackouts, crop failure and high cost of production.

#### **Fiscal Risks:**



55. Inadequate infrastructure particularly roads, electricity and other social amenities could affect the level and rate of private investment in the county. The County Government will strive to ensure conducive environment for the investors through infrastructure development across the county. This will boost various sectors such as tourism, agriculture and trade.
56. The increasing county wage bill which is expected to clock 30 per cent of the total expenditure in 2015/16 if unmanaged may affect the economic growth of the County through decreased allocation of funds to development projects
57. Revenue collection risks may also affect the economic outlook of the County due to the shortfall of the actual revenue from the targeted revenue. Efficient measures will have to be put in place to reduce the gaps between the target and the actual revenue collected including the adoption of automated revenue collection systems among other measures.



## CHAPTER FOUR: FISCAL POLICY AND BUDGET FRAMEWORK

### Overview

58. The Migori County 2015 Medium-Term Fiscal Framework emphasizes the following key measures: Retaining the ratio of recurrent expenditure on county budget to around 60 percent to 40 percent on development through efficiency spending as well as improved revenue collection following reforms as spelled out in the Migori County Finance Bill 2016.
- ✓ That the level of expenditure is adequate to sustain county development investment in the following key priority areas: Road development, Street and solar lighting, youth, women and disabilities empowerment, health care, education and water development
  - ✓ The improvement of expenditure while at the same time ensuring that adequate resources are available for operations and maintenance, and the implementation of the Migori CIDP.
  - ✓ That all measures shall be instituted to contain the wage bill and maintain a balanced budget in 2016/2017 Financial Year and the subsequent years.

### Fiscal Policy Framework

59. Fiscal policy will continue to support County development activities while providing room for the implementation of the CIDP within a context of sustainable public financing. During the previous two years, the County Government has refocused its priority towards the expansion of programmes and projects in roads, health, social protection, education, agriculture, water and infrastructure. This process will be strengthened in the FY 2016/17 with relevant legislative framework put in place to enable the County Government implement critical programmes that will accelerate socio-economic development while endeavouring to run a balanced budget.
60. Based on the trends on revenue collection over the last six months, local revenues have been projected to remain constant at Kshs.400, 000,000 per annum during the supplementary and in 2016/17FY budget. With transfers from the National Government projected at KShs.6.4billion and local revenues of Kshs 550M, the total resource envelope excluding grants is expected to reach to Kshs 6.9 billion compared to 6.3 billion for 2015/16 implying an overall increase of 9.4% per cent of the total resource budget
61. Departmental ceilings for FY 2016/17 have been revised accordingly. Table 6 presents the County Government fiscal projections over the medium term.



**Table 6: County Government Fiscal Projections, 2015/2016-2017/2018**

	2015/2016	2016/2017	2017/2018
<b>Revenue/Grants</b>	6,350,000,000	6,950,000,000	7,450,000,000
National Gov't	5,800,000,000	6,400,000,000	6,800,000,000
Local revenue	400,000,000	550,000,000	700,000,000
<b>Expenditure</b>	6,350,000,000	6,950,000,000	7,500,000,000
Recurrent	3,236,500,000	4,170,000,000	4,500,000,000
Development	3,113,500,000	2,780,000,000	3,000,000,000

**Fiscal Responsibility Principles**

62. The County Government acknowledges the fact that the fiscal stance it takes today will have implications into the future. The County Government will ensure strict adherence to Section 107 of the Public Finance Management (PFM) Act of 2012 which outlines the fiscal responsibility principles as follows;

- ✓ The County Government's expenditure shall not exceed its total allocation in that financial year
- ✓ Forty percent of all expenditure is dedicated to development expenditure and sixty per cent to recurrent expenditure over the medium term;
- ✓ Wage bill shall be limited to not more than thirty percent of the government's total revenue:
- ✓ County Debt financing to be only used for development 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;
- ✓ Sustainable debt: The County's debt shall be maintained at a sustainable level not exceeding fifteen percent of the County Government's total revenue as approved by the County Assembly. 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.
- ✓ Prudent risk management: Fiscal risks shall be managed prudently and key areas of uncertainty that may have a material effect on the fiscal outlook and the potential policy decisions outlined
- ✓ Predictable taxes: A reasonable degree of predictability 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.
- ✓ The County Government will operate under a balanced budget fiscal regime. National and foreign borrowing will be limited to projects that guarantee revenue streams and support long-term growth.



## **Fiscal Structural Reforms**

63. For effective and efficient management of financial resources, the County through the revenue directorate will continue to eliminate leakages and enhance revenue collection as well as rationalize expenditure.
64. The County Government will continue with prudent financial management with the aim of improving efficiency and reduction in wastages in line with section 107 of the PFM Act of 2012 on fiscal responsibility principles.

## **Financing Policy**

65. The County Government will have a balanced budget in the FY 2015/2016 and over the medium term.

## **2015/2016 Budget Framework**

66. The County Government's strategic objectives and priorities as outlined in the CIDP (2013-2017) and the Annual Development Plan (ADP) 2015 forms the basis for the Migori County 2016/2017 budget framework. The County is expected to realize key developments by ensuring adequate budgetary allocations in the project activities and programmes of the priority areas.

## **Revenue Projections**

67. The Migori County 2016/2017 financial year budget targets local revenue collection of Kshs. 550 million and equitable share of KShs.6.4 billion from the National Government. The revenue department will institute measures to expand the revenue base and curb revenue leakages.

## **Expenditure Forecasts**

68. The County Government's funding allocation decisions for the FY 2016/2017 are guided by the Annual Development Plan (2015) which outlines the priority areas to be addressed in the FY 2016/2017 in the realization of the CIDP. Overall expenditures are projected at Kshs.6.95 billion comprising of Kshs.2.78 billion for development and Kshs.4.17 billion for recurrent.
69. Efficiency saving initiative will be adopted by the County to ensure that funds are directed to service-delivery rather than non-essential spending and cut down expenditures on non-priority activities.

## **Recurrent Expenditure**

70. Recurrent expenditures shall be maintained at 60 percent of the County budget. This translates to Kshs 4.17 billion of the total budget for the 2016/17. The County will exercise essential controls and ensure prudent management of the wage bill by ensuring that recruitment is only done to cater for natural attrition, retirement and on very critical need basis.



## **Development**

71. The County Government will endeavour to allocate adequate resources towards development outlays and maintained at 40 per cent of the county budget so as to complete critical infrastructure priority projects that have wider impact on the community. During the Financial year 2016/2017, the ceiling for development expenditures excluding donor funded projects is expected to be KShs.2.78 billion

## **Summary**

72. Fiscal policy will support growth within a sustainable path of public spending by allowing deficit to decline drastically, therefore moderation in government spending will help assure debt sustainability and inter-generational equity in line with the constitution and fiscal responsibility principles in the PFM Act 2012. Meanwhile, efficiency and economical spending of County Government resources will be enhanced to create room for critical interventions and pro-poor spending



## CHAPTER FIVE: BUDGET FOR THE FY 2016/17 AND THE MEDIUM TERM

### Resource Envelope

73. The Constitution of Kenya 2010 stipulates that County Governments should have reliable, stable and predictable sources and allocation of revenue. Migori County has two main sources of funding that is revenue from local sources and the equitable share from the National Government as provided under Article 201 of the Constitution. The resource envelope available for allocation among the spending units is based on the medium term fiscal framework outlined in chapter three.

### Medium –Term Expenditure Estimates

74. Based on the above resource envelope, expenditure estimates for each sector, shall be distributed as follows in order to realize the anticipated county medium-term objectives as articulated in the annual development plan and the CIDP 2013/2017.

**TABLE 7: TOTAL EXPENDITURE CEILINGS FOR MTEF PERIOD 2013/2014-2016/17**

SECTOR	AMOUNT ALLOCATED				PERCENTAGE INCREASE			
	2013/14 (000)	2014/15 (000)	2015/16 (000)	2016/17 (000)	13/14	14/15	15/16	16/17
Agriculture, Livestock Production, Fisheries, Veterinary Services and Water	298,980	427,481	500,000	350,000	7%	8%	7.9%	5.8%
Lands, Housing, Physical Planning and Survey	98,000	204,898	160,000	100,000	2%	4%	2.5%	2.1%
Roads, Public Works, Transport and Energy	341,883	414,968	900,000	800,000	8%	8%	14.1%	14.5%
Trade Development and Regulation	210,536	103,532	150,000	60,000	5%	2%	2.3%	1.1%
Health	572,781	632,852	600,000	500,000	13%	12%	9.4%	7.2%
Education, Youth, Sports, Culture and Social Development	305,917	178,667	220,000	160,000	7%	3%	3.4%	2.6%
Water and Energy	226,905	0	0	0	5%	0	0	0
Public Service Management	1,097,489	265,571	160,000	160,000	24%	5%	2.8%	2.9%
Public Service Board	0	25,949	100,000	40,000	0	0%	1.7%	0.8%
ICT	0	182,690	150,000	300,000	0	3%	2.3%	2.9%
Finance and Economic Planning	25,000	784,258	790,000	500,000	1%	15%	12.4%	5.5%



SECTOR	AMOUNT ALLOCATED				PERCENTAGE INCREASE		
	2013/14 (000)	2014/15 (000)	2015/16 (000)	2016/17 (000)	13/14	14/15	15/16
Ward Development Fund				640,000			
Environment and Disaster Management	122,488	111,232	120,000	120,000	3%	2%	1.9%
County Assembly	105,000	566,000	616,000	490,000	2%	9.2%	9.4%
County Executive	0	0	430,000	330,000	0	0	4.7%
Pending bills				400,000			
Salaries	1,105,010	1,370,964	1,404,000	2,000,000	25%	26%	25%
<b>Total</b>	<b>4,509,989</b>	<b>5,269,562</b>	<b>6,328,000</b>	<b>6,950,000</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Spending Priorities

75. Prioritization of resource allocation will be based on the 2015 ADP which spells out programmes to achieve County priorities identified during the County-wide budget consultative meetings.

76. The County Government will reorient its expenditure programmes to focus on the following sector priorities

77. Under the social pillar, priority shall be given to the following areas:

- ✓ Provision of Provision of Solar lamps to vulnerable households in the county
- ✓ Provision of clean water through drilling of boreholes and construction of dams
- ✓ Supply of medicines and medical supplies and expansion of existing health infrastructure in all facilities and opening closed facilities
- ✓ School bursaries and scholarship to needy and deserving children from poor families,
- ✓ construction and equipping existing ECDE centres including and employing of instructor sport development and talent nurturing;
- ✓ Youth development programmes and people with disabilities.

8. Under economic pillar, priority shall be given to the following areas;

- ✓ Road opening and gravelling



- ✓ Tarmacking of major roads
- ✓ Construction of the county headquarters at Lichota
- ✓ Street lighting to strategic major towns/markets
- ✓ Construction/rehabilitation of markets/shades,
- ✓ Development and rehabilitation of tourism sites
- ✓ Enhancing food security through strengthened and improved farmers' access to subsidized farm inputs,
- ✓ Improvement of livestock marketing, disease and pest control and promotion of sustainable capture fisheries

79. Under governance pillar, priority shall be given to the following areas;

- ✓ Facilitating proper and prudent collection,
- ✓ Utilization, management and accounting of county resources,
- ✓ Streaming measures aimed at rejuvenating revenue generation,
- ✓ Staff rationalization and training,
- ✓ Establishment and strengthening of devolved units and establishment ICT villages among others
- ✓ ICT Development

#### **Details of Sector Priorities**

80. The future county's medium term expenditure estimates will ensure the resource allocation is done based on the prioritised programmes aligned with the CIDP, the Kenya Vision 2030 and other policy initiatives that ensure accelerated growth, wealth and employment creation and also poverty reduction within the county.

#### **County Assembly**

81. This is a key sector in the implementation of development programmes in the county as it has the oversight role. It also plays the role of strengthening the democratic space and governance in the county. Due to the crucial role of the sector, it is proposed that the sector be allocated Kshs 490 Million to cater for operations and development activities excluding salaries in 2016/17FY 2015/16 FY.



## **County Executive**

82. This is the sector that is in charge of enhancing public service delivery, organization and coordination of County Government business through planning, mobilization of financial and human resources in the public sector. The sector also plays the role of linking the rest of the world in matters of development. The sector is comprised of the Governor, Deputy Governor, CECs, County Secretary, chief of staff, county treasury, CPSB, sub-county and ward administrators, Chief Officers and staff at the governor's office.
83. This sector requires considerable funding to oversee the implementation of the Kenyan Constitution, Vision 2030, CIDP, provision of leadership and policies in governing of the county. It has the task of supervising the County Government departments including overseeing the special programmes on youths, women and disability.
84. Due to the vital role the sector plays, its proposed that it be allocated Kshs 330 Million in 2016/17FY to cover both recurrent and development excluding salaries.

## **Ward Development Fund**

85. This is a fund that is established by an Act of Migori County Assembly. Its main objective is to administer the implementation of projects at the ward level. Due to the vital role the sector plays, its proposed that it be allocated Kshs 670 Million to cover projects in all sectors including provision of school bursaries to needy and deserving students through the normal government regulations as articulated in the Migori Ward Development Fund Act sect 38 sub-section 1. Disbursement shall be done through the Ministry of Finance and Economic Planning.

## **Roads, Public Works and Energy**

86. The priority includes areas in Roads, bridges, foot bridges, bitumen road construction, and purchase of road equipment. The overall goal of the priority is to have a well-developed and maintained physical road network for rapid and sustainable economic growth and poverty reduction. The development of infrastructure has a multiplier effect on the county economy as it enhances access to markets, improves trade and contributes towards the creation of many entrepreneurial related jobs. Funds will be apportioned to create and maintain a network of roads, bridges that will provide adequate and efficient transport of farm produce to the markets.
87. In the energy sub-sector, the following have been earmarked: supply and installation of solar street lights in major towns and markets, installation of solar PV in county headquarters and provision of solar lamps in villages among other priorities

In order to achieve these programmes, it is proposed that the sector be allocated Kshs 800 million or 12.9 per cent of the total county allocation in 2016/17Y



## **Public Service Management**

89. The sector plays a key role in enhancing public service delivery, organization and coordination of County Government business. The sector is expected to provide leadership and policy direction in the governance of the county; coordinate and supervise County Government affairs; articulate and implement the county's policies, promote efficient and effective human resource management and development for improved public service delivery, and public service integrity.
90. The sector has achieved the following: Establishment of the organizational structures, construction of sub-county and ward offices and renovation of the public service offices among other achievements.
91. To achieve the above objectives, it is proposed that the sector be allocated Kshs. 160 Million in the FY 2016/2017FY.

## **County Public Service Board**

92. This is a key department in the management of public servants in the County. The department plans to construct modern MCPSB offices in 2015/16 FY. In order for the department to successfully accomplish its mandate, it is proposed that the sector be allocated Kshs 40 Million in FY 2016/2017.

## **Water, Agriculture, Livestock and Fisheries**

93. This sector is critical to the county's economic growth, employment creation and poverty reduction. The sector contains multiple linkages with other key sectors such as manufacturing, wholesale and retail, transport and distribution and other service related sectors. The challenges facing the sector include; low value addition and competitiveness, inadequate physical infrastructure, Poor quality breeding stock and lack of livestock breeding centre in the county, low production and productivity due to the use of uncertified seeds, poor marketing and marketing infrastructure, and low access to financial services as well as affordable credit.
94. The sector aims to address the above challenges in the 2016/2017 budget by raising agricultural productivity through provision of farm inputs to needy farmers, construction of 2 dams per sub-county , increased agricultural commercialization through value addition, improvement in the provision of extension services; improved livestock breeds through artificial insemination; purchase of dairy cows , adoption of appropriate livestock production technologies; introduction of traditional food crops; land development, and promotion of sustainable management of fisheries .
95. Other priorities include: Expansion/rehabilitation of existing piped water supply systems, drilling boreholes and equipping them, supporting roof harvesting in public institutions, construction of dams and protection of water springs



96. To achieve the above targets, it is proposed that the sector be allocated Kshs.350 Million 2016/2017.

### **Education, Culture and Sports**

97. The County is assigned pre-primary education, village polytechnics, sports, culture and Youth development. The mandate of the sectors includes: dissemination and implementation of Education policies, Administration and Management of Education programmes and construction and equipping of ECDE schools among others. The sector faces many challenges including inadequate infrastructure, inadequate learning materials and staffing. During the previous year, the sector has managed to construct 120 ECDE classrooms, 10 Youth Polytechnics and supported several activities in the sports arena. In the FY 2014/2015, the sector intends to construct ECD classrooms, purchase learning materials, recruit teachers and construct an ECDE training college. For youth polytechnics, the sector intends to construct workshops and classrooms, purchase tools, and recruit instructors.

98. Other priorities of the sector are to establish a cultural centre in the county; organize sports establish sports centres and talent centres.

99. Efforts shall be made to address social and economic issues affecting the vulnerable groups in the county, promote cultural heritage, empower youth, women and people living with disabilities.

100. Special efforts shall be made to address the educational needs from the disadvantaged groups through provision of bursaries, scholarship and the commencement of the school feeding programme.

101. In order for this sector to effectively cater for these objectives, it is proposed that the sector be allocated Kshs.160 Million in FY 2016/2017

### **Environment and Disaster Management**

102. This is a critical sector in the county economy charged with the responsibility to promote, conserve, and protect the environment to reduce the occurrences of disaster through community empowerment and enforcement of existing legislation for sustainable county development. During the period of one year, the sector has managed to undertake the following: establishment of a demonstration farm, Riverine conservation, Promotion of on - farm tree growing and trained tree seedlings producer and community on Disaster Risk Reduction strategies

103. Under the disaster response management, the sector aims to purchase disaster emergency supplies, engine and construction of county environment disaster center. Under forestry, the sector intends to do reforestation of degraded hills tops and promote farm trees including purchase of tree seedlings. In public health services, the sector intends to construct solid waste



management facilities and identify and protect of dumping sites in all major towns and purchase garbage transport trucks among other priorities

104. It is proposed that the sector be allocated Kshs. 120 Million in FY 2016/2017

### **Finance and Economic Planning**

105. This is one sector that links all the departments in the county and the county with the rest of the world. The key role of the sector is to provide leadership and policy direction in the governance of the County, coordination and supervision of County affairs, promote sound public financial and economic management for socio-economic development promote macroeconomic stability, planning and budgetary process, implementation, monitoring and evaluation. In the last one year the sector has put mechanisms in place for smooth functioning of the treasury, IFMIS and the preparation of the County Integrated Development plan.

106. The sector targets pay for pending bills from the FY 2015/2016, track all development projects and programmes; prepare quarterly briefs or reports on development; enhance revenue collection; source for development partners and ensure that funds in the county are prudently utilized to achieve the county objectives and the realization of the vision 2030. To achieve these objectives its proposed that the sector be allocated Kshs. 500 Million in 2016/17 FY.

### **Health Services**

107. This is a key sector in the development in any economy and therefore it is one of the County priorities. The goal of the sector is to provide equitable and affordable health care to the people of Migori County. The aim of the sector is to improve immunization coverage, reduce deaths due to malaria and other diseases, and increase the proportion of mothers delivering in health facilities among others. However, the sector is facing numerous challenges ranging from inadequate infrastructure for service delivery to shortage of personnel and untimely supply of drugs.

108. The County Government will try to address these challenges through continued investment in training of health workers; upgrading and equipping of health facilities, construction of maternity wards, laboratories and ICU; completion of Migori MTC, purchasing ambulances for all health facilities in the long-run and allocating more resources to the procurement of drugs.

109. It is proposed that the sector be allocated Kshs. 500 Million in FY 2016/2017.

### **Land, Housing, Physical Planning and Urban development**

110. This sector is in charge of lands, survey and physical planning of the county. The sector faces many challenges ranging from lack of town plans, GIS, lack of proper register of public land; lack of urban development plans, lack of firefighting equipment; and shortage of dwelling units.



111. So far over the last one year the sector has achieved the following; Demarcated and beacons over 12 public titled land, surveyed over 10 acquired sites to be titled and converted into public land, resolved over 40 land related conflicts and issued over 2000 new parcel numbers to facilitate production of Title deeds.
112. To address the above shortcomings, the sector intends to prepare town plans for all major towns in the county; prepare county spatial plan, fast track the issuance of land documents and prepare an integrated urban development plans among others.
113. To achieve the above targets, in the FY 2016/2017, it has been proposed that the sector be allocated Kshs. 100 Million compared 2016/2017.

### **Trade Development, Regulation and Industry**

114. The sector has been entrusted with the following sub-sectors; Trade, cooperatives, weight and measures, tourism and industrialization. The mandate of the sector includes facilitating trade and investment by creating enabling environment and infrastructure development, facilitating the development of cooperative movements to ensure that they are vibrant and self-reliant through savings mobilization, education and training. Ensuring fair trade practices and consumer protection. Facilitating product development, innovations and marketing tourism products.
5. Over the past one year, the sector achieved the following; Registered ten new cooperatives societies, revived 7 dormant cooperatives societies dealing in dairy, fish and rice; carried out education, training and mobilization of savings in cooperative societies in the county, Capacity building of SMEs, Participated in the India for Africa business forum in Mumbai and Production of county investment opportunities profile brochure
6. However, the sector is facing many challenges ranging from high cost of production, stiff competition from accessing international markets and congestion in Migori Town.
117. To achieve these goals, it is proposed that the sector be allocated Kshs.60 Million in FY 2016/2017

### **Information, Communication and Technology**

118. Over the past one year, the sector achieved the following; website design, setting up local area network, installation and configuration of network bandwidth, establishment of digital villages, structured network cabling, wiring of fibre cable, unified network security management system, design and implementation of citizen service charters, installation of window server 2012, installation and configuration of IPBX system, automation of revenue collection system, among others.



119. To achieve its mandate, it is proposed that the sector be allocated Kshs. 300 Million in FY 2016/2017

**Salaries**

120. The county has over two thousand employees who drew approximately Kshs. 1.97 billion in 2015/16 FY. This will increase with additional staff being hired especially in the health and education sector. Technical staffs have also been hired in various sectors in an effort to boost the capacity of the county in service delivery. To cater for this, it is proposed that salaries be allocated Kshs. 2 Billion 2016/17 FY

**Pending Bills**

121. To adequately address the pending bills from previous years, it is proposed that Kshs 400 Million be set aside in 2016/17FY



## ISSUES FROM PUBLIC PARTICIPATION EXERCISE

122. The Constitution of Kenya 2010 and Section 117 (5) of PFM Act, 2012 provides that the public should be involved in the budget making process through public participation. Members of the public were invited to attend public sector hearings to identify priorities that will guide the preparation of the County Fiscal Strategy Paper leading to the County Budget 2016/1 Financial Year.
123. The public applauded the County Government for the progress made in various sectors during the 2015/16 FY. However, various concerns were raised as will be shown below. The public were however assured that issues raised will be tackled at Sector level. The advertisement appeared on The Star Newspaper dated Monday 8<sup>th</sup> February, 2016. The Sub County consultative meetings were held from 11<sup>th</sup>-22<sup>nd</sup> February, 2016 from 10 am as shown below.

**Table 8: Schedule of Public Hearing Forums 2016/17 FY**

Date	Sub County	Venue	Time
Thursday 11th February, 2016	Uriri	Uriri Sub County Headquarters	10.00 am
Friday 12th February, 2016	Kuria East	Kegonga Sub County Hqs and Ntjmaru Ward Administration office	10.00 am
Monday 15th February, 2016	Rongo	Rongo Sub County Hqs	10.00am
Tuesday 16th February, 2016	Suna East	IFAD Hall	10.00 am
Wednesday 17th February, 2016	Awendo	Awendo Sub County Hqs	10.00am
Thursday 18th February, 2016	Kuria West	Kehancha Sub County Hqs	10.00am
Friday 19th February, 2016	Nyatike	Sori DO's Office and Wath Onger CDF Office	10.00am



Monday 22th February, 2016	Suna West	Chief's Camp Kababu	10.00am
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### Public issues

124. Specific issues raised by members of the public on sectors include:

#### **Social Protection Culture and Recreation Sector**

125. The public raised issues that included lack of a recreational centre for the youth in the whole county. The communities also proposed that sporting activities should start at the Ward levels. They also observed that cultural activities should be enhanced from the Ward level. The community also proposed that Miss Tourism Beauty Pageant should start from the Ward level.

#### **General Economics and Commercial Affairs Sector**

126. There was a general public observation that most projects that had been proposed in the County Integrated Development Plan had not been done. They lamented that yearly public hearings had not born any fruits since they started in the year 2013. They suggested that the County Government should implement projects they have suggested and not what the CG want to implement. They also suggested that the CIDP should be given to them on time not at the end of 5 years. The public inquired why there were no Project Management Committees (PMCs) for County projects. They were informed that before such a committee is constituted, there should be a policy written that will be show among others the boundaries that such a committee will reach. They were informed that the same concern had been raised in other forums and the Public Service Management was auctioned to look in to it.

127. The public noted that there were various market shades that construction were still not complete and in some the fencing was substandard. In some markets, there were no pit latrines in other markets like Opoya market in West Sakwa Ward and Bongu market in South Sakwa Ward yet revenue was collected daily. They were informed that the department of Trade will be informed of the concerns above.

#### **Agriculture, Rural and Urban Development Sector**

128. The public lamented that though farm inputs like fertilizer and certified seed were provided to them, CAN was not done because the input was not available. Though the county was promoting Soya Beans and Groundnut production like in Wasweta II in Suna West Sub County, farmers were not able to access the processing machines because they were far away. They were informed that machines will be idle due to lack of sufficient harvest and as soon as the produce increases the processing machines for value addition will be brought close to them.

129. The public wanted to know why only few farmers received dairy cows and why getting veterinary officers to treat animals was difficult. They were informed that the dairy cows are



supposed to have a multiplier effect to be shared by all farmers in the long run and that the beneficiary areas to act as demonstration sites for training livestock farmers to adopt the same technology. The veterinary officers will visit farmers on demand basis.

130. There were fish ponds dug in Tagare Ward in Kuria West Sub County that the community said did not understand their purpose. It was noted that the community was not involved in identifying and owning the project. They were informed that a Fisheries officer in their Sub County will be contacted so that they can organize sensitization forum for the same with the community.

### **Health Sector**

131. The communities wanted to know the progress made in upgrading various dispensaries to health centers and health centers to sub county hospitals across the county. They also enquired why essential medicines were not available in many health facilities. They wanted to know the action the Health sector was taking in posting health workers to various health facilities. There were dispensaries that were being constructed that had stalled. The ambulances in the county were not sufficient.
132. On upgrading of health facilities to the next level, the communities were informed that there were various parameters considered before a health facility is upgraded like the number of patients received per day. On lack of essential drugs, they public was informed of the concerted efforts to ensure essential drugs in health facilities are available at all times. The CG has a Medical Training Center that will provide human resource to enable operationalization of stalled health facilities. On the number of ambulances in health facilities, the CG will ensure there is an ambulance for every health centre in the long run.
133. There were no nurses at Oruba Dispensary in Oruba Ragana Ward. The public was informed that the staffing officer at the Health Center will be informed and the Ward Administrator should pick up the matter immediately. The public observed that the CG was not appreciating the Community Health Volunteers in terms of allowances. They were informed that the CHVs will be absorbed gradually when vacancies arise.

### **Energy, Infrastructure and ICT Sector**

134. The issues raised herein included: In various parts of the County like Makerero Ward in Kuria West Sub County, there are no solar street lighting. It was noted that some vital areas that required solar lights had been neglected. In other areas, the lights were either not working or not fully fitted. The communities were informed that the highlighted locations will be visited by the relevant department.
135. In other parts of the County, the community lamented that County roads were not completely done, like the Malanda-Nyakoru road in North Sakwa Ward, there is no bridge at Karenda-Tobosa road, in God Kachola Ward (North Nyandago Location) there were no roads done by the County Government. Some roads did not lead to any specific place or did not join other roads. There were roads with no or damaged bridges. They were informed that the mandate of the CG on roads was just to open a road and make it passable to the everyday



citizen like boda boda riders. However, the short rains experienced had also damaged roads and bridges, but when finances will be available they will be repaired and bridges erected.

136. Some community members did not see the importance of the LCD Screens erected across the county especially the one near Migori Primary School. They were informed that the screens will in the long run bring revenue to the county when they will be used as platforms to advertise various goods and services.

### **Education Sector**

137. The public noted that there was delay in payment of completed projects by treasury. There were delays in completing ECDE classrooms that were started in 2013/14 FY like Barasing ECDE, Maseno ECDE, and Nyabikemo ECDE in Wasweta II Ward in Suna West Sub County; Nyangubo ECDE, God Kachola and Aneko ECDEs in Kaler Ward, in Muhuru Ward no ECDEs have been started to date, Bukitimo and Metaburo ECDEs are stalled. Although ECDE classes were being constructed, there were no teachers. The public were informed that contractors that have relevant support documents for payment of work done should go to treasury and inquire on the progress of their payments.
138. The community was informed that there were many incomplete ECDE classrooms because most of the contractors that were awarded the tenders had no capacity/finances to do the works. Most contractors were locals from Migori County. Plans were underway to make sure that the classes were completed.
139. ECDE teachers had been interviewed and letters for their posting were being written. There will be 3 teachers per ECDE across the county. The communities were encouraged to take their children to Polytechnics for various trainings. They were informed that the number of technical instructors was low and so they should take advantage of the situation to educate their children to fill the positions in future. The public were urged to task Ward Representatives to set funds aside to improve the infrastructure of youth polytechnics in their wards using Ward Development Funds.
140. They were also encouraged to support the students who have been awarded the Ward bursaries and Governor's scholarships to work hard in school so that the County resources do not go to waste.

### **Environmental Protection, Water and Natural Resources Sector**

141. Issues raised included uncollected rubbish making our towns dirty. There were areas where trees were planted by various groups but they were not taken care of like in South Kanyamkago Ward. There was no sufficient water supply in various parts of the county.
142. The communities were informed that rubbish collection has become a problem for the county but plans were underway to look for dumping sites in every sub county for disposal. There was a view that tree planting to be taken directly to schools for proper and easy management by the administration and pupils/students.
143. The communities were informed that the CG had invested on a drilling grill that will drill water across the county. It was currently drilling in Nyatike Sub County then will be moved



to other areas. The cost of electricity was sighted as the major problem in pumping the Mikutra water.

**Public Administration and International Relations Sector**

144. No issues were raised in this sector

**Governance, Justice, Law and Order Sector**

145. No issues were raised in this sector