



# **COUNTY GOVERNMENT OF WEST POKOT**

## **COUNTY TREASURY**

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### **COUNTY BUDGET REVIEW**

### **AND OUTLOOK PAPER**

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**OCTOBER, 2021**

## **Foreword**

It is with great pleasure that the County Treasury presents the County Budget Review and Outlook Paper (CBROP) for West Pokot County government for the FY 2020/2021. This report has been prepared in line with Section 118 of The Public Finance Management Act, 2012 which requires every County Government to prepare and submit a County Budget Review and Outlook Paper (CBROP) to the County Assembly.

In 2020, the Kenyan economy was adversely affected by the outbreak of COVID-19 pandemic and the resultant containment measures. As a result, the economy contracted by 0.3 percent in 2020 compared to a growth of 5.0 percent in 2019. The contraction was spread across most sectors of the economy especially in accommodation and food services activities, education and transport sectors. Kenya's economy is projected to rebound in 2021 to 6.0 percent. The outlook in 2021 will be reinforced by the prevailing stable macroeconomic environment and the ongoing implementation of the strategic priorities of the Government under the "Big Four" Agenda, Economic Recovery Strategy and other priority programmes as outlined in the Third Medium Term Plan of Vision 2030.

The overall total projected revenue for FY 2020/2021 was estimated at Kshs. 6.990 billion. In the period under review, the Controller of Budget approved withdrawals of Kshs. 6.127 billion from the CRF account. These withdrawals represented 87.66 percent of the approved supplementary II budget and translated to an increase of 17.23 per cent from Kshs. 5.226 billion in FY 2019/20. The total actual expenditure for the period under review amounted to Ksh. 6.27 billion representing 89.05 percent overall performance. This comprised expenditure of Ksh. 4.25 billion for recurrent and Ksh. 1.976 billion for development. Several milestones were achieved in each sector as contained in the detailed report during the period under review. Further, it sets indicative ministerial ceilings for FY 2022/2023 in line with key sector strategic objectives and priorities as set out in the County Integrated Development Plan (2018-2022) .

Our commitment is to ensure that we realise the County's goal of reducing poverty and creating employment by focusing our expenditure on high impact projects and programmes. In this regard, the need for continued fiscal discipline through strategic planning, efficient resource management and prudent utilization of public resources is emphasized.

God bless our County.



**Ruth Kisabit**

**County Executive Committee Member for Finance and Economic Planning**

## **Acknowledgement**

The 2021 County Budget Review and Outlook Paper (CBROP) has been prepared in accordance with the Public Finance Management (PFM) Act, 2012 and its Regulations. The document provides the fiscal outturn for the FY 2020/21, the macro-economic projections and sets the sector ceilings for the FY 2022/23 and the Medium Term Budget. The document also provides an overview of how the actual performance of the FY 2020/21 affected our compliance with the fiscal responsibility principles and the financial objectives spelt out in the PFM Act as well as information showing adjustments made in the projections outlined in the 2021 County Fiscal Strategy Paper. We are operating under tight resource constraints amidst significant revenue shortfalls occasioned by declining economic activity as a result of the adverse effects of the Covid-19 Pandemic. This calls for proper prioritization to ensure that our expenditures go to the most impactful programmes with highest welfare benefits to county residents. Thus, all Sector Working Groups (SWGs) are expected to ensure that their budgets are aligned to the overall County Government priorities while taking into account the available resources.

The preparation of the 2021 CBROP was a collaborative effort of various County Government departments. We thank all the County Government Departments and Agencies for the timely provision of useful data and information on their budget execution for the FY 2020/21. I wish to thank the core team from the County Planning and Budget unit for reviewing this document to ensure it satisfies the PFM Act, 2012 and sets out the sector ceilings that will guide the rest of the sectors in the preparation of their FY 2022/23 and the Medium Term Budget.

Finally, I wish to reiterate the importance of public participation in FY 2022/23 Medium Term Budget preparation process by calling on all Sector Working Groups to devise an engagement framework that will deepen open public and stakeholders' participation and incorporation of the proposals received. In summary, the report provides the basis for strengthening linkage between policy, planning and budgeting and the spring board for realizing socio-economic transformation under the devolved system of government.

God bless you all.

**Dr. Grace Amurle**  
**Chief Officer, Finance & Economic Planning**



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## **Abbreviations and Acronyms**

CBROP	County Budget Review And Outlook Paper
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
ADP	Annual Development Plan
GDP	Gross Domestic Product
MTEF	Medium Term Expenditure Framework
PFM	Public Finance Management Act
FY	Financial Year
CRF	County Revenue Fund
CARA	County Allocation Revenue Act
MTP	Medium Term Plan



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## **I. INTRODUCTION**

### **1.1 Legal Basis for the Preparation of CBROP**

The County Budget Review and Outlook Paper has been prepared in accordance with Section 118 of the Public Financial Management Act, 2012. This section states that:

- a) The County Treasury shall prepare and submit to the County Executive Committee for approval in each financial year, a County Budget Review and Outlook Paper by 30th September of that year.
- b) County Executive Committee shall consider the CBROP with a view to approving it with or without amendments, not later than fourteen days after its submission.
- c) Not later than seven days after the CBROP has been approved by Executive committee, the County Treasury shall:
  - i. Submit the paper to the Budget and appropriation Committee of the County Assembly to be laid before the County Assembly; and
  - ii. Publish and publicize the paper not later than fifteen days after laying the Paper before County Assembly.

### **1.2 Specific Objectives of County Budget Review and Outlook Paper**

The main objectives of the CBROP 2021 are;

- a) To provide an analysis of actual fiscal performance in the FY 2020/2021 compared to the budget appropriation for that year.
- b) To provide updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper.
- c) To provide information on any changes in the forecasts compared with the County Fiscal Strategy Paper; or how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the latest CFSP; and
- d) To give the reasons for any deviation from the financial objectives together with proposals to address the deviation and the time estimated to do so.

## II. REVIEW OF FISCAL PERFORMANCE

### 2.1 Overview of Resource Envelope

**Table 1: Total Projected Resource Envelope for FY 2020/2021**

PROJECTED REVENUE	FY 2019/20	FY 2020/21	FY 2020/21	FY 2020/21
	Approved (Kshs)	Approved (Kshs)	Approved Supp I Budget (Kshs)	Approved Supp II Budget (Kshs)
<b>1. National Revenue</b>				
a.) Equitable share	4,898,000,000.00	5,000,700,000.00	5,000,700,000.00	5,000,700,000.00
b.) Conditional allocation(National Government Revenue)				
c.) Grants/Loans(Development Partners)	364,283,864.00	575,634,431.00	509,681,994.00	509,681,994.00
d.) Balance b/f	-	151,749,345.00	1,160,510,236.00	1,160,510,236.00
<b>2. Own Revenue Sources</b>				
e.) Projected Revenue From Local Sources	130,320,184.00	168,352,202.00	168,352,202.00	140,352,202.00
<b>Total</b>	<b>5,563,994,018.00</b>	<b>6,075,359,953.00</b>	<b>7,018,168,407.00</b>	<b>6,990,168,407.00</b>

*Source: Approved County Supplementary II Budget Estimates, FY 2020/2021*

The table above provides revised estimates of revenue projection for the FY 2020/2021. The overall total projected revenue was estimated at Kshs. 6,990,168,407.00. This projected revenue comprised of equitable share of Kshs. 5,000,700,000.00. This share financed 71.5 percent of the total supplementary II budget estimates.

Conditional allocation from the national government was projected at Kshs. 178,923,975.00 constituting 2.6 per cent of the total supplementary budget. This comprised of conditional allocation for rehabilitation of Village Polytechnics amounting to Kshs. 17,749,894.00, conditional allocation for compensation for user fees foregone amounting to Kshs. 12,128,484.00 and conditional allocation from Roads Maintenance Fuel Levy fund amounting to Kshs. 149,045,597.00

Other allocation amounted to Ksh. 509,681,994.00 being proceeds of external loans/grants to be transferred to the County Government as conditional allocation, and which financed devolved functions in accordance with signed financing agreements for the loans/grants. The loans/ grants were aimed at financing Kenya Urban Support Programme(Ksh.73,000,000.00 for Urban Development Grant for Kapenguria Municipality), Ksh. 45,000,000 for Kenya Devolution Support Programme, and Ksh.320,000,420.00 for the Kenya Climate Smart Agriculture Project. Others were allocations of Ksh.11 million for Instruments for Devolution & Advice(Nasukuta Project), Ksh. 14,224,205.00 for Agriculture Sector

Development Support Programme II, Ksh.14,220,000 for Danida and and Ksh. 32,237,367.00 to finance Transforming Health Systems for Universal Health Coverage Programme.

The total balance brought forward from FY 2019/2020 was projected at Ksh. 1,160,510,236.00 represented 16.5 percent of the total supplementary ii estimates. This comprised of Ksh.17,224,925.00 for Transforming Health Systems Programme, Ksh. 30 million for KDSP, Ksh. 75,290,000.00 grant from the national government for Covid-19 response and Ksh. 895,663,402.00 equitable share roll over. Others were Ksh. 37,542,772.00 from the Kenya Roads Maintenance Fuel Levy fund, Ksh. 65,679,137.00 for financing Kenya Urban Support Programme, Ksh. 33,615,000.00 as allowances for Frontline healthcare workers and Ksh. 5,495,000.00 from DANIDA grant for health systems strengthening.

The FY 2020/21 local revenue target was projected at Kshs. 140,352,202.00 representing 2 per cent of the total projected revenue. This comprised of net local revenue target of Ksh. 78,052,202 and Appropriations in Aid (F.I.F) for Health amounting to Ksh. 62.3 million.

## 2.2 Summary of Fiscal Performance

### 2.2.1 Analysis of Exchequer Issues

In the period under review, the Controller of Budget approved withdrawals of Kshs. 6.127 billion from the CRF account. These withdrawals represented 87.66 percent of the approved supplementary budget and translated to an increase of 17.23 per cent from Kshs. 5.226 billion in FY 2019/20.

The exchequer issues from the Consolidated Fund comprised of equitable share of Ksh. 5,430,760,200 and conditional grants amounting to Ksh. 583,187,110.50. A breakdown of these grants is provided in table 7.

### 2.2.2 Analysis of Local Revenue Performance

**Table 2: Local Revenue Streams and Performance**

Revenue Source	Approved Supplementary Estimates	Revenue Performance	Approved Estimates FY 2020/21	Revenue Performance FY 2020/21
		FY 2019/20		
FY	2019/20	2019/20	2020/21	2021/22
Kiosk Rent	1,700,000.00	2,618,680.00	1,810,382.00	1,098,800.00
Single Business Permit	19,000,000.00	14,325,363.65	15,000,000.00	11,474,472.25
Market Fee	4,000,000.00	1,058,695.00	2,000,000.00	1,449,310.00
Building Approvals	350,000.00	508,386.00	451,116.00	2,589,320.00
Cess	6,000,000.00	5,289,330.00	6,260,345.00	3,796,028.00

Royalties	31,000,000.00	17,662,280.00	21,109,653.00	18,969,563.00
Stock Cess/slaughter	7,000,000.00	2,895,520.00	5,500,000.00	3,002,065.00
House Rent	2,000,000.00	3,807,175.10	2,083,664.00	1,883,913.00
Advertising	306,990.00	661,400.00	857,487.00	3,033,510.15
Parking Fee	1,800,000.00	502,575.00	1,308,132.00	667,480.00
Bus Park and Motorcycle	5,823,093.00	2,128,625.00	5,950,000.00	4,815,810.00
Renewals/Applications	1,613,210.00	485,500.00	1,704,410.00	1,038,300.00
Liquor Licensing	200,000.00	0	0	77,500.00
Agriculture	-		919,861.00	
Other fees and charges (public toilet, honey, hides & skin, firewood, tamarind aloevera, fish, scrapmetal, penalties,)	11,404,936.00	11,837,674.00	2,255,431.00	2,504,138.82
Health(cost sharing and public health)	29,000,000.00	29,000,000	-	-
Lands(Plot/Land Rates)	7,075,955.00	202,000.00	8,191,021.00	11,164,824.08
Livestock/Permits	646,000.00	274,570.00	1,200,700.00	256,400.00
Appropriation in Aid(FIF- Health)	20,000,000.00	12,755,000.00	62,300,000.00	40,930,326.85
Receipt from admin. fees and charges			50,000.00	59,140.00
Public Health Facilities Fee		144,150.00	-	
Forest Products Fees	1,400,000.00	989,706.00	1,400,000.00	1,630,788.85
<b>Grand Totals</b>	<b>150,320,184</b>	<b>107,146,629.75</b>	<b>140,352,202.00</b>	<b>110,441,690.00</b>

*Source: West Pokot County Treasury, 2021*

Receipts from Local Revenue in the period under review amounted to Kshs. 110,441,690.00 against a projection of Kshs. 140,352,202 in the FY 2020/2021. This represented local revenue performance of 78.69 percent. There was an overall increment in the collection of revenue by the county government by Ksh. 3.29 million in comparison with the local revenue collected in the FY 2019/2020.

## 2.3 County Expenditure Performance

The total actual expenditure for the period under review amounted to Ksh. 6,224,990,358.00. This represents 89.05 percent overall performance. This comprised of expenditure of Ksh.4,248,534,819.00 for recurrent and Ksh. 1,976,455,539.00 for development.

### 2.3.1 Summary of Recurrent Expenditure by Sector

**Table 3: Summary of Recurrent Expenditure**

VOTE /DEPARTMENT	APPROVED BUDGET	EXPENDITURE	%
County Executive	414,806,240.00	405,922,199.00	97.9
Finance and Economic Planning	337,365,935.00	283,366,031.00	84.0
Public Works, Transport and Infrastructure	78,185,748.00	74,118,650.00	94.8
Health , Sanitation and Emergency Services	1,591,306,702.00	1,565,932,618.00	98.4
Education and Technical Training	502,929,934.00	489,686,851.00	97.4
Agriculture and Irrigation	103,741,215.00	101,840,275.00	98.2
Pastoral Economy	97,743,617.00	93,888,961.00	96.1
Trade, Industrialization and Cooperative Development	115,830,026.00	114,739,132.00	99.1
Lands, Housing, Physical Planning And Urban Development	107,442,789.00	103,822,618.00	96.6
Water , Environment and Natural Resources	80,970,971.00	72,851,968.00	90.0
Youths, Sports, Tourism, Gender and Social Services.	76,756,762.00	72,616,444.00	94.6
West Pokot County Assembly	604,450,000.00	589,935,641.00	97.6
Public Service, ICT and Decentralized Units	243,932,071.00	240,739,335.00	98.7
Special Programmes and Directorates	41,896,707.00	39,074,096.00	93.3
<b>Total</b>	<b>4,397,358,717.00</b>	<b>4,248,534,819.00</b>	<b>96.6</b>

*Source: West Pokot County Treasury, 2021*

Recurrent expenditure for the period under review represented an absorption rate of 96.6% of the annual recurrent budget. This is higher than the 93.89% absorption rate recorded in FY 2019/20. The Departments of Trade, Industrialisation and Cooperative Development and County Public Service Management had the highest absorption rate at 99.1% and 98.7% respectively while the Department of Finance and Economic Planning had the least absorption rate of 84.0 per cent.

### 2.3.2 Summary of Development Expenditure by Sector

**Table 4: Summary of Development Expenditure**

Vote /Department	Approved Budget development	Actual expenditure	%
County Executive	138,699,700.00	116,333,131.00	83.9
Finance and Economic Planning	9,556,311.00	4,812,858.00	50.4
Public Works, Transport and Infrastructure	369,224,056.00	311,881,573.00	84.5

Health , Sanitation and Emergency Services	375,243,440.00	275,027,517.00	73.3
Education and Technical Training	384,136,927.00	368,756,693.00	96.0
Agriculture and Irrigation	456,490,520.00	394,772,812.00	86.5
Pastoral Economy	152,509,436.00	121,280,680.00	79.5
Trade, Industrialization and Cooperative Development	69,331,718.00	42,346,282.00	61.1
Lands, Housing, Physical Planning And Urban Development	186,837,802.00	129,143,186.00	69.1
Water , Environment and Natural Resources	288,141,136.00	158,449,930.00	55.0
Youths, Sports, Tourism, Gender and Social Services.	56,172,830.00	42,696,979.00	76.0
West Pokot County Assembly	55,065,814.00	9,553,898.00	17.3
Public Service, ICT and Decentralized Units	50,000,000.00	-	-
Special Programmes and Directorates	1,400,000.00	1,400,000.00	100.0
<b>Total</b>	<b>2,592,809,690.00</b>	<b>1,976,455,539.00</b>	<b>76.2</b>

*Source: West Pokot County Treasury, 2021*

Development expenditure for the period under review represented an absorption rate of 76.2 per cent of the approved development budget. This performance represented an overall performance of 28.27 per cent of total expenditure. The Departments of Special Programmes and Directorates, Education and Technical Training and Agriculture and Irrigation had the highest absorption rates at 100 per cent, 96 per cent and 86.5 per cent respectively while Departments of Water, Environment and Natural Resources, Finance and Economic Planning and County Assembly had the least absorption at 55%, 50.4 % and 17.3% respectively.

### 2.3.3 Summary of Recurrent Expenditure by Economic Classification

**Table 5: Summary of Personal Emoluments Expenditure**

Vote	Allocation	IPPD Expenditure	Expenditure On Casuals	Total Expenditure	%
County Executive	254,927,228.00	216,434,731.35	12,718,000	229,152,731.35	89.89
Finance and Economic Planning	131,148,247.00	133,500,288.90	17,441,000.00	150,941,288.90	115.09
Roads, Public Works and Transport	64,195,704.00	63,464,667.50	1,703,800.00	65,168,467.50	101.52
Health and Sanitation	1,251,986,246.00	1,193,288,955.20	35,025,200.00	1,228,314,155.20	98.11
Education and Technical Training	253,841,796.00	222,354,274.55	26,435,000.00	248,789,274.55	98.01
Agriculture And Irrigation	93,180,840.00	65,981,770.40	13,939,000.00	79,920,770.40	85.77
Pastoral Economy	80,617,176.00	63,105,242.35	12,499,800.00	75,605,042.35	93.78
Trade, Investments and Cooperative Development	65,174,246.00	57,752,210.75	9,307,020.00	67,059,230.75	102.89
Lands, Housing, Physical Planning and Urban Development	70,121,439.00	38,734,168.80	30,758,000.00	69,492,168.80	99.10
Water Dev., Environment and Natural Resources	55,281,348.00	43,350,177.70	12,203,480.00	55,553,657.70	100.49
Tourism, Culture, Sports, Youth and Gender Dev.	30,809,166.00	35,375,864.40	6,439,200.00	41,815,064.40	135.72

West Pokot County Assembly	271,354,315.00	239,935,618.00	30,037,892.00	269,973,510.00	99.49
County Public Service Management, ICT & Decentralized Units	109,421,357.00	50,080,408.35	28,711,735.00	78,792,143.35	72.01
Special Programmes and Directorates	18,821,548.00	14,823,924.75	0	14,823,924.75	78.76
<b>Total Recurrent Budget</b>	<b>2,750,880,656.00</b>	<b>2,438,182,303.00</b>	<b>237,219,127.00</b>	<b>2,675,401,430.00</b>	<b>97.26</b>

*Source: West Pokot County Treasury, 2021*

In the period under review, the county government spent Kshs.2.675 billion on personnel emoluments. This represents an increase of 3.6 percent (Ksh. 93.85 million) annual increment when compared to expenditure on wage bill for FY 2019/2020. The Expenditure on personnel emoluments represents 42.97 per cent of total expenditure and 38.27 per cent of total approved budget.

**Table 6: Summary of Operation and Maintenance Expenditure**

Vote/Department	Personnel Emolument	Operation & Maintenance	Total Recurrent Expenditure
County Executive	229,152,731.35	176,769,467.65	405,922,199.00
Finance and Economic Planning	150,941,288.90	132,424,742.10	283,366,031.00
Roads, Public Works and Transport	65,168,467.50	8,950,182.50	74,118,650.00
Health and Sanitation	1,228,314,155.20	337,618,462.80	1,565,932,618.00
Education and Technical Training	248,789,274.55	240,897,576.45	489,686,851.00
Agriculture And Irrigation	79,920,770.40	21,919,504.60	101,840,275.00
Pastoral Economy	75,605,042.35	18,283,918.65	93,888,961.00
Trade, Industry and Cooperative Development	67,059,230.75	47,679,901.25	114,739,132.00
Lands, Housing, Physical Planning and Urban Development	69,492,168.80	34,330,449.20	103,822,618.00
Water Dev., Environment and Natural Resources	55,553,657.70	17,298,310.30	72,851,968.00
Tourism, Culture, Sports, Youth and Gender Dev.	41,815,064.40	30,801,379.60	72,616,444.00
West Pokot County Assembly	269,973,510.00	319,962,131.00	589,935,641.00
County Public Service Management, ICT & Decentralized Units	78,792,143.35	161,947,191.65	240,739,335.00
Special Programmes and Directorates	14,823,924.75	24,250,171.25	39,074,096.00
<b>Total</b>	<b>2,675,401,430.00</b>	<b>1,573,133,389.00</b>	<b>4,248,534,819.00</b>



*Source: West Pokot County Treasury, 2021*

A total of Kshs.1.57 billion was spent on operations and maintenance expenses during the reporting period compared to Kshs. 1.54 billion spent in the FY 2020/2021 This expenditure represents 25.27 per cent of total expenditure and 22.50 per cent of total approved budget.

### 2.3.4 Analysis of Performance of Conditional Grants/Loans

**Table 7: Conditional Grants Performance**

Conditional Grants/Loans(National Government)	Approved Supplementary II FY 2020/2021	Total Amount Received FY 2020/2021	%
Compensation for user Fees Forgone	12,128,484.00	12,128,484.00	100.0
KRB	149,045,596.40	149,045,596.40	100.0
VTC	17,749,894.00	17,749,894.00	100.0
<b>Sub Total Nat. gov't Conditional Grants</b>	<b>178,923,974.40</b>	<b>178,923,974.40</b>	<b>100.0</b>
Transforming Health Systems for Universal Care Project	32,237,367.00	30,789,614.20	95.5
EU IDEAS-Nasukuta Project	11,000,000.00	0	0.0
Kenya Urban Support Project (KUSP)	73,000,000.00	37,824,841.55	51.8
Kenya Devolution Support Programme	45,000,000.00	45,000,000.00	100.0
Kenya Climate Smart Agriculture Project	320,000,420.00	262,703,565.35	82.1
ASDSP II	14,224,205.00	13,725,115.00	96.5
DANIDA	14,220,000.00	14,220,000.00	100.0
<b>Sub Total Conditional Grants (Development Partners)</b>	<b>509,681,992.00</b>	<b>404,263,136.10</b>	<b>79.3</b>
<b>Total</b>	<b>688,605,966.40</b>	<b>583,187,110.50</b>	<b>84.7</b>

*Source: West Pokot County Treasury, 2021*

The conditional grants received from national government and other development partners amounted to Ksh.583,187,110.5 representing 84.70 percent of the total projected grants.

## 2.4 Key Sector Performance

### 2.4.1 Energy, Infrastructure & ICT

In the period under review, the county government constructed 6 foot bridges, maintained a total of 557 km of county roads , 354 km of new roads were opened up,20km were rehabilitated and 3 box culverts were installed. Several infrastructure projects are going on across all departments. A new revenue system was also procured, tested and operationalized.

### 2.4.2 Agriculture, Rural and Urban Development

The Department of Agriculture and Pastoral Economy is the leading department in food security initiatives. In the period under review, the department achieved the following milestones: procured and distributed 87,500kgs of assorted certified seed varieties, A total of 18,878 acres of land was ploughed through the County Agricultural Machinery

Services.42,680 farmers were also trained on irrigation agronomy and 2500 were newly registered.

In the livestock subsector, the department achieved the following key milestones; supplied 943 improved Sahiwal bulls, 20 camels' breeds, 4,308 Galla goat breeds and 283 wool sheep. To control and prevent livestock diseases the department supplied 971-foot spray pumps to farmers and conducted vaccination to 808,722 cattle and 1,147,625 sheep/goats. It also established 300 hectares of boma rodes and 3 hay stores at Nasukuta farm. A total of 85,500 chicks were also distributed. 40 cattle dips were constructed,30 metallic crushes,23 cattle dips were repaired .A total of 17 veterinary and livestock officers were recruited.

In lands and urban development subsector, the following projects were implemented during the review period; A 10 year spatial plan was finalized, opening of kapenguria municipality access roads and storm control, installation of business containers kiosks at Makutano town was also done.

### **2.4.3 Health**

The following is a summary of achievements and progress realized during the period under review. To reduce preventable disease incidences in order to lower the county disease burden, Proportion of children under one year fully immunized reduced from 50.4 to 50.2 percent, while Proportion of pregnant women attending 4th ANC visit increased from 22 to 23 percent percent and Proportion of deliveries conducted by skilled attendants increased from 44.5 to 51.3 percent. To improve access to quality and affordable curative services for a healthy society, the department constructed and operationalized a modern laboratory in Chepareria Sub County Hospital, constructed drugs store at Kacheliba Sub County Hospital, installed 12 solar powered vaccine fridges, purchased 10 delivery beds, operationalized Sebit and Kiwakan new dispensaries and inaugurated new dialysis services at the Renal Unit in Kapenguria County Referral Hospital . To improve water, hygiene standard and general environmental sanitation the department established 50 new community health units and 500 new Community Health Volunteers trained on basic module for integrated community health services. A total of 86 HCWs, 249 Ass/chiefs,14 ACCs, 5 deputies and county commissioners were sensitized on Sanitation and nutrition(SanNut) integration programme supported by UNICEF.

### **2.4.4 Education**

A total of 30,000 needy students benefited from the county bursary scheme. The construction of peace schools at Akulo, Kanyerus and Katikomor are also nearing completion.The

department also rehabilitated 6 Vocational Training Centres, 370 ECDE classrooms were constructed and completed , 30 ECDE Centres were supported with chairs . 104 Primary and Secondary schools were supported with infrastructure fund .A total number of 180 ECDE teachers were trained on Competency Based Curicullum.

#### **2.4.5 General Economic & Commercial Affairs**

The department mandate is outlined in the Fourth Scheduled of the Constitution as follows: Trade development and regulation which includes: market infrastructure development, Trade Licensing, regulation, enforcement of fair trade practices and development of Cooperatives Societies. In the FY 2020/21 department implemented the following projects; Laying of foundation stones for the two flagship projects Mango processing plant in Lomut ward and Milk processing plant in Lelan ward . To enhance livelihoods through increased income, the department conducted 15 awareness trainings on cooperative societies, 5 new cooperatives were registered, and 4 dormant cooperatives were revived with aim of promoting cooperative movement. The Department also managed to audit books of accounts for 15 (fifteen) cooperative societies and also issued loans amounting to 22,700,000 from Cooperative Development Fund to 7 Cooperative societies.

#### **2.4.6 Environmental Protection, Water & Natural Resources**

The following is a summary of achievements and progress realized during the period under review. To increase access and availability of adequate water resources; the department upgraded 9 boreholes from hand pump to solar; . The department drilled boreholes and equipped it , The department also developed Climate Change Fund Bill,12 sand dams were also constructed ,20 community tree nurseries supported and 6 water supply scheme constructed and rehabilitated .

#### **2.4.7 Social Protection, Culture & Recreation**

In the FY 2020/2021 the department implemented the following projects; protected 50 percent of Nasolot Game reserve. The County Government in collaboration with KWS, NRT and STE collared some elephants in Nasolot game reserve. An MOU between county government and NRT on community conservancy was signed. Further, a total of 600,000 community members were educated on importance of conservation of cultural artefacts reached through radio talk shows held. To empower youth and enhance gender equality, the department conducted 4 campaigns; sensitized 1200 people against FGM. Operationalized 4 youth empowerment Centres in each sub-county. To improve heritage and culture awareness, knowledge appreciation and conservation, 4 new cultural sites were identified. Construction of Mtelo- Cottages is also nearing completion.

#### **2.4.8 Public Administration & International Relations**

The Department of Public Service, ICT and Decentralized Units aims to transform the county public service to be professional, efficient and effective for the realization of county development goals. In the FY 2020/21 the department implemented the following projects; construction of County Commissioner Office and the new Governor's annex building. Performance contracts and appraisals were also carried out for all senior staffs, HRM Strategic plan was approved and a total of 130 staff were sensitized on performance management, 15 officers were also trained on HRD Policy and 9 officers on senior management course at KSG. The department of Finance and Economic Planning prepared the annual development plan, CBROP, budget estimates, County Fiscal Strategy Paper & Debt Management Strategy Paper, Procurement Plans and the Annual Progress Reports and were all approved. Public participation on county budget process was also carried out in all the 20 wards during the review period. A total of Ksh..... pending bills were also settled during the review period.

#### **2.5 Implication of Fiscal Performance on Fiscal Responsibility Principles and Financial Objectives**

From the above fiscal performance, it can be observed that the fiscal responsibility principles and financial objectives were largely met as follows;

- a) Development expenditure for the period under review represented an absorption rate of 76.6 per cent of the approved development budget. This performance represents an overall performance of 31.75 per cent of total expenditure. This is above the 30 percent expenditure threshold required by law.
- b) The county government spent Kshs.2.675 billion on personnel emoluments. This represents an increase of 3.6 percent (Ksh. 93.85) annual increment when compared to expenditure on wage bill for FY 2019/2020. This expenditure represents 42.98 per cent of total expenditure and 38.27 of the total approved supplementary budget. The expenditure on wages and benefits to its county public officers is unsustainable over the medium term.
- c) No borrowings were made during the review period. 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.
- d) Public debt and obligations were maintained at a sustainable level and fiscal risks was managed prudently and
- e) A reasonable degree of predictability with respect to the level of tax rates and tax bases was also maintained.

### III. RECENT ECONOMIC DEVELOPMENT AND POLICY OUTLOOK

#### 3.0 Overview of Recent Economic Performance and Outlook

In 2020, the Kenyan economy was adversely affected by the outbreak of COVID-19 pandemic and the resultant swift containment measures. As a result, the economy contracted by 0.3 percent in 2020 compared to a growth of 5.0 percent in 2019. The contraction was spread across most sectors of the economy especially in accommodation and food services activities, education and transport sectors.

Kenya's economy is projected to rebound in 2021 to 6.0 percent from an earlier projection of 7.0 percent in the 2021 Budget Policy Statement. The downward revision is due to the impact of containment measures between March and July period as a result of the third wave of the COVID-19 pandemic and the rebased GDP growth numbers reflected through the 2021 Economic Survey. The outlook in 2021 will be reinforced by the prevailing stable macroeconomic environment and the ongoing implementation of the strategic priorities of the Government under the "Big Four" Agenda, Economic Recovery Strategy and other priority programmes as outlined in the Third Medium Term Plan of Vision 2030.

**Table 8: Sectoral GDP Performance**

Sectors	Real GDP Growth by Sector					Sector Contributions to Real GDP				
	2016 Q1	2017 Q1	2018 Q1	2019 Q1	2020 Q1	2016 Q1	2017 Q1	2018 Q1	2019 Q1	2020 Q1
<b>Primary Sector</b>	<b>3.7</b>	<b>4.1</b>	<b>6.6</b>	<b>4.6</b>	<b>5.1</b>	<b>1.0</b>	<b>1.1</b>	<b>1.8</b>	<b>1.3</b>	<b>1.4</b>
Agriculture	3.6	4.0	6.7	4.7	4.9	1.0	1.1	1.8	1.2	1.3
Mining & Quarrying	5.8	5.6	3.1	1.4	9.5	0.1	0.1	0.0	0.0	0.1
<b>Secondary sector (Industry)</b>	<b>4.7</b>	<b>4.4</b>	<b>4.6</b>	<b>4.9</b>	<b>4.1</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.7</b>
Manufacturing	1.4	1.9	3.2	3.5	2.9	0.2	0.2	0.3	0.3	0.3
Electricity & Water Supply	10.3	8.2	6.1	7.8	6.3	0.2	0.2	0.2	0.2	0.2
Construction	9.2	7.9	6.7	6.1	5.3	0.4	0.4	0.3	0.3	0.3
<b>Tertiary Sector (Services)</b>	<b>6.8</b>	<b>6.1</b>	<b>6.2</b>	<b>6.4</b>	<b>5.4</b>	<b>3.1</b>	<b>2.9</b>	<b>2.9</b>	<b>3.0</b>	<b>2.6</b>
Wholesale & Retail trade	2.9	3.5	5.6	6.3	6.4	0.2	0.2	0.4	0.4	0.4
Accommodation & Restaurant	8.3	24.0	13.3	11.0	(9.3)	0.1	0.3	0.2	0.2	(0.1)
Transport & Storage	8.2	7.8	6.5	6.4	6.2	0.5	0.5	0.4	0.4	0.4
Information and Communication	10.8	13.4	13.2	10.2	9.8	0.4	0.5	0.5	0.4	0.4
Financial & Insurance	7.8	3.9	4.0	6.3	6.0	0.5	0.2	0.2	0.4	0.4
Public Administration	6.0	2.6	5.5	8.9	6.7	0.2	0.1	0.2	0.3	0.2
Others	6.8	5.4	5.1	4.8	4.7	1.3	1.1	1.0	0.9	0.9
Of which Real Estate	9.6	6.5	5.2	4.8	4.3	0.7	0.5	0.4	0.4	0.3

Taxes on Products	2.2	4.1	6.1	4.7	3.4	0.2	0.4	0.6	0.5	0.3
<b>GDP at Market Prices</b>	<b>5.0</b>	<b>5.2</b>	<b>6.2</b>	<b>5.5</b>	<b>4.9</b>	<b>5.0</b>	<b>5.2</b>	<b>6.2</b>	<b>5.5</b>	<b>4.9</b>
Of which Non-Agriculture	6.1	5.9	6.0	5.9	5.2	3.8	3.8	3.8	3.8	3.3

Source: Kenya National Bureau of Statistics

### 3.1 Inflation Rate and Interest Rates

Year-on-year overall inflation rate has remained low, stable and within the policy target range of 5+/-2.5 percent since end 2017. The year-on-year inflation rate increased in August, 2021 but remained within the target range at 6.6 percent from 4.5 percent in August 2020. Food inflation remained the main driver of overall inflation in in August 2021, contributing 3.9 percentage points, an increase, compared to a contribution of 2.1 percentage points in August 2020. Kenya's rate of inflation compares favorably with the rest of Sub-Saharan Africa countries. In July 2021, Kenya recorded a lower inflation rate than Ghana, Burundi, Nigeria, Zambia, and Ethiopia

Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.0 percent on 28th July 2021 to signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprises distressed by COVID-19 pandemic. The money market was relatively liquid in July 2021 supported by government payments, which offset tax remittances. As such, the interbank rate remained low but increased slightly to 3.2 percent in August 2021 from 2.6 percent in August 2020.

Interest rates on the Treasury bills remained relatively stable in August 2021. The 91-day Treasury Bills rate was at 6.6 percent in August 2021 compared to 6.2 percent in August 2020. Over the same period, the 182-day Treasury Bills rate increased to 7.1 percent from 6.6 percent while the 364-day decreased to 7.4 percent from 7.5 percent.

The improved liquidity in the money market has resulted in stable commercial bank rates. The average lending rate remained stable at 12.1 percent in July 2021 compared to 11.9 percent in July 2020 while the average deposit rates declined from 6.8 percent to 6.3 percent over the same period. This led to an increase in the average interest rate spread by 0.6 percentage points over the review period

### 3.2 Kenya Shilling Exchange Rate

The foreign exchange market has largely remained stable but partly affected by tight global financial conditions attributed to uncertainty with regard to the Covid-19 pandemic. In this regard, the Kenya Shilling to the US Dollar exchanged at Ksh 109.20 in August 2021 compared to Ksh 108.10 in August 2020.

In comparison to most Sub-Saharan Africa currencies, the Kenya Shilling has remained relatively stable weakening by 1.1 percent against the US Dollar. This depreciation of the Kenya Shilling was lower than that of Rwanda Franc, Nigerian Naira, Mauritius Rupee and Burundi Franc and Ghanian Cedi. The stability in the Kenya Shilling was supported by increased remittances, adequate foreign exchange reserves and favourable horticultural exports.

### **3.3 Money and Credit**

Broad money supply, M3, grew by 6.3 percent in the year to June 2021 compared to a growth of 9.1 percent in June 2020. The growth in M3 was attributed to an increase in the Net Domestic Assets particularly improvement in net credit flows to the government and the private sector. Net Foreign Assets (NFA) of the banking system in the year to June 2021 contracted by 12.0 percent, compared to a contraction of 5.7 percent in the year to June 2020. The contraction in NFA was reflected in the decline in the foreign currency reserves by the Central Bank. The NFA of commercial banks also declined during the review period as a result of a decrease in the deposits abroad.

Meanwhile, Net Domestic Assets (NDA) increased to register a growth of 11.7 percent in the year to June 2021 from a growth of 14.5 percent over a similar period in 2020. This was largely due to an improvement in net credit flows to both Government and the private sectors. The increased net lending to Government was on account of Government spending resulting in lower deposit holding at the Central Bank of Kenya. However, net credit flows to other public sectors declined during the review period.

### **3.4 Private Sector Credit**

Private sector credit grew by 7.7 percent in the 12 months to June 2021 compared to a growth of 7.6 percent in the year to June 2020. Strong credit growth was mainly observed in manufacturing (8.1 percent) consumer durables (23.4 percent); transport and communication (11.8 percent). The number of loan applications picked up in June reflecting improved demand with increased economic activities. The Credit Guarantee Scheme for the vulnerable Micro, Small and Medium Enterprises that was launched in October 2020 continues to de-risk lending by commercial banks and is critical to increasing credit to this sector.

### **3.5 External Sector Developments**

The overall balance of payments position improved to a surplus of USD 1,970.0 million (2.0 percent of GDP) in the year to May 2021 from a surplus of USD 210.5 million (0.2 percent of GDP) in the year to May 2020. This was mainly due to reduced payments on imports, and improved export earnings despite lower receipts from services. The capital account also improved during the review period.

The current account deficit was at USD 5,361.8 million (5.4 percent of GDP) in the year to May 2021 from USD 5,137.5 million (5.2 percent of GDP) in the year to May 2020. The current account balance was supported by an improvement in the merchandise account balance, the net primary income balance and the net secondary income balance. The balance in the merchandise account improved by USD 425.9 million to a deficit of USD 9,265.8 million in the year to May 2021 on account of a decline in imports and an increase in exports. In the year to May 2021, exports grew by 5.5 percent primarily driven by increased receipts from exports of horticulture and manufactured goods. On the other hand, the value of imports declined by 0.5 percent in the year to May 2021 mainly reflecting relatively lower international oil prices. Although oil prices increased from a low level in April 2020 due to a COVID-19 demand shock, they remained below the pre-COVID levels.

Net receipts on the services account declined by USD 1,303.7 million to a deficit of USD 146.2 million in the year to May 2021 compared to a surplus of USD 1,157.5 million in a similar period in 2020 mainly on account of lower receipts from transport and travel services. The balance on the primary account narrowed by USD 392.9 million to a deficit of USD 1,346.9 million in the year to May 2021 from a deficit of USD 1,739.8 million in a similar period in 2020, reflecting lower reinvestment related outflows. Secondary income inflows remained resilient and increased by USD 260.5 million during the review period supported by remittances.

The capital account balance improved to a surplus of USD 251.2 million in the year to May 2021, a growth of 55.7 percent, compared to a surplus of USD 161.3 million over the same period in 2020. Net financial inflows were at USD 3,503.6 million in May 2021 compared to USD 3,564.5 million in May 2020. The net financial inflows were mainly in the form of other investments net inflows which stood at USD 4,716.5 million in May 2021. Direct investments, portfolio investments and financial investments recorded net financial outflows during the same period.



### **3.6 Foreign Exchange Reserves**

The banking system's foreign exchange holdings remained strong at USD 12,745.4 million in May 2021 from USD 13,805.7 million in May 2020. The official foreign exchange reserves held by the Central Bank was at USD 7,871.6 million (4.8 months of import cover) in May 2021 compared with USD 9,738.3 million (5.9 months of import cover) in May 2020. This fulfills the requirement to maintain reserves at minimum of 4.0 months of import cover to provide adequate buffer against short term shocks in the foreign exchange market. Commercial banks holdings increased to USD 4,873.8 million in May 2021 from USD 4,067.3 million in May 2020.

Activity in the capital markets increased in August 2021 compared to August 2020, with equity share prices increasing as shown by the NSE 20 Share Index. The NSE 20 Share Index stood at 2,020 points by end of August 2021, an increase compared to 1,795 points by end August 2020. Market capitalization also increased to Ksh 2,841 billion from Ksh 2,144 billion over the same period indicating increased trading activities.

### **3.7 Fiscal Policy Outlook**

The Government is currently focusing on the implementation of the Economic Recovery Strategy (ERS) that aims at restoring the economy to a strong growth path, creating jobs and economic opportunities across all regions of the country with a view to tackling social and income inequalities. It is expected that the successful implementation of the Economic Recovery Strategy which is also aligned to the "Big Four" Agenda will promote inclusive growth and transform the lives of Kenyans. Fiscal policy over the medium-term aims at enhancing revenue mobilization, expenditure rationalization and strengthening management of public debt to minimize cost and risks of the portfolio, while accessing external concessional funding to finance development projects. This is geared towards economic recovery to support sustained, rapid and inclusive economic growth, safeguard livelihoods and continue the fiscal consolidation programme to create fiscal space for the implementation of the "Big Four" Agenda.

### **3.8 Risks to the Domestic Economic Outlook**

There are risks to this macroeconomic outlook emanating from domestic as well external sources. On the domestic front, the emergence of new COVID-19 variants that may require broader reinstatement of containment measures, in the country and its trading partners could lead to renewed disruptions to trade and tourism. Other risks relate to lower agricultural

output due to potential adverse weather conditions and continued desert locust infestation in the northern region of the country, which could potentially reduce production of food crops and animal feeds. Additionally, increased public expenditure pressures, particularly wage and other recurrent expenditures would put a strain to the fiscal space.

At the county level, the risks include; weakening of national economic growth, unfavourable weather conditions, delayed release of funds from the national treasury, threats of conflicts between the Pokot, Elgeyo/Marakwet and Turkana counties. Natural calamities may also pose a risk to the county's development agenda and revenue collection. The most common disaster risks include disease outbreaks for both livestock and human, conflicts, landslides, lightning strikes, flash floods and drought. These calamities can delay programs or lead to collapse of projects. In the event the above risks materialize the county revenue framework and the medium term sector ceilings shall be revised in the 2022 Fiscal Strategy Paper. In the meantime, the county government continues to monitor the above risks and will undertake appropriate measures to contribute to national macroeconomic stability.

## IV. MTEF RESOURCE ALLOCATION FRAMEWORK

### 4.1 Revenue Outlook

The resources available to be shared by the national and county governments are estimated on the basis of projections of the economy's performance. In 2020, the Kenyan economy was adversely affected by the outbreak of COVID-19 pandemic and the resultant swift containment measures. The Government's priority was premised on the need to safeguard the lives of Kenyans while at the same time cushioning the economy from the effects of Covid-19 pandemic. Consequently, the health crisis required the introduction of temporal restrictive measures to curb the spread of the virus which resulted to negative impacts on some key sectors of the economy. Pick up of economic activities resumed in the third quarter of 2020 with further improvements during the fourth quarter of 2020. As a result, the economy contracted by 0.3 percent in 2020 compared to a growth of 5.0 percent in 2019. In terms of fiscal years, economic growth is estimated at 2.9 percent in FY 2020/21 and a rebound to 5.3 percent in FY 2021/22.

### 4.2 Fiscal Projections for FY 2022/2023- 2024/2025 MTEF Period

**Table 9: Fiscal Projections for FY 2022/23-2024/2025 MTEF Period**

PROJECTED REVENUE	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
	Approved (Kshs)	Projected (Kshs)	Projected (Kshs)	Projected (Kshs)
<b>1. National Revenue</b>				
a.) Equitable share	6,297,284,329.00	6,297,284,329.00	6,297,284,329.00	6,387,155,470.00
b.) Conditional allocation(National Government Revenue)	-	-	-	-
c.) Grants/Loans	559,953,126.00	482,685,069	482,685,069.00	482,685,069.00
d.) Balance b/d	586,711,191.00	-	-	-
<b>2. Own Revenue Sources</b>				
e.) Projected Revenue From Local Sources	170,000,000.00	170,000,000.00	172,136,150.00	173,331,349.00
<b>Total</b>	<b>7,613,948,646.00</b>	<b>6,949,969,398.00</b>	<b>6,952,105,548.00</b>	<b>7,043,171,888.00</b>

*Source: County Annual Development Plan for FY 2022/2023*

The table above provides estimates of revenue projection for the FY 2022/23 and the medium term. The overall total projected revenue is estimated at Kshs. 6,949,969,398.00. This projected revenue comprise of equitable share of Kshs. 6,297,284,329.00 which will finance 90.6 percent of the total annual plan.

Conditional allocations from the national government have been removed and converted as part of equitable share. These allocations comprised of conditional allocation for rehabilitation of Vocational Training Centres, conditional allocation for compensation for user fees foregone and conditional allocation from Roads Maintenance Fuel Levy fund.

Conditional allocation from external grants from development partners is projected at Ksh. 482,685,069.00 constituting 6.95 per cent of the total annual plan. This comprise of projected conditional allocation of Ksh. 353,574,020 for financing the Kenya Climate Smart Agriculture Project, Ksh. 32,310,513 for Agriculture Sector Development Support Programme II, and Ksh.51,216,786 for Transforming Health Systems for Universal Care Project. Others are projected allocation of Ksh.11,079,750 for Danida and Ksh. 34,504,000 to finance Emergency Locust Response Project.

The FY 2022/23 local revenue target is projected at Kshs. 170,000,000.00 representing 2.4 per cent of the total projected revenue. This comprises of net local revenue target of Ksh. 97.2 million and Appropriations in Aid (F.I.F) for Health amounting to Ksh. 72.8 million. This projection is modest in maintaining a reasonable degree of predictability with respect to the level of tax rates and tax bases.

#### 4.2.1 Internal Revenue Streams' Projections for FY 2021/22-FY 2023/24

**Table 10: Internal Revenue Projections by Stream Targets**

Revenue Source	Actual Revenue	Projected Estimates	Projection		
			FY 2020/21	2021/22	2022/23
Kiosk Rent	1,098,800.00	1,810,382.00	1,810,382.00	2,521,705.00	2,731,000.00
Single Business Permit	11,474,472.25	19,000,000.00	19,000,000.00	25,521,844.00	25,000,000.00
Market Fee	1,449,310.00	4,000,000.00	2,000,000.00	4,419,174.00	4,600,000.00
Building Approvals	2,589,320.00	451,116.00	2,451,116.00	500,473.00	700,000.00
Cess	3,796,028.00	6,260,345.00	6,260,345.00	7,785,300.00	9,000,000.00
Royalties	18,969,563.00	31,109,653.00	26,109,653.00	33,004,741.00	34,000,000.00
Stock Cess/slaughter	3,002,065.00	7,000,000.00	6,500,000.00	10,797,337.00	10,978,903.00
House Rent	1,883,913.00	2,083,664.00	2,083,664.00	2,770,436.00	3,000,000.00
Advertising	3,033,510.15	857,487.00	3,857,487.00	969,882.00	1,100,000.00
Parking Fee	667,480.00	1,308,132.00	1,308,132.00	2,882,734.00	3,178,000.00
Bus Park and Motorcycle	4,815,810.00	5,950,000.00	5,950,000.00	6,550,278.00	7,000,000.00
Renewals/Applications	1,038,300.00	1,704,410.00	1,704,410.00	2,579,821.00	2,650,900.00
Liquor Licensing	77,500.00	500,000.00	500,000.00	1,250,000.00	1,500,000.00
Agriculture		919,861.00	919,861.00	1,214,217.00	1,400,000.00

Other fees and charges (public toilet, honey, hides & skin, firewood, tamarind, aloe vera, fish, scrap metal, penalties.)	2,504,138.82	2,255,431.00	2,745,431.00	10,400,000.00	3,978,266.00
Lands (Plot/Land Rates)	11,164,824.08	9,838,819.00	11,538,819.00	10,400,147.00	10,600,000.00
Livestock/Permits	256,400.00	700,700.00	700,700.00	1,575,304.00	1,705,450.00
Appropriation in Aid (FIF-Health)	40,930,326.85	72,800,000.00	72,800,000.00	44,001,637.00	47,008,830.00
Receipt from admin. fees and charges	59,140.00	50,000.00	60,000.00	1,200,000.00	1,200,000.00
Public Health Facilities Fee	-	-	-		
Forest Products Fees	1,630,788.85	1,400,000.00	1,700,000.00	1,791,120.00	2,000,000.00
<b>Grand Totals</b>	<b>110,441,690.00</b>	<b>170,000,000.00</b>	<b>170,000,000.00</b>	<b>172,136,150.00</b>	<b>173,331,349.00</b>

*Source: County Treasury, 2021*

The FY 2022/23 local revenue target is projected at Kshs. 170,000,000.00 representing 2.4 per cent of the total projected revenue. This comprises of net local revenue target of Ksh. 97.2 million and Appropriations in Aid (F.I.F) for Health amounting to Ksh. 72.8 million. This projection is modest in maintaining a reasonable degree of predictability with respect to the level of tax rates and tax bases. This growth projection represents a nil percent increase from the current target. This projection is modest in maintaining a reasonable degree of predictability with respect to the level of tax rates and tax bases. The revised target will be achieved through the widening of tax bases, sealing of existing revenue leakages, strengthening of organizational structures and systems in revenue section, strengthening monitoring and evaluation of the revenue systems, and enhanced transparency, accountability and supervision in revenue collection.

#### 4.2.2 Projected Medium Term Revenue & Expenditure Framework

**Table 11: Expenditure Forecast for FY 2022/23-FY 2024/25**

Item	FY2021/22 (Ksh) Approved Budget	%	FY 2022/23 (Ksh) Projection	%	FY 2023/24 (Ksh) Projection	%	FY 2024/25 (Ksh) Projection	%
Approved Recurrent	4,769,976,927.00	62.65	4,864,978,578.00	70	4,852,569,672.00	69.8	4,902,047,634.05	69.6
Approved Development	2,843,971,719.00	37.35	2,084,990,819.00	30	2,099,535,875.50	30.2	2,141,124,253.95	30.4
<b>Projected Gross Expenditure</b>	<b>7,613,948,646.00</b>	<b>100</b>	<b>6,949,969,398.00</b>	<b>100</b>	<b>6,952,105,548.00</b>	<b>100</b>	<b>7,043,171,888.00</b>	<b>100</b>
Projected Personnel Emoluments to Gross Estimates	2,708,005,957.00	35.57	2,789,246,135.71	40.13	2,845,031,058.42	40.92	2,901,931,679.59	41.20

Table 12 provides indicative tentative ceilings for the different county departments for FY 2021/22 - FY 2023/24 MTEF period.

#### **4.3 Expenditure Priorities for FY 2022/2023 –FY 2024/25 MTEF Period**

The County Integrated Development Plan (2018-2022), County Post Covid-19 Recovery Strategy (2020-2022) and the Medium Term Plan III of Kenya Vision 2030 are the key policy documents that will guide the county government spending decisions. The Vision 2030 provides the overarching long term national development agenda, while the CIDP sets out the county medium term development plan.

### Tentative Sectoral Ceilings

Vote	FY 2021/2022 APPROVED			FY 2022/2023 PROJECTIONS		
	Recurrent	Development	Total	Recurrent	Development	Total
County Executive	458,173,868.00	168,862,796.00	627,036,664	463,377,419.43	100,000,000.00	563,377,419.43
Special Programmes & Directorates	40,486,344.00	-	40,486,344.00	62,884,121.76	-	62,884,121.76
Finance and Economic Planning	273,828,970.00	145,804,860.00	419,633,830.00	239,336,887.34	20,000,000.00	259,336,887.34
Public Works, Transport and Infrastructure	82,250,230.00	399,020,532.00	481,270,762.00	81,960,721.44	320,000,000.00	401,960,721.44
Health, Sanitation and Emergency Services	1,596,806,701.00	278,027,460.00	1,874,834,161.00	1,623,083,440.65	246,398,850.00	1,869,482,290.65
Education and Technical Training	833,835,618.00	273,053,153.00	1,106,888,771.00	766,823,018.32	300,000,000.00	1,066,823,018.32
Agriculture and Irrigation	98,446,315.00	489,678,020.00	588,124,335.00	99,910,450.60	430,000,000.00	529,910,450.60
Pastoral Economy	101,484,969.00	194,940,242.00	296,425,211.00	108,286,053.52	170,000,000.00	278,286,053.52
Trade, Industrialization and Cooperative Development	132,989,386.00	203,249,170.00	336,238,556.00	129,665,956.44	145,000,000.00	274,665,956.44
Lands, Housing, Physical Planning and Urban Development	109,787,593.00	93,701,728.00	203,489,321.00	103,123,122.32	40,000,000.00	143,123,122.32
Water, Environment and Natural Resources	81,350,732.00	310,149,165.00	391,499,897.00	81,623,793.92	210,000,000.00	291,623,793.92

Youth ,Sports, Tourism, Gender and Social Development	73,057,184.00	47,084,593.00	120,141,777.00	68,216,805.15	35,000,000.00	103,216,805.15
West Pokot County Assembly	612,707,541.00	165,400,000.00	778,107,541.00	610,000,000.00	100,000,000.00	710,000,000.00
Public Service, CT and Decentralized Units	274,771,476.00	75,000,000.00	349,771,476.00	245,278,756.44	150,000,000.00	395,278,756.44
Total	4,769,976,927.00	2,843,971,719.00	7,613,948,646.00	4,683,570,547.33	2,266,398,850.00	6,949,969,397.33



## **V. CONCLUSION**

In summary, the County Budget Review & Outlook Paper has provided an analysis of the actual fiscal performance in the FY 2020/2021 compared to the budget appropriation for the year and the updated economic and financial forecasts. The fiscal responsibility principles and the financial objectives for the year under review were met. In addition, the tentative ceilings for the FY 2022/2023 have also been provided. Going forward, the ceilings are expected to be taken into account while setting the final ceilings in the 2022 County Fiscal Strategy Paper.

## Annex 1: Budget Calendar

**Table 13: Budget Calendar**

<b>WEST POKOT COUNTY BUDGET CALENDAR FOR THE FY 2022/2023</b>			
	<b>ACTIVITY</b>	<b>RESPONSIBILITY</b>	<b>TIME FRAME</b>
<b>1 Budget Performance Review</b>			
1.1	Prepare and Issue County Treasury Circular	CECM Finance & Economic Planning	27 <sup>th</sup> August 2021
1.2	Submission of CBROP to County Executive Committee	CECM Finance & Economic Planning	27 <sup>th</sup> September 2021
1.3	Submission of CBROP to County Assembly for approval	CECM Finance & Economic Planning	13 <sup>th</sup> October 2021
<b>2 Strategic Planning</b>			
2.1	Preparation of Annual Development Plan for FY 2022/2023	CO Economic Planning, Head of planning, all directors and CO's	10 <sup>th</sup> August - 21 <sup>st</sup> August 2021
2.2	Submission of Annual Development Plan for FY 2022/2023 to County Executive Committee	CECM Finance & Economic Planning	23 <sup>th</sup> August 2021
2.3	Submission of Annual Development Plan for FY 2022/2023 to County Assembly for approval	CECM Finance & Economic Planning	1 <sup>st</sup> September 2021
<b>3 Review of MTEF Budget Proposals:</b>			
3.1	Review and Estimation of Resource Envelope and Determination of Policy Priorities	Macro-Working Group	10 <sup>th</sup> -21 <sup>st</sup> August 2021
3.2	Preparation of 2022/2023 County Wage Bill	Head of Human Resources & Head of Budget	17 <sup>th</sup> -24 <sup>th</sup> November 2021
3.3	Convene Sector Working Group Meetings and Preparation of Sector Reports and Draft Budget Estimates	Chief Officers & Head of Planning, Directors	17 <sup>th</sup> -24 <sup>th</sup> November 2021
3.4	Sector Hearing on Sector Budget proposals	Chief Officers, County Assembly Clerk County Assembly Sectoral Committee Chairs	11 <sup>th</sup> -15 <sup>th</sup> October 2021

<b>4 County Fiscal Strategy Paper and County Debt Management Strategy Paper</b>			
4.1	Release of 2022/2023 Budget Policy statement	National Treasury	30 <sup>th</sup> November 2021
4.2	Draft County Fiscal Strategy Paper and County Debt Management Strategy Paper	Head of Budget & Head of Planning	6 <sup>th</sup> – 11 <sup>th</sup> December 2021
4.3	Submission of CFSP and CDMSP to County Executive for approval	Head of Budget & Head of Planning	14 <sup>th</sup> December 2021
4.4	Submission of CFSP to County Assembly for Approval	CEC Finance & Economic Planning	14 <sup>th</sup> December 2021
4.5	Submission of County Debt Management Strategy Paper to County Assembly	CEC Finance & Economic Planning	17 <sup>th</sup> December 2021
4.6	Adoption of County Fiscal Strategy Paper	County Assembly Budget & Appropriation Committee	4 <sup>th</sup> January 2022
<b>5 County Public Participation</b>			
5.1	Joint Meeting MCAs, Sub County & Ward Administrators for Participatory Budgeting Training and Preparation of Public Participation Schedule & Venues	Head of Budget & Chairman Budget Appropriation Committee	21 <sup>st</sup> – 24 <sup>th</sup> December 2021
5.2	Publicize Public Participation Schedule	Head of Budget & Ward Administrators	27 <sup>th</sup> -30 <sup>th</sup> December 2021
5.3	Ward Level Public Participation - All 20 Wards	Head of Budget, Head of Planning & Ward Administrators	11 <sup>th</sup> -16 <sup>th</sup> January 2022
<b>6 Preparation and Approval of Final Departmental Programme Budgets</b>			
6.1	Preparation of Draft Budget Estimates by departments	Departmental Heads & Technical Staff	16 <sup>th</sup> - 20 <sup>th</sup> January 2022
6.2	Submission of draft budget reports to Budget office	Departments & Head of Budget	20 <sup>th</sup> - 21 <sup>st</sup> January 2022
6.3	Consolidate & Review of Draft Budget Proposals	Head of Budget	20 <sup>th</sup> - 21 <sup>st</sup> January 2022
6.4	Interrogation, Review and Harmonization	Head of Budget, Head of	24 <sup>th</sup> -

	of Departments Draft Budget Estimates	Planning & Head of Accounting	26th January 2022
6.5	Submission of Consolidated Draft Budget Estimates to County Executive	CECM Finance & Economic Planning	27th January 2022
6.6	Submission of Budget Estimates to County Assembly	CECM Finance & Economic Planning	31st January 2022
6.7	Report on Budget Estimates from County Assembly	County Assembly Budget & Appropriation Committee	18th February 2022
6.8	Consideration of Final Budget Estimates	CEC Finance & Economic Planning	21st - 25th February 2022
6.9	Submission of Annual Cash Flow	Head of Accounting & Principal Finance Officer	28th February 2022
<b>7 Consideration of Passage of Appropriation Bill</b>			
7.1	Approval of Final Budget Estimates	County Assembly	8th March 2022
7.2	Submission of Appropriation Bill to Assembly	CEC Finance & Economic Planning	30th March 2022
7.3	Passage of Appropriation Bill	County Assembly	30th March 2022