



# COUNTY GOVERNMENT OF NAROK

FINANCE AND ECONOMIC PLANNING

## BUDGET REVIEW AND OUTLOOK PAPER

*ECONOMIC REBOUND AND RESILIENCE FOR SOCIO-ECONOMIC GROWTH ACCELERATION*

**2021**

## Foreword

The County Budget Review and Outlook Paper (C-BROP) is a statutory policy document in the review and analysis of County budget performance. The document has been prepared in accordance with section 118 of Public Finance Management Act (PFM, 2012). In the Act, County Treasuries are required to prepare and submit C-BROPs to respective County Executive Committees by 30<sup>th</sup> September every year. As a policy document, C-BROP provides an outlook of performance of budget of the previous financial year showing estimates, actuals, and deviations. It is also a review of budget appropriations and their linkages to financial forecasts and compliance with the fiscal responsibility principles and financial objectives outlined in the PFM Law of 2012.

The 2021 C-BROP is structured to show the financial and economic trends not only at the county level but also at the national, regional and global scenes. The trends are applied to inform policy direction, actions and strategies which will be adopted in the 2022 County Fiscal Strategy Paper (CFSP). It's expected that the ceilings in the C-BROP will be firmed up in the 2022 County Fiscal Strategy Paper. The C-BROP will form a basis for the development of the budget for FY 2022/23 and over the medium-term period. Further, the outcome of the fiscal performance for FY 2020/21 budget will be useful in advising the revision of estimates for FY 2021/22.

The policy considerations in this C-BROP have been prepared against the background of strong but uneven economic recovery. The emergence of new COVID-19 variants could lead to reinstatement of containment measures thereby disrupting economic activities, which will lead to loss of livelihoods for millions of people globally. The ripple effects of events at global and at the national level started to be felt in Narok County even before the county recorded her first COVID 19 case. This stems from the fact that variations in economic indicators at the national economy have a direct effect on the performance of the economy in the county.

The ban on international travels, cancellation of travel arrangements, lockdown due to the new COVID-19 variants in most of the countries amongst other containment measures in the domestic market forestalled tourists from visiting Maasai Mara game reserve which is the main own source revenue stream for Narok County. This together with general disruption in supply chains and reduction in business activities has affected the collection of revenue in the entire FY 2020/21.

As we prepare for the FY 2022/23 budget, emphasis should be on development priorities, programmes and projects linked to the global, national, and development policies and strategies including the Constitution of Kenya 2010, the Big four Agenda espoused in the third Medium Term Plan (MTP III) of the Vision 2030, County Integrated Development Plan (2018-2022), National Sector Plans, Sustainable Development Goals (SDGs), Narok County COVID-19 Social Economic Re-Engineering Recovery Strategy and recently the 8-Point Economic Stimulus Programme unveiled by H.E The President, on May 23rd, 2020 to mitigate against the impacts of COVID 19 pandemic.

The 2021 C-BROP is carefully prepared in-order-to align with the Finance Act 2021 which proposes various revenue sources and applicable levies. The Finance Act 2021 takes into account the need to promote revenue collection and at the same time leverage on the existing capacities in revenue streams to finance programmes to accelerate and sustain inclusive growth for socio-economic recovery and transformation of lives for all residents in the county. This has taken cognizance of the imminent closure of some donor funded programmes such as Transforming Health Systems (THS), Universal Healthcare in Devolved Systems (UHDS), and Global Alliance for Vaccine and Immunization (GAVI).

In this regard the County Government will endeavor to put in place viable revenue raising strategies for enhancing revenue collection in critical revenue streams with a view of ensuring that the revenue targets are met. Further, the county government will adopt an aggressive intervention to fill anticipated gap in donor funding by applying a targeted scaling-up of budgetary allocation towards the affected programmes including immunization. Kenya's transition to a lower-middle income status has increased the domestic funding obligation for the country's immunization programme, which is now required to achieve full self-funding by 2028.

Given the tight resource envelope, all Sector Working Groups are required to carefully scrutinize all proposed County Departments and Agencies (CDA's) budgets for FY 2022/23 and the medium term to ensure that they remain within the ceilings provided to ensure that the County Government is able to budget within its means and guarantee socio-economic development. In this regard, I therefore, call upon all to adhere to the hard sector ceilings, and the strict deadlines provided in this document to facilitate the finalization and appropriation of the FY 2022/23 and the medium-term budget.

**HON. JULIUS M.T. SASAI**  
**CECM - FINANCE, ECONOMIC PLANNING, ICT AND E-GOVERNMENT**  
**COUNTY GOVERNMENT OF NAROK**

## **Acknowledgement**

The development of Narok County Budget Review and Outlook Paper (C-BROP 2021) has been made possible through the participation of many stakeholders. We are very grateful to the County Executive Committee for overall leadership throughout the entire process. To all county departments, units and agencies, we appreciate your invaluable inputs in the preparation of this policy document.

Special thanks goes to the County Executive Committee Member for Finance, Economic Planning and ICT; Hon. Julius Sasai, for his guidance and coordination in developing this statutory document. We also are grateful for the collaboration and the comments received from the Chief Officers, County technical staffs and other stakeholders. We particularly appreciate Community Health Partners (CHP) for their contribution on the need to enhance the allocation toward immunization in view of the shrinking donor funds.

We would also like to appreciate the members of the secretariat who spent significant time collecting, collating and analyzing data from various entities within the county. The secretariat that comprised of technical staffs from economic planning unit and finance, worked tirelessly and spent extra time to review 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, and since it would not be possible to list everyone individually in this page, I wish to thank each and every person who was involved in this process for your dedication, sacrifice, commitment and assistance. 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.

**SIMON KURRARU**  
**CHIEF OFFICER – FINANCE AND ECONOMIC PLANNING**  
**COUNTY GOVERNMENT OF NAROK**

## Table of Content

<b>FOREWORD</b> .....	<b>I</b>
<b>ACKNOWLEDGEMENT</b> .....	<b>IV</b>
<b>TABLE OF CONTENT</b> .....	<b>V</b>
<b>LIST OF TABLES</b> .....	<b>VII</b>
<b>LIST OF FIGURES</b> .....	<b>VII</b>
<b>ABBREVIATIONS AND ACRONYMS</b> .....	<b>VIII</b>
LEGAL BASIS FOR THE PUBLICATION OF THE BUDGET REVIEW AND OUTLOOK PAPER.....	IX
FISCAL RESPONSIBILITY PRINCIPLES IN THE PUBLIC FINANCIAL MANAGEMENT LAW.....	X
<b>I INTRODUCTION</b> .....	<b>11</b>
BACKGROUND .....	11
OBJECTIVE OF THE C-BROP.....	11
<b>II REVIEW OF FISCAL PERFORMANCE IN 2020/21</b> .....	<b>12</b>
A. OVERVIEW.....	12
B. 2020/21 FISCAL PERFORMANCE .....	13
<i>Revenues</i> .....	13
<i>Expenditure</i> .....	16
<i>Overall balance and financing</i> .....	17
C.....	IM
PLICATION OF 2020/21 FISCAL PERFORMANCE ON FISCAL RESPONSIBILITY PRINCIPLES AND FINANCIAL OBJECTIVES CONTAINED IN THE 2021 CFSP .....	18
<b>III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK</b> .....	<b>19</b>
C. MEDIUM TERM FISCAL FRAMEWORK.....	24
D. RISKS TO THE OUTLOOK.....	26
<b>IV. RESOURCE ALLOCATION FRAMEWORK</b> .....	<b>27</b>
A. ADJUSTMENT TO 2021/22 BUDGET .....	27
B. MEDIUM-TERM EXPENDITURE FRAMEWORK .....	29
<b>C. 2021/22 BUDGET FRAMEWORK</b> .....	<b>30</b>
<i>Revenue Projections</i> .....	31
TABLE 7: TENTATIVE CEILINGS FOR FY 2022/23(AMOUNT IN MILLIONS KSH).....	32
<b>V. CONCLUSION AND WAYFORWARD</b> .....	<b>33</b>
<b>ANNEX I: BUDGET CALENDAR</b> .....	<b>34</b>
<b>ANNEX II: MTEF SECTORS CLASSIFICATION IN NAROK COUNTY</b> .....	<b>36</b>
<b>ANNEX III: FORMAT FOR PRESENTATION OF PROGRAMME-PERFORMANCE BASED BUDGETS</b>	

(PBB) ..... 37  
**ANNEX IV: SECTOR WORKING GROUP REPORT FORMAT ..... 42**

APPROVED COPY

## List of Tables

TABLE 1: DEVIATIONS FROM THE INITIAL AND REVISED BUDGET ESTIMATES (KES.) .....	13
TABLE 2: A BREAKDOWN OF TRANSFERS FROM NATIONAL GOVERNMENT IN FY 2020/21 (KSH.) .....	14
<b>TABLE 3: LOCAL REVENUE SOURCES - COUNTY GOVERNMENT OF NAROK REVENUE (KES) .....</b>	<b>15</b>
TABLE 4: QUARTERLY REVENUE FLOWS IN FY 2020/21 (KSH).....	15
TABLE 5: EXPENDITURE BY DEPARTMENT IN FY 2020/21 (KSH) .....	16
TABLE 6: FISCAL PROJECTIONS FOR 2021/2022 - 2022/2023 (KSH).....	28
TABLE 7: TENTATIVE CEILINGS FOR FY 2022/23 (AMOUNT IN MILLIONS KSH).....	32

## List of Figures

FIGURE 1: NAROK COUNTY GOVERNMENT EXPENDITURES ON RECURRENT AND DEVELOPMENT (ESTIMATES AGAINST ACTUALS) .....	17
--	----



## Abbreviations and Acronyms

ADP	Annual Development Plan
CFSP	County Fiscal Strategy Paper
C-BROP	County Budget Review and Outlook Paper
CBR	Central Bank Rate
CRA	Commission for Revenue Allocation
FY	Financial Year
GDP	Gross Domestic Product
IMF	International Monetary Fund
KES	Kenya Shillings
KEU	Kenya Economic Update
MDAs	Ministries, Departments and Agencies
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
PFM	Public Financial Management
PSA	Public Service Administration
PPP	Public Private Partnership
SWG	Sector Working Group
USD	United State Dollar

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

The 2021 County Budget Review and Outlook Paper is prepared in accordance with Section 118 of the Public Finance Management Act, 2012. The law states that:

1. The County Treasury shall

- a) prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and
- b) submit the paper to the County Executive Committee by the 30th September of that year include:

2. In preparing its county Budget Review and Outlook Paper, the County Treasury shall specify—

- a) The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year
- b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
- c) Information on any changes in the forecasts compared with the County Fiscal Strategy Paper and how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year;
- d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

3. The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.

4. Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall:

- a) arrange for the Paper to be laid before the County Assembly; and
- b) as soon as practicable after having done so, publish and publicize the Paper.

## **Fiscal Responsibility Principles in the Public Financial Management Law**

In line with the Constitution, the new Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM law (Section 107(2)) states that: In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles-

- a) The county government's recurrent expenditure shall not exceed the county government's total revenue
- b) Over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
- c) the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;
- d) Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- e) The county debt shall be maintained at a sustainable level as approved by county assembly;
- f) The fiscal risks shall be managed prudently; and
- g) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

# I INTRODUCTION

## Background

1. The County Budget Review and Outlook Paper (C-BROP 2021) has been prepared in line with the provisions of the Public Finance Management, PFM Act, 2012 that are relevant to the devolved systems of Government. Specifically, the Act requires that every County prepares a C-BROP by 30<sup>th</sup> September of that financial year. The C-BROP reviews the actual fiscal performance of the financial year 2020/21 and makes comparisons to the budget appropriations for the same year. It also provides the recent economic developments and the updated economic and financial forecast with sufficient information to show variations from the initial forecast in FY 2020/21.

## Objective of the C-BROP

2. The objective of this paper is to provide;
- i. Details of the actual County Fiscal performance in financial year 2020/21 compared to the budget appropriation of the same year.
  - ii. An updated economic and financial forecast with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper.
  - iii. 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 County Fiscal Strategy Paper for that financial year.
  - iv. Reasons for any deviation from the financial objectives in the CFSP together with the proposals to address the deviation and the estimated timeframe for doing so.

3. The C-BROP is a key document in linking policy, planning and budgeting. The 2021 C-BROP points to the need to emphasis on development priorities, programmes and projects linked to the global, national, and development policies and strategies including the Constitution of Kenya 2010, the Big Four Agenda espoused in the third Medium Term Plan (MTP III) of the Vision 2030, County Integrated Development Plan (2018-2022), National Sector Plans, Sustainable Development Goals (SDGs), Narok County COVID-19 Social Economic Re-Engineering

Recovery Strategy and recently the 8-Point Economic Stimulus Programme unveiled by H.E The President, on May 23rd, 2020 to mitigate against the impacts of COVID 19 pandemic. The policy formulation, planning and programming will be done taking account new development and emerging issues considered in the revised CIDP 2018-2022.

4. The goal of C-BROP 2021 is three prong; it reviews the budgetary performance in FY 2020/21 and at the same time make fiscal recommendation to guide budgetary execution in the remaining period of FY 2021/22 and guide the preparation of FY 2022/2023 budget. The paper is also structured in a way to facilitate the implementation of the fifth year of the CIDP 2018-22.

5. The rest of the paper is organized as follows. The next section provides a review of the fiscal performance in budget for FY 2020/21. This is followed by brief highlights of the recent Fiscal developments and an updated economic outlook in section III. Section IV provides the resources allocation framework, while section V is a summary of the overall expenditure and revenue performance in FY 2020/21 and policy recommendation for the successive period(s).

## **II REVIEW OF FISCAL PERFORMANCE IN 2020/21**

### **A. Overview**

6. This section provides an overview of the performance and implementation of the budget for the financial year 2020/21 and how this may have affected compliance with the fiscal responsibilities. This will be useful in providing a basis for setting out broad fiscal parameters for subsequent budgets.
7. The revenue and expenditure targets for FY 2020/2021 were estimated in such a manner as to form a balanced budget at KSh. 11,256,020,000 mark. The estimates were in the course of time revised to KSh. 11,665,631,282. The actual revenue and expenditures realized by June 30<sup>th</sup>, 2021 amounted to KSh. 10,610,334,653.00 and KSh. 9,496,948,151.40 respectively.

## B. 2020/21 Fiscal Performance

8. Table 1 presents the fiscal performance for the FY 2020/21 and the deviations from the original and revised budget estimates.

**Table 1: Deviations from the Initial and Revised Budget Estimates (KES.)**

Source	Targets	Revised (1)	Revised (2)	Actual (KSh)	Deviations
	A	B	C	D	F = (D-C)
<b>1. Total Revenue</b>	<b>11,256,020,000</b>	<b>11,665,631,282</b>	<b>11,665,631,281.90</b>	<b>10,850,579,125.00</b>	(815,052,156.90)
Equitable share	7,121,250,000	8,039,100,000	8,039,100,000.00	8,039,100,000.00	-
Equitable share B/F	691,362,600	691,362,600	691,362,600	691,362,600	
Grants	1,000,846,497	1,013,908,326	1,013,908,326.00	787,473,239.00	(226,435,087)
DANIDA Grant (Covid 19)	-	-	-	-	-
Grants B/F	515,386,032	515,386,032	515,386,032	473,406,031.10	(41,980,001)
OSR	3,133,923,503.00	1,405,874,324	1,405,874,323.90	618,992,782.90	(786,881,541)
OSR B/F	-	-	-	240,244,472	240,244,472
<b>2. Total Expenditures</b>	<b>11,256,020,000</b>	<b>11,665,631,282</b>	<b>11,665,631,282</b>	<b>9,496,948,151.40</b>	(2,168,683,131)
Recurrent	7,636,220,000	7,894,126,167	8,042,735,397	8,019,860,973.00	(22,874,424)
Development	3,619,800,000	3,771,505,115	3,622,895,885	1,477,087,178.40	(2,145,808,707)
<b>Deviation (1-2)</b>	0.00	0.00	0.00	1,353,630,973.70	1,353,630,973.70

Source: Narok County Treasury

The Balance carried forward from FY 2019/2020 included the allocation of KSh. 7.1 million COVID 19 funds as grant from DANIDA and KSh 34 million grant to pay allowances for medical staffs involved in the fight against COVID 19. This amount had not been reflected in the final Budget for FY 2019/2020 the need to capture the same in FY 2020/2021. However, since the amount had already been absorbed in FY 2019/2020 budget, the same has been deducted in the computation for total revenue for FY 2020/2021.

The allocation towards Medical Equipment Services is treated as payment made on behalf of the County Government. And although not received in any year, it accounts for services rendered to the public in respect of the contracted healthcare delivery services.

9. The cumulative revenue –transfers from the national government and own source revenue - amounted to KES. 10,850,579,125 against the revised estimates of KES. 11,665,631,281.90. This represents 93% performance on target. Total transfer from national government was KES. 8,826,573,239 while collection from own sources amounted to KES 618,992,782.90. The total revenue realized in FY 2020/21 dropped from the targets (printed estimates) by KES. (815,052,156.90). The shortfall is attributable to the effects of COVID 19 pandemic. Table 1 shows the comparison between the targets and the actuals.

10. The grants fell short of the revised target by KES. 226,435,087. (Table 1). Table 2 further shows the breakdown of the Transfers from the national government.

**Table 2: A Breakdown of Transfers from National Government in FY 2020/21 (KSh.)**

<b>RECEIPTS FOR FY 2020/21</b>				
<b>TRANSFERS FROM NG</b>				
<b>Item</b>	<b>Budget</b>	<b>Actual Receipts</b>	<b>Variance</b>	<b>% Realized</b>
Equitable Share	8,039,100,000	8,039,100,000	-	100.0%
Conditional allocation for development of village polytechnics	16,084,894	16,084,894	-	100.0%
Road Maintenance Levy Fund	212,248,477	212,248,476.25	(0.75)	100.0%
H. Centre and Dispensaries user fees	20,595,297	20,595,297	-	100.0%
Conditional grant -Leasing of Medical Equipment	132,021,277	-	(132,021,277.00)	0.0%
Loans & Grants-KDSP-Level 1	45,000,000	45,000,000	-	100.0%
Loans & Grants-KDSP-Level 2 Development	141,000,000	141,844,646	844,646.00	100.6%
Kenya Urban Support Programme- UDG	74,500,000	20,169,357.25	(54,330,642.75)	27.1%
World bank loan THS	104,265,416	99,867,137.75	(4,398,278.25)	95.8%
World bank Loan- National Agri & Rural Growth	218,575,646	203,753,688.25	(14,821,957.75)	93.2%
DANIDA Grant -UHDS	22,860,000	22,860,000	-	100.0%
Agricultural Sector Development Support Program (ASDSP)	26,757,319	5,049,742.00	(21,707,577.00)	18.9%
<b>TOTALS</b>	<b>9,053,008,326</b>	<b>8,826,573,238.50</b>	<b>(226,435,087.50)</b>	<b>97.5%</b>

Source: Narok County Treasury

11. The Own Source Revenue fell short of the revised target by KES 786,881,541. Table 3 shows the revenue by sources cast against the targets for FY 2020/21. Maasai Mara Game Reserve recorded the highest revenue, KES 327,440,249.00 amongst the local sources. The collection from all other OSR streams amounted to KES 291,552,534.00 (Table 3). It's apparent from the foregoing that

the performance in revenue collection from Maasai Mara Game Reserve was quite low, this was attributed by the low number of tourist who visited the National reserve. Nevertheless, revenue shortfall from the printed targets is KSh 2,514,930,720.00 attributable to the effects and impacts of COVID-19. The pandemic necessitated the revision of targets in view of the prevailing economic environment.

**Table 3: Local Revenue Sources - County Government of Narok Revenue (KES)**

Revenue Source		Printed Targets	Revised	Actual	Variance	
		FY 2020/2021	Targets	Revenue FY 2020/2021	D = (C-A)	E = (C-B)
		A	B	C		
1.	Single Business Permits	60,208,882.00	36,498,888	42,922,333.00	(17,286,549.00)	6,423,445.00
2.	CESS Revenue	71,078,096.00	111,016,837	90,813,579.00	(19,735,483.00)	(20,203,258.00)
3.	Markets & Slaughter Fees	64,102,731.00	7,365,915	7,751,207.00	(56,351,524.00)	385,292.00
4.	House Rents	46,129,510.00	8,050,000	13,307,976	(32,821,534.00)	5,257,976.00
5.	Conservancy & Solid Waste Disposal	20,427,102.00	458,647	4,404,600.00	(16,022,502.00)	3,945,953.00
6.	Vehicle Parking	38,304,448.00	13,342,712	13,272,300.00	(25,032,148.00)	(70,412.00)
7.	Other CESS	130,733,916.00	87,286,218	53,123,140.00	(77,610,776.00)	(34,163,078.00)
8.	Plot Rent	110,694,147.00	354,709,536	32,925,903.00	(77,768,244.00)	(321,783,633)
9.	Miscellaneous Income	150,353,268.00	44,243,666	33,031,496.00	(117,321,772.00)	(11,212,170.00)
10	Mara Game Reserve	2,441,891,403.00	742,901,905	327,440,249.00	(2,114,451,154.00)	(415,461,656)
.	<b>Total Local Sources</b>	<b>3,133,923,503</b>	<b>1,405,874,324</b>	<b>618,992,783.00</b>	<b>(2,514,930,720.00)</b>	<b>(786,881,541)</b>

Source: Narok County Treasury

**12** The local revenue collection was highest in the first quarter of FY 2020/2021 at KES. 168,537,711.00. It's also notable that local revenue collection in FY 2020/2021 was lowest in the third quarter at KES 129,402,500.00. The depressed collections in the first quarter coincides with the low arrivals of tourist coupled with the effects of the rapid spread of COVID 19 variants. This largely explains the variance in revenue collection. Table 4 shows the quarterly flow of revenue in FY 2020/21.

**Table 4: Quarterly Revenue Flows in FY 2020/21 (KSh)**

Revenue Category	30/09/ 2020	31/12/2020	31/01/2021	30/06/2021	Cumulative
CENTRAL GOVERNMENT TRANSFERS	TOTAL Q1	TOTAL Q2	TOTAL Q3	TOTAL Q4	TOTALS
TOTAL FROM NATIONAL	1,164,768,631.10	2,843,866,203.70	2,224,056,282.00	3,758,650,752.80	9,991,341,869.60
<b>i. Equitable Share</b>	691,362,600.00	2,652,903,000.00	2,009,775,000.00	3,376,422,000.00	8,730,462,600.00
<b>Conditional Grants</b>	473,406,031.10	190,963,203.70	214,281,282	382,228,752.80	1,260,879,269.60



TOTAL LOCAL SOURCES	<b>168,537,711.00</b>	<b>163,134,728.00</b>	<b>129,402,500.00</b>	<b>157,917,844.00</b>	<b>618,992,783.00</b>
i. Mara Game Reserve	109,459,925.00	101,417,052.00	62,394,342.00	54,168,930.00	327,440,249.00
ii. Other sources	59,077,786.00	61,717,676.00	67,008,158.00	103,748,914.00	291,552,534.00
iii. BF					240,244,472.00
<b>GRAND TOTAL</b>	<b>1,333,306,342.10</b>	<b>3,007,000,931.70</b>	<b>2,353,458,782.00</b>	<b>3,916,568,596.80</b>	<b>10,850,579,125.00</b>

*Source: Narok County Treasury*

**13.** Revenue flow from national government has not been consistent. The irregular flow of revenue had a negative fiscal and financial implication to the county. It impacted on the capacity of the county government to implement projects and programmes and to meet its non-discretionary expenses on time.

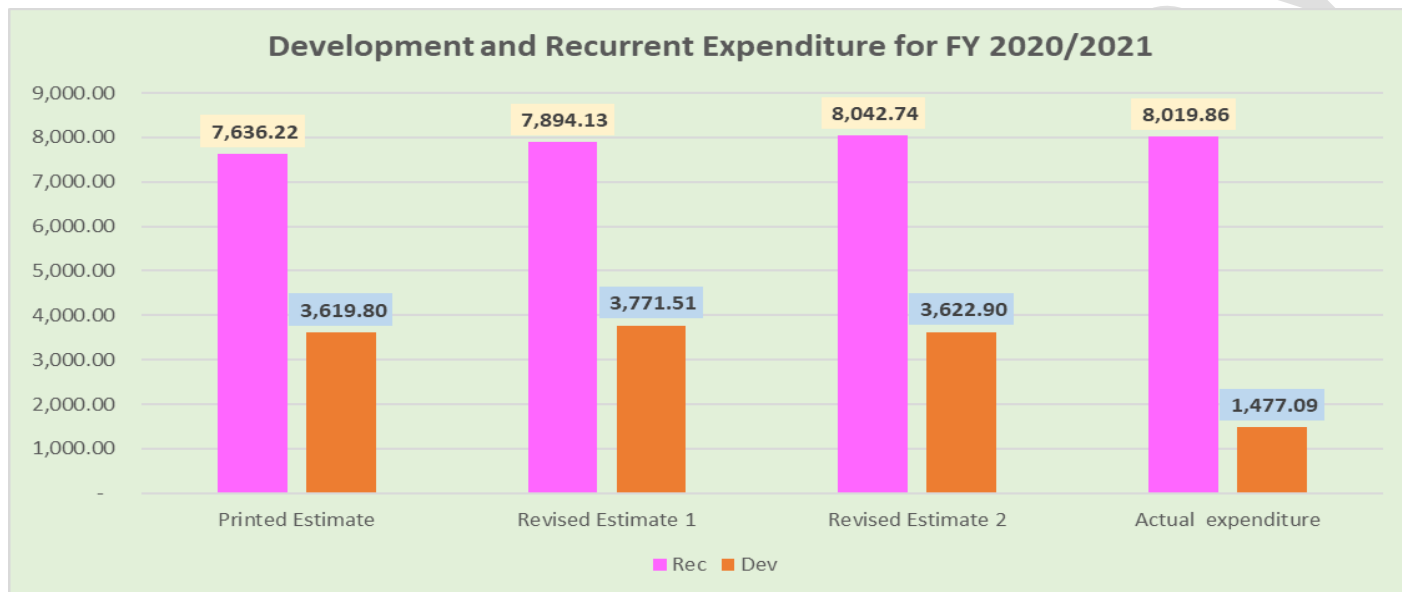
### **Expenditure**

**14.** Recurrent expenditure amounted to KES. 8,019,860,973.00 against a revised target of KES. 8,042,735,397.00. Thus, the total expenditure on recurrent at the close of FY 2020/21 represents 99.72% rate of absorption when compared against the revised estimates on expenditures for recurrent.

**15.** Development expenditure amounted to KSh. 1,477,087,178.40 compared to a revised target of KSh. 3,622,895,885. This represents 40.77% rate of absorption when compared against the revised estimates on expenditures for development.

**16.** In overall, expenditure side of the budget had an 81.4% absorption when viewed in terms of approved expenditure estimates and 87.5% when viewed in terms of actual disbursement of funds. In comparison the ratio of recurrent versus development expenditure is 5.4:1. As regards development, total expenditure with respect to revised estimates and actual revenue was 12.7% and 13.6% respectively. Figure 1 shows a comparison between estimates/ targets against the actuals at the close of the financial year.

**Figure 1: Narok County Government Expenditures on Recurrent and Development (Estimates Against Actuals)**



*Source: Narok County Treasury*

### **Overall balance and financing**

**17.** Reflecting on the above performance in revenue and expenditure, the total payment commitments amounted to KSh. 9,496,948,151.40 in FY 2020/21 against the revised estimates of KSh. 11,665,631,282.05. On the other hand, the total revenue realized amounted to KSh. 10,850,579,125.00 against the revised target of KSh. 11,665,631,282. In the last financial year (2019/2020), the fiscal performance was KSh. 10,996,542,047.45 in revenue and KSh. 10,804,881,638.75 in expenditure. In comparison therefore, the fiscal performance in FY 2019/20 was better than in FY 2020/21 as the impacts of COVID 19 only affected the fourth quarter (April-June 2020). The upshot of the forgoing is that the performance in the budget execution in FY 2020/21 would have been much higher had it not been for the adverse effects of the pandemic through the year and particularly the peak seasons of July - December 2020.

**18.** The main challenges experienced in the financial year under review is the effects and impacts of COVID 19 pandemic, and delays in the receipts of equitable share from the national government. These situations significantly affected timely delivery of service in Narok County. In

addition, some budget implementation institutional framework and systems have not been in optimal utilization. Going forward, there is need of strengthening the functions of research, planning, budget formulation and implementation, monitoring and evaluation and reporting on sectoral performance.

### **C.Implication of 2020/21 fiscal performance on fiscal responsibility principles and financial objectives contained in the 2021 CFSP**

**19.** During the period under review, the county government had planned to collect revenue amounting to KSh. 11.666 billion. At the close of the financial year, the county had received revenues amounting to KSh. 10.85 billion. The review of performance in FY 2020/21 reveals that the missed revenue targets were mainly the shortfall of the Local revenue at KSh. 786.89 million. The overall performance in revenue and expenditure points to the need to adjust the estimates for FY 2021/2022. The adjustments may be executed through supplementary budget for FY 2021/2022.

**20.** Additional implications borders on the capacity of the county government to implement its budget in FY 2021/22 and in the subsequent years. In view of the foregoing, appropriate measures have been applied in the context of this C-BROP, taking into account the budget outturn for 2020/21. The County Treasury will continue to engage the national government, state agencies and financial experts with a view of improving performance in in view of the effects of COVID 19 pandemic.

### **III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK**

#### **A. Recent Economic Developments**

##### **Overview**

**21.** The performance of the county was largely dependent on the global, regional and country's economic performance in an environment of rapid spread of COVID 19 pandemic. Due to the emergence of COVID-19 as a global pandemic and a near collapse of most economies, the global economy will be experiencing an exceptionally strong but uneven recovery. While a rebound is expected in most economies, full recovery is not assured due to possible future COVID-19 waves, delays in vaccination programmes, increasing debt levels and rising inflationary pressures. The 2021 CBROP will therefore be prepared against the background of strong but uneven economic recovery. The emergence of new COVID-19 variants could lead to reinstatement of containment measures thereby disrupting economic activities.

**22.** The impact of COVID-19 pandemic on the economy and the attendant containment measures slowed down economic growth in 2020. Economic growth in the first three quarters of 2020 contracted by an average of 0.4 percent compared to an average growth of 5.3 percent over the same period in 2019. Leading economic indicators for the fourth quarter of 2020 and the first quarter of 2021 point to strong recovery from the adverse impact of the COVID-19 pandemic.

**23.** The ban on international travels, cancellation of travel arrangements, lockdown in most of the countries amongst other containment measures in the domestic market forestalled tourists from visiting Maasai Mara game reserve which is the main own source revenue stream for Narok County. This together with general disruption in supply chains and reduction in business activities has affected the collection of revenue in the entire FY 2020/21.

## **Global Scene**

**24.** According to the National Treasury, the economy grew by 4.9 percent in the first quarter of 2020 compared to a growth of 5.5 percent in the first quarter of 2019. The slowdown in quarter one was as a result of the decline in economic activities in most of the country's major trading partners due to the uncertainty associated with the Covid-19 pandemic. The economy further contracted by 5.7 percent in quarter two of 2020 from a growth of 5.3 percent in the same quarter in 2019. The poor performance in the quarter was to a large extent negatively affected by measures aimed at containing the spread of the Covid-19. As a result, the performance of most sectors of the economy contracted in the second quarter of 2020. However, the economy was supported by improved performance of Agriculture, Forestry and Fishing activities), Health Services and Mining and Quarrying activities.

**25.** The agriculture sector recorded an improved growth of 6.4 percent in the second quarter of 2020 compared to a growth of 2.9 percent in the corresponding quarter of 2019. The sector's performance was supported by a notable increase in tea production, cane deliveries, milk intake and fruit exports. The sector's contribution to GDP growth was at 1.5 percentage points in the second quarter of 2020 compared to 0.7 percentage points over the same period in 2019. The non-agriculture (service and industry) sectors was adversely affected by the Covid-19 pandemic during the second quarter of 2020. As a result, the sector contracted by 8.5 percent in the second quarter of 2020 down from a growth of 6.4 percent in a similar quarter in 2019. The sector's contribution to real GDP was -5.6 percentage points in the second quarter of 2020 compared to a contribution of 4.3 percentage points in the same quarter of 2019.

## ***Inflation Rate***

**26.** Year-on-year overall inflation rate remained low, stable and within the Government target range of 5+/-2.5 percent since end 2017. The inflation rate increased in June 2021 but remained within the target range. It increased to 6.3 percent from 4.6 percent in June 2020, mainly on account of higher food and fuel prices. Similarly, overall annual average inflation remained within Government target range at 5.3 percent in June 2021 compared to the 5.5 percent recorded in June 2020

## ***Kenya Shillings Exchange Rate***

**27.** In comparison to most Sub-Saharan Africa currencies, the Kenya Shilling has remained relatively stable weakening by only 1.3 percent against the US Dollar. The depreciation of the

Kenya Shilling was lower than that of Rwanda Franc, Nigerian Naira, Mauritius Rupee and Burundi franc. The stability of the Kenya Shilling was supported by increased remittances and adequate foreign exchange reserves.

### ***Interest Rates***

**28.** Short Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.0 percent to signal lower lending rates. The money market was relatively liquid in June 2021 supported by government payments, which offset tax remittances. As such, the interbank rate remained low but increased slightly to 4.6 percent in June 2021 from 3.3 percent in June 2020

## **B. Medium Term Economic Outlook**

### **Global Growth Outlook**

**29.** The Global growth is projected to rebound to 5.2 percent in 2021 from a contraction of 4.4 percent in 2020 mainly supported by a gradual strengthening in consumption and investment is also expected to firm up. Growth in the advanced economies is projected to improve to 3.9 percent in 2021 compared to a contraction of 5.8 percent in 2020 supported by improved growths in the major economies particularly the United States and the United Kingdom. Growth in the Euro area is also projected to improve to 5.2 percent from a contraction of 8.3 percent in 2020. The emerging markets and developing economies are also projected to improve to 6.0 percent in 2021 from a contraction of 3.3 percent in 2020. This recovery is well echoed in the forecasted growths of Emerging and Developing Asia and Europe, Latin America and the Caribbean, and Sub-Saharan Africa.

**30.** Consistent with forecast in the other regions, economic growth in the Sub-Saharan Africa region is expected to recover to 3.1 percent in 2021 as most of the economies in the region recover from the adverse effects of the Covid-19 Pandemic.

**31.** Despite the disruption caused by Covid-19, East Africa remains the continent's fastest-growing region. Though growth in Kenya, Ethiopia and Tanzania has slowed, it continues to be positive

### **Domestic Growth Outlook**

**32.** The growth outlook for 2020 has been revised down from the initial projection of 2.6 percent following receipt of more recent indicators and taking into account the contraction of 5.7 percent in the second quarter of 2020 and the World Economic Outlook figures released by the IMF. In this respect, economic growth for 2020 is now estimated at 0.6 percent in 2020 and recover to 6.4 percent in 2021 due to in part, the lower base effect in 2020.

**33.** Economic growth is projected to slow down to 5.5 percent in 2022 (due to in part the uncertainty associated with the 2022 general elections) and recover to 6.1 percent by 2024. In terms of fiscal years, economic growth is projected to grow by 3.5 percent in FY 2020/21 and further to 6.2 percent over the medium term.

**34.** This growth outlook for the calendar year 2020 and the FY 2020/21 and the medium term, will be supported by the stable macroeconomic environment, ongoing investments in strategic priorities of the Government under the “Big Four” Agenda, the ongoing public investments in infrastructure projects, the Economic Stimulus Program being implemented and the planned Post Covid-19 Economic Recovery Strategy, turn around in trade as economies recover from Covid-19 Pandemic and expected favorable weather that will support agricultural output. These factors will push up consumer demand and increase both public and private sector investment reinforcing the projected growth. The economic growth projections over the medium term are aligned to those of the Third Medium Term Plan (2018-2022) which is implementing Vision 2030.

### **Partnerships**

**35.** As regards collaborations, the enhanced global partnership proved attractive for increased investment particularly in infrastructure developments. This was mainly through bilateral agreements and increased donor support. There were a number of programmes/projects implemented through support from development partners especially at the national level. They include key roads, the standard gauge Railway, ports, airports, and rural electrification projects.

### **Growth Outlook at County level**

**36.** The County further experienced expansion in building and construction sector attributable to increased demand for housing and business premises. Narok is one of the fast growing towns in

the south rift due to its strategic position connecting the south rift to Nyanza. There was expansion in the hospitality industry, wholesale and retail trades which have ready market due to increasing population. Communication continue to be on an upward trend as a result of the proliferation of the service by the main mobile service providers. This has improved the ease of doing business.

**37.** County government has prioritized key strategic interventions across all departments to accelerate economic growth for social economic transformation and prosperity. The main areas include; increasing agriculture productivity, improved access to quality healthcare particularly immunization, clean water, empowering youth, promoting education and facilitating infrastructural development.

**38.** The Largest spender in the county for the FY 2020/2021 was Health and Sanitation Featuring the ongoing construction of a new hospital block and medical school at the county referral hospital as well as construction of sub-county hospitals. However, much of the expenditure was on recurrent aggravated by resource allocation to respond to COVID 19 pandemic. The leasing of eleven ambulances and the provision of medicine in public hospitals are ongoing programmes under the recurrent expenditure. The ambulances are a major boost in the attendance of emergency cases. Comprehensive and sustainable strategy to improve the health care system is necessary.



39. To improve the transition and retention rate in secondary schools and colleges the County Government through the county department of Education, Youth and Social Welfare have continued to implement the bursary programme. In addition, the department put in place measures to address the rate of unemployment among the youths and empowerment of women, the county has established youth support programme in this regard.

### **C. Medium Term Fiscal Framework**

40. The mid-term review of the County Integrated Development Plan (2018– 2022) is ongoing. The plan together with the Third Medium Term Plan (MTP) spells out clear priority areas investment to achieve the county vision and objectives. Moving forward, the implementation of the second CIDP (2018-2022) will deliberately continue to ensure there is gender parity and management of environment and climate change as an integral part of development. The county government shall adopt a fiscal macroeconomic framework that seeks to address high levels of unemployment and basic support services.

41. The county administration will continue to improve finance management systems at all levels of county government to improve on efficiency of public finance management. This is expected to build investor/creditor confidence to participate in promoting higher growth rates. With respect to revenue, the County Government hopes to maintain a strong revenue effort by sealing existing leakages and strengthening of automation of rates/fees collection points in line using modern technology. The technology is expected to result to improved tax compliance and enhanced administrative measures to enhance the collection of revenue. The County Government will harmonize existing tariffs regimes, offer reliefs incentives and widen the tariff base.

42. In public finance management, the county government shall continue with prudent public finance management. This will help maintain county development expenditure above the 30 per cent threshold provided in the PFM law. On the expenditure side, compliance with PFM Act, 2012 is expected to accelerate reforms in expenditure management system.

43. Significant efforts were made in the FY 2020/21 to boost the Agriculture sector through promotion of value chains courtesy of the NARIG project. This sector is the highest contributor to the county economy. Going forward, strategies to ensure value addition of both agriculture and livestock products such as post-harvest loss prevention were stepped-up in FY 2021/22 budget and over the medium term.

44. During the FY 2020/21 there were several non-core expenditures which were necessary in order to have the county render service effectively and also provide a stable administrative framework. They included construction and refurbishment of offices, purchase of furniture, computers, other office equipment and purchase of vehicles. Moving forward, the departments should consider reallocating resources away from these items without crippling the respective programmes. This policy paper further recommends the reallocation of resources to core, high impact areas of expenditure.

45. As regards Public Service Management, the recommendations in various staff audit reports will be applied in coming up with the best institutional management structures aimed at improving efficiency in service delivery.

### **Growth Prospects**

46. The County Government of Narok endeavored to achieve a broad-based expansion touching in all sectors of the economy. Emphasis was given to key sectors of Health and Education development, infrastructural investment, youth empowerment and the supportive service in the administration.

47. Over the medium-term period, the County Government will continue to invest in agricultural infrastructure and equipment to increase productivity in the sector through promoting value addition. The government will continue investing in social-economic sectors of education, health and social protection. Expansion of road networks, and an increase in the access to clean and safe water will also be prioritized.

## **D. Risks to the Outlook**

**48.** The county continues to be susceptible to risks that adversely affects the national fiscal framework and outlook which is influenced by the global macroeconomic context. Tourism being one of the major main stay in the county economy, faces numerous challenges ranging from COVID 19 pandemic that has led to disruption in the tourism industry, encroachment into Mara game reserve. Internal conflicts in some parts of the county, high rates of unemployment, growing number of dependents, erratic weather patterns are major threats to performance.

**49.** Public expenditure pressures particularly the rising wage bill eat into other expenditure thereby compromising the allocation for development expenditure. With the commitment to improve infrastructure within the county, the share of resources going to priority physical infrastructure sector such as roads Health, Agriculture, Education and water will increase gradually. The county government will undertake appropriate measures to cushion these pressures to safeguard fiscal stability.

**50.** Although agriculture is the main driver of the county economy it is faced with unreliable weather patterns. In the recent past, the county has experienced mild drought spells and threat of crop and livestock diseases which has seen significant decline in agricultural produce and livestock. To ensure sustainability of the sector the county will continue to invest in technologies and projects which will reduce overreliance of rain fed production

**51.** The share of donor funds is expected to shrink in coming years posing a huge risk to programmes that benefit from donor support. For instance, Kenya's transition to a lower-middle income status has increased the domestic funding obligation for the country's immunization programme which is largely funded by multilateral donors such as Global Alliance for Vaccine and Immunization (GAVI) through UNICEF. Kenya is now required to achieve full self-funding by 2028. Other funds due for closure includes World Bank Grant for Transforming Health Systems (THS), and DANIDA Grant for Universal Healthcare in Devolved Systems (UHDS).

**52** The County Government is continually monitoring these risks and taking appropriate fiscal policy measures to strengthen resilience in the economy. To cushion the county against the downsides of the risks emanating from the Covid-19 pandemic, the County Government will collaborate with the National government in implementing the Post Covid-19 Economic Recovery Strategy to protect lives and livelihoods. Additionally, the diversified nature of our economy continues to offer resilience to any global and domestic challenges.

**53** On risks emanating from domestic sources, the County Government has laid foundations to enhance faster and lasting growth through the 2021 Annual Development Plan, which will unlock better growth, and positively impact on the lives of people through jobs creation and poverty reduction. This will further be refined once the CIDP 2018-2022 review is finalized, in order to integrated emerging issues and needs. Meanwhile, the County Government is promoting value addition in agriculture through interventions such as the inclusive growth projects. Further, the County Government is accelerating infrastructure development to support trade and agriculture and improve access to service centers. The county will also promote expenditure rationalization with a view of reducing wage related pressures thereby creating fiscal space necessary for economic sustainability. Finally, the county government will endeavor to institutionalize a resource mobilization strategy within the framework of PFM Act 2012

## **IV. RESOURCE ALLOCATION FRAMEWORK**

### **A. Adjustment to 2021/22 Budget**

**54** Adjustments to the 2021/22 budget will take into account the actual performance of expenditure so far and absorption capacity in the remainder of the financial year. The focus will be on accelerating the absorption of available resources in the implementation of programmes and projects. Measures will also be put in place to improve the collection of own source revenue.

55. Table 6 provides a reflection in the C-BROP 2021 of the proposals for fiscal adjustments for FY 2021/22 and projections for FY 2022/23.

**Table 6: Fiscal Projections for 2021/2022 - 2022/2023 (KSh)**

Revenue by Source/Stream	Estimates FY2020/2021	Actual FY2020/2021	Adjustments of FY2021/2022		FY2022/2023 Projections
			CFSP'21	C-BROP'21	CFSP'22
<b>REVENUE</b>	<b>11,665,631,282.05</b>	<b>10,610,334,653.00</b>	<b>12,018,610,000</b>	<b>12,033,816,465</b>	<b>12,126,990,000</b>
i. Equitable Share	8,039,100,000	8,039,100,000	8,844,790,000	8,844,790,000	9,062,550,000
ii. Equitable Share (B/F)	691,362,600	691,362,600	-	-	-
iii. Grants	1,013,908,326	787,473,239	799,270,000	799,270,000	833,610,000
iv. Grants B/F	515,386,032	473,406,031	-	-	-
v. OSR	1,405,874,324	618,992,783	2,374,550,000	1,036,125,491.25	2,230,830,000
vii. B/F Others	-	-	-	1,353,630,973.70	-
<b>EXPENDITURE</b>	<b>11,665,631,282.05</b>	<b>9,496,948,151</b>	<b>12,018,610,000</b>	<b>12,033,816,465.25</b>	<b>12,126,990,000</b>
Recurrent	8,042,735,397	8,019,860,973	7,489,706,518	8,233,841,474.61	8,246,353,200
Development	3,622,895,885	1,477,087,178	4,528,903,482	3,799,974,990.64	3,880,636,800

Source: Narok County Treasury

56. As shown in table 6, the revenue projections for Narok County will be informed by the revised fiscal targets which will be firmed up in the context of the County Fiscal Strategy Paper 2022. The County Government will continue to maintain fiscal responsibility principles by making necessary adjustments to meet financial objectives during the implementation of the budgetary plans for FY 2022/23 and over the medium-term period.

### Adjustment on Revenue

57. The recommended adjustment is in accordance with the overall performance in FY 2020/21 and the reality with regard to the financial environment with the impact of COVID 19. We expect a depressed performance in OSR in FY 2021/2022 especially in the 1st quarter, which coincides with peak season for tourists visit to Maasai Mara game reserve. Maasai Mara revenue stream accounted for 52.9% of own source revenue in FY 2020/2021. The 1<sup>st</sup> quarter accounted for 17.6% of the total collection against this stream alone. Business activities related to this stream were hugely affected by COVID 19 and are experiencing a slow recovery.

58. Equitable share informed by the Senate resolution to maintain FY 2021/22 equitable share at the level precedent in FY 2020/21. The provision for balance brought forward in FY 2021/22 is based on available data including the National Treasury communication to release the balance of equitable share for FY 2020/21. The allowance for balances of grants brought forward is predicated on the roll over nature of the grants in that the funds do not expire but is carried over in successive financial years. The share of expenditure between recurrent and development has been informed by performance in FY 2020/2021 and the need to adhere to fiscal responsibility principles dictated in PFM Act 2012.

### **Adjustment on Expenditure**

59. Resources earmarked for development purposes will be utilized for development projects. Utilization of public finances, resource allocation and utilization in the remainder of the financial year will be guided by the following.

- i. Ongoing projects
- ii. Priorities of the reviewed CIDP 2018-2022
- iii. Emerging priorities like strategies to mitigate on the effects of COVID 19
- iv. Compliance with the PFM law

### **B. Medium-Term Expenditure Framework**

60. With the County Government's commitment in improving infrastructure countywide, the share of resources going to priority physical infrastructure sector, such as roads, early childhood development centers, health facilities, Immunization, water infrastructure amongst others will

continue to rise over the medium term period. This will help the sector provide quality and reliable services.

**61.** The priority social-economic sectors will continue to receive adequate resources to promote development. The Health, Education and social service sectors will receive significant share of resources in the budget in coming years. The sector actors are thus required to utilize the allocated resources more efficiently in order to generate fiscal space to accommodate other strategic interventions like disease outbreaks and improved productivity per man hour.

**62.** The economic sectors including agriculture and livestock will receive increasing share of resources to boost agricultural productivity with a view to promote value addition and deal with threats in food security in the county. In addition, the priority programmes under tourism, wildlife, trade, industry and cooperatives will be allocated adequate resources based on programme based budgeting.

**63.** Further, the county government will adopt an aggressive intervention to fill anticipated gap in donor funding by applying a targeted scaling-up of budgetary allocation towards the affected programmes including immunization. This is informed by the fact that Kenya's transition to a lower-middle income status has increased the domestic funding obligation for the country's immunization programme, which is now required to achieve full self-funding by 2028. There is therefore need to undertake an incremental budget allocation to health and to immunization as early intervention measure.

### **C.2022/23 Budget framework**

**64.** The 2022/23 budget framework is set against the backdrop of the medium-term macro-fiscal framework set out in this document and the County Government's strategic objectives that will be outlined in a number of policy documents and plans that will be coming up in the course of FY 2021/22 and coming years. Key amongst these includes Constitution of Kenya 2010, the Big Four Agenda espoused in the third Medium Term Plan (MTP III) of the Vision 2030, County

Integrated Development Plan (2018-2022), National Sector Plans, Sustainable Development Goals (SDGs), Narok County COVID-19 Social Economic Re-Engineering Recovery Strategy, to mitigate against the impacts of COVID 19 pandemic, and the CFSP 2022 and other agreed development policies.

### **Revenue Projections**

65. The 2022/23 budget targets internal revenue collections of KSh. 2,230,830,000 and transfers national government amounting to KSh. 9,896,160,000. These projections are revenue based and will be underpinned by national government policy guidelines and reforms and county revenue raising measures espoused in the corresponding Finance Act. As such, total revenues projection is KSh. 12,126,990,000.

66. The projection is based on the promises of the reopened economy resilience of the citizens following a period of restrictions in accordance with the Ministry of Health protocols to combat COVID 19. In this regard the County has already put in place viable revenue raising strategies for enhancing revenue collection in critical revenue streams with a view of ensuring that the revenue target is met. Further, the intervention by the National Government to scale-up efforts to boost the tourism sector by promoting aggressive post Covid-19 tourism marketing and providing support for hotel refurbishment through soft loans will reinvigorate the tourism sector in Narok county.

67. The resumption in tourism activities and related business is expected to raise the revenue prospects for Narok County leading to the attainment of the set targets. The situation of poor performance in OSR is expected to have corrected by July -September 2022. However, the modest projection takes into account the segment of population who will have not recovered and business which will not have resumed hence the target of KSh. 2.23 billion FY 2022/23. The upshot of the foregoing is that it's unlikely for OSR performance to jump back sooner to the levels it was in FY 2018/19 at 2.9 billion.

68. The law provides for several sources wherefrom counties can generate revenues namely, transfers from national government (Article 202 & 204), local collection and borrowing (Article 212). The sources of revenue for Narok County Government in the past three years have been from all of the above sources except borrowing. Hence, although the County Government envisages



maintaining a balanced budget where total revenue equal total expenditure, the County Government may consider borrowing should need arise. In doing so, the county government will ensure that borrowing guidelines contained in Treasury Circular No.1/2021 are adhered to.

69. In the 2022/23 budget, overall expenditure is estimated at KSh 12,126,990,000. The recurrent expenditure is estimated at KSh. 8,246,353,200 while developments vote will carry KES. 3,880,636,800. The allocation for development is 32%, which is above the minimum set out in the PFM Act 2012 and in other recommended best practices.

70. Preliminary ceilings for FY 2022/23 are therefore provided, (Table 7) to guide sectors in the preparation of sector reports. The ceilings will be firmed in County Fiscal Strategy Paper (2022) which will be prepared on the basis of the priorities and programme incorporated in the reviewed Second County Integrated Development Plan (CIDP) for the period 2018-2022.

**Table 7: Tentative Ceilings for FY 2022/23 (KSh)**

Departments	Recurrent	Development	Total Rec & Dev	% Share of Allocation
County Assembly	815,080,159.89	157,488,047.14	972,568,207.02	8.02%
Office of The Governor	151,088,931.09	-	151,088,931.09	1.25%
Treasury, Economic Planning, and ICT	780,218,500.63	277,520,454.10	1,057,738,954.72	8.72%
County Transport, Public Works and infrastructure	360,193,663.70	654,833,603.53	1,015,027,267.23	8.37%
Education Youth Affairs, Sports Culture and Social services	1,214,581,512.97	396,995,228.33	1,611,576,741.31	13.29%
Environment & Natural Resources	269,457,689.32	224,718,133.09	494,175,822.41	4.08%
County Public Service Board	100,725,954.06	-	100,725,954.06	0.83%
Agriculture, Livestock and Fisheries	329,114,934.73	439,312,483.37	768,427,418.10	6.34%
County Health and Sanitation	2,581,708,602.61	1,203,159,357.11	3,784,867,959.72	31.21%
Lands, Housing, Physical Planning & Urban Development	232,976,327.16	207,337,270.91	440,313,598.07	3.63%
Tourism and Wildlife	443,287,684.08	122,231,521.92	565,519,206.00	4.66%
County Administration and Public service Management	843,332,561.63	155,453,865.80	998,786,427.43	8.24%
Trade and Industrialization	124,586,678.12	41,586,834.71	166,173,512.83	1.37%
<b>Totals</b>	<b>8,246,353,200.00</b>	<b>3,880,636,800.00</b>	<b>12,126,990,000.00</b>	<b>100.0%</b>

## **V. CONCLUSION AND WAYFORWARD**

**71.** The fiscal outcome for 2020/21 together with the updated fiscal projections has had implication of the financial objectives elaborated in the County Integrated Development Plan and the fiscal responsibility principles outlined in the PFM law. The outcome is a testimony of the continuation of the pursuit for prudent fiscal policy through the reorientation of expenditure toward priority programmes within the mandate of the County Government.

**72.** All Sector Working Groups are required to make reference to the sector ceiling provided here above in the drafting and submission of sector budget proposals within the timelines of the budget calendar for FY 2022/2023. The departments should adhere to programme based budgeting in allocating resources and adopt strategies that improves the rate of absorption going forward. The next County Fiscal Strategy Paper due in November 2021 shall firm up the baseline expenditure ceilings proposed in this paper.

**73.** Ultimately, County Integrated Development Plan (CIDP) for the period 2018-2022 and the Annual Development Plan (ADP 2022/2023) and the sectoral plans shall continue to advise the priorities in resource allocation in the coming years

## ANNEX I: BUDGET CALENDAR

	Activity	Responsibility	Timeframe/Deadline	Obligation of Members of the Public
1.	Issue guidelines for preparation of 2022/23 and MTEF County Budget	CEC Finance & Planning	By 30 <sup>th</sup> August, 2021	Read to know when, where and how to participate in the budget process
2.	Submission of Annual Development Plan (ADP 2022/23) to the County Assembly	CEC for Finance and Economic Planning	By 1 <sup>st</sup> September 2021.	Read the plan, and can submit written Memorandum
3.	Launch of Sector Working Groups and Start of Sector Consultations ensuring that ecological, social, environmental and institutional issues are highlighted	All Departments- Finance and planning to co-ordinate	7 <sup>th</sup> September, 2021	Physical Presence, giving input, suggestions, opinions, reviews of content through oral or written memorandum, or (un) solicited feedback on access to service and quality
4.	Undertaking of Departmental Expenditure Reviews and submit to County Treasury ensuring that ecological, social, environmental and institutional issues are highlighted	All Departments	By 7 <sup>th</sup> September, 2021	
5.	Estimation of Resource Envelope and Preliminary allocation to sectors for preparation of County Budget Review and Outlook Paper (CBROP 2021)	County Treasury	8 <sup>th</sup> – 17 <sup>th</sup> September, 2021	
6.	Submission CBROP to the County Executive Committee for deliberation and approval	County Treasury	By 24 <sup>th</sup> Sept, 2021	
7.	Deliberation and approval of CBROP 2021 by the County Executive Committee	County Executive Committee	23 <sup>rd</sup> - 29 <sup>th</sup> Sept 2021	
8.	Submission of County Budget Review and Outlook Paper (CBROP 2021) to the County Assembly	CEC for Finance and Economic Planning	By 30 <sup>th</sup> Sept, 2021	Access, Read and comment.
9.	Sector consultative forums and Drafting of Sector Reports ensuring that ecological, social, environmental and institutional issues are well addressed	Sector Working Groups	1 <sup>st</sup> Oct – 29 <sup>th</sup> Oct, 2021	Access, Read and comment.
10.	Submission of final sector reports to County Treasury ensuring that ecological, social, environmental and institutional issues are well addressed.	All CECs for their respective Departments	By 29 <sup>th</sup> Oct, 2021	Access, Read and comment.
11.	Public Consultative Forums	County Treasury	11 <sup>th</sup> & 12 <sup>th</sup> Nov 2021	Physical Presence, giving input, suggestions, opinions, reviews of content through oral or written memorandum, or (un) solicited feedback on access to service and quality
12.	Drafting of County Fiscal Strategy Paper (CFSP 2022) ensuring that ecological, social, environmental and institutional issues are well addressed	County Treasury	By 18 <sup>th</sup> Nov, 2021	Access, Read and comment.

	<b>Activity</b>	<b>Responsibility</b>	<b>Timeframe/Deadline</b>	<b>Obligation of Members of the Public</b>
13.	Submission of County Fiscal Strategy Paper (CFSP 2022) to County Executive Committee for approval	CEC Finance and Economic Planning	By 18 <sup>th</sup> Nov, 2021	
14.	Submission of the CFSP to County Assembly	County Treasury	By 26 <sup>th</sup> Nov, 2021	Access, Read and comment.
15.	Circulate approved County Fiscal Strategy Paper (CFSP 2022) and Final guidelines on preparation of 2022/23 MTEF Budget	County Treasury	By 14 <sup>th</sup> Dec, 2021	Access, Read and comment.
16.	Submission of budget proposals for 2022/23 MTEF Budget to County Treasury	All Accounting Officers	By 25 <sup>th</sup> Jan, 2022	
17.	Consolidation of Budget Estimates for F/Y 2022/2023	County Treasury	By 10 <sup>th</sup> Feb, 2022	Access, Read and comment.
18.	Submission of Budget Estimates F/Y 2022/2023 to County Executive for approval	County Treasury	By 15 <sup>th</sup> Feb 2022	
19.	Presentation of Budget Estimates to County Assembly	C.E.C Finance & Planning	By 22 <sup>nd</sup> Feb, 2022	
20.	Review of Budget Estimates and public consultations ensuring that ecological, social, environmental and institutional issues are well addressed	County Assembly	By 30 <sup>th</sup> March,2022	Physical Presence, giving input, suggestions, opinions, reviews of content through oral or written memorandum, or (un) solicited feedback on access to service and quality
21.	Consolidation of the final Budget Estimates	County Treasury	By 7 <sup>th</sup> April 2022	
22.	Submission of Appropriation Bill to County Assembly	County Treasury	By 12 <sup>th</sup> April 2022	
23.	Budget Statement/Speech	County Treasury	By 20 <sup>th</sup> April 2022	Access, Read and comment.
24.	Appropriation Bill Passed	County Assembly	By 30 <sup>th</sup> April, 2022	
25.	Performance Review, Monitoring and Evaluation.	All departments	May and June 2022	Physical Presence, giving input, suggestions, opinions, reviews of content through oral or written memorandum, or (un) solicited feedback on access to service and quality

## ANNEX II: MTEF Sectors Classification in Narok County

S/No.	MTEF SECTORS	MDAs
1.	Agriculture Rural and Urban Development	<ul style="list-style-type: none"> <li>▪ Agriculture (Crop development)</li> <li>▪ Livestock development and fisheries</li> <li>▪ Veterinary Services Department</li> <li>▪ Land, Housing and physical Planning</li> <li>▪ Town Management Committee</li> </ul>
2.	Energy, Infrastructure And ICT	<ul style="list-style-type: none"> <li>▪ Public works department</li> <li>▪ County roads and transport</li> <li>▪ Information, communication and e-government</li> </ul>
3.	Public Administration And International Relations (PAIR)	<ul style="list-style-type: none"> <li>▪ Office of the Governor</li> <li>▪ County Public Service Management</li> <li>▪ Office of County Secretary</li> <li>▪ County Public Service Board</li> <li>▪ County Assembly</li> <li>▪ County Assembly Service Board</li> <li>▪ Governor and County Executive Services</li> </ul>
4.	General Economic, Commercial And Labour Affairs (GECLA)	<ul style="list-style-type: none"> <li>▪ Trade and industrialization</li> <li>▪ Cooperative development,</li> <li>▪ Tourism &amp; wildlife</li> </ul>
5.	Social Protection, Culture And Recreation	<ul style="list-style-type: none"> <li>▪ Education</li> <li>▪ Youth affairs</li> <li>▪ Sports and Talent Development</li> <li>▪ Culture &amp; social services</li> </ul>
6.	Environmental Protection And Water	<ul style="list-style-type: none"> <li>▪ Environment Conservation and Management</li> <li>▪ Water and Irrigation</li> <li>▪ Energy and natural resources</li> </ul>
7.	Health	<ul style="list-style-type: none"> <li>▪ Health and Sanitation</li> </ul>
8.	Macro Working Group	<ul style="list-style-type: none"> <li>▪ County Treasury</li> <li>▪ County Economic Planning</li> </ul>

## ANNEX III: FORMAT FOR PRESENTATION OF PROGRAMME-PERFORMANCE BASED BUDGETS (PBB)

---

Vote No.:

Vote Title:

Part A: Mission

Part B: Vision

Part C: Context for Budget Intervention

This section is supposed to be a review of MTEF period 2019/20 – 2021/22 and should briefly discuss the following

- *Expenditure trends;*
- *Major achievements for the period;*
- *Constraints and challenges in budget implementation and how they are being addressed; and*
- *Major services/outputs to be provided in MTEF period 2022/23 – 2024/25 (the context within which the budget is required)*

Part D: Programme Objectives/*Overall outcome*

*(List all the programmes and their strategic objectives. Please note that each programme must have only one strategic objective/ outcome)*

**Part E: Summary of the Programme Outputs and Performance Indicators for FY 2022/23-2024/25**

Programme	Delivery Unit	Key Outputs (KO)	Key Performance Indicators (KPIs)	Baseline 2021/22	Proposed Estimate 2022/23	Targets	
						2023/24	2024/25
Name of Programme							
Outcome:							
SP1.1							
SP.2							
...							
SP.N							

**Part F: Summary of Expenditure by Programmes, 2022/23 -2024/25 (KSh. Millions)**

Programme	Estimates 2021/22	Proposed Estimates 2022/23	Projected Estimates	
			2023/24	2024/25
Programme 1: <i>(State the name of the programme here)</i> <sup>1</sup>				
Sub Programme (SP)				
SP 1. 1				
SP 1. 2.				
... N				

<sup>1</sup>NB. Repeat as shown in the Table under section "E" above for all Programmes. Provide total expenditure for each programme and their summation must equal the total expenditure of the vote.

Programme	Estimates 2021/22	Proposed Estimates 2022/23	Projected Estimates	
			2023/24	2024/25
Total Expenditure of Programme 1				
<b>Programme 2: (State the name of the programme here)</b>				
SP 2. 1				
SP 2. 2.				
... N				
Total Expenditure of Programme 2				
Total Expenditure of Vote -----				

**Part G. Summary of Expenditure by Vote and Economic Classification<sup>2</sup>**  
(KSh. Million)

Expenditure Classification	Estimates 2021/22	Proposed Estimates 2022/23	Projected Estimates	
			2023/24	2024/25
<b>Current Expenditure</b>				
Compensation to Employees				
Use of goods and services				
Current Transfers Govt. Agencies				
Other Recurrent				
<b>Capital Expenditure</b>				
Acquisition of Non-Financial Assets				

<sup>2</sup> The total current expenditure and capital expenditure must be equal the total expenditure vote given in tables E, F, & G.



Expenditure Classification	Estimates 2021/22	Proposed Estimates 2022/23	Projected Estimates	
			2023/24	2024/25
Capital Transfers to Government Agencies				
Other Development				
<b>Total Expenditure of Vote .....</b>				

**Part H. Summary of Expenditure by Programme, Sub-Programme and Economic Classification (KSh. Million)**

Expenditure Classification	Estimates 2021/22	Proposed Estimates 2022/23	Projected Estimates	
			2023/24	2024/25
<b>Programme 1: (State the name of the programme here)</b>				
<b>Current Expenditure</b>				
Compensation to Employees				
Use of goods and services				
Current Transfers Govt. Agencies				
Other Recurrent				
<b>Capital Expenditure</b>				
Acquisition of Non-Financial Assets				
Capital Transfers to Govt. Agencies				
Other Development				
Total Expenditure				
<b>Sub-Programme 1: (State the name of the Sub-Programme here)</b>				
<b>Current Expenditure</b>				

Expenditure Classification	Estimates 2021/22	Proposed Estimates 2022/23	Projected Estimates	
			2023/24	2024/25
Compensation to Employees				
Use of goods and services				
Current Transfers Govt. Agencies				
Other Recurrent				
<b>Capital Expenditure</b>				
Acquisition of Non-Financial Assets				
Capital Transfers to Govt. Agencies				
Other Development				
Total Expenditure				

- Repeat as above in cases where a Ministry/Department has more than one programme and/or sub-programmes

#### ANNEX IV: PROJECT CONCEPT NOTE

SECTION 1: PROJECT PROFILE	
Project Name:	
Project Reference Number:	
Ministry / County Department:	
Implementing Agency (MDA/CDA):	
Initiating Department / Division / Section / Unit:	
Budget Vote (where applicable):	
Estimated Project Cost:	
MTEF Sector:	
Accounting Officer:	
Official Contact Details (Provide email, telephone number, postal and physical address):	
Project Threshold:	

Project Geographic Location ( Provide GPS Coordinates here)			
	Sub-County:	Ward:	Village:
Planned Start Date:			
Planned End Date:			
Date of Submission:			
<b>SECTION 2: PROJECT BACKGROUND</b>			
<b>1. Situation Analysis</b>			
Provide a background to the project idea:			
<ul style="list-style-type: none"> <li>a) Briefly describe the current situation that rationalizes the project</li> <li>b) Briefly describe past and on-going interventions to address the situation; quote official statistics including past trends to support your narrative, where applicable.</li> </ul>			
<b>2. Problem Statement</b>			
Provide details of the problem to be addressed in terms of challenges, constraints and gaps:			
<ul style="list-style-type: none"> <li>1. Nature of the problem</li> <li>2. Scope of the problem (How widespread or the magnitude of the problem)</li> <li>3. State the likely causes and effects of the problem both direct and indirect.</li> <li>4. Provide any alternative options that may be available to address the problem.</li> </ul>			
<b>3. Relevance of project data</b>			
Justify the need of the proposed project by:			
<ul style="list-style-type: none"> <li>a) Linking the project to the National / County Development Plan strategic goals and objectives that the proposed project is expected to contribute to;</li> <li>b) Linking the proposed project to Sector strategic objectives and strategies by describing the sector outcomes that the project is expected to contribute to;</li> <li>c) Show the need for the project by analysing and describing the quantitative indicators of demand for the services or goods to be delivered by project using readily available information</li> <li>d) Describe the rationale for the government to intervene through the project, whether or not the private sector can deliver the project objectives and the consequences of not implementing the project</li> </ul>			
<b>SECTION 3: SCOPE OF THE PROJECT</b>			
Describe the scope of the project by defining the boundaries of the project in terms the outputs the project or deliverables of the project or the work that needs to be accomplished to deliver the product, service or result required.			
<b>SECTION 4: LOGICAL FRAMEWORK</b>			
This section show the result chain in a logical manner with a detailed description of the project goal, objectives, outcomes, outputs and inputs			
<b>a) Goal</b>			
State the goal in the MTP/CIDP the project intends to achieve. Also define the indicator that will be used to measure success of the project against the goal and briefly explain how information on this indicator shall be obtained.			
<b>b) Project Objectives/Outcomes</b>			

Define the project objectives and the corresponding outcomes. These include the effects that will follow from the utilization of products or services (outputs) delivered by the project. These could be the eventual benefits to society that the project interventions are intended to achieve and are reflected in terms of what people will be able to do better, faster, or more efficiently, or what they could never do before.

For each project outcome identified, define at least one indicator that will be used to measure performance of the project against the relevant outcome and briefly explain how information on this indicator (s) shall be obtained

**c) Proposed Project Outputs**

Describe the direct outputs that the project is expected to deliver. Outputs are the immediate and concrete consequences of the implemented activities and resources used. For each project output identified, define at least one indicator that will be used to track progress and the means of verification.

**d) Project Activities and Inputs**

For each output identified describe the major activities that should be implemented together with the inputs or resources required to deliver the planned results. To obtain the results of a project a number of activities have to be implemented using various resources or inputs.

**e) Project Logical Framework Matrix**

Narrative	Indicators	Sources/ Means of verification	Assumptions
Goal (MTP/CIDP)			
Project Objectives / Outcomes			
Key Output			
Key Activities			

NB: Add additional rows for outcomes, outputs and activities as necessary

**SECTION 5: INSTITUTIONAL ARRANGEMENTS**

**1. Institutional Mandate**

Describe how the project is linked to the mandate of the institution.

**2. Management of the Project**

Demonstrate the technical, managerial and financial capacity of the implementing agency to deliver the project. This can also be better expressed by showing previous experience in handling projects of the same magnitude.

**3. Project Implementation Plan**

Describe the sequence of activities overtime which should set clear benchmarks and timelines that can be used to track the overall project.

**4. Monitoring and Evaluation**

Describe how the project will be monitored and evaluated in order to ascertain the progress towards achieving its intended objectives. Indicate the institutional framework for tracking project progress.

**5. Risk and Mitigation Measures**

Describe the potential risks that can derail the project, the likelihood of occurrence, the impact of such risks and strategies for mitigating them.

**6. Project Sustainability**

Describe how the project will continue providing the intended services and benefits to the beneficiaries after the project is completed. Describe how ownership will be fostered among stakeholders. Include anticipated annual operations and maintenance costs and the source of financing.

**7. Project Stakeholders and Collaborators**

Describe the stakeholders that the project has to constantly engage and their level of influence and interest among others. List all the government agencies, utilities or regulatory institutions that will need to be involved in the planning and implementation of the proposed project including any legal issues that will need to be addressed.

**8. Project Readiness**

1. Describe how prepared the implementing agency to deliver the project by providing the following information:
  - a) Has the project preliminary and detailed designs been prepared and approved?
  - b) Has land been acquired (site readiness)?
  - c) Has necessary regulatory approvals been obtained?
  - d) What government agencies and stakeholders will be involved in the preparation of the Project and what roles they will play in project development and approval?
  - e) Have you undertaken consultations with other Government agencies in order to improve synergy and avoid duplication of effort?
2. If the answer is no to any of the above questions, then confirm whether this is part of the project implementation plan
3. Whether the project can be phased or scaled down

**9. FINANCIAL ANALYSIS**

**A. Capital Cost to complete the project: Estimate the capital costs associated with the project**

Consultancy and fees.....

Land Acquisition Costs.....

Sire Access, Preparation and Utility.....

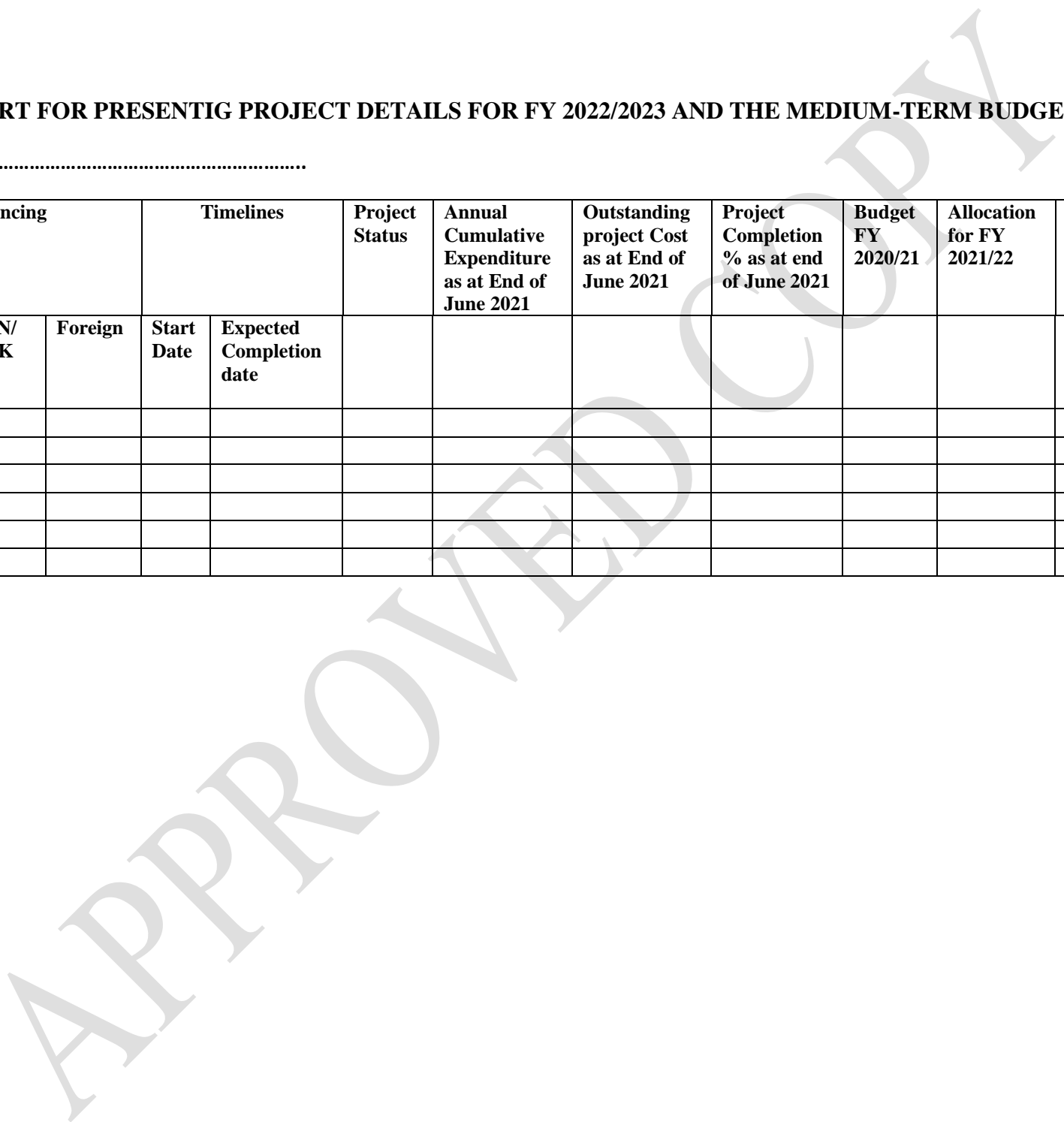
Construction.....

Equipment.....				
Other Capital costs.....				
<b>B. Recurrent Costs (Ksh.):</b> Estimate the recurrent Costs associated of the project				
Labour cost.....				
Operating Costs.....				
Maintenance Costs .....				
Others.....				
<b>C. Estimated Total Project Cost Ksh. Per Year</b>				
FY 1	FY 2	FY 3	FY 4	FY 5
Total (Ksh.)	Total (Ksh.)	Total (Ksh.)	Total (Ksh.)	Total (Ksh.)
<b>D. Indicate the proposed financing options for the project;</b>				
<ul style="list-style-type: none"> <li>a) County Government of Narok only</li> <li>b) Government of Kenya only</li> <li>c) Development partner only</li> <li>d) CGN and GoK</li> <li>e) CGN and Development Partner</li> <li>f) CGN, GOK and Development Partner</li> <li>g) Public-Private Partnership</li> <li>h) Private Sector</li> </ul>				
<b>E. State all other cost implications to other related projects</b>				
Provide a breakdown of estimated cost for other projects that have to be implemented for the benefits to this project to be realised. Is land expropriation required? (Yes/No) If <YES> state the total expenses required to achieve this (compensation / legal costs etc.)				
<b>F. Operational Cost after implementation</b>				
Provide estimated average annual personnel cost, annual maintenance cost, operation cost and revenues where applicable. This should be attached as an annex to this PCN				

**ANNEX V: FORMART FOR PRESENTIG PROJECT DETAILS FOR FY 2022/2023 AND THE MEDIUM-TERM BUDGET**

Department .....

Project Code Project Title	Financing			Timelines		Project Status	Annual Cumulative Expenditure as at End of June 2021	Outstanding project Cost as at End of June 2021	Project Completion % as at end of June 2021	Budget FY 2020/21	Allocation for FY 2021/22	Projection for FY 2022/23	Projection for FY 2023/24
	Estimated Cost of the Project	CGN/ GOK	Foreign	Start Date	Expected Completion date								



## **ANNEX VI: SECTOR WORKING GROUP REPORT FORMAT**

### **TABLE OF CONTENTS**

*(Please ensure that Headings and Sub-headings are identical to those in the report)*

<sup>8</sup> Chapters 1 – 4 should form the main body of the report and should be divided into logical sections and subsections, using appropriate headings and numbering. Its purpose is to explain the conclusions and to justify the recommendations.

### **EXECUTIVE SUMMARY**

*(Restate conclusions for each section and summarize findings and recommendations under this section)*

### **CHAPTER ONE:**

#### **1. INTRODUCTION**

1.1. Background

1.2. Sector Vision and Mission

1.3. Strategic goals/Objectives of the Sector

1.4. Sub-Sectors and their Mandates

1.5. County Corporations



## 1.6. Role of Sector Stakeholders

*(The introduction should briefly describe context; identify general subject; describe the problem or issue to be reported on; define the specific objective for the report; outline the scope of the report; and comment on any limitations of the report)*

## CHAPTER TWO

### 1.7. PERFORMANCE REVIEW 2019/20 – 2021/22

#### 1.8. Performance of sector Programmes – delivery of outputs

#### 1.9. Review of Key indicators of Sector Performance

#### 1.10. Expenditure Analysis

##### 1.10.1. Analysis of programme expenditure

##### 1.10.2. Analysis of programme Expenditure by economic classification

##### 1.10.3. Analysis of capital projects by Programmes

#### 1.11. Review of Pending Bills

##### 1.11.1. Recurrent Pending Bills

##### 1.11.2. Development Pending Bills

**PROGRAM PERFORMANCE REVIEW FY 2018/2019- 2020/21**

**TABLE 2.1: ANALYSIS OF PROGRAMME TARGETS AND ACTUAL TARGETS**

Programme	Key Output	Key performance indicators	Planned Target			Achieved Target			Reason for the variance
			2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	
Sub- Programme									
XX1									
XX2									

**TABLE 2.2: ANALYSIS BY CATEGORY OF EXPENDITURE: RECURRENT ( KSH. MILLION)**

*Sector.....*

Vote and Vote details	Economic Classification	Approved Budget			Actual Expenditure		
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
xxx1	Gross						
	AIA						
	NET						
	Compensation to Employees						
	Transfers						
	Other Recurrent						
	Utilities						
	Rent						
	Contracted Professionals (Guards & Cleaners)						
	xxxx						
	xxx						
	xxxxx						

\*Briefly explain the reasons for the deviation between the approved budget and actual expenditure

**TABLE 2.3: ANALYSIS BY CATEGORY OF EXPENDITURE: DEVELOPMENT (KSH. MILLION)**

Sector.....

Vote and Vote Details	Description	Approved Budget			Actual Expenditure		
		2018/19	2019/20	2020/19	2018/19	2019/20	2020/21
<b>xxx1</b>	Gross						
	CGN						
	Loans						
	Grants						
	Local AIA						

*\*Briefly explain the reasons for the deviation between the approved budget and the actual expenditure*

**TABLE 2.4: ANALYSIS BY CATEGORY OF EXPENDITURE: PROGRAMMES (KSH. MILLION)**

PROGRAMME DETAILS	Approved Budget			Actual Expenditure		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
PROGRAMME 1:						
Sub-Programme:1						
Sub-Programme:2						
TOTAL PROGRAMME.....						
Repeat as above for programme 2,3, etc:						
TOTAL VOTE.....						

\*Briefly explain the reasons for the deviation between the approved budget and the actual expenditure

**TABLE 2.5: ANALYSIS BY CATEGORY OF EXPENDITURE: ECONOMIC CLASSIFICATION (KSH. MILLION)**

Economic Classification	Approved Budget			Actual Expenditure		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
<b>PROGRAMME 1:</b>						
<b>Current Expenditure</b>						
Compensation of Employees						
Use of Goods and Services						
Grants and Other Transfers						
Other Recurrent						
<b>Capital Expenditure</b>						
Acquisition of Non- Financial Assets						
Capital Grants to Government Agencies						
Other Development						
<b>TOTAL PROGRAMME</b>						
<b>Repeat as above for Programme 2,3 etc:</b>						
<b>TOTAL VOTE.....</b>						

\*Briefly explain the reasons for the deviation between the approved budget and actual expenditure

**TABLE 2.6: ANALYSIS OF SAGAs RECURRENT BUDGET VS. ACTUAL EXPENDITURE (KSH MILLION)**

Economic Classification	Approved Budget			Actual Expenditure		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21

NAME OF SAGA.....						
Gross						
AIA						
<b>Net Exchequer</b>						
Compensation to Employees						
Other Recurrent						
<i>Utilities</i>						
<i>Rent</i>						
<i>Subscriptions to International Organization</i>						
<i>Contracted Professionals (Guards&amp;Cleaners)</i>						
<i>Others</i>						
Repeat as above for SAGA 2,3 etc:						
<b>Total</b>						

\*Briefly explain the reasons for the deviation between the approved budget and the actual expenditure

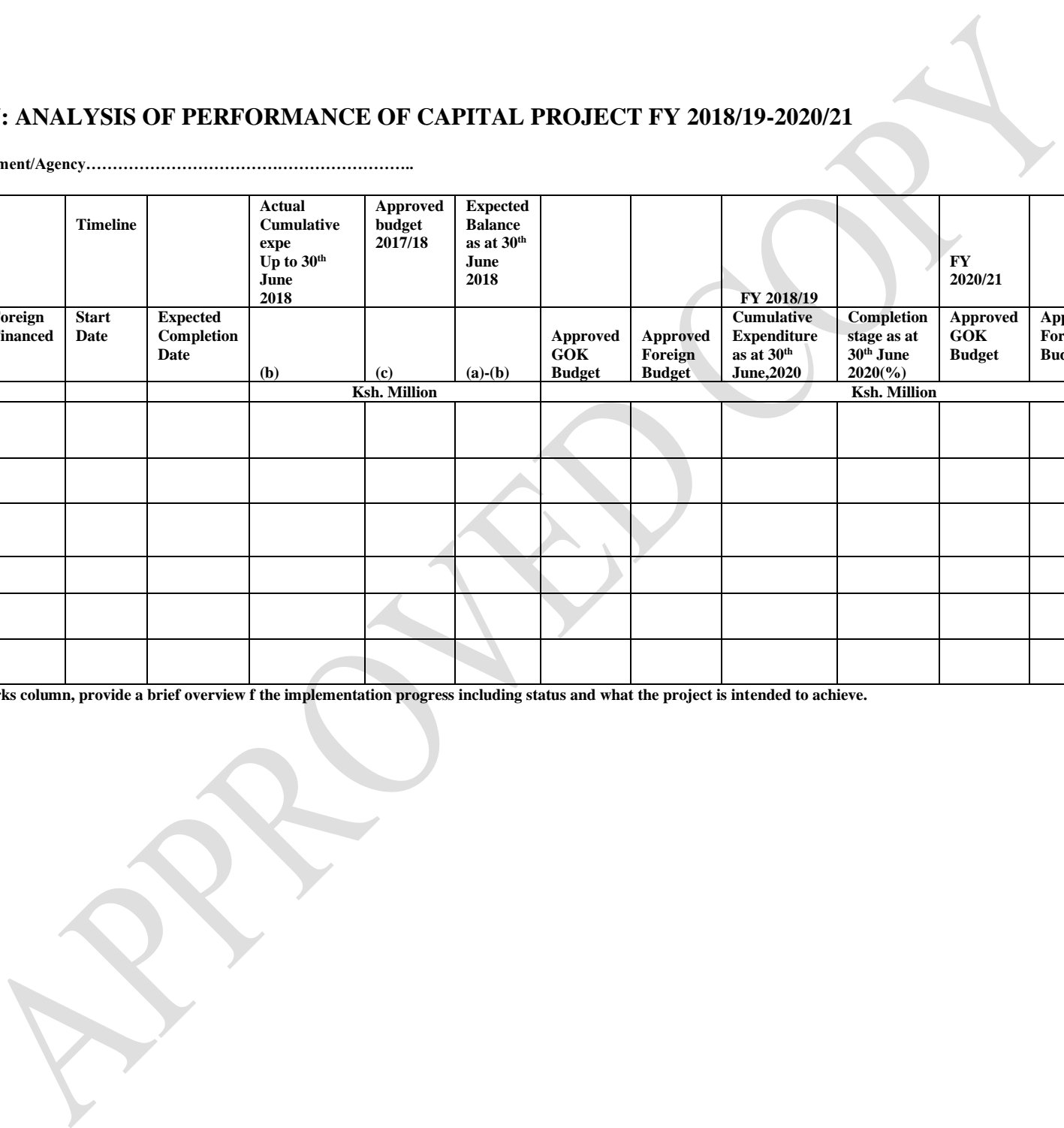
APPROVED COPY

**TABLE 2.7: ANALYSIS OF PERFORMANCE OF CAPITAL PROJECT FY 2018/19-2020/21**

Ministry/Department/Agency.....

Project code & project Title	Est. cost of the project (Financing)			Timeline		Actual Cumulative expenditure Up to 30 <sup>th</sup> June 2018	Approved budget 2017/18	Expected Balance as at 30 <sup>th</sup> June 2018								
	Total cost of project (a)	GOK	Foreign Financed	Start Date	Expected Completion Date	(b)	(c)	(a)-(b)	Approved GOK Budget	Approved Foreign Budget	FY 2018/19 Cumulative Expenditure as at 30 <sup>th</sup> June,2020	Completion stage as at 30 <sup>th</sup> June 2020(%)	Approved GOK Budget	Approved Foreign Budget	Cumulative Expenditure as at 30 <sup>th</sup> June, 2021 (%)	Remarks
	Ksh. Million					Ksh. Million					Ksh. Million					
Project 1																

NB: Enter remarks column, provide a brief overview of the implementation progress including status and what the project is intended to achieve.



**Table 2.8: Summary of Pending Bills by nature and Type (Ksh Million)**

Type/ nature	Due to lack of Exchequer			Due to lack of provision		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
<b>Recurrent</b>						
Compensation of employees						
Use of goods and services e.g. Utilities, domestic or foreign travel etc.						
Social benefits e.g. NHIF, NSSF						
Other expense						
<b>2. Development</b>						
Acquisition of non financial assets						
Use of goods and services e.g. Utilities, domestic or foreign travel etc						
Others- specify						
<b>Total Pending Bills</b>						

**Table 2.9: Summary of Court Awards**

Details of Award	Date of Award	Amount	Payment to date
<b>Total</b>			

## CHAPTER THREE

### 2. MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2022/23 – 2024/25

#### 2.1. Prioritization of Programmes and Sub-Programmes

##### 2.1.1. Programmes and their Objectives

##### 2.1.2. Programmes, Sub-Programmes, Expected Outcomes, Outputs, and Key Performance Indicators for the Sector





**TABLE 3.3: SECTOR & SUB-SECTOR DEVELOPMENT REQUIREMENTS/ALLOCATION  
(AMOUNT KSH. MILLION)**

Sector Name	Economic Description	2021/22 Estimates	REQUIREMENT			ALLOCATION		
			2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
<b>xxx1</b>	<b>Gross</b>							
	CGN							
	Loans							
	Grants							
	Local AIA							

APPROVED





## CHAPTER FOUR

### 3. CROSS-SECTOR LINKAGES AND EMERGING ISSUES CHALLENGES

## CHAPTER FIVE

### 5. RECOMMENDATIONS

This section should outline future actions. The Recommendations should be action orientated, and feasible; Relate logically to the Conclusions; be arranged in order of importance; and be to the point

## CHAPTER SIX

### 6. CONCLUSION

*This section should summarize the key findings of the report, as outlined in the discussion under the chapters 1-5 of the report. The Conclusions should relate specifically to the report's objectives (as set out in the introduction); identify the major issues; be arranged in order of importance; be specific, and to the point; and be a list of numbered points*

## REFERENCES

*This section should list the sources referred to in the report*

## APPENDICES

*Appendices should contain information that is too complex to include in the report. You need to direct readers to this information, as in "Appendix A provides an overview of the Budget of Department X".*

---

**ANNEX VI: FORMART FOR OUTCOME BASED PROJECT REPORTING**

Department .....

Name of Programme/ Project	Location of project	Baseline Status	Objective	Project Description (Scope, what was intended to be done)	Estimated Cost. KSh	Start Date (MM/YY)	Achievements		Comments (List the auxiliary benefits, Challenges and recommendations)
							<u>Output.</u> (Status of Completion. Include % where applicable)	<u>Outcome.</u> (Measured against objective)	

APPROVED COP