

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF BOMET

THE COUNTY TREASURY

**COUNTY BUDGET REVIEW
AND OUTLOOK PAPER**

SEPTEMBER 2021

© County Budget Review and Outlook Paper (CBROP) 2021

To obtain copies of the document, please contact;

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BOMET, KENYA

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FOREWORD

This County Budget Review and Outlook Paper (CBROP) 2021 was prepared in accordance with section 118 of the Public Financial Management Act, 2012. This review document covered the fiscal year ending 30th June 2021 and has focused on the progress made in FY 2020/2021 compared to similar review period in FY 2019/2020. The CBROP also reviews the fiscal outcome for FY 2020/21 and its effects on the financial objectives set out in the 2021/22 budget estimates. The document also provides an overview of how the actual performance of the FY2020/21 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 County Fiscal Strategy Paper (CFSP) 2021.

The County Budget Review and Outlook Paper (CBROP) has been prepared against a background of expected global recovery after a slump in 2020 occasioned by the negative effects of the COVID-19 pandemic. The global economy is projected to grow by 6.0 percent in 2021, from a contraction of 3.2 percent in 2020. However, economic prospects vary across countries with the emerging markets and developing economies expected to pick up slowly compared to the advanced economies given different country policy responses to the pandemic.

On the domestic scene, economic growth contracted by 0.3 percent in 2020 from 5.0 percent in 2019. In terms of fiscal years, economic growth is estimated at 2.9 percent in FY 2020/21 and is expected to rebound to 5.3 percent in FY 2021/22. The recovery in the current fiscal year, reflects the lower base effect of 2020 when most service sectors were adversely affected by the closure of the economy. The recovery 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 and Economic Recovery Strategy. The FY 2022/23 budget will be prepared under a revised budget calendar that takes into account the preparations for the 2022 general elections. Therefore, all sectors are expected to adhere to the strict deadlines provided in the revised budget calendar to enable finalization and appropriation of the FY2022/23 medium term budget.

Hon. Andrew Sigei
CECM- Finance & Economic Planning
County Government of Bomet

ACKNOWLEDGEMENTS

The Eighth County Budget Review and Outlook Paper was prepared through the support of Bomet County Government under the able leadership of H.E. The Governor Dr. Hilary Barchok. We would like to appreciate the role played by County Executive Committee Members and the Chief officers in coordinating their respective departments through the entire process. The Directors also provided invaluable information and data needed during the preparation of the document. I wish to recognize all their contributions collectively and individually during the preparation process.

The preparation of the CBROP 2021 was made possible through a joint effort of various directorates within the Department of Finance, ICT and Economic Planning. Special recognition goes to the County Executive Committee Member for Finance ICT and Economic Planning, Mr. Sigei under whose coordination, direction, support and guidance throughout this assignment made it successful. I would also like to appreciate the role played by the following officer: Ronald, Linus, Charles, Amos, Simon, Jemima, Jenricks and Philip. This team worked round the clock to co-ordinate, compile, edit and finalize the CBROP. Without their efforts, the process would not have materialized within the set timeline.

We are grateful to all the spending units and their respective heads for their timely provision of data necessary for qualifying this review and outlook paper, not forgetting various stakeholders including the County Budget and Economic Forum (CBEF), who we highly recognize and appreciate for their efforts.

MILCAH C. RONO,
CHIEF OFFICER- ECONOMIC PLANNING

LIST OF ABBREVIATIONS AND ACRONYMS

ADP - Annual Development Plan

CBROP - County Budget Review and Outlook Paper

CDMS- County Debt Management strategy

ADP- Annual Development Plan

ASDSP- Agricultural Sector Development Support Programme

CECM- County Executive Committee Member

CFSP - County Fiscal Strategy paper

CG - County Government

CIDP - County Integrated Development Plan

COB - Controller of Budget

COVID-19-Corona Virus Disease 2019

DANIDA - Danish International Development Agency

ECDE- Early Childhood Development Education

FY - Financial Year

ICT- Information Communication Technology

IFMIS - Integrated Financial Management Information Systems

KDSP- Kenya Devolution Support Programme

KUSP- Kenya Urban Support Programme

MTEF - Medium Term Expenditure Framework

MTP-Medium Term Planning

NI – Nutrition International

PBB - Program Based Budget

PFM - Public Finance Management

RMFLF - Road Maintenance Fuel Levy Fund

SWGs - Sector Working Groups

WEO – World Economic Outlook

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

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

- (1) A County Treasury shall—
 - (a) Prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and
 - (b) submit the paper to the County Executive Committee by the 30th September of that year.
- (2) In preparing its county Budget Review and Outlook Paper, the County Treasury shall specify—
 - (a) The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
 - (b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
 - (c) The information on—
 - (i) Any changes in the forecasts compared with the County Fiscal Strategy Paper; or
 - (ii) 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; and
 - (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 publicise the Paper.

County Government Fiscal Responsibility Principles

In line with chapter twelve of the Constitution of Kenya, Section 107 of the Public Financial Management (PFM) Act, 2012

- 1) The county government's recurrent expenditure shall not exceed the county government's total revenue
- 2) Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure
- 3) The County government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County government revenue as prescribed by the regulations.
- 4) Over the medium term, the County government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
- 5) Public debt and obligations shall be maintained at a sustainable level as approved by County Government (CG)
- 6) Fiscal risks shall be managed prudently
- 7) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

INTRODUCTION

This chapter explains the background information, brief overview of the County Budget Review and Outlook Paper and the review of fiscal performance in the financial year 2020/2021.

I. Background

The County Budget Review and Outlook Paper (CBROP)2021 was prepared by the County Treasury pursuant to the provisions of section 118 of the Public Finance Management (PFM) Act 2012. This paper analyses the fiscal outcome of 2020/2021 indicating deviation from the approved budget and how it affects the financial objectives set out in the County Fiscal Strategy Paper 2021.

Objectives of the County Budget Review and Outlook Paper (C-BROP) 2021

1. The objective of the CBROP is to provide an assessment of the fiscal performance for the FY2020/21 and how the outcomes impact on the County fiscal responsibility principles outlined in the County Fiscal Strategy paper 2021 as envisaged in the PFM Act 2012. This information alongside other emerging issues on the current budget year will provide the background for revising the current budget via a supplementary budget proposal. Details of the fiscal framework and the medium-term policy priorities will be firmed up in the next CFSP.
2. The CBROP will be a key document in linking **policy, planning and budgeting**. The Sector Working Groups have been reviewing programmes for the last Medium-Term Expenditure Framework (MTEF) focusing on updating and developing new programmes for the next MTEF 2022/23-2024/25.
3. The under-performance in revenue collection and expenditure pressures in the FY 2020/21 largely due to adverse effects of the Covid-19 Pandemic had implications on the financial objectives outlined in CFSP 2021 and the fiscal projections of the 2021/22 budget. The CBROP 2021 therefore presents a revised fiscal outlook taking into account revenue performance by end August 2021 and the prolonged effects of Covid-19 Pandemic on economic activities and the measures put in place to curb its spread. Expenditure projections for FY2021/22 have been revised to accommodate the weak revenue performance through reallocation of the existing budgetary provisions and additional expenditure on productive areas of spending across the county.

4. The PFM Act 2012 and PFM Regulations 2015 has set high standards for compliance with MTEF budgeting process. Therefore, it is expected that sector ceilings as per the approved CBROP of 2021 will form indicative baseline Ceilings for the next budget of FY2022/23 and the Medium Term for FY 2022/23-24/25 MTEF period. The sector ceilings have been modified as indicated in the annex to CBROP and the ceilings will set off the budget preparation process for the FY 2022/2023.
5. The rest of the paper is organised into four sections namely section II provides a review of fiscal performance in FY 2020/2021 and its implication to the 2021CFSP financial objectives; Section III observes the recent economic developments and the updated National macroeconomic outlook; Section IV and V contains the proposed sector budget ceilings and the conclusion respectively.

II. REVIEW OF FISCAL PERFORMANCE IN FY 2020/2021

A. Overview

The fiscal year 2020/21 marked the seventh year of Programme Based Budgeting (PBB) for all County Government entities as per section 12 of the second schedule of the PFM Act 2012. During the financial year 2020/21 there was a decrease in local revenue collection. There was also a decrease in the absorption of both development and re-current expenditure as compared to a similar period in FY 2019/20.

During the year under review total county revenue amounted to Ksh7.027 Billion against a revised target of Ksh7.620 Billion. Total receipts from Equitable share of revenue comprised of 5.507 billion (72%) of the total receipts), Ksh 1.4 Billion (19%) being proceeds from Domestic and Foreign Grants, Ksh 221.42million (3%) being local revenue collection, and Kshs. 473.61 Million (6%) being balance brought forward.

In the reporting period the execution of both development and recurrent budget revealed a considerable decrease as compared to financial year 2019/20 which was at 83%. The county spent a total of Ksh5.646 Billion during financial year 2020/21 against a revised target of Ksh 7.619 billion representing an execution rate of 74%. Recurrent expenditure for the period under review represents 73 percent of the annual recurrent budget while development expenditure represents 27 percent of the annual development budget. The absorption of development expenditure was hampered mainly by lengthy procurement process, late disbursement of funds from national treasury and the Covid-19 Pandemic.

B. Fiscal Performance FY 2020/2021

Revenue performance

Total county revenue including exchequer receipts and local revenue collection amounted to Ksh 7,027,339,087.00 against a target of Ksh 7,619,696,133.00 representing a performance of 92 per cent which is a deviation of Ksh 592,357,046.00 from the planned target. There was also an increase of revenue by 22% in the year under review compared to actual receipt in financial year 2019/20. *Figure I* below demonstrate the total County Receipts by source. As projected during the period under review the County received the highest revenues from exchequer transfers.

Figure I: County Total Receipts by Source (Kshs)

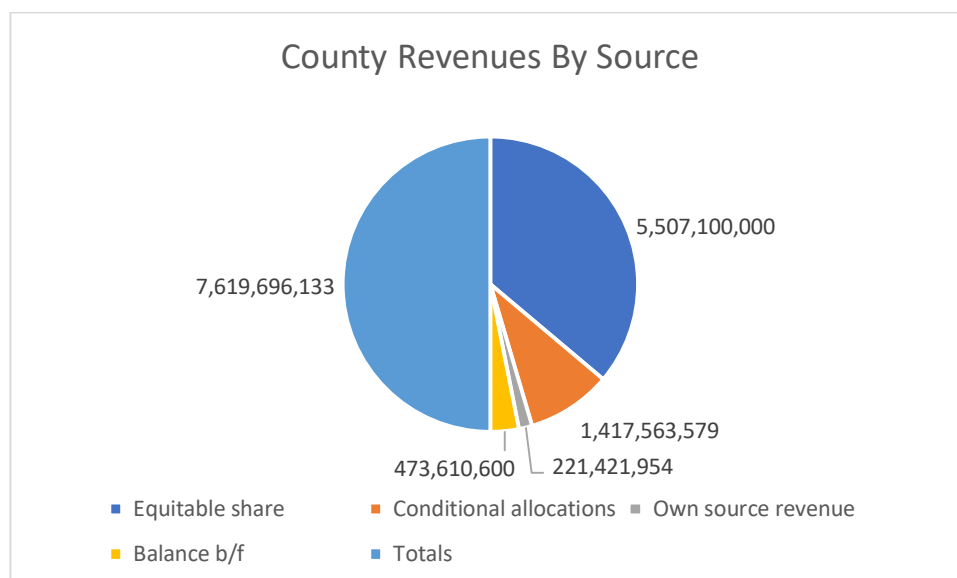


Table 1: County Government Total Revenues FY 2020/2021 (Kshs.)

COUNTY REVENUE	BUDGETED	ACTUALS	DEVIATIONS	% COLLECTION	% OF THE TOTAL BUDGET
Equitable share	5,507,100,000	5,507,100,000	0	100%	72%
Local Revenue	221,421,954	183,008,302	-38,413,652	83%	3%
Balance C/F	473,610,600	473,610,600	0	100%	6%
Conditional Grants from National Government Revenue	464,725,014	464,528,014	-197,000	100%	6%
User fees Forgone	16,713,356	16,713,356	0	100%	0%
Allowances for medical staff	31,667,000	31,470,000	-197,000	99%	0%
Conditional Grant - Leasing of Medical Equipment	132,021,277	132,021,277	0	100%	2%
Road Maintenance Fuel Levy	235,823,487	235,823,487	0	100%	3%
Conditional Allocation for development of youth Polytechnics	48,499,894	48,499,894	0	100%	1%

Conditional allocations to County Governments from Loans and Grants from Development Partners	952,838,565	717,410,624	-235,427,941	75%	13%
World Bank Loan to for transforming health systems for universal care project & DANIDA	139,789,681	132,912,109	-6,877,572	95%	2%
Kenya Urban Support Programme-UIG	26,050,618	24,860,022	-1,190,596	95%	0%
Kenya Urban Support Programme-UDG	224,928,009	212,707,155	-12,220,854	95%	3%
KDSP (Level 1 & 2 Grant)	242,353,974	75,000,000	-167,353,974	31%	3%
Nutritional International	10,000,000	-	0	0%	0%
IDA Kenya Climate Smart Programme	284,813,642	259,171,179	-25,642,463	91%	4%
Agriculture Sector Development Support Programme (ASDSP)	24,902,641	12,760,159	-12,142,482	51%	4%
Grand Total	7,619,696,133	7,345,657,540	-274,038,593	96%	100%

In addition to the revenue received for the year, there were un-spent balances brought forward from FY 2019/20 amounting to Ksh 473 million. The funds available for use in financial year 2020/21 were Ksh7.619 billion comprising of equitable share, conditional grants, local revenue and un-spent balances for financial year 2019/20. The variance between targeted revenue and actual revenue was Ksh.274 Million which is mostly attributed to deviation in Conditional Grants from National Government Revenue and Conditional allocations to County Governments from Loans and Grants from Development Partners.

Table 2: County Own Revenues

	Revenue Sources	FY 2019/2020	FY 2020/2021				% Growth	% Collection	% Of the Total Collection
		Actual	Target	Actual	Target	Deviation			
1	Property Rates	4,406,482	5,761,000	4,220,897	4,606,868	-385,971	-4%	92%	2%
2	Business Permits	18,934,900	27,439,417	31,557,398	35,181,332	-3,623,934	67%	90%	17%
3	Cess Collections	4,272,057	4,600,000	5,520,742	6,579,552	-1,058,810	29%	84%	3%
4	Markets & Slaughter Fees	6,673,105	9,700,000	9,804,440	13,862,403	-4,057,963	47%	71%	5%
5	Rental Income	1,717,090	2,150,000	2,059,900	3,492,275	-1,432,375	20%	59%	1%
6	Parking Charges	11,652,960	11,687,500	9,768,660	11,799,113	-2,030,453	-16%	83%	5%
7	Others	5,011,282	4,319,980	243,120	304,151	-61,031	-95%	80%	0%
8	Hosp/Disp/Health Centres	89,317,778	69,899,690	54,136,740	65,010,104	-10,873,364	-39%	83%	30%
9	Multi Nationals	44,755,748	46,233,400	50,457,258	60,048,294	-9,591,036	13%	84%	28%
10	Embomos Tea Farm	14,769,212	19,131,290	11,878,190	16,371,436	-4,493,246	-20%	73%	6%
11	Agri, Fisheries & Food Auth	0	0	1,891,837	2,388,936	-497,099	0%	79%	1%
12	Miscellaneous Receipts	0	0	1,469,120	1,777,490	-308,370	0%	83%	1%
	TOTALS	201,510,614	200,922,277	183,008,302	221,421,954	-38,413,652	-9%	83%	100%

Local revenue collections amounted to Kshs. 183 million against a target of Kshs. 221.4 million in the year under review. This illustrates that there was a deviation of Ksh 38.4 million from the projected estimates. The analysis of revenue by sources indicates that the major sources of revenue for the financial year 2020/21 was Hospital/health centres which accounted for 30% of the total local revenue collected followed by Multinationals and Single business permits at 28% and 17% respectively. Embomos tea farm accounted for 6%, property rates 2%, cess collections 3%, markets and slaughter fees 5%, rental income 1%, parking charges 5% and others 0.1%. The local revenue decreased by 9 per cent from 201 million in FY.2019/20 fiscal year to 183 million in the period under review.

Figure II: Local Revenue Performance by Stream (Kshs.)

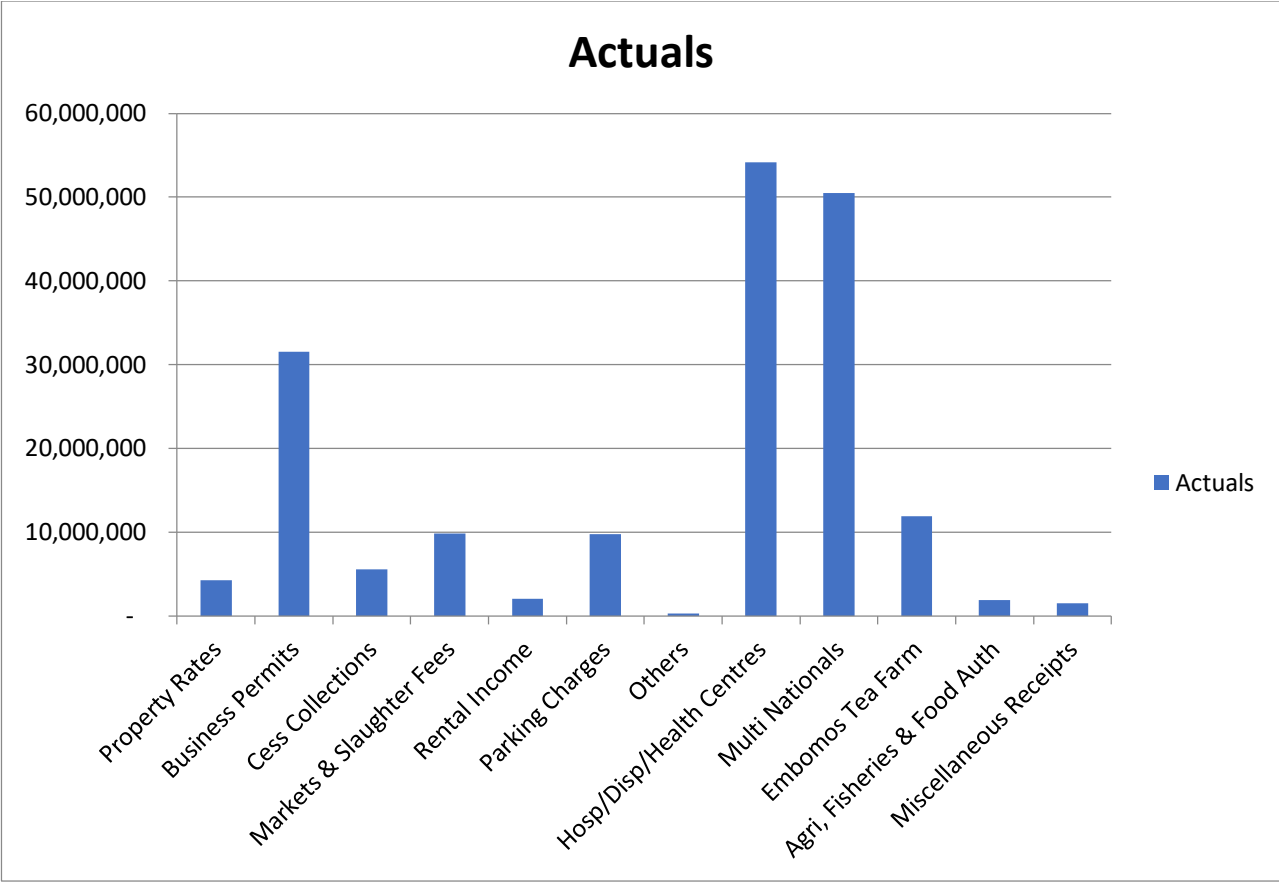


Table 3: Exchequer Releases

COUNTY REVENUE	BUDGETED	ACTUALS	DEVIATIONS	% COLLECTION	% OF THE TOTAL BUDGET
Equitable share	5,507,100,000	5,507,100,000	0	100%	72%
Conditional Grants from National Government Revenue	464,725,014	464,528,014	-197,000	100%	6%
User fees Forgone	16,713,356	16,713,356	0	100%	0%
Allowances for medical staff	31,667,000	31,470,000	-197,000	99%	0%
Conditional Grant - Leasing of Medical Equipment	132,021,277	132,021,277	0	100%	2%
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Kenya Urban Support Programme-UIG	26,050,618	24,860,022	-1,190,596	95%	0%
Kenya Urban Support Programme-UDG	224,928,009	212,707,155	-12,220,854	95%	3%
KDSP (Level 1 & 2 Grant)	242,353,974	75,000,000	-167,353,974	31%	3%

Nutritional International	10,000,000	-	0	0%	0%
IDA Kenya Climate Smart Programme	284,813,642	259,171,179	-25,642,463	91%	4%
Agriculture Sector Development Support Programme (ASDSP)	24,902,641	12,760,159	-12,142,482	51%	4%
Grand Total	6,924,663,579	6,689,038,638	-235,624,941	97%	4%

The county received a total of Kshs. 6.69 billion as exchequer releases comprising of equitable share Kshs. 5.51 billion, conditional grants Kshs. 1.18 billion. Fund for leasing of medical equipment were not received since they were deducted at source to pay for medical equipment delivered. The conditional fund for KDSP (Kenya Devolution Support Program) and CA- Leasing of Medical Equipment was budgeted for 242 Million and Ksh.132 Million respectively.

Expenditure Performances

The total spending in the financial year 2020/21 amounted to Kshs. 5,646,173,680.00 against a target of Ksh7,619,696,133.00 indicating a performance of 74%. Recurrent expenditure recorded the highest absorption rate of 84% against the budget while development expenditure recorded an absorption rate of 56% against the budget for development.

Further analysis of expenditure in term of economic classification indicates that salaries and wages consumed a huge part of the expenditure for the period at 44% of the total expenditure. Operations and Maintenance accounted for 73% of the period expenditure while development expenditure accounted for 27% of the actual expenditure for the period. Table 4: below illustrate 2020/21 county expenditure by economic classification.

Table 4: Expenditure performance by Economic Classification

Expenditure	FY 2019/2020 (Baseline)		FY 2020/2021		Variance (Kshs)	Budget Execution Rate	% Growth	% of Total Expenditure
	Actual	Target	Actual	Target				
Recurrent Expenditure								
Salaries and Wages	2,636,577,702	2,715,038,525	2,470,594,357	2,802,730,598	332,136,241	88%	-6%	44%
Operations and Maintenance	1,868,584,752	2,173,672,176	1,677,929,380	2,133,619,998	455,690,618	79%	-10%	30%
Sub Total	4,505,162,454	4,888,710,701	4,148,523,738	4,936,350,596	787,826,858	84%	-8%	73%
Development Expenditure	1,747,434,400	2,623,988,457	1,497,649,942	2,683,345,537	1,185,695,595	56%	-14%	27%
Total Expenditure	6,252,596,853	7,512,699,158	5,646,173,680	7,619,696,133	1,973,522,453	74%	-10%	100%

Table 4 shows that Operations and Maintenance decreased with the highest margin of 10 % from 1.87 Billion in the financial year 2019/2020 to 1.68 billion in the financial year 2020/2021. The Development expenditure decreased by 14% while compensation to employees had declined by 6%. The decline is as a result of delay in payment of salaries for the month of June.

Figure III: Composition of Recurrent Expenses (Kshs)

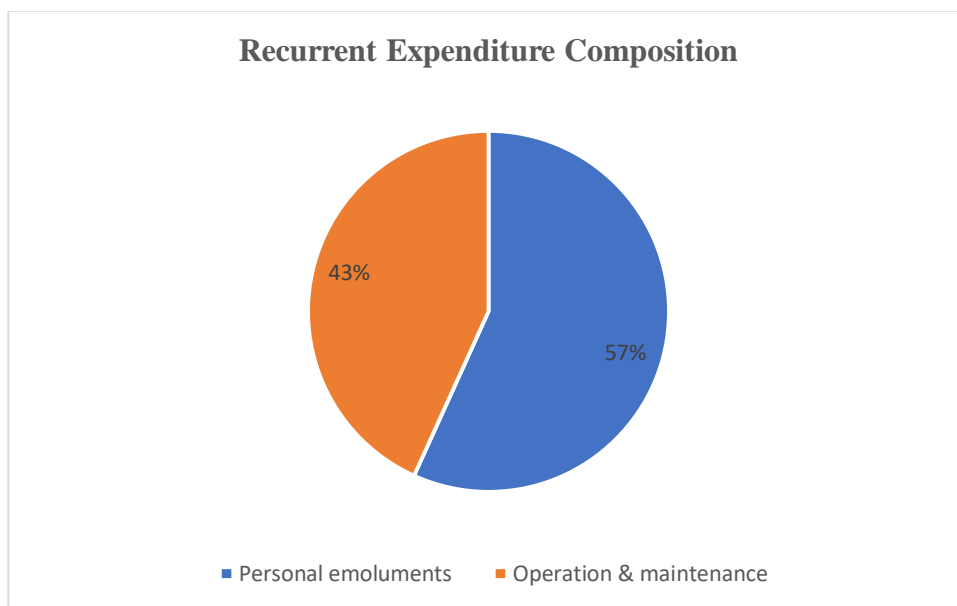


Figure III shows that, compensation to employees was the highest proportion of all recurrent expenditures 57% while Operations and Maintenance accounted for only 43% of total recurrent expenditures.

Table 5: Departments' Expenditure Performance for Period ending 30th June 2021 (Kshs.)

SECTOR	Approved 2nd Supp. Budget FY2020/21	Expenditure FY2020/2021	Variance	% Variance	% Budget Execution
COUNTY EXECUTIVES	1,753,864,254	1,513,294,559	240,569,695	14%	86%
Personal emoluments	1,532,360,646	1,324,404,285	207,956,361	14%	86%
Operation & maintenance	221,503,608	188,890,274	32,613,334	15%	85%
PSB	31,959,563	28,359,225	3,600,338	11%	89%
Operation & maintenance	31,959,563	28,359,225	3,600,338	11%	89%
ADMINISTRATION	67,872,149	43,197,886	24,674,263	36%	64%
Operation & maintenance	44,272,149	40,045,850	4,226,299	10%	90%
Development	23,600,000	3,152,035	20,447,965	87%	13%
ICT	39,348,350	27,339,739	12,008,611	31%	69%
Operation & maintenance	22,348,350	14,817,215	7,531,135	34%	66%
Development	17,000,000	12,522,524	4,477,476	26%	74%
FINANCE	234,847,930	225,917,958	8,929,972	4%	96%
Operation & maintenance	155,466,794	146,733,289	8,733,505	6%	94%
Development	79,381,136	79,184,669	196,467	0%	100%
ECONOMIC PLANNING	310,568,838	103,405,378	207,163,461	67%	33%
Operation & maintenance	143,214,864	103,405,378	39,809,487	28%	72%
Development	167,353,974	-	167,353,974	100%	0%
LANDS, HOUSING AND URBAN PLANNING	308,963,573	73,080,450	235,883,123	76%	24%
Operation & maintenance	62,525,564	26,987,428	35,538,136	57%	43%
Development	246,438,009	46,093,022	200,344,987	81%	19%
YOUTH, SPORTS, GENDER AND CULTURE	87,008,373	49,856,174	37,152,199	43%	57%
Operation & maintenance	66,028,290	39,131,300	26,896,991	41%	59%
Development	20,980,083	10,724,874	10,255,209	49%	51%

MEDICAL SERVICES & PUBLIC HEALTH	1,890,209,550	1,320,530,298	569,679,252	30%	70%
Personal emoluments	973,347,000	849,167,120	124,179,880	13%	87%
Operation & maintenance	667,321,273	444,522,967	222,798,306	33%	67%
Development	249,541,277	26,840,211	222,701,066	89%	11%
EDUCATION AND VOCATIONAL TRAINING	279,281,361	156,252,194	123,029,167	44%	56%
Operation & maintenance	141,810,825	100,572,577	41,238,248	29%	71%
Development	137,470,536	55,679,617	81,790,919	59%	41%
WATER SANITATION AND ENVIRONMENT	442,104,268	319,636,346	122,467,922	28%	72%
Operation & maintenance	106,441,684	95,473,301	10,968,383	10%	90%
Development	335,662,584	224,163,045	111,499,540	33%	67%
AGRICULTURE COOPERATIVES AND MARKETING	487,685,071	172,866,503	314,818,568	65%	35%
Operation & maintenance	24,522,526	18,297,540	6,224,986	25%	75%
Development	463,162,545	154,568,963	308,593,582	67%	33%
ROADS, PUBLIC WORKS & TRANSPORT	810,735,027	759,674,155	51,060,872	6%	94%
Operation & maintenance	65,315,960	50,515,960	14,800,000	23%	77%
Development	745,419,067	709,158,195	36,260,872	5%	95%
TRADE, ENERGY, TOURISM, INDUSTRY AND INVESTMENT	72,127,708	49,642,697	22,485,011	31%	69%
Operation & maintenance	15,589,974	14,878,501	711,473	5%	95%
Development	56,537,734	34,764,195	21,773,539	39%	61%
COUNTY ASSEMBLY	803,120,118	803,120,118	(0)	0%	100%
Personal emoluments	297,022,952	297,022,952	-	0%	100%
Operation & maintenance	365,298,574	365,298,574	(0)	0%	100%
Development	140,798,592	140,798,592	-	0%	100%
COUNTY TOTAL	6,816,576,015	4,843,053,561	1,973,522,454	29%	71%
Personal emoluments	2,505,707,646	2,173,571,405	332,136,241	13%	87%
Operation & maintenance	1,768,321,424	1,312,630,806	455,690,618	26%	74%
Development	2,542,546,945	1,356,851,350	1,185,695,595	47%	53%

The categorization of spending by departments as illustrated in Table 5 indicates that all the departments except Executive, Public Service Board, Finance and Roads recorded less than 80% budget execution rate. The Department of Finance Unit had the highest execution with 96%. Development expenditure had the highest deviation from the planned performance with a variance of 1.2 Billion. This may be attributed to Covid-19 Pandemic, cash-flow constraint and lengthy procurement process that lead to delays in implementation of development. Personnel emoluments was below target by 0.33 Billion (13 per cent) while Operations and Maintenance had a variance of 0.455 billion (26%) against target.

B. Fiscal Performance for FY 2020/2021 in Relation to Fiscal Responsibility Principles and Financial Objective

The fiscal performance achieved in financial year 2020/21 has implication on financial objectives set out in 2021 county fiscal strategy paper (CFSP) and approved budget for FY 2021/22 in the following ways: The performance in local revenue against target in FY 2020/21 was 87%. This illustrates that the economic assumption underpinning the 2021/22 budget and over the medium term may need to be modified to reflect a realistic revenue projection i.e. a maximum growth of 10% on actual revenue collected. Cash flow projections remain unrealistic due to unsystematic transfer of funds from the National treasury thereby affecting implementation of development projects and majority end up being rolled over to the next financial year. In the financial year 2021/22 the county anticipates to collect Kshs. 300 Million and has put in place various revenue enhancing measures which includes revenue automation, sealing revenue leakages and capacity-built revenue collectors.

The compensation to employees accounted for 41% which is above the fiscal responsibility set limit as outlined in the PFM Act 2012. Over the medium-term sufficient checks should be put in place to ensure that the county does not exceed 35% of the total budget. This will ensure that more funds are allocated to development programmes. The county treasury will continue to improve capacity across all departments to further improve absorption of development budget which is still low compared to the absorption of the recurrent budget in the FY2019/20. The fiscal performance in FY 2020/21 in both development and recurrent vote across all county departments will inform the county treasury in making expenditure projections for the FY 2022/2023 and over the medium term.

Continuing in Fiscal Discipline and Responsibility Principles

During the year under review the county government allocated 35% towards development expenditure thereby exceeding the minimum 30% requirement set out in the PFM Act 2012. There was a decrease in execution of development budget where 56% of the revised budget (1.498 Billion) was absorbed in FY 2020/21 compared to 67% (1.747 billion) absorbed in FY 2019/20. This illustrates decline across all departments in their implementation of development projects due to Covid-19 Pandemic.

The total wage bill (salaries and wages) with an allocation of 37% in 2020/21 financial year is above the recommended ratio of 35% as set out in the PFM Act 2012. However, over the medium-term, County Government has put in place measures to have salaries and wages fall within the recommended ratio of 35% so as to free additional resources towards development spending.

C. Macroeconomic Outlook and Policies

Global Outlook

Global growth is projected at 6.0 percent in 2021, 4.9 in 2022. The 2021 global forecast is unchanged from April 2021 World Economic Outlook (WEO) forecast, but with offsetting revisions. Prospects for emerging markets and developing economies have been marked down for 2021, especially for emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect the COVID-19 pandemic developments and changes in policy support. The 0.5 percent point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislations of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

Economic growth in the sub-Saharan Africa region is projected at 3.4 percent in 2021 from a contraction of 1.8 percent in 2020 due to improved export and commodity prices and the roll out of vaccination programmes. This growth will also be supported by a recovery in both private consumption and investment as economies reopen. However, the recent increase in infection rate in sub-Saharan Africa is expected to weigh down the region's recovery in 2022.

Domestic Economic Outlook

In 2020, Kenya's economic growth averaged 5.7%, placing Kenya as one of the fastest growing economies in Sub-Saharan Africa. The recent economic expansion has been boosted by a stable macroeconomic environment, positive investor confidence and a resilient services sector. Kenya's economy is being hit hard through supply and demand shocks on external and domestic fronts, interrupting its recent broad-based growth path. Apart from the COVID-19 (coronavirus) pandemic, the locust attack which started early 2020, has affected many parts of Kenya especially the North East. It has had a negative impact on the food security and growth of the agriculture sector in the country. Real gross domestic product (GDP) growth is projected to decelerate from an annual average of 5.7% (2015-2019) to 1.5% in 2020. However, if it takes longer than expected to bring the COVID-19 pandemic under control, GDP could contract by 1.0% in 2020, and see a delay in the projected recovery to 5.2% growth in 2021. The downside risks include a protracted global recession undermining Kenya's export, tourism and remittance inflows, further tightening of COVID-19 health response measures that disrupt the domestic economic activity, fiscal slippages and weather-related shocks.

The recovery in 2021 reflects the lower base of 2020 when most service sectors were adversely affected by the closure of the economy thereby recording negative growths. The outlook in 2021 will be reinforced by the prevailing stable macro-economic environment and the ongoing implementation of the strategic priorities of the government under the Big Four agenda, Economy recovery strategy and other priority programmes as outlined in the third medium term of vision 2030. Weather conditions are expected to be favourable supporting agricultural output. As a result, export of goods and services will expand as global demand normalizes.

Risks to the Domestic Economic outlook

Downside risk to the domestic economic outlook could emanate from the failure to secure external financing to execute the budget, a slowdown in global growth and disruptive social conditions during the run up to the 2022 elections. There are other risks to the macro economic outlook emanating from domestic as well as external sources. On the domestic front, the emergence of new COVID 19 variants that may require broader reinstatements of containment measures, in the country and its trading partners could lead to renewed disruption to trade and tourism. Other risks relate to lower agricultural outputs 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.

III. RECENT ECONOMIC DEVELOPMENTS AND FISCAL OUTLOOK

The County performance is dependent on the National economic performance as well as formulation and implementation of prudent policies by the County Government.

A. Recent Economic Developments

Real Sector Developments

The overall performance in the first three quarters of 2020 the economy contracted by an average of 0.4 percent. The decline was largely characterised by contractions in the services sector especially accommodation and restaurant (45.1 percent), education (31.2 percent), wholesale and retail trade (1.3 percent) and transport and storage (0.9 percent) sub-sectors. However, the performance in the third quarter of 2020 was relatively better compared to the second quarter due to partial easing of COVID 19 containment measures.

The overall performance of the economy during the first three quarters of 2020 was cushioned from a deeper slump by improved growth in construction (8.6percent), health services(7.3 percent) and agriculture

and fishing activities (6.4 percent). Other sectors of the economy that supported growth in the first three quarters of 2020 are Information Communication Technology (7.5 percent), Financial and insurance activities (5.3 percent), Real estate's activities (4.0 percent) and Electricity and water supply (3.3 percent).

The agriculture sector recorded an improved growth at an average of 6.4 percent in the first three quarters of 2020 compared to a growth of 3.6 percent in the corresponding period of 2019. The sector's performance was supported by a notable increase in Tea production, Exports of fruits and sugarcane production. The service and industry sectors were adversely affected by the COVID 19 pandemic. As a result, the sectors contracted by an average of 2.1 percent in the first three quarters of 2020 down from an average growth of 6.1 percent in a similar period in 2019. For three consecutive years (2016, 2017 and 2018), Kenya emerged at position three in the ease of doing business in sub-Saharan Africa and among the top ten most reformed countries in the world. Improving business environment will continue to attract investors into the country. Kenya is among the top investment destinations in the world.

The National Government last mile connectivity programme in the energy sector with the aim of ensuring that all remote regions are connected to the National grid. Going forward this initiative is expected to stimulate business activities in the rural parts of Bomet County.

The department of Lands, Physical Planning and Housing is preparing a County Spatial Plan which is expected to identify opportunities that will translate to investments and job creation thus leading to improved livelihoods. In this regard the completion of a new valuation roll in the current MTEF period is expected to have a direct impact on land-based revenue sources such as land rates. Further, the department of Lands, Physical Planning and Housing, has improved the sewerage systems which were in deplorable conditions in a bid to promote healthy environment. This alongside other sanitation initiatives have great help in mitigating the possible communicable disease such as cholera in the period under review.

The County health services were further boosted by the supply and installation of the modern dialysis specialised machine and cancer screening equipment to Longisa Level 5 hospital.

Inflation Rate

In July 2021, the inflation rate in Kenya rose to 6.4 percent. The indicator rose significantly in comparison to the same month of 2020, when it was measured at 4.4 percent. The increase was related to higher prices of food and fuel; the prices of food contributed to 3.5 percent while fuel prices contributed to 1.9 percent as compared to their respective contributions of 2.4 percent and 1.2 percent in 2020. The rise in food prices

was attributed to increase in prices of white bread, tomatoes, sukumawiki and cabbages. Their individual weighting has meant that they have impacted on the overall inflation rate. Relaxing of the tax relief measures to contain the economic impact of COVID-19 contributed to the rise in prices of most food items. The higher costs of electricity and increased fares attributing to a rise in petrol prices contributed to fuel inflation in July 2021. In comparison with other sub-Saharan countries, Kenya's inflation rate is favourable; it is lower than those of Ghana, Burundi, Nigeria, Zambia and Ethiopia.

The duration of the lockdown affects the manufacturing and transport sectors. Complete lockdown even without the influence of other control measures such as social distancing and mask wearing reduced production and massive layoffs characterizing the manufacturing sector. Complete lock down also ensured that oil consumption dropped dramatically because fewer cars remained on the road for short periods of time as people remained indoors. Reassessing the country's situation and reducing the lengths of lockdown in predetermined phases increased production in the manufacturing sector. It also led to an increase in the number of cars on the road for longer periods of time. The oil consumption therefore increased significantly. As a result, oil prices rise which consequently increases the rate of inflation because high oil prices have traditionally been the source of inflation since it has a domino effect on the entire economy. Transport, retail and manufacturing to a large extent are driven by energy; the higher the price, the higher the impact on prices across these sectors. Looking ahead, and as economy return to normalcy, it is likely that Kenya's inflation rate may spike further towards the end of the year. Imported inflation is likely to rear its ugly head, as prices of imports go high on the back of a weakening shilling

Interest rates

Short term interest rate remained fairly low and stable. The central bank rate was retained at 7.0 percent in July 2021 to signal lower lending rate 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 payment which offset tax remittances. As such, the interbank rate remained low but increased slightly to 3.3 percent in July 2021 from 2.1 percent in July 2020.

Interest rate on the treasury bills remained relatively stable in July 2021. The 91-day treasury bills rate was at 6.6 percent in July 2021 compared to 6.2 percent in July 2020. Over the same period 182-day treasury bills rate increased to 7.1 percent from 6.7 percent while the 364-day decrease to 7.5 percent from 7.6 percent.

The improved liquidity in the money market has resulted stable commercial bank rate. The average lending rate remains stable at 12 percent in June 2021 compared to 11.9 percent in June 2021 while the average deposit rate declined from 6.9 percent to 6.4 percent over the same period. This led to marginal increase in the average interest rate spread by 0.4 percentage points over the same period.

Monetary Policy Outlook

The main objective of monetary policy, over the medium terms, will be to maintain stable prices. Overall inflation is expected to remain within the target range. The central bank of Kenya will continue to monitor development in the money and foreign exchange market and take appropriate measures in the event of adverse shocks.

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 economy recovery to support sustained, rapid and inclusive economic growth, safeguard livelihood and continue the fiscal consolidation program

IV. RESOURCE ALLOCATION FRAMEWORK

A. Adjustments to the FY 2021/2022 MTEF Budget

The Medium-Term Expenditure Framework (MTEF) for the FY 2021/22 emphasizes on efficiency and effectiveness of public spending and improving revenue collection to stimulate and sustain economic activities, mitigate the adverse effect of Covid-19 Pandemic on the economy and re-position the economy on a steady and sustainable growth trajectory. This will ensure that the debt is maintained at the sustained level as well as continue fiscal discipline.

The underperformance in both revenue collection and expenditure in the FY 2020/21 has implications on the financial objectives outlined in the CFSP 2021 and the 2021/22 Budget estimates. In particular, the baseline for projecting both the revenue and expenditures for the FY 2021/22 and Medium Term has changed given the outcome of FY 2020/21 and the first two months of FY2021/22

Amendments are therefore expected on the following basis;

- i. The revenue projections have been revised taking into account revenue shortfall in FY 2020/21, revenue performance by end August 2021, prolonged effects of Covid-19 Pandemic on economic activities and the measures put in place to curb the spread.
- ii. Expenditures have been revised to accommodate weak revenue performance through budget reallocation and additional expenditure on productive areas of spending across the County.
- iii. Some projects executed in the 2020/21 fiscal year, and whose payment was expected to have been cleared in June 2021, were actually not paid due to the following reasons:
 - The Covid-19 Pandemic affected the implementation of projects mostly due to reallocation of funds through supplementary towards curbing the spread of the Pandemic.
 - Harsh weather conditions i.e. heavy rainfall delayed the completion of projects.
 - Delay in exchequer releases from the National treasury affected the implementation of projects which eventually gave rise to huge pending bills that needs to be cleared.

B. FY 2022/23 Budget Framework

The Bomet County FY2022/23 Budget framework builds up on the County Government's efforts to mitigate the adverse impact of Covid-19 pandemic on the economy. This is in addition to expenditure rationalization and revenue enhancement measures that the County Government has been putting in place.

To protect the gains already made, the County will continue to emphasize on the review of portfolio of externally funded projects so as to re-alignment with the County Integrated Development Plan (CIDP) 2018-22 and reducing spending on those programmes which are not of high priority hence reducing the overall fiscal deficit.

The fiscal deficit in the FY 2022/23 will be financed by doing resource mobilization with development partners and enhancing our own source revenues.

B. Medium-Term Expenditure Framework (MTEF)

The County will continue with its policy of prioritization with a view to achieving the transformative agenda as outlined in the County Integrated Development Plan (CIDP) 2018-22. The fiscal strategies contained in the planning and budgeting documents are as follows: Improved Agribusiness for all Households; Empowerment of Youth, Women and PWDs; ECDE support, Quality Education and development; Accessible Universal Healthcare; Improvement of Land and Urban Planning Services; Promotion of Water for Domestic and Irrigation Services; Transport and Infrastructure; Enhanced access to clean energy; Developing the ICT infrastructure(s) to ensure effective service delivery; Promotion of value addition for agricultural produce, food security and environmental conservation; Promotion of equitable social economic development for county stability; Enhancing governance, transparency and accountability in the delivery of public goods and service by promoting participation of the people in governance; Promoting equitable access to resources for local beneficiaries; Creating an enabling environment for business and private sector participation in County Economic growth and development; Providing skilled, financial and technical human resource capacity and adequate policy development; Having an efficient and effective intergovernmental unit. All these are aimed at ensuring that inclusive socio-economic growth and development of the county is achieved.

Particular emphasis will be placed on: Ensuring development expenditures are scrutinized and aligned with “the Big Four”, Third Medium Term Planning (MTP III) and the Governor’s manifesto as contained in the CIDP; Increasing efficiency, effectiveness and accountability of public spending; Containing the growth of recurrent expenditure in favour of development expenditure.

The allocation of resources in the 2022/23-2024/25 will be geared towards the actualization of core programmes and sub-programmes contained in the CIDP (2018-2022), as well as programmes in Sectoral

strategic plans, the 2022/23 Annual Development Plan, and fiscal initiatives of the county government enumerated in the CFSP 2022.

The following criteria will serve as a guide for allocating resources:

- i. linkage of the programme to the CIDP 2018-2022 and other budget documents such as ADP 2022/23
- ii. Degree to which the programme is addressing the core mandate of each department/unit.
- iii. Expected outputs and outcomes from a programme.
- iv. Linkage of the programme with the objectives of MTP III of vision 2030.

Reflecting on the above, the County Government has developed the Medium-Term Expenditure Framework (MTEF).

D. Conclusion and way forward

The fiscal outcome for FY 2020/21 does not affect the County objectives as laid out in the last County Fiscal Strategy Paper 2020 but has implication on the current budget because of the pending bills and the balance brought forward from the 2020/21 fiscal year. The FY 2022/23 and the medium-term budget is being prepared against the backdrop of a slowdown in the growth of the global economy. The pandemic and the containment measures have not only disrupted ways of lives and livelihoods, but to a greater extent business. Given the tight resource constraints amidst significant revenue shortfalls occasioned by the adverse effects of the Covid-19 Pandemic, the County will continue to ensure proper prioritization of public expenditures. All Sector Working Groups (SWGs) are required to adhere to the sector ceilings and the strict deadlines provided in this document in order to facilitate the finalization and appropriation of the FY2022/23 and the medium-term budget.

The resource envelope and ceilings for each sector provided in this County Budget Review and Outlook Paper (CBROP) will form inputs into the next County Fiscal Strategy Paper (CFSP) 2022 and the Budgetary estimates for 2022/23 fiscal year.

Annex I: County Government total revenue ceilings FY 2022/2023-2024/2025

BUDGET ESTIMATES FOR FY2021/2022	APPROVED ESTIMATES FY2021/2022	CBROP CEILINGS	PROJECTIONS	
		FY2022/2023	FY2023/2024	FY2024/2025
Equitable share +Local Revenue	7,324,286,802	7,470,772,538	7,620,187,989	7,772,591,749
Equitable share	6,691,099,118	6,824,921,100	6,961,419,522	7,100,647,913
Local Revenue	300,000,000	306,000,000	312,120,000	318,362,400
Balance C/F	333,187,684	339,851,438	346,648,466	353,581,436
Conditional Grants from National Government Revenue	153,297,872	156,363,829	159,491,106	162,680,928
User fees Forgone	-	-	-	-
Conditional Grant - Leasing of Medical Equipment	153,297,872	156,363,829	159,491,106	162,680,928
Road Maintenance Fuel Levy	-	-	-	-
Conditional Allocation for development of youth Polytechnics	-	-	-	-
Conditional allocations to County Governments from Loans and Grants from Development Partners	869,181,658	892,496,666	910,346,599	928,553,531
World Bank Loan to for transforming health systems for universal care project	98,737,242	100,711,987	102,726,227	104,780,751
Kenya Urban Support Programme	168,000,000	171,360,000	174,787,200	178,282,944
KDSP (Level 1 & 2 Grant)	215,353,974	219,661,053	224,054,275	228,535,360
Nutritional International	-	-	-	-
HSSF Danida	12,201,750	12,445,785	12,694,701	12,948,595
IDA Kenya Climate Smart Programme	349,999,960	349,999,940	356,999,939	364,139,938
Agriculture Sector Development Support Programme (ASDSP)	24,888,732	38,317,901	39,084,259	39,865,944
TOTAL REVENUE	8,346,766,332	8,519,633,034	8,690,025,695	8,863,826,209

Annex II: Trend in Growth of Equitable share of Revenue

EXCHEQUER RECEIPT TRENDS	ALLOCATION	GROWTH	% GROWTH
2017/18 (Base year)	5,254,800,000	84,278,019	2%
2018/19	5,934,600,000	679,800,000	13%
2019/20	5,507,100,000	-427,500,000	-7%
2020/21	5,507,100,000	0	0%
2021/22 (CBROP 2022 Projected Growth)	6,691,099,118	1,183,999,118	21%

Annex III: Total Expenditure Sector Ceilings for the Period 2022/2023-2024/2025

		CBROP CEILINGS	PROJECTIONS	
SECTOR	APPROVED ESTIMATES FY2021/2022	FY2022/2023	FY2023/2024	FY2023/2024
COUNTY EXECUTIVES	185,000,000	188,700,000	192,474,000	196,323,480
Personal emoluments	-	-	-	-
Operation & maintenance	185,000,000	188,700,000	192,474,000	196,323,480
PSB	40,406,540	41,214,671	42,038,964	42,879,744
Operation & maintenance	34,406,540	35,094,671	35,796,564	36,512,496
Development	6,000,000	6,120,000	6,242,400	6,367,248
ADMINISTRATION	56,035,461	57,156,170	58,299,294	59,465,279
Operation & maintenance	32,035,461	32,676,170	33,329,694	33,996,287
Development	24,000,000	24,480,000	24,969,600	25,468,992
PUBLIC SERVICE	2,056,933,665	2,098,072,338	2,140,033,785	2,182,834,460
Personal emoluments	1,851,933,665	1,888,972,338	1,926,751,785	1,965,286,820
Operation & maintenance	205,000,000	209,100,000	213,282,000	217,547,640
Development	-	-	-	-
ICT	35,205,000	35,909,100	36,627,282	37,359,828
Operation & maintenance	23,205,000	23,669,100	24,142,482	24,625,332
Development	12,000,000	12,240,000	12,484,800	12,734,496
FINANCE	232,969,289	237,628,675	242,381,248	247,228,873
Operation & maintenance	109,005,430	111,185,539	113,409,249	115,677,434
Development	123,963,859	126,443,136	128,971,999	131,551,439
ECONOMIC PLANNING	276,372,939	281,900,398	287,538,406	293,289,174
Operation & maintenance	109,018,965	111,199,345	113,423,331	115,691,798
Development	167,353,974	170,701,053	174,115,075	177,597,376
LANDS, HOUSING AND URBAN PLANNING	298,000,000	303,960,000	310,039,200	316,239,984
Personal emoluments	40,000,000	40,800,000	41,616,000	42,448,320
Operation & maintenance	32,200,000	32,844,000	33,500,880	34,170,898
Development	225,800,000	230,316,000	234,922,320	239,620,766

YOUTH, SPORTS, GENDER AND CULTURE	78,180,777	79,744,393	81,339,280	82,966,066
Operation & maintenance	39,180,777	39,964,393	40,763,680	41,578,954
Development	39,000,000	39,780,000	40,575,600	41,387,112
MEDICAL SERVICES & PUBLIC HEALTH	2,031,628,666	2,072,261,239	2,113,706,464	2,155,980,593
Personal emoluments	1,219,500,000	1,243,890,000	1,268,767,800	1,294,143,156
Operation & maintenance	571,720,903	583,155,321	594,818,428	606,714,796
Development	240,407,763	245,215,918	250,120,236	255,122,641
EDUCATION AND VOCATIONAL TRAINING	338,866,704	345,644,038	352,556,919	359,608,057
Operation & maintenance	132,356,250	135,003,375	137,703,443	140,457,511
Development	206,510,454	210,640,663	214,853,476	219,150,546
WATER SANITATION AND ENVIRONMENT	400,285,106	408,290,808	416,456,624	424,785,757
Operation & maintenance	119,800,000	122,196,000	124,639,920	127,132,718
Development	280,485,106	286,094,808	291,816,704	297,653,038
AGRICULTURE COOPERATIVES AND MARKETING	479,388,692	488,976,466	498,755,995	508,731,115
Operation & maintenance	16,590,000	16,921,800	17,260,236	17,605,441
Development	462,798,692	477,986,041	487,545,762	497,296,677
ROADS, PUBLIC WORKS & TRANSPORT	743,774,836	758,650,333	773,823,339	789,299,806
Operation & maintenance	83,673,772	85,347,247	87,054,192	88,795,276
Development	660,101,064	673,303,085	686,769,147	700,504,530
TRADE, ENERGY, TOURISM, INDUSTRY AND INVESTMENT	50,153,901	51,156,979	52,180,119	53,223,721
Operation & maintenance	12,123,901	12,366,379	12,613,707	12,865,981
Development	38,030,000	38,790,600	39,566,412	40,357,740
CO-OPERATIVES AND ENTERPRISE DEVELOPMENT	107,843,230	110,000,095	112,200,096	114,444,098
Operation & maintenance	21,490,030	21,919,831	22,358,227	22,805,392
Development	86,353,200	88,080,264	89,841,869	91,638,707
EXECUTIVE TOTAL	7,411,044,806	7,559,265,702	7,710,451,016	7,864,660,037
COUNTY ASSEMBLY	935,721,526	954,435,957	973,524,676	992,995,169
Personal emoluments	308,200,000	314,364,000	320,651,280	327,064,306
Operation & maintenance	414,866,449	423,163,778	431,627,054	440,259,595
Development	212,655,077	216,908,179	221,246,342	225,671,269

COUNTY TOTAL	8,346,766,332	8,519,633,034	8,690,025,695	8,863,826,209
Personal emoluments	3,419,633,665	3,488,026,338	3,557,786,865	3,628,942,602
Operation & maintenance	2,141,673,478	2,184,506,948	2,228,197,087	2,272,761,029
Development	2,785,459,189	2,847,099,748	2,904,041,743	2,962,122,578
Personal emoluments	41%	41%	41%	41%
Operation & maintenance	26%	26%	26%	26%
Development	33%	33%	33%	33%

Annex IV: Bomet County Budget Calendar for the FY 2021/2022

	ACTIVITY	RESPONSIBILITY	DEADLINE
1	Performance Review and strategic planning	County Treasury	July-Aug 2021
	1.1 Prepare Annual Development Plans	"	"
	1.2 Expenditure review	"	"
	1.3 Preparation of annual Work plans and procurement plans	"	
2	Develop and issue MTEF guidelines	County Treasury	30th August 2021
3	Launch of sector Working Groups	County Treasury	30th August 2021
4	Annual Development Plan submitted to county assembly	Treasury	1st September 2021
5	Determination of Fiscal Framework.	Sector Working Groups	15th Sept. 2021
	5.1 Estimation of Resource Envelope	County Treasury	"
	5.2 Determination of policy priorities	"	"
	5.3 Preliminary Resource allocation to sectors, Assembly & Sub Counties	"	"
	5.4 Draft County Budget Review and outlook paper (CBROP)	"	20th Sept. 2021
	5.5 Submission and approval by cabinet	"	30th Sept. 2021
	5.6 Submission of CBROP TO County Assembly	"	21st Oct 2021
	5.7 Capacity building for MTEF Programme Based Budget	"	10th-14th October 2021
6	Preparation of County Budget Proposals	SECTORS	
	6.1 Draft Sector Report	Sector Working Group	1st Nov. 2021
	6.2 Submission of Sector Report to County Treasury	Sector Working Group	30th Nov. 2021
	6.3 Review of the Departmental budget proposals	Macro Working Group	11th-15th Jan. 2022
7	The 2020/21 Supplementary Budget		
	8.1 Develop and issue guidelines on the 2020/21 Revised Budget	County Treasury	Sept . 2021
	8.2 Submission of supplementary Budget proposals	Departments	Oct . 2021
	8.3 Review of the supplementary Budget proposals	County Treasury	Oct . 2021
	8.4 submission of supplementary budget proposals to cabinet	County Treasury	Oct . 2021
	8.5 submission of supplementary Budget proposals to County Assembly	County Treasury	Oct . 2021
9	Draft County Fiscal Strategy paper(CFSP)		
	9.1 Draft CFSP	Sector Working Group	31st January. 2022

	ACTIVITY	RESPONSIBILITY	DEADLINE
	9.2 Public Participation on CFSP	County Treasury	15th Feb 2022
	9.3 Submission of CFSP to cabinet for approval	County Treasury	20th Feb. 2022
	9.4 Submission of CFSP to County Assembly for approval.	County Treasury	28th Feb. 2022
	9.5 Submission of Debt management strategy to County Assembly for approval.	County Treasury	28th Feb. 2022
10	Preparation and approval of final Departmental Programme Based Budgets		
	10.1 Issue final guidelines on preparation of 2021/2022 County Budget.	County Treasury	15th March, 2022
	10.2 Submission of Budget proposals to Treasury	All sectors	23rd March. 2022
	10.3 Consolidation of the Draft Budget Estimates	County Treasury	10th April 2022
	10.4 Public Participation on Budget estimates	County Treasury	17th April 2022
	10.5 Submission of Draft Budget Estimates for County Government to County assembly	County Treasury	30th April 2022
	10.6 Review of Draft Budget Estimates by Departmental committee	County Assembly	22nd May 2022
	10.7 Report on the budget and appropriation committee Draft Budget Estimates from County Assembly	County Assembly	24th May 2022
	10.8 Preparation of annual cash flow	County Treasury	15th June 2022
	10.9 Resolution of county assembly on Estimates and approval	County Assembly	15th June 2022
	11.0 Submission of Appropriation Bill to County Assembly	County Treasury	20th June 2022
	11.1 Consideration and passage of Appropriation Bill	County Assembly	30th June 2022