

**TURKANA COUNTY GOVERNMENT**  
**FINANCE AND ECONOMIC PLANNING**

**COUNTY BUDGET REVIEW AND  
OUTLOOK PAPER 2022**

**September 2022**

© Turkana Budget Review and Outlook Paper (CBROP) 2022

To obtain copies of the document, please contact:

**Directorate of Budget**  
Economic Planning  
County Treasury  
P.O. Box 11-30500  
**LODWAR, KENYA**

The document is also available online at: [www.turkana.go.ke](http://www.turkana.go.ke)

## FOREWORD

It is my great pleasure to present to you the Turkana County Budget Review and Outlook Paper (CBROP) 2022. This document will examine fiscal performance review for FY 2021/2022. It will also present the fiscal projections and economic performance outlook for FY 2023/2024. This report will also present a myriad of challenges encountered in the FY 2021/2022.

In the year under review, the global output growth is estimated to have contracted by 0.8 percent in the fourth quarter of 2021 compared to a growth of 2.5 percent in 2019 according to the April 2022 IMF World Economic Outlook (WEO). Kenya's economy is projected to rebound in 2022 to 6.6 percent from an earlier projection of 7.0 percent in 2022 Budget Policy Statement (BPS). The downward revision was due to the extended impact of COVID-19 containment measures.

During the period under review (FY 2021/2022), the total revenue basket for Turkana County Government that was realized stood at **KES. 14,783,190,373**, translating to 91.32 per cent of the projected revenue target of **KES. 16,188,835,692**. Equitable share realized was **KES. 11,600,561,514** against a target of **KES.12,609,305,994**, the total receipts from conditional grants cumulatively amounted to **KES. 252,181,885** against expected grants of **KES. 673,432,568.00** while the revenue collected locally amounted to **KES. 204,349,844** against Own Source Revenue target of **KES.180,000,000**. The unspent funds carried forward from FY 2020/21 that was at the County Revenue Fund Account was **KES. 2,726,097,130** which comprised of **KES. 2,338,840,344** as Equitable Share from FY 2020/2021 and **KES. 387,256,785.50** as the conditional grants carried forward.

Overall, we performed very well in revenue realizing 91.32 per cent of the county revenue targets. Notably, we surpassed the OSR target of **KES. 180,000,000** by 14 per cent to **KES. 204,349,844**. This can be attributed to enhanced revenue collection through revenue collection automation and enforcement. However, the county did not receive the equitable share for June 2022 due to delays in disbursements by the National Treasury. Some development partners did not honor their financial commitments to release conditional grants.

The total expenditure for FY 2021/2022 amounted to **KES.10,766,493,467** against a revised estimate of **KES. 16,188,835,692** translating to absorption rate of **67 per cent**. Recurrent expenditure had the highest amount of **KES. 8,117,637,873** which was **82 per**

**cent** of the revised recurrent expenditure projection of **KES. 9,880,508,898**. Development expenditure amounted to **KES. 2,648,855,594** which was **42 per cent** of the revised development expenditure projection of **KES. 6,308,326,795**.

Expenditure performance was hampered by procurement challenges, financial capacities of local contractors, poor contract management and delays in disbursements and approvals of funds. We also note that, we exceeded our expenditure on compensation to employees by 4 per cent of the projected total personnel emoluments because of under estimation in the Personnel Emoluments budget.

This CBROP sets a threshold for preparation of 2023/24 budget estimates. Having concluded the electioneering period, we are reverting to the normal budget cycle as espoused in the Turkana County Budget Circular 2022. Therefore, the County Entities are expected to adhere to the strict deadlines in the Turkana Budget Circular FY 2023/24.

**DR. MICHAEL EREGAE**

**COUNTY EXECUTIVE COMMITTEE MEMBER – FINANCE AND ECONOMIC  
PLANNING**

**TURKANA COUNTY GOVERNMENT.**

## **ACKNOWLEDGEMENT**

The County Budget Review and Outlook Paper (CBROP) 2022 has been prepared in accordance with the law as stipulated in the Public Finance Management (PFM) Act, 2012. The document provides actual fiscal outturn of FY 2021/22 budget and how the performance has affected the fiscal responsibilities principles and the financial objectives as set out in the PFM Act, 2012 as well as giving information on adjustments made to projections outlined in the County Fiscal Strategy Paper (CFSP) 2021.

The production of this CBROP 2022 was a combined responsibility of various county government departments. We appreciate the requisite data that were provided by relevant county entities. We are grateful to the directorates of Revenue, Accounting Services, Human Resource, Economic Planning, and the Turkana County Assembly.

I am indebted to the budget team for sedulously spending their energy and enthusiasm to ensure that the document has been brought to fruition within the timeframe and in the format that meets the legal requirements.

Allow me to conclude by pointing out the importance of public and stakeholder's participation in the FY 2023/24 Medium Term Budget preparation. We would like the Sector Working Groups to develop an approach that will effectively bring into the budget making process the useful inputs and proposals from the public and the stakeholders.

**JAMES ILLIKWEL**

**ACTING CHIEF OFFICER – FINANCE AND ECONOMIC PLANNING**

**COUNTY GOVERNMENT OF TURKANA**

**Table of Contents**

FOREWORD .....i

ACKNOWLEDGEMENT ..... iii

ABBREVIATIONS AND ACRONYMS .....vi

GLOSSARY OF TERMS .....vii

1.0 INTRODUCTION ..... 1

2.0 REVIEW OF FISCAL PERFORMANCE FOR FY 2021/2022.....2

**2.1 NATIONAL REVENUE AND EXPENDITURE OUTLOOK** .....2

**2.1.1 Revenue Performance**.....2

**2.1.2 Expenditure Performance.** .....3

**2.2 COUNTY REVENUE AND EXPENDITURE OUTLOOK** .....4

**2.2.1 RESOURCE ENVELOPE** .....4

**2.2.1.1 Revenue Performance**.....5

**2.2.1.2 Monthly County Revenue Receipts** .....7

**2.2.1.3 Quarterly County Revenue Receipts**.....8

**2.2.2 Own Source Revenue** ..... 10

**2.2.2.1 Own Source Revenue Collections by Month** ..... 10

**2.2.2.2 Own Source Revenue Collections by Quarter** ..... 12

**2.2.2.3 Own Source Revenue Collections by Sub-County** ..... 12

**2.2.2.4 Own Source Revenue Collections by Entity.** ..... 12

**2.2.2.5 Own Source Revenue Trend over the years.** ..... 13

**2.2.3 EXPENDITURE PERFORMANCE** ..... 14

**2.2.3.1 Fiscal Responsibilities Principles**..... 14

**2.2.3.2 County Revenue Fund Account Releases** ..... 14

**2.2.3.3 Expenditure by Category.** ..... 15

**2.2.3.4 Expenditure by Entity.** ..... 17

**2.2.3.5 Recurrent Expenditure.**..... 18

**2.2.3.6 Compensation to Employees** ..... 19

**2.2.3.7 Development Expenditure**..... 19

**2.2.3.8 Monthly Total Expenditure** ..... 21

**2.2.3.9 Quarterly Expenditure** ..... 21

**2.2.3.10 Yearly Expenditure**..... 22

3.0 RECENT ECONOMIC DEVELOPMENT AND OUTLOOK. ....23

**3.1 Economic Performance FY 2021/22 (Q1-Q4)**.....23

**3.2 Inflation**.....25

**3.3 Exchange Rates** .....27

|  |    |
|--|----|
| <b>3.4 Short Term Interest Rates</b> .....                                     | 28 |
| <b>3.5 Turkana County Economy</b> .....  | 29 |
| <b>4.0 RESOURCE ALLOCATION FRAMEWORK</b> .....                                 | 30 |
| <b>4.1 Implementation of FY 2022/2023 Budget</b> .....                         | 30 |
| <b>4.2 FY 2022/2023 Budget Framework</b> .....                                 | 31 |
| <b>4.3 Medium Term Plan Fiscal Projections and Expenditure Framework</b> ..... | 31 |
| <b>5.0 RECOMMENDATIONS AND CONCLUSIONS</b> .....                               | 33 |
| <b>5.1 Observations</b> .....  | 33 |
| <b>5.2 Recommendations</b> .....   | 33 |
| <b>5.3 Conclusions</b> .....   | 34 |
| <b>ANNEXES</b> .....   | 35 |
| <b>ANNEX I: REVISED FY 2021/2022 BUDGET ESTIMATES</b> .....                    | 35 |
| <b>ANNEX II: COMPREHENSIVE FY 2021/2022 EXPENDITURE</b> .....                  | 36 |
| <b>ANNEX IV: CFSP 2022 CEILINGS</b> .....                                      | 38 |
| <b>ANNEX V: OWN SOURCE REVENUE FY 2021/2022</b> .....                          | 39 |
| <b>ANNEX VI: MEDIUM TERM EXPENDITURE FRAMEWORK PROJECTIONS</b> .....           | 40 |

**ABBREVIATIONS AND ACRONYMS**

|                 |  |
|-----------------|--|
| <b>BPS</b>      | Budget Policy Statement                |
| <b>CBROP</b>    | County Budget Review and Outlook Paper |
| <b>CFSP</b>     | County Fiscal Strategy Paper           |
| <b>CG</b>       | County Government                      |
| <b>CIDP</b>     | County Integrated Development Plan     |
| <b>COVID-19</b> | Corona Virus Disease 2019              |
| <b>CRF</b>      | County Revenue Fund                    |
| <b>FY</b>       | Fiscal Year /Financial Year            |
| <b>MTEF</b>     | Medium Term Expenditure Framework      |
| <b>MoU</b>      | Memorandum of Understanding            |
| <b>PFM</b>      | Public Finance Management Act          |
| <b>OSR</b>      | Own Source Revenue                     |
| <b>SWGs</b>     | Sector Working Groups                  |



## GLOSSARY OF TERMS

**Appropriation in Aid-** These are receipts which may be retained by a department to offset expenditure instead of being paid into the exchequer account of the central fund

**Budget Statement-** It sets out the Administrations priority programs to be implemented in the Medium Term Development under a devolved system of government

**County Fiscal Strategy Paper-** This is an overview of how a county plans to raise and spend money for the next year while considering a 2-3 year perspective.

**County Integrated Development Plan-** This is a super plan for an area that gives an overall framework for development. It aims to coordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. The plan should look at economic and social development for the area as a whole.

**Gross Domestic Product -** This is the aggregate measure of production equal to the sum of the gross value-added of all resident institutional units engaged in all production (plus any taxes, and minus any subsidies, on products not included in the value of their output.

**Medium Term Expenditure Framework-**It is an integrated approach to policy, planning and budgeting by developing countries that estimate expenditures of three years from the present.

**Real GDP-** This is a macroeconomic measure of the value of economic output adjusted for price changes i.e. inflation or deflation.

**Sector Working Groups-** These are forums to discuss and build consensus about development priorities and improve sectoral aid coordination and effectiveness.

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

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

1) The County Treasury shall prepare and submit to County Executive Committee for approval, by 30th September in each financial year, a County Budget Review and Outlook Paper which shall include:

- a. Actual fiscal performance in the previous financial year compared to the budget appropriation for that year;
- b. 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 how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the latest County Fiscal Strategy Paper; and
- d. The 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.

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

3) Not later than seven days after the County Budget Review and Outlook Paper (CBROP) has been approved by the County Executive Committee, the County Treasury shall:

- a. Submit the paper to the Budget Committee of the County Assembly to be laid before County Assembly; and
- b. Publish and publicize the paper not later than fifteen days after laying the Paper before the Assembly.

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

In line with the Constitution of Kenya 2010, the 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) states that:

1. The County government's recurrent expenditure shall not exceed the county government's total revenue.
2. Over the medium term a minimum of thirty percent of the County government's budget shall be allocated to the development expenditure.
3. The County government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County government's total revenue as prescribed by the County Executive Member Finance regulations and approved by the County Assembly.
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. The County debt shall be maintained at a sustainable level as approved by the County Assembly
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.

## 1.0 INTRODUCTION

### 1.1 Objective of the 2022 Turkana County Budget Review and Outlook Paper

This Chapter one shall provide the purpose of County Budget Review and Outlook Paper (CBROP) in budget making process and general organization structure of the document. The County Budget Review and Outlook Paper (CBROP) is prepared in accordance to Chapter 118 of the Public Finance Management act 2012.

The 2022 County Budget Review and Outlook Paper (CBROP) provides a review of fiscal performance for the FY 2021/2022 and how this performance impacted fiscal objectives and responsibility principles spell out in the County Fiscal Strategy Paper (CFSP 2021) it gives details of achievement of revenue target, aggregate expenditures, updated macroeconomic and forecast, deviation from financial objectives in CFSP and proposals of those changes and need for automation of revenues system to boost capacity to collect more revenues within the borders of Turkana.

This paper is a policy document linking planning with budgeting. It is substantial step in the budget making process within the Medium-Term Expenditure Framework (MTEF) because it gives a review of last year fiscal performance and identification of deviations from the budget in the context of supplementary budget. It also measures adherence to responsibility principles found in section 107 of the PFM Act 2012. Lastly, macroeconomic, and financial outlook provides forecast that will guide formulation of next budget and parameter of budget revision.

The document is organized into five Chapters: Chapter I gives the objective of the paper, chapter II offers a review of fiscal performance for the FY 2021/2022 and how this performance impacted fiscal objectives and responsibility principles with three main sub division namely overview, fiscal performance and implications, Chapter III highlights recent economic developments and macroeconomic outlook with three sub sets namely: Recent Economic development, Macroeconomic outlook and County Specific Outlook in the context of Turkana, chapter IV is detailing hurdles in execution of budget, has information on resource allocation framework with this sub division adjustment to the previous year's budget and Medium-Term Expenditure Framework (MTEF) and lastly Chapter V submits the conclusion of CBROP.

## 2.0 REVIEW OF FISCAL PERFORMANCE FOR FY 2021/2022

### 2.1 NATIONAL REVENUE AND EXPENDITURE OUTLOOK

#### 2.1.1 Revenue Performance

There was satisfactory revenue performance in FY 2021/2022 above the revised targets.

During the period under review, the total cumulative revenue including Appropriation in Aid (A-i-A) amounted to **KES. 2,199.8 billion** against a revised target of **KES. 2,192.0 billion**.

The surplus in revenue can be attributed to the recovery of the economy from the adverse impact of the COVID-19 pandemic.

**Table 1: National Revenue Performance, FY 2021/2022**

|  | 2020/2021        | 2021/2022        |                  | Deviation<br>KES. | %<br>Growth  |
|--|------------------|------------------|------------------|-------------------|--------------|
|  | Actual           | Actual           | Target           |                   |              |
| <b>Total Revenue (a+b)</b>                             | <b>1,803,536</b> | <b>2,199,808</b> | <b>2,191,953</b> | <b>7,855</b>      | <b>22.0</b>  |
| <b>a) Ordinary Revenue</b>                             | <b>1,562,015</b> | <b>1,917,911</b> | <b>1,851,510</b> | <b>66,401</b>     | <b>22.8</b>  |
| Import Duty  | 108,375          | 118,280          | 115,869          | 2,411             | 9.1          |
| Excise Duty  | 216,325          | 252,094          | 255,890          | (3,796)           | 16.5         |
| PAYE   | 363,343          | 462,357          | 455,129          | 7,288             | 27.3         |
| Other Income Tax                                       | 330,709          | 414,350          | 381,562          | 32,788            | 25.3         |
| VAT Local  | 197,072          | 244,926          | 249,021          | (4,095)           | 24.3         |
| VAT Imports  | 213,687          | 278,171          | 265,086          | 13,085            | 30.2         |
| Investment Revenue                                     | 47,884           | 43,660           | 37,709           | 5,951             | (8.8)        |
| Traffic Revenue  | 4,600            | 4,425            | 5,106            | (681)             | (3.8)        |
| Taxes on Intl. Trade & Trans (IDF Fee)                 | 39,743           | 50,337           | 42,615           | 7,723             | 26.7         |
| Others   | 40,277           | 49,309           | 43,522           | 5,786             | 22.4         |
| <b>b) Appropriation In Aid</b>                         | <b>241,521</b>   | <b>281,897</b>   | <b>340,443</b>   | <b>(58,546)</b>   | <b>16.7</b>  |
| <b>c) Grants</b>                                       | <b>31,334</b>    | <b>31,031</b>    | <b>62,918</b>    | <b>(31,887)</b>   | <b>(1.0)</b> |
| <b>Total Revenue and Grants</b>                        | <b>1,834,870</b> | <b>2,230,839</b> | <b>2,254,871</b> | <b>(24,032)</b>   | <b>21.6</b>  |
| <b>Total Revenue and Grants as a percentage of GDP</b> | <b>16.14</b>     | <b>17.49</b>     | <b>17.83</b>     |                   |              |

Source: BROP 2022

Ordinary revenue collection amounted to **KES.1,917.9 billion** surpassing the target of **KES. 1,815.5 billion** while A-i-A had a revenue shortfall of **KES. 58.5 billion**. Revenue collected

from Grants totaled to KES. 31.0 billion which was significantly lower than the revised target of KES. 62.9 billion.

**2.1.2 Expenditure Performance.**

For the year under review, the total expenditure and net lending in FY 2021/2022 amounted to **KES. 3,027.5 billion** against a revised target of **KES. 3,286.1 billion** reporting an underspending of **KES. 258.6 billion**.

**Table 2: National Expenditure, FY 2021/2022**

|                                  | 2020/2021<br>Actual | 2021/2022      |                | Deviation<br>KES. | %<br>Growth  |
|----------------------------------|---------------------|----------------|----------------|-------------------|--------------|
|                                  |                     | Actual         | Revised Target |                   |              |
| <b>1. Recurrent Expenditure</b>  | <b>1,813.3</b>      | <b>2,135.0</b> | <b>2,227.3</b> | <b>92.3</b>       | <b>17.7</b>  |
| Domestic Interest                | 388.8               | 456.8          | 479.2          | 22.4              | 17.5         |
| Foreign Interest due             | 106.3               | 120.8          | 126.1          | 5.2               | 13.6         |
| Pensions & Other CFS             | 112.9               | 122.4          | 125.3          | 2.9               | 8.5          |
| Operations & Maintenance         | 561.9               | 717.3          | 738.9          | 21.5              | 27.7         |
| Wages & Salaries                 | 493.0               | 520.0          | 525.1          | 5.1               | 5.5          |
| Ministerial Recurrent AIA        | 150.3               | 197.5          | 232.7          | 35.2              | 31.4         |
| <b>2. Development</b>            | <b>557.0</b>        | <b>532.7</b>   | <b>657.5</b>   | <b>124.8</b>      | <b>(4.4)</b> |
| Domestically Financed<br>(Gross) | 390.0               | 370.8          | 411.3          | 40.5              | (4.9)        |
| Foreign Financed                 | 167.0               | 161.9          | 239.4          | 77.5              | (3.1)        |
| Net Lending                      | -                   | -              | -              | -                 | 0.0          |
| Equalization Fund                | -                   | -              | 6.8            | (6.8)             | 0.0          |
| <b>3. County Transfer</b>        | <b>399.0</b>        | <b>359.8</b>   | <b>401.2</b>   | <b>(41.4)</b>     | <b>(9.8)</b> |
| o/w Equitable Share              | 346.2               | 340.4          | 370.0          | (29.6)            | (1.7)        |
| <b>4. Contingency Fund</b>       | <b>-</b>            | <b>-</b>       | <b>-</b>       | <b>-</b>          | <b>0.0</b>   |
| <b>Total Expenditure</b>         | <b>2,769.3</b>      | <b>3,027.5</b> | <b>3,286.1</b> | <b>(258.6)</b>    | <b>9.3</b>   |

Source: BROP 2022

The underspending had a deviation of **7.9 percent** from the revised target which was attributed to low absorption of both externally and domestically funded development projects and the revenue shortfall of A-i-A.

National Government’s recurrent expenditure was at **KES. 2,135.0 billion** against the revised target of **KES. 2,227.3 billion** translating to a deviation of **KES. 92.3 billion**. Development expenditure amounted to KES. 532.7 billion against a revised target of **KES. 657.5 billion** which was a departure of **KES. 124.8 billion** from the revised target. County governments received a total of **KES. 340.4 billion** as compared to the revised revenue target of **KES. 370 billion**.

| Revenue Source         | County Governments Revenue FY 2021/22 (billions) | Budgeted % of Total revenue | Funds Transferred | Funds Transferred as % of Total revenue |
|------------------------|--|-----------------------------|-------------------|---|
| Equitable Share        | 370  | 79.0%                       | 340.4             | 92.0%                                   |
| Additional Allocations | 39.9   | 8.0%                        | 12.0              | 30.1%                                   |
| OSR                    | 58.8   | 13.0%                       |                   |   |
| <b>Total</b>           | <b>468.7</b>                                     | <b>100.0%</b>               |                   |   |

Source: BROP 2022

## 2.2 COUNTY REVENUE AND EXPENDITURE OUTLOOK

### 2.2.1 RESOURCE ENVELOPE

Nationally, the county governments’ revenue targets were estimated to be at **KES. 468.7 billion** for the FY 2021/2022. Equitable share amounted to **KES. 370 billion** which was 79 per cent of the total revenue estimates. Additional allocations and Own Source Revenue were estimated at **KES. 39.9 billion** and **KES. 58.8 billion** respectively.

**Table 3: County Governments’ sources of revenue, FY 2021/2022**

| Revenue Source         | County Governments Revenue FY 2021/22 (billions) | Budgeted % of Total revenue |
|------------------------|--|-----------------------------|
| Equitable Share        | 370  | 79.0%                       |
| Additional Allocations | 39.9   | 8.0%                        |
| OSR                    | 58.8   | 13.0%                       |
| <b>Total</b>           | <b>468.7</b>                                     | <b>100.0%</b>               |

Source: National Treasury

For Turkana County, the revised resource envelope was estimated at **KES. 16,188,835,692.20**, comprising of Equitable Share of **KES. 12,609,305,994** (78 per cent of the total revenue estimates), **KES. 673,432,568** as the conditional grants from development partners, **KES. 180,000,000** as the Own Source Revenue and **KES. 2,726,097,130.20** as the unspent funds from FY 2020/2021. See Table 3 below for the revenue basket.

**Table 3: Turkana County Government's sources of revenue, FY 2021/2022**

| REVENUE STREAM  | Budget Estimates         | Change in Revenue       | Revised Revenue          |
|---|--------------------------|-------------------------|--------------------------|
|   | FY 2021/22               |                         | FY 2021/22               |
| <b>1. National Revenue</b>  |                          |                         |                          |
| a) Equitable share  | 12,609,305,994.00        |                         | 12,609,305,994.00        |
| b) Compensation for User Fees Foregone                                  |                          |                         |                          |
| c) Roads Maintenance Levy Fund  |                          |                         |                          |
| c) Village Polytechnics   |                          |                         |                          |
| f) Loans and Grants   |                          |                         |                          |
| i) Transforming Health Systems for Universal Care Project (WB)          | 12,776,238.00            |                         | 12,776,238.00            |
| ii) Universal Health Care in Devolved System Programme                  | 23,351,625.00            |                         | 23,351,625.00            |
| iii) UNFPA- 9th Country Programme Implementation                        | 2,954,593.00             |                         | 2,954,593.00             |
| iv) National Agricultural and Rural Inclusive Growth Project (NARIGP)   | 270,565,502.00           |                         | 270,565,502.00           |
| v) Agricultural Sector Development Support Programme (ASDSP) II         | 43,577,943.00            |                         | 43,577,943.00            |
| vi) Drought Resilience Programme in Northern Kenya (DRPNK)              | 200,000,000.00           |                         | 200,000,000.00           |
| vii) Emergency Locust Response Project (ELRP)                           | 120,206,667.00           |                         | 120,206,667.00           |
|   |                          |                         |                          |
| <b>g) Balance Carried Forward (FY 2020/2021)</b>                        | <b>452,052,239.00</b>    | <b>2,274,044,891.20</b> | <b>2,726,097,130.20</b>  |
| i. Equitable Share  | 452,052,239.00           | 1,886,788,105.70        | 2,338,840,344.70         |
| ii. Kenya Devolution Support Project (KDSP) Level II Grant              |                          | 112,815,048.00          | 112,815,048.00           |
| iii. Agricultural Sector Development Support Programme (ASDSP) II       |                          | 2,000,000.00            | 2,000,000.00             |
| iv. Kenya Urban Support Programme (KUSP) - UDG                          |                          | 25,380,917.75           | 25,380,917.75            |
| iv. Transforming Health Systems for Universal Care Project (WB)         |                          | 149,737,427.75          | 149,737,427.75           |
| v. Kenya Urban Support Programme (KUSP) - UDG Balance at SPA            |                          | 52,323,392.00           | 52,323,392.00            |
| v. Kenya Devolution Support Project (KDSP) Level I Grant Balance at SPA |                          | 45,000,000.00           | 45,000,000.00            |
|   |                          |                         |                          |
| <b>2. Own Revenue Sources</b>   |                          |                         |                          |
| <b>l) Projected Revenue From Local Sources</b>                          | 180,000,000.00           |                         | 180,000,000.00           |
|   |                          |                         |                          |
| <b>TOTAL REVENUE</b>  | <b>14,027,605,849.00</b> | <b>2,161,229,843.20</b> | <b>16,188,835,692.20</b> |

Source: Directorate of Budget

### 2.2.1.1 Actual Revenue Performance

During the period under review, the total revenue realized was **KES. 14,783,190,373** which was 91.32 per cent of the projected revenue targets. Equitable share amounted to **KES.**



**11,600,561,514**, the total receipts from conditional grants cumulatively amounted at **KES. 252,181,885** while the revenue collected locally amounted to **KES. 204,349,844**. The balance carried forward that was at the County Revenue Fund Account was **KES. 2,726,097,130** which comprised of **KES. 2,338,840,344** as Equitable Share from FY 2020/2021 and **KES. 387,256,785.50** as the conditional grants carried forward.

**Table 4: Actual Revenue Performance, FY 2021/2022**

| REVENUE STREAM  | Revised Revenue          | ACTUAL REVENUE           |                           |                     |
|---|--------------------------|--------------------------|---------------------------|---------------------|
|   | FY 2021/22               | Actual Revenue           | Variance (Kshs.)          | Revenue Performance |
| <b>1. National Revenue</b>  |                          |                          |                           |                     |
| a) Equitable share  | 12,609,305,994.00        | 11,600,561,514.00        | (1,008,744,480.00)        | 92.00%              |
| f) Loans and Grants   |                          |                          |                           |                     |
| i) Transforming Health Systems for Universal Care Project (WB)          | 12,776,238.00            | 11,204,205.00            | (1,572,033.00)            | 87.70%              |
| ii) Universal Health Care in Devolved System Programme                  | 23,351,625.00            |                          | (23,351,625.00)           | 0.00%               |
| iii) UNFPA- 9th Country Programme Implementation                        | 2,954,593.00             |                          | (2,954,593.00)            | 0.00%               |
| iv) National Agricultural and Rural Inclusive Growth Project (NARIGP)   | 270,565,502.00           | 190,851,757.00           | (79,713,745.00)           | 70.54%              |
| v) Agricultural Sector Development Support Programme (ASDSP) II         | 43,577,943.00            | 3,551,942.00             | (40,026,001.00)           | 8.15%               |
| vi) Drought Resilience Programme in Northern Kenya (DRPNK)              | 200,000,000.00           |                          | (200,000,000.00)          | 0.00%               |
| vii) Emergency Locust Response Project (ELRP)                           | 120,206,667.00           | 46,573,981.00            | (73,632,686.00)           | 38.74%              |
|   |                          |                          |                           |                     |
| g) Balance Carried Forward (FY 2020/2021)                               | <b>2,726,097,130.20</b>  | <b>2,726,097,130.20</b>  |                           |                     |
| i. Equitable Share  | 2,338,840,344.70         | 2,338,840,344.70         |                           |                     |
| ii. Kenya Devolution Support Project (KDSP) Level II Grant              | 112,815,048.00           | 112,815,048.00           |                           |                     |
| iii. Agricultural Sector Development Support Programme (ASDSP) II       | 2,000,000.00             | 2,000,000.00             |                           |                     |
| iv. Kenya Urban Support Programme (KUSP) - UDG                          | 25,380,917.75            | 25,380,917.75            |                           |                     |
| iv. Transforming Health Systems for Universal Care Project (WB)         | 149,737,427.75           | 149,737,427.75           |                           |                     |
| v. Kenya Urban Support Programme (KUSP) - UDG Balance at SPA            | 52,323,392.00            | 52,323,392.00            |                           |                     |
| v. Kenya Devolution Support Project (KDSP) Level I Grant Balance at SPA | 45,000,000.00            | 45,000,000.00            |                           |                     |
|   |                          |                          |                           |                     |
| <b>2. Own Revenue Sources</b>   |                          |                          |                           |                     |
| l) Projected Revenue From Local Sources                                 | 180,000,000.00           | 204,349,844.00           | 24,349,844.00             | 113.53%             |
|   |                          |                          |                           |                     |
| <b>TOTAL REVENUE</b>  | <b>16,188,835,692.20</b> | <b>14,783,190,373.20</b> | <b>(1,405,645,319.00)</b> | <b>91.32%</b>       |

Source: Directorate of Budget

The unrealized revenue was **KES. 1,405,645,319** which was the exchequer amount for the month of June not released of **KES. 1,008,744,480** and conditional grants of **KES.**

**421,250,683.** Own Source Revenue surpassed their targets by **KES. 24,349,844** which can be attributed to the robust structures put in place for revenue collection.

### 2.2.1.2 Actual Conditional Grants Receipts

During the period under review, the county received **KES. 252,181,885** as conditional grants from development partners as shown Table 5 below:

**Table 5: Conditional Grants Actual Revenue Performance**

| REVENUE STREAM   | Revised Revenue       | ACTUAL REVENUE        |                         |                     |
|--|-----------------------|-----------------------|-------------------------|---------------------|
|  |                       | Actual Revenue        | Variance (Kshs.)        | Revenue Performance |
| <b>Loans and Grants</b>  |                       |                       |                         |                     |
| i) Transforming Health Systems for Universal Care Project (WB)       | 12,776,238.00         | 11,204,205.00         | (1,572,033.00)          | 87.70%              |
| ii) Universal Health Care in Devolved System Programme               | 23,351,625.00         | -                     | (23,351,625.00)         | 0.00%               |
| iii) UNFPA- 9th Country Programme Implementation                     | 2,954,593.00          | -                     | (2,954,593.00)          | 0.00%               |
| v) National Agricultural and Rural Inclusive Growth Project (NARIGP) | 270,565,502.00        | 190,851,757.00        | (79,713,745.00)         | 70.54%              |
| vi) Agricultural Sector Development Support Programme (ASDSP) II     | 43,577,943.00         | 3,551,942.00          | (40,026,001.00)         | 8.15%               |
| vii) Drought Resilience Programme in Northern Kenya (DRPNK)          | 200,000,000.00        | -                     | (200,000,000.00)        | 0.00%               |
| viii) Emergency Locust Response Project (ELRP)                       | 120,206,667.00        | 46,573,981.00         | (73,632,686.00)         | 38.74%              |
| <b>TOTAL REVENUE</b>   | <b>673,432,568.00</b> | <b>252,181,885.00</b> | <b>(421,250,683.00)</b> | <b>37.45%</b>       |

### 2.2.1.3 Monthly County Revenue Receipts

During the period under review, the county received **KES. 14,783,190,373.20** which comprised of equitable share, conditional grants, and Own Source Revenue. The county received equitable share amounting to **KES.11,600,561,514** which was spread amongst the months during the financial year.

**Table 6: Monthly Receipts by Category, FY 2021/2022**

| COUNTY REVENUE FUND RECEIPTS FY 2021/22 |                  |        |               |
|---|------------------|--------|---------------|
| Month of the Year                       | Equitable Share  | Grants | OSR           |
| Jul-21                                  |                  |        | 18,966,489.90 |
| Aug-21                                  | 1,008,744,479.00 |        | 15,728,097.45 |
| Sep-21                                  | 1,071,791,009.00 |        | 18,559,938.00 |
| Oct-21                                  | 1,071,791,009.00 |        | 14,565,835.00 |
| Nov-21                                  |                  |        | 14,915,004.00 |
| Dec-21                                  | 1,008,744,480.00 |        | 12,382,894.75 |
| Jan-22                                  | 1,071,791,010.00 |        | 17,446,632.70 |

| COUNTY REVENUE FUND RECEIPTS FY 2021/22 |                          |                       |                       |
|---|--------------------------|-----------------------|-----------------------|
| Month of the Year                       | Equitable Share          | Grants                | OSR                   |
| Feb-22                                  | 1,008,744,480.00         |                       | 26,731,695.00         |
| Mar-22                                  |                          |                       | 23,289,472.00         |
| Apr-22                                  | 2,143,582,018.00         |                       | 14,912,248.00         |
| May-22                                  | 1,008,744,480.00         |                       | 13,636,043.00         |
| Jun-22                                  | 2,206,628,549.00         | 252,181,885.00        | 13,215,494.20         |
| <b>Total Per Category</b>               | <b>11,600,561,514.00</b> | <b>252,181,885.00</b> | <b>204,349,844.00</b> |
| <b>Total Receipts</b>                   | <b>12,057,093,243.00</b> |                       |                       |
| <b>Opening Balance</b>                  | <b>2,726,097,130.20</b>  |                       |                       |
| <b>Total Revenue at CRF</b>             | <b>14,783,190,373.20</b> |                       |                       |

Source: Turkana County Treasury

Further analysis on the equitable share showed that in the months of July 2021, November 2021, and March 2022 did not receive any amounts. Transforming Health Systems, National Agricultural and Rural Inclusive Growth Project, Agricultural Sector Development Support Programme, and Emergency Locust Response Project were the conditional grants that were received in June 2022.

#### 2.2.1.4 Quarterly County Revenue Receipts

Analysis of the quarters within the FY 2021/2022 shows that the fourth quarter received the highest exchequer releases of **KES. 5,652,900,717** while the second quarter received the lowest amount at **KES. 2,122,399,323**. The high receipts received in the fourth quarter was a result of the accruals of the months that did not receive the exchequer releases and the conditional grants. The months were July 2021, November 2021, and March 2022. The second quarter received the lowest CRF receipts because the exchequer releases were done for the month of October 2021 and December 2021. Own Source revenue were also low for the months under the second quarter.

**Table 7: Quarterly Receipts, FY 2021/2022**

| <b>COUNTY REVENUE FUND RECIEPTS</b>        |                        |                    |                    |                       |
|--|------------------------|--------------------|--------------------|-----------------------|
| <b>Month of the Year</b>                   | <b>Equitable Share</b> | <b>Grants</b>      | <b>OSR</b>         | <b>Amount</b>         |
| Quarter 1                                  | 2,080,535,488          | -                  | 53,254,525         | 2,133,790,013         |
| Quarter 2                                  | 2,080,535,489          | -                  | 41,863,734         | 2,122,399,223         |
| Quarter 3                                  | 2,080,535,490          | -                  | 67,467,800         | 2,148,003,290         |
| Quarter 4                                  | 5,358,955,047          | 252,181,885        | 41,763,785         | 5,652,900,717         |
| <b>Total Per Category</b>                  | <b>11,600,561,514</b>  | <b>252,181,885</b> | <b>204,349,844</b> | <b>12,057,093,243</b> |
| <b>Total Receipts 12,057,093,243</b>       |                        |                    |                    |                       |
| <b>Opening Balance 2,726,097,130</b>       |                        |                    |                    |                       |
| <b>Total Revenue at CRF 14,783,190,373</b> |                        |                    |                    |                       |

Source: Turkana County Treasury

Conditional grants were only received in the fourth quarter for the year under review, which were Transforming Health Systems, National Agricultural and Rural Inclusive Growth Project, Agricultural Sector Development Support Programme, and Emergency Locust Response Project. All the grants were received in the month of June 2022.

Analysis of Revenue from Local Sources shows that the third quarter received the highest amount of **KES. 67,467,800** while the fourth quarter received the lowest amount of **KES. 41,763,785**. The high collections in the third quarter were the receipts from single business permits, public health licenses, cess, and market fees.

### 2.2.2.0 Own Source Revenue

The total collections from Own Source Revenue amounted to **KES. 204,349,844**. The highest revenue stream was CESS at **KES. 71,547,848** while the lowest stream was charcoal permits at **KES. 32,000**.

**Table 8: Own Source Revenue Collections by Streams, FY 2021/2022**

| REVENUE STREAM                                 | Amount Collected in Kshs. | %             |
|--|---------------------------|---------------|
| CESS   | 71,547,848.00             | 35.0%         |
| TRANSPORT OPERATION FEE                        | 801,450.00                | 0.4%          |
| SLAUGHTER/AUCTION FEE                          | 10,086,300.00             | 4.9%          |
| ADVERTISEMENT                                  | 146,200.00                | 0.1%          |
| PARKING FEE                                    | 2,631,560.00              | 1.3%          |
| LAND SURVEY/APPLICATION/ BUILDING APPROVAL FEE | 10,093,550.00             | 4.9%          |
| HOUSE RENT/KIOSKS/STALLS                       | 1,346,600.00              | 0.7%          |
| ROYALTY  | 18,184,040.00             | 8.9%          |
| CORPORATES                                     | 12,860,621.00             | 6.3%          |
| LIQUOR LICENCES                                | 179,850.00                | 0.1%          |
| HEALTH(Public health & cost sharing)           | 14,885,692.00             | 7.3%          |
| SINGLE BUSINESS PERMIT                         | 37,850,080.00             | 18.5%         |
| MARKET FEE                                     | 17,211,475.00             | 8.4%          |
| WEIGHTS AND MEASURES                           | 188,800.00                | 0.1%          |
| TRADE FAIR                                     | -                         | 0.0%          |
| OTHER FEES AND CHARGES                         | 3,134,846.00              | 1.5%          |
| ENVIRONMENT                                    | -                         | 0.0%          |
| Charcoal CESS/Permits                          | 32,000.00                 | 0.0%          |
| SBP Mass Collection Kakuma Refugee Camp        | 3,168,932.00              | 1.6%          |
| <b>TOTAL</b>                                   | <b>204,349,844.00</b>     | <b>100.0%</b> |

Source: Directorate of Revenue, Turkana County.

Single business permits and Royalties also had good performance collecting **KES. 37,850,080** and **KES. 18,184,040** respectively. Weight and Measures licenses, Liquor licenses and Advertisement fees reported low collections of **KES. 188,800**, **KES. 179,850** and **KES. 146,200** respectively. Trade Fair and Environment streams did not receive any funds.

#### 2.2.2.1 Own Source Revenue Collections by Month

In FY 2021/2022, the total collections from the local revenue sources were **KES. 204,349,844**. Monthly collections analysis show that February 2022 had the highest receipts at **KES. 26,731,695** while December 2022 had the lowest receipts at **KES. 12,382,894**. The

revenue streams that contributed to the high collections were single business permits, public health licenses, cess, and market fees.

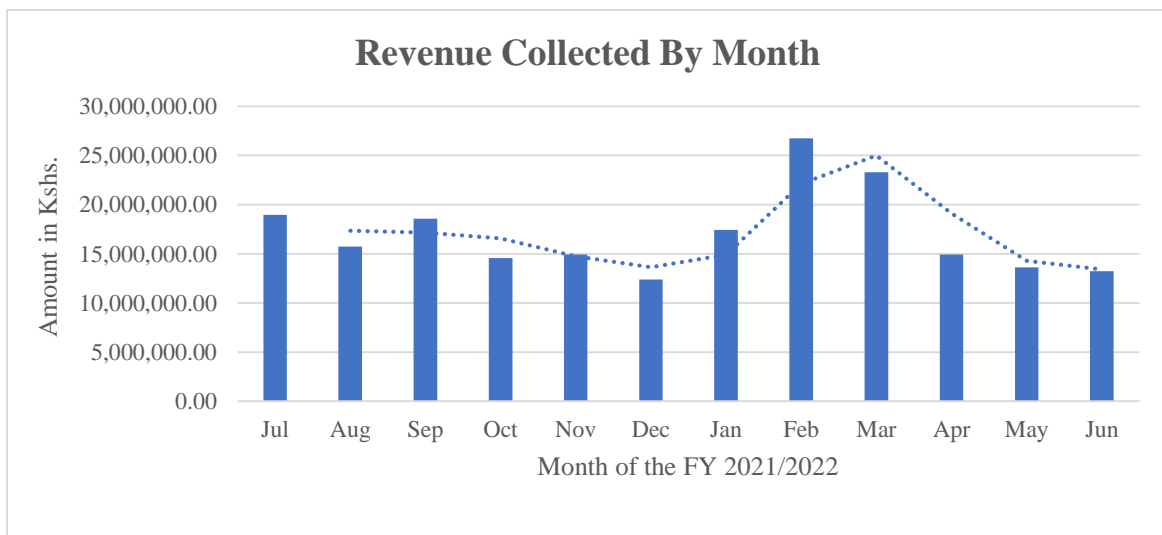
**Table 9: Monthly Own Source Revenue Collections, FY 2021/2022**

| Month                    | Amount Collected in KES. | Cumulative Collections |
|--------------------------|--------------------------|------------------------|
| <b>Jul</b>               | 18,966,489.90            | 18,966,489.90          |
| <b>Aug</b>               | 15,728,097.45            | 34,694,587.35          |
| <b>Sep</b>               | 18,559,938.00            | 53,254,525.35          |
| <b>Oct</b>               | 14,565,835.00            | 67,820,360.35          |
| <b>Nov</b>               | 14,915,004.00            | 82,735,364.35          |
| <b>Dec</b>               | 12,382,894.75            | 95,118,259.10          |
| <b>Jan</b>               | 17,446,632.70            | 112,564,891.80         |
| <b>Feb</b>               | 26,731,695.00            | 139,296,586.80         |
| <b>Mar</b>               | 23,289,472.00            | 162,586,058.80         |
| <b>Apr</b>               | 14,912,248.00            | 177,498,306.80         |
| <b>May</b>               | 13,636,043.00            | 191,134,349.80         |
| <b>Jun</b>               | 13,215,494.20            | 204,349,844.00         |
| <b>Total Collections</b> |                          | <b>204,349,844.00</b>  |

Source: Directorate of Revenue, Turkana County.

The low collections in December 2021 were due to the low public expenditure during the holidays. Low collections were also experienced in the months of May and June 2022 of **KES. 13,636,043** and **KES. 13,215,394** which was the end of the financial year.

**Figure I: Analysis of Own Source Revenue Collections by Month, FY 2021/2022**



Source: Analysis by Directorate of Budget, Turkana County.

The monthly collections were undulating, showing that the first three months of 2022 had the highest collections while there was a decline in the last three months of FY 2021/2022. The first half of FY 2021/2022 show they had almost similar collections.

**2.2.2.2 Own Source Revenue Collections by Quarter**

Analysis of Revenue from Local Sources shows that the third quarter received the highest amount of **KES. 67,467,800** while the fourth quarter received the lowest amount of **KES. 41,763,785**. The high collections in the third quarter were the receipts from single business permits, public health licenses, cess, and market fees.

**Table 10: Quarterly Own Source Revenue Collections, FY 2021/2022**

| Quarter      | Amount             |
|--------------|--------------------|
| 1st Quarter  | 53,254,525         |
| 2nd Quarter  | 41,863,734         |
| 3rd Quarter  | 67,467,800         |
| 4th Quarter  | 41,763,785         |
| <b>TOTAL</b> | <b>204,349,844</b> |

Source: Directorate of Revenue, Turkana County.

**2.2.2.3 Own Source Revenue Collections by Sub-County**

Turkana Central Sub-County had the highest collections of **KES. 111,420,137** while Kibish had the lowest collection of **KES. 87,190**. Turkana South and Turkana West Sub-counties also had a good performance of **KES. 60,577,402** and **KES. 23,154,961** respectively.

**Table 11: Own Source Revenue Collections by Sub-County, FY 2021/2022**

| SUB-COUNTY      | 1ST QUARTER          | 2ND QUARTER          | 3RD QUARTER          | 4TH QUARTER          | TOTAL                 |
|-----------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| TURKANA WEST    | 6,185,310.00         | 3,968,290.00         | 8,033,841.00         | 4,967,520.00         | 23,154,961.00         |
| TURKANA NORTH   | 1,270,060.00         | 1,027,180.00         | 1,467,340.00         | 1,200,026.00         | 4,964,606.00          |
| LOIMA           | 562,650.00           | 1,100,360.00         | 1,092,620.00         | 598,873.00           | 3,354,503.00          |
| TURKANA CENTRAL | 29,862,475.35        | 20,665,213.75        | 40,564,078.70        | 20,328,369.20        | 111,420,137.00        |
| TURKANA EAST    | 132,160.00           | 285,700.00           | 266,860.00           | 106,325.00           | 791,045.00            |
| TURKANA SOUTH   | 15,241,870.00        | 14,799,460.00        | 15,973,400.00        | 14,562,672.00        | 60,577,402.00         |
| KIBISH          | -                    | 17,530.00            | 69,660.00            | -                    | 87,190.00             |
| <b>TOTAL</b>    | <b>53,254,525.35</b> | <b>41,863,733.75</b> | <b>67,467,799.70</b> | <b>41,763,785.20</b> | <b>204,349,844.00</b> |

Source: Directorate of Revenue, Turkana County.

Most of the government services are paid in the county headquarter contributing to the high collections for Turkana Central. High insecurity occurrences hinder the revenue collection in Kibish Sub- County.

**2.2.2.4 Own Source Revenue Collections by Entity.**

The county department of Infrastructure, Transport and Public Works had the highest collection of **KES. 72,349,298** while Tourism, Culture, Energy, Environment and Natural Resources had the lowest collection at **KES. 32,000**.

**Table 12: Own Source Revenue Collections by Entity, FY 2021/2022**

| County Entity   | Amount in Kshs.       |
|---|-----------------------|
| Finance & Economic Planning                                 | 3,134,846.00          |
| Health Services & Sanitation                                | 15,065,542.00         |
| Lands, Housing & UAM  | 45,262,571.00         |
| Agriculture, Pastoral Economy and Fisheries                 | 10,086,300.00         |
| Infrastructure, Transport and Public Works                  | 72,349,298.00         |
| Trade, Gender and Youth Affairs                             | 58,419,287.00         |
| Tourism, Culture, Energy, Environment and Natural Resources | 32,000.00             |
| <b>Total</b>  | <b>204,349,844.00</b> |

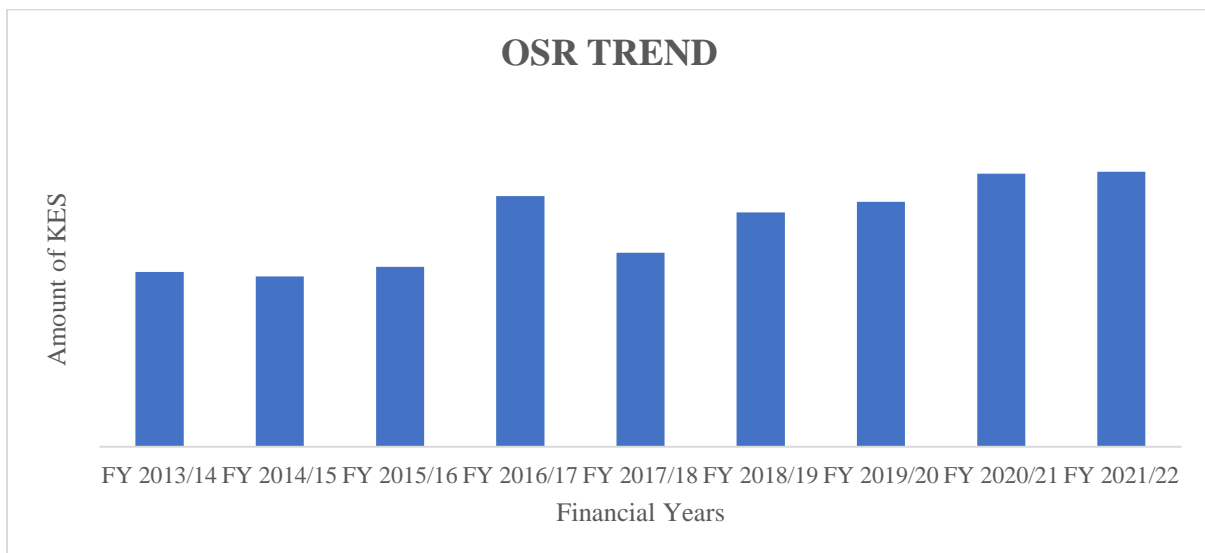
Source: Directorate of Revenue, Turkana County

CESS and transport operation fees are collected under the entity of Infrastructure, Transport and Public Works that contributed to the high collection. Single business Permits and Market Fees contributed to the high collections in Trade, Gender, and Youth Affairs. Charcoal Permits is collected under the county department of Tourism, Culture, Energy, Environment and Natural Resources which had a low collection.

**2.2.2.5 Own Source Revenue Trend over the years.**

In comparison with previous financial years, FY 2021/2022 received the highest amount followed by FY 2020/2021. The two years also had the highest budgetary allocation.

**Figure III: Analysis of Own Source Revenue Collections by Month, FY 2021/2022**



Source: Analysis by Directorate of Budget, Turkana County.



## 2.2.3 EXPENDITURE PERFORMANCE

### 2.2.3.1 Fiscal Responsibilities Principles

In FY 2021/2022, the county allocation to development expenditure was 38.97 per cent which is above the threshold of 30 per cent set with respect to the Constitution of Kenya (2010), the PFM Act 2012 and the PFM Regulation 2015.

The wages and benefits to the county government staff was KES. 4,597,627,319 that was 28.40 per cent of total revenues. This is within the statutory requirement of 35 per cent to be allocated to wages as outlined in the PFM regulations 2015.

KES. 4,384,569,167 was allocated to pay pending bills from the previous years. The county government remained committed in adhering to its obligations.

**Table 13: Revised Budget Estimates, FY 2021/2022**

| VOTE  | RECURRENT EXPENDITURE   | DEVELOPMENT EXPENDITURE | TOTAL EXPENDITURE        |
|---|-------------------------|-------------------------|--------------------------|
| Governance  | 394,751,040.00          | 290,150,549.70          | 684,901,589.70           |
| Office of the Deputy Governor                               | 35,424,423.00           | -                       | 35,424,423.00            |
| County Attorney   | 152,662,484.00          |                         | 152,662,484.00           |
| Finance and Economic Planning                               | 738,377,603.20          | 769,026,947.00          | 1,507,404,550.20         |
| Water Services  | 239,580,960.22          | 673,114,585.31          | 912,695,545.53           |
| Health & Sanitation Services                                | 541,931,657.26          | 788,259,106.30          | 1,330,190,763.56         |
| Trade, Gender and Youth Affairs                             | 130,326,618.90          | 383,260,502.00          | 513,587,120.90           |
| Education, Sports and Social Protection                     | 746,578,111.58          | 678,178,458.36          | 1,424,756,569.94         |
| Public Service, Administration. & Disaster Management       | 5,276,334,557.50        | 63,373,656.00           | 5,339,708,213.50         |
| Infrastructure Transport & Public Works                     | 164,828,967.37          | 426,583,526.03          | 591,412,493.40           |
| Agriculture, Pastoral Economy & Fisheries                   | 97,797,454.40           | 1,387,812,310.72        | 1,485,609,765.12         |
| Tourism, Energy, Culture, Environment and Natural Resources | 134,446,462.03          | 280,333,919.00          | 414,780,381.03           |
| Lands, Physical Planning, Housing & Urban Areas Mgt.        | 234,913,862.32          | 265,736,420.03          | 500,650,282.35           |
| County Assembly   | 821,950,164.00          | 155,000,000.00          | 976,950,164.00           |
| County Public Service Board                                 | 88,134,297.97           | 3,540,000.00            | 91,674,297.97            |
| Lodwar Municipality   | 82,470,233.95           | 143,956,814.05          | 226,427,048.00           |
| <b>TOTAL EXPENDITURE</b>                                    | <b>9,880,508,897.70</b> | <b>6,308,326,794.50</b> | <b>16,188,835,692.20</b> |
| <b>Percentage</b>   | <b>61.03%</b>           | <b>38.97%</b>           |                          |

Source: Analysis by Directorate of Budget, Turkana County.

### 2.2.3.2 County Revenue Fund Account Releases

The total CRF Account releases amounted to **KES. 11,018,675,352** that were transferred to various accounts of the spending entities. The County Executive received a total of **KES.**

**10,040,814,362** while the County Assembly received **KES. 977,860,990.**

**Table 14: County Revenue Fund Account Releases, FY 2021/2022**

| COUNTY REVENUE FUND RELEASES     |                      |                      |                       |                    |                     |                       |
|----------------------------------|----------------------|----------------------|-----------------------|--------------------|---------------------|-----------------------|
| Month of the Year                | COUNTY EXECUTIVE     |                      |                       | COUNTY ASSEMBLY    |                     | Total                 |
|                                  | Recurrent Account    | Development Account  | Fund Accounts         | Recurrent Account  | Development Account |                       |
| Jul-21                           |                      |                      |                       |                    |                     | -                     |
| Aug-21                           | 331,645,008          |                      |                       | 45,628,029         |                     | 377,273,037           |
| Sep-21                           | 768,746,036          | 270,000,000          |                       | 77,932,300         |                     | 1,116,678,336         |
| Oct-21                           | 355,406,493          |                      |                       | 186,929,562        |                     | 542,336,055           |
| Nov-21                           | 929,616,335          | 99,048,712           |                       | 23,262,997         |                     | 1,051,928,044         |
| Dec-21                           | 793,637,825          | 112,815,048          |                       | 129,316,000        | 73,070,191          | 1,108,839,064         |
| Jan-22                           | 664,680,251          | 66,235,643           |                       | 50,820,871         |                     | 781,736,765           |
| Feb-22                           | 298,338,755          |                      |                       |                    |                     | 298,338,755           |
| Mar-22                           | 870,425,998          | 325,155,293          |                       | 104,934,591        | 8,684,649           | 1,309,200,531         |
| Apr-22                           | 80,028,290           |                      |                       |                    |                     | 80,028,290            |
| May-22                           | 939,363,767          | 423,986,667          |                       | 86,842,333         | 39,931,314          | 1,490,124,081         |
| Jun-22                           | 1,419,614,092        | 1,039,888,264        | 252,181,885           | 117,460,879        | 33,047,274          | 2,862,192,394         |
| <b>Total Per Category</b>        | <b>7,451,502,850</b> | <b>2,337,129,627</b> | <b>252,181,885</b>    | <b>823,127,562</b> | <b>154,733,428</b>  | <b>11,018,675,352</b> |
| <b>FY 2020/21 Total Releases</b> |                      |                      | <b>11,018,675,352</b> |                    |                     |                       |

Source: Turkana County Treasury

The County Executive received **KES. 7,451,502,850** for the recurrent expenditure, **KES. 2,337,129,627** for the development expenditure and **KES. 252,181,885** as conditional grants. The County Assembly received **KES. 823,127,562** for recurrent expenditure and **KES. 154,733,428** for development expenditure.

The month of June 2022 had the highest CRF of **KES. 2,862,192,394** releases while April 2022 had the least CRF releases of **KES. 80,028,290**. July 2021 did not have any release because the budget processing was still ongoing.

**2.2.3.3 Expenditure by Category.**

The total expenditure for FY 2021/2022 amounted to **KES.10,766,493,467** against a revised estimate of **KES. 16,188,835,692** which was 67 per cent.

**Table 15: Expenditure by Category, FY 2021/2022**

| EXPENSE CATEGORY | REVISED BUDGET           | TOTAL EXPENDITURE        | ABSORPTION RATE |
|------------------|--------------------------|--------------------------|-----------------|
| RECURRENT        | 9,880,508,897.70         | 8,117,637,873.19         | 82%             |
| DEVELOPMENT      | 6,308,326,794.50         | 2,648,855,594.26         | 42%             |
| <b>TOTAL</b>     | <b>16,188,835,692.20</b> | <b>10,766,493,467.45</b> | <b>67%</b>      |

Source: Turkana County Treasury

Recurrent expenditure had the highest amount of **KES. 8,117,637,873** which was 82 per cent of the revised recurrent expenditure targets. Development expenditure amounted to **KES. 2,648,855,594** which was 42 per cent of the revised development expenditure targets. Underperformance in development expenditure is due to procurement challenges, financial capacities of contractors and slow contract management.

### 2.2.3.4 Expenditure by Entity.

In the period under review, the total county expenditure (including the Turkana County Assembly) amounted to **KES. 10,766,493,467** which was 67 per cent of the revised budget estimates.

**Table 16: Expenditure by Entity, FY 2021/2022**

| Department  | Revised Estimates (1)    | Total Expenditure (2)    | Variance (3)            | Absorption Rate (%) (4) |
|---|--------------------------|--------------------------|-------------------------|-------------------------|
|   |                          | Year-To-Date             | (1-2)                   | (2/1)                   |
| Governance  | 684,901,589.70           | 419,447,920.10           | 265,453,670             | 61%                     |
| Office of the Deputy Governor                               | 35,424,423.00            | 24,532,887.75            | 10,891,535.25           | 69%                     |
| County Attorney   | 152,662,484.00           | 91,832,220.15            | 60,830,263.85           | 60%                     |
| Finance and Economic Planning                               | 1,507,404,550.20         | 862,725,799.70           | 644,678,750.50          | 57%                     |
| Water Services  | 912,695,545.53           | 416,007,629.15           | 496,687,916.38          | 46%                     |
| Health & Sanitation Services                                | 1,330,190,763.56         | 732,148,250.65           | 598,042,512.91          | 55%                     |
| Trade, Gender and Youth Affairs                             | 513,587,120.90           | 342,982,079.10           | 170,605,041.80          | 67%                     |
| Education, Sports and Social Protection                     | 1,424,756,569.94         | 814,132,936.30           | 610,623,633.64          | 57%                     |
| Public Service, Administration. & Disaster Management       | 5,339,708,213.50         | 4,702,566,473.49         | 637,141,740.01          | 88%                     |
| Infrastructure Transport & Public Works                     | 591,412,493.40           | 364,848,376.25           | 226,564,117.15          | 62%                     |
| Agriculture, Pastoral Economy & Fisheries                   | 1,485,609,765.12         | 620,812,780.56           | 864,796,984.56          | 42%                     |
| Tourism, Energy, Culture, Environment and Natural Resources | 414,780,381.03           | 144,585,681.45           | 270,194,699.58          | 35%                     |
| Lands, Physical Planning Housing & Urban Areas Mgt.         | 500,650,282.35           | 171,915,740.80           | 328,734,541.55          | 34%                     |
| County Assembly   | 976,950,164.00           | 977,860,990.25           | (910,826.25)            | 100%                    |
| County Public Service Board                                 | 91,674,297.97            | 42,159,592               | 49,514,706.12           | 46%                     |
| Lodwar Municipality   | 226,427,048.00           | 37,934,110               | 188,492,938.10          |                         |
| <b>TOTAL</b>  | <b>16,188,835,692.20</b> | <b>10,766,493,467.45</b> | <b>5,422,342,224.75</b> | <b>67%</b>              |

Source: Analysis by Directorate of Budget, Turkana County.

Public Service, Administration and Disaster Management had the highest expenditure of **KES. 4,702,566,473** (including personnel emoluments and staff benefits and purchases of humanitarian relief food). Office of the Deputy Governor had the least expenditure of **KES. 24,532,887** owing to the low budgetary allocation.

With respect to the absorption rate of the departments, the County Assembly spent **100 per cent** of the budgetary allocation. Lodwar Municipality had the least expenditure of **17 per cent**.

### 2.2.3.5 Recurrent Expenditure.

The County recorded recurrent expenditure of **KES. 8,117,637,873** which represents **82 per cent** performance. County Department of Public Service and Disaster Management recorded the highest expenditure of **KES. 4,694,321,043**. The entity with the lowest expenditure was the Office of the Deputy Governor of **KES. 24,532,888**.

In addition, comparison to the budgeted estimates of each department shows that Turkana County Assembly had a recurrent expenditure of **100 per cent**. Agriculture, Pastoral Economy and Fisheries and Public Service, Administration and Disaster Management recorded **97 per cent** and **89 per cent** expenditure respectively. The lowest absorption rate was recorded in Water Services with **34 per cent**.

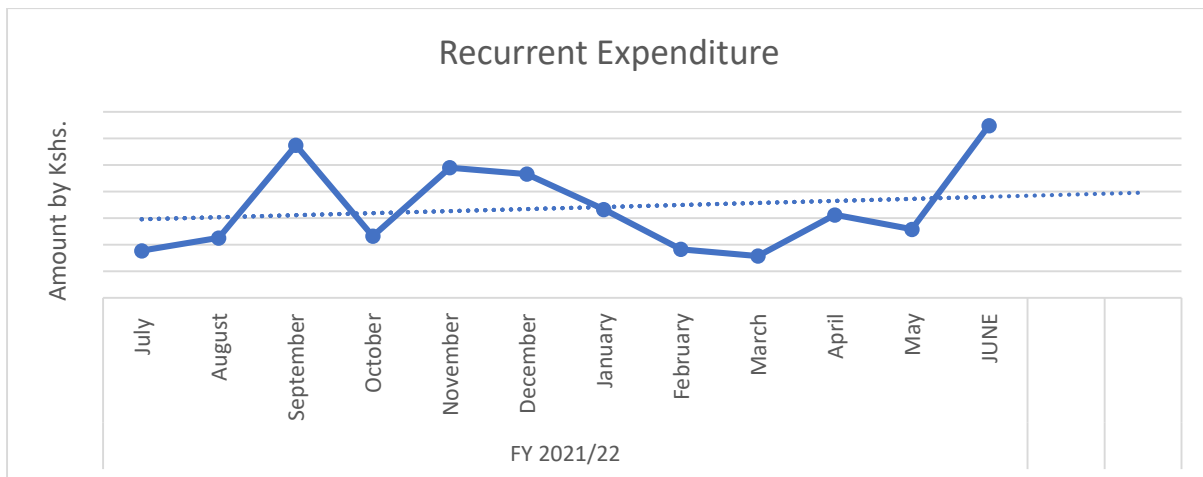
**Table 17: Recurrent Expenditure by Entity, FY 2021/2022**

| Department  | Revised Budget       | Current Expenditure  | Absorption Rate |
|---|----------------------|----------------------|-----------------|
| Office of the Governor  | 394,751,040          | 321,456,878          | 81%             |
| Office of the Deputy Governor                                       | 35,424,423           | 24,532,888           | 69%             |
| County Attorney   | 152,662,484          | 91,832,220           | 60%             |
| Finance and Economic Planning                                       | 738,377,603          | 650,030,330          | 88%             |
| Water Services  | 239,580,960          | 81,567,452           | 34%             |
| Health & Sanitation Services  | 541,931,657          | 257,822,545          | 48%             |
| Trade, Gender and Youth Affairs                                     | 130,326,619          | 61,277,539           | 47%             |
| Education, Sports and Social Protection                             | 746,578,112          | 618,245,208          | 83%             |
| Public Services, Decentralized Administration & Disaster Management | 5,276,334,557        | 4,694,321,043        | 89%             |
| Infrastructure Transport & Public Works                             | 164,828,967          | 138,765,080          | 84%             |
| Agriculture, Pastoral Economy & Fisheries                           | 97,797,454           | 94,841,690           | 97%             |
| Tourism, Energy, Culture, Environment and Natural Resources         | 134,446,462          | 83,903,158           | 62%             |
| Lands, Physical Planning, Housing & Urban Areas Mgt.                | 234,913,862          | 102,418,109          | 44%             |
| County Public Service Board   | 88,134,298           | 42,159,592           | 48%             |
| County Assembly   | 821,950,164.00       | 823,127,562          | 100%            |
| Lodwar Municipality   | 82,470,234           | 31,336,578           | 38%             |
| <b>Total Expenditure</b>  | <b>9,880,508,898</b> | <b>8,117,637,873</b> | <b>82%</b>      |

*Source: Analysis by Directorate of Budget, Turkana County.*

June 2022 had the highest expenditure, which can be attributed to high CRF releases. July 2021 recorded lowest expenditure which can be linked to lack of receipts and releases at CRF.

**Figure IV** below shows monthly expenditure for FY 2021/22.

**Figure IV: Recurrent Expenditure by Month, FY 2021/2022**

Source: Analysis by Directorate of Budget, Turkana County

### 2.2.3.6 Compensation to Employees

The compensation to employees amounted to **KES. 4,785,363,642.86**, which translates to **29.55 per cent** of the total county revenue as shown in **Table 18** below.

**Table 18: Compensation to Employees by Month**

| Month        | Amount                  |
|--------------|-------------------------|
| Jul          | 354,277,966.34          |
| Aug          | 382,295,059.15          |
| Sep          | 432,937,940.24          |
| Oct          | 409,924,399.30          |
| Nov          | 395,057,939.23          |
| Dec          | 445,896,015.69          |
| Jan          | 322,148,676.98          |
| Feb          | 399,540,660.85          |
| Mar          | 468,203,211.49          |
| Apr          | 338,334,611.15          |
| May          | 382,306,841.84          |
| Jun          | 454,440,320.60          |
| <b>Total</b> | <b>4,785,363,642.86</b> |

Source: Directorate of Human Resource

### 2.2.3.7 Development Expenditure

In the period under review, development expenditure amounted to **KES. 2,842,943,515** translating to **42 per cent** performance. The department of Health Services and Sanitation had the highest expenditure of **KES. 474,325,706** followed by Trade, Gender and Youth Affairs with **KES. 281,704,540**. Lodwar Municipality recorded the lowest development expenditure of **KES. 6,597,532**. The Office of the Deputy Governor, Office of the County

Attorney, and County Public Service Board recorded no development expenditure. The Office of the Deputy Governor and Office of the County Attorney had no development budget allocated to it.

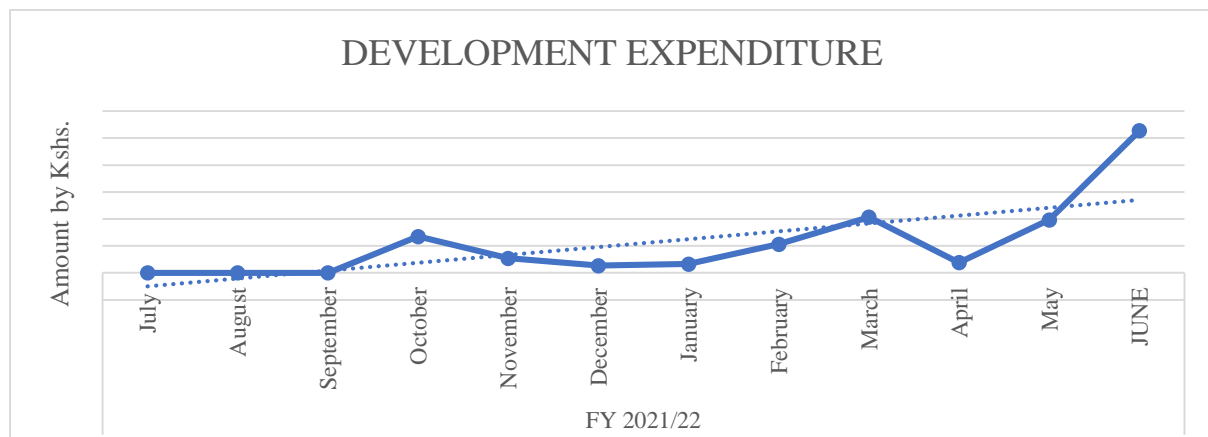
**Table 19: Development Expenditure by Entity, FY 2021/2022**

| Department  | Revised Budget       | Total Expenditure    | Absorption Rate |
|---|----------------------|----------------------|-----------------|
| Governance (Office of the Gvn and Liaison)                          | 290,150,550          | 97,991,042           | 34%             |
| Office of the Deputy Governor                                       | -                    | -                    | -               |
| County Attorney   | -                    | -                    | -               |
| Finance and Planning  | 769,026,947          | 212,695,469          | 28%             |
| Water Services  | 673,114,585          | 334,440,177          | 50%             |
| Health & Sanitation Services  | 788,259,106          | 474,325,706          | 60%             |
| Trade, Gender and Youth Affairs                                     | 383,260,502          | 281,704,540          | 74%             |
| Education, Sports and Social Protection                             | 678,178,458          | 195,887,729          | 29%             |
| Public Services, Decentralized Administration & Disaster Management | 63,373,656           | 8,245,430            | 13%             |
| Infrastructure Transport & Public Works                             | 426,583,526          | 226,083,296          | 53%             |
| Agriculture, Pastoral Economy & Fisheries                           | 1,387,812,311        | 525,971,091          | 38%             |
| Tourism, Energy, Culture, Environment and Natural Resources         | 280,333,919          | 60,682,523           | 22%             |
| Lands, Physical Planning, Housing & Urban Areas Mgt.                | 265,736,420          | 69,497,631           | 26%             |
| County Public Service Board   | 155,000,000          | -                    | 0%              |
| County Assembly   | 3,540,000            | 154,733,428          | 107%            |
| Lodwar Municipality   | 143,956,814          | 6,597,532            | 0%              |
| <b>TOTAL EXPENDITURE</b>  | <b>6,308,326,795</b> | <b>2,648,855,594</b> | <b>42%</b>      |

Source: Analysis by Directorate of Budget, Turkana County

The month of June 2022 had the highest development expenditure, which can be attributed to high CRF releases. The months of July to September 2021 did not record any development expenditure as shown in **Figure V** below. This can be attributed to lack of exchequer issues and CRF releases.

**Figure V: Development Expenditure by Month, FY 2021/2022**



Source: Analysis by Directorate of Budget, Turkana County

### 2.2.3.8 Monthly Total Expenditure

The month of June 2022 recorded the highest expenditure of **KES. 2,353,002,462.25** which correlates with high CRF receipts. July 2021 and August 2021 had the lowest expenditure.

**Table 20: Total Expenditure by Entity, FY 2021/2022**

| MONTH            | TOTAL MONTHLY RECEIPTS   | TOTAL MONTHLY EXPENDITURE |
|------------------|--------------------------|---------------------------|
| July             | 18,966,489.90            | 354,277,966.34            |
| August           | 1,024,472,576.45         | 451,284,610.15            |
| September        | 1,090,350,947.00         | 1,149,962,129.95          |
| October          | 1,086,356,844.00         | 734,549,845.75            |
| November         | 14,915,004.00            | 1,089,523,140.60          |
| December         | 1,021,127,374.75         | 986,954,959.65            |
| January          | 1,089,237,642.70         | 731,016,888.40            |
| February         | 1,035,476,175.00         | 577,922,019.25            |
| March            | 23,289,472.00            | 727,341,435.55            |
| April            | 2,158,494,266.00         | 701,603,673.21            |
| May              | 1,022,380,523.00         | 909,054,336.35            |
| June             | 2,472,025,928.20         | 2,353,002,462.25          |
| <b>Total Exp</b> | <b>12,057,093,243.00</b> | <b>10,766,493,467.45</b>  |

Source: Analysis by Directorate of Budget, Turkana County

### 2.2.3.9 Quarterly Expenditure

The fourth quarter recorded the highest expenditure of **KES. 3,963,660,472** compared to the other quarters. It also had the highest exchequer issues and CRF releases. First quarter had a low absorption due to delayed exchequer releases.

**Table 21: Quarterly Expenditure by Entity, FY 2021/2022**

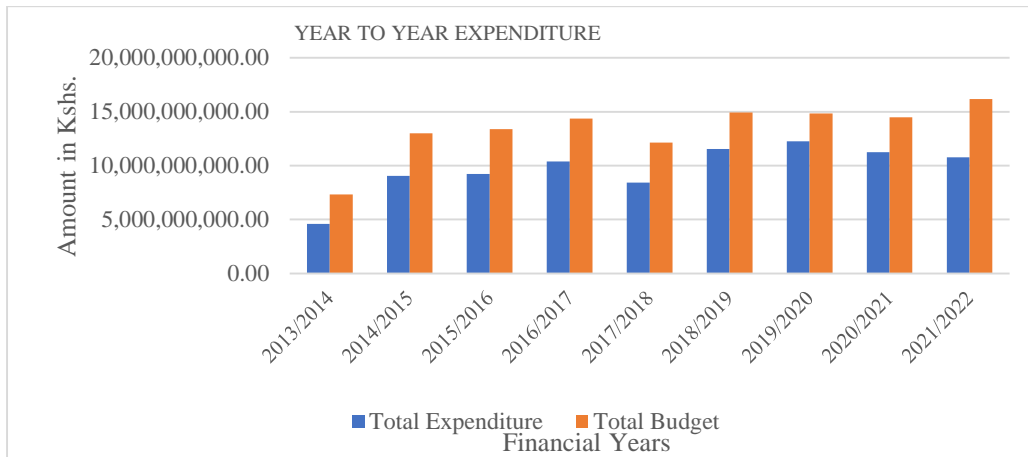
| Department  | Revised Estimates     | Quarter One          | Quarter Two          | Quarter Three        | Quarter Four         | Total Expenditure     |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Governance  | 684,901,590           | -                    | 114,885,082          | 95,524,096           | 209,038,742          | <b>419,447,920</b>    |
| Office of the Deputy Governor                         | 35,424,423            | -                    | 10,070,716           | 2,389,690            | 12,072,482           | <b>24,532,888</b>     |
| County Attorney                                       | 152,662,484           | -                    | 40,165,187           | 19,369,118           | 32,297,916           | <b>91,832,220</b>     |
| Finance and Economic Planning                         | 1,507,404,550         | -                    | 278,654,909          | 184,202,400          | 399,868,490          | <b>862,725,800</b>    |
| Water Services, Environment and Mineral Resources     | 912,695,546           | -                    | 19,327,667           | 188,781,223          | 207,898,740          | <b>416,007,629</b>    |
| Health & Sanitation Services                          | 1,330,190,764         | -                    | 91,053,536           | 237,583,131          | 403,511,584          | <b>732,148,251</b>    |
| Trade, Gender and Youth Affairs                       | 513,587,121           | -                    | 289,237,523          | 24,220,415           | 29,524,141           | <b>342,982,079</b>    |
| Education, Sports and Social Protection               | 1,424,756,570         | 374,000,000          | 54,108,237           | 71,474,311           | 314,550,388          | <b>814,132,936</b>    |
| Public Service, Administration, & Disaster Management | 5,339,708,213         | 1,459,620,971        | 1,386,572,790        | 659,863,368          | 1,196,509,345        | <b>4,702,566,473</b>  |
| Infrastructure Transport & Public Works               | 591,412,493           | -                    | 13,236,681           | 93,202,366           | 258,409,330          | <b>364,848,376</b>    |
| Agriculture, Pastoral Economy & Fisheries             | 1,485,609,765         | -                    | 77,195,497           | 185,482,256          | 358,135,027          | <b>620,812,781</b>    |
| Tourism, Culture and Natural Resources                | 414,780,381           | -                    | 17,463,332           | 18,845,702           | 108,276,647          | <b>144,585,681</b>    |
| Lands, Energy, Housing & Urban Areas Mgt.             | 500,650,282           | -                    | 19,232,038           | 44,043,753           | 108,639,950          | <b>171,915,741</b>    |
| County Assembly                                       | 976,950,164           | 121,903,736          | 391,293,009          | 200,499,140          | 264,165,105          | <b>977,860,990</b>    |
| County Public Service Board                           | 91,674,298            | -                    | 7,059,151            | 10,799,375           | 24,301,066           | <b>42,159,592</b>     |
| Lodwar Municipality                                   | 226,427,048           | -                    | 1,472,590            | -                    | 36,461,520           | <b>37,934,110</b>     |
| <b>TOTAL</b>  | <b>16,188,835,692</b> | <b>1,955,524,706</b> | <b>2,811,027,946</b> | <b>2,036,280,343</b> | <b>3,963,660,472</b> | <b>10,766,493,467</b> |



**2.2.3.10 Yearly Expenditure**

FY 2021/2022 recorded the highest ever expenditure as compared to the other years as shown in **Figure VI** below. Staff capacity and integration of IFMIS to the county departments has improved the absorption rates of the county. FY 2013/2014 had the least expenditure due to low total county revenue.

**Figure VI: Yearly Expenditure, 2013 - 2022**



Source: Analysis by Directorate of Budget, Turkana County

### **3.0 RECENT ECONOMIC DEVELOPMENT AND OUTLOOK.**

#### **3.1 Economic Performance FY 2021/22 (Q1-Q4)**

Global output growth is estimated to have contracted by 0.8 percent in the fourth quarter of 2021 compared to a growth of 2.5 percent in 2019 according to the April 2022 IMF World Economic Outlook (WEO). It is projected to grow by 4.5 percent in the fourth quarter of 2022 and moderate to 4.0 percent in the fourth quarter of 2022. On an annual basis global output projected to rebound strongly to 6 percent in 2022, before slowing to 4.4 percent in 2022. The projections for 2022 and 2022 are 0.8 and 0.2 percentage points higher, respectively, than in the October 2021 WEO, reflecting additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of the year. However, the global output growth path is expected to moderate to 3.3 percent in the medium term, reflecting projected damage to supply potential and pre-pandemic forces such as prolonged weakness in labour markets in advanced economies and some emerging market economies

The overall performance of the economy by sector for the first quarter of 2022 point to continued recovery from the adverse impact of the COVID-19 pandemic, as normalization of the domestic and global economy continues. However, the Services sector continues to bear the brunt of the pandemic, as COVID-19 containment measures disrupted travel and hospitality services during the year under review.

Economic growth in the first three quarters of 2021 contracted by an average of 0.4 percent compared to an average growth of 5.3 percent over the same period in 2019. The overall performance of the economy during the first three quarters of 2021 was cushioned from a deeper slump by improved growths in Mining and Quarrying activities (12.6 percent); Construction (8.6 percent); Health Services (7.3 percent) and Agriculture, Forestry and Fishing activities (6.4 percent). Other sectors of the economy that supported growth in the first three quarters of 2021 despite their slowed positive growth rates compared to the same period in 2019 are Information and Communication (7.5 percent); Financial and Insurance activities (5.3 percent); Real Estate Activities (4.0 percent) and Electricity and water supply (3.3 percent).

The contraction of the economy in the first three quarters of 2021 was mainly because of significant contractions in the services sectors 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). However, the performance in quarter three (3) of 2021, albeit constrained was relatively better compared to quarter two (2) of the same year due to partial easing of COVID-19 containment measures.

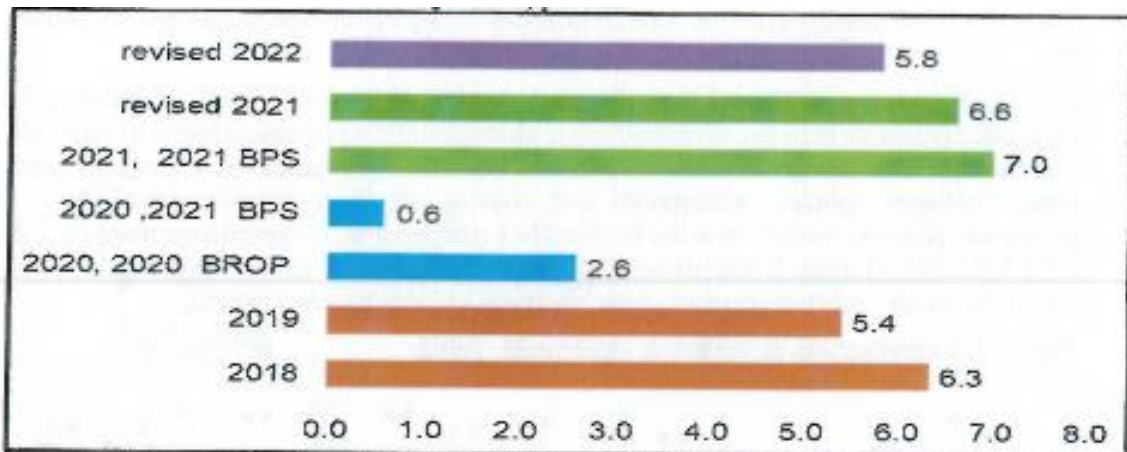
**Table 21: Sectoral GDP Performance**

| Sectors                            | Sector Growth (%) |      |      |       |      |      |     |       |       |        |        |        |
|------------------------------------|-------------------|------|------|-------|------|------|-----|-------|-------|--------|--------|--------|
|                                    | 2018              |      |      |       | 2019 |      |     |       | 2020  |        |        |        |
|                                    | Q1                | Q2   | Q3   | Q1-Q3 | Q1   | Q2   | Q3  | Q1-Q3 | Q1    | Q2     | Q3     | Q1-Q3  |
| <b>Primary Industry</b>            | 6.7               | 5.9  | 6.5  | 6.4   | 3.9  | 2.2  | 4.9 | 3.6   | 5.9   | 7.4    | 6.9    | 6.7    |
| Agriculture, Forestry and Fishing  | 6.9               | 6.0  | 6.7  | 6.5   | 4.0  | 2.0  | 5.0 | 3.6   | 5.8   | 7.3    | 6.3    | 6.4    |
| Mining and Quarrying               | 3.1               | 3.5  | 3.2  | 3.2   | 1.4  | 5.0  | 3.4 | 3.2   | 9.5   | 10.0   | 18.2   | 12.6   |
| <b>Secondary Sector (Industry)</b> | 5.1               | 5.4  | 6.1  | 5.5   | 4.2  | 5.5  | 5.1 | 5.0   | 4.1   | (1.0)  | 4.2    | 2.4    |
| Manufacturing                      | 4.1               | 4.6  | 4.8  | 4.5   | 2.3  | 4.1  | 3.9 | 3.5   | 2.9   | (3.9)  | (3.2)  | (1.4)  |
| Electricity and Water supply       | 6.1               | 8.3  | 8.1  | 7.5   | 7.8  | 7.3  | 6.4 | 7.2   | 6.3   | (0.6)  | 4.7    | 3.3    |
| Construction                       | 6.7               | 5.6  | 7.3  | 6.5   | 6.1  | 7.2  | 6.6 | 6.6   | 5.3   | 3.9    | 16.2   | 8.6    |
| <b>Tertiary sector (Services)</b>  | 6.2               | 6.0  | 6.6  | 6.2   | 6.3  | 6.8  | 6.7 | 6.6   | 5.5   | (11.0) | (4.7)  | (3.5)  |
| Wholesale and Retail trade         | 5.6               | 6.5  | 7.3  | 6.5   | 6.3  | 7.8  | 6.1 | 6.7   | 6.4   | (7.0)  | (2.5)  | (1.3)  |
| Accommodation and Restaurant       | 13.3              | 15.1 | 15.5 | 14.5  | 11.0 | 12.1 | 9.9 | 10.9  | (9.3) | (83.2) | (57.9) | (45.1) |
| Transport and Storage              | 6.5               | 6.6  | 8.5  | 7.2   | 6.4  | 7.6  | 7.6 | 7.2   | 6.1   | (11.4) | 2.9    | (0.9)  |
| Information and Communication      | 13.2              | 11.7 | 9.8  | 11.7  | 10.0 | 7.5  | 8.0 | 8.6   | 9.8   | 4.6    | 7.3    | 7.5    |
| Financial and Insurance            | 4.0               | 3.5  | 5.1  | 4.2   | 6.3  | 5.2  | 8.1 | 6.5   | 6.2   | 4.2    | 5.3    | 5.3    |
| Public Administration              | 5.5               | 6.1  | 7.1  | 6.3   | 8.9  | 8.7  | 8.4 | 8.7   | 6.7   | 5.7    | 9.6    | 7.3    |
| Others                             | 5.1               | 5.0  | 4.9  | 5.0   | 4.8  | 5.8  | 5.6 | 5.4   | 4.7   | (19.2) | (13.0) | (9.3)  |
| of which Real Estate               | 5.2               | 4.5  | 3.8  | 4.5   | 4.7  | 6.0  | 5.5 | 5.4   | 4.4   | 2.3    | 5.3    | 4.0    |
| Education                          | 5.3               | 5.2  | 5.5  | 5.4   | 4.3  | 6.0  | 6.0 | 5.4   | 5.3   | (56.2) | (41.9) | (31.2) |
| Health                             | 4.1               | 3.4  | 5.3  | 4.3   | 5.4  | 6.2  | 5.5 | 5.7   | 5.8   | 10.3   | 5.6    | 7.3    |
| Taxes less subsidies               | 6.1               | 6.0  | 6.2  | 6.1   | 4.7  | 4.0  | 4.2 | 4.3   | 3.4   | (14.2) | (4.2)  | (5.2)  |
| <b>Real GDP</b>                    | 6.3               | 6.1  | 6.5  | 6.3   | 5.2  | 5.1  | 5.8 | 5.3   | 5.2   | (5.5)  | (1.1)  | (0.4)  |
| of which Non-Agriculture           | 6.2               | 6.1  | 6.5  | 6.3   | 5.7  | 6.4  | 6.3 | 6.1   | 5.2   | (8.4)  | (2.5)  | (2.0)  |

Source of Data: Kenya National Bureau of Statistics

Economic indicators by sector for the fourth quarter of 2021 point to strong recovery from the adverse impact of the COVID-19 pandemic. Agriculture sector is expected to have performed well following favorable weather conditions which prevailed during the fourth quarter of 2021, resulting in improved production of key crops. Industrial activity is expected to have recovered strongly as reflected in the economic indicators in the construction (Cement consumption), Manufacturing and Electricity and Water supply (Electricity generation). However, performance of some service sectors (Accommodation and restaurant, Transport and Storage) are likely to remain subdued due to COVID -19 containment measures which prevailed due to the year under review

Similarly, to the global economy, Kenya's economy is projected to rebound in 2022 to 6.6 percent from an earlier projection of 7.0 percent in 2022 BPS. The downward revision was due to the impact of containment measures between March and July period as a result of the third wave of COVID -19 pandemic.

**Figure 7: Economic Growth over the years**

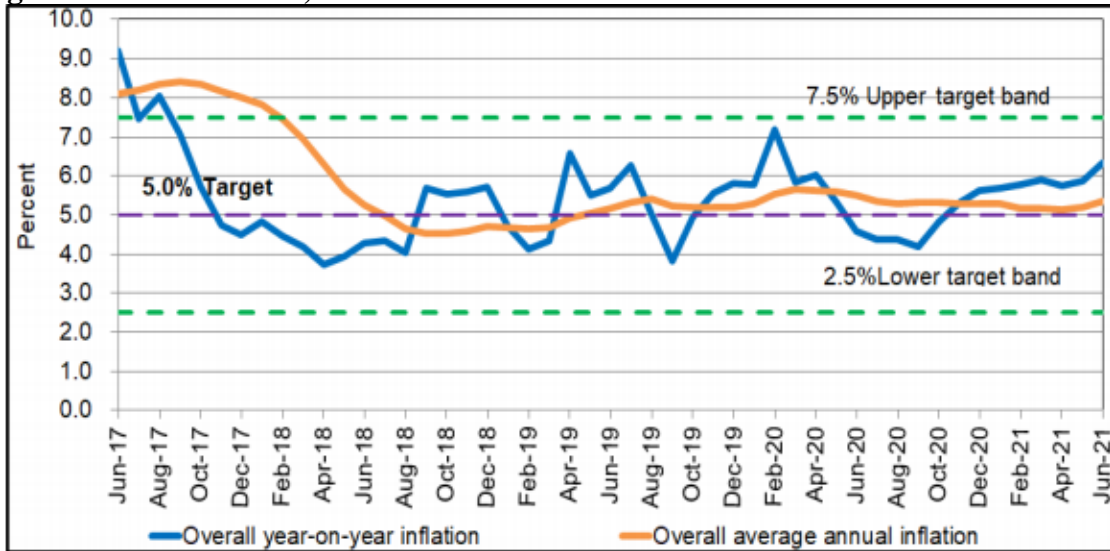
*Source : The National Treasury*

The recovery in 2022 reflects the lower base of 2021 when most service sectors were adversely affected by the closure of the economy thereby recording negative growth. The outlook in 2022 will be reinforced by prevailing stable macroeconomic environment and ongoing implementation of the strategic priorities of the Government under the “BIG Four” Agenda Economic Recovery strategy and other priority programmes as outlined in the T Medium Term Plan of Vision 2030

### **3.2 Inflation**

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 2022 but remained within the target range. It increased to 6.3 percent from 4.6 percent in June 2021, 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 2022 compared to the 5.5 percent recorded in June 2021

**Figure 8: Inflation Rate, Percent.**



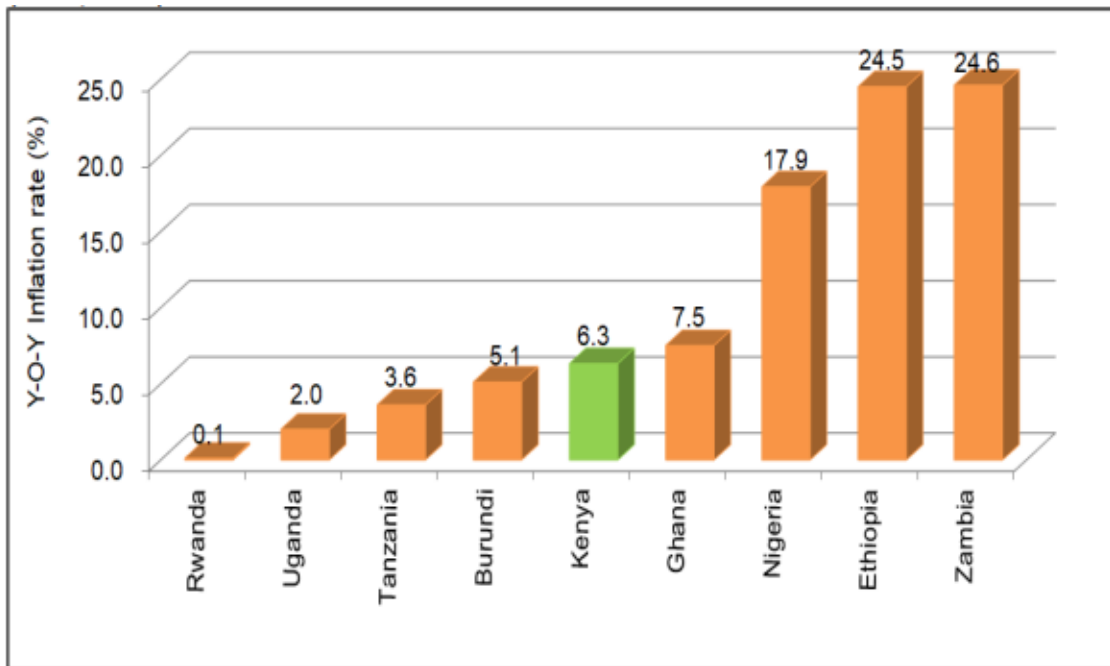
Source of Data: Kenya National Bureau of Statistics

The contribution of core inflation to overall inflation has been low and stable, consistent with the muted demand pressures in the economy on account of prudent monetary policies. It rose marginally to 0.9 percentage points in June 2022 from 0.6 percentage points in June 2021, reflective of a pick-up in economic activity.

Food inflation remained the main driver of overall inflation in June 2022, contributing 3.3 percentage points, an increase, compared to a contribution of 2.9 percentage points in June 2021. The increase is on account of a rise in prices of key food items particularly melons, spinach, sukumawiki and irish potatoes. Fuel inflation contributed 2.0 percentage points to overall inflation in June 2022 compared to 0.9 percentage points in June 2021 following a pickup in international oil prices. Fuel inflation in June 2022 was driven by increased fares attributed to a rise in petrol prices and higher electricity costs.

Kenya’s year-on year inflation rate compares favourably with the rest of Sub-Saharan Africa countries. In June 2022, Kenya recorded a lower inflation rate than Ghana, Nigeria, Zambia, and Ethiopia

**Figure 9: Year on Year Inflation Rates of selected Sub-Saharan African Countries (June, 2022)**

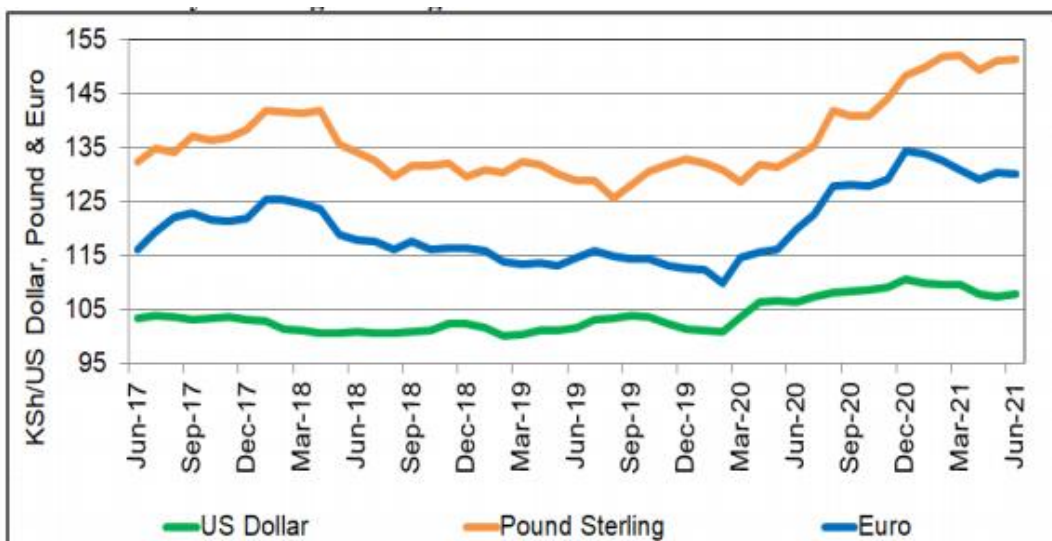


Source of Data: National Central Banks

### 3.3 Exchange Rates

The foreign exchange market has largely remained stable but partly affected by tight global financial conditions attributed to uncertainty with regard to the COVID-19 pandemic. In this regard, the Kenya Shilling to the US Dollar exchanged at Ksh 107.8 in June 2022 compared to Ksh 106.4 in June 2021

**Figure 10: Kenya Shilling Exchange Rate**



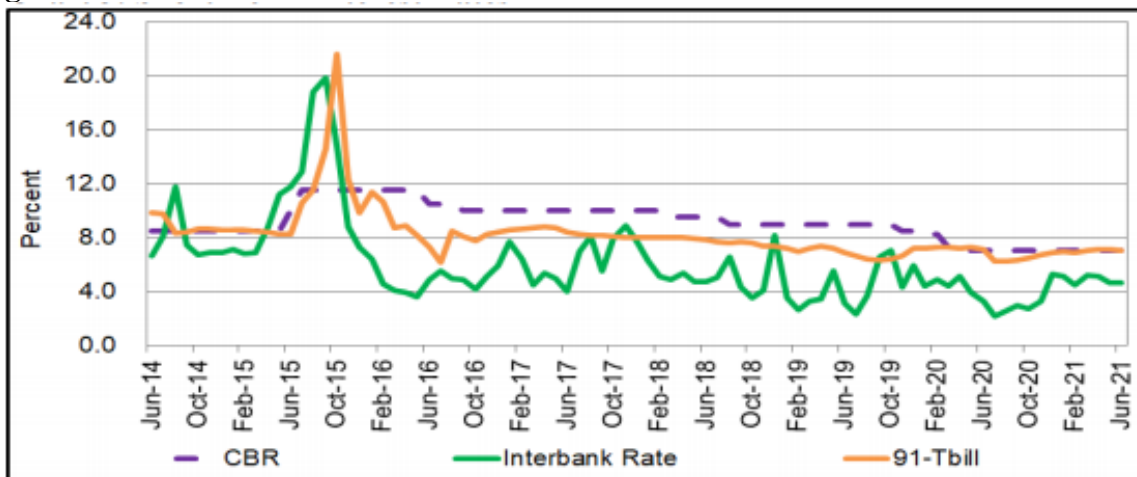
Source of Data: Central Bank of Kenya

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.

### 3.4 Short Term Interest Rates

Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.0 percent to signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprises distressed by COVID-19 pandemic. The money market was relatively liquid in June 2022 supported by government payments. As such, the interbank rate remained low but increased slightly to 4.6 percent in June 2022 from 3.3 percent in June 2021

**Figure 11: Short term Interest rates**



Source of Data: Central Bank of Kenya

Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.0 percent to signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprises distressed by COVID-19 pandemic. The money market was relatively liquid in June 2022 supported by government payments. As such, the interbank rate remained low but increased slightly to 4.6 percent in June 2022 from 3.3 percent in June 2021

Interest rates on the Treasury bills remained relatively stable. In June 2022 the 91- day Treasury Bills rate was at 7.0 percent compared to 7.0 percent in June 2021. Over the same period, the 182-day Treasury Bills rate declined to 7.6 percent from 7.9 percent while the 364-day decreased to 8.4 percent from 8.9 percent.



The improved liquidity in the money market has resulted in stable commercial bank rates. The average lending rate remained stable at 12.0 percent in June 2022 compared to 11.9 percent in June 2021 while the average deposit rates declined to 6.4 percent from 6.9 percent over the same period

### **3.5 Turkana County Economy**

Turkana County Economy Operates within the confines of Global and National Economic Framework and as such changes in the global and National economic environment affects the county's economic decisions and operations either directly or indirectly. It is expected that in the next fiscal year the outlook will be as follows; The implementation of the Socio-Economic Reengineering and Recovery Strategy (SERRS) alongside Annual Development Plan 2022/2023 developed by the County Government in the spirit of Building Back Better will see an improvement of revenue generated from the sectors that were adversely affected by the Covid 19 pandemic.

Majority of MSMEs in Turkana County operate in the wholesale and retail trade, repair of motor vehicles and motorcycles (70 per cent); accommodation and food services (9.8 per cent); manufacturing (5.1 per cent); financial and insurance activities (4.8 per cent); and construction (4 per cent); among others According to KNBS 2021. Non-farm businesses reported, 46.3% and 17.9% losses while the effects on farm businesses were high at 71.5% income losses. Restrictions affected seamless movement of food commodities in and out of the county.

The nearly completed Upgrade of Road network from Kitale to Lokichoggio (Nadapal) has opened trade in major urban centers along the A1 Road highway Kainuk, Lokichar, Lodwar, Kakuma and Lokichoggio.



## 4.0 RESOURCE ALLOCATION FRAMEWORK

### 4.1 Implementation of FY 2022/2023 Budget

FY 2022/2023 Budget implementation has commenced with prospects of economic recovery although the economic outlook has become more uncertain reflecting the impact of the ongoing Russia-Ukraine conflict, effects of COVID-19 containment measures, elevated inflationary pressures, volatile financial markets, persistent supply chain disruptions and drought.

Some businesses closed while others downsized leading to loss of jobs and significant decrease in revenue. Nevertheless, the Kenyan economy demonstrated remarkable resilience and recovery to the COVID-19 shock due to its diversified nature and the proactive measures by the Government to cushion the vulnerable, support businesses and accelerate economic recovery. The economies are slowly picking up depending on the policies employed as global growth was projected to be at **3.4 per cent** in 2022.

Supplementary budget estimate proposals have already been done and submitted to the Turkana County Assembly. The projected total revenue estimate for FY 2022/2023 is at **KES. 18,409,129,261.19**; comprising **KES 12,609,305,994** as the equitable share; **KES. 198,000,000** as revenue expected from the own revenue sources; **KES 570,438,213.88** as expected releases from the Conditional Grants Commitments and ; carry forward from unspent funds from the FY 2021/22 **KES 5,031,385,053.31**. The recurrent and development expenditure proposals have been spread as **KES 12,759,654,961.89** and **KES 5,649,474,300** respectively. Personnel emoluments for the year is budgeted to be **KES. 4,706,406,078** ( including salaries for the Assembly ) which is **25.59 per cent** of the total revenue which is below the maximum legal limit for wages and salaries.

#### **4.2 FY 2022/2023 Budget Framework**

FY 2022/2023 budget framework escalates the county government's efforts to sustain the economic recovery in the post COVID -19 pandemic. Priority will be given to programmes and projects that stimulate inclusive growth and economic recovery.

Additionally, post-election activities will affect the calendar of the FY 2022/2023 due to the transition into the new regime that include change of office bearers. The Fourth Medium Term Plan of Vision 2030 and Turkana County Integrated Development Plan III will be drafted which FY 2023/2024 will be their first year of implementation.

The official revenue basket for FY 2023/2024 has not been released. However, it is projected that the Equitable Share will be **KES. 12,820,070,242**; this will finance recurrent expenditure of **KES. 8,273,922,466** and development expenditure of **KES. 4,546,147,776**. Personnel expenditure is expected to rise to 34.5 per cent of the total county revenue due to promotions and annual increment of wages and salaries. Ongoing projects will be given priority in the development vote while there will be a consideration of the pending bills.

#### **4.3 Medium Term Plan Fiscal Projections and Expenditure Framework**

The economic strategies that will support economic recovery and achieve transformative development agenda will be prioritized. Aggressive resource mobilization will be coordinated by the resource mobilization department to ensure that the county government has enough funds for provision of basic services.

The realization of the welfare improvement, provision of core services and elimination of duplication will have an impact on budget ceilings. The criteria that will be used in allocation of resources will be;

- i. Programmes linked to CIDP III
- ii. Programmes incorporated by Annual Development Plan 2023/2024
- iii. Programmes with the core mandates for the county entities

- iv. Ongoing projects from FY 2022/2023
- v. Pending Bills
- vi. Expected outcomes and outputs from programmes
- vii. Cost effectiveness and sustainability of programmes

## 5.0 RECOMMENDATIONS AND CONCLUSIONS

### 5.1 Observations

- i. The county adhered to all fiscal responsibility principles as outlined in the PFM Act, 2012.
- ii. We surpassed our OSR by 14 per cent, implying greater potential for generating more revenue.
- iii. The county did not receive the entire Equitable Share Revenue. Indeed, the June Allocation was not received by the close of the financial year. This negatively impacted the expenditure performance leading to accumulation of pending bills.
- iv. Development partners did not honor their financial commitments to release all conditional grants. This led to delayed implementation of partner funded programmes.
- v. Overall, we performed very well in recurrent expenditure at 82 per cent of the total recurrent budget and below average at 42 per cent of the total development expenditure. This low absorption rate in development expenditure deprives the citizens of benefits accruing from the development programmes.
- vi. Over expenditure in Personnel Emoluments by 4 per cent of the personnel emoluments budget. This affected other programmes' budget.

### 5.2 Recommendations

- i. Budgeting and spending should be continuously done in tandem with the set fiscal responsibility principles
- ii. The trend to surpass the OSR should be sustained and new revenue streams to be explored to realize our full potential. The OSR target should also be reviewed upwards to reflect realistic potential.
- iii. The county governments through the Council of Governors to lobby for the timely release of funds from the national government.
- iv. Constant follow up and engagements from entities implementing the conditional grants to ensure development partners have honored their financing agreements. Equally, county entities should at all times adhere to donor financing conditions.
- v. There is need to fast track efficiency in contract management, procurement processes and project planning and design.
- vi. Overspending of Personnel Emoluments was attributed to underestimation in PE budgeting. Therefore, we recommend that budgeting for Personnel Emoluments

should be removed from the Directorate of Human Resource Management.

Departments should be given the opportunity to budget for its staff and the Human Resource Management to oversee, review and advise the departments.

### **5.3 Conclusions**

- i. The attention of all county government entities is hereby drawn to the FY 2022/2023 MTEF Budget Circular issued in August 2022 for further guidelines including the timelines for the preparation and finalization of the FY 2023/24 Budget.
- ii. Consultations and finalizations of the CIDP III from which ADPs & FY 2023/24 budget proposals will be derived are currently ongoing.
- iii. The Accounting Officers are therefore called upon to adhere to the fiscal objectives and strict timelines therein set considering the changes made on the dates of delivery.
- iv. Sector Working Groups (SWGs) will be required to consult and formulate the relevant programmes and projects that are to be included in the CIDP III and FY 2023/2024 Budget Proposals. SWGs should allocate funds to programmes and projects that stimulate inclusive growth and sustainable economic recovery and align them to H.E the Governor's 9- Point Agenda

## ANNEXES

## ANNEX I: REVISED FY 2021/2022 BUDGET ESTIMATES

| VOTE  | RECURRENT EXPENDITURE   | DEVELOPMENT EXPENDITURE | TOTAL EXPENDITURE        |
|---|-------------------------|-------------------------|--------------------------|
| Governance  | 394,751,040.00          | 290,150,549.70          | 684,901,589.70           |
| Office of the Deputy Governor                         | 35,424,423.00           | -                       | 35,424,423.00            |
| County Attorney                                       | 152,662,484.00          |                         | 152,662,484.00           |
| Finance and Economic Planning                         | 738,377,603.20          | 769,026,947.00          | 1,507,404,550.20         |
| Water Services, Environment and Mineral Resources     | 239,580,960.22          | 673,114,585.31          | 912,695,545.53           |
| Health & Sanitation Services                          | 541,931,657.26          | 788,259,106.30          | 1,330,190,763.56         |
| Trade, Gender and Youth Affairs                       | 130,326,618.90          | 383,260,502.00          | 513,587,120.90           |
| Education, Sports and Social Protection               | 746,578,111.58          | 678,178,458.36          | 1,424,756,569.94         |
| Public Service, Administration. & Disaster Management | 5,276,334,557.50        | 63,373,656.00           | 5,339,708,213.50         |
| Infrastructure Transport & Public Works               | 164,828,967.37          | 426,583,526.03          | 591,412,493.40           |
| Agriculture, Pastoral Economy & Fisheries             | 97,797,454.40           | 1,387,812,310.72        | 1,485,609,765.12         |
| Tourism, Culture and Natural Resources                | 134,446,462.03          | 280,333,919.00          | 414,780,381.03           |
| Lands, Energy, Housing & Urban Areas Mgt.             | 234,913,862.32          | 265,736,420.03          | 500,650,282.35           |
| County Assembly                                       | 821,950,164.00          | 155,000,000.00          | 976,950,164.00           |
| County Public Service Board                           | 88,134,297.97           | 3,540,000.00            | 91,674,297.97            |
| Lodwar Municipality                                   | 82,470,233.95           | 143,956,814.05          | 226,427,048.00           |
| <b>TOTAL EXPENDITURE</b>                              | <b>9,880,508,897.70</b> | <b>6,308,326,794.50</b> | <b>16,188,835,692.20</b> |
| <b>Percentage</b>                                     | <b>61.03%</b>           | <b>38.97%</b>           |                          |

**ANNEX II: COMPREHENSIVE FY 2021/2022 EXPENDITURE**

| COUNTY ENTITY  | Department  | Final Budget Estimates | July               | August             | September            | October            | November             | December           | January            | February           | March              | April              | May                | June                 | TOTAL EXPENDITURE     |
|--|-------------|------------------------|--------------------|--------------------|----------------------|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|-----------------------|
| Governance   | Recurrent   | 394,751,040            |                    |                    |                      | 6,559,921          | 12,491,419           | 95,833,743         | 56,002,455         | 34,406,816         | 5,114,826          | 26,868,749         | 20,052,045         | 64,126,906           | 321,456,878           |
|  | Development | 290,150,550            |                    |                    |                      |                    |                      |                    |                    |                    |                    |                    | 21,304,553         | 76,686,490           | 97,991,042            |
| Office of the Deputy Governor                            | Recurrent   | 35,424,423             |                    |                    |                      |                    | 1,448,243            | 8,622,473          | 606,900            | 947,990            | 834,800            | 3,298,060          | 766,552            | 8,007,870            | 24,532,888            |
|  | Development | -                      |                    |                    |                      |                    |                      |                    |                    |                    |                    |                    |                    |                      | -                     |
| County Attorney  | Recurrent   | 152,662,484            |                    |                    |                      | 1,824,500          | 4,040,200            | 34,300,487         | 17,634,480         | 1,606,391          | 128,247            | 6,224,870          | 2,327,050          | 23,745,995           | 91,832,220            |
|  | Development | -                      |                    |                    |                      |                    |                      |                    |                    |                    |                    |                    |                    |                      | -                     |
| Finance and Planning                                     | Recurrent   | 738,377,603            |                    |                    |                      | 7,592,240          | 150,322,455          | 120,740,214        | 85,635,897         | 39,205,022         | 2,987,100          | 37,997,051         | 15,936,716         | 189,613,634          | 650,030,330           |
|  | Development | 769,026,947            |                    |                    |                      |                    |                      |                    | 2,460,800          | 5,927,261          | 47,986,319         | -                  | 13,636,838         | 142,684,251          | 212,695,469           |
| Water Services, Environment and Mineral Resources        | Recurrent   | 239,580,960            |                    |                    |                      | 491,379            | 1,925,260            | 11,223,062         | 5,336,303          | 2,181,844          | 14,324             | 7,448,515          | 8,847,511          | 44,099,254           | 81,567,452            |
|  | Development | 673,114,585            |                    |                    |                      |                    | 3,919,000            | 1,768,966          | -                  | 173,697,332        | 7,551,420          | 1,884,498          | 24,135,300         | 121,483,662          | 334,440,177           |
| Health & Sanitation Services                             | Recurrent   | 541,931,657            |                    |                    |                      | 2,802,280          | 11,071,316           | 44,403,239         | 75,118,347         | 21,009,901         | 106,186            | 39,120,144         | 12,506,620         | 51,684,512           | 257,822,545           |
|  | Development | 788,259,106            |                    |                    |                      |                    |                      | 32,776,701         | 8,162,470          | 5,041,886          | 128,144,340        | 18,177,118         | 97,557,412         | 184,465,778          | 474,325,706           |
| Trade, Gender and Youth Affairs                          | Recurrent   | 130,326,619            |                    |                    |                      |                    | 1,340,000            | 17,897,523         | 9,909,363          | 2,036,809          | 12,274,243         | 3,295,811          | 534,943            | 13,988,847           | 61,277,539            |
|  | Development | 383,260,502            |                    |                    |                      | 270,000,000        | -                    | -                  | -                  | -                  | -                  | -                  | -                  | 11,704,540           | 281,704,540           |
| Education, Sports and Social Protection                  | Recurrent   | 746,578,112            |                    |                    | 374,000,000          | -                  | 3,514,143            | 39,974,872         | 11,703,618         | 17,174,086         | 3,017              | 13,057,923         | 21,158,676         | 137,658,872          | 618,245,208           |
|  | Development | 678,178,458            |                    |                    |                      |                    |                      | 10,619,222         | 27,143,254         | 8,924,723          | 6,525,613          | -                  | 52,835,402         | 89,839,515           | 195,887,729           |
| Public Services, Decentralized Administration & Disaster | Recurrent   | 5,276,334,557          | 344,370,533        | 451,284,610        | 663,965,828          | 333,250,572        | 676,315,587          | 377,006,631        | 313,245,740        | 173,308,814        | 173,308,814        | 424,835,568        | 308,338,165        | 455,090,181          | 4,694,321,043         |
|  | Development | 63,373,656             |                    |                    |                      |                    |                      |                    |                    |                    |                    |                    |                    | 8,245,430            | 8,245,430             |
| Infrastructure Transport & Public Works                  | Recurrent   | 164,828,967            |                    |                    |                      | 1,723,900          | 4,219,090            | 7,293,691          | 41,075,175         | 11,094,636         | -                  | 3,884,300          | 6,094,074          | 63,380,213           | 138,765,080           |
|  | Development | 426,583,526            |                    |                    |                      |                    |                      |                    | 6,068,231          | 499,937            | 34,464,386         | -                  | 40,574,668         | 144,476,074          | 226,083,296           |
| Agriculture, Pastoral Economy & Fisheries                | Recurrent   | 97,797,454             |                    |                    |                      | 564,980            | 7,170,719            | 36,660,206         | 18,740,832         | 4,329,851          | 1,350,267          | 2,520,762          | 2,948,603          | 20,555,470           | 94,841,690            |
|  | Development | 1,387,812,311          |                    |                    |                      |                    | 31,588,602           | 1,210,990          | 21,489,751         | 6,010,543          | 133,561,013        | 50,197,402         | 132,070,609        | 149,842,181          | 525,971,091           |
| Tourism, Culture and Natural Resources                   | Recurrent   | 134,446,462            |                    |                    |                      |                    | 4,405,177            | 13,058,155         | 9,831,989          | 2,707,956          | 1,919,871          | 14,122,202         | 150,400            | 37,707,408           | 83,903,158            |
|  | Development | 280,333,919            |                    |                    |                      |                    |                      |                    |                    |                    | 4,385,886          | 6,420,517          | 9,412,174          | 40,463,946           | 60,682,523            |
| Lands, Energy, Housing & Urban Areas Mgt.                | Recurrent   | 234,913,862            |                    |                    |                      | 325,500            | 175,000              | 10,971,435         | 8,286,035          | 5,206,128          | -                  | 6,024,382          | 30,236,255         | 41,193,374           | 102,418,109           |
|  | Development | 265,736,420            |                    |                    |                      |                    |                      | 7,760,103          | -                  | -                  | 30,551,590         | -                  | 1,474,138          | 29,711,800           | 69,497,631            |
| County Assembly  | Recurrent   | 821,950,164            | 9,907,434          |                    | 111,996,302          | 109,330,573        | 98,172,640           | 110,719,607        | 5,417,001          | 48,608,875         | 113,514,763        | 16,331,687         | 82,994,806         | 116,133,874          | 823,127,562           |
|  | Development | 155,000,000            |                    |                    |                      |                    | 73,070,190           |                    |                    | 12,965,059         | 19,993,442         |                    |                    | 48,704,737           | 154,733,428           |
| County Public Service Board                              | Recurrent   | 88,134,298             |                    |                    |                      |                    | 4,246,599            | 2,812,552          | 7,148,247          | 1,030,160          | 2,620,968          | 5,549,720          | -                  | 18,751,347           | 42,159,592            |
|  | Development | 3,540,000              |                    |                    |                      |                    |                      |                    |                    |                    |                    |                    |                    |                      | -                     |
| Lodwar Municipality                                      | Recurrent   | 82,470,234             |                    |                    |                      | 84,000             | 87,500               | 1,301,090          | -                  | -                  | -                  | 14,344,393         | 3,160,827          | 12,358,768           | 31,336,578            |
|  | Development | 143,956,814            |                    |                    |                      |                    |                      |                    |                    |                    |                    |                    |                    | 6,597,532            | 6,597,532             |
| <b>EXECUTIVE BUDGET</b>                                  |             | <b>16,188,835,692</b>  | <b>354,277,966</b> | <b>451,284,610</b> | <b>1,149,962,130</b> | <b>734,549,846</b> | <b>1,089,523,141</b> | <b>986,954,960</b> | <b>731,016,888</b> | <b>577,922,019</b> | <b>727,341,436</b> | <b>701,603,673</b> | <b>909,054,336</b> | <b>2,353,002,462</b> | <b>10,766,493,467</b> |

**ANNEX III: EXPENDITURE BY CATEGORY, FY 2021/2022**

| <b>EXPENSE CATEGORY</b> | <b>REVISED BUDGET</b>    | <b>TOTAL EXPENDITURE</b> | <b>ABSORPTION RATE</b> |
|-------------------------|--------------------------|--------------------------|------------------------|
| CURRENT                 | 9,880,508,897.70         | 8,117,637,873.19         | 82%                    |
| DEVELOPMENT             | 6,308,326,794.50         | 2,648,855,594.26         | 42%                    |
| <b>TOTAL</b>            | <b>16,188,835,692.20</b> | <b>10,766,493,467.45</b> | <b>67%</b>             |



**ANNEX IV: CFSP 2022 CEILINGS**

| Entity  | Shareable Revenue    |                      | Mandatory Expenditure |                      |                      |                    | TOTAL CEILING         | Fiscal Outlook       |                      |                       |             |
|---|----------------------|----------------------|-----------------------|----------------------|----------------------|--------------------|-----------------------|----------------------|----------------------|-----------------------|-------------|
|   | Recurrent            | Development          | Conditional Grants    | County Funds         | PE and Medical       | Medical            |                       | Recurrent            | Development          | Total                 | Percentage  |
| Governance  | 350,208,134          | 88,549,142           | -                     | -                    | -                    | -                  | 438,757,276           | 350,208,134          | 88,549,142           | 438,757,276           | 3%          |
| Office of the Deputy Governor                               | 48,551,658           | -                    | -                     | -                    | -                    | -                  | 48,551,658            | 48,551,658           | -                    | 48,551,658            | 0%          |
| County Attorney   | 47,103,316           | -                    | -                     | -                    | 91,000,000           | -                  | 138,103,316           | 138,103,316          | -                    | 138,103,316           | 1%          |
| Finance and Economic Planning                               | 257,933,261          | 62,127,220           | -                     | 100,000,000          | 26,000,000           | -                  | 446,060,481           | 383,933,261          | 62,127,220           | 446,060,481           | 3%          |
| Water Services  | 135,390,716          | 474,515,253          | -                     | -                    | -                    | -                  | 609,905,969           | 135,390,716          | 474,515,253          | 609,905,969           | 5%          |
| Health & Sanitation Services                                | 286,480,850          | 595,894,317          | -                     | 40,634,941           | -                    | 250,000,000        | 1,173,010,108         | 577,115,791          | 595,894,317          | 1,173,010,108         | 9%          |
| Trade, Gender and Youth Affairs                             | 104,532,243          | 140,321,825          | -                     | 270,000,000          | -                    | -                  | 514,854,068           | 104,532,243          | 410,321,825          | 514,854,068           | 4%          |
| Education, Sports and Social Protection                     | 117,202,946          | 494,846,999          | -                     | 416,929,074          | -                    | 100,000,000        | 1,128,979,019         | 634,132,020          | 494,846,999          | 1,128,979,019         | 9%          |
| Public Service, Administration. & Disaster Management       | 203,919,512          | 51,405,566           | -                     | -                    | 4,360,773,565        | 300,000,000        | 4,916,098,643         | 4,864,693,077        | 51,405,566           | 4,916,098,643         | 38%         |
| Infrastructure Transport & Public Works                     | 94,950,477           | 288,512,656          | -                     | 250,000,000          | -                    | -                  | 633,463,133           | 94,950,477           | 538,512,656          | 633,463,133           | 5%          |
| Agriculture, Pastoral Economy & Fisheries                   | 153,858,874          | 602,828,820          | -                     | -                    | -                    | -                  | 756,687,694           | 153,858,874          | 602,828,820          | 756,687,694           | 6%          |
| Tourism, Culture, Energy, Environment and Natural Resources | 74,620,287           | 183,112,656          | 77,978,013            | -                    | -                    | 30,000,000         | 365,710,956           | 104,620,287          | 261,090,669          | 365,710,956           | 3%          |
| Lands, Physical Planning, Housing & Urban Areas Mgt.        | 65,195,358           | 216,765,159          | -                     | -                    | -                    | -                  | 281,960,517           | 65,195,358           | 216,765,159          | 281,960,517           | 2%          |
| County Assembly   | -                    | -                    | 1,021,950,164         | -                    | -                    | -                  | 1,021,950,164         | 821,950,164.00       | 200,000,000.00       | 1,021,950,164         | 8%          |
| County Public Service Board                                 | 94,603,316           | -                    | -                     | -                    | -                    | -                  | 94,603,316            | 94,603,316.00        | -                    | 94,603,316            | 1%          |
| Lodwar Municipality   | 105,097,022          | 133,512,656          | -                     | -                    | -                    | -                  | 238,609,678           | 105,097,022          | 133,512,656          | 238,609,678           | 2%          |
| <b>Total</b>  | <b>2,382,586,925</b> | <b>3,033,453,312</b> | <b>1,099,928,177</b>  | <b>1,077,564,015</b> | <b>4,477,773,565</b> | <b>680,000,000</b> | <b>12,807,305,996</b> | <b>8,676,935,714</b> | <b>4,130,370,282</b> | <b>12,807,305,996</b> | <b>100%</b> |
|   |                      |                      |                       |                      |                      |                    |                       | <b>67.75%</b>        | <b>32.25%</b>        |                       |             |

**ANNEX V: OWN SOURCE REVENUE FY 2021/2022**

| REVENUE STREAM                            | MINISTRY  | Jul-21            | Aug-21            | Sep-21            | 1st Quarter       | Oct-21            | Nov-21            | Dec-21            | 2nd Quarter       | Jan-22            | Feb-22            | Mar-22            | 3rd Quarter       | Apr-22            | May-22            | Jun-22            | 4th Quarter       | TOTALS             |
|---|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| CESS                                      | TRANSPORT | 6,605,390         | 5,848,000         | 5,290,240         | <b>17,743,630</b> | 5,726,600         | 5,617,240         | 5,918,360         | <b>17,262,200</b> | 6,052,040         | 5,399,405         | 7,038,140         | <b>18,489,585</b> | 5,712,098         | 5,595,200         | 6,745,135         | <b>18,052,433</b> | <b>71,547,848</b>  |
| TRANSPORT OPERATION FEE                   | ROADS     | 310,500           | 31,400            | 350,250           | <b>692,150</b>    | 4,500             | 59,600            | 37,600            | <b>101,700</b>    | -                 | 7,600             | -                 | <b>7,600</b>      | -                 | -                 | -                 | -                 | <b>801,450</b>     |
| SLAUGHTER/AUCTION FEE                     | PASTORAL  | 870,840           | 720,055           | 633,990           | <b>2,224,885</b>  | 857,485           | 890,360           | 1,038,225         | <b>2,786,070</b>  | 909,175           | 822,455           | 831,155           | <b>2,562,785</b>  | 1,030,810         | 734,180           | 747,570           | <b>2,512,560</b>  | <b>10,086,300</b>  |
| ADVERTISEMENT                             | LANDS     | -                 | 38,200            | -                 | <b>38,200</b>     | -                 | -                 | -                 | -                 | 26,500            | 3,000             | 3,500             | <b>33,000</b>     | -                 | -                 | 75,000            | <b>75,000</b>     | <b>146,200</b>     |
| PARKING FEE                               | LANDS     | 197,750           | 256,200           | 260,200           | <b>714,150</b>    | 248,460           | 181,550           | 239,650           | <b>669,660</b>    | 198,000           | 113,700           | 266,300           | <b>578,000</b>    | 252,100           | 246,900           | 170,750           | <b>669,750</b>    | <b>2,631,560</b>   |
| LAND SURVEY/APPLICATION/BUILDING APPROVAL | LANDS     | 886,200           | 698,300           | 1,282,880         | <b>2,867,380</b>  | 798,540           | 895,720           | 644,000           | <b>2,338,260</b>  | 123,000           | 1,165,400         | 926,800           | <b>2,215,200</b>  | 1,065,010         | 714,500           | 893,200           | <b>2,672,710</b>  | <b>10,093,550</b>  |
| HOUSE RENT/KIOSKS/STALLS                  | LANDS     | 108,000           | 86,000            | 162,000           | <b>356,000</b>    | 74,000            | 140,000           | 217,500           | <b>431,500</b>    | 84,600            | 47,500            | 29,500            | <b>161,600</b>    | 65,500            | 254,000           | 78,000            | <b>397,500</b>    | <b>1,346,600</b>   |
| ROYALTY                                   | LANDS     | 2,479,000         | 2,366,580         | 2,783,540         | <b>7,629,120</b>  | 1,917,050         | 1,427,200         | 1,147,750         | <b>4,492,000</b>  | 899,100           | 1,430,700         | 863,600           | <b>3,193,400</b>  | 1,139,450         | 919,750           | 810,320           | <b>2,869,520</b>  | <b>18,184,040</b>  |
| CORPORATES                                | LANDS     | 3,325,786         | 1,989,696         | 1,209,000         | <b>6,524,482</b>  | 968,915           | 1,131,720         | 391,861           | <b>2,492,496</b>  | 657,884           | 432,400           | 1,395,800         | <b>2,486,084</b>  | 304,050           | 11,350            | 1,042,159         | <b>1,357,559</b>  | <b>12,860,621</b>  |
| LIQUOR LICENCES                           | HEALTH    | -                 | -                 | -                 | -                 | -                 | 94,550            | -                 | <b>94,550</b>     | -                 | 85,300            | -                 | <b>85,300</b>     | -                 | -                 | -                 | -                 | <b>179,850</b>     |
| Public health & cost sharing              | HEALTH    | 1,840,581         | 980,898           | 4,101,572         | <b>6,923,051</b>  | 963,624           | 774,015           | 568,414           | <b>2,306,053</b>  | 1,659,923         | 680,007           | 2,399,038         | <b>4,738,968</b>  | 375,550           | 420,970           | 121,100           | <b>917,620</b>    | <b>14,885,692</b>  |
| SINGLE BUSINESS PERMIT                    | TRADE     | 1,594,100         | 1,149,600         | 790,600           | <b>3,534,300</b>  | 1,244,800         | 1,811,200         | 153,650           | <b>3,209,650</b>  | 3,904,800         | 13,255,916        | 7,481,032         | <b>24,641,748</b> | 2,758,209         | 2,315,334         | 1,390,839         | <b>6,464,382</b>  | <b>37,850,080</b>  |
| MARKET FEE                                | TRADE     | 300,420           | 817,430           | 727,720           | <b>1,845,570</b>  | 1,490,320         | 1,453,840         | 1,913,580         | <b>4,857,740</b>  | 2,587,440         | 2,109,155         | 1,149,590         | <b>5,846,185</b>  | 1,797,640         | 2,059,270         | 805,070           | <b>4,661,980</b>  | <b>17,211,475</b>  |
| WEIGHTS AND MEASURES                      | TRADE     | -                 | 4,800             | 18,000            | <b>22,800</b>     | -                 | 13,400            | -                 | <b>13,400</b>     | 105,100           | 35,400            | 8,500             | <b>149,000</b>    | -                 | 3,600             | -                 | <b>3,600</b>      | <b>188,800</b>     |
| TRADE FAIR                                | TRADE     | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                  |
| OTHER FEES AND CHARGES                    | FINANCE   | 309,323           | 409,138           | 313,046           | <b>1,031,507</b>  | 22,241            | 65,009            | 101,105           | <b>188,355</b>    | 186,771           | 660,257           | 681,117           | <b>1,528,145</b>  | 363,115           | 11,293            | 12,431            | <b>386,839</b>    | <b>3,134,846</b>   |
| ENVIRONMENT                               | Water     | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                  |
| CHARCOAL CESS/PERMITS                     | TOURISM   | 32,000            | -                 | -                 | <b>32,000</b>     | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | <b>32,000</b>      |
| SBP Mass collection Kakuma Refugee Camp   | TRADE     | 106,600           | 331,800           | 636,900           | <b>1,075,300</b>  | 249,300           | 359,600           | 11,200            | <b>620,100</b>    | 52,300            | 483,500           | 215,400           | <b>751,200</b>    | 48,716            | 349,696           | 323,920           | <b>722,332</b>    | <b>3,168,932</b>   |
| <b>TOTAL</b>                              |           | <b>18,966,490</b> | <b>15,728,097</b> | <b>18,559,938</b> | <b>53,254,525</b> | <b>14,565,835</b> | <b>14,915,004</b> | <b>12,382,895</b> | <b>41,863,734</b> | <b>17,446,633</b> | <b>26,731,695</b> | <b>23,289,472</b> | <b>67,467,800</b> | <b>14,912,248</b> | <b>13,636,043</b> | <b>13,215,494</b> | <b>41,763,785</b> | <b>204,349,844</b> |

**ANNEX VI: MEDIUM TERM EXPENDITURE FRAMEWORK PROJECTIONS**

| SECTOR  | ECONOMIC CLASSIFICATION | BUDGET ESTIMATES 2022/23 | MTEF PROJECTIONS |                  |
|---|-------------------------|--------------------------|------------------|------------------|
|   |                         |                          | CEILING 2023/24  | 2024/2025        |
| OFFICE OF THE GOVERNOR                          | SUB-TOTAL               | 769,245,836.00           | 784,630,752.72   | 863,093,827.99   |
|   | Rec. Gross              | 525,971,265.00           | 536,490,690.30   | 590,139,759.33   |
|   | Dev. Gross              | 243,274,571.00           | 248,140,062.42   | 272,954,068.66   |
| OFFICE OF THE DEPUTY GOVERNOR                   | SUB-TOTAL               | 60,551,658.00            | 61,762,691.16    | 67,938,960.28    |
|   | Rec. Gross              | 60,551,658.00            | 61,762,691.16    | 67,938,960.28    |
|   | Dev. Gross              |                          | -                | -                |
| OFFICE OF THE COUNTY ATTORNEY                   | SUB-TOTAL               | 185,703,316.00           | 189,417,382.32   | 80,000,000.00    |
|   | Rec. Gross              | 185,703,316.00           | 189,417,382.32   | 80,000,000.00    |
|   | Dev. Gross              | -                        | -                | -                |
| FINANCE & ECONOMIC PLANNING                     | SUB-TOTAL               | 3,320,648,573.78         | 3,387,061,545.26 | 3,725,767,699.78 |
|   | Rec. Gross              | 2,509,670,034.36         | 2,559,863,435.05 | 2,815,849,778.55 |
|   | Dev. Gross              | 810,978,539.42           | 827,198,110.21   | 909,917,921.23   |
| WATER SERVICES, ENVIRONMENT & MINERAL RESOURCES | SUB-TOTAL               | 791,105,969.00           | 806,928,088.38   | 887,620,897.22   |
|   | Rec. Gross              | 142,090,716.00           | 144,932,530.32   | 159,425,783.35   |
|   | Dev. Gross              | 649,015,253.00           | 661,995,558.06   | 728,195,113.87   |
| HEALTH & SANITATION SERVICES                    | SUB-TOTAL               | 1,717,230,241.75         | 1,751,574,846.59 | 1,926,732,331.24 |
|   | Rec. Gross              | 1,169,760,422.75         | 1,193,155,631.21 | 1,312,471,194.33 |
|   | Dev. Gross              | 547,469,819.00           | 558,419,215.38   | 614,261,136.92   |
| TRADE, GENDER & YOUTH AFFAIRS                   | SUB-TOTAL               | 568,454,068.00           | 579,823,149.36   | 637,805,464.30   |
|   | Rec. Gross              | 133,190,803.00           | 135,854,619.06   | 149,440,080.97   |
|   | Dev. Gross              | 435,263,265.00           | 443,968,530.30   | 488,365,383.33   |

| SECTOR   | ECONOMIC CLASSIFICATION | BUDGET ESTIMATES 2022/23 | MTEF PROJECTIONS |                  |
|--|-------------------------|--------------------------|------------------|------------------|
|  |                         |                          | CEILING 2023/24  | 2024/2025        |
| EDUCATION, SPORTS AND SOCIAL PROTECTION                | SUB-TOTAL               | 1,192,085,410.00         | 1,215,927,118.20 | 1,337,519,830.02 |
|  | Rec. Gross              | 722,988,413.00           | 737,448,181.26   | 811,192,999.39   |
|  | Dev. Gross              | 469,096,997.00           | 478,478,936.94   | 526,326,830.63   |
| PUBLIC SERVICE, ADMINISTRATION AND DISASTER MANAGEMENT | SUB-TOTAL               | 5,693,962,952.60         | 5,807,842,211.65 | 6,388,626,432.82 |
|  | Rec. Gross              | 5,658,396,104.48         | 5,771,564,026.57 | 6,348,720,429.23 |
|  | Dev. Gross              | 35,566,848.12            | 36,278,185.08    | 39,906,003.59    |
| INFRASTRUCTURE, TRANSPORT, AND PUBLIC WORKS            | SUB-TOTAL               | 613,241,986.00           | 625,506,825.72   | 688,057,508.29   |
|  | Rec. Gross              | 96,150,477.00            | 98,073,486.54    | 107,880,835.19   |
|  | Dev. Gross              | 517,091,509.00           | 527,433,339.18   | 580,176,673.10   |
| AGRICULTURE, PASTORAL ECONOMY & FISHERIES              | SUB-TOTAL               | 1,374,927,848.68         | 1,402,426,405.65 | 1,542,669,046.22 |
|  | Rec. Gross              | 164,758,874.00           | 168,054,051.48   | 184,859,456.63   |
|  | Dev. Gross              | 1,210,168,974.68         | 1,234,372,354.17 | 1,357,809,589.59 |
| TOURISM, CULTURE AND NATURAL RESOURCES                 | SUB-TOTAL               | 410,210,956.00           | 418,415,175.12   | 460,256,692.63   |
|  | Rec. Gross              | 139,120,287.00           | 141,902,692.74   | 156,092,962.01   |
|  | Dev. Gross              | 271,090,669.00           | 276,512,482.38   | 304,163,730.62   |
| LANDS, ENERGY, HOUSING AND URBAN AREAS MANAGEMENT      | SUB-TOTAL               | 226,765,453.00           | 231,300,762.06   | 254,430,838.27   |
|  | Rec. Gross              | 108,727,508.00           | 110,902,058.16   | 121,992,263.98   |
|  | Dev. Gross              | 118,037,945.00           | 120,398,703.90   | 132,438,574.29   |

| SECTOR                      | ECONOMIC CLASSIFICATION | BUDGET ESTIMATES 2022/23 | MTEF PROJECTIONS         |                          |
|-----------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
|                             |                         |                          | CEILING 2023/24          | 2024/2025                |
| COUNTY ASSEMBLY             | SUB-TOTAL               | 1,021,950,163.00         | 1,042,389,166.26         | 1,146,628,082.89         |
|                             | Rec. Gross              | 853,950,163.00           | 871,029,166.26           | 958,132,082.89           |
|                             | Dev. Gross              | 168,000,000.00           | 171,360,000.00           | 188,496,000.00           |
| COUNTY PUBLIC SERVICE BOARD | SUB-TOTAL               | 175,527,898.30           | 179,038,456.27           | 196,942,301.89           |
|                             | Rec. Gross              | 173,527,898.30           | 176,998,456.27           | 194,698,301.89           |
|                             | Dev. Gross              | 2,000,000.00             | 2,040,000.00             | 2,244,000.00             |
| LODWAR MUNICIPALITY         | SUB-TOTAL               | 287,516,931.63           | 289,818,872.07           | 318,800,759.28           |
|                             | Rec. Gross              | 115,097,022.00           | 117,398,962.44           | 129,138,858.68           |
|                             | Dev. Gross              | 172,419,909.63           | 172,419,909.63           | 189,661,900.59           |
| <b>TOTAL</b>                | <b>TOTAL</b>            | <b>18,409,129,261.74</b> | <b>18,484,044,576.71</b> | <b>20,204,089,913.83</b> |
|                             | Rec. Gross              | 12,759,654,961.89        | 12,897,449,098.69        | 14,058,834,888.00        |
|                             | Dev. Gross              | 5,649,474,299.85         | 5,586,595,478.02         | 6,145,255,025.83         |