



## **COUNTY GOVERNMENT OF KILIFI**

### **2023 COUNTY BUDGET REVIEW AND OUTLOOK PAPER**

**SEPTEMBER, 2023**

## FOREWORD

The 2023 County Budget Review and Outlook Paper (CBROP) marks the inaugural preparation under the leadership of H.E Governor Munga'ro. This document aligns with the Government's commitment to implement crucial programmes, policies, and reforms outlined in the Governor's manifesto, as detailed in the 2023 County Policy Fiscal Strategy Paper. These initiatives aim to foster economic turnaround and inclusive growth, as stipulated in the Fourth Medium-Term Plan for the period 2023-2027 and CIDP III 2023-2027, rooted in Kenya Vision 2030.

Upon assuming office, the new Administration faced a dire situation, with the County grappling with severe drought and a shortage of essential commodities, primarily attributed to the impact of climate change. The urgency to intervene was paramount to safeguard the lives of our residents from starvation. This drought exacerbated inflationary pressures, led to food insecurity, loss of lives, livelihoods, and livestock, and hindered agricultural activities.

To alleviate the residents' burden, the County Government swiftly implemented measures, supplementing the efforts of the National Government. These interventions included providing fertilizer and seed subsidies to farmers to enhance food production and distributing relief food throughout the County. Additionally, the County Government introduced the Financial Inclusion Fund, known as the WEZESHA Fund, in November 2022, which supported individuals and Micro, Small, and Medium Enterprises (MSMEs) at the bottom of the economic pyramid to bolster their businesses.

Thanks to interventions from both the Counties and National Government, improved weather conditions during the March-May planting season led to a notable economic growth of 5.3 percent in quarter 1 (Q1) of 2023, primarily attributed to the robust recovery in agricultural activities.

The growth prospects for the County will be further strengthened through the implementation of policies and reforms within the priority sectors outlined in the Governor's manifesto and the CIDP III 2023-2027.

The transition from the previous Administration to the current one marked the implementation of the FY2022/23 budget. The initial half of FY 2022/23 experienced slow programmes and project implementation due to limited revenue resources during the transition period and the overall economic slowdown caused by external shocks.

In FY 2022/23, the Administration inherited a significant amount of pending bills. To navigate this challenge, the County Government strategically reprioritized and implemented cost-cutting measures to facilitate the smooth execution of priority programmes for the remainder of the financial year. The County Treasury successfully met its obligations, including repaying significant amount of pending bills, putting into plans to clear remaining verified pending bills and releasing funds to various County entities.

The implementation of the FY 2023/24 budget is already underway. Despite limited fiscal space, spending units are committed to ensuring the seamless execution of planned programs and projects for the remainder of the financial year without accumulating further pending bills. To enhance the provision of public goods, the County Government is strengthening the Public Private Partnerships (PPP) framework, leveraging private sector participation in projects aligned with county and national priorities, and offering economic, commercial, and environmental benefits.

Looking ahead to the FY 2024/25 budget, all spending units are expected to prioritize key programmes outlined in CIDP III and ADP 2024/2025. These include strengthening healthcare systems, enhancing infrastructure development and connectivity, increasing revenue mobilization efforts, realizing tourism potential, empowering early childhood education, promoting enterprise growth, nurturing talent and sustainability, and formulating proactive economic policies. Given resource limitations, Sector Working Groups (SWGs) and County Departments and Entities are directed to rigorously review, assess, and prioritize budget allocations to align with these objectives. The hard sector ceilings established for the FY 2024/25 budget and the Medium Term will serve as the foundation for allocation decisions.

**HON. JOHN RAYMOND NGALLA**  
**COUNTY EXECUTIVE COMMITTEE MEMBER FOR**  
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## Acknowledgement

The 2023 CBROP has been meticulously crafted in strict accordance with the guidelines laid out in the Public Finance Management (PFM) Act of 2012 and its accompanying Regulations. Within its pages, this document offers a comprehensive overview of the fiscal performance for the FY 2022/23, presenting macro-economic projections and establishing sector-specific ceilings for both the FY 2024/25 and the Medium-Term Budget. Furthermore, it delves into an analysis of how the actual outcomes of the FY 2022/23 fiscal year impacted our adherence to fiscal responsibility principles and financial objectives as outlined in the PFM Act of 2012.

Importantly, the 2023 CBROP serves as the foundational building block for the forthcoming development of the County Fiscal Strategy Paper for 2024. This strategy paper will lay out the intricate details of the diverse programs and initiatives that will be undertaken during the Fourth Medium-Term Plan of Vision 2030.

As we embark on the preparations for the FY2024/25 and the Medium-Term budget, it's imperative to emphasize that the 2023 CBROP was crafted through a collaborative endeavor involving various departments. We extend our heartfelt gratitude to all County Departments and other spending units for their prompt and invaluable contributions in furnishing us with essential data and insights into their FY 2022/23 budget execution.

Our sincere appreciation also goes out to the County Budget and Economic Forum (CBEF) members, who rigorously reviewed this document to ensure strict compliance with the PFM Act of 2012. The sector ceilings outlined in this document will serve as guiding benchmarks for all departments in the preparation of their FY 2024/25 and Medium-Term Budgets. It's worth noting that this document seamlessly incorporates vital inputs from multiple Directorates within the County Treasury.

I would like to express my gratitude to the dedicated core team in Finance and Economic Planning who diligently coordinated the finalization of this document, ensuring its completeness and accuracy.

Towards this end, I extend appreciation to the various county entities we consulted and the public for their invaluable comments and inputs. I wish to underscore the paramount importance of public participation in the FY 2024/25 and Medium-Term Budget preparation process. I call upon all Sector Working Groups to actively engage and facilitate open participation from the public and stakeholders in shaping sector priorities. It is my earnest plea that County entities avoid suboptimal prioritization, which often results in less than ideal budgetary allocations, subsequent requests for additional funding, and disruptions to the agreed upon Sector Budget Proposals.

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## Abbreviations and Acronyms

A-i-A	Appropriation in Aid
BROP	Budget Review and Outlook Paper
CFSP	County Fiscal and Strategy Paper
CBK	Central Bank of Kenya
CRF	County Revenue Fund
GDP	Gross Domestic Product
IMF	International Monetary Fund
MTP	Medium Term Plan
MTEF	Medium Term Expenditure Framework
SWGs	Sector Working Groups

## Executive summary.

The preparation of the 2023 County Budget Review and Outlook Paper (CBROP) aligns closely with the requirements set forth in the Public Finance Management (PFM) Act of 2012 and its accompanying Regulations. This comprehensive document serves several critical purposes. Firstly, it offers an insightful overview of the County Government's financial performance for the fiscal year 2022/23, meticulously examining compliance with the fiscal responsibility principles and financial objectives outlined in the PFM Act. Additionally, the CBROP presents crucial macroeconomic projections and sector-specific funding limits for the fiscal year 2024/25 and the broader medium-term budget horizon. It also sheds light on variations from the projections initially outlined in the 2023 County Fiscal Strategy Paper.

The execution of the budget during the initial two months of FY 2023/24 has demonstrated commendable progress. The total revenues realized during this period amounted to Ksh. 1,192,265,238.20, constituting approximately 6 percent of the projected revenue target. This figure comprises Ksh. 1,029,282,042.00 as the share of revenue raised at the national level, a grant of Ksh. 11,000,000 (climate Change), and own resource revenue totaling Ksh. 151,983,196.20, reflecting a performance rate of 9 percent against the set revenue target.

Up to September 2023, the total expenditure incurred was solely directed towards recurrent expenses, amounting to Ksh. 784,275,951.00. This accounts for a 6 percent absorption rate relative to the projected expenditure. The recurrent expenses encompass disbursements related to salaries and wages, which sum up to Ksh. 722,171,792.00, settlement of outstanding imprests amounting to Ksh. 21,025,779.00, and the allocation for operational and maintenance costs, which stands at Ksh. 37,568,408.00.

The strong revenue collection performance in FY 2022/23 provides a solid foundation for supporting revenue and expenditure activities in FY 2023/24 and the broader medium-term budget. As implementation of FY 2023/24 gains momentum, the government is committed to pursuing a growth-friendly fiscal consolidation plan that underscores debt sustainability and a manageable fiscal deficit.

Looking ahead to the FY 2024/25 budget, there is an emphasis on prioritizing key programmes outlined in the Governor's Manifesto, the County Integrated Development Plan (CIDP) III, and the Annual Development Plan (ADP) for 2024/2025. These include investments in agricultural transformation and inclusive growth, water infrastructure development to enhance clean water access and irrigation, healthcare system strengthening, infrastructure and connectivity enhancement, revenue mobilization efforts, tourism potential realization, early childhood education empowerment, enterprise growth promotion, talent nurturing and sustainability, and proactive economic policy formulation.

Given the constraints of limited resources, Sector Working Groups (SWGs), Departments, and County entities are directed to conduct thorough reviews, evaluations, and prioritisation of budget allocations to ensure strict adherence to these identified priorities. The predefined hard sector ceilings set for the FY 2024/25 budget and the medium-term outlook will serve as the foundational basis for making allocation decisions, optimizing resource utilization, and advancing our community's development goals.

## I. INTRODUCTION

### a) Legal Basis for Preparation of the 2023 County Budget Review and Outlook Paper

1. Section 118 of the PFM Act 2012 requires the County Treasury to prepare a County Budget Review & Outlook Paper for each financial year and submit the paper to the County Executive Committee by the 30th of September of that year for review and approval. The CEC must review and then approve it, with or without amendments, within fourteen days after its submission, that is, by 14th October. After approval by the County Executive Committee, the County Treasury must arrange for it to be submitted to the County Assembly within seven days, that is, by the 21st October. After submitting it to the County Assembly the law requires that 'as soon as practicable' the County Treasury must publish and publicize the County Budget Review & Outlook Paper.

### b) The objective of the 2023 County Budget Review and Outlook Paper

2. The 2023 County Budget Review and Outlook Paper (CBROP) evaluates the financial performance during the 2022/23 fiscal year, assessing compliance with the goals and principles set forth in both the 2023 County Fiscal Strategy Paper (CFSP) and the Public Finance Management Act of 2012. It also serves as a foundation for revising the present budget and the financial strategies supporting the medium-term plan. The findings from the 2023 CBROP will serve as the groundwork for crafting the 2024 CFSP, which will outline specific programmes and projects for execution over the medium term as delineated in the Fourth Medium Term Plan (MTP IV 2023-2027), the CIDP III 2023-2027 and the Annual Development Plan 2024/2025.
3. The approved actual expenditure from COB amounted to Ksh.14,107,796,521, which fell short of the target of Ksh.15,601,765,714. The total actual expenditure stood at Ksh.12,943,721,120, resulting in an unspent CRF (County Revenue Fund) of Ksh.1,164,075,401. Despite facing challenges in own-source revenue collection and resource mobilization difficulties, the total revenue collection by June 2023 increased by 19 percent, reaching a total of Ksh 1,008,044,077, this major change was occasioned by an increment in collection of the Facility Improvement Fund at facilities level, with an actual collection of Ksh.407,626,965.50 against the target of Ksh.250,000,000. However, this overall performance was lower than the target by 26% due to shortfalls in almost all specific tax categories
4. This CBROP outlines sector-specific budget ceilings that will serve as guidance during the budget preparation process for the Fiscal Year 2024/25 and the medium term. These sector allocations are determined by the overall available resources, which are based on the medium-term macro-fiscal projections presented in Sections III and IV of this document. The sector allocations in this CBROP align with the overarching development priorities outlined in the County's annual development plan for 2024/2025. The primary focus areas include:
  - i. Developing water infrastructure to improve access to clean water and support irrigation.
  - ii. Strengthening healthcare systems.
  - iii. Enhancing infrastructure and connectivity.
  - iv. Increasing revenue mobilization efforts.
  - v. Realizing the tourism potential.
  - vi. Empowering early childhood education.

- vii. Promoting enterprise growth.
- viii. Nurturing talent and sustainability.
- ix. Formulating proactive economic policies

5. The remaining sections of this document are structured as follows: Section II offers an assessment of the fiscal performance during the Fiscal Year 2022/23 and its impact on the financial goals outlined in the 2023 CFSP. Section III outlines recent economic developments and provides an outlook. Section IV outlines the proposed resource allocation framework, and Section V provides the concluding remarks.



## **II. REVIEW OF FISCAL PERFORMANCE FOR THE FY 2022/23**

### **FY 2022/23 Fiscal Performance**

#### **A. Revenue Performance**

6. The total revenue, encompassing equitable share, own-source revenue, and grants, amounted to Ksh. 14,107,796,521, which fell short of the target by Ksh.1,493,969,193. It's worth noting that the County Revenue Fund received the full 100% equitable share disbursement.
7. Furthermore, the Facility Improvement Fund exceeded expectations, achieving an actual collection of Ksh.407,626,965.50, which surpassed the set target of Ksh.250,000,000. This accomplishment contributed to a 19% increase in own-source revenue collection compared to the previous fiscal year (2021/2022), resulting in a total of Ksh. 1,008,044,077. However, it's important to highlight that collections in most specific tax categories fell short of their respective targets during the period under review.
8. In the period under review, both conditional and unconditional grants experienced a collective deficit of Ksh.258,045,388 million compared to the intended target of Ksh. 1,716,204,891, resulting in a 15% shortfall.

### **Causes of Revenue Underperformance in Most Revenue Streams**

9. Several challenges were identified in the revenue collection process. These include inadequate awareness campaigns aimed at educating the public about payment procedures, insufficient and uncoordinated enforcement mechanisms, and conflicts with National Government Policies, such as the removal of road reserve signages by Kenha without prior consultation or communication with relevant County departmental officers. Additionally, there is a lack of capacity building in terms of training for Revenue Officers, Revenue Clerks, and Enforcement Officers, as well as a deficiency in interdepartmental collaboration for revenue collection activities. Furthermore, the absence of Revenue Stream policies (by-laws) and a legal framework for fee collection in casinos pose challenges. The Resource Mobilization Division also faces a staff gap issue, with inadequate personnel in terms of numbers. Finally, political interference, including sweeping political statements, was observed, which disrupted the flow of revenue collection processes.

**Table 1:Revenue Performance**

	Year before last	Immediate past financial year		Deviation (Ksh)	% Growth
	2021/22	2022/23			
A. TOTAL REVENUE & GRANTS.1. Revenue (Total)	Actual(Ksh)	Actual(Ksh)	Targets(Ksh)		
		13,555,480,941	13,996,040,805	14,518,545,439	
	12,489,066,155	12,649,637,018	12,912,978,846		
National revenue allocation	11,641,592,941	11,641,592,941	11,641,592,941	-	0%
County own revenue (Totals)	847,473,214	1,008,044,077	1,271,385,905	263,341,828	-26%
<b>County taxes</b>	<b>a</b>	<b>b</b>	<b>c</b>	<b>c-b</b>	<b>(b-c)/b</b>
FIF & NHIF	280,113,841	407,626,966	250,000,000	-157,626,966	39%
Land Rates and other Land Revenue	107,510,206	141,343,503	319,066,961	177,723,458	-126%
Cess on natural resources	244,805,804	244,369,392	259,034,054	14,664,662	-6%
Business Permit	50,045,462	61,586,826	72,613,623	11,026,797	-18%
Parking fees	25,163,907	23,915,034	51,306,811	27,391,777	-115%
Market fees	9,769,231	9,193,837	25,000,000	15,806,163	-172%
Billboards & Signage	31,270,722	21,945,488	30,000,000	8,054,512	-37%
Building Plan approval and Inspection	36,172,097	37,163,021	25,000,000	-12,163,021	33%
Rent/Stall rents	7,900,250	9,968,225	15,000,000	5,031,775	-50%
Survey fees and plot rents	697,050	-	1,266,000	1,266,000	
Sale of Tender Documents		-	-	-	
Plot ground rent	4,792,982	7,460,159	10,000,000	2,539,841	-34%
House rent	9,807,862	6,003,684	40,000,000	33,996,316	-566%
Refuse Collection	1,632,600	2,224,900	1,262,000	-962,900	43%
Food Hygiene Fees	3,779,710	1,476,005	10,000,000	8,523,995	-578%
Liquor licence	6,657,000	7,378,700	6,000,000	-1,378,700	19%
AMS \$ATCs	4,327,310		25,000,000	25,000,000	
LEASING OF PLANTS AND EQUIPMENT			16,387,528	16,387,528	

Slaughter House and Livestock sale Yards	1,499,520	1,379,065	10,000,000	8,620,935	-625%
Others	21,527,660	25,009,273	104,448,928	79,439,655	-318%
<b>2. Grants (Totals)</b>	<b>1,066,414,786</b>	<b>1,347,521,205</b>	<b>1,605,566,593</b>	<b>258,045,388</b>	
National Agricultural and Rural Inclusive Growth Project (NARIGP)		148,120,023	328,154,152	180,034,129	-122%
DANIDA Grant (Universal Healthcare in Devolved System Programme)		13,117,500	33,598,125	20,480,625	-156%
Water&Sanitation Development Programme (WSDP)		893,321,391	900,000,000	6,678,609	-1%
World Bank Credit to Finance Locally-Led Climate Action Program		11,000,000	22,000,000	11,000,000	-100%
Kenya Devolution Support Programme (KDSP) Level II Grant		-	37,044,750	37,044,750	
Agricultural Sector Development Support Programme (ASDSP) II		11,235,088	11,235,089	1	0%
Kenya Urban Support Programme (KUSP)-Urban Institutional Grant		3,534,474	3,534,477	3	0%
Kenya Informal Settlement and Improvement Project (KISIP)		200,000,000	200,000,000	-	0%
World Bank Credit National Agricultural Value Chain Development Project (NAVCDP)		67,192,729	70,000,000	2,807,271	-4%

Source of Data: County Treasury

## B. Expenditure Performance

**10.** Total expenditure for the Fiscal Year 2022/23 amounted to Ksh.13,296,176,039, which fell short of the revised target of Ksh.15,384,974,265. This represents an underspending of Ksh.2,088,798,226 constituting a 16 percent deviation from the revised budget. The primary reasons for this deficit included reduced expenditure in both recurrent and development budget categories, as detailed in Table 2. Factors contributing to this underspending included delayed disbursement of project funds and a deficit in the collection of own-source revenue, which resulted in unmet expenditure obligations. Consequently, there was a carryover of Ksh. 2 billion during the period in review. Furthermore, in FY 2022/23, while there was a complete transfer of equitable share to the County Government, conditional allocations and grants fell short of their intended targets by Ksh.258 million.

**11.** The County Government's recurrent expenditure, encompassing salaries and wages, amounted to Ksh 9,096,278,866, which deviated from the planned target of Ksh 9,964,680,353, resulting in

an under-spending of Ksh 868,401,487. The deficiency in recurrent spending primarily stemmed from two key factors: a shortfall of Ksh.355,442,266 in operations and maintenance expenditures and a variance of Ksh 495,877,984 allocated for executive salaries and wages from the intended budget.

12. Development expenditure reached Ksh.4,199,897,173, falling short of the revised target of Ksh 5,420,293,912, indicating an underspending of Ksh.1,220,396,739, which corresponds to an underspending rate of 29%.

**Table 2:Expenditure Performance**

A.CLASSIFICATION	Year before last	Immediate past financial year		Deviation (Ksh)	% Growth
	2021/22	2022/23			
	Actual(Ksh)	Actual(Ksh)	Targets(Ksh)		
<b>1. Recurrent</b>	8,347,527,759	9,096,278,866	9,964,680,353	868,401,487	-10%
Operation and maintenace	4,165,106,638	4,773,812,833	5,129,255,099	355,442,266	-7%
Executive Permanent wages and salaries	3,460,012,338	3,581,057,251	4,076,935,235	495,877,984	-14%
Executive Casual wages	192,918,764	195,918,764	213,000,000	17,081,236	-9%
County Assembly Permanent wages and salaries	498,280,019	512,280,019	512,280,019	-	0%
County Assembly Casual wages	31,210,000	33,210,000	33,210,000	-	0%
<b>2. Development expenditure</b>	3,178,510,805	4,199,897,173	5,420,293,912	1,220,396,739	-29%
Development projects	3,178,510,805	4,199,897,173	5,420,293,912		-29%
<b>TOTAL EXPENDITURE</b>	<b>11,526,038,564</b>	<b>13,296,176,039</b>	<b>15,384,974,265</b>	<b>2,088,798,226</b>	-16%

Source of Data: The County Treasury

### C. Departmental Expenditure

13. The total expenditure incurred by the county, inclusive of A.I.A, amounted to Ksh.13,296,176,039, which fell short of the targeted Ksh.15,601,765,714, resulting in a total absorption rate of 86%. Within this, recurrent expenditure totalled to Ksh.9,096,278,866 against a target of Ksh.10,181,471,802, while development expenditure reached Ksh. 4,199,897,173, compared to the intended Ksh. 5,420,293,912. Consequently, the absorption rates were 68% for recurrent expenditure and 32% for development expenditure.

14. During the Fiscal Year 2022/23, a notable portion of the total recurrent expenditure, amounting to 21%, was attributed to the Departments of Education and ICT, Medical Services and Public Health, Water and Environment, Roads, and Public Works.

15. Further analysis of the development expenditure highlights that the Department of Water and Environment claimed the largest share, with an allocation of Ksh.1,513,488,039, followed by the Department of Roads and Public Works at Ksh.998,683,908, and the Department of Agriculture at Ksh.531,143,291. A detailed breakdown of recurrent and development expenditures across all county departments is provided in the table below.

**Table 3: Departmental/County Entity Expenditure**

County department s/Entity	Jun-23										
	RECCURENT			DEVELOPMENT			TOTALS				
	Actual Expenditure (Ksh)	Approved Estimate s (Ksh)	Variance (Ksh)	Actual Performance (Ksh)	Approved Estimate s (Ksh)	Variance (Ksh)	Actual Expenditure (Ksh)	Approved Estimate s (Ksh)	Variance	% Total of the expected target	
<b>County Assembly</b>	944,999,913	945,000,000	87	18,200,090	105,000,000	86,799,910	963,200,003	1,050,000,000	86,799,997	92%	
<b>Office of the Governor</b>	291,746,982	361,426,577	69,679,595			-	291,746,982	361,426,577	69,679,595	81%	
<b>County Attorney</b>	63,356,341	62,757,171	(599,170)	-	5,000,000	5,000,000	63,356,341	67,757,171	4,400,830	94%	
<b>Finance</b>	758,719,002	892,143,879	133,424,877	6,650,282	25,781,689	19,131,407	765,369,284	917,925,568	152,556,284	83%	
<b>Economic Planning</b>	70,964,063	74,825,880	3,861,817			-	70,964,063	74,825,880	3,861,817	95%	
<b>Agriculture</b>	60,585,932	61,300,739	714,807	531,143,291	602,817,129	71,673,838	591,729,223	664,117,868	72,388,645	89%	
<b>Livestock</b>	16,119,096	18,300,735	2,181,639	32,133,534	35,884,182	3,750,648	48,252,630	54,184,917	5,932,287	89%	

<b>Fisheries</b>	9,407,540	11,688,762	2,281,222	58,028,775	63,500,000	5,471,225	67,436,315	75,188,762	7,752,447	90%
<b>Water</b>	35,230,608	44,840,579	9,609,971	1,513,488,039	1,525,468,519	11,980,480	1,548,718,647	1,570,309,098	21,590,451	99%
<b>Environment</b>	72,213,791	77,248,959	5,035,168	45,392,395	67,598,295	22,205,900	117,606,186	144,847,254	27,241,068	81%
<b>Education</b>	379,304,065	396,038,740	16,734,675	140,911,019	366,406,275	225,495,256	520,215,083	762,445,015	242,229,932	68%
<b>ICT</b>	13,468,900	22,400,422	8,931,522			-	13,468,900	22,400,422	8,931,522	60%
<b>Health</b>	1,163,430,003	1,253,028,188	89,598,185	211,193,677	512,663,281	301,469,604	1,374,623,680	1,765,691,469	391,067,789	78%
<b>Public Health</b>	51,082,017	95,183,563	44,101,546	44,156,174	68,394,089	24,237,915	95,238,191	163,577,652	68,339,461	58%
<b>Roads &amp; Public Works</b>	203,376,711	220,565,413	17,188,702	998,683,908	1,125,845,617	127,161,709	1,202,060,619	1,346,411,030	144,350,411	89%
<b>Lands &amp; Energy</b>	350,852,096	366,413,873	15,561,777	284,583,831	362,584,450	78,000,619	635,435,927	728,998,323	93,562,396	87%
<b>Physical Planning &amp; UD</b>	23,331,572	36,550,088	13,218,516	18,745,316	81,343,340	62,598,024	42,076,888	117,893,428	75,816,540	36%
<b>Gender, Culture &amp; SS</b>	48,033,589	66,350,208	18,316,619	99,908,824	244,826,388	144,917,564	147,942,414	311,176,596	163,234,183	48%
<b>Trade &amp; Tourism</b>	28,073,782	35,977,277	7,903,495	192,518,159	206,704,393	14,186,234	220,591,941	242,681,670	22,089,729	91%
<b>Cooperative Development</b>	-	7,328,785	7,328,785		5,000,000	5,000,000	-	12,328,785	12,328,785	0%
<b>CPSB</b>	16,127,669	44,698,442	28,570,773			-	16,127,669	44,698,442	28,570,773	36%
<b>Devolution &amp; DM</b>	245,393,936	246,094,131	700,195	4,159,860	15,476,265	11,316,405	249,553,796	261,570,396	12,016,600	95%

<b>Public Service Mgt</b>	4,217,25 1,258	4,591,30 7,942	374,056 ,684			-	4,217,25 1,258	4,591,30 7,942	374,05 6,684	92 %
<b>Total</b>	<b>9,063,06 8,866</b>	<b>9,931,47 0,353</b>	<b>868,401 ,487</b>	<b>4,199,89 7,173</b>	<b>5,420,29 3,912</b>	<b>1,220, 396,7 39</b>	<b>13,262,9 66,039</b>	<b>15,351,7 64,265</b>	<b>2,088, 798,2 26</b>	<b>86 %</b>

Source of data: County Treasury

### a) Causes of expenditure shortfall

- i. **Administrative Disruption:** The period leading up to and following an election was often marked by administrative disruptions, including changes in key personnel and decision-makers within the county government. These disruptions resulted in delays in decision-making and the execution of budgeted expenditures.
- ii. **Political Uncertainty:** Elections created a sense of political uncertainty, which led to cautious spending and hesitation on the part of the outgoing administration to commit to new projects or expenditures that might have been continued or discontinued by the incoming leadership.
- iii. **Transition Planning Gaps:** In some cases, there were inadequate or incomplete transition planning efforts, leading to a lack of clear guidelines and continuity in budget execution. This resulted in expenditure bottlenecks and inefficiencies.
- iv. **Budget Revisions:** The incoming leadership had different priorities and policy directions, which led to budget revisions and reallocations of funds. These changes disrupted ongoing projects and expenditure plans.
- v. **Incomplete Projects:** Ongoing development projects were often not completed within the term of the outgoing administration, resulting in budgetary commitments that were carried over to the next administration. This affected expenditure planning and reporting.
- vi. **Capacity Gaps:** Transition periods revealed capacity gaps in financial management, procurement, and project implementation within the county government. These gaps hindered the execution of budgeted expenditures.

16. To mitigate these challenges and ensure effective expenditure management during election transitions, it is crucial for the county government to establish clear transition frameworks, engage in comprehensive planning, uphold the rule of law, and prioritize the continuity of essential public services and development projects. Additionally, building strong institutional capacity and promoting transparency in financial management can contribute to smoother transitions and improved expenditure performance.

### D. Overall Balance and Financing

17. The aggregate financial resources allocated for expenditure were derived from three primary sources: equitable share, own source revenue, and conditional grants. The equitable share amounted to Ksh.11,641,592,941, while the own source revenue collection reached Ksh.1,008,044,076, with the total grants disbursed totaling Ksh.1,458,159,503. Consequently, the overall revenue allocated for expenditure amounted to Ksh.14,107,796,520. An analysis of expenditure reports submitted to the treasury from the line departments reveals that the actual

total expenditure realized was Ksh.13,296,176,039. This culminated in an unutilized revenue of Ksh.811,620,482.

**Table 4: Budget Outturn for the FY 2022/23 (Ksh)**

A. TOTAL REVENUE & GRANTS 1. Revenue (Total)	Year before last	Immediate past financial year		Deviation (Ksh)	% Growth
	2021/22	2022/23			
	Actual(Ksh)	Actual(Ksh)	Targets(Ksh)		
EQ+OSR+GRANTS	13,555,480,941	14,107,796,521	15,601,765,714		
EQ+OSR	12,489,066,155	12,649,637,018	12,912,978,846		
National revenue allocation	11,641,592,941	11,641,592,941	11,641,592,941	-	0%
County own revenue (Totals)	847,473,214	1,008,044,077	1,271,385,905	263,341,828	-26%
Revote of budget			972,581,977		
County taxes	a	b	c	c-b	(b-c)/b
FIF & NHIF	280,113,841	407,626,966	250,000,000	157,626,966	39%
Land Rates and other Land Revenue	107,510,206	141,343,503	319,066,961	177,723,458	-126%
Cess on natural resources	244,805,804	244,369,392	259,034,054	14,664,662	-6%
Business Permit	50,045,462	61,586,826	72,613,623	11,026,797	-18%
Parking fees	25,163,907	23,915,034	51,306,811	27,391,777	-115%
Market fees	9,769,231	9,193,837	25,000,000	15,806,163	-172%
Billboards & Signage	31,270,722	21,945,488	30,000,000	8,054,512	-37%
Building Plan approval and Inspection	36,172,097	37,163,021	25,000,000	12,163,021	33%
Rent/Stall rents	7,900,250	9,968,225	15,000,000	5,031,775	-50%
Survey fees and plot rents	697,050	-	1,266,000	1,266,000	
Sale of Tender Documents		-	-	-	
Plot ground rent	4,792,982	7,460,159	10,000,000	2,539,841	-34%
House rent	9,807,862	6,003,684	40,000,000	33,996,316	-566%



Refuse Collection	1,632,600	2,224,900	1,262,000	- 962,900	43%
Food Hygiene Fees	3,779,710	1,476,005	10,000,000	8,523,995	-578%
Liquor licence	6,657,000	7,378,700	6,000,000	- 1,378,700	19%
AMS \$ATCs	4,327,310		25,000,000	25,000,000	
LEASING OF PLANTS AND EQUIPMENT			16,387,528	16,387,528	
Slaughter House and Livestock sale Yards	1,499,520	1,379,065	10,000,000	8,620,935	-625%
Others	21,527,660	25,009,273	104,448,928	79,439,655	-318%
<b>2. Grants (Totals)</b>	<b>1,066,414,786</b>	<b>1,458,159,503</b>	<b>1,716,204,891</b>	<b>258,045,388</b>	
Leasing of Medical Equipment		110,638,298	110,638,298		
National Agricultural and Rural Inclusive Growth Project (NARIGP)		148,120,023	328,154,152	180,034,129	-122%
DANIDA Grant (Universal Healthcare in Devolved System Programme)		13,117,500	33,598,125	20,480,625	-156%
Water&Sanitation Development Programme (WSDP)		893,321,391	900,000,000	6,678,609	-1%
World Bank Credit to Finance Locally-Led Climate Action Program		11,000,000	22,000,000	11,000,000	-100%
Kenya Devolution Support Programme (KDSP) Level II Grant		-	37,044,750	37,044,750	
Agricultural Sector Development Support Programme (ASDSP) II		11,235,088	11,235,089	1	0%

Kenya Urban Support Programme (KUSP)-Urban Institutional Grant		3,534,474	3,534,477	3	0%
Kenya Informal Settlement and Improvement Project (KISIP)		200,000,000	200,000,000	-	0%
World Bank Credit National Agricultural Value Chain Development Project (NAVCDP)		67,192,729	70,000,000	2,807,271	-4%
<b>EXPENDITURE</b>					
<b>TOTAL</b>	<b>11,526,038,564</b>	<b>13,296,176,039</b>	<b>15,601,765,714</b>	2,305,589,675	-17%
<b>1. Recurrent</b>	8,347,527,759	9,096,278,866	10,181,471,802	1,085,192,936	-12%
Operation and maintenace	4,165,106,638	4,773,812,833	5,346,046,548	572,233,715	-12%
Executive Permanent wages and salaries	3,460,012,338	3,581,057,251	4,076,935,235	495,877,984	-14%
Executive Casual wages	192,918,764	195,918,764	213,000,000	17,081,236	-9%
County Assembly Permanent wages and salaries	498,280,019	512,280,019	512,280,019	-	0%
County Assembly Casual wages	31,210,000	33,210,000	33,210,000	-	0%
<b>2. Development expenditure</b>	3,178,510,805	4,199,897,173	5,420,293,912	1,220,396,739	-29%
Development projects	3,178,510,805	4,199,897,173	5,420,293,912		-29%
<b>SURPLUS (DEFICIT)</b>	<b>2,029,442,377</b>	<b>811,620,482</b>	-		

Source of data: County Treasury

Table 5: Variations of the expenditure from different source documents

EXPENDITURE ANALYSIS							
CATEGORIES	REC(Ksh)	DEV(Ksh)	TOTAL (Ksh)	ACTUALS RESOURCES(Ksh)	TARGET( Ksh)	SURPLUS/DEFI CIT- AGAINST ACTUAL RECEIVED (Ksh)	SURPLUS/DEFI CIT- AGAINST TARGET IN BUDGET (Ksh)
VOTEBOOK BOOK	9,242,107,403	4,442,576,769	13,684,684,172	14,107,796,521	15,601,765,714	423,112,349	1,917,081,542
EXPENDITURE REPORTS	9,096,278,866	4,199,897,173	13,296,176,039	14,107,796,521	15,601,765,714	811,620,482	2,305,589,675
TRUCK CRF DETAILS	WITHDRAWALS - EXECUTIVE	WITHDRAWALS - COUNTY ASSEMBLY	TOTAL	ACTUALS RESOURCES	TARGET	VARIANCE 1	VARIANCE 2
	11,980,521,115	963,200,005	12,943,721,120	14,107,796,521	15,601,765,714	1,164,075,401	2,658,044,594

Data Source: County Treasury

### E. Fiscal Responsibility Principles

18. In strict adherence to the Constitution, the Public Finance Management Act of 2012, the PFM Regulations, and guided by the principles of prudent and transparent management of public resources, the County Government has consistently upheld the fiscal responsibility principles enshrined in the statutes, as delineated below:
19. The County's total expenditure amounted to Ksh.13,296,176,639, while the total resources realized stood at Ksh.14,107,796,520.92. Of the expenditure, 68% was allocated to recurrent expenses, with the remaining 32% designated for development. Notably, salaries and wages accounted for 33% of the total county expenditure. It is essential to underscore that fiscal responsibility principles recommend that a maximum of 70% of the county's expenditure should be allocated to recurrent expenses, with at least 30% allocated to development, and salaries and wages should not exceed 35%. This allocation breakdown reflects the County's concerted efforts to adhere to these fiscal responsibility principles.

### F. County pending bills

20. During the period under review, the County encountered a substantial volume of pending bills, necessitating the establishment of a specialized task force charged with the responsibility of meticulously scrutinizing and verifying these outstanding liabilities. Subsequently, the County successfully completed this initiative and has already commenced the process of settling a portion of the verified pending bills.

### G. County Fiscal Projections

21. The fiscal forecasts detailed by the County Government in the 2023 CBROP (Table 6) are in substantial accordance with the estimates presented in the 2023 CFSP. These projections will serve as a cornerstone for shaping the budget estimates for the Fiscal Year 2024/25 and the overarching medium-term financial strategy. The County Government reaffirms its dedication to adhering to fiscal responsibility principles and assures that any adjustments made to the financial

objectives in the 2024 CFSP will be tailored to accommodate changing conditions while upholding these principles.

**Table 6:County Fiscal Projections**

	2021/22	2022/23		2023/24		2024/25		2025/26
	Prov.(Ksh)	N		N+1		N+2		N+3
		CFSP '23(R) (Ksh)	CBROP '23 (Ksh)	CFSP '24(R) (Ksh)	CBROP '24 (Ksh)	CFSP '25(R) (Ksh)	CBROP '25 (Ksh)	CBROP '26 (Ksh)
<b>Revenue &amp; Grants</b>	12,472,092,941	12,659,092,941	13,255,842,941	13,760,963,037	13,760,963,037	13,843,324,483	13,843,324,483	14,449,011,189
<b>Revenue</b>	12,472,092,941	12,659,092,941	13,255,842,941	13,760,963,037	13,760,963,037	13,843,324,483	13,843,324,483	14,449,011,189
<b>Grants</b>	-	-	-	-	-	-	-	-
<b>Equitable share</b>	11,641,592,941	11,641,592,941	11,641,592,941	12,113,734,119	12,113,734,119	12,113,734,119	12,113,734,119	12,113,734,119
<b>OSR</b>	830,500,000	1,017,500,000	1,614,250,000	1,647,228,918	1,647,228,918	1,729,590,364	1,729,590,364	2,335,277,070
<b>Expenditure</b>	12,472,092,941	12,659,092,941	13,255,842,941	13,760,963,037	13,760,963,037	13,843,324,483	13,843,324,483	14,449,011,189
<b>Recurrent</b>	8,884,269,105	8,373,725,449	7,627,908,343	7,843,748,931	7,843,748,931	7,890,694,955	7,890,694,955	8,235,936,378
<b>Development</b>	3,587,823,836	4,285,367,492	5,627,934,598	5,917,214,106	5,917,214,106	5,952,629,528	5,952,629,528	6,213,074,811
<b>County transfer</b>	-	-	-	-	-	-	-	-

*Data Source: Projections by the County Treasury( Directorate of Budget and Economic Planning*

## III. MACROECONOMIC OUTLOOK AND DEVELOPMENTS

### A. World Economic Outlook

22. In 2022, global economic growth decelerated to 3.5%, a significant drop from the 6.3% growth experienced in 2021. This slowdown was primarily attributed to several factors, including elevated global inflation, disruptions in energy and value chains, and the effects of monetary policy tightening across many world economies, as illustrated in Table 9. Projections indicate that this deceleration will persist, with a further decline to 3.0% expected for both 2023 and 2024. This downward trend can be attributed to the ongoing monetary policy tightening measures aimed at addressing inflationary pressures. While central banks have taken steps to address these pressures, inflation levels continue to exceed target rates in many countries.

23. Recent initiatives by authorities to address challenges within the banking sectors of the United States and Switzerland have alleviated immediate concerns regarding financial sector stability. However, it's worth noting that the escalation of the conflict in Ukraine, fluctuations in global oil prices, and the occurrence of extreme weather-related shocks remain potential factors that could exert downward pressure on the global economic outlook.

**Table 7: World Economic Outlook**

Economy	Growth(%)			
	Actual		Projected	
	2021	2022	2023	2024
<b>World</b>	6.3	3.5	3	3
<b>Advanced Economies</b>	5.4	2.7	1.5	1.4
of Which: <i>USA</i>	5.9	2.1	1.8	1
<i>Euro Area</i>	5.3	3.5	0.9	1.5
<b>Emerging and Developing Economies</b>	6.8	4	4	4.1
of which: <i>China</i>	8.4	3	5.2	4.5
<i>India</i>	9.1	7.2	6.1	6.3
<b>Sub-Saharan Africa</b>	4.7	3.9	3.5	4.1
Of Which: <i>South Africa</i>	4.7	1.9	0.3	1.7
<b>Nigeria</b>	3.6	3.3	3.2	3
<b>Kenya*</b>	7.6	4.8	5.5	5.6

Source: IMF world Economic Outlook July 2023. \* National Treasury Projections (BROP 2023)

24. Advanced economies are anticipated to experience a deceleration in growth, with projections indicating a decrease to 1.5 percent in 2023 and 1.4 percent in 2024, down from the 2.7 percent growth observed in 2022. This deceleration is pervasive, affecting approximately 93 percent of countries in the advanced economies group. The principal driver behind this slowdown is the proactive monetary policy tightening in advanced economies, which has raised concerns regarding heightened uncertainty in financial markets. This includes sustained high interest rates and increased vulnerability within the banking sector.

25. Conversely, emerging markets and developing economies are expected to maintain a relatively stable growth trajectory, with projections at 4.0 percent in 2023 and 4.1 percent in 2024.

Nevertheless, variations in growth rates will be notable across different regions. The global economic context, marked by sluggish growth, elevated inflation rates, and challenging financial conditions on both global and domestic fronts, continues to exert downward pressure on growth in the sub-Saharan Africa region. As a result, economic growth in this region is anticipated to slow to 3.5 percent in 2023, down from the 3.9 percent recorded in 2022, before recovering to 4.1 percent in 2024

## **B. Kenya's Economic Outlook and Performance**

- 26.** In the decade preceding the COVID-19 pandemic, economic growth in Kenya maintained an average rate of 5.0 percent. However, in the two years following the pandemic's onset, growth exhibited renewed momentum, reaching an average of 6.2 percent. Remarkably, the Kenyan economy displayed resilience in 2022, despite confronting a series of substantial challenges, including the adverse effects of climate change, lingering repercussions of COVID-19, disruptions in global supply chains, and the impact of the Russia-Ukraine conflict. Nonetheless, this resilience did lead to a deceleration in economic growth, which dropped to 4.8 percent in 2022 from the robust 7.6 percent recorded in 2021.
- 27.** In 2020, favorable rainfall patterns bolstered agricultural production in the country, leading to a growth rate of 4.6 percent in the agriculture sector. However, Kenya subsequently faced a significant climate-related shock in the form of a severe drought, which was also experienced across the Horn of Africa and the East African regions. This drought not only exacerbated inflationary pressures but also inflicted widespread food insecurity, resulting in the loss of lives, livelihoods, and a significant livestock reduction. Consequently, the agriculture sector contracted by 0.4 percent in 2021 and further declined by 1.6 percent in 2022 as a direct consequence of these adverse climatic conditions.
- 28.** The performance of the industrial sector exhibited a slowdown in 2022, registering a growth rate of 3.5 percent compared to the robust 6.8 percent growth observed in 2021. This deceleration was primarily attributed to reduced activity levels within key sub-sectors, including manufacturing, electricity and water supply, and construction. Conversely, the services sector maintained its resilience, with a notable growth rate of 6.7 percent during the same period. This strong performance was underpinned by improvements in sub-sectors such as information and communication, financial and insurance, and professional, administrative, and support services. Additionally, significant growth was recorded in sub-sectors such as accommodation and food services, as well as transport and storage.
- 29.** During the initial quarter of 2023, the real GDP exhibited a growth rate of 5.3 percent, primarily attributable to the remarkable recovery of agricultural activities, which surged by 5.8 percent. This resurgence can be attributed to improved rainfall conditions and the positive effects stemming from government-initiated subsidies on fertilizers and seeds, which directly supported farmers. The recovery in the agricultural sector translated into heightened production, particularly in food crops, subsequently resulting in a substantial increase in the export of vegetables and fruits.

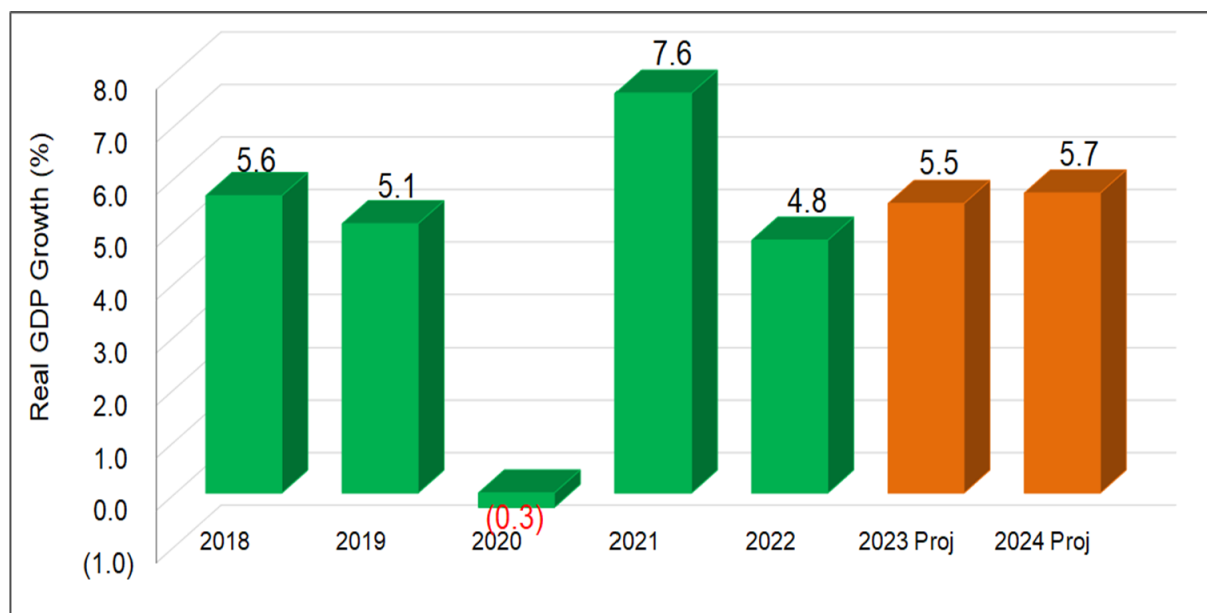
**Table 8: Sectoral GDP Performance**

Sectors	2021	2022	2023 Q1
<b>1. Primary Industry</b>	<b>0.5</b>	<b>(1.0)</b>	<b>5.6</b>
1.1. Agriculture, Forestry and Fishing	(0.4)	(1.6)	5.8
1.2. Mining and Quarrying	18.0	9.3	3.3
<b>2. Secondary Sector (Industry)</b>	<b>6.8</b>	<b>3.5</b>	<b>2.4</b>
2.1. Manufacturing	7.3	2.7	2.0
2.2. Electricity and Water supply	5.6	4.9	2.3
2.3. Construction	6.7	4.1	3.1
<b>3. Tertiary sector (Services)</b>	<b>9.6</b>	<b>6.7</b>	<b>6.0</b>
3.1. Wholesale and Retail trade	8.0	3.8	5.7
3.2. Accommodation and Restaurant	52.6	26.2	21.5
3.3. Transport and Storage	7.4	5.6	6.2
3.4. Information and Communication	6.1	9.9	8.7
3.5. Financial and Insurance	11.5	12.8	5.8
3.6. Public Administration	6.0	4.5	6.6
3.7. Others	10.8	5.2	4.9
of which: Professional, Admin & Support Services	7.1	9.4	7.3
Real Estate	6.7	4.5	5.2
Education	22.8	4.8	3.6
Health	8.9	4.5	5.4
Taxes less subsidies	11.9	7.0	4.4
<b>Real GDP</b>	<b>7.6</b>	<b>4.8</b>	<b>5.3</b>

Data Source: Kenya National Bureau of statistics (BROP 2023)

- 30.** In the initial quarter of 2023, the manufacturing sub-sector displayed a modest expansion of 2.0 percent, primarily underpinned by the production of food items, including bakery products, as well as the processing and preservation of fish. Within the non-food manufacturing segment, notable growth was achieved in the manufacture of basic metals and fabricated metal products. The electricity and water supply sub-sector recorded a 2.3 percent expansion, primarily driven by increased electricity generation from renewable sources, such as geothermal and wind. These gains more than compensated for the reduction in electricity generation from hydroelectric sources. However, construction activities experienced a slowdown, largely due to decreased consumption of cement and reduced imports of various construction materials, including bitumen iron, and steel.
- 31.** During the initial quarter of 2023, the services sector exhibited robust performance, recording a growth rate of 6.0 percent. This notable growth was primarily characterized by substantial expansions in several sub-sectors, including accommodation and food services, information and communication technology, transportation and storage, financial and insurance services, as well as wholesale and retail trade. These sectors collectively contributed to the overall strength and resilience of the services sector during this period.
- 32.** The available economic indicators for the first three quarters of 2023 continue to display strength, marked by the ongoing recovery in the agricultural sector and the consistent performance of the services sector. As a result, economic growth is anticipated to reach 5.5 percent in 2023 and further increase to 5.7 percent in 2024. These projections are underpinned by a robust private sector showing and the sustained commitment of the government to invest in nine priority value chains, namely Leather, Cotton, Dairy, Edible Oils, Tea, Rice, Blue Economy, Natural Resources (including Minerals and Forestry), and Building Materials. Furthermore, public sector investments in infrastructure, coupled with the prudent implementation of fiscal and monetary policies, will continue to serve as pillars supporting economic activity and growth.

**Figure 1: Annual Real Growth Rates, Percent**



Data Source: Kenya National Bureau of Statistics (BROP 2023)

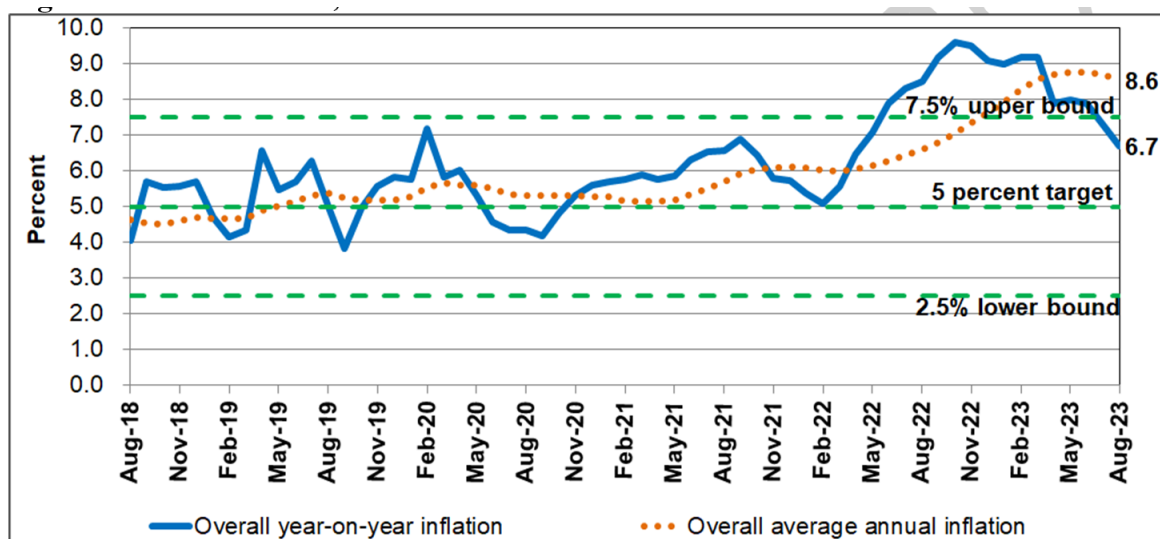
### **i. Inflation Developments**

- 33.** Inflation consistently exceeded the government's designated target range of  $5 \pm 2.5$  percent from June 2022 to June 2023. To firmly anchor inflation expectations and align inflation within the target range, the Monetary Policy Committee (MPC) progressively elevated the policy rate, known as the Central Bank Rate (CBR), from 7.50 percent in May 2022 to 10.50 percent in June 2023. This rate was maintained at 10.50 percent in August 2023. As a consequence of these measures, inflation experienced a significant decline, plummeting to 6.7 percent in August 2023 from its peak at 9.6 percent in October 2022. This notable decrease can be chiefly attributed to the moderation in food prices and the impact of the executed monetary policy tightening.
- 34.** Food inflation continued to exert a significant influence on overall inflation trends as of August 2023. Nevertheless, it exhibited a noteworthy decline, settling at 7.5 percent in August 2023, down from its peak of 15.0 percent in August 2022. This reduction can be attributed to several contributing factors, including the increased supply resulting from ongoing harvests, seasonal factors, international developments, and government interventions involving the zero-rating of imports. It is worth noting, however, that sugar prices remained elevated due to a combination of domestic and global factors.
- 35.** Fuel inflation remained at elevated levels, primarily driven by soaring energy prices. In August 2023, fuel inflation surged to 14.2 percent, a noticeable increase from the 8.6 percent recorded in August 2022. This escalation can be attributed to several factors, including the gradual withdrawal of fuel subsidies starting from September 2022, as well as the upward adjustment of electricity tariffs that came into effect in April 2023. Furthermore, the upward revision of VAT on petroleum products in July 2023, from 8.0 percent to 16.0 percent, exerted additional upward pressure on prices. In contrast, prices for cooking gas continued to exhibit a declining trend, contributing to the moderation of inflation. This downward movement was influenced by the zero-rating of VAT on liquefied petroleum gas (LPG).



36. Core inflation, which excludes food and fuel components, exhibited a noteworthy trajectory. It rose from 3.2 percent in August 2022 to its zenith at 4.4 percent in March 2023 before subsequently receding to 3.7 percent by August 2023. This decline can be ascribed to the implementation of a contractionary monetary policy, strategically designed to mitigate the ripple effects stemming from elevated energy prices.

Figure 2: Inflation Rate, Percent

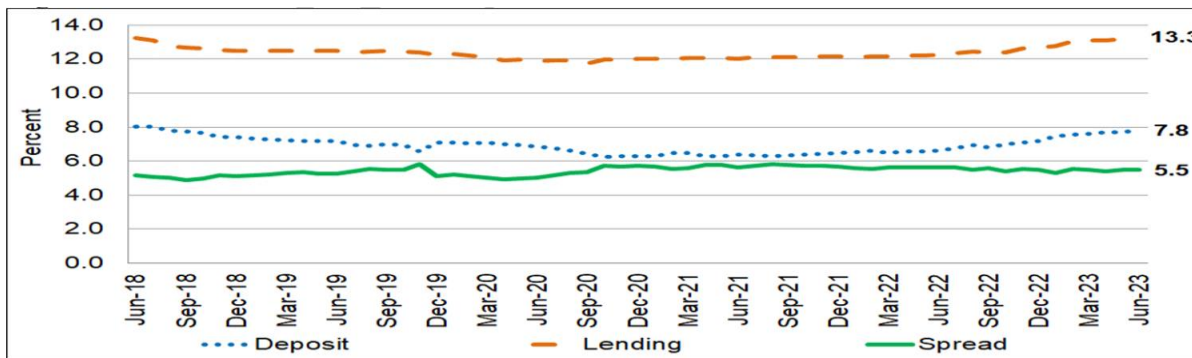


Source of Data: Kenya National Bureau of Statistics(BROP 2023)

ii. Commercial Bank Rates, Percent

37. In the period leading up to June 2023, there was a simultaneous rise in the average lending and deposit rates among commercial banks, mirroring the shift towards a more restrictive monetary policy stance. Specifically, the average lending rate climbed from 12.3 percent in June 2022 to 13.3 percent in June 2023, while the average deposit rate increased from 6.6 percent to 7.8 percent during the same timeframe. As a result, the average interest rate spread contracted from 5.7 percent in June 2022 to 5.5 percent in June 2023.

Figure 3: Commercial Bank Rates, Percent



Source of data: Central Bank of Kenya(BROP 2023)

### **iii. Exchange Rate Developments**

- 38.** The Kenyan foreign exchange market faced significant challenges due to global economic uncertainties stemming from the ongoing conflict between Russia and Ukraine, along with the uptick in interest rates in advanced economies, driven by mounting inflationary pressures. These factors exerted downward pressure on the exchange rate. In particular, the Kenyan shilling experienced a notable depreciation, with the exchange rate weakening by 20.5 percent in the 12 months leading up to August 2023, compared to a 9.3 percent depreciation during the same period in the previous year (August 2022). Consequently, in August 2023, the Kenyan shilling was quoted at Ksh 143.9 per unit, a decline from Ksh 119.5 in August 2022.
- 39.** Against the Euro, the Kenyan shilling also saw a depreciation, trading at Ksh 157.1 in August 2023, down from Ksh 121.0 in August 2022. Similarly, when measured against the British Pound, the Kenyan shilling weakened, exchanging at Ksh.182.9 in August 2023, as opposed to Ksh 143.5 in August 2022 (refer to Figure 4). Despite these challenges, the Kenyan shilling found support from increased remittances, sufficient foreign exchange reserves, and improved export earnings

## **C. County Recent Developments And Economic Outlook**

### **i. Public Private Partnerships**

- 40.** The county has actively pursued partnerships with the private sector and development organizations to catalyze economic growth. It has created an environment conducive to business by streamlining regulatory processes. These efforts will not only attract domestic and foreign investors but also create job opportunities and spur economic activities at the county level. Looking forward, the economic outlook for the county remains promising but is not without challenges.

### **ii. Launch of the Kenyan Riviera**

- 41.** The recent launch of the Riviera, a tourism facility by our County government, is not just an exciting addition to our community but also a promising avenue for substantial economic growth. With a dedicated website showcasing various recreation points, facilities, and hotels, the Riviera offers immense potential for the economic upliftment of our local residents.
- 42.** Firstly, the Riviera provides a substantial boost to our local tourism industry. Visitors from both near and far will be drawn to our region, lured by the attractions and amenities featured on the website. This influx of tourists injects fresh capital into our economy, stimulating numerous sectors. Hotels and accommodations, in particular, stand to gain significantly as tourists seek lodging options during their stay. This increased demand for accommodation leads to higher occupancy rates, allowing local hotels to raise their prices, which can translate into higher revenue and increased employment opportunities.

43. Moreover, the Riviera encourages the development of new local businesses and services. As tourists explore our community's recreation points, they may seek out local restaurants, shops, and entertainment venues. This, in turn, creates opportunities for entrepreneurs and small business owners to thrive. The presence of a tourism facility like the Riviera promotes entrepreneurship and innovation, as individuals identify niches within the market and cater to the needs of tourists.
44. Community members can also benefit from the Riviera through direct employment opportunities. As the tourism industry expands, the need for skilled and unskilled labor in various sectors such as hospitality, transportation, and recreational services increases. This offers a chance for residents to secure jobs that provide a stable income and potential for career growth. Furthermore, the training and skill development associated with these jobs can enhance the employability of our local workforce, opening doors to a wider range of opportunities.
45. The Riviera's website acts as a virtual gateway to our community, attracting potential investors and business partners. When investors witness the tourism potential of our county, they will be more inclined to invest in local enterprises, infrastructure, and development projects. This infusion of capital will further spur economic growth, create jobs, and improve the overall standard of living for our residents.
46. In addition to the economic benefits, the Riviera's website will serve as a platform for promoting our local culture and heritage. Through showcasing recreation points and facilities, we will draw attention to the unique aspects of our community, attracting individuals interested in cultural and heritage tourism. This not only preserves and celebrates our traditions but also creates opportunities for local artisans and cultural events.
47. The Riviera also has the potential to boost the local tax base. Increased economic activity, including higher property values and business revenues, can result in greater tax revenues for the County government. These funds can then be reinvested in essential public services, infrastructure development, and community improvement projects that benefit all residents.

### **iii. Launch of the Kilifi County Fire Station**

48. The recent launch of a fire station by our county government is a multifaceted investment that extends beyond firefighting capabilities. It is a testament to our commitment to safety, security, and overall community well-being. While it directly addresses the protection of life and property, its economic benefits, including reduced insurance costs, job opportunities, increased property values, and support for local businesses, underscore its significance as a driver of economic prosperity for our residents. As we move forward, we can confidently anticipate a safer and more economically vibrant community thanks to this critical addition to our county's infrastructure.
49. The ongoing need to strike a balance between revenue generation and fiscal responsibility poses a continuing challenge. The county strives to manage its resources efficiently to meet its development objectives while ensuring fiscal sustainability. Additionally, the county is keen to address issues of transparency and accountability. Ensuring that public funds are utilized judiciously and that citizens have access to information about the county's expenditures, is vital for building trust and confidence in the system.

- 50.** Another challenge lies in enhancing the capacity of county officials and staff in financial management, procurement, and project implementation. Strengthening institutional capacity is essential for the county to effectively manage its resources and deliver services efficiently.
- 51.** Towards this end the county has made remarkable strides driven by devolution and a commitment to local development. The economic outlook for the county is promising, with opportunities for further growth and development. However, challenges related to fiscal management, transparency, and capacity building must be addressed to sustain and expand the gains made so far. The County is poised to play an increasingly pivotal role in shaping its economic future, and its success is critical for the overall prosperity of the nation.

#### **iv. RISKS TO THE OUTLOOK**

- 52.** The macroeconomic outlook carries potential risks from both domestic and external sources. On the domestic front, these risks are associated with unpredictable weather patterns driven by the effects of climate change. Such weather variations have the potential to negatively impact agricultural production, leading to domestic inflationary pressures and concerns about food security.
- 53.** Externally, there are uncertainties looming in the global economic landscape, primarily arising from ongoing geopolitical tensions. These uncertainties carry the potential to drive up commodity prices and potentially hinder the global economic recovery, consequently affecting the domestic economy. A weaker global demand scenario could have adverse effects on various fronts within Kenya, including exports, foreign direct investments, and remittances. Additionally, the persistently high international commodity prices pose a dual risk - one, to both global and domestic inflation outcomes, and two, to the possibility of a further tightening of financial conditions. Moreover, the sustained strengthening of the US dollar relative to other global currencies, driven by an assertive monetary policy tightening, presents substantial risks to financial flows. This, in turn, exerts pressure on the exchange rate, with implications for both growth and inflation dynamics.
- 54.** There are potential positive developments on the horizon, largely associated with the possibility of an early relaxation of global financing conditions and a decrease in international fuel and food prices. Such outcomes could bolster Kenya's external economic position, leading to improved balances. Furthermore, an expedited recovery in economic activities, surpassing initial projections, holds the promise of generating higher government revenues. This, in turn, could create room for fiscal consolidation efforts. The effective coordination of monetary and fiscal policies is anticipated to contribute to maintaining stable macroeconomic conditions. This stability is a critical factor for encouraging both investment and savings, ultimately fostering economic growth.

## **IV.** RESOURCE ALLOCATION FRAMEWORK

### **A. Implementation of the FY 2023/24 Budget**

- 55.** The execution of the budget during two months of FY 2023/24 has demonstrated commendable progress. The total revenues realized during this period amounted to Ksh. 1,192,265,238.20, constituting approximately 6 percent of the projected revenue target. This figure comprises Ksh. 1,029,282,042.00 as the share of revenue raised at the national level, a grant of Ksh. 11,000,000 (climate Change), and own resource revenue totaling Ksh. 151,983,196.20, reflecting a performance rate of 9 percent against the set revenue target.
- 56.** Up to September 2023, the total expenditure incurred was solely directed towards recurrent expenses, amounting to Ksh. 784,275,951.00. This accounts for a 6 percent absorption rate relative to the projected expenditure. The recurrent expenses encompass disbursements related to salaries and wages, which sum up to Ksh.722,171,792.00, settlement of outstanding imprests amounting to Ksh. 21,025,779.00, and the allocation for operational and maintenance costs, which stands at Ksh.37,568,408.00.
- 57.** Towards this end; the County Treasury has devised a comprehensive set of strategies aimed at achieving our revenue target of Ksh.1,647,228,918 in the FY 2023/2024. These strategies encompass various aspects of revenue collection and management to enhance efficiency and effectiveness.
- 58.** Firstly, the County is committed to achieving full automation in its revenue collection processes, consolidating all procedures within the Kilifipay System. This step will streamline and modernize our revenue collection efforts. Additionally, the County is embracing paperless transactions, including the integration of several departments such as Kedams, ATC, Veterinary Services, Hiring of Plant and Machinery, Public Health, Weights and Measures with the Kilifipay system. The operationalization and enhancement of the County USSD, the extension of County Services at Huduma Centre, and the automation of Cess and Parking fee collection are integral components of our digitization efforts.
- 59.** In line with its commitment to improving healthcare services, the County plan to fully implement the Kilifi County Hospital Services Improvement Fund (HSIF Act, 2016) and operationalize new and specialized service charges due to the upgrading of Health Facilities. These initiatives will not only enhance healthcare but also contribute to revenue generation.
- 60.** To promote the county, the County will channel all Departmental meetings and workshops to the Mtwapa ATC upon its refurbishment, implementing an affirmative action approach. Land and property reforms are also a priority, involving the uploading and operationalization of the completed Valuation Roll, approval of the Rates truck, capturing of beneficiaries of upgrading schemes, and conducting a Land Audit for zoning and land use definition. Furthermore, the county government aim to profile all County Ranches to maintain a comprehensive database for accurate fee charging.
- 61.** The County government is committed to addressing land rates defaulters through recovery, as provided in section 17 (i) & (ii) of Kilifi County Rating Act. 2016. Moreover, there are robust plans to conduct revenue clinics to educate the public on the importance of compliance with county taxes, fees, and the benefits associated with compliance.

62. Efforts to enhance market operations involve pooling all traders into newly established and refurbished Markets and encouraging adherence to payment guidelines. Departmental collaboration and enforcement mechanisms will be strengthened to optimize revenue collection.
63. To expedite revenue collection, the county government aim to complete the Revenue Collection Cycle within a year by developing Standard Operating Procedures, fully implementing Revenue Collection Laws, and maintaining a close relationship with the County Attorney's office for legal reform and enforcement support.
64. Routine inspection and enforcement will be prioritized, including the appointment of authorized officers with powers of inspection and enforcement and the implementation of quarterly Rapid Results Initiative (RRI) programs. Staff capacity will be enhanced through training and capacity-building programs, while sufficient provision of working tools, such as mobile weighing units, will assist in determining tonnage of Cess materials.
65. Finally, the county is committed to the full implementation and operationalization of the Resource Mobilization Division organogram to facilitate revenue mobilization and management. These strategies collectively form a roadmap to achieving the revenue target and ensuring sustainable financial stability for Kilifi County.

## **B. Fiscal Policy for FY 2024/25 and Medium Term Budget**

66. The fiscal policy stance in the FY 2024/25 and over the medium term aims at supporting the priority programmes of the National Government under the Bottom - Up Economic Transformation Agenda (BETA), the MTP IV, the County Intergrated Development III (CIDP III) and the Governor's Manifesto through a growth friendly fiscal consolidation plan
67. Towards this end, emphasis will be placed on aggressive revenue mobilization through a combination of revenue administrative and revenue policy reforms. In this regard, the county will ensure Land and Property reforms - Uploading and operationalization of the completed Valuation Roll, approval of the Rates truck and capturing of Beneficiaries of the completed upgrading schemes and conducting Land Audit for the purpose of zoning and defining appropriate Land use and to ensure all County Ranches have been profiled to maintain a database for proper charging of the prerequisite fees.

## **C. FY 2024/25 Fiscal Projections**

68. In the fiscal year 2024/25, the total projected revenue, including Appropriation-in-Aid (A-i-A), is estimated at Ksh 13,843,324,483, excluding both conditional and unconditional grants. It's important to note that the transfer of mineral royalties to the county is anticipated to have been finalized by the national senate by this time, and the county expects to receive approximately Ksh 1 billion as its share.
69. Out of this total revenue projection, own-source revenue is expected to contribute Ksh 1.6 billion, with the remaining balance of Ksh 12.2 billion coming from an equitable share. This revenue forecast is contingent on the ongoing policy reforms and robust revenue mobilization strategies and administration being implemented by the county treasury.

**70.** In terms of expenditure, the overall budget is projected to amount to Ksh 13.8 billion, comprising recurrent expenditure of Ksh 7.89 billion (57 percent) and development expenditure of Ksh 5.91 billion (43 percent). The County government is demonstrating its commitment to clear all pending bills, although the specific amount is not provided, by the end of this fiscal period. This commitment reflects the county's dedication to effective financial management and accountability.

#### **D. FY 2024/25 and Medium-Term Budget Framework**

**71.** In the upcoming fiscal year 2024/25, as well as within the broader Medium Term Framework, the primary focus will be directed towards the realization of the Bottom-up Economic Transformation Agenda (BETA). This strategic agenda, prominently featured in the Medium Term Plan (MTP) IV, is informed by the key areas of intervention outlined in the Governor's Manifesto, the specific projects and programs articulated for execution in the County Integrated Development Plan (CIDP) III 2023-2027) and the meticulously devised 2024/2025 Annual Development Plan.

**72.** The overarching objective of the county's development plan is to pivot the county towards economic revitalization and foster a more inclusive pattern of growth. This entails a concerted effort to augment investments in five fundamental pillars, envisioned to have the most substantial impact on both our local economy and the well-being of our households. These pillars encompass Agricultural Transformation and Inclusive Growth, Micro, Small, and Medium Enterprise (MSME) development, Healthcare enhancement, the provision of clean, safe, and accessible water for various needs, and the augmentation of infrastructure development and connectivity.

**73.** The successful implementation of these priority programmes is geared towards uplifting the lives of Kilifi's residents, thereby ensuring their economic progress and overall welfare. To realize these pillars, the County Government will strategically deploy various key enablers, including Infrastructure development, fostering the Blue Economy, nurturing the Services Economy, addressing Environment and Climate Change concerns, investing in Education and Training, promoting the Women's Agenda, empowering the Youth, establishing Social Protection mechanisms, supporting Sports, Culture, and Arts initiatives, supporting MSMEs through provision of the WEZESHA fund and enhancing its Governance structures. Through concerted efforts in these areas, the county leadership aspires to transform Kilifi County into a thriving region where economic growth and the well-being of its residents flourish in harmony.

#### **E. Criteria for Resource Allocation**

**74.** The resource allocation for the priority programmes will be done through an integrated value chain approach under nine segments: access to clean water and support irrigation, Healthcare systems, Infrastructure and connectivity, Revenue mobilization, Realization of tourism potential, Early Childhood Education, Enterprise growth, Talent and Sustainability and Governance and public administration.

**75.** In order to optimize the allocation of resources, the County Treasury is actively pursuing a strategy to streamline the selection of projects designated for inclusion in the 2024/2025 budget as outlined in the respective Annual Development Plan. This process involves engaging the various line departments to meticulously craft concept notes that provide a clear and comprehensive delineation of the anticipated economic and social benefits associated with each proposed project. The overarching objective of this approach is to mitigate the risk of resource wastage and the duplication of development projects.

**76.** Additionally, the departments will be strongly encouraged to embrace resource allocation efficiency by implementing cost budgeting practices and conducting comprehensive reviews of the portfolio comprising donor-funded projects. Furthermore, County entities will be urged to undertake restructuring and alignment efforts in alignment with the overarching priority programmes of the County Government. The attainment of these objectives will be accomplished while adhering to the provisional budget ceilings outlined in this County Budget Review and Outlook Paper (CBROP). The subsequent criteria will be utilized as a framework for resource allocation:

- i. Alignment with Bottom-Up Economic Transformation Agenda priorities and the Governor's manifesto, emphasizing value chain linkages.
- ii. Alignment with the priorities outlined in Medium-Term Plan IV of Vision 2030, CIDP III, ADP 2024/2025 and the Sustainable Development Goals.
- iii. Support for climate change mitigation and adaptation efforts through program linkage.
- iv. Priority given to completing ongoing projects, reviving viable stalled projects, and settling verified pending bills.
- v. Assessment of a program's contribution to job creation and poverty reduction.
- vi. Evaluation of the extent to which a programmes aligns with the core mandate of the respective department and as a devolved function.
- vii. Consideration of the programme's cost-effectiveness, efficiency, and long-term sustainability.

In light of the considerations mentioned above, the resource allocation for the medium term will be directed according to the Medium-Term Expenditure Framework outlined in Table 9.



**Table 9: Medium Term County Entities/Departmental Ceilings FY 2023/2024-FY 2026/2027( All amounts are in Ksh).**

ACCOUNTING ENTITY	ESTIMATES 2023/24			PROV CEILINGS 2024/25			PROJECTION 2025/26			PROJECTION 2026/27		
	REC	DEV	TOTAL	REC	DEV	TOTAL	REC	DEV	TOTAL	REC	DEV	TOTAL
County Assembly	949,209,543	292,124,724	1,241,334,267	701,737,502.41	212,709,600	914,447,102.53	736,824,377.53	223,345,080.13	960,169,457.66	781,033,840.18	236,745,784.94	1,017,779,625.12
Office of the Governor	403,663,339	-	403,663,339	298,422,730.17	-	298,422,730.17	313,343,866.68	-	313,343,866.68	332,144,498.68	-	332,144,498.68
County Attorney	136,538,866	24,000,000	160,538,866	100,941,297.44	17,475,516	118,416,813.83	105,988,362.31	18,349,292.21	124,337,654.52	112,347,664.05	19,450,249.75	131,797,913.79
County Division for Finance	483,049,988	55,899,336	538,949,324	357,112,183.10	40,702,907	397,815,089.87	374,967,792.25	42,738,052.11	417,705,844.37	397,465,859.79	45,302,335.24	442,768,195.03
County Division for Economic Planning	130,248,870	-	130,248,870	96,291,190.28	-	96,291,190.28	101,105,749.80	-	101,105,749.80	107,172,094.79	-	107,172,094.79
Resource Mobilization (Revenue)	173,420,361	-	173,420,361	128,207,277.19	-	128,207,277.19	134,617,641.05	-	134,617,641.05	142,694,699.52	-	142,694,699.52
County Division for Agriculture	88,929,155	747,436,313	836,365,468	65,744,095.79	544,243,148	609,987,243.31	69,031,300.58	571,455,304.89	640,486,605.47	73,173,178.62	605,742,623.18	678,915,801.80
County Division for Livestock	36,691,127	157,383,307	194,074,434	27,125,243.33	114,598,107	141,723,350.05	28,481,505.49	120,328,012.06	148,809,517.55	30,190,395.82	127,547,692.79	157,738,088.61
Blue Economy	38,734,872	189,293,248	228,028,120	28,636,155.77	137,833,219	166,469,374.87	30,067,963.56	144,724,880.06	174,792,843.62	31,872,041.37	153,408,372.86	185,280,414.24
Water Services	91,949,224	2,256,923,900	2,348,873,124	67,976,791.08	1,643,371,276	1,711,348,066.60	71,375,630.64	1,725,539,839.30	1,796,915,469.93	75,658,168.47	1,829,072,229.66	1,904,730,398.13
Environment and Natural Resources	102,393,938	19,000,000	121,393,938	75,698,423.86	13,834,784	89,533,207.67	79,483,345.05	14,526,523.00	94,009,868.05	84,252,345.75	15,398,114.38	99,650,460.13
Foresrty and Climate Change	18,005,832	72,598,295	90,604,127	13,311,462.86	52,862,196	66,173,658.46	13,977,036.00	55,505,305.38	69,482,341.38	14,815,658.16	58,835,623.70	73,651,281.86
Early Childhood Education and Vocational Training	449,879,515	635,763,750	1,085,643,265	332,589,710.64	462,929,160	795,518,870.43	349,219,196.17	486,075,617.78	835,294,813.95	370,172,347.94	515,240,154.85	885,412,502.79
ICT and E-Government	42,848,430	-	42,848,430	31,677,252.37	-	31,677,252.37	33,261,114.99	-	33,261,114.99	35,256,781.89	-	35,256,781.89
County Division for Medical Services	1,250,421,649	849,791,561	2,100,213,210	924,419,451.32	618,772,765	1,543,192,216.10	970,640,423.88	649,711,403.02	1,620,351,826.90	1,028,878,849.32	688,694,087.20	1,717,572,936.52
Roads & Transport	353,340,721	1,174,514,807	1,527,855,528	261,219,913.86	855,218,865	1,116,438,778.99	274,280,909.55	897,979,808.39	1,172,260,717.94	290,737,764.12	951,858,596.90	1,242,596,361.02
Public Works	20,000,000	-	20,000,000	14,785,723.71	-	14,785,723.71	15,525,009.90	-	15,525,009.90	16,456,510.49	-	16,456,510.49
County Division for Lands & Energy	109,685,304	257,580,435	367,265,739	81,088,830.01	187,556,296	268,645,126.44	85,143,271.51	196,934,111.25	282,077,382.76	90,251,867.81	208,750,157.93	299,002,025.73
County Division for Physical Planning, Urban Develo	238,135,470	356,477,181	594,612,651	176,050,263.28	259,567,618	435,617,880.79	184,852,776.44	272,545,998.38	457,398,774.83	195,943,943.03	288,898,758.29	484,842,701.32
Gender, Culture, Social Services and Sports	104,763,396	146,189,820	250,953,216	77,450,131.05	106,447,608	183,897,739.21	81,322,637.61	111,769,988.57	193,092,626.17	86,201,995.86	118,476,187.88	204,678,183.74
Youth Affairs and Sports	15,149,221	151,084,830	166,234,051	11,199,609.81	110,011,893	121,211,502.45	11,759,590.30	115,512,487.27	127,272,077.57	12,465,165.72	122,443,236.51	134,908,402.23
County Division for Trade, & Tourism	51,052,468	509,313,172	560,365,640	37,742,384.33	370,854,612	408,596,996.27	39,629,503.55	389,397,342.53	429,026,846.08	42,007,273.76	412,761,183.08	454,768,456.84
County Division for Cooperative Development	55,475,361	37,895,761	93,371,122	41,012,168.03	27,593,666	68,605,834.39	43,062,776.43	28,973,349.67	72,036,126.11	45,646,543.02	30,711,750.66	76,358,293.67
Tourism Promotion	54,200,567	35,000,000	89,200,567	40,069,730.44	25,485,128	65,554,858.51	42,073,216.96	26,759,384.48	68,832,601.43	44,597,609.98	28,364,947.54	72,962,557.52
County Public Service Board	62,865,048	-	62,865,048	46,475,261.55	-	46,475,261.55	48,799,024.62	-	48,799,024.62	51,726,966.10	-	51,726,966.10
Public Service Management	4,976,169,935	75,000,000	5,051,169,935	3,678,813,690.11	54,610,989	3,733,424,678.84	3,862,754,374.62	57,341,538.16	3,920,095,912.78	4,094,519,637.09	60,782,030.45	4,155,301,667.55
Devolution & Civic Education	60,634,761	42,811,865	103,446,626	44,826,441.18	31,173,310	75,999,751.54	47,067,763.24	32,731,975.88	79,799,739.11	49,891,829.03	34,695,894.43	84,587,723.46
Special Programs and Disaster Management	112,438,211	40,323,539	152,761,750	83,124,016.13	29,361,444	112,485,460.58	87,280,216.94	30,829,516.67	118,109,733.61	92,517,029.95	32,679,287.67	125,196,317.63
<b>Totals</b>	<b>10,609,895,171</b>	<b>8,126,405,844</b>	<b>18,736,301,015</b>	<b>7,843,748,931.09</b>	<b>5,917,214,105.91</b>	<b>13,760,963,037</b>	<b>8,235,936,377.64</b>	<b>6,213,074,811.21</b>	<b>14,449,011,188.85</b>	<b>8,730,092,560.30</b>	<b>6,585,859,299.88</b>	<b>15,315,951,860.18</b>

## **F. Fostering Public Engagement and Inclusivity of Stakeholders**

**77.** In compliance with the provisions set forth in the Public Finance Management (PFM) Act of 2012, we actively engaged in the practice of soliciting input and fostering the engagement of stakeholders within our community. Notably, this document underwent a comprehensive review process involving the dedicated members of the Kilifi County Budget and Economic Forum (K-CBEF).

## V. CONCLUSION AND NEXT STEPS

- 78.** The fiscal performance for the fiscal year 2022/23 has yielded positive results, demonstrating encouraging growth within the Facility Improvement Fund. This growth is a clear indication of our sustained efforts to enhance hospital services, particularly with the successful operationalization of our new medical complex.
- 79.** As we progress into the implementation phase of the FY 2023/24 budget, we approach the remainder of the financial year with optimism and a steadfast commitment to realizing our planned initiatives. Our primary objective is to ensure the smooth execution of programmes and projects while upholding responsible fiscal policies.
- 80.** To this end, the County Government is resolute in its pursuit of a growth-friendly fiscal consolidation strategy. This approach serves as a signal of our dedication to addressing verified pending bills while simultaneously maintaining a fiscally sustainable environment. The overarching goal of this strategy is to progressively reduce the accumulation of pending bills, fostering financial stability, and accelerating the implementation of crucial programmes and projects.
- a) County fiscal consolidation plan:**
- i. **Offsetting Verified Pending Bills:** We recognize the importance of settling outstanding obligations to suppliers and service providers. By addressing these verified pending bills, we aim to promote a favorable business environment, enhance the confidence of our partners, and bolster economic stability.
  - ii. **Managing Fiscal Space:** We are committed to maintaining a fiscal space that is both sustainable and adaptable to emerging needs. This involves prudent financial management to ensure that our fiscal policies are supportive of long-term economic growth.
  - iii. **Gradual Decline in Pending Bills:** Our strategy emphasizes a gradual reduction in the accumulation of pending bills. This approach ensures that we do not burden our future financial prospects while still addressing immediate commitments.
  - iv. **Fast-Track Implementation:** We understand the urgency of executing our programmes and projects efficiently. To this end, we are streamlining our processes to expedite implementation and maximize the impact of our initiatives on the well-being of our citizens.
- 81.** In summary, as we move forward with the implementation of the FY 2023/24 budget, the County Government remains committed to responsible fiscal management, economic growth, and the welfare of our communities. By addressing pending bills, managing fiscal space, and ensuring swift programmes execution, we aim to foster an environment conducive to sustainable development and the well-being of all our constituents.

## Annex I: Own Source Revenue Performance by Stream FY 2022/2023(Ksh)

REVENUE CLASS	2021-2022 ACTUAL	BUDGET 22-23	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	Actual TOTAL Collection FY 2022/2023
FF & NHIF	280,113,840.50	250,000,000.00	23,294,612.00	20,299,377.00	27,377,381.50	54,305,399.00	20,810,870.50	20,166,586.00	60,542,278.00	35,742,802.00	24,893,895.00	20,952,665.50	21,141,509.00	78,099,590.00	407,626,965.50
Land Rates and other Land Revenue	107,510,206.00	319,066,961.00	2,868,749.00	1,943,076.50	4,829,076.50	4,685,047.00	3,410,428.00	5,890,650.00	24,292,681.00	29,194,653.35	34,268,601.00	6,700,676.00	6,531,955.00	16,727,910.00	141,343,503.35
Cess on natural resources	244,805,804.30	259,034,054.00	13,522,300.00	13,232,878.00	22,522,701.00	22,517,457.00	21,948,264.00	22,627,727.00	20,115,295.84	17,949,455.00	27,098,620.00	10,557,551.00	22,907,446.00	29,369,697.16	244,369,392.00
Business Permit	50,045,462.00	72,613,623.00	1,227,466.00	518,530.00	633,300.00	448,560.00	620,920.00	3,130,700.00	12,079,000.00	9,336,410.00	17,963,939.65	6,308,332.00	5,234,020.00	4,085,648.00	61,586,825.65
Parking fees	25,163,906.70	51,306,811.00	1,485,560.00	1,372,600.00	1,377,165.00	1,818,650.00	2,009,576.00	1,826,150.00	2,870,680.00	2,624,410.00	2,665,590.00	2,120,943.00	2,021,190.00	1,722,520.00	23,915,034.00
Market fees	9,769,231.00	25,000,000.00	661,355.00	611,890.00	660,345.00	711,915.00	840,830.00	622,825.00	815,627.00	884,290.00	945,015.00	760,145.00	838,400.00	841,200.00	9,193,837.00
Billboards & Signage	31,270,722.00	30,000,000.00	345,399.00	1,258,000.00	1,338,000.00	82,000.00	704,400.00	1,194,326.00	2,177,196.00	3,463,343.00	4,350,156.00	1,000,659.00	4,783,798.00	1,248,211.00	21,945,488.00
Building Plan approval and Inspection	36,172,096.66	25,000,000.00	2,746,775.00	1,971,240.00	1,252,296.00	2,150,167.10	2,490,623.00	5,831,328.00	2,763,466.00	3,749,709.00	3,337,751.00	2,042,295.00	4,075,907.00	4,751,464.00	37,163,021.10
Rent/Stall rents	7,900,250.00	15,000,000.00	481,100.00	434,100.00	941,000.00	994,900.00	1,119,800.00	644,950.00	685,250.00	1,398,600.00	705,775.00	470,150.00	936,600.00	1,156,000.00	9,968,225.00
Survey fees and plot rents	697,050.00	1,266,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Tender Documents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plot ground rent	4,792,982.00	10,000,000.00	1,379,696.00	286,574.50	655,369.50	1,035,391.00	413,711.00	591,744.00	485,515.00	947,321.20	753,604.00	807,445.00	61,777.00	42,010.50	7,460,158.70
House rent	9,807,862.19	40,000,000.00	455,550.00	451,550.00	445,550.00	441,550.00	441,550.00	445,550.00	445,050.00	443,050.00	427,050.00	426,447.32	951,712.47	629,074.00	6,003,683.79
Refuse Collection	1,632,600.00	1,262,000.00	61,300.00	9,400.00	30,700.00	2,400.00	5,100.00	197,800.00	578,100.00	342,300.00	661,500.00	87,100.00	77,900.00	171,300.00	2,224,900.00
Food Hygiene Fees	3,779,710.00	10,000,000.00	100,600.00	40,700.00	9,700.00	42,800.00	2,000.00	68,200.00	147,300.00	166,800.00	440,200.00	166,505.00	193,500.00	97,700.00	1,476,005.00
Liquor licence	6,657,000.00	6,000,000.00	79,700.00	94,000.00	82,000.00	21,000.00	12,000.00	421,000.00	1,833,000.00	1,090,000.00	2,404,000.00	418,000.00	652,000.00	272,000.00	7,378,700.00
AMS SATCS	4,327,310.00	25,000,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
LEASING OF PLANTS AND EQUIPMENT	-	16,387,528.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Slaughter House and Livestock sale Yards	1,499,520.00	10,000,000.00	59,890.00	77,570.00	76,200.00	264,630.00	69,030.00	84,320.00	193,510.00	101,230.00	84,530.00	71,620.00	195,905.00	100,630.00	1,379,065.00
Others	21,527,660.33	104,448,928.00	735,845.00	507,769.97	443,380.03	571,994.96	475,535.01	812,005.01	2,204,010.02	1,838,959.02	3,913,414.01	2,344,902.01	1,718,015.21	9,443,442.48	25,009,272.73
<b>TOTAL</b>	<b>847,473,213.68</b>	<b>1,271,385,905.00</b>	<b>49,505,897.00</b>	<b>43,109,255.97</b>	<b>62,674,164.53</b>	<b>90,093,861.06</b>	<b>55,374,637.51</b>	<b>64,555,861.01</b>	<b>132,227,958.86</b>	<b>109,273,332.57</b>	<b>124,913,640.66</b>	<b>55,235,435.83</b>	<b>72,321,634.68</b>	<b>148,758,397.14</b>	<b>1,008,044,076.82</b>

Data Source: County Division of Resource Mobilization

## Annex II: Grants Performance FY 2022/2023

<b>GRANTS ANALYSIS FY 2022/23</b>			
<b>TITLE</b>	<b>TARGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>Total Conditional allocations to County Governments from Loans and Grants from Development Partners</b>			
National Agricultural and Rural Inclusive Growth Project (NARIGP)	328,154,152	148,120,023	180,034,129
DANIDA Grant (Universal Healthcare in Devolved System Programme)	33,598,125	13,117,500	20,480,625
Water&Sanitation Development Programme (WSDP)	900,000,000	893,321,391	6,678,609
World Bank Credit to Finance Locally-Led Climate Action Program	22,000,000	11,000,000	11,000,000
Kenya Devolution Support Programme (KDSP) Level II Grant	37,044,750	-	37,044,750
Agricultural Sector Development Support Programme (ASDSP) II	11,235,089	11,235,088	1
Kenya Urban Support Programme (KUSP)-Urban Institutional Grant	3,534,477	3,534,474	3
Kenya Informal Settlement and Improvement Project (KISIP)	200,000,000	200,000,000	-
World Bank Credit National Agricultural Value Chain Development Project (NAVCDP)	70,000,000	67,192,729	2,807,271
<b>TOTALS</b>	<b>1,605,566,593</b>	<b>1,347,521,205</b>	<b>258,045,388</b>

**Data Source: County Treasury**

## Annex III: Approval By the Office of the Controller of Budget(OCOB)\_ CRF TRUCK Details(2022/2023)

(All amounts are in Ksh)

<b>EXCHEQUER RELEASE FY 2022/2023</b>								
REF NO	FORM A	FORM B	FORM C	CATEGORY	A/C NO	AMOUNT	CANCELED	DETAILS
1	03.08.2022	12.08.2022	15.08.2022	REC	1000170239	325,377,325.00		SALARIES JULY 2022
2	23.08.2022	02.09.2022	06.09.2022	REC	1000170239	5,528,562.00		GRATUITY JULY
3	24.08.2022	25.08.2022	01.09.2022	REC	1000170239	316,929,928.00		SALARIES AUG 2022
4	24.08.2022						3,221,438.00	GRATUITY AUG
5	24.08.2022	25.09.2022	01.09.2022	REC	1000170239	56,000,000.00		KEMSA
6	31.08.2022	08.09.2022	12.09.2022	PHC	1000559958	6,558,750.00		PHC
7	12.09.2022	15.09.2022	19.09.2022	REC	1000170239	17,143,231.00		CASUAL WAGE JULY
8	12.09.2022	15.09.2022	16.09.2022	REC	1000170239	17,486,005.00		CASUAL WAGE AUG
9	14.09.2022	15.09.2022	22.09.2022	REC	1000170239	120,334,688.00		PENDING BILLS MERCHANT
10	21.09.2022	27.09.2022	07.10.2022	REC	1000170239	50,000,000.00		KILIFI AND MALINDI M
11	30.09.2022	11.10.2022	13.10.2022	REC	1000170239	15,896,155.00		ALLOWANCES PENDING BI
12	30.09.2022	11.10.2022	13.10.2022	REC	1000170239	13,100,525.00		ALLOWANCES FY 2022.202
13	30.09.2022	11.10.2022	13.10.2022	REC	1000170239	49,139,112.00		REC MERCHANTS PENDING
14	30.09.2022	11.10.2022	13.10.2022	REC	1000170239	3,615,360.00		REC MERCHANTS FY 2022.2
15	30.09.2022	11.10.2022	13.10.2022	REC	1000170239	337,177,074.00		SALARIES SEP 2022
16	30.09.2022	11.10.2022	13.10.2022	REC	1000170239	17,380,663.00		CASUAL WAGE SEP
17	06.10.2022	24.10.2022	27.10.2022	REC	1000170239	5,538,745.00		GRATUITY AUG
18	06.10.2022	24.10.2022	27.10.2022	REC	1000170239	4,082,946.00		GRATUITY SEP
19	11.10.2022	27.10.2022	28.10.2022	CCCI	1000546778	19,598,295.00		CLIMATE CHANGE INST SUP
20	14.10.2022	27.10.2022	28.10.2022	REC	1000170239	62,818,526.00		REC MERCHANTS PENDING
21	14.10.2022	27.10.2022	28.10.2022	REC	1000170239	1,140,392.00		REC MERCHANTS FY 2022.2
22	14.10.2022	27.10.2022	28.10.2022	DEV	1000170198	28,000,000.00		MAWASCO
23	17.10.2022	27.10.2022	01.11.2022	DEV	1000170198	86,569,082.00		DEV PENDING BILLS
24	17.10.2022	27.10.2022	28.10.2022	REC	1000170239	56,500,000.00		KEMSA
25	18.10.2022	15.11.2022	18.11.2022	REC	1000170239	100,000,000.00		EMERGENCY FUND
26	25.10.2022	10.11.2022	17.11.2022	REC	1000170239	18,023,578.00		REC MERCHANTS PENDING

27	25.10.2022	10.11.2022	16.11.2022	REC	1000170239	2,680,074.00	REC MERCHANTS FY 2022.2
28	25.10.2022	10.11.2022	16.11.2022	REC	1000170239	2,710,700.00	ALLOWANCES FY 2022.202
29	25.10.2022	10.11.2022	16.11.2022	NARIG	1000366389	1,117,418.20	NARIG
30	18.11.2022	25.11.2022	28.11.2022	REC	1000170239	325,337,854.00	SALARIES OCT 2022
31	18.11.2022	25.11.2022	28.11.2022	REC	1000170239	17,296,191.00	CASUAL WAGE OCT
32	18.11.2022	25.11.2022	28.11.2022	REC	1000170239	4,321,062.00	GRATUITY OCT
33	25.11.2022	30.11.2022	01.12.2022	REC	1000170239	316,419,844.00	SALARIES NOV
34	25.11.2022	30.11.2022	01.12.2022	REC	1000170239	3,321,728.00	GRATUITY NOV
35	08.12.2022	16.12.2022	19.12.2022	REC	1000170239	1,813,000.00	IMPREST TASK FORCE
36	08.12.2022	16.12.2022	19.12.2022	REC	1000170239	5,978,000.00	IMPREST (OFFICES)
37	08.12.2022	16.12.2022	19.12.2022	REC	1000170239	105,429,652.00	REC MERCHANTS PENDING
38	08.12.2022	16.12.2022	19.12.2022	REC	1000170239	51,133,359.00	REC MERCHANTS FY 2022.2
39	08.12.2022	16.12.2022	19.12.2022	DEV	1000170239	128,006,947.00	DEV PENDING BILLS
40	14.12.2022			REC	1000170239	54,133,000.00	MALINDLI MUNICIPALITY
41	14.12.2022			REC	1000170239	44,001,883.00	KILIFI MUNICIPALITY
42	19.12.2022	29.12.2022	30.12.2022	REC	1000170239	17,116,499.00	CASUAL WAGE NOV2022
43	19.12.2022	06.01.2023	09.01.2023	DEV	1000170198	58,000,000.00	MBEGU FUND
44	19.12.2022	30.12.2022	05.01.2023	REC	1000170239	364,254,446.00	SALARIES DEC 2022
45	19.12.2022	30.12.2022	05.01.2023	REC	1000170239	175,000,000.00	SCHOLARSHIP
46	19.12.2022	30.12.2022	05.01.2023	REC	1000170239	112,500,000.00	KEMSA
47	19.12.2022			DEV	1000170198	119,767,121.00	DEV PENDING BILLS
48	19.12.2022	30.12.2022	05.01.2023	REC	1000170239	3,515,315.00	GRATUITY DEC
49	19.12.2022	30.12.2022	05.01.2023	REC	1000170239	5,949,810.00	ALLOWANCES FY 2022.202
50	22.12.2022	29.12.2022	30.12.2022	REC	1000170239	17,307,680.00	CASUAL WAGE DEC2022
51	20.01.2023	26.01.2023	27.01.2023	DEV	1000170198	104,500,000.00	DEV PENDING BILLS
52	20.01.2023	26.01.2023	27.01.2023	REC	1000170239	21,672,767.00	REC MERCHANTS PENDING
53	20.01.2023	26.01.2023	27.01.2023	REC	1000170239	45,747,495.00	REC MERCHANTS FY 2022.2
54	26.01.2023	31.01.2023	01.02.2023	REC	1000170239	315,232,345.00	SALARIES JAN 2023
55	26.01.2023	12.04.2023	12.04.2023	REC	1000170239	7,531,648.00	CASUAL WAGE JAN 15 DAY
56	26.01.2023	31.01.2023	01.02.2023	WSDP	1000394889	572,500,561.90	WSDP
57	30.01.2023	02.02.2023	07.02.2023	ASDP	1000366378	6,242,200.00	ASDP

58	30.01.2023	02.02.2023	07.02.2023	NARIG	1000366389	147,002,605.00	NARIG
59	30.01.2023	02.02.2023	08.02.2023	REC	1000170239	4,331,658.00	GRATUITY JAN 2023
60	06.02.2023	13.02.2023	16.02.2023	REC	1000170239	327,245,096.00	MEDICAL INSURANCE
61	06.02.2023	09.02.2023	10.02.2023	REC	1000170239	44,001,883.50	MUNICIPALITY KILIFI
62	06.02.2023	13.02.2023	16.02.2023	REC	1000170239	200,000,000.00	EMERGENCY FUND
63	09.02.2023	13.02.2023	16.02.2023	REC	1000170239	10,760,477.00	IMPREST
64	09.02.2023	13.02.2023	16.02.2023	REC	1000170239	12,123,300.00	REC MERCHANTS FY 2022.2
65	09.02.2023	13.02.2023	16.02.2023	REC	1000170239	15,444,215.00	REC MERCHANTS PENDING
66	09.02.2023	13.02.2023	16.02.2023	DEV	1000170198	11,063,000.00	DEV FY 2022.23
67	09.02.2023	13.02.2023	16.02.2023	DEV	1000170198	10,502,903.00	DEV PENDING BILLS
68	24.02.2023	28.02.2023	02.03.2023	REC	1000170198	54,133,000.00	MUNICIPALITY MALINDI
69	24.02.2023	28.02.2023	02.03.2023	NARIG	1000366389	25,181,257.00	NARIG
70	24.02.2023	28.02.2023	02.03.2023	NARIG	1000366389	6,500,000.00	NARIG
71	24.02.2023	28.02.2023	02.03.2023	ASDP	1000366378	5,500,000.00	ASDP
72	28.02.2023	07.03.2023	08.03.2023	REC	1000170239	329,355,242.00	SALARIES FEB 2023
73	28.02.2023	03.03.2023	06.03.2023	REC	1000170239	42,054,811.00	REC M.V INSURANCE
74	28.02.2023	03.03.2023	06.03.2023	REC	1000170239	26,710,953.00	REC MERCHANTS FY 2022.2
75	28.02.2023	16.03.2023	17.03.2023	REC	1000170239	70,000,000.00	SCHOLARSHIP
76	28.02.2023	03.03.2023	06.03.2023	REC	1000170239	10,567,979.00	REC MERCHANTS PENDING
77	02.03.2023	03.03.2023	06.03.2023	REC	1000170239	11,405,769.00	REC M.V INSURANCE
78	03.03.2023	11.04.2023	13.04.2023	REC	1000170239	18,269,716.00	CASUAL WAGE JAN TO FEB
79	03.03.2023	09.03.2023	15.03.2023	REC	1000170239	25,932,178.00	HSIF
80	03.03.2023	11.04.2023	12.04.2023	REC	1000170239	20,000,000.00	DONATION
81	08.03.2023	14.03.2023	15.03.2023	REC	1000170239	62,739,420.00	REC MERCHANTS PENDING
82	08.03.2023	14.03.2023	15.03.2023	REC	1000170239	3,335,591.00	ALLOWANCES FY 2022.202
83	08.03.2023	14.03.2023	16.03.2023	DEV	1000170198	129,517,039.00	DEV PENDING BILLS
84	08.03.2023			REC	1000170239	25,627,052.00	IMPREST
85	08.03.2023	14.03.2023	15.03.2023	REC	1000170239	63,657,324.00	REC MERCHANTS FY 2022.2
86	22.03.2023	23.03.2023	27.03.2023	REC	1000170239	4,729,838.00	GRATUITY FEB 2023
87	22.03.2023	28.03.2023	12.04.2023	REC	1000170239	47,036,240.00	REC MERCHANTS FY 2022.2
88	31.03.2023	11.04.2023	13.04.2023	REC	1000170239	321,546,123.00	SALARIES MAR 2023
89	31.03.2023	11.04.2023	14.04.2023	REC	1000170239	159,143,908.00	KEMSA
90	04.04.2023	11.04.2023	13.04.2023	REC	1000170239	17,069,713.00	CASUAL WAGES FEB TO MA



91	04.04.2023	11.04.2023	13.04.2023	REC	1000170239	9,383,700.00	CASUAL WAGES 15 MAR
92	05.04.2023	11.04.2023	13.04.2023	CCCI	1000546778	11,000,000.00	CLIMATE CHANGE INST SUP
93	18.04.2023	24.04.2023	26.04.2023	REC	1000170239	13,813,558.00	ALLOWANCES FY 2022.2023
94	24.04.2023	25.04.2023	26.04.2023	REC	1000170239	202,150,157.00	REC MERCHANTS FY 2022.23
95	18.04.2023	24.04.2023	26.04.2023	REC	1000170239	47,833,641.00	IMPREST
96	02.05.2023	03.05.2023	04.05.2023	REC	1000170239	328,039,442.00	SALARIES APRIL
97	04.05.2023	12.05.2023	16.05.2023	REC	1000170239	120,000,000.00	REC MORTGAGE
98	04.05.2023	09.05.2023	11.05.2023	REC	1000170239	96,634,693.00	MUNICIPALTY KILIFI AND M
99	08.05.2023	09.05.2023	11.05.2023	REC	1000170239	9,203,458.00	REC CASH TRANSEFR ELDER
100	08.05.2023	09.05.2023	11.05.2023	REC	1000170239	105,000,000.00	SCHOLARSHIP
101	09.05.2023	12.05.2023	16.05.2023	REC	1000170239	17,691,545.00	CASUAL WAGES APRIL
102	16.05.2023	22.05.2023	23.05.2023	PHC	1000559958	13,117,500.00	PHC
103	16.05.2023	22.05.2023	23.05.2023	KUSP	1000396628	3,534,474.20	KUSP
104	16.05.2023	22.05.2023	23.05.2023	REC	1000170239	177,289,263.00	REC MERCHANTS FY 2022.23
105	16.05.2023	22.05.2023	23.05.2023	DEV	1000170198	188,859,202.00	DEV FY 2022.23
106	18.05.2023	23.05.2023	26.05.2023	REC	1000170239	10,146,878.00	IMPREST
107	18.05.2023	23.05.2023	26.05.2023	REC	1000170239	5,049,627.00	DSA FY 2022.23
108	25.05.2023	26.06.2023	29.06.2023	REC	1000170239	85,869,000.00	REC MERCHANTS PENDING
109	25.05.2023	26.06.2023	29.06.2023	DEV	1000170138	109,291,671.00	DEV PENDING BILLS
110	25.05.2023	06.06.2023	07.06.2023	REC	1000170239	25,844,446.00	ALLOWANCES PENDING BIL
111	30.05.2023	06.06.2023	07.06.2023	REC	1000170239	18,778,608.00	CASUAL WAGES MAY
112	30.05.2023	06.06.2023	07.06.2023	REC	1000170239	321,440,187.00	SALARIES MAY
113	06.06.2023	09.06.2023	12.06.2023	REC	1000170239	144,321,685.00	REC MERCHANTS FY 2022.23
114	06.06.2023	09.06.2023	13.06.2023	REC	1000170198	231,025,406.00	DEV FY 2022.23
115	06.06.2023			REC		21,271,818.00	OM PB
116	06.06.2023			DEV		83,389,392.00	DEV PB
117	06.06.2023	09.06.2023	12.06.2023	DEV	1000170198	10,000,000.00	DEV FY 2022.23 MUNICIPA
118	14.06.2023	26.06.2023	27.06.2023	REC	1000170239	40,000,000.00	EMERGENCY FUND
119	14.06.2023	26.06.2023	27.06.2023	DEV	1000170198	58,000,000.00	MBEGU FUND
120	19.06.2023	26.06.2023	29.06.2023	REC	1000170239	41,044,377.50	MUNICIPALTY KILIFI AND M
121	19.06.2023	26.06.2023	27.06.2023	REC	1000170239	322,658,571.00	SALARIES JUNE 2023
122	19.06.2023	26.06.2023	27.06.2023	REC	1000170239	20,218,954.00	CASUAL WAGES

123	26.06.2023	26.06.2023	27.06.2023	REC	1000170239	64,000,000.00		KEMSA
124	26.06.2023	26.06.2023	27.06.2023	DEV	1000170198	10,000,000.00		DEV FY 2022.23 MUNICIPAL
125	26.06.2023	29.06.2023	03.07.2023	REC	1000170239	46,175,866.00		IMPREST
126	26.06.2023	29.06.2023	03.07.2023	REC	1000170239	18,146,406.00		DSA FY 2022.23
127	26.06.2023	29.06.2023	03.07.2023	REC	1000170239	264,022,285.00		REC MERCHANTS FY 2022.23
128	26.06.2023	29.06.2023	03.07.2023	DEV	1000170198	301,757,902.00		DEV FY 2022.23
129	29.06.2023	06.07.2023	06.07.2023	PHC	1000559958	11,880,000.00		PHC
130	29.05.2023			NAVCDP	1000713698		5,000,000.00	NAVCDP
131	29.06.2023	06.07.2023	06.07.2023	NAVCDP	1000713698	67,192,729.00		NAVCDP
132	29.06.2023			KISIP	1000396628		7,385,673.00	KISIP
133	29.06.2023	06.07.2023	06.07.2023	KISIP	1000396628	200,000,000.00		KISIP
134	29.06.2023	06.07.2023	06.07.2023	DEV	1000170198	612,195,557.00		DEV FY 2022.23
135	29.06.2023	06.07.2023	06.07.2023	REC	1000170239	257,360,396.00		REC MERCHANTS FY 2022.23
136	29.06.2023	06.07.2023	06.07.2023	DEV	1000170198	172,076,424.00		DEV PENDING BILLS
137	29.06.2023	06.07.2023	06.07.2023	REC	1000170239	76,855,816.00		REC MERCHANTS PENDING
138	29.06.2023	06.07.2023	06.07.2023	WSDP	1000394889	320,820,829.00		WSDP
139	29.06.2023	30.06.2023	7.2023	REC	1000170239	7,361,713.00		GRATUITY MAR APRIL JUN
					<b>TRUCK</b>	<b>11,980,522,743.30</b>		
					<b>CRF</b>	<b>11,641,592,941.00</b>		

Data Source: County Treasury

### Annex IV: Summary Truck\_ Exchequer Release.(All amounts are in Ksh)

		EXCHEQUER RELEASE FY 2022/2023		NT		LOCAL REVENUE							UNSPEND BAL FOR THE YR 2021/2022
	DATE	COUNTY ASSEMBLY	COUNTY EXECUTIVE	EXCHEQUER	GRANTS	KCB	ABSA	CBK	EQUITY	NBK	DTB	OTHERS	
1ST QTR	JULY	-	-	-	1,117,418.20	12,967,000.00	3,215,000.00	15,251,571.65	-	-	-	-	708,028.65
	AUG	58,367,110.00	325,377,329.00	-	-	-	1,606,500.00	9,925,333.30	-	-	-	-	-
	SEP	30,000,000.00	539,979,528.00	989,535,400.00	-	-	1,557,000.00	4,835,647.75	-	-	-	-	-
		<b>88,367,110.00</b>	<b>865,356,857.00</b>	<b>989,535,400.00</b>	<b>1,117,418.20</b>	<b>12,967,000.00</b>	<b>6,378,500.00</b>	<b>30,012,552.70</b>	-	-	-	-	<b>708,028.65</b>
2ND QTR	OCT	35,251,700.00	663,987,793.25	-	-	-	2,132,000.00	12,648,223.80	-	-	35,709.00	-	-
	NOV	162,059,020.00	558,055,959.00	1,920,862,835.00	-	-	2,062,445.90	14,464,965.95	-	-	-	-	-
	DEC	36,948,610.00	646,526,709.00	-	-	-	6,003,000.00	15,078,358.60	-	-	-	-	-
		<b>234,259,330.00</b>	<b>1,868,570,461.25</b>	<b>1,920,862,835.00</b>	-	-	<b>10,197,445.90</b>	<b>42,191,548.35</b>	-	-	<b>35,709.00</b>	-	-
3RD QTR	JAN	58,786,660.00	891,139,833.00	931,327,436.00	725,745,366.90	123,045,000.00	2,316,000.00	35,069,906.70	-	-	-	-	-
	FEB	136,559,200.00	1,676,450,244.40	989,535,400.00	-	-	3,580,000.00	60,653,684.85	-	-	-	-	-
	MAR	154,901,545.00	871,320,404.50	931,327,435.00	11,000,000.00	-	3,419,400.00	46,003,204.95	-	-	-	-	-
		<b>350,247,405.00</b>	<b>3,438,910,481.90</b>	<b>2,852,190,271.00</b>	<b>736,745,366.90</b>	<b>123,045,000.00</b>	<b>9,315,400.00</b>	<b>141,726,796.50</b>	-	-	-	-	-
4TH QTR	APR	44,105,115.00	874,778,404.00	1,979,070,800.00	13,117,500.00	47,460,000.00	2,171,000.00	51,674,260.75	-	-	-	-	-
	MAY	94,874,325.00	1,074,566,082.00	931,327,435.00	3,534,474.00	22,800,000.00	1,475,000.00	23,716,426.10	-	-	-	-	-
	JUN	138,872,130.00	1,502,492,905.50	2,968,606,200.00	593,006,446.00	25,200,000.00	2,848,000.00	28,226,163.50	-	-	-	-	-
		<b>277,851,570.00</b>	<b>3,451,837,391.50</b>	<b>5,879,004,435.00</b>	<b>609,658,420.00</b>	<b>95,460,000.00</b>	<b>6,494,000.00</b>	<b>103,616,850.35</b>	-	-	-	-	-
	JULY	12,474,590.00	2,355,845,923.00	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>963,200,005.00</b>	<b>11,980,521,114.65</b>	<b>11,641,592,941.00</b>	<b>1,347,521,205.10</b>	<b>231,472,000.00</b>	<b>32,385,345.90</b>	<b>317,547,747.90</b>	-	-	<b>35,709.00</b>	-	<b>708,028.65</b>

Data Source: County Treasury

## Annex V: Personnel Emoluments Analysis(All amounts are in Ksh)

S/No	Department	PE WAGES FOR FY 2023/24 (CFSP)	RECRUITMENT	EXISTING P & P 2023/24 (IPPD)	EXISTING CASUAL WAGES 2023/24	TOTAL EXISTING PE WAGES	PE WAGES INC RECRUITMENT	PE WAGES FOR FY 2022/23 (CFSP)	ACTUAL PE PAID(P&P)	ACTUAL PE PAID (Casuals)	ACTUAL PE PAID FY 2022/23
		Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
1	County Assembly	512,280,019	-	512,280,019	0	512,280,019	512,280,019	512,280,019	512,280,019	0	512,280,019.00
2	County Executive	145,409,392.20	11,831,188	111,113,052.65	7,762,420.33	118,875,473	130,706,661	117,061,977.90	111,113,052.65	7,762,420.33	118,875,472.98
3	Finance, Resource Mobilization and Economic Planning	255,142,328.46	16,066,110	193,524,811.50	11,698,405.32	205,223,217	221,289,327	227,613,318.90	193,524,811.50	11,698,405.32	205,223,216.82
4	Agriculture, Livestock and Blue Economy	282,169,748.08	101,846,005	208,999,568.55	18,522,873.90	227,522,442	329,368,447	398,288,674.15	208,999,568.55	18,522,873.90	227,522,442.45
5	Water	130,682,458.10	45,685,200	68,075,691.80	58,541,413.17	126,617,105	172,302,305	198,166,342.40	68,075,691.80	58,541,413.17	126,617,104.97
6	Education	749,537,211.30	118,644,440	574,257,656.80	9,531,622.79	583,789,280	702,433,720	827,140,230.60	574,257,656.80	9,531,622.79	583,789,279.59
7	Health	2,336,922,228.54	1,190,735,148	2,009,947,076.36	25,306,664.59	2,035,253,741	3,225,988,889	3,034,535,665.56	2,009,947,076.36	25,306,664.59	2,035,253,740.95
8	Lands	70,584,813.00	28,708,680	49,335,852.40	1,280,110.55	50,615,963	79,324,643	53,213,796.10	49,335,852.40	1,280,110.55	50,615,962.95
9	Roads	134,447,929.64	48,844,396	90,303,093.25	24,618,589.78	114,921,683	163,766,079	273,158,334.75	90,303,093.25	24,618,589.78	114,921,683.03
10	Trade	80,048,799.14	18,825,427	54,671,472.55	4,753,849.72	59,425,322	78,250,749	80,299,516.30	54,671,472.55	4,753,849.72	59,425,322.27
11	CPSB	30,134,246.90	-	30,175,577.95	-	30,175,578	30,175,578	30,588,523.60	30,175,577.95	-	30,175,577.95
12	Gender	64,763,368.94	23,206,960	36,018,196.40	10,661,092.94	46,679,289	69,886,249	126,473,518	36,018,196.40	10,661,092.94	46,679,289.34
13	PSM	205,691,816.95	7,379,740	152,386,657.65	23,241,720.43	175,628,378	183,008,118	369,297,629.50	152,386,657.65	23,241,720.43	175,628,378.08
14	Kilifi municipality	-	-	1,476,559.20	-	1,476,559	1,476,559	161,308,230.20	1,476,559.20	-	1,476,559.20
15	Malindi municipality	-	-	771,984.00	-	771,984	771,984	90,764,407.20	771,984.00	-	771,984.00
	<b>Total</b>	<b>4,997,814,360.25</b>	<b>1,611,773,294</b>	<b>4,093,337,270</b>	<b>195,918,764</b>	<b>4,289,256,034</b>	<b>5,901,029,327</b>	<b>5,987,910,165.26</b>	<b>4,093,337,270.06</b>	<b>195,918,763.52</b>	<b>4,289,256,033.58</b>
	<b>Actual PE allocation as per the PBB</b>					<b>4,498,934,612</b>					<b>4,802,215,254.00</b>
	<b>Variance</b>					<b>209,678,578.42</b>					<b>512,959,220.42</b>

**Data Source: IPPD and Analysis By County Treasury.**

## Annex VI: Exchequer Release 2023/2024(All amounts are in Ksh)

<b>EXCHEQUER RELEASE FY 2023/2024</b>								
REF NO	FORM A	FORM B	FORM C	CATEGORY	A/C NO	AMOUNT	CANCELED	DETAILS
1				REC		324,390,148.00		SALARIES JULY 2023
2							11,000,000.00	CLIMATE CHANGE
3				REC		352,464,016.00		SALARIES AUG 2023
4				REC		2,829,842.00		GRATUITY JULY 2023
5				REC		22,655,469.00		CASUAL WAGES JULY
6				REC		22,662,159.00		CASUAL WAGES AUG
7				REC		8,788,902.00		IMPREST FY 23.24
8				REC		26,457,963.00		O AND M FY 23.24
9				REC		11,110,445.00		O AND M FY 23.24
10				REC		680,130.00		DSA FY 23.24
11						12,236,877.00		IMPREST FY 23.24
<b>TOTAL</b>						<b>784,275,951.00</b>		