

TURKANA COUNTY GOVERNMENT
FINANCE AND ECONOMIC PLANNING

**COUNTY BUDGET REVIEW AND
OUTLOOK PAPER 2023**

September 2023

© Turkana County Budget Review and Outlook Paper (CBROP) 2023

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FOREWORD

This is the Turkana County Budget Review and Outlook Paper (CBROP) 2023. This document has been prepared in accordance with the Public Finance Management (PFM) Act, 2012 and the PFM (County Government) Regulations, 2015. It reviews the county's fiscal performance in the Financial Year (FY) 2022/2023 against the projections in the FY 2022/2023 approved budget estimates. The paper highlights the performance of revenue and entity spending for the period under review. It has also highlighted the recent economic and financial forecast that will help in the Medium-Term Expenditure Framework (MTEF) projections.

The projected revenue for the period under review stood at **KES. 18,409,129,261.19** comprising: equitable share **KES. 12,609,305,994**; conditional grants **KES 570,438,213**; unspent balance brought forward from previous year amounted to **KES. 4,751,383,630**; unspent conditional grants balances at the Special Purpose Accounts (SPAs) **KES. 280,001,422** and lastly Own Source Revenue (OSR) was projected at **KES. 198,000,000**.

The total County expenditure for FY 2022/2023 was **KES. 15,357,504,482** against a revised budget estimates of **KES. 18,409,129,261** representing **83 per cent** overall burn rate. Recurrent expenditure amounted to **KES. 12,190,032,536** representing **97 per cent** absorption rate of the revised recurrent expenditure budget estimates of **KES. 12,528,851,157**. Development expenditure amounted to **KES. 3,167,471,947** or **54 per cent** of the revised development expenditure budget estimate of **KES. 5,880,278,104**. During the year under review inefficiencies in the operational processes including delays in the procurement processes, delayed and late disbursement of funds, governance transitional challenges and drought experienced in the year negatively affected operations especially the development expenditure performance.

This CBROP sets out the basis and the threshold for the preparation of FY 2024/2025 Budget Estimates. The projections set for the MTEF 2024/25 – 2025/26 will guide in the preparation of the Sector Working Group (SWG) reports. Government Ministries, Departments and Entities are therefore directed to adhere to the budget cycle as espoused in the Turkana County Budget Circular 2023 issued in August 2023.

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TURKANA COUNTY GOVERNMENT.

ACKNOWLEDGEMENT

The preparation of CBROP 2023 has adhered to the provisions of The PFM Act, 2012 and the PFM (County Government) Regulations, 2015. The CBROP shows in details the actual fiscal performance of FY 2022/2023 against the budget estimates for the year under review. It further shows how the performance has affected the fiscal responsibilities principles and the financial objectives as set out in the PFM Act, 2012 as well as giving information on adjustments made to projections outlined in the County Fiscal Strategy Paper (CFSP) 2022.

The preparation of CBROP 2023 is a collaborative synergy of a number of county entities including the Directorates of Revenue, Accounting Services, Human Resource Management, Economic Planning, and the Turkana County Assembly. These entities provided valuable data for analysis and information found in this paper. Their contributions are hereby immensely acknowledged.

Finally, specific acknowledgement goes to the Directorate of Budget led by the Director Mr. Nicholas Mayo for the invaluable analysis and interpretation of data and the commitment to ensure timely consolidation of information that produced this document.

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Table of Contents

FOREWORD	i
ACKNOWLEDGEMENT	ii
ABBREVIATIONS AND ACRONYMS	v
GLOSSARY OF TERMS	vi
1.0 INTRODUCTION	1
2.0 REVIEW OF FISCAL PERFORMANCE FOR FY 2022/2023	2
2.1 NATIONAL REVENUE AND EXPENDITURE OUTLOOK.....	2
2.1.1 Revenue Performance	2
2.1.2 Expenditure Performance.....	3
2.2 COUNTY REVENUE AND EXPENDITURE OUTLOOK.....	5
2.2.1 RESOURCE ENVELOPE	5
2.2.1.1 Actual Revenue Performance	7
2.2.1.2 Actual Conditional Grants Receipts.....	8
2.2.2.0 Own Source Revenue.....	9
2.2.2.2 Own Source Revenue Collections by Quarter	11
2.2.2.3 Own Source Revenue Collections by Sub-County	11
2.2.2.4 Own Source Revenue Collections by Entity.....	12
2.2.2.5 Own Source Revenue Trend over the years.....	12
2.2.3 EXPENDITURE PERFORMANCE	13
2.2.3.1 Fiscal Responsibilities Principles	13
2.2.3.2 County Revenue Fund (CRF) Account Releases.....	14
2.2.3.3 Expenditure by Category.	15
2.2.3.4 Expenditure by Entity.	16
2.2.3.5 Recurrent Expenditure.	17
2.2.3.6 Compensation to Employees.....	18
2.2.3.7 Development Expenditure	19
2.2.3.9 Quarterly Expenditure.....	21
3.0 RECENT ECONOMIC DEVELOPMENT AND OUTLOOK.....	23
3.1 World Economic Outlook	23
3.2 Kenya’s Economic Performance and Outlook.....	23
Economic Performance.....	23
Sectoral GDP Performance	24
Inflation.....	25
Interest Rates.....	26
Performance in Capital Markets	26

Economic Outlook	27
3.5 Turkana County Economy	28
4.0 RESOURCE ALLOCATION FRAMEWORK.....	30
4.1 Implementation of FY 2023/2024 Budget	30
4.2 FY 2023/2024 Budget Framework	30
4.3 Medium Term Plan Fiscal Projections and Expenditure Framework.....	31
5.0 RECOMMENDATIONS AND CONCLUSIONS	32
5.1 Observations	32
5.2 Recommendations.....	32
5.3 Conclusions.....	33
ANNEXES.....	34
ANNEX I: REVISED FY 2022/2023 BUDGET ESTIMATES.....	34
ANNEX II: COMPREHENSIVE FY 2022/2023 EXPENDITURE	35
ANNEX III: EXPENDITURE BY CATEGORY, FY 2022/2023	36
ANNEX IV: CFSP 2023 CEILINGS.....	37
ANNEX V: OWN SOURCE REVENUE FY 2022/2023	38
ANNEX VI: MEDIUM TERM EXPENDITURE FRAMEWORK PROJECTIONS.....	39

ABBREVIATIONS AND ACRONYMS

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

GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fiscal Responsibility Principles in the Public Financial Management Law

In line with the Constitution of Kenya 2010, the Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM law (Section 107) states that:

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

1.0 INTRODUCTION

1.1 Objective of the 2023 Turkana County Budget Review and Outlook Paper

The 2023 County Budget Review and Outlook Paper (CBROP) gives an analysis of fiscal performance (revenue and expenditure) of the FY 2022/2023 and how this performance affects fiscal responsibility principles as spelled out in the County Fiscal Strategy Paper (CFSP) 2022. The paper further highlights on the deviation from financial objectives in CFSP 2022, recent economic development, financial projections that will help in the drafting of Budget Proposals for the FY 2024/25 and Annual Development Plan (ADP) 2024/2025. This County Budget Review and Outlook Paper (CBROP) 2023 is prepared in accordance to Section 118 of the PFM Act, 2012 and the County Governments Regulations 2015.

This CBROP proposes that the sector programs and ceilings will be aligned to the third generation of County Integrated Development Plan (2023 – 2027), the Governor’s 9 Point Agenda and Bottom Economic Transformation Agenda (BETA) to ensure effective use of resource and realization of value for money to the benefit of citizenry.

This paper is organized into five chapters. Chapter I gives the objective of the paper. Chapter II offers a review of fiscal performance for the FY 2022/2023 and how this performance impacted fiscal objectives and responsibility principles with three main sub division namely overview, fiscal performance and implications. Chapter III highlights recent economic developments and macroeconomic outlook with three sub sets namely: Recent Economic development, Macroeconomic outlook and County Specific Outlook in the context of Turkana. Chapter IV details the challenges in the execution of the budget. It also has information on resource allocation framework and the adjustment to the previous year’s budget and Medium-Term Expenditure Framework (MTEF). Lastly, Chapter V concludes the paper.

2.0 REVIEW OF FISCAL PERFORMANCE FOR FY 2022/2023

2.1 NATIONAL REVENUE AND EXPENDITURE OUTLOOK

2.1.1 Revenue Performance

The national government and external grants amounted to **KES. 2,383.6 Billion** being revenue realized from Ordinary Revenue, Appropriation in Aid and External Grants at **KES. 2,041.1 Billion**, **KES. 319.4 Billion** and **KES. 23.1 Billion** in that order. Collection from the broad tax category did not meet the set target, excise duty had highest deviation of **KES. 29.5 Billion**, followed VAT local by **KES. 24.4 Billion** and other income tax at **KES. 24.3 Billion**. However, investment revenue, taxes on international trade and traffic revenue surpassed the target by **KES. 5.8 Billion**, **KES. 1.1 billion** and **0.8 Billion** respectively. External grants missed the target by **KES. 18.6 Billion**. There was shortfall of **KES. 136.7 Billion** in the revenue realized by the national government.

Table 1: Government Revenue and External Grants, FY 2022/2023

	2021/2022 Actual	2022/2023		Deviation KSh.	% Growth
		Actual*	Target		
Total Revenue (a+b)	2,199,808	2,360,510	2,478,622	(118,112)	7.3
(a) Ordinary Revenue	1,917,911	2,041,119	2,145,399	(104,280)	6.4
Import Duty	118,280	130,123	142,676	(12,553)	10.0
Excise Duty	252,094	264,509	293,973	(29,465)	4.9
PAYE	462,357	494,904	511,104	(16,199)	7.0
Other Income Tax	414,350	446,671	471,037	(24,365)	7.8
VAT Local	244,926	272,729	297,198	(24,469)	11.4
VAT Imports	278,171	277,710	283,418	(5,707)	(0.2)
Investment Revenue	43,660	41,301	35,496	5,806	(5.4)
Traffic Revenue	4,425	4,366	4,278	88	(1.3)
Taxes on Intl. Trade & Trans.(IDF Fee)	50,337	55,966	54,796	1,170	11.2
Others ¹	49,309	52,839	51,425	1,414	7.2
(b) Appropriation In Aid ²	281,897	319,391	333,222	(13,832)	13.3
o/w Railway Development Levy	36,361	39,899	36,830	3,069	9.7
(c) External Grants	31,031	23,083	41,717	(18,633)	(25.6)
Total Revenue and External Grants	2,230,839	2,383,593	2,520,338	(136,745)	6.8
Total Revenue and External Grants as a percentage of GDP	17.6	16.7	17.4	-	-

Source: BROP 2023

2.1.2 Expenditure Performance.

The total expenditure and net lending in FY 2022/2023 amounted to **KES. 3,221 billion** against a revised target of **KES. 3,366.6 billion**. This expenditure performance translates to a deviation of **KES 145.5 Billion** from the revised target. In comparison with expenditure in FY 2021/2022, expenditure in the period under review registered a growth of **6.4%**.

Table 2: National Expenditure, FY 2022/2023

	2021/2022 Actual	2022/2023		Deviation	% Growth
		Actual*	Targets		
1. RECURRENT	2,086,174	2,250,621	2,300,518	(49,897)	7.9
Domestic Interest	456,849	533,098	527,928	5,171	16.7
Foreign Interest	120,812	154,223	154,937	(714)	27.7
Pensions & Other CFS	122,432	120,425	144,676	(24,250)	(1.6)
Contribution to Civil Servants' Pension	26,377	29,573	31,895	(2,323)	12.1
Wages and Salaries	520,033	547,157	539,552	7,604	5.2
Operation and Maintenance	839,673	866,145	901,530	(35,385)	3.2
O/W: Appropriation-in-Aid	197,524	240,165	239,423	742	21.6
2. DEVELOPMENT	540,117	493,663	560,545	(66,882)	(8.6)
Development Projects (Net)	455,744	402,110	446,836	(44,726)	(11.8)
Payment of Guaranteed Loans	-	12,327	16,104	(3,777)	-
Appropriation-in-Aid	84,373	79,226	83,712	(4,486)	(6.1)
3. County Governments	352,414	415,774	436,345	(20,571)	18.0
4. Parliamentary Service	32,652	41,187	47,034	(5,846)	26.1
5. Judicial Service	16,160	19,755	20,119	(364)	22.2
6. Equalization Fund	-	-	13,893	(13,893)	-
7. CF	-	-	2,000	(2,000)	-
TOTAL EXPENDITURE	3,027,518	3,221,001	3,366,561	(145,561)	6.4

Source: BROP 2023

Recurrent expenditure was at **KES. 2,250.6 Billion** Against the revised target of **KES. 2,300.5 Billion** Translating to a deviation of **KES. 49.9 Billion**. A major deviation of **KES 24.3 Billion** was registered in Pensions and Consolidated Funds Services. Development expenditure amounted to **KES. 493.6 Billion** against a revised target of **KES. 560.5 Billion** with a deviation of **KES 66.9 Billion** mainly from low spending of net development project and county governments by **KES 44.7 Billion** and **KES 20.6 Billion** respectively.

County Governments Source of Revenue

The main sources of funding to county governments in the year under review was equitable share with budgetary allocation of **KES 370 Billion**, translating 82% of the total county governments' budget followed by OSR budgeted of **KES 57.4 Billion** which is 13% and lastly additional allocation of **KES 22.5 Billion** at 5%. The actual total disbursements to counties was **KES 453.6 billion**.

Table 3: Sources of Revenue for County Governments

Revenue Source	Budgeted County Government Revenue	Actual Disbursement	Budgeted % of Total Revenue
Equitable Share	370.0	399.6	82%
Additional Allocations of which:	22.5		5%
GoK	5.4		
Donor Funded	17.4	16.2	
OSR	57.4	37.8	13%
Total	449.9	453.6	100%

Source: BROP 2023

2.2 COUNTY REVENUE AND EXPENDITURE OUTLOOK

2.2.1 RESOURCE ENVELOPE

Nationally, the county governments' revenue targets were estimated to be at **KES. 449.9 Billion** for the FY 2022/2023. Equitable share amounted to **KES. 370 billion** which was 82.2% per cent of the total revenue estimates. Additional allocations and Own Source Revenue were estimated at **KES. 22.5 billion** and **KES. 57.4 billion** respectively.

Table 3: County Governments' sources of revenue, FY 2022/2023

Revenue Source	County Governments Revenue FY 2022/23 (billions)	Budgeted % of Total revenue
Equitable Share	370	82.2%
Additional Allocations	22.5	5.0%
OSR	57.4	12.8%
Total	449.9	100.0%

Source: The National Treasury

For the case of Turkana County, projected revised revenue for the period under review (FY 2022/2023) stood at **KES 18,409,129,261.19**. Comprising: Equitable Share of **KES 12,609,305,994**; conditional grants of **KES 570,438,213**; unspent balance brought forward from previous year amounted to **KES 4,751,383,630**; unspent balances at Special Purpose Accounts was **KES 280,001,422**; and lastly Own source revenue was projected at **KES 198,000,000**.

Table 3: Turkana County Government FY 2022/2023 Revenue Estimates

REVENUE STREAM	REVENUE ESTIMATES	CHANGE IN REVENUE	REVISED REVENUE
	FY 2022/23		FY 2022/23
I. National Revenue			
a) Equitable share	12,609,305,994.00		12,609,305,994.00
b) Compensation for User Fees Foregone			-
c) Roads Maintenance Levy Fund			-
c) Village Polytechnics			-
f) Loans and Grants			-
v) National Agricultural and Rural Inclusive Growth Project (NARIGP)		155,480,180.00	155,480,180.00
vi) Agricultural Sector Development Support Programme (ASDSP) II		34,606,056.00	34,606,056.00
vii) Drought Resilience Programme in Northern Kenya (DRPNK)		220,000,000.00	220,000,000.00
viii) Emergency Locust Response Project (ELRP)		102,108,500.00	102,108,500.00
ix) DANIDA Grant - Primary Health Care in Devolved Context		33,903,563.00	33,903,563.00
vi) Financing Locally Led Climate Action (FLLoCA) Programme		22,000,000.00	22,000,000.00
vii) Kenya Urban Support Programme		2,339,914.88	2,339,914.88
g) Balance Carried Forward (FY 2020/2021)			
i) Exchequer		4,696,209,337.13	4,696,209,337.13
ii) NARIGP		55,174,293.68	55,174,293.68
h) Balances at Special Purpose Accounts			
i) Transforming Health Systems for Universal Care Project (WB)		75,130,389.75	75,130,389.75
ii) Kenya Devolution Support Programme		127,166,723.00	127,166,723.00
iii) Kenya Urban Support Programme		77,704,309.75	77,704,309.75
2. Own Revenue Sources			-
l) Projected Revenue From Local Sources	198,000,000.00		198,000,000.00
			-
TOTAL REVENUE	12,807,305,994.00	5,601,823,267.19	18,409,129,261.19

Source: The County Treasury

2.2.1.1 Actual Revenue Performance

Table 4: Actual Revenue Performance, FY 2022/2023

REVENUE STREAM	REVISED REVENUE PROJECTIONS FY 2022/23	Actual Revenue FY 2022/23	Variance (Kshs.)	Revenue Performance
1. National Revenue				
a) Equitable share	12,609,305,994.00	12,609,305,994.00	-	100.00%
f) Loans and Grants	-			
v) National Agricultural and Rural Inclusive Growth Project (NARIGP)	155,480,180.00	155,480,180.00	-	100.00%
vi) Agricultural Sector Development Support Programme (ASDSP) II	34,606,056.00	34,606,056.00	0.00	100.00%
vii) Drought Resilience Programme in northern Kenya (DRPNK)	220,000,000.00	126,890,977.50	-93,109,022.50	57.68%
viii) Emergency Locust Response Project (ELRP)	102,108,500.00	99,635,912.85	-2,472,587.15	97.58%
ix) DANIDA Grant - Primary Health Care in Devolved Context	33,903,563.00		-33,903,563.00	0.00%
vi) Financing Locally Led Climate Action (FLLoCA) Programme	22,000,000.00	22,000,000.00	-	100.00%
vii) Kenya Urban Support Programme	2,339,914.88	2,339,914.88	-	100.00%
g) Balance Carried Forward (FY 2020/2021)			-	
i) Exchequer	4,696,209,337.13	4,696,209,337.13		
ii) NARIGP	55,174,293.68	55,174,293.68		
h) Balances at Special Purpose Accounts				
i) Transforming Health Systems for Universal Care Project (WB)	75,130,389.75	75,130,389.75		
ii) Kenya Devolution Support Programme	127,166,723.00	127,166,723.00		
iii) Kenya Urban Support Programme	77,704,309.75	77,704,309.75		
2. Own Revenue Sources	-			
l) Projected Revenue From Local Sources	198,000,000.00	190,501,860.95	-7,498,139.05	96.21%
	-			
TOTAL REVENUE	18,409,129,261.19	18,272,145,949.49	-136,983,311.70	99.26%

Source: The County Treasury.

The unrealized revenue was **KES. 136,983,949.49** representing **0.74** percent. Unrealized conditional grants amounted to **KES. 129,485,172.65** and unrealized Own Source Revenue amounted **KES. 7,498,139**. It is imperative to note that in the history of devotion the entire equitable share for the year was received within the year though the June disbursement was received late resulting into late payments of suppliers and contractors.

2.2.1.2 Actual Conditional Grants Receipts

During the period under review, the county received **KES. 440,953,041.23** as conditional grants proceeds from development partners as shown **Table 5** below. Notably the DANIDA grant commitment for the Primary Health Care wasn't received.

Table 5: Conditional Grants Actual Revenue Performance

REVENUE STREAM	REVISED REVENUE PROJECTIONS FY 2022/23	Actual Revenue FY 2022/23	Variance (Kshs.)	Revenue Performance
Loans and Grants	-			
i) National Agricultural and Rural Inclusive Growth Project (NARIGP)	155,480,180.00	155,480,180.00	-	100.00%
ii) Agricultural Sector Development Support Programme (ASDSP) II	34,606,056.00	34,606,056.00	0.00	100.00%
iii) Drought Resilience Programme in northern Kenya (DRPNK)	220,000,000.00	126,890,977.50	-93,109,022.50	57.68%
iv) Emergency Locust Response Project (ELRP)	102,108,500.00	99,635,912.85	-2,472,587.15	97.58%
v) DANIDA Grant - Primary Health Care in Devolved Context	33,903,563.00		-33,903,563.00	0.00%
vi) Financing Locally Led Climate Action (FLLoCA) Programme	22,000,000.00	22,000,000.00	-	100.00%
vii) Kenya Urban Support Programme	2,339,914.88	2,339,914.88	-	100.00%
	570,438,213.88	440,953,041.23	-129,485,172.65	77.30%

Source: The County Treasury.

2.2.2.0 Own Source Revenue

The actual Own Source Revenue collected (see the table below) during this period under review was **KES. 190,501,861**. The highest revenue was collected from CESS at **KES 72,790,386**, followed by Single Business Permit at **KES. 46,860,855** and the lowest stream was collected from the Hire of the County Assets stream at **KES. 1,000**. No revenue was realized from the sale of Liquor Licenses.

Table 8: Own Source Revenue Collections by Streams, FY 2022/2023

REVENUE STREAM	Amount Collected in Kshs.	%
SINGLE BUSINESS PERMIT(Application fee, renewal, penalties/interest, Arrears)	46,860,855	24.6%
ROYALTY-CESS(Murrum, hardcore sand, ballast, Exploitation)	12,526,221	6.6%
CESS(Agricultural, Transport ,Hide & skin, charcoal cess, firewood, miraa cess, scrap metal,Fish)	72,790,386	38.2%
MARKET FEE(Barter, entry fee/offloading, hawking,)	8,247,840	4.3%
SLAUGHTER/AUCTION FEE(Small and Big animals)	9,177,580	4.8%
ADVERTISEMENT(Branding, Billboard, Sign post, sign boards, roadshows, banners, posters, tent, street pole/clock advertising, Neon, others)	5,098,883	2.7%
PARKING FEE (Street parking,Monthly stickers,motorbike fees,registration fees,reserved parking,bus park fees and others)	2,961,510	1.6%
TRANSPORT OPERATION FEE -Entry/Exit (Taxi, Bodaboda, Matatu, Canter, Lorry, and buses)	249,660	0.1%
LIQUOR LICENCES(Liquor License and Application Fee)	-	0.0%
LAND SURVEY/APPLICATION/ BUILDING APPROVAL(Land penalties and interest/arrears)	7,212,740	3.8%
PROPERTY RENT/KIOSKS/STALLS(County Housing,Plot Rent,Tenants Agreement,Transfer of property)	3,158,000	1.7%
PUBLIC HEALTH SERVICES(Inspection of building/institutions,hygiene licence,vaccination,medical examination,sanitation inspection for schools,permits,fumigation)	2,214,970	1.2%
ADMINISTRATION CONTROL FEES AND CHARGES(Fire Services,Betting Levy,others)	22,000	0.0%
OTHER FEES PENALTIES AND FORFEITURES-Impounding fees,Towing Fees and Others	3,912,390	2.1%
PARK FEES-Lodge Tarriffs and Levis,Park Entry fees,filming and photography fees,camping fees,balloon landing fees,others	209,000	0.1%
CONSERVANCY ADMINISTRATION-Refuse disposal,Dumpsite,Sewerage,Sale of seedlings,public cemetery,disposal of carcasses,noise control,others	262,280	0.1%
CORPORATES	10,500,101	5.5%
HIRE OF COUNTY ASSETS-Agricultural Mechanisms Services,Hire of Machines and Equipments	1,000	0.0%
PHYSICAL PLANNING AND DEVELOPMENT(Sale of county planning documents,change of user,building plans approval,signposts,occupational permits,enforcement/demolition,,hoarding fees)	2,451,800	1.3%
MISCELLANEOUS RECIEPTS-Dividends, Interest, Commission,	20,000	0.0%
DONATIONS AND GRANTS NOT RECEIVED THROUGH CRF (Donations and Grants Based on Source.	-	0.0%
SINGLE BUSINESS PERMIT - Refugees	2,553,125	1.3%
WEIGHTS AND MEASURES	71,520	0.0%
TOTAL	190,501,861	100.0%

Source: The County Treasury Directorate of Revenue.

2.2.2.1 Own Source Revenue Collections by Month

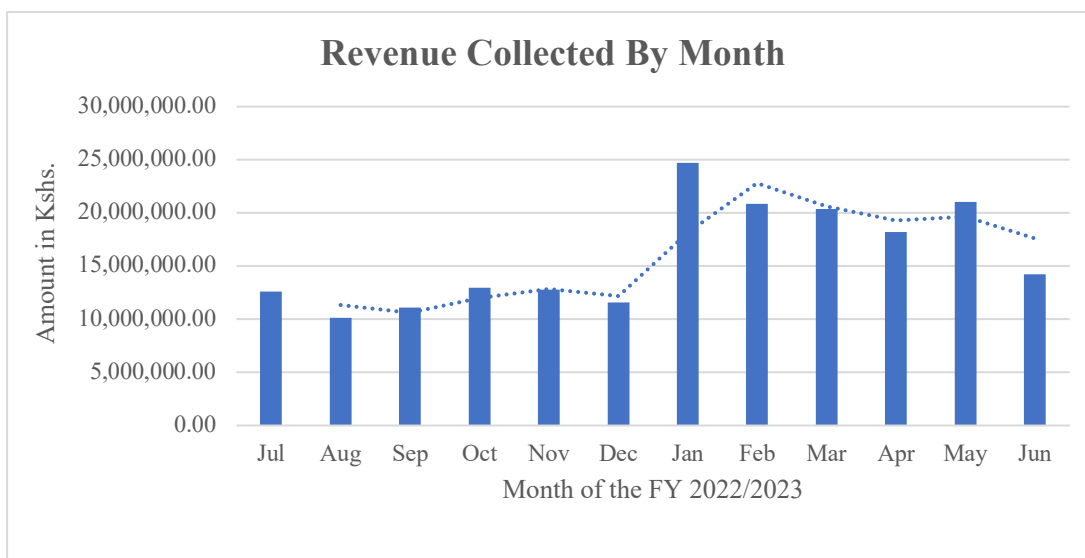
The highest OSR was collected in the month of January at **KES. 24,727,861.35**. This could be attributable to mass renewal of business permits in January. The months of August, September and December 2022 realized the lowest receipts at **KES. 10,132,572.15**, **KES. 11,082,897.50** and **KES 11,566,478.40** respectively

Table 9: Monthly Own Source Revenue Collections, FY 2022/2023

Month	Amount Collected in Kshs.	Cumulative Collections
Jul	12,593,805.80	12,593,805.80
Aug	10,132,572.15	22,726,377.95
Sep	11,082,897.50	33,809,275.45
Oct	12,965,723.65	46,774,999.10
Nov	12,762,766.65	59,537,765.75
Dec	11,566,478.40	71,104,244.15
Jan	24,727,861.35	95,832,105.50
Feb	20,870,264.00	116,702,369.50
Mar	20,348,909.00	137,051,278.50
Apr	18,209,985.00	155,261,263.50
May	21,033,328.00	176,294,591.50
Jun	14,207,269.45	190,501,860.95
Total Collections for FY 2022/2023		190,501,860.95

Source: The County Treasury, Directorate of Revenue.

Figure I: Analysis of Own Source Revenue Collections by Month, FY 2022/2023



Source: Analysis by the County Treasury, Directorate of Budget

Apparently from the table above, the first and second quarters are periods of low collection of revenue reflecting the periods of low public expenditures attributable to the beginning of the

fiscal year and preparation of the supplementary budget with less or limited spending. Thereafter own source revenue increase significantly marking increased public spending.

2.2.2.2 Own Source Revenue Collections by Quarter

There is revenue decline in the first two quarters and later improved in the last two quarters. Analysis of revenue shows that the third quarter received the highest amount of **KES. 65,947,034** while the first quarter received the lowest amount of **KES. 33,809,275**. As highlighted before, high collections in the third quarter were as a result of renewal of single business permits and increased collections raised Royalty.

Table 10: Quarterly Own Source Revenue Collections, FY 2022/2023

Quarter	Amount
1st Quarter	33,809,275
2nd Quarter	37,294,969
3rd Quarter	65,947,034
4th Quarter	53,450,582
TOTAL	190,501,861

Source: The County Treasury, Directorate of Revenue

2.2.2.3 Own Source Revenue Collections by Sub-County

Quarterly sub-County analysis is as presented in Table 11 below. Turkana Central Sub-County, being the headquarters of the County with most business activities concentrated therein had the highest collections of **KES. 95,322,160**, Turkana South being the gateway into and out of Turkana was second with **KES 58,255,185** collections while Kibish being a far flung sub county had the lowest collection at **KES. 139,600**.

Table 11: Own Source Revenue Collections by Sub-County, FY 2022/2023

SUB-COUNTY	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	TOTAL
TURKANA WEST	3,714,035.00	4,649,230.00	9,902,236.00	6,425,909.00	24,691,410.00
TURKANA NORTH	877,965.00	1,445,380.00	2,255,205.00	2,727,910.00	7,306,460.00
LOIMA	688,740.00	762,885.00	716,440.00	1,513,259.00	3,681,324.00
TURKANA CENTRAL	15,872,655.45	15,524,818.70	37,717,450.35	26,207,236.45	95,322,160.95
TURKANA EAST	145,950.00	63,215.00	216,950.00	679,603.00	1,105,718.00
TURKANA SOUTH	12,509,930.00	14,840,840.00	15,091,350.00	15,813,065.00	58,255,185.00
KIBISH	-	8,600.00	47,400.00	83,600.00	139,600.00
TOTAL	33,809,275.45	37,294,968.70	65,947,031.35	53,450,582.45	190,501,857.95

Source: The County Treasury, Directorate of Revenue.

2.2.2.4 Own Source Revenue Collections by Entity.

The table below gives analysis of entities’ OSR collections. The county department of Infrastructure, Transport and Public Works had the highest collection at **KES. 73,040,046** attributable to increased construction activities; followed by Trade, Gender and Youth Affairs at **KES 57,755,340** mainly being collections from trading licenses while Tourism, Culture, Energy, Environment and Natural Resources had the lowest collection at **KES. 471,280** being collections from limited mining activities.

Table 12: Own Source Revenue Collections by Entity, FY 2022/2023

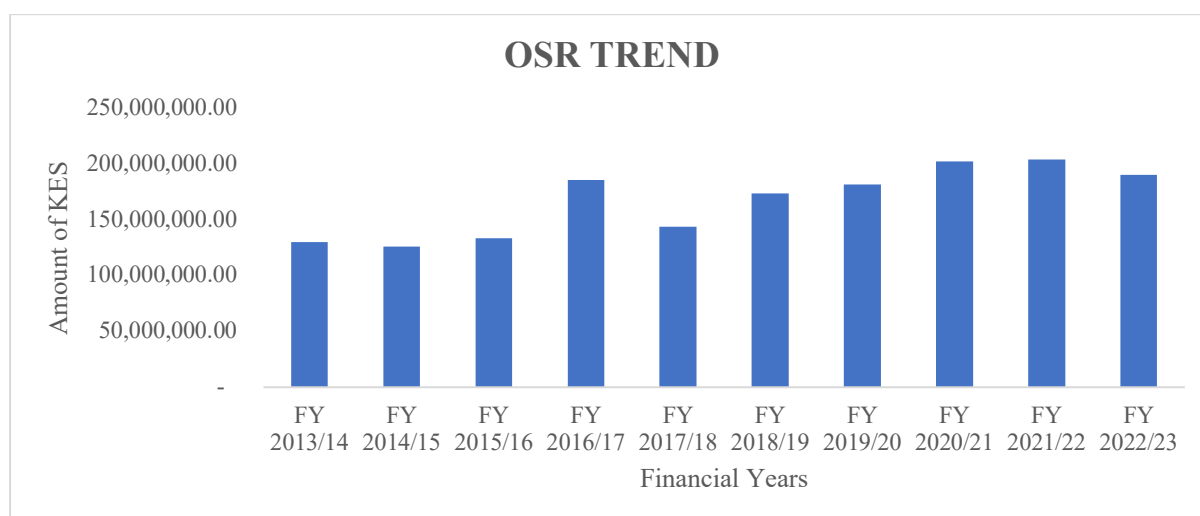
County Entity	Amount in Kshs.
Finance & Economic Planning	14,433,490.85
Health Services & Sanitation	2,214,970.00
Lands, Housing & UAM	33,409,153.65
Agriculture, Pastoral Economy and Fisheries	9,177,580.00
Infrastructure, Transport and Public Works	73,040,046.00
Trade, Gender and Youth Affairs	57,755,340.45
Tourism, Culture, Energy, Environment and Natural Resources	471,280.00
Total	190,501,860.95

Source: The County Treasury, Directorate of Revenue.

2.2.2.5 Own Source Revenue Trend over the years.

Figure III below demonstrates the yearly trend analysis in revenue collections over a decade since the advent of devolution. Although there is a slight drop of revenue in this year under review, it is worthwhile to note that generally we have had an upward revenue collection trajectory though with a dip in the FY 2017/2018, this being an election year.

Figure III: Analysis of Own Source Revenue Collections by Month, FY 2022/2023



Source: Analysis by Directorate of Budget, Turkana County.

2.2.3 EXPENDITURE PERFORMANCE

2.2.3.1 Fiscal Responsibilities Principles

Legal framework sets a threshold of 30% and 70% of county revenue to development and recurrent respectively. From a total of **KES 18,409,129,261** realized, **KES12, 528,851,157** was allocated to cater for recurrent and **KES 5,880,278,104** to development expenditures as demonstrated in Table 13 below:

Table 13: Revised Budget Estimates, FY 2022/2023

VOTE	RECURRENT BUDGET	DEVELOPMENT BUDGET	TOTAL BUDGET
Governance	525,971,265	243,274,571	769,245,836
Office of the Deputy Governor	56,151,658	-	56,151,658
County Attorney	155,703,316	-	155,703,316
Finance and Economic Planning	2,499,798,386	835,648,373	3,335,446,760
Water Services, Environment and Mineral Resources	138,090,716	781,015,253	919,105,969
Health & Sanitation Services	1,105,860,423	504,003,789	1,609,864,212
Trade, Gender and Youth Affairs	153,690,803	435,263,265	588,954,068
Education, Sports and Social Protection	687,288,413	490,696,997	1,177,985,410
Public Service, Administration. & Disaster Management	5,445,896,104	35,566,848	5,481,462,953
Infrastructure Transport & Public Works	80,150,477	556,091,509	636,241,986
Agriculture, Pastoral Economy & Fisheries	151,408,874	1,210,168,975	1,361,577,849
Tourism, Culture and Natural Resources	130,820,287	271,090,669	401,910,956
Lands, Energy, Housing & Urban Areas Mgt.	106,727,508	118,037,945	224,765,453
County Assembly	1,024,468,006	225,000,000	1,249,468,006
County Public Service Board	158,527,898	2,000,000	160,527,898
Lodwar Municipality	108,297,022	172,419,910	280,716,932
TOTAL EXPENDITURE	12,528,851,157	5,880,278,104	18,409,129,261

Source: Analysis by County Treasury, Directorate of Budget.

2.2.3.2 County Revenue Fund (CRF) Account Releases

The total CRF Account releases amounted to **KES. 15,736,250,628** that were transferred to various accounts of the spending entities. The County Executive received a total of **KES. 14,375,020,555**, the County Assembly received **KES. 1,006,962,733** while **KES. 354,267,340** were released to Special Purpose accounts for Conditional Grants.

Table 14: County Revenue Fund Account Releases, FY 2022/2023

Period (2022/2023)	Quarter 1 (Kshs.)	Quarter 2 (Kshs.)	Quarter 3 (Kshs.)	Quarter 4 (Kshs.)	Total (Kshs.)
County Executive -Rec	727,450,650	3,316,400,248	3,509,730,529	3,710,790,167	11,264,371,594
County Executive -Dev	-	414,638,251	92,259,859	2,603,750,851	3,110,648,961
County Assembly -Rec	75,160,737	255,338,260	229,086,771	374,441,030	934,026,798
County Assembly -Dev	-	15,138,504	14,980,500	42,816,931	72,935,935
Special Purpose A/c (Specify)	-	-	119,464,530	234,802,810	354,267,340
Total	802,611,387	4,001,515,263	3,965,522,189	6,966,601,789	15,736,250,628

Source: Turkana County Treasury

The County Executive received **KES. 11,264,371,594** for the recurrent expenditure and **KES. 3,110,648,961** for the development expenditure. The County Assembly received **KES. 934,026,798** for recurrent expenditure and **KES. 72,935,935** for development expenditure.

The fourth quarter had the highest CRF releases of **KES. 6,966,601,789** while the first quarter had the least CRF releases of **KES. 802,611,387**.

2.2.3.3 Expenditure by Category.

The total expenditure for FY 2022/2023 amounted to **KES. 15,357,504,482** against a revised estimate of **KES. 18,409,129,261** implying **83 per cent** burn rate. Absorption for recurrent and development expenditure stood at 97% and 54% respectively. See Table 15 below:

Table 15: Expenditure by Category, FY 2022/2023

EXPENSE CATEGORY	REVISED BUDGET	TOTAL EXPENDITURE	ABSORPTION RATE
CURRENT	12,528,851,157.34	12,190,032,535.65	97%
DEVELOPMENT	5,880,278,103.85	3,167,471,946.60	54%
TOTAL	18,409,129,261.19	15,357,504,482.25	83%

Source: Turkana County Treasury

The development absorption rate did not meet expectations because of operation challenges emanating from inefficiencies in the procurement processes and systems, governance transitions and delays and late disbursement of funds.

2.2.3.4 Expenditure by Entity.

In the period under review, the total county expenditure including the County Assembly expenditure stood at KES **15,357,504,482.25** representing an aggregate absorption rate of **83 per cent** of the revised budget estimates. The expenditure performance for each county entity is as shown in Table 16 below:

Table 16: Expenditure by Entity, FY 2022/2023

Department	Annual Budget (1)	Total Expenditure (3) Year-To-Date	Variance (4)	Absorption
			(1-3)	Rate (%) (5)
Governance	769,245,836.00	502,855,421.50	266,390,415	65%
Office of the Deputy Governor	56,151,658.00	37,848,006.05	18,303,652	67%
County Attorney	155,703,316.00	123,865,222.40	31,838,094	80%
Finance and Economic Planning	3,335,446,759.78	3,345,730,189.70	-10,283,430	100%
Water Services, Environment and Mineral Resources	919,105,969.00	526,101,029.10	393,004,940	57%
Health & Sanitation Services	1,609,864,211.75	812,333,725.45	797,530,486	50%
Trade, Gender and Youth Affairs	588,954,068.00	503,284,504.35	85,669,564	85%
Education, Sports and Social Protection	1,177,985,410.00	766,622,402.40	411,363,008	65%
Public Service, Administration. & Disaster Management	5,481,462,952.60	5,859,316,170.50	-377,853,218	107%
Infrastructure Transport & Public Works	636,241,986.00	468,649,053.05	167,592,933	74%
Agriculture, Pastoral Economy & Fisheries	1,361,577,848.68	762,699,206.15	598,878,643	56%
Tourism, Culture and Natural Resources	401,910,956.00	327,673,152.15	74,237,804	82%
Lands, Energy, Housing & Urban Areas Mgt.	224,765,453.00	107,173,783.95	117,591,669	48%
County Public Service Board	160,527,898.30	132,732,487.70	27,795,411	83%
County Assembly	1,249,468,006.45	1,006,962,731.35	242,505,275	81%
Lodwar Municipality	280,716,931.63	73,657,396.45	207,059,535	26%
TOTAL	18,409,129,261.19	15,357,504,482.25	-3,051,624,779	83%

Source: Analysis by County Treasury, Directorate of Budget

Public Service, Administration and Disaster Management incurred the highest expenditure of **KES. 5,859,316,170.50**, majorly driven by spending in personnel emoluments, staff benefits and purchases of humanitarian relief food among other expenditure items, registering an average absorption rate of **107%**. Lodwar Municipality had the least expenditure at **26 per cent**.

2.2.3.5 Recurrent Expenditure.

The overall county recurrent expenditure stood at **KES. 12,190,032,536** which translates to **97 per cent** absorption rate. County Department of Public Service and Disaster Management posted the highest expenditure of **KES. 5,733,479,871**. The entity with the lowest recurrent expenditure was the Office of the Deputy Governor by **KES. 37,848,006**.

Table 17: Recurrent Expenditure by Entity, FY 2022/2023

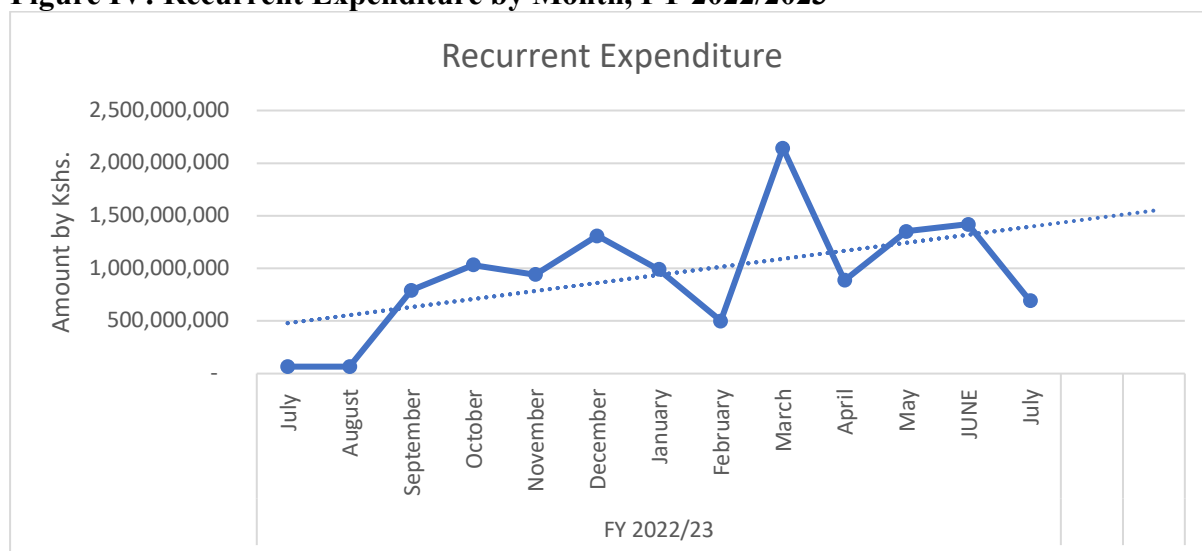
Department	Revised Budget	Current Expenditure	Absorption Rate
Office of the Governor	525,971,265	497,888,952	95%
Office of the Deputy Governor	56,151,658	37,848,006	67%
County Attorney	155,703,316	123,865,222	80%
Finance and Economic Planning	2,499,798,386	2,375,826,979	95%
Water Services, Environment and Mineral Resources	138,090,716	98,167,397	71%
Health & Sanitation Services	1,105,860,423	698,882,507	63%
Trade, Gender and Youth Affairs	153,690,803	103,793,680	68%
Education, Sports and Social Protection	687,288,413	664,350,562	97%
Public Services, Decentralized Administration & Disaster Management	5,445,896,104	5,733,479,871	105%
Infrastructure Transport & Public Works	80,150,477	53,485,744	67%
Agriculture, Pastoral Economy & Fisheries	151,408,874	475,023,032	314%
Tourism, Culture and Natural Resources	130,820,287	114,154,453	87%
Lands, Energy, Housing & Urban Areas Mgt.	106,727,508	84,389,784	79%
County Public Service Board	158,527,898.30	132,732,488	84%
County Assembly	1,024,468,006	934,026,796	91%
Lodwar Municipality	108,297,022	62,117,063	57%
Total Expenditure	12,528,851,157	12,190,032,536	97%

Source: Analysis by Directorate of Budget, Turkana County.

Department of Agriculture Recurrent Expenditure stood at **314%** because of expenditure on Animal Feeds, Veterinary Drugs, Range Cubes and Fishing Gears totaling to **Kshs. 240,745,500** which had been budgeted as development expenditure but was charged and reported as recurrent expenditure.

Trend in recurrent monthly expenditures shows low spending at the start of the FY but grows steadily thereafter. The month of March 2023 posted the highest recurrent expenditure which can be attributed to high CRF releases and spending. **Figure IV** below shows monthly expenditure trend analysis for FY 2022/23.

Figure IV: Recurrent Expenditure by Month, FY 2022/2023



Source: Analysis by Directorate of Budget, Turkana County

2.2.3.6 Compensation to Employees

The compensation to employees amounted to **KES. 4,596,875,520.75** translating to 25.17% of the county revenue during the period under review. The compensation to employees by month is as shown in **Table 18** below.

Table 18: Compensation to Employees by Month

Month	Amount
Jul	373,127,455.57
Aug	372,237,056.33
Sep	376,283,382.13
Oct	392,182,578.49
Nov	399,800,702.53
Dec	415,053,116.75
Jan	372,455,902.43
Feb	380,692,118.88
Mar	371,780,550.43
Apr	370,247,173.73
May	380,430,621.43
Jun	392,584,862.03
Total	4,596,875,520.75

Source: Analysis by Directorate of Budget, Turkana County

2.2.3.7 Development Expenditure

Development performed averagely in the period under review with absorption of 54% amounting to **KES. 3,167,471,947** against **KES. 5,880,278,104** development budget estimates. The department of Finance and Planning which overspent its development budget by 16% reported the highest expenditure of **KES. 969,903,211** due to payment of eligible pending bills followed by Water Services, Environment and Mineral Resources at **KES. 427,933,632** and Infrastructure Transport & Public Works **KES. 415,163,310**. Lodwar Municipality recorded the lowest development expenditure of **KES. 11,540,333**. The Office of the Deputy Governor and Office of the County Attorney had no development budget hence nil development expenditure. Further it is shown that County Public Service Board did not spend the amount allocated during this period. See Table 19 below:

Table 19: Development Expenditure by Entity, FY 2022/2023

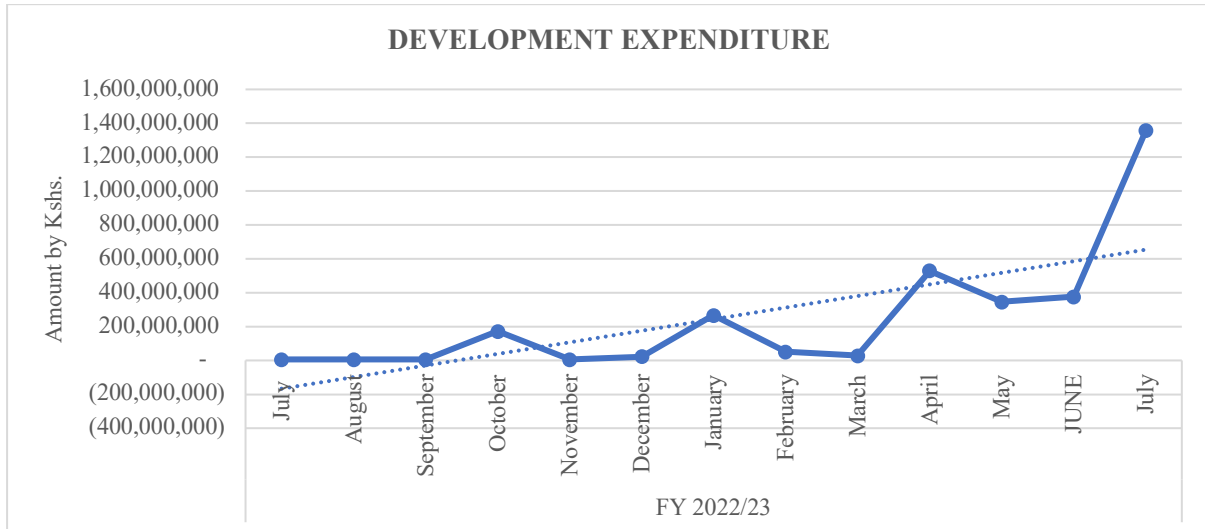
Department	Revised Budget	Development Expenditure	Absorption Rate
Governance (Office of the Gvn and Liaison)	243,274,571	4,966,470	2%
Office of the Deputy Governor	-	-	-
County Attorney	-	-	-
Finance and Planning	835,648,373	969,903,211	116%
Water Services, Environment and Mineral Resources	781,015,253	427,933,632	55%
Health & Sanitation Services	504,003,789	113,451,219	23%
Trade, Gender and Youth Affairs	435,263,265	399,490,824	92%
Education, Sports and Social Protection	490,696,997	102,271,841	21%
Public Services, Decentralized Administration & Disaster Management	35,566,848	125,836,300	354%
Infrastructure Transport & Public Works	556,091,509	415,163,310	75%
Agriculture, Pastoral Economy & Fisheries	1,210,168,975	287,676,174	24%
Tourism, Culture and Natural Resources	271,090,669	213,518,699	79%
Lands, Energy, Housing & Urban Areas Mgt.	118,037,945	22,784,000	19%
County Public Service Board	225,000,000	-	0%
County Assembly	2,000,000	72,935,935	42%
Lodwar Municipality	172,419,910	11,540,333	0%
TOTAL EXPENDITURE	5,880,278,104	3,167,471,947	54%

Source: Analysis by Directorate of Budget, Turkana County

Notably the development expenditure for the Department of Public Services, Decentralized Administration & Disaster Management abnormally surpassed its development to 354%. This is because some recurrent items on relief programme were paid and recorded as development expenditure.

Monthly development expenditure analysis from July 2022 and June 2023 is as demonstrated in the table below. The Month of July 2022 reported the least expenditure reflecting the beginning of the year whereby less spending is normally experienced.

Figure V: Development Expenditure by Month, FY 2022/2023



Source: Analysis by Directorate of Budget, Turkana County

2.2.3.9 Quarterly Expenditure

Total expenditure is analyzed by quarter as shown in Table 21 below. First quarter reported the lowest expenditure of **KES 943,907,642** majorly due to the fact that this is the beginning of the year quarter. Highest exchequer issues and CRF releases were realized in the fourth quarter hence highest expenditure of **KES. 6,954,097,206** was recorded.

Table 21: Quarterly Expenditure by Entity, FY 2022/2023

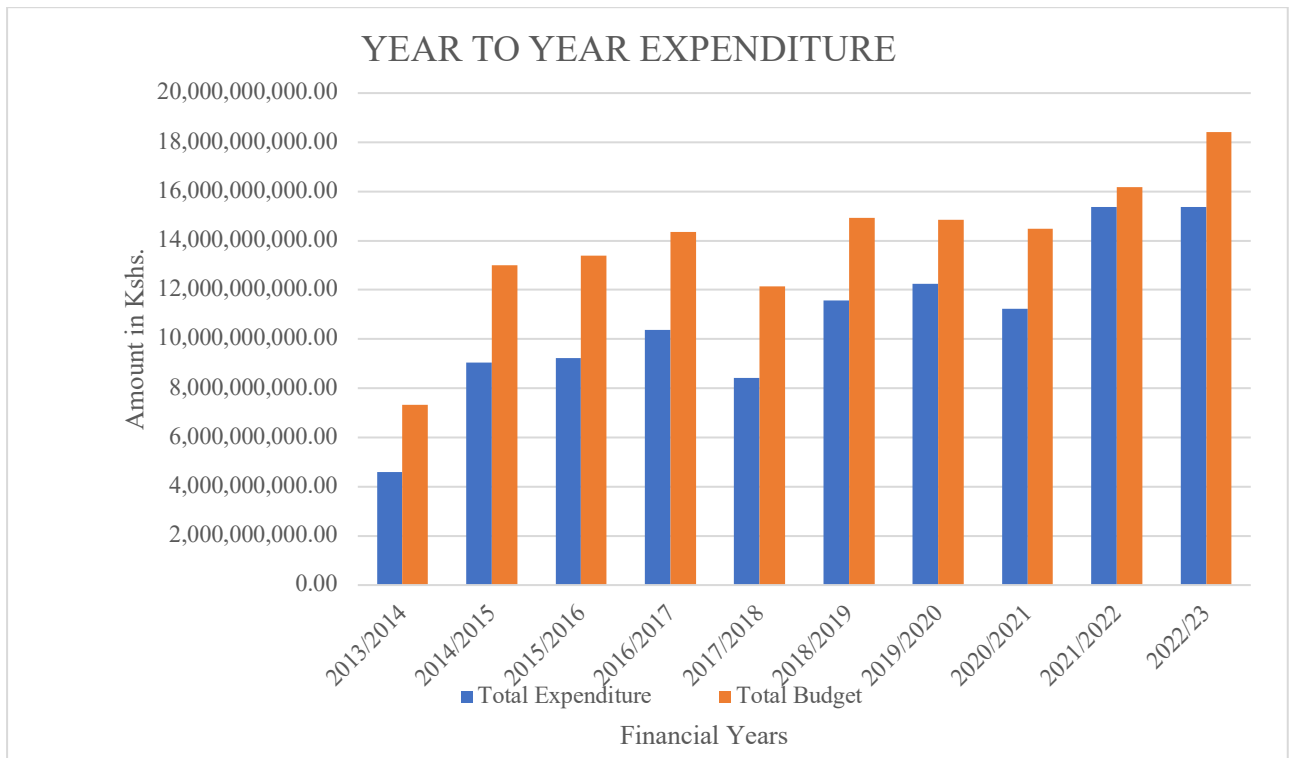
Department	Revised Estimates	Quarter One	Quarter Two	Quarter Three	Quarter Four	Total Expenditure
Governance	769,245,836	38,792,915.65	136,507,042	140,283,917	187,271,547	502,855,422
Office of the Deputy Governor	56,151,658	-	7,957,927	11,521,683	18,368,397	37,848,006
County Attorney	155,703,316	-	38,154,467	31,847,951	53,862,804	123,865,222
Finance and Economic Planning	3,335,446,760	8,142,686.00	178,963,754	984,527,861	2,174,095,888	3,345,730,190
Water Services, Environment and Mineral Resources	919,105,969	1,644,200.00	26,036,898	37,410,522	461,009,409	526,101,029
Health & Sanitation Services	1,609,864,212	4,562,741.60	216,589,462	171,036,166	420,145,356	812,333,725
Trade, Gender and Youth Affairs	588,954,068	4,884,440.00	208,405,691	183,067,963	106,926,411	503,284,504
Education, Sports and Social Protection	1,177,985,410	607,200.00	425,724,776	151,195,093	189,095,333	766,622,402
Public Service, Administration. & Disaster Management	5,481,462,953	659,742,177.85	1,746,837,753	1,519,890,810	1,932,845,430	5,859,316,171
Infrastructure Transport & Public Works	636,241,986	3,940,640.00	26,188,047	46,600,130	391,920,236	468,649,053
Agriculture, Pastoral Economy & Fisheries	1,361,577,849	530,786.00	129,149,755	236,363,688	396,654,978	762,699,206
Tourism, Culture and Natural Resources	401,910,956	4,319,172.00	49,679,313	116,841,947	156,832,720	327,673,152
Lands, Energy, Housing & Urban Areas Mgt.	224,765,453	-	25,241,880	22,444,367	59,487,537	107,173,784
County Assembly	1,249,468,006	216,740,682.84	216,740,683	258,740,683	314,740,683	1,006,962,731
County Public Service Board	160,527,898	-	43,254,708	38,746,009	50,731,771	132,732,488
Lodwar Municipality	280,716,932	-	7,980,510	25,568,180	40,108,707	73,657,396
TOTAL	18,409,129,261	943,907,642	3,483,412,665	3,976,086,969	6,954,097,206	15,357,504,482

Source: Analysis by Directorate of Budget, Turkana County

2.2.3.10 Yearly Expenditure

The Table below demonstrates the budget against the expenditure trend analysis since devolution started in the year 2013. Generally the budget estimates and the attendant expenditure has steadily been rising with a dip in the fiscal year 2017/2018, this being an election year that generated slowed economic growth.

Figure VI: Yearly Expenditure, 2013 - 2023



Source: Analysis by Directorate of Budget, Turkana County

3.0 RECENT ECONOMIC DEVELOPMENT AND OUTLOOK.

3.1 World Economic Outlook

World economic growth slowed to 3.5 percent in 2022 from a growth of 6.3 percent in 2021 as high global inflation, energy and value chain disruptions, and impact of monetary policy tightening in most world economies weighed on economic activity. The growth is projected to slow down further to 3.0 percent in 2023 and 2024 due to the impact of ongoing monetary policy tightening to address inflationary pressures. Global inflationary pressures have responded to policy tightening but inflation exceeds central bank targets in most countries. Recent actions by authorities to contain banking sector challenges in the United States and Swiss Banking have reduced the immediate risk of financial sector instability. However, intensification of the conflict in Ukraine, volatility in the global oil prices and extreme weather related shocks could weigh on the global economic outlook.

Advanced economies are projected to record a slower growth of 1.5 percent in 2023 and 1.4 percent in 2024 from 2.7 percent in 2022. About 93 percent of the countries in the advanced economies are projected to have a lower growth in 2023 and 2024. This slowdown is largely driven by aggressive monetary policy tightening in advanced economies that have increased concerns about escalating financial markets uncertainty, particularly persistent high interest rates and vulnerability of the banking sector.

Growth in the emerging market and developing economies, is projected to be broadly stable at 4.0 percent in 2023 and 4.1 percent in 2024, although with notable shifts across regions. The sluggish global growth, high inflation rates and the challenging global and domestic financial conditions continue to weigh on the growth for sub-Saharan Africa region. The region economic growth is projected to slow down to 3.5 percent in 2023 from 3.9 percent in 2022, before picking up to 4.1 percent in 2024.

3.2 Kenya's Economic Performance and Outlook

Economic Performance

In the 10 years pre-COVID-19 pandemic, the economic growth averaged 5.0 percent whereas in the two years post COVID-19 pandemic the growth momentum picked up to average 6.2 percent. The Kenyan economy in 2022 demonstrated resilience in the face of severe multiple shocks that included the adverse impact of climate change, lingering effects

of COVID-19, global supply chain disruption and the impact of Russia-Ukraine conflict. As such, the economic growth slowed down to 4.8 percent in 2022 from 7.6 percent in 2021.

In 2020, the economy received adequate rainfall that resulted in increased production in the agriculture sector growing by 4.6 percent. However, the country subsequently, experienced a severe climate related shock in the form of a severe drought that was also experienced in the Horn of Africa and the East African regions. The drought not only aggravated the inflationary pressures but also subjected millions of people to severe food insecurity, loss of lives, livelihoods and led to loss of livestock. This resulted in the contraction of the agriculture sector by 0.4 percent 2021 and 1.6 percent in 2022.

The performance of the industry sector slowed down to 3.5 percent in 2022 compared to a growth of 6.8 percent in 2021 on account of a slowdown in activities in the manufacturing, electricity and water supply and construction sub-sectors. In the year, services sector remained strong growing at 6.7 percent, with improved performance in information and communication, financial and insurance and professional, administrative and support services sub-sectors. There were also substantial growths in accommodation and food services, and transport and storage sub-sectors.

In the first quarter of 2023, real GDP growth was at 5.3 percent mainly due to a 5.8 percent recovery in the agricultural activities that reflected improved rainfall conditions and the impact of fertilizer and seed subsidies provided to the farmers by the Government (Table 15). The recovery in agriculture was reflected in enhanced production, especially of food crops that led to significant increase in export of vegetables and fruits.

Sectoral GDP Performance

Manufacturing sub-sector expanded by 2.0 percent in the first quarter of 2023 mainly supported by the manufacture of food products that included bakery products and processing and preservation of fish. In the non-food manufacturing the growth performance was supported by substantial growth in the manufacture of basic metals and fabricated metal products. Electricity and Water Supply sub-sector expanded by 2.3 percent supported by increased generation of electricity from renewable sources such as geothermal and wind that more than offset the decline in generation from hydroelectric sources. However, construction activities slowed down due to the decline in the volume of cement

consumption and imports of various construction materials such as bitumen and iron and steel.

The activities in the services sector remained strong in the first quarter of 2023 growing by 6.0 percent largely characterized by significant growths in accommodation and food Service; information and communication technology; transportation and storage; financial and insurance; and wholesale and retail trade sub-sectors.

Available economic indicators in the first three quarters of 2023 remain strong with the continued recovery in the agricultural sector and sustained performance of the services sector. In this respect, economic growth is projected at 5.5 percent in 2023 and 5.7 percent in 2024 supported by broad-based private sector growth and sustained government investment in the nine priority value chains (Leather, Cotton, Dairy, Edible Oils, Tea, Rice, Blue economy, Natural Resources (including Minerals and Forestry), and Building Materials). Additionally, public sector investments in infrastructure and implementation of prudent fiscal and monetary policies will continue to support economic activity (Figure 8).

Inflation

Inflation remained above the Government target range of 5 ± 2.5 percent from June 2022 to June 2023. In order to anchor inflation expectations and bring down inflation within the target range, the Monetary Policy Committee (MPC) gradually raised the policy rate (Central Bank Rate (CBR)) from 7.50 percent in May 2022 to 10.50 percent in June 2023. The MPC retained the 10.50 percent in August 2023. Consequently, inflation declined significantly to 6.7 percent in August 2023, from a peak of 9.6 percent in October 2022. The decline largely reflects the easing of food prices and impact of monetary policy tightening (Figure 9).

Food inflation remained the dominant driver of overall inflation in August 2023. However, it declined to 7.5 percent in August 2023 from a peak of 15.0 percent in August 2022 reflecting easing of food prices arising from increased supply due to ongoing harvests, seasonally factors, international developments and Government measures on zero rated imports. Nonetheless, sugar prices remained elevated driven by domestic and global factors.

Fuel inflation remained elevated driven by high energy prices. It increased to 14.2 percent in August 2023 from 8.6 percent in August 2022. The increase reflects gradual withdraw

of the fuel subsidize from September 2022 and the upward adjustment of electricity tariff from April 2023. In addition, the upward adjustment of VAT on petroleum product in July 2023 from 8.0 percent to 16.0 percent exacted upward pressures on prices. However, prices of cooking gas continued to decline and moderated inflation reflecting the impact of the zero-rating of VAT on liquefied petroleum gas (LPG).

Core (non-food non-fuel) inflation increased from 3.2 percent in August 2022, to a peak of 4.4 percent in March 2023, and has declined to 3.7 percent in August 2023. The decline is attributed to the contractionary monetary policy aimed at taming the spillover effects of high energy prices.

Interest Rates

Reflecting the tight monetary policy stance, interest rates increased in the year to August 2023. The interbank rate increased to 12.5 percent in August 2023 compared to 5.4 percent in August 2022 while the 91-day Treasury Bills rate increased to 13.4 percent compared to 8.6 percent over the same period (Figure 9). The 182-day Treasury Bills rate increased to 13.4 percent in August 2023 from 9.5 percent in August 2022 while the 364-day also increased to 13.6 percent from 9.9 percent over the same period. The introduction of the interest rate corridor, in August 2023, is expected to align the interbank rate to the Central Bank Rate and thereby improve the transmission of the monetary policy.

Commercial banks average lending and deposit rates increased in the year to June 2023 in tandem with the tightening of the monetary policy stance. The average lending rate increased to 13.3 percent in June 2023 from 12.3 percent in June 2022 while the average deposit rate increased to 7.8 percent from 6.6 percent over the same period. Consequently, the average interest rate spread declined to 5.5 percent in June 2023 from 5.7 percent in June 2022 (Figure 12).

Performance in Capital Markets

Activity in the capital markets slowed down in August 2023 compared to August 2022 as advanced economies tightened their monetary policy amid inflationary pressures. The NSE 20 Share Index declined to 1,540 points in August 2023 compared to 1,751 points in August 2022 while Market capitalization declined to KSh 1,545 billion from KSh 2,142 billion over the same period (Figure 16).

Economic Outlook

Kenya's economic performance is projected to remain strong and resilient over the medium term (Table 18 in calendar years and Annex Table 1 in fiscal years). The economy recorded a strong growth of 5.3 percent in the first quarter reflecting a strong recovery in agriculture sector and buoyant services sector including financial and insurance, information and communication, wholesale and retail trade and transport and storage. The economy is expected to remain strong and expand by 5.5 percent in 2023 (5.6 percent in FY 2023/24) and 5.7 percent in 2024 (5.9 percent in FY 2024/25).

This growth will be supported by the strong recovery in agriculture and resilient services sector that both drive the industrial sector. The adequate rainfall during the long rain season in most parts of the country and the anticipated short rains later in 2023 will continue to support activities in the agriculture, electricity, and water supply sectors. The improved availability of raw materials following the recovery in agriculture and a decline in global commodity prices will support food processing in the manufacturing sector. Additionally, activities in the construction sector will be boosted by the affordable housing programme. Services sector will be supported by resilient activities in the financial and insurance, information and communication, wholesale and retail trade and transport and storage, among others. The easing of global commodity prices and supply chain constraints coupled with robust private sector investment are expected to support domestic demand.

On the demand side, private consumption is expected to remain on a robust growth path in the near term. The easing of inflationary pressures will result in strong household disposable income, which in turn will support household consumption. The interventions by the Government through the Financial inclusion initiative popularly known as the Hustlers Fund will strengthen MSMEs thereby correcting market failures for the vast majority of Kenya's at the bottom of the pyramid. This will strengthen the private sector led growth opportunities. The multi-year fiscal consolidation program by the Government has been incorporated in the projections and is expected to lower the fiscal deficit and achieve a positive primary balance over the medium term. This will reduce debt vulnerabilities and strengthen debt sustainability and lead to improvement in investors' confidence, leading to robust private investment and economic growth over the medium term. The lower domestic financing needs of the Government, will enable the expanded lending to the private sector by the banking sector.

The development spending in the budget will be retained at an average of 5.6 percent of GDP so as not to impact on growth momentum. This will enhance Government investment in the nine priority value chains (Leather, Cotton, Dairy, Edible Oils, Tea, Rice, Blue economy, Natural Resources (including Minerals and Forestry), and Building Materials). Additionally, it will support investments in key projects under the Bottom-Up Economic Transformation Agenda (BETA) including construction of dams, improvement of road networks and ports and laying of additional National Fiber Optic network. Enhanced digitalization, is expected to improve efficiency and productivity in the economy. In particular, investment in digital superhighway will result in enhanced connectivity and access to broadband services which will lower the cost of doing business, enhance efficiency and create employment opportunity.

Kenya's exports of goods and services is expected to continue strengthening supported by receipts from tourism and implementation of crops and livestock value chains, specifically, exports of tea, coffee, vegetables and fresh horticultural produce, among others. The expected recovery of Kenya's trading partners and the implementation of Africa Continental Free Trade Area (AfCFTA) will enhance demand for exports of Kenyan manufactured products. Current account deficit will average 5.4 percent of GDP between 2023 and 2027. The projected robust domestic demand sustained by private investment, will sustain imports of raw materials, machinery and equipment for private construction, and household consumption. In addition, global oil price continues to stabilize lowering the oil import bill. In the Balance of Payments Statement, external financing needs will be met mainly by equity inflows and foreign direct investment given the conducive business climate that Government has created particularly the fiscal policy predictability. Improvement in the current account, boosted by robust export earnings and strong remittance inflows the will continue to support stability in the foreign exchange market.

3.5 Turkana County Economy

Turkana County Economy is majorly driven by livestock production, trading activities ,fishing and it operates within the confines of the Global and National Economic Framework and as such changes in the Global and National economic environment affects the county's economic decisions and operations either directly or indirectly. In the medium term, the National Treasury in collaboration with stakeholders is undertaking a number of

reforms to assist counties enhance revenue collection. Some of the measures include; proposal for an establishment of a Multi-Agency Taskforce on Tax Analysis and Revenue Forecasting with the aim of developing a tool for OSR analysis and forecasting among County Governments; review of existing legislations and automation of revenue collection and management.

In addition, the National Treasury is planning to build the capacity of County Governments to generate statistics that conform to the Government Finance Statistics 2014 Manual beginning in FY 2023/24. This will strengthen the County Government's fiscal policy making including realistic revenue forecasting and realization.

4.0 RESOURCE ALLOCATION FRAMEWORK

4.1 Implementation of FY 2023/2024 Budget

FY 2023/2024 Budget implementation has commenced with prospects of economic recovery although the economic outlook has become more uncertain reflecting rising cost of living, adverse effects of climate change and economic slowdown partly caused by disruptions in the global supply chains by.

The Budget is implemented with a vision to transforming this county to a desirable level of development through the Nine Point Agenda. The Agenda focuses mainly on water provision as a universal right; Food security through crop production, livestock development, fisheries and blue economy; Peace building and conflict resolution; Health services and sanitation.; Revitalizing education and child protection; Land, minerals and natural resources management; Trade, industries and enterprise development; Wealth creation/local county revenue enhancement; Collaboration and Strategic partnership.

The projected total revised revenue estimate for FY 2023/2024 is at **KES. 17,097,070,470.05**; comprising **KES 13,143,946,933** as the equitable share; **KES. 220,000,000** as revenue expected from the own revenue sources; **KES 1,335,661,113.90** as expected releases from the Conditional Grants Commitments and ; carry forward from unspent funds from the FY 2021/22 of **KES 2,397,462,423.15**. The recurrent and development expenditure proposals have been spread as **KES 10,168,876,881.00** and **KES 6,928,193,589.05** respectively. Personnel emoluments for the year is budgeted at **KES. 5,465,289,699.00** (including salaries for the Assembly) which represent **31.97 per cent** of the total revenue which is below the maximum legal threshold limit for wages and salaries.

4.2 FY 2023/2024 Budget Framework

FY 2023/2024 budget framework is intended to escalate the county government's development efforts to transform the County to a desired level of economic development. Priority will be given to those programmes that contribute to infrastructural development, harnessing the available resources, collaboration with the development partners and wealth creation.

The country is currently implementing the Medium-Term Plan (MTP) IV of the Vision 2030. MTP IV entrenches the national government's Bottom-Up Economic Transformation Agenda

(BETA) which focuses on Agricultural Transformation and Inclusive Growth; transforming the Micro, Small and Medium Enterprise (MSMEs) Economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Economy. These priorities are captured and planned in the CIDP 2023-2027 and Annual Development Plan 2023/24. The county focus on these plans is specifically in the Nine Point Agenda.

4.3 Medium Term Plan Fiscal Projections and Expenditure Framework

Aggressive resource mobilization will be coordinated by the resource mobilization department to ensure that the county government generates enough funds for the provision of basic services. The realization of the welfare improvement, provision of core services and elimination of duplication will have an impact on budget ceilings. The criteria that will be used in allocation of resources will be;

- i. Programmes linked to CIDP III
- ii. Programmes incorporated in the Annual Development Plan 2024/2025
- iii. Programmes with the core mandates for the county entities
- iv. Ongoing projects from FY 2023/2024
- v. Pending Bills
- vi. Expected outcomes and outputs from programmes
- vii. Cost effectiveness and sustainability of programmes

5.0 RECOMMENDATIONS AND CONCLUSIONS

5.1 Observations

- i. The county adhered to all fiscal responsibility principles as outlined in the PFM Act, 2012.
- ii. Own Source Revenue did not surpass the set target of KES 198,000,000. Aggressive and deliberate efforts must be engaged to generate more revenue.
- iii. The county received the entire Equitable Share Revenue for the period. This positively impacted the expenditure performance.
- iv. Some development partners did not honor their financial commitments to release all conditional grants. This either resulted into delayed or none implementation of partner funded programmes.
- v. The county performed very well in recurrent expenditure at **97 per** cent of the total recurrent budget and an average at 54 per cent of the total development expenditure.
- vi. Some departments experienced budget overrun.

5.2 Recommendations

- i. Spending should be done within the precincts of the budget to ensure budget credibility.
- ii. Kibish and Turkana East posted least revenue because of insecurity and being far flung. There is a deliberate need for both levels of governments to support these areas to ensure businesses are running and revenue is collected effectively.
- iii. Low OSR performing streams to be supported to reach their potential to generate sufficient revenue.
- iv. There is need for timely release of funds from the national government.
- v. Constant follow up and engagements from entities implementing the conditional grants to ensure development partners have honored their financing agreements. Equally, county entities should at all times adhere to donor financing conditions.
- vi. There is need to fast track efficiency in contract management, procurement processes and project planning and design.
- vii. Overspending on Personnel Emoluments was attributed to the underestimation in Personnel Emoluments budget. Therefore, we recommend that budgeting for Personnel Emoluments going forward should be done by each department. Departments should be given the opportunity to budget for their staff under the guidance of the Public Service, Administration and Disaster Management Department.

5.3 Conclusions

- i. The attention of all county government entities is hereby drawn to the FY 2023/2024 MTEF Budget Circular issued in August 2023 for further guidelines including the timelines for the preparation and finalization of the FY 2024/25 budget estimates
- ii. The Accounting Officers are therefore called upon to adhere to the fiscal objectives and strict budget implementation timelines considering the changes made on the dates of performance delivery for the current financial year.
- iii. Sector Working Groups (SWGs) will be required to consult and formulate the relevant programmes, projects and the sectoral cross cutting issues that are to be included in the CIDP III and FY 2023/2024 Budget Proposals. SWGs should allocate funds to programmes and projects that stimulate inclusive growth and sustainable economic recovery and align them to H.E the Governor's 9- Point Agenda.

ANNEXES

ANNEX I: REVISED FY 2022/2023 BUDGET ESTIMATES

VOTE	RECURRENT EXPENDITURE	DEVELOPMENT EXPENDITURE	TOTAL EXPENDITURE
Governance	525,971,265	243,274,571	769,245,836
Office of the Deputy Governor	56,151,658	-	56,151,658
County Attorney	155,703,316	-	155,703,316
Finance and Economic Planning	2,499,798,386	835,648,373	3,335,446,760
Water Services, Environment and Mineral Resources	138,090,716	781,015,253	919,105,969
Health & Sanitation Services	1,105,860,423	504,003,789	1,609,864,212
Trade, Gender and Youth Affairs	153,690,803	435,263,265	588,954,068
Education, Sports and Social Protection	687,288,413	490,696,997	1,177,985,410
Public Service, Administration. & Disaster Management	5,445,896,104	35,566,848	5,481,462,953
Infrastructure Transport & Public Works	80,150,477	556,091,509	636,241,986
Agriculture, Pastoral Economy & Fisheries	151,408,874	1,210,168,975	1,361,577,849
Tourism, Culture and Natural Resources	130,820,287	271,090,669	401,910,956
Lands, Energy, Housing & Urban Areas Mgt.	106,727,508	118,037,945	224,765,453
County Assembly	1,024,468,006	225,000,000	1,249,468,006
County Public Service Board	158,527,898	2,000,000	160,527,898
Lodwar Municipality	108,297,022	172,419,910	280,716,932
TOTAL EXPENDITURE	12,528,851,157	5,880,278,104	18,409,129,261

ANNEX II: COMPREHENSIVE FY 2022/2023 EXPENDITURE

COUNTY ENTITY	Department	Final Budget Estimates	July	August	September	October	November	December	January	February	March	April	May	June	July	TOTAL EXPENDITURE.
Governance	Recurrent	525,971,265			38,792,916	30,949,249	45,206,627	60,351,166	40,435,466	50,540,373	49,308,078	113,182,397	13,034,247	41,175,272	14,913,161	497,888,952
	Development	243,274,571												4,966,470		4,966,470
Office of the Deputy Governor	Recurrent	56,151,658					5,468,892	2,489,035	1,997,800	5,810,472	3,713,410	2,832,200	2,286,894	7,887,798	5,361,505	37,848,006
	Development	-														-
County Attorney	Recurrent	155,703,316				1,620,480	29,078,221	7,455,766	860,100	20,975,872	10,011,979	4,704,191	6,918,207	21,020,761	21,219,646	123,865,222
	Development	-														-
Finance and Planning	Recurrent	2,499,798,386			8,142,686	40,310,480	50,885,300	87,767,974	150,438,107	73,559,666	760,530,088	592,061,585	292,135,817	199,424,156	120,571,119	2,375,826,979
	Development	835,648,373										395,970,299	138,462,249	53,626,699	381,843,964	969,903,211
Water Services, Environment and Mineral Resources	Recurrent	138,090,716			1,644,200	11,968,408	4,643,106	9,425,384	4,276,816	11,458,541	83,305,643	9,988,169	8,449,511	11,704,479	2,933,619	159,797,875
	Development	781,015,253										4,987,027	14,515,650	85,736,807	322,694,148	427,933,632
Health & Sanitation Services	Recurrent	1,105,860,423			4,562,742	11,348,432	48,854,847	156,386,182	10,104,207	24,799,005	135,397,391	32,342,919	41,070,746	82,591,141	151,424,894	698,882,507
	Development	504,003,789								735,563		4,899,896	8,292,757	24,107,581	75,415,421	113,451,219
Trade, Gender and Youth Affairs	Recurrent	153,690,803			4,884,440	10,741,493	12,726,220	19,616,153	4,319,387	9,681,290	14,417,286	398,554	5,050,354	20,483,210	1,475,294	103,793,680
	Development	435,263,265				163,321,825			154,650,000				70,846,780		8,672,219	399,490,824
Education, Sports and Social Protection	Recurrent	687,288,413			607,200	396,927,570	10,978,744	15,945,712	17,256,900	20,233,956	113,704,237	9,117,570	21,284,421	20,044,487	38,249,763	664,350,562
	Development	490,696,997						1,872,750				85,963	6,033,241	18,004,119	76,275,768	102,271,841
Public Services, Decentralized Administration & Disaster Management	Recurrent	5,445,896,104			659,742,178	419,216,481	630,018,932	697,602,341	579,255,708	92,005,191	786,999,434	34,436,872	854,801,590	628,776,665	288,994,003	5,671,849,393
	Development	35,566,848													125,836,300	125,836,300
Infrastructure Transport & Public Works	Recurrent	80,150,477			3,940,640	1,893,500	290,705	9,923,742	3,813,295	3,685,938	12,085,377		2,140,959	8,498,662	7,212,926	53,485,744
	Development	556,091,509						14,080,100	27,015,520			43,450,736	36,913,671	93,035,989	200,667,293	415,163,310
Agriculture, Pastoral Economy & Fisheries	Recurrent	151,408,874			530,786	16,770,858	4,125,983	108,252,914	96,185,347	54,939,839	19,994,163	3,112,754	8,262,695	157,397,546	5,450,147	475,023,032
	Development	1,210,168,975								43,244,339	22,000,000	72,671,830		42,527,823	107,232,183	287,676,174
Tourism, Culture and Natural Resources	Recurrent	130,820,287			4,319,172	6,232,909	13,380,611	30,065,794	3,106,697	27,211,772	8,545,465	7,602,433	6,964,574	5,695,769	1,029,259	114,154,453
	Development	271,090,669							77,978,013				65,000,000	44,241,563	26,299,123	213,518,699
Lands, Energy, Housing & Urban Areas Mgt.	Recurrent	106,727,508				7,022,065	5,191,196	13,028,619	371,000	8,358,134	13,715,233	952,365	1,060,536	21,095,818	13,594,818	84,389,784
	Development	118,037,945											2,995,000	19,789,000		22,784,000
County Assembly	Recurrent	1,024,468,006	66,168,900	66,168,900	66,168,900	66,168,900	66,168,900	66,168,900	66,168,900	66,168,900	108,168,900	66,168,900	66,168,900	164,168,900		934,026,796
	Development	225,000,000	6,077,995	6,077,995	6,077,995	6,077,995	6,077,995	6,077,995	6,077,995	6,077,995	6,077,995	6,077,995	6,077,995	6,077,995		72,935,935
County Public Service Board	Recurrent	158,527,898				10,877,802	12,146,218	20,230,688	11,038,136	15,973,965	11,733,908	8,292,454	14,456,273	18,192,717	9,790,327	132,732,488
	Development	2,000,000														-
Lodwar Municipality	Recurrent	108,297,022				515,345	2,888,010	4,577,155	163,701	13,954,120	11,450,358		8,834,895	11,161,462	8,572,016	62,117,063
	Development	172,419,910													11,540,333	11,540,333
EXECUTIVE BUDGET		18,409,129,261	72,246,894	72,246,894	799,413,853	1,203,963,790	948,130,507	1,331,318,369	1,255,513,093	549,414,931	2,171,158,945	1,413,337,108	1,699,062,961	1,794,638,888	2,047,058,249	15,357,504,482

ANNEX III: EXPENDITURE BY CATEGORY, FY 2022/2023

EXPENSE CATEGORY	REVISED BUDGET	TOTAL EXPENDITURE	ABSORPTION RATE
CURRENT	12,528,851,157.34	12,190,032,535.65	97%
DEVELOPMENT	5,880,278,103.85	3,167,471,946.60	54%
TOTAL	18,409,129,261.19	15,357,504,482.25	83%

ANNEX IV: CFSP 2023 CEILINGS

County Entity	2022/23		Total	Percentages
	Recurrent	Development		
	Kshs	Kshs		
Governance	350,208,134.00	88,549,142.00	438,757,276.00	3.43%
Deputy Governor	48,551,658.00	-	48,551,658.00	0.38%
County Attorney	138,103,316.00	-	138,103,316.00	1.08%
Finance and Economic Planning	383,933,261.00	62,127,220.00	446,060,481.00	3.48%
Water Services	135,390,716.00	474,515,253.00	609,905,969.00	4.76%
Health and Sanitation	577,115,791.00	595,894,317.00	1,173,010,108.00	9.16%
Trade, Gender and Youth	104,532,243.00	410,321,825.00	514,854,068.00	4.02%
Education, Sports and S	634,132,019.82	494,846,999.00	1,128,979,018.82	8.82%
Public Service, Admin &	4,864,693,077.00	51,405,566.00	4,916,098,643.00	38.39%
Infrastructure Transport	94,950,477.00	538,512,656.00	633,463,133.00	4.95%
Agriculture, Pastoral Eco	153,858,874.18	602,828,820.00	756,687,694.18	5.91%
Tourism, Cult, Energy, B	104,620,287.00	261,090,669.00	365,710,956.00	2.86%
Lands, PP, Hsing & UAM	65,195,358.00	216,765,159.00	281,960,517.00	2.20%
County Assembly	821,950,164.00	200,000,000.00	1,021,950,164.00	7.98%
County Public Service B	94,603,316.00	-	94,603,316.00	0.74%
Lodwar Municipality	105,097,022.00	133,512,656.00	238,609,678.00	1.86%
Total	8,676,935,714.00	4,130,370,282.00	12,807,305,996.00	100.00%

ANNEX V: OWN SOURCE REVENUE FY 2022/2023

REVENUE STREAM	MINISTRY	Jul-22	Aug-22	Sep-22	1st Quarter	Oct-22	Nov-22	Dec-22	2nd Quarter	Jan-23	Feb-23	Mar-23	3rd Quarter	Apr-23	May-23	Jun-23	4th Quarter	TOTALS
SINGLE BUSINESS PERMIT(Application fee,renewal,penalties/interest,Arrears)	TRADE	702,712	282,977	268,348	1,254,037	581,927	1,150,170	61,800	1,793,897	10,009,432	8,477,722	7,146,900	25,634,054	4,628,997	9,092,915	4,456,955	18,178,867	46,860,855
ROYALTY-CESS(Murram, hardcore sand, ballast, Exploitation)	LANDS	953,400	586,400	831,310	2,371,110	1,338,600	950,451	1,030,760	3,319,811	1,298,000	1,095,000	1,138,800	3,531,800	1,050,500	719,000	1,534,000	3,303,500	12,526,221
CESS(Agricultural,Transport ,Hide & skin, charcoal cess, firewood, miraa cess,scrap metal,Fish)	TRANSPORT	6,367,900	4,434,690	5,257,695	16,060,285	5,255,200	6,540,155	7,813,370	19,608,725	6,693,960	6,144,180	6,432,785	19,270,925	6,955,741	8,482,360	2,412,350	17,850,451	72,790,386
MARKET FEE(Barter, entry fee/offloading,hawking,)	TRADE	437,970	633,950	1,458,970	2,530,890	1,353,180	1,515,430	475,750	3,344,360	395,880	432,090	545,440	1,373,410	476,500	194,740	327,940	999,180	8,247,840
SLAUGHTER/AUCTION FEE(Small and Big animals)	PASTORAL	813,885	627,910	954,500	2,396,295	1,157,770	1,153,130	858,320	3,169,220	684,880	746,500	690,560	2,121,940	569,875	341,970	578,280	1,490,125	9,177,580
ADVERTISEMENT(Branding,Billboard,Sign post, sign boards,roadshows,banners,posters,tent,street pole/clock advertising,Neon,others)	LANDS	37,500	90,100	-	127,600	18,000	11,500	119,000	148,500	104,900	45,700	1,163,300	1,313,900	1,169,300	983	2,338,600	3,508,883	5,098,883
PARKING FEE (Street parking,Monthly stickers,motorbike fees,registration fees,reserved parking,bus park fees and others)	LANDS	198,300	304,830	252,820	755,950	170,400	208,450	224,350	603,200	351,310	244,900	368,300	964,510	108,000	313,850	216,000	637,850	2,961,510
TRANSPORT OPERATION FEE –Entry/Exit (Taxi, Bodaboda, Matatu, Canter, Lorry, and buses)	ROADS	175,460	72,000	1,200	248,660	-	-	-	-	-	-	1,000	1,000	-	-	-	-	249,660
LIQUOR LICENCES(Liquor License and Application Fee)	HEALTH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LAND SURVEY/APPLICATION/ BUILDING APPROVAL(Land penalties and interest/arrears)	LANDS	765,000	540,000	1,410,100	2,715,100	743,000	328,010	419,500	1,490,510	1,002,410	1,024,700	472,010	2,499,120	37,000	471,010	-	508,010	7,212,740
PROPERTY RENT/KIOSKS/STALLS/County Housing,Plot Rent,Tenants Agreement,Transfer of property)	LANDS	58,000	51,500	83,500	193,000	60,500	113,500	48,000	222,000	46,000	93,500	1,343,500	1,483,000	-	1,260,000	-	1,260,000	3,158,000
PUBLIC HEALTH SERVICES(Inspection of building,institutions,hygiene licence,vaccination,medical examination,sanitation inspection for schools,permits,fumigation)	HEALTH	81,700	258,350	108,300	448,350	143,000	113,700	159,900	416,600	187,050	257,350	261,370	705,770	241,950	156,500	245,800	644,250	2,214,970
ADMINISTRATION CONTROL FEES AND CHARGES(Fire Services,Betting Levy,others)	TRADE	-	-	-	-	-	2,000	-	2,000	-	20,000	-	20,000	-	-	-	-	22,000
OTHER FEES PENALTIES AND FORFEITURES- Impounding fees,Towing Fees and Others	FINANCE	131,615	37,368	296,019	465,002	83,320	17,222	7,450	107,992	781,349	643,637	722,444	2,147,430	397,322	-	794,644	1,191,966	3,912,390
PARK FEES-Lodge Tarriffs and Levis,Park Entry fees,filming and photography fees,camping fees,balloon landing fees,others	TOURISM	-	-	-	-	-	-	-	-	-	-	45,100	45,100	89,500	-	74,400	163,900	209,000
CONSERVANCY ADMINISTRATION-Refuse disposal,Dumpsite,Sewerage,Sale of seedlings,public cemetery,disposal of carcasses,noise control,others	ENVIRONMENT	23,600	140,780	1,000	165,380	15,000	13,400	66,500	94,900	2,000	-	-	2,000	-	-	-	-	262,280
CORPORATES	FINANCE	1,650,846	2,006,263	-	3,657,109	1,758,775	508,549	238,788	2,506,112	2,770,930	308,950	-	3,079,880	1,257,000	-	-	1,257,000	10,500,101
HIRE OF COUNTY ASSETS-Agricultural Mechanisms Services,Hire of Machines and Equipments,Hire of County Hall,Stadium,Conference Facilities,Agricultural Training Center,Hire of County Tents/Chairs	FINANCE	-	-	-	-	-	-	1,000	1,000	-	-	-	-	-	-	-	-	1,000
PHYSICAL PLANNING AND DEVELOPMENT(Sale of county planning documents,change of user,building plans approval,signposts,occupational permits,enforcement/demolition,achitectural designs by county officers,hoarding fees)	LANDS	-	-	-	-	-	-	-	-	-	-	-	-	1,225,900	-	1,225,900	2,451,800	2,451,800
MISCELLANEOUS RECIEPTS-Dividends,Interest,Commission,	FINANCE	-	-	-	-	-	-	-	-	20,000	-	-	20,000	-	-	-	-	20,000
DONATIONS AND GRANTS NOT RECEIVED THROUGH CRF(Donations and Grants Based on Source.	FINANCE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SINGLE BUSINESS PERMIT - Refugees	TRADE	195,918	65,454	159,136	420,508	287,052	137,100	41,990	466,142	360,740	1,305,735	-	1,666,475	-	-	-	-	2,553,125
WEIGHTS AND MEASURES	TRADE	-	-	-	-	-	-	-	-	19,020	30,300	17,400	66,720	2,400	-	2,400	4,800	71,520
TOTAL		12,593,806	10,132,572	11,082,898	33,809,275	12,965,724	12,762,767	11,566,478	37,294,969	24,727,861	20,870,264	20,348,909	65,947,034	18,209,985	21,033,328	14,207,269	53,450,582	190,501,861

ANNEX VI: MEDIUM TERM EXPENDITURE FRAMEWORK PROJECTIONS

SECTOR	ECONOMIC CLASSIFICATION	BUDGET ESTIMATES 2022/23	MTEF PROJECTIONS	
			CEILING 2023/24	2024/2025
OFFICE OF THE GOVERNOR	SUB-TOTAL	769,245,836.00	784,630,752.72	863,093,827.99
	Rec. Gross	525,971,265	536,490,690.30	590,139,759.33
	Dev. Gross	243,274,571	248,140,062.42	272,954,068.66
OFFICE OF THE DEPUTY GOVERNOR	SUB-TOTAL	56,151,658.00	57,274,691.16	63,002,160.28
	Rec. Gross	56,151,658	57,274,691.16	63,002,160.28
	Dev. Gross		-	-
OFFICE OF THE COUNTY ATTORNEY	SUB-TOTAL	155,703,316.00	158,817,382.32	80,000,000.00
	Rec. Gross	155,703,316	158,817,382.32	80,000,000.00
	Dev. Gross	-	-	-
FINANCE & ECONOMIC PLANNING	SUB-TOTAL	3,335,446,759.78	3,402,155,694.98	3,742,371,264.47
	Rec. Gross	2,499,798,386	2,549,794,354.09	2,804,773,789.50
	Dev. Gross	835,648,373	852,361,340.89	937,597,474.98
WATER SERVICES, ENVIRONMENT & MINERAL RESOURCES	SUB-TOTAL	919,105,969.00	937,488,088.38	1,031,236,897.22
	Rec. Gross	138,090,716	140,852,530.32	154,937,783.35
	Dev. Gross	781,015,253	796,635,558.06	876,299,113.87

HEALTH & SANITATION SERVICES	SUB-TOTAL	1,609,864,211.75	1,642,061,495.99	1,806,267,645.58
	Rec. Gross	1,105,860,423	1,127,977,631.21	1,240,775,394.33
	Dev. Gross	504,003,789	514,083,864.78	565,492,251.26
TRADE, GENDER & YOUTH AFFAIRS	SUB-TOTAL	588,954,068.00	600,733,149.36	660,806,464.30
	Rec. Gross	153,690,803	156,764,619.06	172,441,080.97
	Dev. Gross	435,263,265	443,968,530.30	488,365,383.33
EDUCATION, SPORTS AND SOCIAL PROTECTION	SUB-TOTAL	1,177,985,410.00	1,201,545,118.20	1,321,699,630.02
	Rec. Gross	687,288,413	701,034,181.26	771,137,599.39
	Dev. Gross	490,696,997	500,510,936.94	550,562,030.63
PUBLIC SERVICE, ADMINISTRATION AND DISASTER MANAGEMENT	SUB-TOTAL	5,481,462,952.60	5,591,092,211.65	6,150,201,432.82
	Rec. Gross	5,445,896,104.48	5,554,814,026.57	6,110,295,429.23
	Dev. Gross	35,566,848.12	36,278,185.08	39,906,003.59
INFRASTRUCTURE, TRANSPORT, AND PUBLIC WORKS	SUB-TOTAL	636,241,986.00	648,966,825.72	713,863,508.29
	Rec. Gross	80,150,477	81,753,486.54	89,928,835.19
	Dev. Gross	556,091,509	567,213,339.18	623,934,673.10
AGRICULTURE, PASTORAL ECONOMY & FISHERIES	SUB-TOTAL	1,361,577,848.68	1,388,809,405.65	1,527,690,346.22
	Rec. Gross	151,408,874	154,437,051.48	169,880,756.63

	Dev. Gross	1,210,168,975	1,234,372,354.17	1,357,809,589.59
TOURISM, CULTURE AND NATURAL RESOURCES	SUB-TOTAL	401,910,956.00	409,949,175.12	450,944,092.63
	Rec. Gross	130,820,287	133,436,692.74	146,780,362.01
	Dev. Gross	271,090,669	276,512,482.38	304,163,730.62
LANDS, ENERGY, HOUSING AND URBAN AREAS MANAGEMENT	SUB-TOTAL	224,765,453.00	229,260,762.06	252,186,838.27
	Rec. Gross	106,727,508	108,862,058.16	119,748,263.98
	Dev. Gross	118,037,945	120,398,703.90	132,438,574.29
COUNTY ASSEMBLY	SUB-TOTAL	1,249,468,006.00	1,274,457,366.12	1,401,903,102.73
	Rec. Gross	1,024,468,006	1,044,957,366.12	1,149,453,102.73
	Dev. Gross	225,000,000	229,500,000.00	252,450,000.00
COUNTY PUBLIC SERVICE BOARD	SUB-TOTAL	160,527,898.30	163,738,456.27	180,112,301.89
	Rec. Gross	158,527,898	161,698,456.27	177,868,301.89
	Dev. Gross	2,000,000	2,040,000.00	2,244,000.00
Lodwar Municipality	SUB-TOTAL	280,716,931.63	286,331,270.26	314,964,397.29
	Rec. Gross	108,297,022	110,462,962.44	121,509,258.68
	Dev. Gross	172,419,910	175,868,307.82	193,455,138.60
TOTAL	TOTAL	18,409,129,260.74	18,777,311,845.95	20,560,343,910.00
	Rec. Gross	12,528,851,156.89	12,779,428,180.03	13,962,671,877.48
	Dev. Gross	5,880,278,103.85	5,997,883,665.93	6,597,672,032.52