

REPUBLIC OF KENYA

THE COUNTY TREASURY

**GARISSA COUNTY BUDGET REVIEW AND
OUTLOOK PAPER (CBROP)**

CBROP - 2023



©County Budget Review and Outlook Paper (CBROP) 2023

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The Garissa County Treasury

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The document will also be available at www.garissa.go.ke

FOREWORD

Garissa County Budget Review and Outlook Paper (CBROP) 2023 is prepared in accordance with section 118 of the Public Finance Management Act, 2012. The CBROP, 2023, reviews the budget performance for FY 2022/223 and provides the development outlook for FY 2024/25. The paper also highlights the recent economic and financial projections with adequate information that will guide the development of budget proposals for the coming fiscal year.

The CBROP provides an analysis of the details of the actual fiscal performance of the county for the financial year 2022-2024 while comparing it with the budget appropriation for that year. The review additionally incorporates the performance of county expenditure for the period under review. This document has the updated economic and financial forecasts and provided adequate information to show changes from projections outlined in the latest county fiscal strategy paper. It further sets indicative ceilings for the sectors for purpose of guiding sector discussions and support budget proposal.

The CBROP being a key document that links up policy, planning and budgeting, will continue to play a critical role in the preparation of budgets and management of public resources. The document has also highlighted key strategies in enhancement of own source revenue like automation of all revenue streams, establishment of valuations rolls, formulation of revenue enhancement policies and providing sectoral target for revenue mobilization, these and other broad fiscal parameters will be pursued for purpose of enhancing effective and efficient resource mobilization.

It is therefore my anticipation that this paper enhances financial discipline and fiscal responsibilities within the county financial management framework as provided in the public finance management (PFM) Act 2012.



**Hon Abass Ismail Khaar,
County Executive Committee Member,
Finance, Economic Planning and Revenue Management.**

ACKNOWLEDGEMENT

The compilation of the CBROP, 2023 was a coordinated effort of county departments who provided valuable and credible information for inclusion in this paper. We value their contributions to this noble course that is an essential step in the preparation of this documents. These documents set the stage for the preparation of upcoming County Fiscal Strategy Paper (CFSP) 2024 and subsequently the budget estimates for the FY 2024/2025.

The preparation and compilation of this document was a concerted and collaborative effort by staff of the directorate of Finance, Economic Planning and Revenue Management under the leadership and guidance of the County Executive member for finance. A core team from the budget and planning unit spent significant amount of time beyond official working hours to consolidate and fine tune this document.

Finally, we are indebted to express our sincere gratitude to all stake holders including technical officers for their invaluable contribution and input to the document. We thank you and assure you that your efforts and hard work will not be taken for granted and promise better collaboration and team work for the next assignment of planning and budgeting process.

Mr. Adan Harun,
Chief Officer Finance.

ABBREVIATIONS AND ACRONYMS

ATC	Agricultural Training Centre
CA	County Assembly
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CPI	Consumer Price Index
FY	Financial Year
GDP	Gross Domestic Product
IFMIS	Integrated Financial Management Information System
MTEF	Medium Term Expenditure Framework
PGH	Provincial General Hospital
PFMA	Public Finance Management Act

PREAMBLE

Legal Background

The Garissa County Budget Review and Outlook Paper was prepared in accordance with section 118 of the Public Finance Management Act, 2012 which states that the county shall:

- Prepare a County Budget Review and Outlook Paper (CBROP) in respect of the county for each financial year; and
- Submit the paper to County executive committee for approval by 30th September of that year.

The CBROP shall include;

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

The County Executive Committee shall consider the CBROP with a view of approving it, with or without amendments within fourteen days after its submission. Not later than seven days after the CBROP has been approved by County Executive Committee, the County Treasury shall:

- a) Arrange for the CBROP to be laid before the County Assembly; and
- b) Publish and publicize the paper as soon as practicable.

Fiscal Responsibility Principles in the Public Financial Management Act

Section 107 of the Public Finance Management (PFM) Act 2012 sets out the fiscal responsibility principles to ensure prudent and transparent management of county resources. The PFM Act states that:

- i. The county government's recurrent expenditure shall not exceed the county government's total revenue;
- ii. Over the medium term a minimum of thirty per cent of the county government's budget shall be allocated to the development expenditure;
- iii. The county government's expenditures on wages and benefits shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive Member for finance in regulations approved by the County Assembly;
- iv. 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;
- v. The county debt shall be maintained at a sustainable level as approved by the County Assembly (CA);
- vi. Fiscal risks shall be managed prudently; and
- vii. A reasonable degree of the 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.

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1. INTRODUCTION

1.1 Background

The 2022 CBROP provides a review of the fiscal performance for the financial year 2021/22 including adherence to the objectives and principles outlined in the 2022 County Fiscal strategy paper (CFSP) and the PFM Act, 2012. It also provides a basis for the revision of the current budget and the financial policies underpinning the medium-term plan. The 2022 CBROP will guide development of the 2023 CFSP that will summarize the various projects and initiatives that will be undertaken 2023-2024 budget.

Specifically, the CBROP provides:

- i. Updated economic and financial forecasts in relation to changes from the projections in the most recent CFSP;
- ii. Details of the actual fiscal performance in the previous year compared to appropriation for that particular year;
- iii. Any changes in the forecasts compared with the CFSP
- iv. Indication on how the actual fiscal performance for the previous FY may have affected compliance with fiscal responsibility principles or the financial objectives in the CFSP for that FY; and
- v. Reasons for any deviations from financial objectives in the CFSP together with proposed measures to address the deviation and the time estimated for doing so.

1.2 Significance of CBROP

The CBROP is a key document which links up policy, planning and budgeting. It is embedded on the Kenya's Vision 2030 through the third Medium Term Plan (MTP) and the Third Garissa County Integrated Development Plan (CIDP).

2. REVIEW OF FISCAL PERFORMANCE IN THE FY 2022/23

This chapter presents an analysis of policy changes in the 2022 CFSP and FY 2022/31 budget and its implications in the county. It also reviews fiscal and sectoral performance for the FY 2022/23.

Revenue	CFSP (millions)	PRINTED (millions)	Final Supplementary (Millions)	VARIANCE (millions)
Equitable Share	7927	7927	7927	0
Local Resources	150	150	130	-20
Conditional grant	1087	1087	651	-436
Carry forward			662	662
Total	9164	9164	9370	206
Expenditure				0
Recurrent	6367	6354	6556	189
development	2797	2810	2814	17
Total	9164	9164	9370	206

Table
CFSP 2022 Projections and FY 2022/2023 Budget Estimates

1:

2.1 Analysis of 2022 CFSP against the FY 2022/23 Budget and the Implication in the County

The variances between the CFSP projected estimates and printed budget estimates remained stable indicating progress in revenue and expenditure.

1. Forecasting in the county. This enhances the reliability of projections to inform budgeting over the medium term
2. The equitable share projection in CFSP and the printed budget estimates has remained the same with zero variance. The equitable share is ksh 7927 million in both the county fiscal strategy paper and the approved budget estimates 2022/20233 the equitable share was derived from Budget Policy Statement (BPS) and County allocation of revenue bill.
3. Own Source Revenue (OSR) was revised downwards to Kshs 130 million in the printed estimates from Ksh 150 million projected in the CFSP 2022. The reduction was brought about by addition poor local revenue performance. The reduction was done through supplementary budget after failure to meet target in the first half of the financial year. reduced ksh 30 million for collection in level
4. Five hospitals and 100 million in other revenue streams

5. The projected conditional allocations reduced from Ksh. 1087 million in the CFSP to Ksh. 651 in the final supplementary printed estimates. The reduction of Ksh. 436 million was realised when the additional county allocation was approved and some of the Grants were omitted in the act as a result of expiry of the time frame.
6. The proportion of projected recurrent expenditure in the CFSP and printed estimates has small variance of ksh 189 million was as result of the carry forward from the previous financial year and development has small variance of ksh 17 million which was also as result of the same.

2.2 Fiscal Performance

2.2.1 Revenue Performance

By the end of the FY 2022/23, the total exchequer release, other transfers and local revenue collection including carry forward amounted to Ksh.9.243 billion against a target of Ksh.9.370 billion representing 99 percent performance. This includes Ksh 661.7 million carried forward from 2021-2022 financial year and own source revenue of 81.36 million representing 63% of the target and ksh 573 million of representing 88 % of conditional grant has been received by the county in the financial year under review

Source: County Treasury

REVENUE	Budgeted (ksh)	Actual (Ksh)	Percentage of Actual receipt vs budgeted
Equitable Share	7,927,212,254	7,927,212,254	100%
Local Resources	130,000,000	81,361,298	63%
Conditional Grant	651,256,989	573,056,176	88%
carry forward 2021-2022	661,714,232	661,757,470	100%
Total Revenue	9,370,183,475	9,243,387,198	98%

Table 2: County fiscal performance

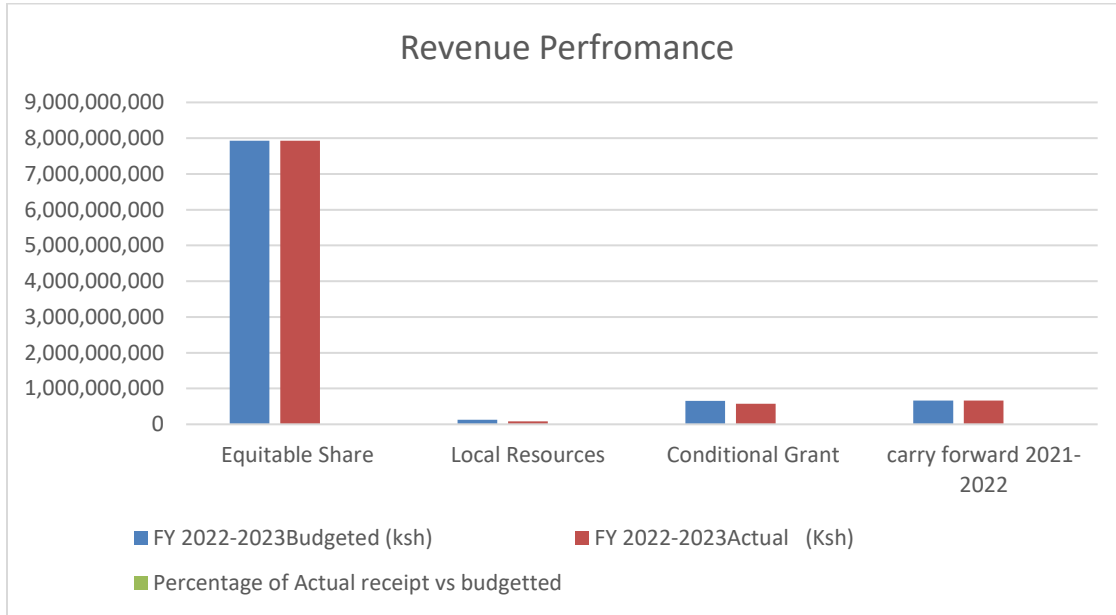


Figure 1: County fiscal performance

REVENUE STREAM	AMOUNT	percentage
Market Entrance Fess	9,322,182	11%
Single Business Permit	10,246,630	13%
livestock market Cess	15,897,538	20%
mineral extraction and Royalties	19,452,700	24%
Environmental cons-sales of seedling	4,607,600	6%
Othe msic sources	21,824,648	27%
Total	81,351,298	100%

Table 3: Local Revenue Performance per Stream

Source: County Revenue Management Department

In the FY 2022/23 observation on revenue performance per stream shows that revenue from royalties and Mineral Extraction like gypsum as the single leading source contributing 24 percent of the total collection followed by livestock market cess with 15 percent revenue contribution ea the lowest source of revenue during the period under review were and Environmental conservation charges fess contributing 6% of overall revenue collection.

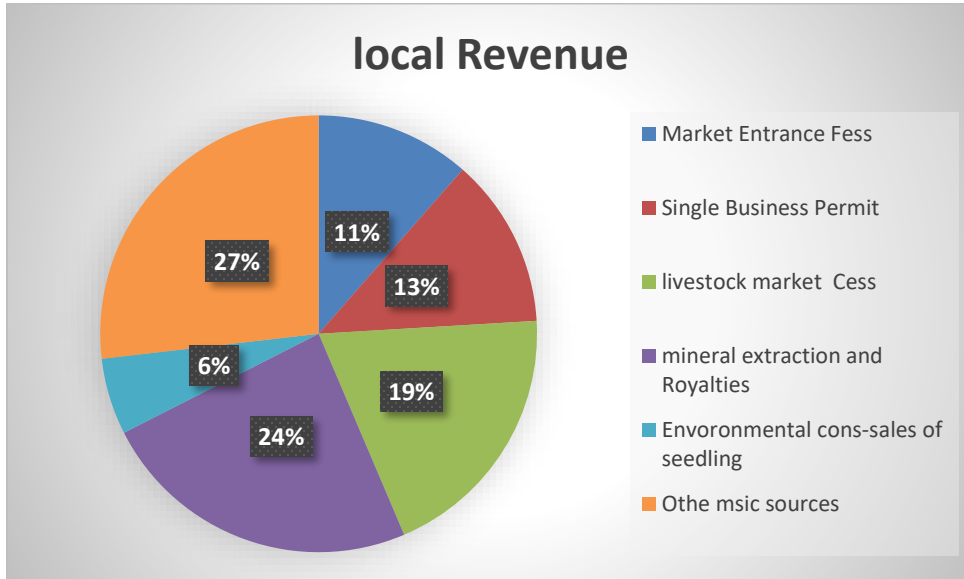


Figure 2: local revenue performance

2.2.2 Expenditure Performance

During the Financial Year 2022/2023, the total expenditure amounted to Ksh. 7.759 billion against a budget of Ksh.9.370 billion which represents 82% of the target and under absorption of Ksh.1.611 billion from appropriated budget.

Recurrent expenditure amounted to Ksh.6.162 billion with an overall absorption rate of 94% in then executive and 96% in the county assembly while development amounted to Ksh.1.596 billion representing 56% absorption rate for the executive and 63% for the county assembly.

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Exec- Utive	County As- sembly	County Exec- utive	County As- sembly	County Executive	County Assembly
Total Recurrent Expenditure	5,702,849,131	853,384,051	5,344,154,823	818,474,699	94%	96%
Compensation to Employees	4,314,865,246	553,079,416	4,239,726,902	527,966,335	98%	95%
Operations and Maintenance	1,387,983,885	300,304,635	1,104,427,921	290,508,364	80%	97%
Development Expenditure	2,680,619,589	133,300,704	1,513,859,092	83,475,542	56%	63%
Total	8,383,468,720	986,684,755	6,858,013,915	901,950,241	82%	91%

Table 4: Expenditure performance

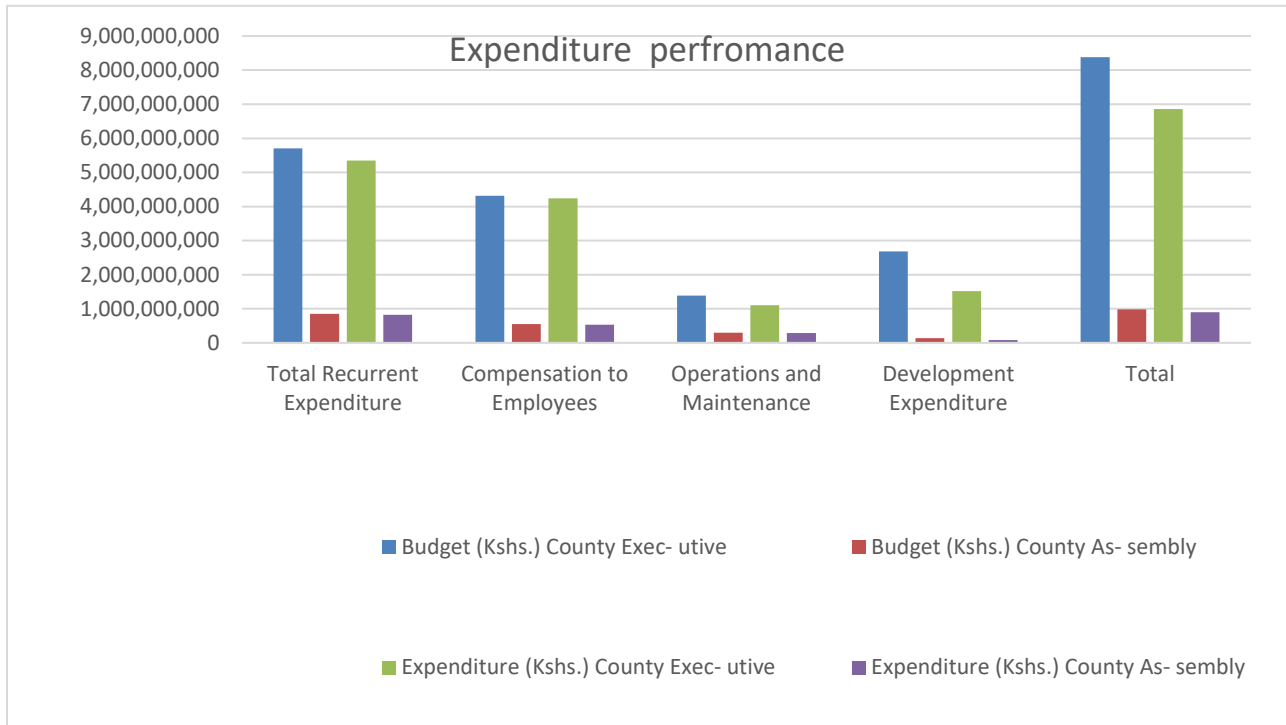


Figure 3: Shows Expenditure performance
Source: The County Treasury

2.3 Implications of FY 2022/2023 Fiscal Performance on Fiscal Responsibility Principles and Financial Objectives

The fiscal performance in the FY 2021/2022 has affected the financial objectives set out in the county fiscal strategy paper in the following ways;

- The revenue collections for the financial year fell short of the target. The under collection of revenue affected county performance leading to suspension of planned project. The county government will institute measures to increase revenue collections so as to enhance spending on development projects thus ensuring achievement of balanced budgets on one of the measurers is automation of revenue collection
- Over the medium term, the county allocation for development was 30 per cent of the total budget an indication of adherence to the minimum of 30 per cent requirement stipulated by PFM Act 2012. However, during implementation, the county development expenditure fell to 20 per cent of the county total expenditure for the period. This attributed to delay in release funds leading to huge funds of development in nature to be carried forward in the following financial year

- The County government’s actual recurrent expenditure is within the recurrent budget an indication of County government’s compliance with the fiscal responsibility principles.
- The actual personnel emolument is very high at 54% of the overall expenditure, this was contributed by huge conditional grant in the budget that was not realised and poor local revenue collection.

These implications will also inform 2023 CFSP projections. Over the medium term, the county government will stick to fiscal responsibility principles and objectives as specified in section 107 of PFM Act of 2012.

2.4 County Sectoral Performance

This section highlights the review of the FY 2022/23 fiscal performance and trends in budget allocation and expenditure. It highlights sectoral summary performance in the year under review. The county budget absorption for recurrent was 94 percent and 56 percent in development. Below is sector performance.

Department	Budget Allocation (Kshs. Million)		Expenditure (Kshs. Million)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Live- stock and Cooperatives	170.5	255.42	155.5	175.54	91.2	68.7
Environment, Energy, Natural Resources and Wildlife Management	77.75	70	67.4	0	86.7	-
Road and Transport	40.32	290.2	26.1	115.16	64.7	39.7
Trade, Tourism and Enterprise development	75.3	-	64.52	0	85.7	-
Health and Sanitation	2,646.21	171	2,568.31	92.46	97.1	54.1
Education, Ict and Labor	628.32	70	609.87	44.4	97.1	63.4
County Assembly	853.38	133.3	818.47	83.48	95.9	62.6
County Executive	327.23	20	275.49	0	84.2	-
Finance, Revenue, Economic Planning	1,105.35	662	1,022.73	622.54	92.5	94
Gender, Social, youth and Sports	60.66	50	40.51	-	66.8	-
Water and Irrigation	187.36	716	157.12	231.1	83.9	32.3
Lands, Housing and Urban Development	274.78	371	262.81	232.67	95.6	62.7
County Public service Board	37.07	5	26.14	0	70.5	-
Garissa Municipality	72	0	67.65	0	94	-
Total	6,556.23	2,813.92	6,162.63	1,597.33	94	56.8

Table 5: county sector performance

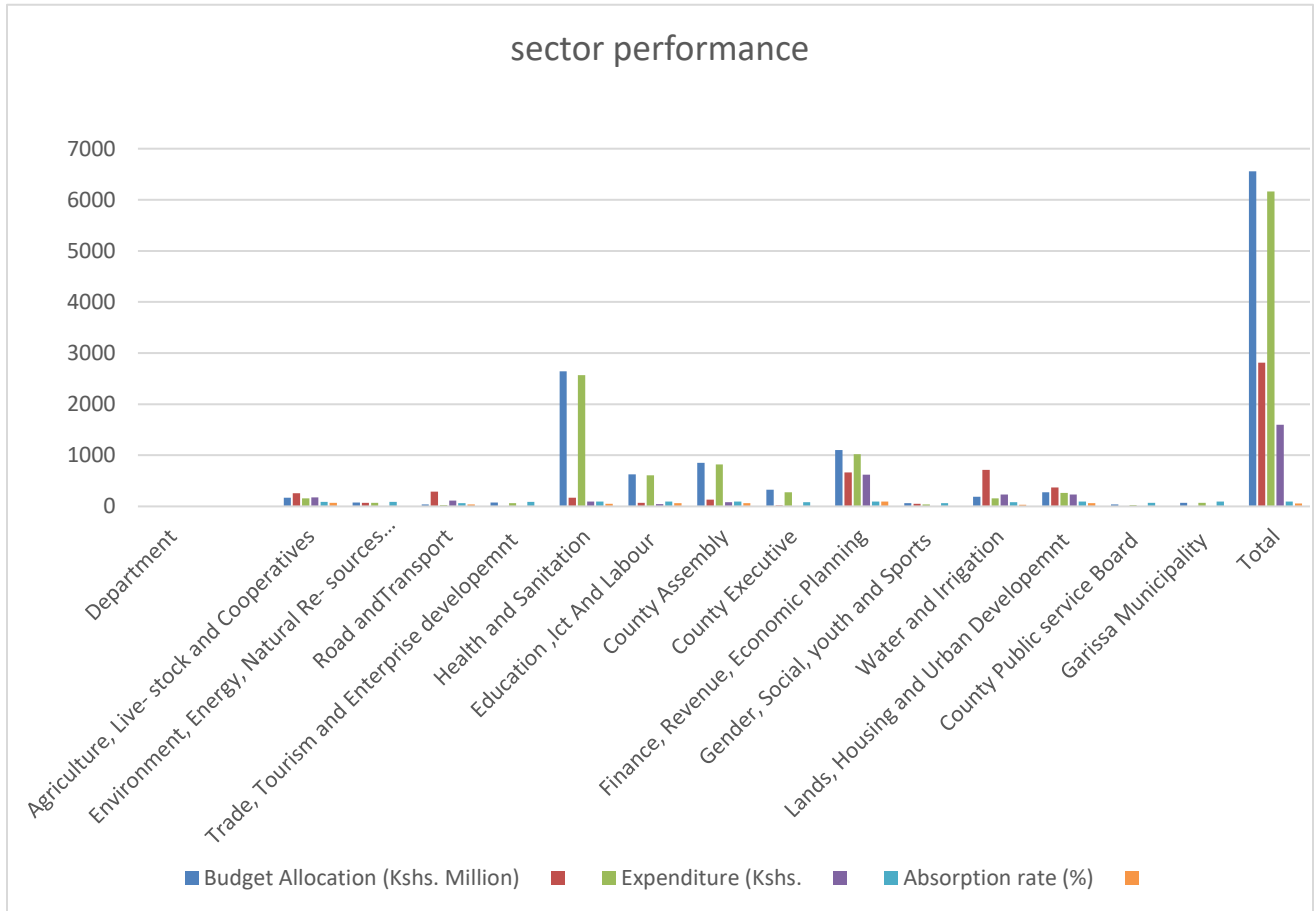


Figure 4: sector performance

2.4.1: Finance and Economic Planning

In the period under review, directorate of Economic planning effectively discharged its mandate in formulation, coordination of implementation, monitoring and evaluation of economic development plans, policies and strategies geared towards achieving county development agenda. The directorate spearheaded preparation of 3rd Generation County development plan 2023-2027 and Annual Development Plan.

The directorate of budget ensured County budget estimates and other budget documents were timely prepared which facilitated implementation of county programmes and projects across various departments. Technical support, advice and guidance on fiscal and budgetary matters were also availed to all stakeholders in the County. Accounting services through its mandate of making payments and production of financial reports; ensured proper control and accounting for receipt

and expenditure of public funds which was achieved through development of financial policies and procedures, administration of applicable legislation, timely preparation of financial statements and financial reports.

Supply chain management directorate enhanced adoption and implementation of e-procurement as a method of procuring goods and services in line with the Public Procurement and Asset Disposal Act, 2015.

Audit directorate effectively carried out internal audits and advisory on county programs and projects to ensure value for money is realized. The directorate acts as a link between the County and the auditor general by preparing quarterly reports ready for submission to the Auditor General. Directorate of Revenue collection of revenue in several revenue streams in an effort to boost its capacity. Despite unprecedented challenges like electioneering period and leakages which had adverse effect on collection, the department is putting in mechanisms to mitigate on revenue leakages and expand its potential.

2.4.2 Education, Information and ICT

The Department' of education primary objective is to ensure that school age children and youth have access to quality education that equips them with the knowledge, skills, and competencies needed to thrive in an ever-evolving global society. The department has successfully achieved following in the last financial year;

- ❖ Finalization and launching of the Garissa County ECDE Policy and School Feeding Implementation Guidelines
- ❖ Capacity development for ECDE managers and staff on food safety and quality to equip them with requisite skills for effective implementation of the school meals programme
- ❖ Procurement and supply of UNIMIX nutritious porridge to all ECDE centres across the County (school meals programme)
- ❖ Procurement and supply of teaching and learning materials to all ECDE centres across the County.
- ❖ Distribution of age-appropriate furniture (tables, desks and chairs) to ECDE centres in Township Sub County
- ❖ Disbursement of 70 million shilling as county bursaries to needs students in VTCs, colleges and other tertiary institutions
- ❖ Refurbishment/repair of 6 ECDE Centres
- ❖ Routine/ongoing school assessment and supervision in all Sub Counties
In partnership with ILO and Kenya Manufactures Association, placed over 30 trainees from Garissa Vocational Training Centre through an apprenticeship programme, linking them to the employers.
- ❖ Training of ECDE Directorate staff as TOTs on the competency-based curriculum, remote learning and providing psychosocial support to vulnerable children in the Sub Counties
- ❖ Conducted training for ECDE teachers in Ijara and Lagdera on the competency-based curriculum, remote learning and providing psychosocial support to vulnerable children

-
- ❖ In partnership with Save the Children, trained teachers in Dadaab refugee camps on CBC, ICT Integration, Play-based and social emotional learning.
 - ❖ Training of ECDE staff on the science for early childhood development- supported by Aga Khan University- Institute of Human Development.
 - ❖ In collaboration with Islamic Relief Kenya, supported Garissa and Mikono Vocational Training Centre graduates with startup kits and equipment to ensure seamless transition into the labour market and enhance self-reliance.
 - ❖ In partnership with WFP, procured and distributed 11 motorcycles to the Sub County ECDE coordinators to ease their mobility and logistics as they monitor and conduct routine visits to ECDE centres in the sub counties.
 - ❖ Took over the management of library services
 - ❖ Launch County GIS strategy

2.4.3: Water, Environment, Energy, Climate Change & Natural Resource

The department has 245 boreholes and 324 water pans, essential for meeting water needs across urban, rural, and refugee settlement areas. The recent long rainy season in April has positively impacted water availability, leading to increased water pan storage. However, maintaining the infrastructure's functionality and preventing potential flooding risks require careful attention.

Some of the achievement for the last financial year include:

- The department has successfully drilled 4 boreholes at kone for modogashe town. Combined these boreholes generate over 120m³ of water which is sufficient to sustain the town. The extension of the pipeline will be done in this financial year to the town which will address the historical water stress in modogashe.
- The department in partnership with WASH partners has rehabilitated 22 boreholes across the county. These helped restore water services to the affected communities.
- procured three Generator sets of assorted sizes to restore services of the precious commodity to most suffering communities of Liboi, Damajaley and Balambala towns. These has assured the residents of the affects towns 24/7 supply of water due to high bridge power supply.
- In partnership with UNHCR we supplied 8no. generator sets of assorted sizes to most affected host community in Dadaab and Fafi Sub counties. The 8 water sources provided with gensets were using dilapidated old lister engines therefore this has improved their power sources and helped them in constant supply of water services.
- The department drilled boreholes in makkah, Jarajara and Dertu village who's their long serving boreholes collapsed. This helped in restoring learning and commercial activities in these towns and reduced the cost of operation at the department due to costly water trucking to the said towns.

-
- The department has signed several MoUs with World Bank through WSTF to provide resilience and sustainable water supply to across through drilling rehabilitation of boreholes across the county especially drilling of deep aquifer boreholes at Ijara and hulugho sub counties that has no improve water sources. This will be possible due to an assessment currently being undertaken by WRA on a deep aquifer recently discovered from the records at MoWSI of an existence of deep aquifer namely Neogene aquifer.
 - We've enhanced the water system in Masalani town, achieving a 90% coverage rate. Additionally, we've dug out 20,000 cubic meters at the Moit center in Ijara.
 - The Maalimin Water Project is nearing completion, with 80% of the work already done. We anticipate that it will be fully operational by December, significantly contributing to long-term water sustainability for the community.

Under GAWASCO, some of the achievement include:

- Drilled two boreholes at ADC farm and pipeline extension to ADC and environs. This will assist the utility in extending their coverage, household connections and intern improve their revenue generation, therefore improve their O&M.
- Laying of 3km 6inch HDPE rising main pipeline to Iqra Tank. The previous existing pipeline is dilapidated due illegal connection which intern reduced the pressure for the water to reach the tank., this has denied communities in the bulla Iqra, sagaray kun iyo hog and many more the precious commodity for over 6years. The project is 95% Complete, this will also improve the utility revenue in return.
- Replacement of sand filters at the treatment works. The filter was clogged and has not been replicated for over 7years. This has caused in the supply of unacceptable turbid water to the town. But after restoring the filters the town supplied with clean filtered water.
- Augmentation and supply of Lab equipment ls and reagents. At some point the town had pocket incidents of cholera out breaks due non-functioning of the utility lab. Due to this the lab is now restored to full operational capacity and the utility is supplying safe water to the residents.
- The company's staff were completely demoralized and unwilling to offer any meaningful services as a result of delayed salaries spanning seven (7) months. We cleared all the delayed salaries for the staff.
- There was an accumulated unpaid electricity bill to the tune of Kshs 79 million, which forced KPLC to disconnect electricity from the company's intake as well as treatment stations. To mitigate the situation, we negotiated a repayment plan with KPLC for their outstanding obligation – thus enabling the immediate reconnection of electricity to all GAWASCO operations.
- The company's bank account was frozen by KRA as a result of non-payment of taxes to the tune of Kshs 22 M. We negotiated a payment plan with the agency enabling the company to use its bank account for smooth operations.

-
- Due largely to mismanagement, the company was in a poor state of affairs both operationally and financially. Hence, we undertook some important changes at its management level in addition to providing immediate budgetary support to undertake critical operational activities such as repairing major service lines, unblocking water lines and sewerage lines as well as desludging the company's tanks both at the treatment as well as intake stations.
 - With the above important support interventions, the company has since resumed active operations, and most parts of the town currently receive a good supply of water. This also includes uninterrupted water supply to our important institutions such as the Garissa Teaching & Referral Hospital (GTRH). I would like to appreciate the management and staff of the company for their notable relentless efforts in this regard.

In addition to the good support given to GAWASCO, the county has also during the period operationalized our rural water management subsidiary – Garissa Rural Water and Sewerage Company (GARUWASCO).

- The board of governors has been gazetted by CECM and Management team seconded from the department to support its operations.
- The had been inducted on mwongozo and WASREB Guidelines at Mwingi through the request of the CECM water to Care Kenya as a key WASH Partner so that they execute their duties diligently.
- The board and management team has been taken on a bench-marking tour to Nakuru Rural Water Company to learn more on how ideal rural water company operates.

2.4.4: Agriculture, Livestock and Pastoral Economy

Some of the key achievement of the department of livestock and pastoral economy during the FY22-23 include:

- ✓ **Livestock Feed supplementation:** Over **18,500** livestock keeping households benefitted from the distribution of **2,682.50 metric tons** of Livestock survival pellets (Range Cubes) valued at **Ksh. 156.6 million**, saving the lives of over **65,000 breeding stock** and maintained supply of milk for **vulnerable children**. The activity was jointly supported by the CGG, KRCS/ICRC, SCI, NDMA, LMS, ELRP Project and IRK.
- ✓ **Conditional Cash transfers:** Conditional cash grants implemented in form of slaughter destocking of **3,560 cattle** valued at **Ksh. 53,400,000** benefitted over **3,911 livestock traders** with the cash and **28,700 beneficiaries** with meat distributed over the implementation period. The intervention had three prong objectives – Protect the pastoral livelihoods through provision of ready market, reduce pressure on the remaining pasture and provide animal source proteins to the vulnerable households affected by the drought.

Additionally, KMS conducted offtake of over 900 heads of cattle valued at **Ksh. 19.8 million** from traders in Garissa, slaughtered the animals, and processed the meat into canned beef that was later distributed to communities and schools in Garissa. The destocking intervention was jointly implemented by CGG, KRCS, KMC and FAO through SOLO.

- ✓ **9,788 households** registered to benefit from **Kenya Livestock Insurance program** across the County. The forage index-based insurance program is currently funded by the World Bank under the DRIVE project. The registered pastoralist received bonuses of Ksh. 6,000 each, upon successful registration. Additionally, pastoralist received a payout in two (2) instalments depending on the number of TLUs insured and the unit area of insurance. To date, **9,106** pastoralist households received a total enrolment bonus of **Ksh. 54.3 million**. The other **682** remaining pastoralist are still undergoing verification. Further, the insurer paid insurance payouts to the enrolled pastoralist. The amount paid has not been ascertained from the insurance firm due to policy matters. The minimum number of livestock insured is 3 TLUs – equivalent to 3 cattle/camel or 30 Goats or Sheep. The five (5) year DRIVE project is *jointly implemented by the respective target County governments, SDL, ZEPRE and KDC*.

Crop Production

The achievements for the period under review are a combination of the interventions of the County Government and partners working in the sub-sector. Within the 2022/2023 financial year, projects/interventions implemented to boost food security were mainly on areas of;

- ✓ Expansion of farming area under irrigation through provision of plant and tractor hire services at subsidized cost
- ✓ Promotion of rainwater harvesting to increase area under rained farming in the hinterlands
- ✓ Capacity building/training to enhance skills, both for the field extension officers and farmers
- ✓ Support of farmers with survey & design services for smallholder schemes and irrigation infrastructure (pump sets, and canals/pipelines) by county government and partners
- ✓ Value chain development, supported by Agricultural Sector Development Support Program (ASDSP) and Kenya Climate Smart Agriculture Project (KCSAP)

-
- ✓ Implementation of Sustainable Food Systems Program (SFSP) jointly by the World Food Programme and County Government of Garissa;
 - ✓ In enhancing agricultural productivity, the department supported farmers with quality and certified farm inputs ranging from seeds & seedlings, fertilizers, pesticides and sprayers, worth Kshs. 9.8M and benefiting over **3,500** farm households across all the sub counties as follows:
 - ✓ In the month of March 2023, the Islamic Relief Kenya supported 10 farm groups in Balambala, Township and Fafi sub counties with assorted crop and pasture seeds, benefiting 450HHs
 - ✓ The department of Agriculture in collaboration with the Ministry of Interior mobilized farmers for registration with the Fertilizer Subsidy Programme in January 2023. This programme was meant to enhance availability, access and utilization of fertilizers for increased crop productivity.

2.4.5: Lands, Physical Planning & Urban development

Some of the key achievement by the sector are as follows:

- Launch of geospatial strategy in partnership with Mercy Corps – ASAL program and in collaboration with the County Department of Education and ICT
- Established a GIS lab that is currently being equipped for future operationalisation in partnership with Mercy Corps – ASAL program and in collaboration with the County Department of Education and ICT
- Initiated the development of county spatial Plan through an inception meeting to sensitize county leadership (including county assembly) in partnership with FAO under the digital land governance program
- Completed the visioning and development of regeneration strategies for the Dadaab refugee complex in partnership with UNHABITAT
- Supported UNHCR on the opening up of roads for IFO2 refugee camp in preparation of resettlement of new refugees arriving in Dadaab refugee complex.
- Supporting Kamuthe Community in registration of their community land under the Community Land Act.
- Upgrading of urban roads under Kenya urban support program to bitumen standards. i.e
 - ❖ 400M ROUNDABOUT – PRISONS – ORAHEY MARKET ROAD
 - ❖ 400M SANKURI ROAD – KMTC – ORAHEY MARKET ROAD

-
- Supporting KENHA in the duelling of Kismayu Road by issuing notices to those who have encroached on the road reserve
 - Opening of access roads in Soko Mugdi
 - Streamlined and re-organised the Municipality structure under new manager
 - Improved solid waste management through introduction of night waste collection shifts
 - Reduced number of stray animals in Garissa CBD through notices and finally rounding them up at Jamhuri Park
 - Conferment of municipality status to Masalani and Dadaab town with Bura town expected to be upgraded soon.
 - Identified and allocated space for the affordable housing program.

2.4.6: Trade, Investment and Enterprise Development

The Department of Trade, Industry, Commerce, Enterprise, and Cooperative Development in Garissa County has achieved significant milestones since August 2022, including but not limited to:

- Business mapping for Garissa Township Sub- County: The successful completion of the business mapping exercise for Garissa township sub-county enables the prediction of own-source revenue and effective risk mitigation for the future. The department is planning to extend this effort to the remaining sub-counties for comprehensive coverage.
- Capacity building for SMEs: The department organized and executed a successful capacity-building program for small and medium-sized enterprises (SMEs). This initiative aimed to enhance their skills and knowledge, empowering them to thrive in a competitive business environment.
- Strategic plan for KNCCI: Active involvement in the Kenya National Chamber of Commerce and Industry (KNCCI) allowed the department to contribute to the development of a strategic plan that aligns with the county's vision for economic growth and prosperity.
- Financial support for innovators: Through persistent advocacy efforts, the best three innovators were granted financial assistance of 300,000 KES each. This financial support enabled them to further their entrepreneurial endeavours and contribute to the county's economic growth.
- Empowering refugee businesses: The department collaborated with the National Refugee Council (NRC) to provide comprehensive training to refugee-owned businesses. This initiative aimed to empower and support their economic integration into the local market.
- Requested lands for CAIPs: The department submitted all necessary requirements to the Lands Department to secure suitable locations for the development of County Aggregation and Industrial Parks (CAIPs). These industrial hubs will spur economic activities and attract investment.
- Facilitating operational ease for refugee businesses: Advocacy efforts resulted in easier movement and operational convenience for the refugee business community, with

collaboration from the United Nations High Commissioner for Refugees (UNHCR) and the refugee agency secretariat.

- Partnership with Inkomoko for business training and loans: Collaborating with Inkomoko, the department conducted extensive business training programs for 2,300 individuals, out of which 1,770 entrepreneurs received interest-free loans. This support empowered them to expand their businesses and stimulate local economic growth.
- Flagship project profiles to COG: To showcase Garissa County's potential and attract investment opportunities, the department proactively submitted profiles of flagship projects to the Council of Governors (COG) in preparation for upcoming conferences.
- Staff development through ILO-sponsored courses: The County Executive Committee Member (CECM) and the Director of Trade participated in a course sponsored by the International Labour Organization (ILO) in Turin, Italy. The training equipped them with valuable skills and insights to enhance their performance in the department.
- Collaboration between ILO and other departments: The department facilitated collaboration between ILO and other departments, such as the Department of Roads, for participation in a forum in Rwanda sponsored by ILO and the Council of Governors (CoG) MAARIFA program.
- Establishment of GCRF committee and subcommittee: The department formed the committee and subcommittee for the County Aggregation and Industrial Parks (CAIPs) under the Government Credit Revolving Fund (GCRF). This crucial step allows the department to issue loans and provide financial support to eligible businesses within the county, fostering economic growth and job creation.

2.4.7: County Affairs, Public Service, and Intergovernmental Relations

Some of the achievements of sector are:

- Organized peace dialogue meetings across intra and inter county.
- Prepared and disseminated 10 early warning reports
- Coordinated public participation forums for 2 policy documents and written submissions for 2 documents.
- Undertook verification of implemented projects for pending bills
- Held radio talk shows on good governance
- Trained civil society organization and community elders on governance
- Supported public participation unit to come up with civic education and public participation bill

2.4.8: Roads, Transport and Public Works

The Ministry of Roads, Transport and Public Works is committed to its vision to provide quality road and transportation infrastructure to spur social-economic growth in Garissa County and the region at large.

The county has put in a lot of effort in the construction, rehabilitation and upgrading of the transport system, which is in line with the Governor's manifesto relating to roads and infrastructure development.

The construction of the one-kilometre road to pitmen standard in Bula Madina is still ongoing.

2.4.9: Gender, Social Services, Culture, Youth and Sports

Some of the achievement include but not limited to:

- Policy and regulatory frameworks; youth policy, gender policy developed
- Skills development for youth and women; 300 individuals reached.
- Social safety net. For most vulnerable 29,000 individuals
- Gender mainstreaming into government planning.
- Grants to youth and women
- Assistive devices for disabled persons; 100 persons reached

2.4.10: Health Services

Garissa has expansive health system that covers the entire County. The County government provide health provision across the sub counties in the county. Health facilities provide essential services to the communities. The total number of health facilities in the county is 224. Of these, there are about 104 government facilities, which consist of one county referral hospital, seven sub-county hospitals, 75 primary health care facilities, and 250 community units.

Project implementation review conducted by health executive for the FY 2022/23 revealed that the health department has successfully implemented different projects that includes:

- ✓ Leasing of Eplus ambulance
- ✓ Renovation and upgrading of Molecular Laboratory at Garissa County Referral Hospital
- ✓ Renovation and upgrading of Hospital Main Kitchen at Garissa Level 5 Hospital
- ✓ Power upgrade at Garissa Level 5 Hospital
- ✓ Construction of 250,000 Litres underground water tank at Garissa Level 5 Hospital
- ✓ Operationalization of cancer Centre and 02 theatres in Level 5 Hospital
- ✓ Renovation for Masalani, Hulugho, Dadaab, Fafi and Balambala Hospital
- ✓ Repair of theatre equipment and anesthetic machine in Balambala Hospital
- ✓ The health department has also successfully implemented many activities under Universal health care that includes quarterly supply of essential drugs and equipment.

-
- ✓ The County Department has developed structures meant to enhance proper coordination and provide clear strategic direction for the health sector.
 - ✓ Service delivery was given priority to bridge the gap in access and utilization. This has resulted in increase in key health indicators like Immunization, Skilled deliveries and antenatal care services. The County was also able to successfully control cholera outbreak in Garissa County and refugee complex.
 - ✓ The department was also able to provide outreach services and capacity building for the staff through the support of different partners.
 - ✓ The department monitors its achievement regularly through the M&E system.
 - ✓ The department has also implemented primary health care project through support by UNICEF and was able to establish primary care networks across the 7 sub counties.

3.0. RECENT ECONOMIC DEVELOPMENT

3.1 National Performance Review and Outlook

Real Gross Domestic Product (GDP) expanded by 4.8 per cent in 2022 compared to a revised growth of 7.6 per cent in 2021. The growth was spread across all sectors of the economy but was more pronounced in service-oriented activities. Agriculture, Forestry and Fishing sector was contracted by 1.6 per cent in 2022 compared to a contraction of 0.4 per cent in 2021. This was attributed to drought conditions that characterized the period under review. Some of the key sectors that supported growth were Financial and Insurance (12.8%), Information and Communication (9.9%), and Transportation and Storage (5.6%). Nominal GDP increased from KSh 12,027.7 billion in 2021 to KSh 13,368.3 billion in 2022.

Despite slowing down markedly in 2022 in volume terms, agriculture remained the dominant sector, accounting for about 21.2 per cent of the overall GDP in 2022. Industry-related activities accounted for 17.7 per cent, while service activities accounted for 61.1 per cent of the total GDP in 2022.

Private final consumption expenditure increased from KSh 8,970.8 billion in 2021 to KSh 10,107.2 billion in 2022, and accounted for slightly over three quarters of gross domestic expenditure. Similarly, government final consumption expenditure increased by 12.3 per cent to stand at KSh 1,640.5 billion in 2022. Gross National Income (GNI) rose from KSh 11,823.5 billion in 2021 to KSh 13,163.2 billion in 2022. Gross National Disposable Income (GNDI) increased by 11.5 per cent to stand at KSh 13,932.0 billion in 2022. Gross domestic product per capita at current prices increased from KSh 237,861 in 2021 to KSh 260,024 in 2022.

Agriculture remained the dominant sector, accounting for about 21.2 per cent of the overall GDP in 2022. Industry-related activities accounted for 17.7 per cent, while service activities accounted for about 61.1 per cent of the total GDP in 2022. Nominal GDP increased from KSh 12,027.7 billion in 2021 to KSh 13,368.3 billion in 2022. Gross National Disposable Income increased by 11.5 per cent to stand at KSh 13,932.0 billion in 2022.

3.2 Globally

World real GDP growth decelerated to 3.4 per cent in 2022 from a growth of 6.0 per cent in 2021. The decelerated growth was as a result of post COVID-19 tightening of monetary policies in most regions, resurgence of COVID-19 in China and the Russia-Ukraine war that led to supply chain disruptions. The slowed growth was experienced in most countries including those in Advanced Economies as well as Emerging Markets and Developing Economies (EMDEs). The sanctions imposed against Russia, and the subsequent cessation of its gas supply to Europe, stifled growth in these economies. Growth in EMDEs was curtailed by among other reasons, the strengthening of the US dollar against most currencies and the COVID-19 epidemic in China which negatively impacted on global supply chains. Sub-Saharan Africa economy grew by 3.9 per cent in 2022 compared to a growth of 4.8 per cent in 2021 on account of a decline in household consumption and private investment resulting from rising global inflation and tightened monetary policies. The East African Community real GDP expanded by 4.9 per cent in the period under review compared to a growth of 6.7 per cent in 2021.

World inflation rose from 4.7 per cent in 2021 to 8.7 per cent in 2022 on account of high energy prices, supply chain disruptions associated with the Russia-Ukraine war and significant currency depreciation, in most countries, relative to the US dollar which is the main international trading currency. Global trade volume expanded by 5.1 per cent in 2022 compared to 10.6 per cent growth in 2021. Global unemployment rate improved from 6.2 per cent in 2021 to 5.8 per cent in 2022 but remained above the pre-COVID (2019) levels. On the other hand, global labour force participation rate rose from 59.4 per cent in 2021 to 59.8 per cent in 2022.

3.3 County Outlook

The CADP 2023-2024 envisages a modest Economic growth owing to heightened headwinds, including slower global growth, increase in domestic interest-rate and continued increase in Food prices caused by low production of key food commodities such as maize, wheat and rice. The high cost of living will have a huge impact on the disposable income of most Kenyans hence likely to stagnate the performance of businesses across all sectors. The county will therefore put strategic measures to mitigate the anticipated conditions. These strategic measures will include; partnering with other stakeholders in implementation of projects and programmes, enhancing own source revenue, implement change management strategy and provide employment opportunities through implementation of projects and programmes. The county will also implement the policy shift that

directs priority to be given to completion of ongoing projects and ensure operationalization of existing projects.

The county expects to finance its priority areas from the National Government exchequer, support from development partners and own source revenue.

To achieve its objective, the county government has responded by formulating programmes aimed at improving the living standards of people and in line with sustainable development goals (SDGs). These Programs include;

Agriculture: - The County will seek to make agriculture a rewarding venture by promotion of agribusiness, value addition besides encouraging and supporting the youth to effectively participate in agricultural activities. SMART agricultural practices will be embraced to increase production and productivity. Farming of orphan crops such as millet sorghum, cassava, simsim and sweet potato will be promoted to help reduce the food poverty index. Additionally, apiculture, dairy farming, fish farming and poultry farming will be promoted for income generation and nutrition purposes. The County will also promote value chain through cooperatives.

Infrastructure development: - Upgrading of key roads to bitumen standards, opening up of rural access roads, routine road maintenance, installation of high mast flood lights at various strategic positions; improvement of water and sanitation services, development of ECDE, TVET and health infrastructure will continue to be pursued. The County Government will also seek partnership with ICT sub-sector players to ensure that it lays down the infrastructure for high-speed internet connectivity in the county

Clean, Safe Water and Secure Environment for Sustainable Development:-To improve access to clean ,safe water, protect Environment and sustainably increase food production through irrigation and Drainage the county seeks to Enhance water production ,Increase pipeline extension, Construct Sewerage infrastructure, Connect households and facilities to sewer line, Development of water quality surveillance infrastructure, Enhance forest/tree cover and Establish Conservancies botanical gardens and green spaces additionally More efforts will also be put to ensure every household has indigenous bamboo and non-indigenous fruit trees.

Social support programmes; Expansion of County bursaries and scholarship programmes for needy students, promotion of sports, talent and culture, setting up a social safety fund to cater for the vulnerable groups in the county and create conducive environment for shelter improvement programme.

Promotion of Trade and Enterprise: - The County Government will adopt the following strategies: promote the development of cottage industries, enhance revolving fund by providing trade loans to small medium enterprise, install solar lighting in all markets to promote a twenty-

four-hour economy, establish market development committees and improve market infrastructure and sanitation.

Improved health services and sanitation: - To improve on patient care and reduction of maternal mortality, the health sector seeks to enhance provision of ambulance services, maternal Child health programmes, supply of drugs and commodities and construction of health facilities across the county.

3.4 Medium Term Fiscal Framework

Over the medium term, the county cognisant of incessant local revenue collections shortfall will be keen on operating within a framework of balanced budget so as to ensure achievement of financial and economic objectives with a view of meeting its set priorities.

The government's fiscal policy objectives in the medium term will focus on directing resources to key priority and potential growth areas including Infrastructure, Agriculture, Health, Water and Education while also ensuring sustainable resource usage to appropriate level.

In the 2018/19 financial year, the county expects to receive ksh.7.6 billion from the National Government, comprising of both equitable share and conditional allocations, 1.5 billion grants from World Bank and 22.3 million from DANIDA and Ksh. 250 million from local revenue sources.

Revenue mobilization measures will be strengthened to enhance local revenue performance. Over the last couple of years, the county's own revenue has been fluctuating with the FY 2016/17 collections decreasing by 24 per cent compared to FY 2015/2016. However in the financial 2017/2018, the local collection steadily increased by 7.5 per cent to Ksh.86,687,562. Over the medium term, the county wishes to continue with this positive momentum by enhancing revenue raising measures:

- Automation-which includes making use of ICT for collection and monitoring cash receipts.
- Mapping of county revenue resources in order to identify untapped and under collected revenue sources in the County.
- Digitization of all the county mutations to allow prompt management of property liable to property tax.
- Physical mapping of business premises for monitoring of billed premises to ensure increased processing rate; and
- Automation of parking fee collection to enhance revenue collection and administration efficiency amongst other measures.

On the expenditure, the county shall adopt prudent rationalization to improve efficiency and effective utilization of resource. The top three expenditure items include development; salaries and wages; and operations and maintenance. In the medium term, the government expects to carry out

austerity measures to maintain the recurrent expenditure, especially the ballooning wage bill, to manageable level in a bid to ensure adherence to fiscal responsibility principles set out in the PFM Act 2012.

3.5 Risks to the Economic Outlook

This macroeconomic outlook is not without risks. Risks from the global economies relates to uncertainties in the global financial markets particularly with regard to the U.S. economic and trade policies, normalization of monetary policy in the advanced economies and the Brexit outcome.

The recent geopolitical tensions building around production and use of nuclear weapons if not addressed could weigh down global growth with negative impact on trade and financial flows.

Domestically, the economy will continue to be exposed to risks arising from adverse weather conditions until the mitigating measures of food security under “The Big Four” Plan are put in place. Additional risks could emanate from public expenditure pressures especially recurrent expenditures.

The Government will monitor the above risks and take appropriate measures to safeguard macroeconomic stability.

4.0 RESOURCE ALLOCATION FRAMEWORK

4.1 Adjustments to the FY 2023/24 Budget

The total Budget estimates for the FY 2023/24 will be revised once the additional allocation of revenue bill is approved by the senate. The current budget basically relied on the budget policy statement and additional allocation bill to come up with the figures in the conditional additional allocation. The arears that are expected to change are Garissa aggregated industrial park allocation from national government and Danda grant that we expected to increase our contribution. We may also revise the budget to increase the emergency kitty because of the expected Elinu rains

4.2 Medium-Term Fiscal Projections

4.2.1 Revenue projections

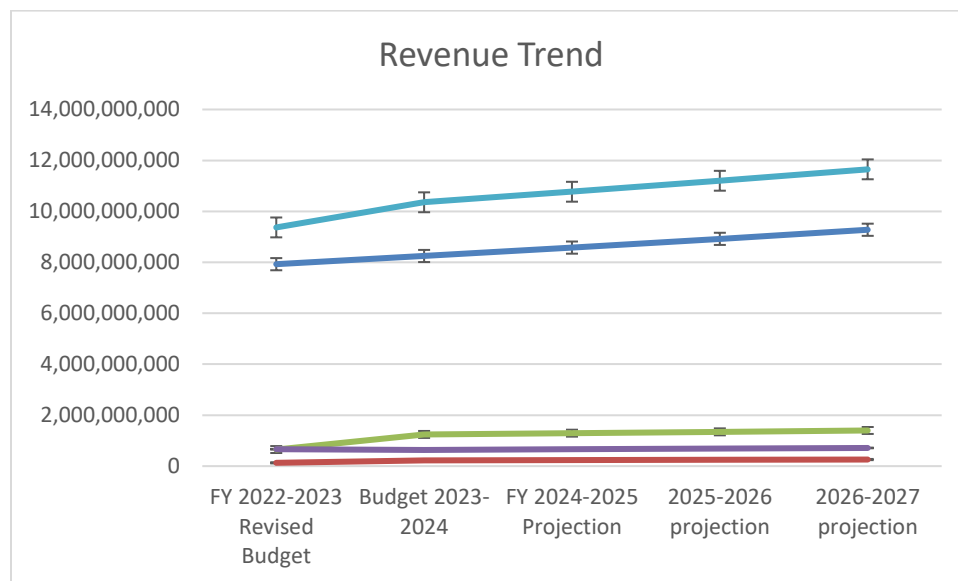
The FY 2024/25 budget is projected to increase from Kshs 10.3 billion in FY 2023/24 to Kshs 10.7 billion representing a growth of 4 per cent. The budget will be funded from three main sources namely equitable share 80%, Conditional Allocations, loans and Grants 12% and

Own Source revenue at 2% each. And remaining to be carry forwards of unspent funds.

REVENUE	FY 2022-2023 Revised Budget	Budget 2023-2024	FY 2024-2025 Projection	2025-2026 projection	2026-2027 projection
Equitable Share	7,927,212,254	8,248,748,101	8,578,698,025.04	8,921,845,946.04	9,278,719,783.88
Local Resources	130,000,000	230,000,000	239,200,000	248,768,000	258,718,720
Conditional Grant	651,226,989	1,244,221,367	1,293,990,222	1,345,749,831	1,399,579,824
carry over from previous year	661,714,232	634,176,980	659,544,059	685,925,822	713,362,854
Total Revenue	9,370,153,475	10,357,146,448	10,771,432,306	11,202,289,598	11,650,381,182

Table 6: Fiscal Revenues for 2022/2023-2024/25 MTEF period

Source: Garissa County Treasury Projections, 2023



4.2.2 Own Source Revenue Mobilization

The performance of own source revenue in Garissa County has been very low the only section that has been doing very well is hospital facility fund more specifically the level 5 hospital. The collection in the level hospital has had upper trajectory from as low as ksh 3 million per month to ksh 6 million in August 2023. The need to be put measures to enhance the collection of revenue in the other revenue streams. We have missed target in the last financial year leading us to revise the budget. The government is planning to give huge focus to local revenue mobilization, Automation of revenue collection is the first strategy, other strategies to enhance collection are as follows

- a. **Operationalization of the valuation roll:** In order to increase collection from land and property rates the county will Operationalize the valuation roll and sensitize stakeholders on the valuation roll as well as capture all plots in the current revenue automation system to encourage payments.
- b. **Implementation of the revenue administration and enhancement policy:** The strategy is geared towards sealing gaps that have been bedeviling revenue collection in the past and enhance collections.
- c. **Establishing of a legal framework and prosecution system:** Revenue collection will be boosted with a prosecution system that will enhance compliance.
- d. **Exploiting and investing in sectors with high revenue potential in the county:** The government will look into generating more revenue from the county's natural resources such as gypsum, sand and hardcore. by exploiting these resources, we believe we can generate good revenues that can boost our collections.

Reviewing all revenue potential assessment for all streams (structured and unstructured): The county will map and assess the revenue potential of all the streams and project the county revenue potential.

- e. **Fully automating revenue collection and establish one-stop-shop payment and approval for all licenses:** This is expected to ensure efficient revenue collection as well as curbing pilferages and leakages in the revenue collection structures. Automation of all streams is expected to tremendously improve Own Source Revenues in the county. Implementing cashless modes of payment and self-service portal to reduce leakages will improve own source revenue.

- f. **Interlinking the departments in revenue collection.** This will be implemented through the establishment of a committee at the cabinet and directors level involving all the departments who collect revenue.
- g. **Establishing a rewarding system to individuals,** markets and wards who have been consistently paying their revenue within set deadlines in each calendar year. This will be through initiatives like special funding for programs and projects in specific areas as well as recognizing large tax payers.

4.2.3 Conditional allocations, Loans & Grants and External Resource Mobilization

The funding for conditional allocations, loans and grants to the county has been fluctuating over the years. This was attributed to the conversion of conditional allocations for Fuel Levy and level 5 allocation as part of equitable share. In the Medium term, the allocation is expected to improve as the County enhances its engagement with development partners and the National Government through the council of governors to fund specific County Government development initiatives. Other measures to enhance external funding include.

- a. Strengthen the external resource mobilization unit;
- b. Enhance the county capacity in resource mobilization and strengthening working relationship between line departments and the relevant development partners;
- c. Establish county public private partnership unit and promote participation of the private sector in the county development;
- d. Develop proposals for funding by potential investors.

4.3 Expenditure Projections FY 2024/25 Projected Expenditure

The Budget for FY 2024/25 is projected to increase from Kshs 10.357 billion in FY 2023/24 to Kshs 10.771 billion representing an overall growth of 4%. The Recurrent expenditure is projected to be Kshs 6.89 billion. in which ksh 4.4 billion is expected to go to fund personnel emolument and ksh 2.48 billion for operations and maintenance services. The Development Expenditure is estimated at Kshs 3.87 billion which is around 36% of the overall budget

	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
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Economic Classification	Revised Budget	Budget	Projection	Projection	Projection
Salaries	4,841,865,246	4,236,570,004	4,406,032,804	4,538,213,788	4,683,411,950
Operation & Maintenance	1,714,367,946	2,393,577,514	2,489,320,615	2,564,000,233	2,483,980,555
Recurrent	6,556,233,192	6,630,147,518	6,895,353,419	7,102,214,021	7,167,392,505
Development	2,813,920,293	3,726,998,969	3,876,078,928	4,031,122,085	4,192,366,968
Total Budget	9,370,153,485	10,357,146,487	10,771,432,346	11,133,336,106	11,359,759,473
Development Index	30%	36%	36%	36%	37%

Table 7: Projected Expenditures for 2022/2023-2024/25 MTEF period

Source: The County Treasury

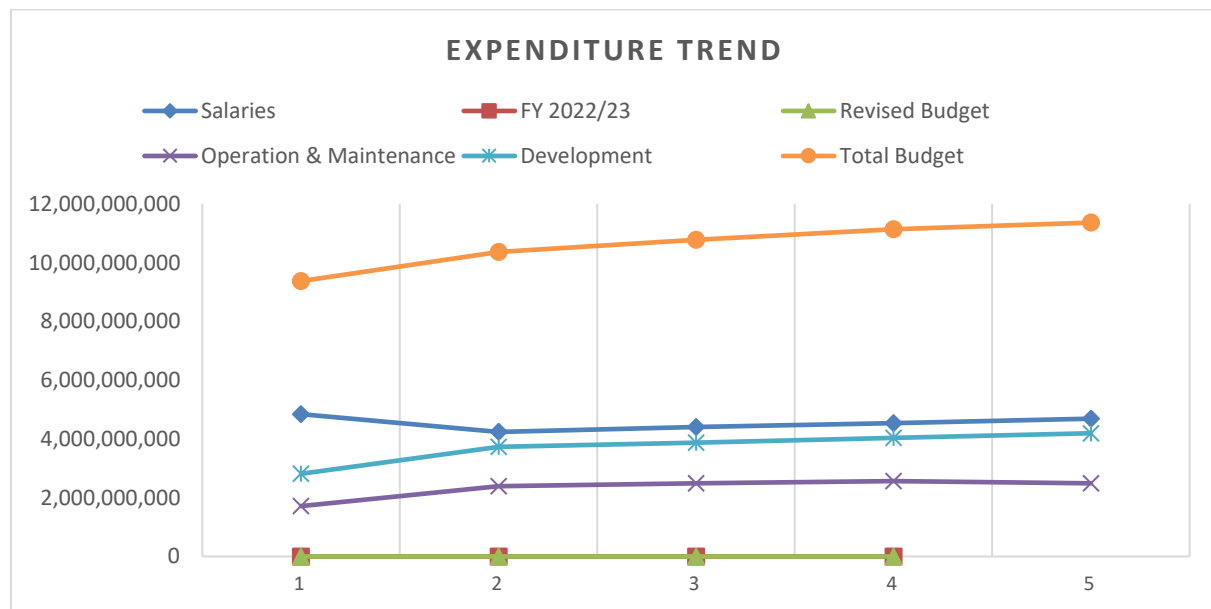


Figure 6: Expenditure Trend

4.4 Overall Deficit and Financing

The Government aims at maintaining a balanced budget in FY2023/2024 the county will put measures and come up with strategies to enhance local revenue collection. The donor and conditional grant from national government will be closely monitored and followed for effective implementation this will ensure programs and activities proposed in the budget fully funded and implemented

4.5 Transfers to Entities

The MTEF resources take into account the transfers to County Agencies and Authorities including water companies, Authorised government Authorities like revolving fund, and Municipalities. Going forward, the entities will be required to develop strategies that will enhance own resource mobilization to reduce over-reliance on the county exchequer and are fully independent.

4.6 The Medium-Term Expenditure Framework Policy

The county medium-term resource allocation will be within the approved CIDP and the ADP 2023. The priorities highlighted in the ADP 2023 will be discussed further in sector discussion and public participation to further reprioritise. The following will key MTEF priorities in 2024-2025 budget.

- a. **Enhanced Access to Universal Healthcare Services:** The County will give priority in financing of healthcare to enable the county's population access universal healthcare. The county will enhance healthcare financing and monitor health indicators to ensure their value for money.
- b. **Universal Water Coverage:** The County will fund priorities to ensure access to safe and reliable water for utilization with an intention to enhance the multiplier effect of investment in relevant water infrastructure. The water companies will be empowered in order to generate their own revenue purpose of enhancing sustainable companies.
- c. **Disaster Risk Management and Resilience Building.** Disaster preparedness and adaptation are key activities that will manage the unpredictability of the climatic conditions and disasters. The county will promote building of community disaster preparedness and adaptation mechanisms that will assure sustainability in the county's development framework.
- d. **County bursary fund** –This fund will also be given priority in allocation of resources. The aim is to support the most Vulnerable members in our society.

4.7 Sector Indicative Ceilings

The priority county sectors of health, water, agriculture, education and infrastructure will continue to receive adequate resources. These sectors are already receiving a significant share of county resources and are required to utilize them more efficiently to generate fiscal space to accommodate other strategic interventions in the county.

Specifically, the county government has prioritized key strategic interventions across all the sectors as a way of accelerating economic and social transformation to improve quality of life of its citizenry. The main areas of interventions cover food security, improved access to quality health care, engagement of PTA/BOG and ECD teachers in the interim to fill the voids created by insecurity while working on a long solution to resolve the same and improved mobility by opening up of rural access roads, empowering youth and women.

Reflecting the above medium-term expenditure framework, the table below provides the tentative projected baseline ceilings for the 2024-2025 FY budget, classified departments including ceilings as per the County Fiscal Strategy Paper (CFSP)

Table 8: Indicative Ceilings for FY 2024//25

		Revised Budget FY 2022- 2023	Budget FY 2023-2024	projection FY 2024-2025	Projection FY 2025-2026	projection FY 2026-2027
Department	TYPE	Millions	Millions	Millions	Millions	Millions
Agriculture, Livestock & pastoral	Rec	170.5	122.4	127.3	132.4	137.7
	Dev	255.42	572.8	595.7	619.5	644.3
Roads, Transport and Public Works	Rec	40.32	46	47.8	49.8	51.7
	Dev	290.2	100	104.0	108.2	112.5
Trade, Investments and Enterprise Development	Rec	75.3	70	72.8	75.7	78.7
	Dev		245	254.8	265.0	275.6
Health and Sanitation	Rec	2,646.21	2459.7	2558.1	2660.4	2766.8
	Dev	171.00	434.7	452.1	470.2	489.0
Education, Information and ICT	Rec	628.32	505.2	525.4	546.4	568.3
	Dev	70	55	57.2	59.5	61.9
County Assembly	Rec	853.38	928.8	966.0	1004.6	1044.8
	Dev	133.3	153	159.1	165.5	172.1
County Affairs, Public Service and Intergovernmental Relations	Rec	327.23	522.57	543.5	565.2	587.8
	Dev	20		0.0	0.0	0.0
Finance, Revenue, Economic Planning	Rec	1,105.35	1227.16	1276.2	1327.3	1380.4
	Dev	662.00	801.17	833.2	866.5	901.2
Culture, Gender, Youth & Sports	Rec	60.66	46.2	48.0	50.0	52.0
	Dev	50	120	124.8	129.8	135.0
Water, Environment and Natural Resources	Rec	265.11	210.8	219.2	228.0	237.1
	Dev	786	990.27	1029.9	1071.1	1113.9
Lands, Physical Planning and Urban Development	Rec	346.78	457	475.3	494.3	514.1
	Dev	371	255	265.2	275.8	286.8
County Public service Board	Rec	37.07	34	35.4	36.8	38.2
	Dev	5		0	0	0
Total		9,370	10,357	10,771	11,202	11,650

5.0 CONCLUSION AND WAY FORWARD

The County budget review and outlook being a key policy documents meant to instil financial discipline and fiscal responsibilities within the county government's financial management framework will guide the county in the budget making process within the Medium-Term expenditure framework. The document details the previous year's actual fiscal performance compared to appropriation for the same year and the updated economic and financial forecast. It also details how actual financial performance for the previous financial year may have affected compliance with the responsibility principles. Further, the document set indicative sectorial ceiling for FY 2019/2020 in line with key sector strategic objectives and priorities as set out in the second county integrated development plan and governor's manifesto.

Going forward, all the sector working groups are therefore required to make reference to tentative sector ceiling provided herein. The next County Fiscal Strategy Paper due by 28th February 2024 shall firm up the baseline expenditure ceilings proposed in this CBROP document. The proposed recurrent and development expenditure the coming financial year will also be aligned to county transformative agenda and priorities set out in the CIDP, ADP and sector strategic objectives and also ensure compliance with the fiscal responsibility principles as entailed in PFM Act 2012.