THE REPUBLIC OF KENYA

COUNTY GOVERNMENT OF THARAKA NITHI

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

SEPTEMBER 2020

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FOREWORD

The County Budget Review and Outlook Paper (CBROP) 2020 has been prepared in line with section 118 of the Public Finance Management (PFM) Act 2012 which requires the county government to prepare a budget review and outlook paper in respect for each financial year; and submit it to the County Executive Committee by 30th September.

The CBROP 2020 reviews fiscal performance of the county for the FY 2019/20 against the budget appropriation. In addition, it provides information on changes in forecasts as indicated in the County Fiscal Strategy Paper (CFSP) 2020 and how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the county financial objectives for that year. It further gives reasons for any deviation from the county financial objectives in the latest fiscal strategy paper together with proposals to address the deviations.

The updated economic and financial outlook presented in this paper sets out the broad fiscal parameters for preparation of the next budget. In particular, the provisional ceilings presented are intended to act as a guide to sector working groups and the departments in preparing their budgets.

It is therefore my expectation that the policy paper will be useful in enhancing financial discipline and fiscal responsibilities outlined in section 107 of the PFM Act 2012 and will contribute towards the realization of aspiration of the residents of the county.

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ABBREVIATIONS AND ACRONYMS

AHADI	Agile and Harmonized Assistance to Devolved Institutions
AIE	Authority to Incur Expenditure
CBK	Central Bank of Kenya
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CG	County Government
CGTN	County Government of Tharaka Nithi
CIDP	County Integrated Development Plan
COMESA	Common Market for East and Central Africa
CORe	County Own Revenue
CRA	Commission on Revenue Allocation
EAC	East African Community
ECDE	Early Child Development Education
FY	Financial Year
GDP	Gross Domestic Product
IBEC	Inter-Governmental Budget and Economic Council
ICT	Information and Communication Technology
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics
KMTC	Kenya Medical Training College
KPLC	Kenya Power and Lighting Company
LAE	Last Annual Estimate
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
PE	Personnel Emoluments
PFM	Public Finance Management
PPP	Public Private Partnership
PWD	People with Disabilities
SWG	Sector Working Group
USAID	United States Agency for International Development (USAID)

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LEGAL BASIS FOR PREPARATION OF CBROP

The Budget Review and Outlook Paper (CBROP) is prepared in accordance with Section 118 of the Public Finance Management (PFM) Act 2012. The law stipulates that:

1) A county Treasury shall;

a. Prepare a CBROP in respect of the County for each year; and

b. Submit the paper to the County Executive Committee (CEC) by 30th September of that year.

2) In preparing its CBROP, the County Treasury shall specify;

a. The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year

b. The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP)

c. Information on:

(i) Any changes in the forecasts compared with the CFSP; or

(ii) How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or financial objectives in the CFSP for that financial year; and

d. Reasons for any deviation from the financial objectives in the CFSP together with proposals to address the deviation and the time estimated for doing so.

3) The CEC shall consider the CBROP with a view to approving it, with or without amendments, within fourteen days after its submission.

FISCAL RESPONSIBILITY PRINCIPLES IN THE PUBLIC FINANCIAL MANAGEMENT

In line with the Constitution of Kenya 2010, the PFM Act, 2012 sets out the fiscal responsibility principles to ensure prudency and transparency in the management of public resources. Section 107 of the PFM Act, 2012 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 (30) per cent of the County Government's budget shall be allocated to the development expenditure;
3) The County Government's expenditure on wages shall not exceed a percentage of the County Government's total revenue as prescribed by the County Executive Member for Finance in regulations and approved by the County Assembly – 35 percent;
4) Over the medium term, the Government's borrowing shall be used only for purpose of financing development expenditure and not for recurrent expenditure;
5) The County debt shall be maintained at a sustainable level as approved by County Assembly;
6) The fiscal risks shall be managed prudently; and
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.

SECTION I: INTRODUCTION

The County Budget Review and Outlook Paper (CBROP) is prepared in line section 118 of the Public Finance Management (PFM) Act, 2012 and Chapter Five (5) of the County Budget Operations Manual, 2014 that gives guidelines on content and format of CBROP. The paper reviews the fiscal performance of the county for the Financial Year 2019/20; the updated macro-economic and financial forecasts; and deviations from the approved County Fiscal Strategy Paper (CFSP) 2020 and reasons for such deviations.

1.1 Objective of CBROP

The objective of CBROP is to provide a review of the previous year fiscal performance and how this impacts the financial objectives and fiscal responsibility principles to be set out in 2021 CFSP. This together with macroeconomic outlook provides a basis for revision of the current budget for FY 2020/21 in the context of the broad fiscal parameters supporting the next budget and the medium term. Details of the fiscal framework and the medium term policy priorities will be firmed in the 2021 CFSP.

Specifically, the CBROP provides:

(i) Updated economic and financial forecasts in relation to the changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP);

(ii) Details of the actual fiscal performance in the previous year compared to the budget appropriation for that particular year;

(iii) Any changes in the forecasts compared with the CFSP;

(iv) Indication 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 CFSP for that financial year; and

(v) Reasons for any deviation from the 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 paper is a policy document and links planning with budgeting. It is significant in the budget making process within the Medium Term Expenditure Framework (MTEF) as it reviews previous fiscal performance for the year and identifies any deviations from the budget with the aim of providing realistic forecasts for the coming year. It also assesses how fiscal responsibility principles were adhered to as provided in section 107 of the PFM Act 2012. In addition, the updated macroeconomic and financial outlook provides a basis for any budget revision and sets out broad fiscal parameters for the next budget. Further, the paper is expected to provide indicative sector ceilings for the FY 2021/22 budget and in the medium term to guide Sector Workings groups (SWGs) before being affirmed in the CFSP 2021.

1.3 Structure

This paper has four other sections. Section Two reviews the county's fiscal performance for the previous year. It is divided into three sub-sections, namely, the Overview, Fiscal Performance and Implications of Fiscal Performance. Section three reviews recent economic developments and has four subsections: Recent Economic Developments, Economic Outlook & Policies, Medium Term Fiscal Framework and Risks to the Outlook. Section four sets out how the county government intends to operate within its means. It establishes the resource envelop (total revenues) and then allocates these across departments by setting expenditure ceilings for each department. In addition, it has four sub-sections: adjustment to the proposed budget; the medium term expenditure framework; proposed budget framework; and projected fiscal balance and likely financing. And lastly, section five gives a conclusion of the entire paper.

SECTION II: REVIEW OF COUNTY FISCAL PERFORMANCE IN FY 2019/20

This section details the county's fiscal performance for the Financial Year 2019/20 in relation to the budget appropriation for the year; and implications arising from the fiscal performance for the period under review.

2.1 Overview

The fiscal performance in FY 2019/20 was unimpressive with a decrease in the total revenues from KES 4,479.9 million compared to KES 4,873.9 million realized in FY 2018/19 as highlighted in Summary of County Fiscal Performance for FY 2019/. Development expenditure was recorded at KES 1,162.5 million of the total development allocation of KES 1,660.4 representing a 70 percent performance. The development resources were utilized in financing key flagship projects and programs like construction of roads, water supply and development of markets as well as upgrading of health facilities.

On recurrent expenditure, the County Government optimized operational and administrative costs to release more resources that enhance development agenda. The measures adopted in the FY 2019/20 fiscal framework led to a recurrent expenditure of 90% amounting KES 3083.3 million, inclusive of county assembly, from a total recurrent allocation KES 3,044.9 million. The performance was impressive given the COVID disruption which slowed down most of the key county functions.

2.2 Fiscal Performance for FY 2019/20

During the period under review, the County total revenue basket was KES 4,479.98 million comprising of KES 3,587.08 million from exchequer as equitable share of domestic revenues raised nationally, KES 529.6 million realized from conditional grants and KES 271.6 million being revenues raised locally (CORe). In addition, the County had KES 91.7 million as balance brought forward from FY 2018-2019. Table 1 summarizes the revenues realized by the County for the FY 2019/20

Table 1: Summary of County Fiscal Performance for FY 2019/20

Particulars	2018/19 FY Actual	2019/20 FY Approved	2019/20 FY Actual	% performance	% Deviation	Growth %
TOTAL REVENUES	**4,873,932,327**	**5,119,073,806**	**4,479,989,745**	**88%**	**-12.48%**	**-8.08%**
Unspent Bal from Previous FY	611,080,016	166,743,356	91,651,102	**55%**	**-45.03%**	**-85.00%**
Revenue (Total)	**4,262,852,311**	**4,952,330,450**	**4,388,338,643**	**89%**	**-11.39%**	**2.94%**
Equitable Share Allocation	3,642,400,000	3,924,600,000	3,587,084,400	**91%**	**-8.60%**	**-1.52%**
Local Revenue	242,951,703	350,000,000	271,605,362	**78%**	**-22.40%**	**11.79%**
Grants (Total)	377,500,608	677,730,450	529,648,881	**78%**	**-21.85%**	**40.30%**
Total Expenditure	**4,873,932,327**	**5,119,073,806**	**4,479,989,745**	**88%**	**-12.48%**	**-8.08%**
Recurrent	3,078,641,095	3,044,887,067	2,732,093,020	**90%**	**-10.27%**	**-11.26%**
Development	1,348,167,636	1,660,370,681	1,155,991,582	**70%**	**-30.38%**	**-14.25%**
County Assembly	351,999,598	413,816,058	357,770,700	**86%**	**-13.54%**	**1.64%**
Unspent Bal Current FY	**95,123,998**	**-**	**234,134,443**			**0.00%**

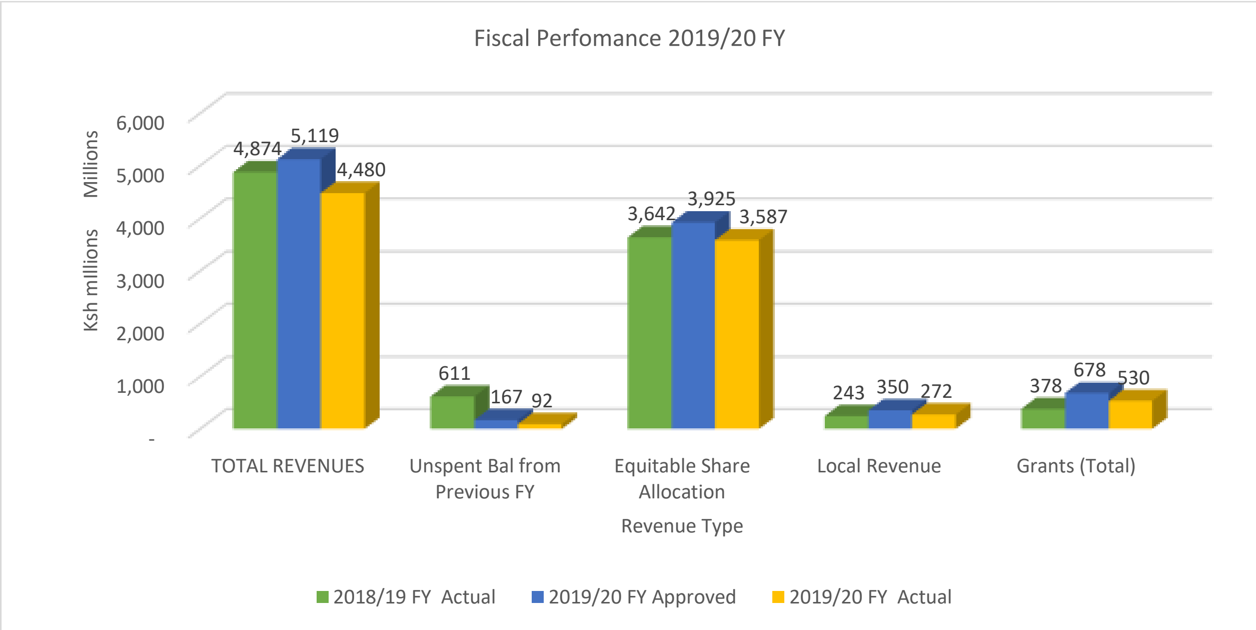

Figure 1: Fiscal Performance for 2019/20 FY

The county total revenues for the year were Ksh 4, 479, 989, 745/= representing 88% of the annual target of Ksh 5, 119, 073, 806 and a drop of 8% from the previous year total of Ksh 4, 873, 932, 327 for the FY 2018/19. During the 2019/20 financial year, the county brought forward an unspent balance of Kshs 91,651,102 compared to Kshs 611,080,016 carried forward to the 2018/19 financial year. The County reported overall absorption level at 83% for the year under review with 70% and 90% absorption rates for Development and Recurrent expenditure respectively. At the close of the financial year the County had not received 337 million from the equitable share allocation. This was as a result of the impacts of COVID-19 on overall revenue collection in the 3rd and 4th quarters of the year hence failure by the National treasury to release funds on time.

Table 2: Allocation and Actual Expenditure By Type Combined

Particulars	**2018/19 FY Actual**	**2019/20 FY Approved**	**2019/20 FY Actual**	**% performance**
Total Expenditure	**4,521,932,729**	**4,705,257,748**	**4,479,989,745**	**100%**
Recurrent	3,078,641,095	3,044,887,067	3,083,315,158	69%
Development	1,348,167,636	1,660,370,681	1,162,540,144	26%
Unspent Bal Current FY	95,123,998	-	234,134,443	5%

The unspent balances at the end of the financial year were Kshs 234, 134, 443 constituting 5% of the realised revenue. This constituted funds received towards the closure of the financial year.

Table 3: Allocation and Actual Expenditure Executive and Assembly

Particulars	**2018/19 FY Actual**	**2019/20 FY Approved**	**2019/20 FY Actual**	**% Proportion**
Total Expenditure	**4,873,932,327**	**5,119,073,806**	**4,479,989,745**	**100%**
Recurrent	3,078,641,095	3,044,887,067	2,732,093,020	61%
Development	1,348,167,636	1,660,370,681	1,155,991,582	26%
County Assembly	351,999,598	413,816,058	357,770,700	8%
Unspent Bal Current FY	95,123,998	-	234,134,443	5%

The expenditure by the County assembly was Kshs 357,770,700 constituting about 8% of the total County expenditure. This is above the 7% envisioned by the PFM regulations 2015 section 25(1)(f).

2.3 County Own Revenue Performance and Conditional Grants

The total amount of County Own Revenue (CORe) collected in FY 2019/20 was KES 271.6 million constituting an increase of 12 per cent from KES 242 million realized in FY 2018/19. This represents a 22.4 percent under collection given the annual CORe target of KES 350 million approved in the FY 2019/20 budget.

Annex II gives a full analysis of the revenue performance per stream and location for FY 2019/20.

2.3.1 Common Causes of Revenue performance

The own sources of revenue continued on a positive trajectory with total revenue amounting to Kshs. 271,605,362 being 78% performance against the target of Kshs. 350,00,000. This represented a 12% growth from last year's revenue collection. This can be attributed to improved measures put in place to curb revenue losses including automated revenue collection systems and improved enforcement mechanisms.

The improved performance in CORe collection can also be attributed to deployment of an automated system and increased enforcement and monitoring of revenue collection. On the other hand, the failure to meet the annual target can be attributed to incomplete mapping of revenue streams, delay in passing the requisite legislations regulating liquor businesses and continuing legal battles among others. This negatively affected revenue collection efforts by the County Government. There is need to sensitize the general public on the taxation measures set out in the Finance bill to prevent protests and complains.

Automation of revenue collection systems was implemented in response to delayed banking of collections and has proven to be an effective approach to revenue collection in urban centers. Table 4 gives a breakdown of the top five revenue streams. Other revenue streams are outlined in Annex II.

Table 4: Top Five Revenue Streams

Sub-County	**Igamba Ng'ombe**	**Tharaka South**	**Tharaka North**	**Chogoria Urban**	**Chuka Urban**	**Marimanti Urban**	**Mwimbi Sub county**	**Muthambi Sub County**	**Chuka Sub County**	**County Head Quarters**	**Total**
Hospital fees	-	11,661,760	-	-	-	-	4,067,634	-	70,662,733		**86,392,127**
Single Business Permit	3,962,748	3,921,449	2,904,627	6,729,465	16,014,534	3,494,431	3,297,865	3,429,615	3,762,081		**47,516,815**
Miscellaneous	735,016	252,626	130,805	381,230	640,256	454,170	246,600	445,850	578,256	40,849,703	**44,714,512**
Cess Fee	8,923,540	13,804,450	10,745,520	106,940	-	5,139,840	1,686,670	2,081,260	1,462,570		**43,950,790**
Market & Slaughter	2,587,640	2,126,025	1,117,080	996,875	3,641,560	1,258,475	1,076,560	282,670	395,200		**13,482,085**

2.3.2 Conditional Loans and Grants

The County received of KES 529.65 million in form of loans and grants which includes DANIDA, KSCAP, KDSP, THSUCP, KUSP, ASDSP and Roads Fuel Levy and other conditional grants. These supplemented the equitable share funds. The delay in disbursements of some of the loans and grants continue to hamper the smooth implementation of the key projects and programmes. The low rating with respect to the KDSP grant also denied the county an opportunity to get development support due to the audit opinion from the 2016/17 financial year in which the County government had an advance audit opinion. Table 5 below analyzes Conditional Grants released in FY 2019/20.

Table 5: Summary Release of Conditional Loans and Grants

Sno	Conditional Grant/ Loan	2018/19 Revised Approved Estimates , KES Millions	2018/19 Actual Receipts in Kshs Millions	% Achieved	2019/20 Revised Approved estimates , KES Millions	2019/20 Actual Receipts in Ksh millions	% Performance
1	UHDSP – DANIDA	12.35	12.35	100%	14.94	14.94	100%
2	Compensation for forgone user fees	8.22	8.22	100%	8.22	8.22	100%
3	Road Maintenance Fuel Levy Fund	95.90	95.90	100%	111.40	111.4	100%
4	Supplement Construction County HQ	-	-		1.15	-	0%
5	Other Conditional Grants	453.36	-	-	-	-	0%
6	THSUCP – WB	50.00	17.45	35%	40.05	40.05	100%
7	ASDSP – Sweden	12.35	6.51	53%	15.52	15.35	99%
8	KCSAP – WB	117.00	39.56	34%	152.37	129.2	85%
9	KDSP – WB	77.07	35.99	47%	30.00	30.00	100%
10	KUSP - UDG Grant	50.00	50.00	100%	68.05	35.76	53%
11	KUSP - UIG Grant	42.00	41.20	99%	8.80	8.80	100%
12	Youth Polytechnics Grant	78.21	38.12	49%	55.64	55.64	100%
13	Leasing Medical Equipment	-	-		131.91	-	0%
14	COVID 19 Emergency Grant	-	-		39.68	39.68	100%
15	Health Workers COVID Risk Allowances	-	-		-	40.47	200%
16	Other receipts	-	-		0.09	0.09	100%
	Total Amount	**996.47**	**345.30**	**35%**	**677.82**	**529.6**	**78%**

2.4 County Expenditure Performance

The total expenditure was KES 4,245.9 million, the recurrent expenditure was KES. 3083.35 million (inclusive of County Assembly allocation) representing 72.6 percent of the total County expenditure, while the development expenditure was 1162 million representing 27.4 per cent of the total county expenditure. The County Assembly expenditure of KES 357 Million represents 8.0 % of the total county expenditure. The budget was financed by the equitable share of KES 3587 million, County Own Revenue of KES 271 Million, Conditional grants of

KES 529 Million and the balance brought forward of KES 91.7 Million. At the end of the 2019/20 financial year, there was a balance of KES 234 million that was unspent.

2.4.1 Recurrent Expenditure by Economic Classification

The total recurrent expenditure of KES 3,083.35 million (72.6 percent of total revenue realized and including expenditure by County Assembly) comprised of KES 2,044.5 million of total recurrent expenditure (48 per cent) spent on payment of wages, salaries and KES 574 million (27.5 per cent) spent on operations and maintenance and Ksh 464.6 as grants and transfers. The figure includes KES 357 million (8 percent of total revenue realized) spent by the County Assembly against an allocation of KES 413.8 million. The reported expenditure on salaries and wages, being personnel emoluments, represented a decrease of 17.8 per cent when compared to similar spending of KES 2.4 billion in FY 2018/19.

Figure 2 below gives a graphical comparison of the recurrent expenditures for FY 2018/19 and FY 2019/20, inclusive of County Assembly allocation.

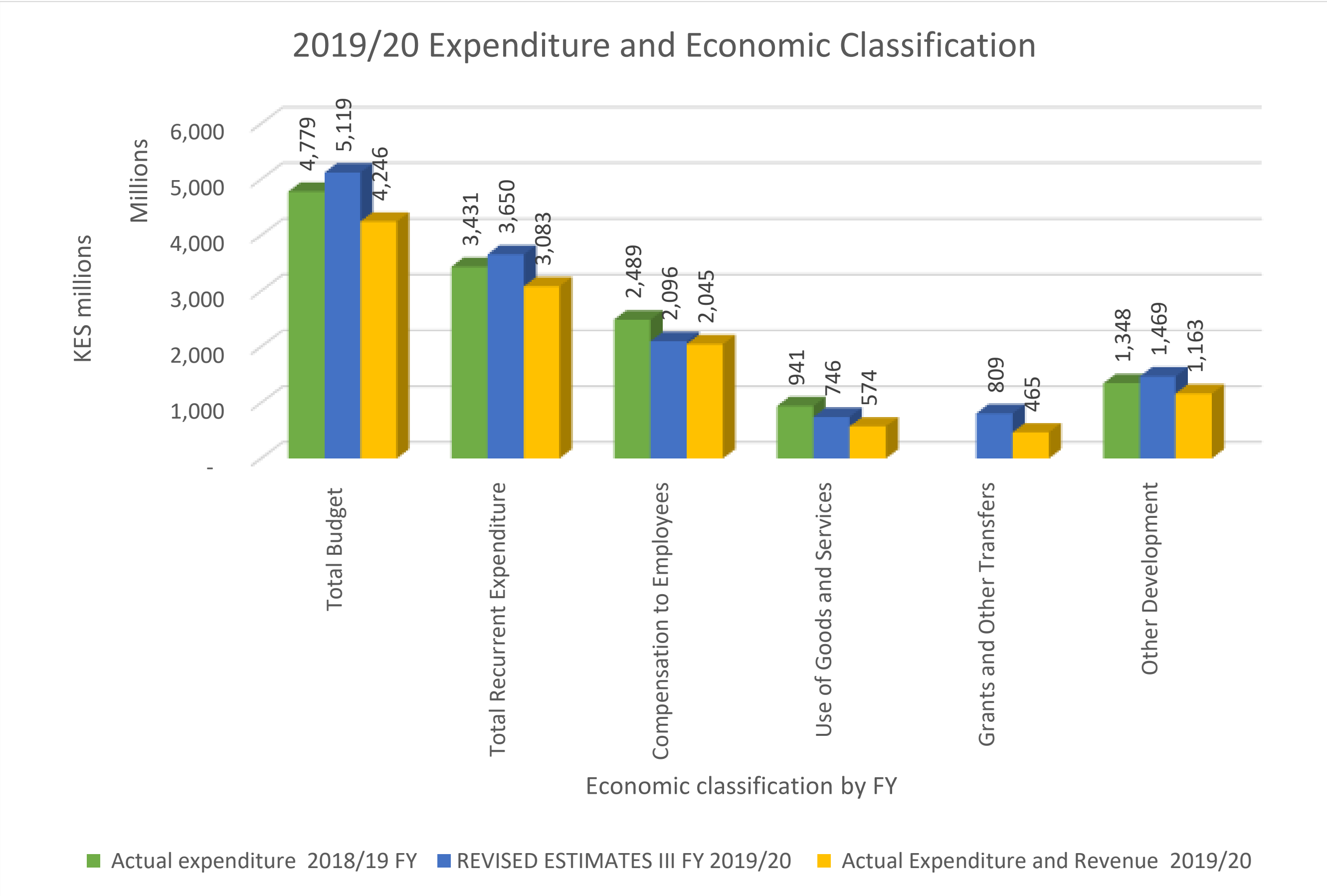

Figure 2: Comparison of recurrent expenditure for FYs 2018/19 and 2019/20.

2.4.2 Development expenditure

The total development expenditure for FY 2019/20 was KES 1,162.54 million representing 27.4 per cent of the total annual expenditure and a 13.3 per cent reduction compared to expenditure of KES 1,348.17 million for FY 2018/19.

2.4.3 Expenditure per economic classification

Table 6 below gives a breakdown of the county expenditure performance per economic classification.

Table 6: County expenditure performance per economic classification

DESCRIPTION	Actual expenditure 2018/19 FY	REVISED ESTIMATES III FY 2019/20	Actual Expenditure and Revenue 2019/20
Total Budget	**4,778,808,329**	**5,119,073,806**	**4,245,770,182**
Total Recurrent Expenditure	**3,430,640,693**	**3,650,440,342**	**3,083,230,038**
Compensation to Employees	2,489,300,500	2,095,890,829	2,044,509,882
Use of Goods and Services	941,340,193	745,839,797	574,138,695
Grants and Other Transfers	-	808,709,716	464,581,461
Total Capital Expenditure	**1,348,167,636**	**1,468,633,464**	**1,162,540,144**
Other Development	**1,348,167,636**	1,468,633,464	1,162,540,144
Financed by:			
Total Revenue	**4,873,932,327**	**5,119,073,806**	**4,479,904,413**
Equitable Share	3,642,400,000	3,924,600,000	3,587,084,400
County Own Revenue [CORe]	242,951,703	350,000,000	271,605,362
Conditional Grants	377,500,608	677,730,450	529,563,549
Balance b/f	611,080,016	166,743,356	91,651,102
Net Financing	**95,123,998**	**-**	**234,134,231**

2.4.4 Common causes of expenditure underperformance

The underperformance in expenditure absorption can be attributed to lengthy procurement processes that the spending departments had to comply with, slow disbursement of funds from exchequer to County Revenue Fund account by the National Treasury, lack of requisite legislations to facilitate disbursements (policies on donor funds, amendments to policies that utilize the budget such as the bursary’s Act, Emergency fund Act) and finally poor linkages of cash flows and procurement plans.

Table 7: Absorption Rates by Sectors 2019/20 FY

SECTOR	C-FSP 2019			BUDGET ALLOCATION 2019/20			Cumulative Expenditure 2019/20			Absorption	Deviation (%)
	REC	DEV	TOTAL	REC	DEV	TOTAL	REC	DEV	TOTAL	(%)	CFSP - BUDGET
PUBLIC ADMIN.	854,731,125	50,000,000	904,731,125	1,030,420,746	91,881,906	1,122,302,652	894,480,338	41,048,578	935,528,916	83.36%	-3.40%
ENERGY AND ICT	28,374,885	20,000,000	48,374,885	32,843,635	22,516,441	55,360,076	7,278,029	4,720,522	11,998,551	21.67%	75.20%
INFRASTRUCTURE	42,433,823	442,054,559	484,488,382	60,007,846	540,202,109	600,209,955	47,353,614	413,178,379	460,531,993	76.73%	4.94%
HEALTH	1,633,603,615	255,914,894	1,889,518,509	1,744,110,823	220,473,191	1,964,584,014	1,658,645,950	117,291,864	1,775,937,814	90.40%	6.01%
EDUCATION	249,668,118	110,255,319	359,923,437	205,110,716	112,255,329	317,366,045	187,810,202	81,508,247	269,318,449	84.86%	25.17%
GENERAL ECONOMIC	111,378,894	-	111,378,894	96,695,076	-	96,695,076	76,217,965	-	76,217,965	78.82%	31.57%
AGRICULTURE	283,723,751	355,758,096	639,481,847	224,185,671	530,812,448	754,998,119	180,697,620	430,562,041	611,259,661	80.96%	4.41%
ENVIRONMENT AND NATURAL RESOURCES	58,045,814	164,000,000	222,045,814	52,162,554	152,229,257	204,391,811	30,832,040	74,230,483	105,062,523	51.40%	52.68%
GRAND TOTAL	**3,261,960,023**	**1,397,982,868**	**4,659,942,891**	**3,445,537,067**	**1,670,370,681**	**5,115,907,748**	**3,083,315,758**	**1,162,540,114**	**4,245,855,872**	**82.99%**	**8.89%**

Table 8:Absorption rates by Department 2019/20 FY

MINISTE RIAL DEPARTMENTS	C-FSP 2019			BUDGET ALLOCATION 2019/20			Cumulative Expenditure 2019/20			Absorptio n	Deviatio n (%)
	REC	DEV	TOTAL	REC	DEV	TOTAL	REC	DEV	TOTAL	(%)	CFSP - BUDGE T
Governor's Office	146,131,810	-	146,131,810	157,898,638	-	157,898,638	130,851,808	-	130,851,808	82.87%	10.46%
Finance and Economic Planning	219,409,942	-	219,409,942	306,892,640	81,881,906	388,774,546	268,570,798	34,500,016	303,070,814	77.96%	-38.13%
County Public Service Board	14,758,211	-	14,758,211	21,607,854	-	21,607,854	13,524,671	-	13,524,671	62.59%	8.36%
Administration and Public Service	113,781,163	-	113,781,163	143,371,614	-	143,371,614	130,310,923	-	130,310,923	90.89%	-14.53%
County Assembly	360,650,000	50,000,000	410,650,000	400,650,000	10,000,000	410,650,000	351,222,138	6,548,562	357,770,700	87.12%	12.88%
SUB-TOTALS	**854,731,125**	**50,000,000**	**904,731,125**	**1,030,420,746**	**91,881,906**	**1,122,302,652**	**894,480,338**	**41,048,578**	**935,528,916**	83.36%	-3.40%
Energy and ICT	28,374,885	20,000,000	48,374,885	32,843,635	22,516,441	55,360,076	7,278,029	4,720,522	11,998,551	21.67%	75.20%
SUB-TOTALS	**28,374,885**	**20,000,000**	**48,374,885**	**32,843,635**	**22,516,441**	**55,360,076**	**7,278,029**	**4,720,522**	**11,998,551**	21.67%	75.20%
Roads, Transport and Infrastructure	42,433,823	442,054,559	484,488,382	60,007,846	540,202,109	600,209,955	47,353,614	413,178,379	460,531,993	76.73%	4.94%

SUB-TOTALS	**42,433,823**	**442,054,559**	**484,488,382**	**60,007,846**	**540,202,109**	**600,209,955**	**47,353,614**	**413,178,379**	**460,531,993**	76.73%	4.94%
Medical Services	1,610,694,390	255,914,894	1,866,609,284	1,687,757,115	220,473,191	1,908,230,306	1,606,353,462	117,291,864	1,723,645,326	90.33%	7.66%
Public Health and Sanitation	22,909,225	-	22,909,225	56,353,708	-	56,353,708	52,292,488	-	52,292,488	92.79%	-128.26%
SUB-TOTALS	**1,633,603,615**	**255,914,894**	**1,889,518,509**	**1,744,110,823**	**220,473,191**	**1,964,584,014**	**1,658,645,950**	**117,291,864**	**1,775,937,814**	90.40%	6.01%
Youth, Sports, Culture and Tourism	46,923,812	28,000,000	74,923,812	46,046,006	30,000,000	76,046,006	35,501,197	14,810,614	50,311,811	66.16%	32.85%
Education and Vocation Training	202,744,305	82,255,319	284,999,624	159,064,710	82,255,329	241,320,039	152,309,005	66,697,633	219,006,638	90.75%	23.16%
SUB-TOTALS	**249,668,118**	**110,255,319**	**359,923,437**	**205,110,716**	**112,255,329**	**317,366,045**	**187,810,202**	**81,508,247**	**269,318,449**	84.86%	25.17%
Trade, Industry and Cooperatives	111,378,894	-	111,378,894	96,695,076	-	96,695,076	76,217,965	-	76,217,965	78.82%	31.57%
SUB-TOTALS	**111,378,894**	**-**	**111,378,894**	**96,695,076**	**-**	**96,695,076**	**76,217,965**	**-**	**76,217,965**	78.82%	31.57%
Agriculture	124,120,546	198,000,000	322,120,546	87,938,879	226,382,448	314,321,327	70,433,647	193,936,933	264,370,580	84.11%	17.93%
Livestock and Fisheries	86,139,417	40,000,000	126,139,417	80,522,238	36,000,000	116,522,238	70,220,579	18,655,707	88,876,286	76.27%	29.54%
Lands, Physical Planning and Urban	73,463,787	117,758,096	191,221,883	55,724,554	268,430,000	324,154,554	40,043,394	217,969,401	258,012,795	79.60%	-34.93%
SUB-TOTALS	**283,723,751**	**355,758,096**	**639,481,847**	**224,185,671**	**530,812,448**	**754,998,119**	**180,697,620**	**430,562,041**	**611,259,661**	80.96%	4.41%
Environment and Natural Resources	9,679,633	52,000,000	61,679,633	6,589,827	35,000,000	41,589,827	4,733,180	25,142,303	29,875,483	71.83%	51.56%
Water Services and Irrigation	48,366,181	112,000,000	160,366,181	45,572,727	117,229,257	162,801,984	26,098,860	49,088,180	75,187,040	46.18%	53.12%
SUB-TOTALS	**58,045,814**	**164,000,000**	**222,045,814**	**52,162,554**	**152,229,257**	**204,391,811**	**30,832,040**	**74,230,483**	**105,062,523**	51.40%	52.68%
GRAND TOTAL	**3,261,960,023**	**1,397,982,868**	**4,659,942,891**	**3,445,537,067**	**1,670,370,681**	**5,115,907,748**	**3,083,315,758**	**1,162,540,114**	**4,245,855,872**	82.99%	8.89%

2.4.5 Implications for the FY 2019/20 performance

During the year under review, several CARA revenues including Equitable Share of National revenue, KCSAP, KUSP (UDG) and ADSP were not released in full. This in turn affected implementation of the budget hampering service delivery. The performance in the FY 2019/20 affected the financial objectives set out in the County Fiscal Strategy Paper 2019 in the following ways:

(i) In the FY 2019/2020, there were severe cash flow challenges due to delayed release of CARA revenue with funds disbursement from Equitable Share of Revenue due in June amounting to Ksh. 337 Million not disbursed by National Treasury. The revenue deficit on Own Sources of Revenue amounting to Ksh. 78 Million which affected service delivery and delayed payment for goods and services rendered to the County by our suppliers

(i) That absorption rates by most County departments were above 70% for both development and recurrent with the overall actual expenditure level reaching 82% of the target. This was still hampered with the delay of release in funds and the requirement to cover pending bill costs. The failure to achieve full funds absorption can be attributed to revenue deficit and unrealized loans and grants.

(ii) That the CORe base increased marginally from KES 242 Million realized in FY 2018/19 to KES 271 Million realized in FY 2019/20. This was a great achievement given that the COVID 19 pandemic negatively affected economic activities due to the lockdown and other stringent measures put in place to mitigate and contain the spread of the virus.

(iii). The National Government released funding for paying risk allowances for frontline health workers amounting to Ksh. 40,470,000 but was not included in the county budget since the allocation came on the last week of June 2020 and the County had not been notified of the disbursement.

(iv) The County Government pending bills from FY 2018/19 amounted to Ksh. 493 Million in addition to Kshs 543.7 Million from previous financial years. During the year under review the County government established a committee to review the pending bills and as a result outstanding pending bills amounting to Ksh. 524,215,148.75 were settled. The amount of pending bills outstanding as at 30th June 2020 amounts to Ksh. 439 Million.

(v) That the expenditure on personnel emoluments consumed 48% way above the 35 per cent of all revenues to the County Government as required by PFM regulations 2015, which continues to exert pressure on County Resources. This will be aggravated by the increased demand for promotions which have been overdue for most of the county officers.

Given the above deviations, the revision of revenues and expenditure ceilings for FY 2020/21 and medium term will be based on the revised macroeconomic assumptions and be affirmed in the County Fiscal Strategy Paper 2021. The County Government will not deviate from other fiscal responsibility principles stipulated in Section 107 of the PFM Act 2012 but will make appropriate modification to the financial objectives to be contained in the CFSP 2021 to reflect the changed circumstances.

SECTION III: RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

The County Government of Tharaka Nithi has given priority on quality and growth strategies that aim to uplift the living standards of the people in the county. The administration has strived to ensure that it consistently maintains a more than 30% development budget threshold recommended by the PFM Act, 2012 to support direct growth across all the sectors. This strategy has been effective in initiating sustainable social economic programs that has consequently led to improving the lives of the citizens.

Tharaka Nithi has supported the efforts of the national government by continuous improvement of transport infrastructure that connect major towns and incentivized new development to be built along these roads. Although the County Government has a key target on access roads, feeder roads and opening of new rural in-roads it is important to note that the big picture is to have universal development which is inclusive and non-discriminative. This robust countywide strategy includes improvement of elements such as social amenities and accessibility to public places across sub-counties, towns and wards for purposes of ensuring benefits are shared and that urban sprawl is controlled where towns are growing at an impressive rate.

3.1 Coronavirus pandemic

Since 13 March 2020, when Kenya reported its first confirmed COVID-19 case, the country has progressively witnessed an increase in number of cases and a widening of geographical scope of infection. There were 34,057 confirmed cases as at 30th August 2020 and all 47 counties had reported cases with Nairobi and Mombasa counties having highest attack rates of 441 and 196 cases per 100,000 populations respectively. The country had tested and reported on a cumulative total of 438,712 samples. After the confirmation of the first Corona virus case in Kenya, the Government of Kenya put in place several mitigating measures to aid in the spread of the COVID-19 Virus in the country. These measures include:

1. All international flights suspended from 25th March 2020 with the exception of cargo flights.
2. All arriving passengers in Kenya after 25th March 2020 to be subjected to mandatory 14-day quarantine at their own cost.
3. All persons violating the self-quarantine rule to be forcefully quarantined for 14 days at their own cost and later arrested in line with the Public Health Act.
4. The Government enforced a dusk to dawn curfew that took effect on the 27th March 2020 requiring all residents to be indoors between 7pm and 5am. Only Police Officers, Medical

Professionals, Health Workers, Critical and Essential personnel are allowed outside during the curfew hours.

5. All bars to remain closed. Restaurant to remain operational to provide take away meals.
6. All churches, mosques, funerals and other social gatherings suspended. Funerals restricted to immediate family members only.
7. All learning institutions closed.
8. All Public Service Vehicles directed to limit the number of passengers carried to half the vehicles capacity.
9. Mandatory requirement to wear masks while in public places
10. The Government has banned all movement by road, rail or air in and out of the following counties for 21 days; Nairobi metropolitan (with effect from 6th April, 2020), Mombasa, Kilifi and Kwale counties (with effect from 8th April, 2020). Movement has also been banned in and out of Eastleigh area and Old Town area in Mombasa with effect from 6th May 2020 for 15 days. All markets and eateries have been ordered to shut down within those two areas.
11. The government reopened eateries as from 1st May, 2020. All eateries to obtain certification to reopen from public health offices after meeting the guidelines provided by the Health Ministry

The COVID-19 Virtual Conference was convened by the Council of Governors on Monday 31st August, 2020 with an overall objective of reflecting on the government's COVID-19 response efforts, challenges and recommending strategic policy measures that can be adopted by both levels of government in readiness for future pandemics. In line with the conference theme 'County Governments' Resilience in the COVID-19 Era: Reflecting on the Past and Building Sustainability for the Future', the conference made the following resolutions,

1. Both levels of government to institutionalize the strong intergovernmental relations exhibited during the COVID-19 period by applying structural and transformative response towards future pandemics and all sectors of our national life.

ACTION: County Governments, Ministry of Health, Ministry of Devolution and Development Partners.

2. The National Government and the County Governments shall jointly develop a country post COVID-19 socio-economic re-engineering and recovery strategy.

ACTION: Council of Governors, National Treasury, UNDP.

3. Both levels of government shall improve community healthcare response by:

i. Operationalizing a health Fund at County level with oversight through the health facility committees; and
ii. Ensuring community ownership in pandemic response.

ACTION: County Governments, Ministry of Health, Development Partners, Civil Society.

4. Strengthen preparedness and response to pandemics through:

I. Establishment of Regional Infectious Disease Centers and Research Institutions by the County Regional Blocs and the establishment of the Kenya Center for Disease Control (CDC) in order to strengthen national and local early warning systems; and
II. Investment by both levels of government in preventive care.

ACTION: County Governments, Ministry of Health.

5. Both levels of government to strengthen healthcare systems and fully roll out Universal Health Coverage.

ACTION: National Government, Parliament, County Governments.

6. Strengthen accountability and actively fight corruption by:

I. Both levels of government embracing open government and publicize tenders and awarded contracts on County and National Government websites; and
II. Ensuring agencies tasked to fight corruption coordinate their work in order to minimize duplication (Senate, National Assembly vis-à-vis anti-corruption agencies)

ACTION: Parliament, County Assemblies, Ethics and Anti-Corruption Commission, Office of the Auditor-General, Directorate of Criminal Investigation (DCI)

7. Both levels of government to work with health workers' associations in order to improve psychosocial support for frontline staff, survivors and families of those who contract COVID-19.

   ACTION: County Governments, Ministry of Health

8. Both levels of government to build resilient food systems by investing more in technology with respect to food production.

ACTION: County Governments, Ministry of Agriculture, Development Partners.

9. Both levels of government to mainstream climate change within annual budgets to promote community resilience during pandemics.

   ACTION: County Governments, Ministry of Agriculture, Ministry of Water, Sanitation and Irrigation.

10. The Public Health Act to be reviewed with a view to aligning it with the current constitutional dispensation.

ACTION: Ministry of Health, Council of Governors, Office of the Attorney General, Parliament.

11. National Youth Service, in anticipation of opening of schools, to produce masks for all school going children and all teachers.

ACTION: Ministry of Public Service, Ministry of Education and County Governments

12. State Agencies at the national level and County Departments to strengthen their capacity to undertake rapid research synthesis mechanisms and deliberately seek to harvest local knowledge for decision-making.

ACTION: National Government, County Governments

13. Kenya National Bureau of Statistics (KNBS) and County Departments in charge of Statistics to generate quality and usable data for evidence based planning and budgeting.

ACTION: County Governments (Statistics' Offices), National Government (KNBS)

14. Both levels of government to stimulate local manufacturing of COVID19 commodities in order to meet the local demand, promote industrialization and create job opportunities.

ACTION: County Governments, Ministry of Industrialization, Trade and Enterprise Development, Private Sector.

15. The National Government and the County Governments to keep the momentum of coordinating and collaborating in the post COVID-19 recovery period.

ACTION: National and County Coordinating Summit, Intergovernmental Sector Forums

3.2 Recent Economic Developments

Global growth is projected to pick up to 3.1 percent in 2020 up from 3.0 in 2019. This is on account of recoveries in stressed emerging markets and macro-economic policy support in major economies.

Global growth is projected at –4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecasted. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.

The advanced economies will see a slower growth of 1.7 percent down from 2.3 percent in 2018 mainly due to the poor trade relations between the USA and China, the Brexit effects, increasing oil prices due to the Iran crisis and normalization of monetary policy. The Coronavirus crisis is likely to negatively affect international trade due to restriction on travel and leisure.

Growth in the emerging markets is expected to pick up to 4.6 percent in 2020 up from 3.9 percent in 2019 due to recovery in most of these economies. The situation in the sub Saharan Africa will be strengthened with a growth of 3.6 percent from 3.2 in 2018 due to higher commodity prices, improved capital market access and contained fiscal imbalances. The East Africa Community (EAC) will experience a growth of 6.0 percent in 2020 from 5.6 percent in 2019 as a result of a table macrocosmic environment, improved agricultural activities, robust investments and strong private sector consumption.

3.2.1 Overview of Recent Economic Developments

Tharaka Nithi County has aligned its development priorities with the country's Big Four Agenda. The County Government has increased its investment in flagship projects with long term impact as a way of ensuring sustained development. Counter-part funding which includes conditional grants, conditional loans, donor funding, community partnership, PPP and other forms of concessionary agreements was considered in the development of the 2019/20 budget.

The journey to transform Tharaka Nithi into a thriving, prosperous County whose people are inspired to achieve tremendous progress is steadily being realized. The relatively small geographical spread has ensured that development touches all corners of this great County.

Over the last three years, there has been tremendous progress and extraordinary success has been achieved despite facing numerous challenges. The clarion call to transform the lives of the people by unlocking the county's great potential is still on.

Socio-economic developments to improve the living standards of the people in line with the Sustainable Development Goals (SDGs) and Vision 2030 has been progressively achieved.

Improvement of the road network in the county is a true testimony that Devolution is working. The County department of roads prioritized the improvement of infrastructure each year. The county embarked on providing modern roads, bus parks, boda boda sheds, bridges and footbridges to the people of Tharaka Nithi. Upgrading of roads to bitumen standards have been made since August 2017 to date leading to improvement of more than 10 Kilometers of roads throughout the county annually, including completed works within Kathwana Municipality. More so, in order to ease the movement of people and goods to spur intra county trade, the

County has progressively provided for the improvement of access roads in urban areas and markets. It is therefore important to note that the County Government is tarmacking 44 kilometers of roads which include: Chogoria town roads, Tunyai-Nthaara road, Mitheru-Kaanwa road, Kambandi-Chera-Ruguti road, Kibugua town roads with Phase I complete and Kathwana Town Roads with Phase I already complete.

In addition, the government has successfully murrumed and graveled over 350 kilometers, opened-up and rehabilitated ward roads. This has been facilitated by acquisition of heavy road machinery which include excavator, graders, tippers, low-loader, roller and dozer

Energy and ICT being an enabler, all projects undertaken by the department are to ensure that service delivery is efficient, effective, timely and consistent to spur socio-economic growth.

There has been need to ensure accountability and increased productivity of employees working for the County Government. Consequently, the County has setup biometric system in over 120 stations across the county and all county employees have been registered and are required to clock in and out of their work stations. In this regard, a reduction of absenteeism, ghost workers and streamlined service delivery in the public service has been realized.

To ensure smooth running of the hospitals and increased efficiency and productivity the County Government has deployed a Hospital Management and Information System in the three main hospitals: **Chuka, Magutuni** and **Marimanti**. This has enabled the hospitals to deliver expedient and efficient care, standardize their operations, minimize waiting times for the patients and improve patient data management. We have also ensured better inventory management through improved monitoring to manage wastage, shortage and pilferage.

In order to keep track of its fleet in a cost effective and efficient manner, the county vehicles have been fitted with fleet tracking and management system. As a result, it has managed to minimize operational costs by keeping track of fuel usage and motor vehicle routine maintenance. To ensure the County offices have Modern ICT Network and Internet Infrastructure, the department of ICT has managed to Connect and upgrade 40% of offices without LAN and WAN

The National Government has prioritized a 100% electricity connectivity to all households through the Last Mile programme. In this regard, the County government in partnership with the Rural Electrification Authority (REA) has recently facilitated the electrification of **Ruungu** and **Kathangacini** Markets among other public facilities such as markets, health centers and schools under consideration. These facilities serve as community connection points bringing previously off-grid homes and businesses within the close reach of national grid.

The department of Lands, physical planning & urban development has created an enabling business environment for the traders. To achieve this, the County has constructed modern market stalls at Chogoria and Chuka towns. The county has also constructed Chuka open air market, Kathangacini, Kaare, Tunyai, Kaanwa, Magutuni, Itugururu and Nkondi modern markets. Further, the process of finalizing construction of more modern markets at Mukothima and Kathwana is on course.

In pursuit of enhancing economic activities and to improve security for the small and medium scale traders, the department has installed floodlights in various market centres such as Kieganguru, Polepole, Cheera, Magundu, Nturiri, Muthenge, Kathangacini, Ruungu, Kibung'a, Kabeche, Nguruki, Mukui among others.

Solid waste management is a problem not only in Kenya but also across the globe. This has been exuberated by increasing e-waste and use of non-biodegradable materials. In combating this problem, the County has made tremendous efforts to employ modern technologies like incineration which has considerably helped the county to effectively manage its solid waste. Some of the interventions in solid waste collection and aggregation include acquisition of a skip loader, skips and litter bins which are installed across the county.

For achievement of improved sanitation, construction of toilets has been done in the following markets Giampampo, Makanyanga, Kabururu, Mitheru, Weru among others. To increase residential area, the County has constructed houses for the Governor and the Deputy Governor which are still on course.

Kathwana Municipality requires improvement of basic infrastructure such as sewerage, affordable and decent houses, urban roads and portable water in order to achieve the vibrancy that should come with a county headquarter.

The county government is mandated by the Constitution to provide pre-primary education and vocational training. In this regard, the department of education and vocational training has embarked on constructing five (5) Early Childhood Development Education (ECDE) classes in every ward annually targeting three thousand one hundred fifty (3150) children. The county over the past three years has constructed ten ECDE classes per ward in the 15 wards, though most of them lack adequate play materials as well as play equipment's and rest facilities.

To address the staffing needs, the County government so far has engaged 453 ECDE care givers. In order to embrace the new national curriculum, these 453 ECDE care givers have been trained on the competence based curriculum. The provision of learning materials and equipping of the ECDE classes has been given priority in addition to capacity building of the care givers. The department has managed to distribute bursary worth 20 million to bright and needy students in our secondary schools, tertiary colleges and universities.

The County has endeavored to strengthen the market oriented courses taken in our polytechnics to make them more responsive and functional to enable the graduates of the polytechnics to start business and positively contribute to the labour market with more innovative and creative ways. Over the last three years the County Government has undertaken development programmes to revamp the polytechnics by rehabilitating and equipping them. Consequently, there has been an upward trend in the number of trainees' enrolment from 600 in 2017 to 900 in 2019 which has also seen an increase in number of trainees graduating.

The county is committed to develop talents and boost sporting activities in the county thus harnessing the untapped talent, creating a cohesive society and ultimately promoting national unity. In this regard, construction of Marimanti (Nyangumi), Kathwana and Kairuni stadia where people can gather for sports and other leisure activities is almost complete. The county is also in the process of constructing a Social hall at Kathwana which is 90% complete.

The County government has ensured that it covers all the issues affecting people gifted differently. Social services sub-sector has procured and distributed wheelchairs and other assistive devices that have significantly improved the lives of those who previously could not afford them. Increased school attendance among school going girls is important to empower the girl child. In this regard the county has continued to provide sanitary towels to school going girls of age.

Access to quality and affordable health care services is critical to the social well-being of our society and one of the fundamental responsibilities of any government. Tharaka Nithi County Government is committed to offer world class health care services to its residents. To achieve this, the County government is focusing on standardizing and equipping the existing facilities as well as strengthening the county referral system.

Over the three years, numerous projects have been initiated including up scaling Chuka Level IV Hospital to a fully-fledged County Referral Hospital with the aim of getting Level V accreditation. The County is also upgrading Magutuni, Marimanti, and Kibung'a Level IV hospitals, 5 health centers and 18 dispensaries in order to offer the highest attainable standard of healthcare services. The County Government has partnered with Kenya Medical Training College (KMTC) Board towards construction of a tuition block within Chuka Referral Hospital. This will increase the number of health care practitioners training within the county which goes a long way in easing the burden of health care provision.

The key flagship projects in the health department include construction of an ultra-modern outpatient block (80% complete), construction of maternity ward, installation of Computerized Tomography (CT) scan, erection of an Oxygen plant, construction of a modern kitchen and installation of 630 KVA generator at Chuka Referral hospital, upgrade of electrical power, construction of OPD consultation rooms, a modern laboratory and Pharmacy at Magutuni hospital, installation of 630 KVA generator, construction of OPD block, pathology unit and a modern kitchen at Marimanti Level 4 hospital, Construction of a laundry block and kitchen at Muthambi health centre, Construction of laboratory block in Kathangacini Health Centre and construction of a dental unit at Kibung'a hospital. This has improved access to health care services within the county.

The County is also extending specialized services to boost the value of services offered in level II and level III health facilities to cater for special needs, for instance the dental unit at Nkangani in Ganga ward.

In order to streamline and improve referral services in the County, more state of the art ambulances was procured and the County will continue to streamline and enhance the referral services. This will ensure timely and successful referral of patients. To solidify the commitments to improve healthcare, the health department has consistently been allocated sufficient funds for the procurement of medical supplies and commodities.

Food and nutrition security remains a key pillar of the Kenya Vision 2030 and Big Four Agenda. Consequently, agriculture forms the backbone of the Kenyan economy contributing to over 70 percent of the workforce and 25 percent of the annual GDP. The promotion of Climate smart agriculture has been enhanced in order to ensure that farmers adopt sustainable agricultural practices.

In Tharaka Nithi County, agriculture forms a proportion of about 60 percent of the county economic activities. In this regard new and innovative initiatives that will lead to 100% food security include increasing acreage under food production, increased irrigated agriculture, deployment of better post-harvest technologies, support to small holder farming, redesigning the subsidy model and elimination of multiple levies to farmers.

The county has continued to provide reforms in agriculture sector focused on improving both crop and animal productivity. Key among them are extension services, capital infrastructure projects and capacity building. Notably, the county has facilitated the provision of certified farm inputs and materials under the county subsidized arrangements. The inputs provided include certified seeds (green grams, beans, Macadamia seedlings among others), Boma

Rhodes, Bracharia grass and fertilizers. Also provided 500 litres of chemicals, 25 knapsacks and 100 mouth masks procured for the control and management of the outbreak of locusts. The national government through the National Cereals and Produce Board (NCPB) to complement the county's efforts has availed 140,600 bags of planting and 96,550 bags of top dressing subsidized fertilizers this year. The County Government has constructed a cereal storage facility at Mukothima to address the post-harvest loses among our farmers.

The agriculture sector is currently facing a myriad of challenges key among them climate change effects. This has brought about unpredictable weather patterns, increased animal and plant pests and disease leading to delayed planting, crop failure and diminishing returns and a severe threat to food security in the county. It's no doubt that we must adopt the necessary measures to combat the challenges and avert the imminent disaster and cushion our people. One of the measures the County is implementing to address these challenges is irrigation expansion. This will reduce over-dependence on rain fed agriculture. So far 636 Ha have been achieved through irrigation infrastructure development of SIVAP schemes, (Ruungu, Kirumi Kiamunjari and Makanyanga Irrigation Scheme). Rubate irrigation scheme is under construction

The County has also prioritized implementation of the policies, programmes and projects under ending drought emergencies initiative. 8,205 farmers have been supported by the Kenya Cereals Enhancement Program (KCEP) with input e-vouchers through the Maize/Beans and Sorghum/Green grams models. 77 micro projects (groups) have been funded for banana, green grams, dairy and indigenous chicken production by KCSAP

To empower farmers through training programmes, the County has constructed an Agricultural Training Institute (ATI) at Itugururu in Igambang'ombe. Construction of Itugururu primary school has been done so as to pave way for the operationalization of the ATI.

The County is also promoting enterprise diversification to cushion farmers from loses resulting from specialization. Model farms have been established to disseminate new technologies and best practices of agriculture. This involves promotion of integrated farming such as horticulture farming, bee keeping and promotion of drought resistant crops

Tea and Coffee are the major cash crops in our county. In order to reap more benefits from coffee, there is need to support entrepreneurship within the sub-sector like the Tharaka Nithi Coffee Mill at Mitheru has installed a coffee mill that will have the coffee roasted and milled for packaging thus attracting better prices for the farmers. In addition, the County Government is going to support coffee societies in rehabilitating coffee factories to ensure improved drying quality. Two (2) coffee factories have been supported with construction of cherry drying beds for better management of coffee.

Working in partnership with Kenya Tea Development Authority (KTDA), the County government through Weru Tea Factory, is in a programme of rehabilitating all tea buying centres to improve quality of tea by minimizing losses through contamination and handling at buying centres. In the FY 2019/20 the county managed to rehabilitate Eleven (11) tea buying centres which will help in reducing post-harvest losses

Livestock rearing is a very important sub-sector in the county as it is a key economic activity for most households in the lower ecological zones of our county. Most of the farmers from Tharaka South, Tharaka North and Igambang'ombe rely much on livestock rearing. The sector equally faces several challenges, key among them being livestock diseases and low prices for the animals. Some of notable livestock disease in the county include: anthrax, ringworms, foot and mouth diseases, rinderpest and tick fever among others. In the recent past, the county has experienced disease outbreaks which have called for timely response in order to prevent further loses. In view of this, the County is building a veterinary laboratory in Marimanti (90% complete) which will provide diagnostic medical testing for infectious, toxins and other causes of disease in animal diagnostic samples.

Dairy farming plays a significant role in meeting the economic goals in our development agenda. County government has embraced new innovations and technologies such as dairy improvement through subsidized artificial insemination (A.I) services, supporting of small scale dairy processing plants in value additions, setting up of milk ATM vending machine for Chuka blessed dairy and setting up of milk cooling plants in partnership with National Government at Nturiri, Mugumango, Kibugua, Karamani among others. The County Government in collaboration with Kenya Genetic Resources Centre is going to open a sub-centre at Chuka in order to increase accessibility and availability of quality ordinary semen, sexed semen, liquid nitrogen and other AI related services at affordable prices. This is in addition to the 17 extension officers employed where each ward got at least one AI professional. The AI programme will lower the prices of ordinary semen from KES 1,200 to KES 200 while the sexed semen will now cost KES 4,000 from KES 7,000.

In addition, the County Government has also partnered with Muthiru Dairy in supply of subsidized animal feeds which shall be accessed through the 26 milk cooling plants. The price of dairy meal will be lowered from current KES 2,400 to KES 1,850 for a 70 kg bag. This will not only increase the average yield per cow but also set us rolling for the next step of milk processing. Currently, the County Government has advised the milk aggregators to embrace micro-processing at individual cooling plants as County Government embarks on boosting feasibility studies that will culminate in establishment of a milk processing plant. Therefore, this project is aimed at addressing the current milk marketing challenges as well as increasing the value addition of milk and other dairy products.

Provision of clean and safe water to our people is a constitutional right and a key priority of the government. Water supply in this county has been a monumental challenge and the government has initiated various sustainable programmes that will solve the problem. We are working on protecting our water towers through environmental protection efforts which include planting of six (6) million trees to increase forest cover, protection of water catchments including Mt Kenya forest that is the source of rivers Mutonga, Thuci and others, riparian areas and conservation of forests.

The County has supported various irrigation and domestic water projects in addition to other projects funded by our development partners. Such key projects include Nkorongo-Nkobore, Turima Tweru, Rukindu and Kavando irrigation projects; Chiakamakama water project which is aimed at addressing the perennial water shortages at Chiakariga market, Mwonge Water Range Project, Kathwana water treatment plant, Murugi-Mugumango, Kibunga-Kakimiki, Gitogo-Kamaindi, Kirigicha-Gichini, Rwanchege, Manyaga, Nithi Kari, Mbogoni and Mukui Urimbugi water projects where residents already are enjoying the benefits of piped water in addition to rehabilitation of existing rock water catchments and construction of several earth dams among others.

The County has rehabilitated and installed solar pumping systems in more than 15 boreholes and established water kiosks within the proximity of supply to save residents the long journeys to the water points. The water department has a plan of drilling 200 boreholes in the next 5 years. The county has drilled 10 boreholes where installation is ongoing (50%) make them operational. It has also surveyed 33 boreholes to maximize on ground water exploitation. In addition, we have also acquired a water bowser to be used in water tracking especially during the times we are experiencing drought. As part of efforts to ensure food security, the county will continue to increase the land under irrigation and reduce over reliance on rain fed agriculture. Recently, we have experienced massive crop failure due to the erratic weather patterns and this calls for urgent remedial measures as climate change becomes more pronounced. Going forward, we hope that the national government will actualize the plans to construct the High Grand Falls dam and the Mount Kenya High capacity dam which will provide sufficient water for irrigation.

3.3 Progress Report on Budget Implementation

The County Government continues to address challenges that affect resources mobilization for planned programmes. Budget implementation will be guided on the fiscal responsibility principles outlined in the PFM Act, 2012, Section 107(2). The fiscal outcomes proposed within this paper are consistent with the national financial objectives as outlined in relevant policy documents and various legislations.

The impediments towards the success of budget implementation includes the delayed disbursement of funds from the National treasury, impasse in the revenue sharing formula and the effects of the COVID 19 among others.

In FY 2018/19 the county total revenue basket was KES 4,781 million which declined to KES 4,479.989 million in the FY 2019/20 representing a 9.4 percent decrease. In FY 2019/20, the total amount of County Own Revenue collected was KES 271.0 million, an increase of 12 percent from KES 242.0 million realized in FY 2018/19. This upward trend in County Own Source Revenue collection is attributed to well-coordinated enforcement, effective supervision, staff reorganization and automation of revenue collection hence minimizing pilferage. The County government has instituted and operationalized laws to streamline revenue collection such as Finance Act 2018, Enforcement Act 2016 and Liquor Regulations of 2018. Going forward, mechanisms such as improvement of oversight along CESS collection points are bound to yield results and prevent incidences of non-compliance from those remitting the charges in every part of the county. The County has installed CCTV cameras for surveillance in key CESS collection points to improve enforcement and coordination efforts in revenue administration. The county needs to ensure it fully exploits the existing revenue potentials by mapping the revenue sources, utilizing revenue automation services as well as enactment of relevant legislation to support the collection of the revenue.

3.4 Medium Term Fiscal Framework

The Coronavirus (COVID-19) pandemic is currently causing significant adverse impact on the global economy. Governments around the world are implementing various fiscal measures to mitigate the adverse effect and provide relief for businesses and households. The 2020/21 Budget is being implemented against the background of a weakening global economy due to the COVID 19 pandemic which has had a devastating impact across the word. Global growth is projected to pick up to 3.1 percent in 2020 up from 3.0 in 2019. Quarantines, lockdowns and social distancing measures which are essential in curtailing the virus continue to acutely impede sectors that rely on social interactions (such as travel, hospitality, entertainment, and tourism) with more than half of the world's population already under some form of lockdown.

Previously, high growth economies in East and West Africa such as Ghana, Côte d'Ivoire, Senegal, Ethiopia, Kenya and Tanzania are expected to see considerably slower GDP expansion in 2020 but still with positive growth rates primarily because these countries are less or non-resource intensive and as such more resilient. Africa could lose up to 20 to 30% of its fiscal revenue, estimated at USD 500 bn in 2019.

Global growth is projected to slow down to 3.2% in 2019 from 3.6% in 2018 occasioned by a weakening growth rate in both the advanced and emerging market economies. This will pick up to 3.5% in 2020.

In Advanced economies growth is expected to ease to 1.9% in 2019 and further to 1.7% in 2020 from 2.2% in 2018 mainly due to trade tensions between the U.S. and China, subdued investment and demand, uncertainty in Brexit negotiations as well as the pace of normalization of monetary policy in the advanced economies.

The emerging economies are expected to grow at 4.1% in 2019 and 4.7% in 2020 from 4.5% in 2018, reflecting offsetting developments as growth moderates to a sustainable pace in China, while it improves in India (7.2% in 2020 from 7.0% in 2019) and other economies.

The macroeconomic stability experienced in the recent few years was expected spilled into the better part of 2020 and is likely to continue to the rest of the year but the same has been worsened by the COVID 19 pandemic. However, macroeconomic stability is likely to be affected by projected rising inflation and interest rates, decreasing private and government spending. A possible restraint in domestic government borrowing and foreign borrowing, increased tax rates on petroleum products are anticipated to increase the cost of county operations, leading to higher operations and management costs. The current account deficit narrowed to 3.8% of GDP in June 2019, from 5.4% in June 2018.The current account deficit is expected at 4.5 percent of GDP in 2019 from 5.0 percent in 2018.The Kenya Shilling is expected to be stable in 2019 on account of a narrower current account deficit and resilient foreign exchange inflows. The stability reflected strong inflows from tea and horticulture exports, diaspora remittances and tourism receipts.

For three consecutive years (2016, 2017 and 2018), Kenya emerged at position three in the ease of doing business in sub-Saharan Africa and among the top ten most reformed countries in the world. Improving business environment will continue to attract investors into the country. Today, Kenya is a top investment destination in the world. Therefore, throughout this favorable global business environment will boost the macro economy of Tharaka-Nithi County.

The 2020/21 to 2022/23 Medium Term fiscal budget will continue to provide enabling environment for the private sector to thrive by preserving macroeconomics stability; expanding infrastructure; improving security; business regulatory reforms; expanding access to finance and instituting government reforms so as to achieve “The Big Four Agenda” the county government will also support higher levels of value addition in domestically produced goods, strengthen the fight against corruption and counterfeits, enhance the use of public procurement to promote buy Kenya Build Kenya Initiative and support micro, small and medium Enterprises (MSME) sector.

The County Government has the fiscal policy of maintaining a zero-fiscal balance. In this regard, FY 2019/20 posted a performance without budget deficit and in compliance with recommendation from the National Treasury for counties to ensure that total planned expenditures equal total expected revenues. More funds are required for infrastructure development, health, agriculture, water and irrigation, garbage management and quality service delivery among others so as to meet the desired county development targets as envisioned in the CIDP.

The huge wage-bill the county incurs leaves little allocation towards county endeavors thus curtailing achievement of key targets. The ballooning wage bill has hampered delivery of quality public services and it has led to reduced capital investment.

Through this paper, policy suggestions that can be implemented in the short to medium term, in order to tame the rising wage-bill include: review of recruitment practices, freeze on employment on need basis, and streamlining payroll and control systems (cleaning of payroll) in the county.

3.5 Risks to the Outlook

Although the Tharaka Nithi County economy has exhibited a resilient growth trend, it is still vulnerable to shocks emanating from macro environment affecting the larger national economy. The continued interventions in the economy by the Central Bank and National Treasury through modified macroeconomic policies, austerity expenditure measures, revamped revenue raising strategies and investment in mega infrastructure projects will have significant effect on the performance of county’s key sectors. The following key risk factors had an impact on the performance of the county economy;

a) External risks:

Country Risk: Tharaka Nithi County was affected by the combined risks associated with investing in Kenya:

Political risk: With the 2022 elections just about two years away, political activities increased mobilization will impact of the government budgeting and planning. The increased calls for constitutional changes through the Building bridges initiative (BBI) will also likely increase political temperatures which is likely to impact of service delivery across the government. Increased volatility in the global financial markets due to tensions between the U.S. and China, the slower growth of the Chinese economy, uncertainties on the ongoing trade talks to finalize agreements on Brexit due to Britain playing games and compromising the vital round of talks and the pace of normalization of monetary policy in the advanced economies. Uneven and sluggish growth in advanced and emerging market economies as well as impact of low commodity prices on our exports.

The countries that Kenya benchmarks its country risk – USA, South Africa, China, UK, Israel, Cuba, Nigeria and the countries within East African Communities – have considered long term repercussions of the political climate in the country and will remain so for the foreseeable future. Similarly, CGTN was prone to dynamics in the political arena within the country and recovery from prolonged electioneering period has strained both fiscal position of the county and project implementation as some of the key sectors are yet to recover to their full functionalities.

Sovereign and Exchange rate risk: Fluctuation of Kenyan Shilling against the dollar negatively affected dollar denominated imports and dollar-based loans. The costs of farm inputs and machinery generally imported were higher than current market rate, however, Tharaka Nithi County buffered this by providing subsidized inputs to farmers. The adjustment of base lending rates for inter-bank lending by Central Bank has resulted in rising interest rates thus high cost of doing business. However, the interventions by the Central Bank and National Treasury targeting both monetary and fiscal policies will guarantee stable business environment characterized with stable inflation rate, exchange rate and moderate interest rates.

The vulnerability of the Kenya's macroeconomic stability to the external shocks resulting from the current high deficit which is 5.6 percent of GDP has effect on sustained economic growth. In this regard, low country's economic growth will have a negative impact of the growth of the counties especially on creation of jobs, wealth and sustainable development.

Trading blocs Risk: Regional trade between Kenya and its border countries has been considered as one of the major drivers towards economic growth. Policies to promote trade such as reduction of taxes and custom duties were adopted but still the Kenyan economy experiences low economic growth, this raises the question, to what factors should be put in place to encourage more growth. Regional trade between member countries such as East African Community (EAC) and Common Market for East and Central Africa (COMESA) are guided by common trade laws whereby the member countries are exempted from tax, however, the same goods are expensive in our country as compared to other member countries, hence, making it discouraging local production. Kenya stands to gain from trading within the region if the appropriate policy measures included in the vision 2030 blueprint which seeks to address issues like infrastructure development, promote security, enhanced food security, public private partnership among others are fully implemented.

Environmental risks –Agriculture being a major source of livelihood in Tharaka Nithi county, unpredictable climate change had negative effects on agricultural and livestock productivity. For instance, continuous dry spell in the 1st quarter led to low farm produce.

b) Fiscal Risks

Economic risk: The country faced various shortcomings, such as, inflation that remained at 4.7%, drought in the 1st half of the financial year, experienced rain in the second half led to high production of farm products resulting to surplus farm products consequently leading to low prices in the market as a result of low demand. The rains as well affected infrastructure, for instance, landslides hindering smooth transportation that contributed to economic risks.
Current debts: The government will have to impose high taxes on its citizens so as to be able to pay the national debt which is now at KES 5.1 trillion; domestic at KES 2.54 trillion and external debt amounting to KES 2.61 trillion. Also this will lead to delay in disbursement of equitable share to the economy hence delaying development.

SECTION IV: RESOURCE ALLOCATION FRAMEWORK

This section sets out how the County Government intends to spend within its budget line. It establishes the total revenues it expects to raise during the period under review, and then allocates these across the County Government departments by setting expenditure limits or ceilings for each government department. It has the following sub-sections as discussed below:

a) Adjustment to the proposed (2020-2021) budget;
b) The medium term expenditure framework for 2021/22– 2023/24 FYs;
c) Proposed (2021-22) budget framework; and
d) Projected fiscal balance and likely financing.

4.1 Adjustment to the Proposed 2020/21 Budget

Considering the recent economic developments outlined earlier in the review of FY 2019/20 budget and the changes in the outlook discussed: the significant weakening of the economic situation due to the Coronavirus. The continuing national debate on horizontal revenue sharing among County Governments and National Government and Constitutional Building Bridges Reforms debates are likely to affect the equitable share of domestically collected national revenue that trickles to the counties. However, the results of these constitutional processes might take longer and the uncertainty around this issues makes the implementation of the current budget very unpredictable.

Although the County Government has a fiscal responsibility to ensure the recurrent expenditure does not exceed 70% in the medium term, the increasing recurrent expenditure pressures, especially arising from the COVID 19 emergencies, high wage bill poses a serious fiscal risk in the event that the revenues are not fully realized. This may limit continued funding for development expenditure to meet the constitutional threshold of at least 30% allocation.

Adjustments to the 2020/21 budget will take into account actual performance of departments so far and absorption capacity in the previous financial year 2019/20 and the need to jumpstart the economy in light of the Coronavirus shocks. It will also consider priority in financing the projects aimed at achieving the Big Four agenda and in completing any ongoing capital projects. In addition, the review will also address the pending accounts payables for goods and services rendered and brought forward from previous years.

Further, the basis for adjustment will take into consideration resource constraints such that the CG will rationalize expenditures by cutting on non-priority areas. Additionally, the CG will require the departments to spread the planned expenditure in adherence to the departmental work plans and procurement plans, according to the PPRA regulations. The reason for slowing down or reprioritizing development expenditures is to ensure that the Government lives within its means or available resource envelope.

Additionally, the CG will strive to ensure that it maximizes on all its revenue sources to achieve the set CORe target of KES 350 million in FY 2020/21 and KES 400.0 million in the end of MTEF. Among the measures the CG will ensure full operationalization of the revenue automated system. Additionally, the revenue department will be expected to carry out a routine inspection and enforcement to ensure timely payments of fees and charges.

4.1.1 Medium Term Expenditure Framework

The county government, over the medium term, will allocate adequate resources to the County's priority sectors since their contribution to the county economy and its economic growth is noteworthy. Efficiency is a key aspect when it comes to the maximum use of the available resources. To pursue efficiency; the county government will monitor, evaluate and oversee allocation, re-allocation and management of the public finances.

The following table summarizes specific activities that require significant increments in allocations:

Sector	Interventions
Health	1. COVID 19 Commodities 2. COVID 19 interventions 3. Salaries and wages 4. Cost share in universal health care 5. New equipment & increased operations costs 6. Pharmaceuticals and non-pharmaceuticals supplies 7. Automate services in more health facilities 8. Community health care services 9. Pending promotions
Agriculture	1. Climate change mitigation 2. Post-harvest management 3. Extension services 4. Training of framers 5. Offering high quality farm inputs 6. Constructing, improving and modernizing markets and urban centres 7. Irrigation agriculture 8. Salaries and wages for field staff

	9. Pasture development and bulking 10. Breeding 11. Disease control and surveillance 12. Value chain development 13. Marketing and value addition
Infrastructure	1. Tarmacking more roads 2. Opening up, expansion and improvement of County feeder roads 3. Construction of more bridges and culverts 4. Repair and maintenance
Education	1. Construction of ECDE Classes 2. Construction of stadiums 3. School feeding programs 4. Sports: KICOSCA, KIYSA, Darts, athletics,
Public administration	1. Governance reforms 2. Resource mobilisation and revenue administration 3. Project planning and management 4. Human resource management and training 5. legislation and oversight 6. coordination and management of county affairs
Water and environment	1. Domestic water provision 2. Irrigation agriculture 3. Dam construction 4. climate change mitigation 5. Environmental conservation 6. Rain water harvesting 7. Ground water harvesting 8. Waste management 9. Policy development and implementation

Health Sector takes the biggest share (38.15%) in the 2021/22 FY since access to quality and affordable health services is a top priority and the need to mitigate the Coronavirus. Agriculture sector follows by (14.28%) and infrastructure with (10.44%). All other sectors are contributors to the growth of the economy as well and allocations are fair and on priority basis.

4..1.2 Proposed 2021/22 Budget Framework

The proposed budget FY 2021/22 will be rolled out amidst an unpredictable medium term fiscal framework and economic outlook with anticipated slowdown in global economic activities suffering from Coronavirus shocks. In addition, the general macroeconomic condition for the county is expected to be weak consistent to the national macroeconomic environment. Therefore, the envisioned resource envelope and expenditure outlook will be based on assumption of stable inflation rate, exchange rate, interest rate and favourable macroeconomic conditions. The expenditure ceilings for the departments will be proposed in the County Fiscal Strategy Paper 2021 to be released in February 2021 with the necessary adjustments fully factored.

4..1.3 Revenue Projections

The projected budget for FY 2021/22 considers a total revenue of KES 5,383.71 million comprising of an equitable share of KES 4,214.2 million, county own revenue (CORe) of KES 340.0 million and grants of KES 829.5 million, as compared to KES 3,861.3 million, KES 325.0 million, and KES 993.0 million respectively projected in FY 2020/21.

The county revenue is expected to maintain an upward growth trend relatively given the improved administrative measures and efforts to increase the tax base. The aim is to mobilize more revenue from those categories that have not been fully exploited including land rates, plot rents, liquor licensing and building approval.

On the other hand, the revenue resources from loans, grants and equitable share of domestic resources are only likely to be clear after the resolution of the revenue stalemate. Tharaka Nithi is one of the counties that is poised to lose out if the new formula is adopted as proposed by the CRA given the low population numbers recorded in the 2019 census. It's hoped that the national equitable share will be increased to cushion those counties affected by the changes in the sharing parameters. The increase in both conditional and non-conditional grants will be based on increasing and strengthening capacity of Council of Governors to mobilize resources from development partners and own county initiatives such as mobilization efforts targeting Sustainable Urban Economic Development Programme (SUED) and Climate Change Fund among others.

The County Treasury has continued to focus extensively on instituting structural reforms aiming at rationalization of revenue collection procedures, harmonizing revenue laws and policies, as well as fiscal reforms that reduce personnel costs, operation costs and sealing revenue wastages. Therefore, continued enhancement and operationalization of electronic revenue collection system in FY 2020/21 will ensure that the County Government realizes the revenue target of KES 340.0 million with the aim of reaching KES 400 million in the next 5 years. The Own Source Revenue collection over the last three years shows an upward trend resulting from structural reforms in the department of revenue as well as improvement enforcement.

Table 9: MTEF Revenue projections by source 2021/22-2023/24

Description	**2018/19 FY Actual**	**2019/20 FY Actual**	**2020/21 FY Estimate**	**2021/22 FY Estimate**	2022/23 FY estimate	2023/24 FY Projection
Local Revenue	242,951,703	271,605,362	325,000,000	340,000,000	357,000,000	374,850,000
Loans and Grants	377,500,608	529,563,549	993,165,196	829,507,353	870,982,721	914,531,857
Equitable Allocation	3,642,400,000	3,587,084,400	3,861,300,000	4,214,200,000	4,324,910,000	4,546,155,500
Grand Total	**4,262,852,311**	**4,388,253,311**	**5,179,465,196**	**5,383,707,353**	**5,552,892,721**	**5,835,537,357**

Figure 4 shows the revenue performance and the projections over the medium term.

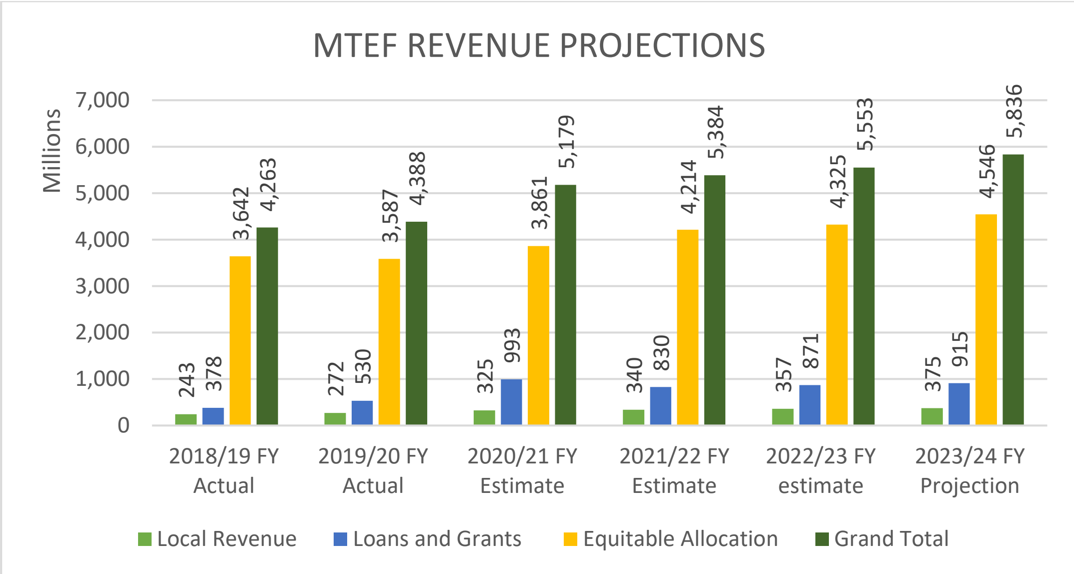

Figure 3: Revenue Projections FY 2018/19-2023/24

Figure 3 shows that there is significant increase in revenue collection from KES 242.95 million in realized in FY 2018/19 to KES 272 million collected in FY 2019/20. This trend is expected to be maintained in the medium term in order to increase the local revenue component to about 10% of the county budget. The revenue and expenditure projections in the medium term are as shown in the Table 10.

Table 10 : Revenue and Expenditure Projections 2021/22-2023/24

Description	2018/19 FY Actual	2019/20 FY Budget	2019/20 FY Actual	2020/21 FY Budget	2020/21 FY (CBROP 2019)	2021/22 FY (CFSP 2020)	2021/22 FY (CBROP 2020)	2022/223FY (CFSP 2020)	2022/223FY (CBROP 2020)	2023/24 FY (CBROP 2020)
TOTAL REVENUE & GRANTS	5,485,012,343	5,119,073,806	4,479,904,413	5,413,599,427	5,056,287,353	5,140,212,896	5,383,707,353	4,759,262,824	5,552,892,721	5,835,537,357
Unspent Bal b/f \Previous FY	611,080,016	166,743,356	91,651,102	234,134,231	0	0	0	0	0	0
Revenue (Total)	**4,873,932,327**	**4,952,330,450**	**4,388,253,311**	**5,179,465,196**	**5,056,287,353**	**5,140,212,896**	**5,383,707,353**	**4,759,262,824**	**5,552,892,721**	**5,835,537,357**
Equitable Share Allocation	3,642,400,000	3,924,600,000	3,587,084,400	3,861,300,000	4,206,390,000	3,861,300,000	4,214,200,000	3,554,000,000	4,324,910,000	4,546,155,500
Local Revenue	242,951,703	350,000,000	271,605,362	325,000,000	280,000,000	350,000,000	340,000,000	325,000,000	357,000,000	374,850,000
Grant income	377,500,608	677,730,450	529,563,549	993,165,196	569,897,353	928,912,896	829,507,353	880,262,824	870,982,721	914,531,857
Grand (Total)	**4,873,932,327**	**5,119,073,806**	**4,479,990,133**	**5,179,465,196**	**5,150,810,453**	**4,986,339,952**	**5,383,707,353**	**4,759,262,824**	**5,552,892,721**	**5,835,537,357**
Total Expenditure	**4,778,808,329**	**5,119,073,806**	**4,245,855,902**	**5,179,465,196**	**5,150,810,453**	**4,986,339,952**	**5,383,707,353**	**4,759,262,824**	**5,552,892,721**	**5,835,537,357**
Recurrent	3,430,640,693	3,448,703,125	3,083,315,758	3,462,014,388	3,657,662,253	3,587,714,852	3,581,750,253	3,331,483,977	3,676,892,865	3,852,672,571
Recurrent as % of CG Total Revenue	*72%*	*67%*	*73%*	*67%*	*71%*	*72%*	*67%*	*70%*	*66%*	*66%*
Personnel Emolument	2,289,300,500	2,095,890,829	2,044,509,882	1,950,306,906	2,203,943,953	2,190,810,836	2,055,943,953	2,189,260,899	2,108,741,151	2,216,678,208
Operations & Maintenance	1,141,340,193	1,352,812,296	1,038,805,876	1,511,707,482	1,453,718,300	1,396,904,016	1,525,806,300	1,142,223,078	1,568,151,714	1,635,994,363
Personnel Emoluments as % of CG Revenue	*48%*	*41%*	*48%*	*38%*	*43%*	*44%*	*38%*	*46%*	*38%*	*38%*
Development	1,348,167,636	1,670,370,681	1,162,540,144	1,717,450,808	1,493,148,200	1,398,625,100	1,801,957,100	1,427,778,847	1,875,999,856	1,982,864,786
Development as % of CG Total Revenue	*28%*	*33%*	*27%*	*33%*	*29%*	*28%*	*33%*	*30%*	*34%*	*34%*
Unspent Bal Current FY	95,123,998		234,134,231	0	0	0	0	0	0	0

4.1.4 Expenditure Forecasts

The 2021/22 FY budget has a total forecasted expenditure of KES 5,383.7 million and projected total expenditure of KES 5,552.9 million and KES 5,835.5 million in FY 2022/23 and FY 2023/24 respectively. The recurrent expenditure is estimated at KES 3,581.8 million compared to 3,462 million planned in budget FY 2020/21 and KES 3,083 million being actual expenditure incurred in FY 2019/20. The projected recurrent expenditure FY 2021/22 represents 67 percent of total expenditure being driven by projected wage bill at KES 2,055.9 million, allocation to County Assembly at KES 430.4 million and KES 1,525.8 million for operations costs. The need to recruit staff such in technical cadres as civil engineers, architects, quantity surveyors, environment officers, and demands for promotion of staff among others in order to spearhead technical departments has been a major driver of higher wage-bill. However, the County Treasury is urging for caution in the implementation of recommendations reached by the ad-hoc committee reviewing measures on wage bill mitigation. The report proposes a staff rationalization framework that will contribute significantly to adherence to section 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 that requires County Government expenditure on wages and salaries not to exceed 35 percent of total county revenue.

The capital expenditure for FY 2021/22 is projected to be KES 1,802 million compared to KES 1,717 million planned during FY 2020/21 and KES 1,162 million incurred in FY 2019/20. The major focus of development will be universal health, infrastructure, food security and housing. The County Government investment in the medium term will prioritize completion of on-going and stalled projects such construction of out-patient block at Chuka Level IV Hospital, upgrading of health centres, operationalization of new dispensaries, water reticulation programmes, development of school infrastructure such construction and equipping of ECDE classes, operationalization of completed projects such Agricultural Training Institute (ATI), Mukothima Grain Store and Marimanti Vetlab among others. The County Government will continue to strengthen public-private partnerships (PPP) in the medium term with increased financing of projects and programmes that promote private investment such upgrading of roads, enhancing access to electricity, development of water and drainage infrastructure. Table 11 indicates the projections of expenditure in the medium term period.

Table 11: Summary of Expenditure Projections 2021/22 FY and MTEF

Expenditure Classification	Actual Expenditure 2019/20	Approved Budget Estimates 2020/21	Projected Estimates (MTEF) 2021/22	Projected Estimates (MTEF) 2022/23	Projected Estimates (MTEF) 2023/24
Recurrent	2,732,093,020	3,062,014,388	3,171,300,253	3,257,097,865	3,421,988,071
Personnel Emoluments	2,044,509,882	1,950,306,906	2,055,943,953	2,108,741,151	2,216,678,208
Operations & Maintenance	687,583,138	1,111,707,482	1,115,356,300	1,148,356,714	1,205,309,863
Development	1,155,991,582	1,697,450,808	1,781,957,100	1,855,999,856	1,962,864,786
County Assembly	357,770,700	420,000,000	430,450,000	439,795,000	450,684,500
Un spent Bal current FY	234,134,443	234,134,443	0	0	0
Total	**4,479,989,745**	**5,413,599,639**	**5,383,707,353**	**5,552,892,721**	**5,835,537,357**

Table 12 illustrates the proposed budget ceilings for the MTEF period. These allocations therefore represent the preliminary and projected baseline ceilings in each sector for the proposed budget year's MTEF.

Table 12:Summary of Indicative departmental Ceilings for the MTEF Period 2021/22- 2023/24

MINISTERIAL DEPARTMENTS	**TOTAL EXPENDITURE KSHS**					**% SHARE OF TOTAL EXPENDITURE**				
	2019/20 Actual Expenditure	**2020/21 Estimates**	**2021/22 Ceilings**	**2022/23 Projections**	**2023/24 Projections**	**2018/19 Actual expenditure**	**2020/21 Estimates**	**2021/22 Ceilings**	**2022/23 Projections**	**2023/24 Projections**
Governor's Office	130,851,808	143,803,042	155,249,595	160,574,555	172,132,010	3.08%	2.79%	2.88%	2.89%	2.95%
Finance and Economic Planning	303,070,814	376,662,130	305,364,557	310,681,012	319,549,114	7.14%	7.31%	5.67%	5.59%	
County Public Service Board	13,524,671	22,762,798	28,084,604	30,393,065	35,832,371	0.32%	0.44%	0.52%	0.55%	0.61%
Administration and Public Service	130,310,923	269,529,734	277,370,163	287,107,180	299,717,898	3.07%	5.23%	5.15%	5.17%	5.14%
County Assembly	357,770,700	420,000,000	430,450,000	439,795,000	450,684,500	8.43%	8.15%	8.00%	7.92%	7.72%
Sub Total	**935,528,916**	**1,232,757,704**	**1,196,518,919**	**1,228,550,812**	**1,277,915,893**	**22.03%**	**23.92%**	**22.22%**	**22.12%**	**21.90%**
Energy and housing	11,998,551	19,257,500	32,990,705	36,089,775	45,698,753	0.28%	0.37%	0.61%	0.65%	0.78%
Roads, Transport and Infrastructure	460,531,993	557,606,440	570,525,003	592,377,503	639,615,254	10.85%	10.82%	10.60%	10.67%	10.96%
Sub Total	**472,530,544**	**576,863,940**	**603,515,708**	**628,467,278**	**685,314,007**	**11.13%**	**11.19%**	**11.21%**	**11.32%**	**11.74%**
Medical Services	1,723,645,326	1,356,980,245	1,445,113,875	1,489,180,956	1,535,043,100	40.60%	26.33%	26.84%	26.82%	26.31%
Public Health and Sanitation	52,292,488	280,946,518	290,987,200	295,600,700	309,147,678	1.23%	5.45%	5.40%	5.32%	5.30%
Sub Total	**1,775,937,814**	**1,637,926,763**	**1,736,101,075**	**1,784,781,656**	**1,844,190,778**	**41.83%**	**31.78%**	**32.25%**	**32.14%**	**31.60%**
Youth, Sports, Culture and Tourism	50,311,811	66,538,961	75,816,919	80,039,456	84,955,375	1.18%	1.29%	1.41%	1.44%	1.46%
Education and Vocation Training	219,006,638	310,811,468	315,723,378	322,690,616	336,359,078	5.16%	6.03%	5.86%	5.81%	5.76%
Sub Total	**269,318,449**	**377,350,429**	**391,540,297**	**402,730,072**	**421,314,453**	**6.34%**	**7.32%**	**7.27%**	**7.25%**	**7.22%**
Trade, Industry and Cooperatives	76,217,965	115,080,802	118,055,576	123,760,134	129,137,447	1.80%	2.23%	2.19%	2.23%	2.21%
Sub Total	**76,217,965**	**115,080,802**	**118,055,576**	**123,760,134**	**129,137,447**	**1.80%**	**2.23%**	**2.19%**	**2.23%**	**2.21%**
Agriculture	264,370,580	574,380,937	598,012,000	614,512,115	637,653,527	6.23%	11.14%	11.11%	11.07%	10.93%
Livestock and Fisheries Development	88,876,286	130,055,800	150,585,244	155,560,268	175,756,395	2.09%	2.52%	2.80%	2.80%	3.01%
Lands, Physical Planning and Urban Dev	258,012,795	272,574,987	290,843,485	299,227,830	306,650,916	6.08%	5.29%	5.40%	5.39%	5.25%
Sub Total	**611,259,661**	**977,011,724**	**1,039,440,729**	**1,069,300,213**	**1,120,060,838**	**14.40%**	**18.95%**	**19.31%**	**19.26%**	**19.19%**
Environment and Natural Resources	29,875,483	43,013,725	65,879,672	70,322,044	75,354,960	0.70%	0.83%	1.22%	1.27%	1.29%
Water Services and Irrigation	75,187,040	194,460,109	232,655,377	244,980,512	282,248,981	1.77%	3.77%	4.32%	4.41%	4.84%
Sub Total	**105,062,523**	**237,473,834**	**298,535,049**	**315,302,556**	**357,603,941**	2.47%	4.61%	5.55%	5.68%	6.13%
Grand Total	**4,245,855,872**	**5,154,465,196**	**5,383,707,353**	**5,552,892,721**	**5,835,537,357**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Table 13: Summary of Indicative Sector Ceilings

SECTOR	TOTAL EXPENDITURE KSHS					% SHARE OF TOTAL EXPENDITURE				
	2019/20 Actual Expenditure	**2020/21 Estimates**	**2021/22 Ceilings**	**2022/23 Projections**	**2023/24 Projections**	**2018/19 Actual expenditure**	**2020/21 Estimates**	**2021/22 Ceilings**	**2022/23 Projections**	**2023/24 Projections**
Public Admiration	935,528,916	1,232,757,704	1,196,518,919	1,228,550,812	1,277,915,893	22.03%	23.92%	22.22%	22.12%	21.90%
Infrastructure , Energy , ICT And Housing	472,530,544	576,863,940	603,515,708	628,467,278	685,314,007	11.13%	11.19%	11.21%	11.32%	11.74%
Health	1,775,937,814	1,637,926,763	1,736,101,075	1,784,781,656	1,844,190,778	41.83%	31.78%	32.25%	32.14%	31.60%
Education, Youth And Sports	269,318,449	377,350,429	391,540,297	402,730,072	421,314,453	6.34%	7.32%	7.27%	7.25%	7.22%
General Economic And Commercial Affairs	76,217,965	115,080,802	118,055,576	123,760,134	129,137,447	1.80%	2.23%	2.19%	2.23%	2.21%
Agriculture	611,259,661	977,011,724	1,039,440,729	1,069,300,213	1,120,060,838	14.40%	18.95%	19.31%	19.26%	19.19%
Environment, Water And Natural Resources	105,062,523	237,473,834	298,535,049	315,302,556	357,603,941	2.47%	4.61%	5.55%	5.68%	6.13%
Grand Total	**4,245,855,872**	**5,154,465,196**	**5,383,707,353**	**5,552,892,721**	**5,835,537,357**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

4.1.5 Projected Fiscal Balance (Deficit) and likely financing

The proposed 2020/21 county budget is balanced, but however, any shortfall in revenue that may occur within the year will be addressed through supplementary or borrowing within the borrowing framework by sub-nationals as approved by the Intergovernmental Budget and Economic Forum (IBEC).

4.2 Recurrent vs Development Budget Expenditure

The FY 2021/22 budget targets a recurrent expenditure of KES 3,581.8 million including KES 430.5 million allocated to the County Assembly against KES 3,462 million estimated in FY 2020/21 and KES 3,083.3 million spent in FY 2019/20. This recurrent expenditure represents 67.0% similar to the target in the FY 2020/21. However, the proportion of the recurrent expenditure to total targeted expenditure is expected to increase over the medium term as the need to operationalize competed projects increases the operations and maintenance costs.

Table 14 Recurrent and Development Expenditure 2021/22-2023/24

Expenditure Classification	Actual Expenditure 2019/20	Approved Budget Estimates 2020/21	Projected Estimates (MTEF) 2021/22	Projected Estimates (MTEF) 2022/23	Projected Estimates (MTEF) 2023/24
Recurrent	3,083,315,758	3,462,014,388	3,581,750,253	3,676,892,865	3,852,672,571
Development	1,162,540,144	1,717,450,808	1,801,957,100	1,875,999,856	1,982,864,786
Total	**4,245,855,902**	**5,179,465,196**	**5,383,707,353**	**5,552,892,721**	**5,835,537,357**

The development expenditure targeted for FY 2020/21 is estimated at KES. 1,717.5 million which represents 33 percent of total expenditure. This figure is expected to increase marginally in FY 2021/22 at KES 1,802 million but projected to increase to KES 1,982.9 million in FY 2023/24 projections.

These proportions of recurrent and development expenditures indicate that the County Government is compliant with PFM Act, 2012 requirement that the development expenditure shall not be lower than 30 percent in the medium term.

4.3 Debt Obligations

The County Government pending bills as per previous financial year amounted to Ksh. 493 Million. During the year under review the County settled pending bills amounting to Ksh. 524 Million. The amount of pending bills as at 30th June 2020 amounts to Ksh. 439 Million. Our focus as County is to settle the bills as soon as possible. In every budget cycle, we ensure that part of the allocations is towards settlement of old outstanding pending bills

4.4 Wage bill

The County Government anticipates to spent a total of KES 2,055.9 million in FY2021/22 as compensation to employees representing 38% of total county government revenue and KES 1,525.8 million on operations in FY 2021/22. This is against the fiscal responsibility principles as stated in PFM Act, 2012 Section 107(2) (c) which indicates that the expenditure on wages and benefits for County Government shall not exceed a percentage of the total revenue as prescribed in the regulations. The recommended rate is 35 percent of total revenues for the County Government. In the proposed MTEF budget for FY 2023/24, this percent is expected to remain at 38% in line with the CG focus on stabilizing the wage bill.

4.5 Expenditure Ceilings

The final expenditure ceilings for the county departments shall be outlined in the County Fiscal Strategy Paper 2021 which will have to be strictly followed. However, the departments are advised to consider guidance provided in this CBROP as the basis of establishing the preliminary ceilings.

4.6 Projected fiscal Balance (deficit) and likely financing

The county governments are required to maintain a balanced budget in the medium term. Therefore, the County Government has complied with this advisory by the National Treasury and has maintained a planned expenditure equal to the planned total revenue. However, technical deficits arise especially where there is under collection of own revenue, delay by the national government to release all monies allocated to the county governments before 30th June and donor funds not received before the end of a financial year.

SECTION V: CONCLUSION

The review of implementation of FY 2019/20 budget shows that the fiscal framework and the updated macroeconomic forecast demands for the need for caution and review of the financial objectives for FY 2020/21. This is basically as a result of the uncertainty in the expected revenue both for the equitable share and own revenue source. Therefore, the reviewed expenditures reflect the real circumstances that surrounded the implementation of FY 2019/20 budget and are broadly within the fiscal responsibility principles outlined in the PFM Act, 2012, Section 107(2) except for the wage bill which has gone beyond the 35% as recommended by the regulations. The fiscal outcomes are also consistent with the national financial objectives as outlined in relevant policy documents and various legislations including the Constitution of Kenya, County Government Act, 2010, and PFM Regulations 2015.

The County through its long term development objectives is devoted to ensuring services delivered are aligned to specific needs of our communities as contained in the CIDP 2018-2022. In doing so, the CG will endeavor to mobilize more resources through innovative and enhanced revenue collection mechanisms, embracing private-public partnership and creation of a conducive environment for business to thrive. This will be achieved through equity and fairness in distribution of resources and prioritization of development based on thematic approach for a particular financial year.

ANNEXURES

Annex I: Budget Calendar for the FY 2020/21

ACTIVITY	RESPONSIBILITY	DEADLINE
1. Prepare and issue budget circular with guidelines	CEC Member for Finance	August 28th 2020
1.1 One day sensitization workshop for accounting officers	CEC Member for Finance	Sep-20
2. Sector Woking Groups and CBEF	County Treasury	
2.1.1 1st CBEF Meeting – Review of FY 2019/2020 and Consideration of ADP FY 2021/22	County Treasury	24th September 2020
2.1.2 Launch and first meeting for SWGs and sensitization on SDGs	County Treasury	Oct-20
2.2 Second meeting for SWGs	County Treasury	
Submission of projects and programmes to be implemented for FY 2022/22	County Treasury	11th December 2020
2.3 Third meeting for SWGs	County Treasury	Mar-21
3. County Annual Progress Report	County Treasury (Economic Planning Department)	
3.1 Draft CAPR	County Treasury (Economic Planning Department)	15th September 2020
3.2 Validation of the CAPR	County Treasury (Economic Planning Department)	15th – 21st Sept 2020
3.3 Submission to CEC for Approval	County Treasury (Economic Planning Department)	30th September 2020
3.4 Submission to CA for Approval	County Treasury (Economic Planning Department)	21st October 2020
4. Monitoring and Evaluation	County Treasury (Economic Planning Department)	
4.1 M&E field work	County Treasury (Economic Planning Department)	September 2020 and January 2021
4.2 Annual M&E week	County Treasury (Economic Planning Department)	2nd week November 2020
5. Statistical abstract 2020	County Treasury (Economic Planning Department	
5.1 Draft	County Treasury (Economic Planning Department)	Oct-20
5.2 Launch	County Treasury (Economic Planning Department)	Dec-20
6. Development of ADPs for FY 2021/22 and 2022/23	County Treasury (Economic Planning Department)	
6.1. Draft ADP FY 2020/21	County Treasury (Economic Planning Department)	Aug-20
6.2 Submission of ADP FY 2020/21 to CEC	County Treasury (Economic Planning Department)	31st August 2020
6.3. Submission of ADP FY 2020/21 to County Assembly	County Treasury (Economic Planning Department)	1st September 2020
6.4. Report of ADP from County Assembly	County Treasury (Economic Planning Department)	
6.5. Consolidation of CA recommendations to Final ADP	County Treasury (Economic Planning Department)	

6.6. Approval of ADP by County Assembly	County Treasury (Economic Planning Department)	*(Within 21 days upon submission)*
6.7. Meeting with TWGs for ADP FY 2022/23	County Treasury (Economic Planning Department)	28th May 2021
6.8. First draft ADP FY 2022/23	County Treasury (Economic Planning Department)	15th August 2021
6.9. Validation ADP FY 2022/23	County Treasury (Economic Planning Department)	15th – 22nd August 2021
6.10. CEC Approval ADP FY 2022/23	County Treasury (Economic Planning Department)	25th August 2021
6.11. Submission ADP FY 2022/23 to County Assembly	County Treasury (Economic Planning Department)	31st August 2021
7. Development of County Budget Review and Outlook Paper (CBROP) 2019	County Treasury (Budget Unit)	
7.1. Estimation of Resource Envelope	County Treasury (Budget Unit)	11th Sep 2020
7.2. Determination of policy priorities	County Treasury (Budget Unit)	"
7.3. Preliminary resource allocation to Sectors	County Treasury (Budget Unit)	"
7.4. Draft County Budget Review and Outlook Paper	County Treasury (Budget Unit)	15th Sep 2020
7.5. Validation	County Treasury (Budget Unit)	15th 20th September 2020
7.6. Submission and approval of CBROP by CEC	County Treasury (Budget Unit)	30th September 2020
7.7. Submission of approved CBROP to County Assembly	County Treasury (Budget Unit)	14th October 2020
8. Preparation of Budget proposals for the MTEF	Departments	
8.1. First retreat to draft Sector Reports (Programmes and projects submitted)	SWGs	20th October 2020
8.2. Public Sector Hearings	County Treasury	August 2020 and February 2021
8.3. Review and Incorporation of stakeholder inputs in Sector proposals	SWGs	30th December 2020
8.4 Submission of Sector Reports to Treasury	Sector Chairpersons	5th March 2021
8.5. Consultative meeting with CECs/COs on budget proposals	County Treasury	15th April 2021
8.6 3rd CBEF Meeting: Consideration of Budget Estimates	County Treasury	22nd April 2021
9. Draft County Fiscal Strategy Paper (CFSP) 2020		
9.1. Draft CFSP	County Treasury	30th Jan 2021
9.2. Draft Debt Management Strategy (DMS)	Budget Unit	"
9.3.1 Validation Workshop	Budget Unit	15th - 20th February 2021
9.3.2 2nd CBEF Meeting: Consideration of CFSP and DMS (Strategic Planning)	County Treasury	18th February 2021
9.4. Submission of CFSP and DMS to CEC for approval	County Treasury	20th February 2021
9.5. Submission of CFSP & DMS to County Assembly for approval	County Assembly	26th February 2021

10. Preparation and approval of Final Departmental Budgets		
10.1. Develop and issue final guidelines on preparation of 2020/21 MTEF Budget	County Treasury	January, 2021
10.2. Submission of Draft Revenue Raising Measures (Finance Bill) to County Treasury	Line departments	30th March, 2021
10.3. Submission of Budget proposals to County Treasury (First draft)	Revenue Department	30th March, 2021
10.4. Consolidation of the Draft Budget Estimates (final draft)	County Treasury	15th April, 2021
10.5. Submission of Draft Budget Estimates to CEC	County Treasury	23rd April, 2021
10.6. Submission of Draft Budget Estimates to County Assembly	County Treasury	30th April, 2021
10.7. Submission of Final Revenue Raising Measures (Finance Bill) to County Treasury	Revenue Department	30th April, 2021
10.8. Review of Draft Budget Estimates by County Assembly	County Assembly	15th June, 2021
10.9. Report on Draft Budget Estimates from County Assembly	County Assembly	15th June, 2021
10.10. Consolidation of the Final Budget Estimates	County Treasury	15th June, 2021
10.11. Approval of Appropriation Bill by County Assembly	County Assembly	30th June, 2021
10.12. Approval of Vote on Account by County Assembly	County Assembly	30th June, 2021
11. Public participation	County Treasury (Economic Planning Department)	August 2020 - February 2021
12. Development committees (ward level)		
12.1. 1st meeting	County Treasury	30th October 2020
12.2. 2nd meeting		2nd week March 2021
13. Budget Statement	CEC Finance	17th June, 2021
14. Appropriation Bill passed	County Assembly	30th June, 2021

Annex II: Revenue Performance per Stream and location

Sub-County	Igamba Ng'ombe	Tharaka South	Tharaka North	Chogoria Urban	Chuka Urban	Marimanti Urban	Mwimbi Sub county	Muthambi Sub County	Chuka Sub County	County Head Quarters	Total
Hospital fees	-	11,661,760	-	-	-	-	4,067,634	-	70,662,733		86,392,127
Single Business Permit	3,962,748	3,921,449	2,904,627	6,729,465	16,014,534	3,494,431	3,297,865	3,429,615	3,762,081		47,516,815
Miscellaneous	735,016	252,626	130,805	381,230	640,256	454,170	246,600	445,850	578,256	40,849,703	44,714,512
Cess Fee	8,923,540	13,804,450	10,745,520	106,940	-	5,139,840	1,686,670	2,081,260	1,462,570		43,950,790
Market & Slaughter	2,587,640	2,126,025	1,117,080	996,875	3,641,560	1,258,475	1,076,560	282,670	395,200		13,482,085
Vehicle Parking	565,480	44,950	47,750	2,869,386	5,098,261	57,461	98,776	687,820	126,400		9,596,284
Liquor Inspection	643,000	254,980	311,000	4,000	1,184,900	438,000	581,300	931,500	874,200		5,222,880
Plan Approval Fees	-	-	234,875	391,224	2,322,913	417,100	55,500	105,113	112,687		3,639,412
House & Stalls	-	-	106,420	2,170,545	1,000,080	-	-	-	-		3,277,045
Advertisement	2,038,050	-	-	97,700	1,011,100	-	-	-	37,500		3,184,350
Plot-Rent	536,158	361,989	323,255	102,537	505,641	350,468	247,787	234,311	214,338		2,876,484
Physical Planning	824,300	14,500	114,400	120,000	342,462	70,675	453,500	-	111,500		2,051,337
Livestock Sales	677,470	75,170	833,040	-	-	390,820	-	-	-		1,976,500
Transfers Applications ,& Adj.	-	13,900	8,000	1,137,900	135,600	42,000	93,000	62,500	-		1,492,900
Mt. Kenya Lodge/Tourism	-	-	-	-	-	-	815,000	-	-		815,000
Penalties	38,300	10,750	58,270	111,383	249,770	2,000	13,500	28,960	1,170		514,103
Land & Rate	-	-	-	-	332,958	-	-	-	-	-	332,958
Medical Exam	-	61,700	-	2,000	-	23,490	4,000	-	79,016		170,206
Enforcement	1,500		2,024	-	108,850	-	-	-	48,290		160,664

Search , Min, Ext	-	-	-	3,000	15,500	9,000	14,000	28,000	64,000		133,500
Hire Of Hall &Lorry	-	-	8,245	-	36,000	-	13,590	-	-		57,835
Veterinary	-		-	-	-	24,250	-	-	-		24,250
Plan App. Fees, Health	-	9,800	-	-	-	-	1,000	-	1,525		12,325
Private Schools	-		-	-	-	-	-	-	11,000		11,000
Weights & Measures-	-	-	-	-	-	-	-	-	-		-
Cooperatives	-	-	-	-	-	-	-	-	-		-
Motor/C	-	-	-	-	-	-	-	-	-		-
School inspection	-	-	-	-	-	-	-	-	-		-
Food Premises	-	-	-	-	-	-	-	-	-		-
TOTAL	21,533,202	32,614,049	16,945,311	15,224,185	32,640,385	12,172,180	12,766,282	8,317,599	78,542,466	40,849,703	271,605,362