REPUBLIC OF KENYA

MANDERA COUNTY GOVERNMENT

THE COUNTY TREASURY

MEDIUM TERM

COUNTY FISCAL STRATEGY PAPER

FEBRUARY 2019

COUNTY VISION AND MISSION

VISION STATEMENT

Regionally competitive and self- reliant county

MISSION STATEMENT

To strategically position ourselves as a county guided by innovative competitiveness in order to achieve progressive, wealthy, healthy, cohesive and secure county

Abbreviations

BPS	Budget Policy Statement
CBROP	County Budget Review and Outlook Paper
CEC	County Executive Committee
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
FY	Financial Year
GDP	Gross Domestic Product
ICT	Information Communication Technology
ADP	Annual Development Plan
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NDA	Net Domestic Assets
NFA	Net Foreign Assets
PFMA	Public Finance Management Act
PPP	Public Private Partnership
TVET	Technical Vocational Education and Training
BOP	Balance of Payment
UTI	Urinary Tract Infections
URTI	Upper Respiratory Tract Infection
CRF	County Revenue Fund
RMLF	Road Maintenance Levy Fund

Foreword:

This is the 6th County Fiscal Strategy Paper (CFSP) prepared by Mandera County Treasury as required under Section 117 (1) of Public Finance Management Act 2012. The CFSP is normally the last planning document preceding the production of the budget estimates. The main purpose of the CFSP is set to out County Government's economic policies underpinning the preparation of the following financial year budget. It highlights key priority programs to be implemented in the Medium Term Expenditure Framework (MTEF) in line with the County Integrated Development and the annual development plan. The paper aligns itself to the broad national objectives as outlined by the national treasury in the Budget Policy Statement (BPS). It also contains vital information on overall fiscal strategy such as county revenues and expenditures, the overall resource envelope and highlights of priority areas as well sector ceilings that are critical for ministerial budgeting. An important objective of the paper is to re-emphasize the priorities and immediate concerns of the county and its citizenry. It provides the necessary fiscal interventions to respond to the economic challenges facing the county governments.

As has been in the previous financial years, the county government of Mandera is committed to improved service delivery to the public. Key pillars of service delivery articulated in this CFSP include water access, health services, road transport infrastructure, agriculture and livestock development, trade and enterprise development, land based natural resource management, education services and public administration systems. Some of these pillars are also in tandem with national government's priority areas under the Big Four Plan.

It is my sincere hope that the successful implementation of the fiscal strategies presented in this CFSP will culminate in the realization of great service delivery to the deserving citizens of Mandera County.

Ibrahim B. Hassan
CEC, FINANCE AND ECONOMIC PLANNING.

ACKNOWLEDGEMENT

This 2019 County Fiscal Strategy Paper endeavors to ensure effective linkage between policies, planning and budgeting. It provides an updated resource envelop and presents a fiscal framework for the 2019/2020 budget and the medium term plan. It also sets indicative sectorial ceilings in line with priorities and programmes outlined in the County Integrated Development for each sector. This is vital in ensuring that resources are directed to the key strategic objectives with the sole aim of improving livelihoods of the county residents.

The preparation of this CFSP was a cooperative effort. Much of the information in this report was obtained from the sector reports prepared by sector working groups. We thank everyone who participated in the production of this document and the general public who gave their valuable views during the public participation hearings

Alinoor Mohamed
Chief Officer - Accounting and Financial Services

TABLE OF CONTENT

CHAPTER ONE: INTRODUCTION

This section gives the background information and the legal requirements for the publication of the County Fiscal Strategy Paper (CFSP).

This section also gives the county's broad strategic priorities and policy goals that will guide the county government in preparing its budget for the 2019/2020 financial year and over the medium term.

1.1 Background information

The is prepared pursuant to section 117 of PFM Act 2012.The Constitution of Kenya, 2010, provided for two levels of government, National and County levels with each having clear functions. To ensure financial discipline and accountability with the way public finances are handled, various legal frameworks have been laid down including the Public Finance Management (PFM) Act, 2012 which requires counties to prepare County Fiscal strategy Paper (CFSP) each year.

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1.2 2019 CFSP broad strategic priorities and policy goals

The key broad strategic priorities and policy goals which will be the focus during the preparation of this Paper and over the medium term include the following:

1.2.1 Agriculture Livestock and Fisheries

The key policy goal of this sector is to achieve food security and sustainable land management as provided for in the Constitution, under Article 43 on the Bill of Rights which seeks to provide accessibility of adequate food of acceptable quality. The broad priorities of this sector include: reducing the dependence on rain fed agriculture through expansion of irrigation; raising agricultural productivity through value addition, increasing market access and adoption of technologies; exploiting irrigation potential; increased commercialization of the sector activities; creating an enabling policy and legal framework, improving efficiency and effectiveness of sector institutions; effective administration and management of land and land based resources; and sustainable management of resources in the sector. The priorities for livestock sector include: improved livestock market access; improvement of livestock marketing infrastructure; increased livestock production; Improved availability of high quality livestock feeds and water; improved livestock breeds; Improved management and dissemination of market information; Promotion of value addition in livestock, livestock products and by-products; creation of a Livestock Development Master Plan; improved Emergency preparedness on drought and livestock diseases; Establishment of a cross border trade; and improved veterinary services

1.2.2 Ministry of Genders, Youth and Social Services

The priorities for this sector include taking care of vulnerable members of the society by coming up with policies and programs specifically designed to suit their unique needs. It looks into priority issues and needs of youth, women and persons with disabilities.

1.2.3 Education, Culture and Sports

The education sub-sector is mandated to address the following: provision of early childhood education; quality assurance, teacher resource management at early childhood level, technical vocational education and training (TVET); and youth training.

The social services sub-sector which comprises of youth training; sports; and gender aims to promote sport activities and promote youth and women empowerment.

1.2.4 Health Services sector

The mandate of the sector is to build a progressive, responsive and sustainable technologically-driven health system for accelerated attainment of the highest standard of health to the people of Mandera County.

The five most common diseases in order of prevalence are Disease of Malaria, Upper Respiratory Tract Infection (URTI), Pneumonia, Urinary Tract Infection (UTI) and skin disease.

1.2.5 Water, Sanitation, Energy and Natural resources

Mandera County is one of the most water insecure counties in the country. The Key objective of this ministry is thus to improve water supplies and infrastructure throughout the county. Major part of the allocation for this ministry is going towards improving existing water infrastructure as well as developing new ones.

1.2.6 Public Works, Roads and Transport Sector

Improved road network; Completion of ongoing road projects, keep the repair works going on roads that were already done; improved market access; and improved transport infrastructure are the major priorities under this sector.

1.2.7 Ministry of Public Service and Devolved Units

The strategic priorities and policy goals of this sector include: enhanced public service delivery; enhanced early warning and response mechanisms of public issues; and ensure citizens enjoy services at the lowest level.

1.2.8 Lands, Housing and Physical Planning sector

This sector seeks to address land ownership and registration; resolution of land disputes; settlement of internally displaced persons; management of land resource; land policy development; and improved housing facilities.

1.2.9 Finance, Economic Planning and ICT sector

This sector's priorities and policy goals include: improved local revenue collection; enhanced resource mobilization and utilization; improved financial control; improved development planning, monitoring and evaluation and provision of ICT infrastructure and services

1.2.10 , Trade, Industrialization, Investment and cooperative development

This sector comprises of Trade, Industrialization, investment and Co-operatives development. Its major priorities include: promotion of both cross-border and local trade; promotion of industrial development; and promotion of local and foreign investment and strengthening of cooperative development

1.3 Legal Requirements for the publication of the CFSP

The CFSP has been prepared by the County Treasury in accordance with Section 117 of the PFM Act. The Act states that a County Treasury:

1. The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.

2. The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement. `

3. In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.

4. The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

5. In preparing the County Fiscal Strategy Paper, county Treasury shall seek and take into account the views of —

(a) The Commission on Revenue Allocation (CRA);

(b) The public;

(c) Any interested persons or groups; and

(d) Any other forum that is established by legislation.

6. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments.

7. The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal for the financial year concerned.

8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the county assembly.

Fiscal Responsibility Principles for the County Governments

In line with the constitution and the PFM Act 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM law (section 107) states that:

> (1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.
>
> (2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles-
>
> (a) The county government's recurrent expenditure shall not exceed the county government's total revenue;
>
> (b) Over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
>
> (c) The county government's expenditure on wages and benefits for its public officers 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;
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> (d) Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
>
> (e) The county debt shall be maintained at a sustainable level as approved by county assembly;
>
> (f) The fiscal risks shall be managed prudently; and
>
> (g) 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.
>
> (3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.
>
> (4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.

In summary, this CFSP is expected to set the tone and financial objectives that will guide the preparation and implementation of the 2018/2019 budget as well as provide a summary of the national macroeconomic outlook and how this will affect the County's economic performance.

CHAPTER TWO

RECENT GLOBAL, NATIONAL AND COUNTY ECONOMIC DEVELOPMENTS

2.1 Recent Global and National Economic Developments

Growth Update

The country's economy picked up in 2018, after sluggish growth in 2017, reflecting improved rains, better business sentiment and easing of political uncertainty. The economy grew by 5.8 percent, 6.2 percent and 6.0 percent in the first, second and third quarters of 2018 respectively, up from 4.7 percent in similar quarters in 2017. Growth for the first three quarters of 2018 averaged 6.0 percent and is projected to grow by 6.0 percent in 2018 up from 4.9 percent in 2017. This growth is supported by a strong rebound in agricultural output, steadily recovering industrial activity, and robust performance in the services sector.

Over the medium term, economic growth is expected to rise gradually to 7.0 percent per annum due to investments in strategic areas under the "Big Four" Plan that aim to increase job creation through the manufacturing sector, ensure food security and improved nutrition, achieve universal health coverage and provide affordable houses to Kenyans. These efforts will support the business environment, create jobs and ultimately promote broad based inclusive growth. The country has registered big success in the ease of doing business and as a top investment destination. In the 2019 World Bank's Doing Business Report, Kenya was ranked position 61 in 2018 moving 19 places from position 80 in 2017.

Inflation rate

The inflationary pressure witnessed in 2017 due to drought that affected food prices eased in 2018 supported by improved weather conditions that resulted in lower food prices. Month-on-month overall inflation remained stable and within target at 5.7 percent in December 2018 from 5.6 percent in November 2018, owing to a decline in food prices particularly maize, onions and tomatoes following improved weather conditions. Inflation has been low, stable and within the Government target range of 5+/-2.5 percent in the period 2013 to 2018 as a result of prudent monetary and fiscal policies

Kenya Shilling Exchange Rate

As per the 2019 BPS, the Kenya Shilling exchange rate remained broadly stable and competitive against major international currencies. Against the dollar, the exchange rate has been relatively less volatile exchanging at Ksh 102.3 in December 2018 from Ksh 103.1 in December 2017. Against the Euro and the Sterling pound, the Shilling also strengthened to Ksh 116.4 and Ksh 129.7 in December 2018 from Ksh 122.0 and Ksh 138.2 in December 2017, respectively. The Kenya Shilling exchange rate has continued to display relatively less volatility, compared to most sub - Saharan Currencies. This stability reflects strong inflows from tea and horticulture exports, resilient diaspora remittances and improved receipts from services particularly tourism

Interest rates

The Central Bank Rate was reduced to 9.0 percent on 30th July 2018 from 9.5 percent in March 2018 as there was room for easing monetary policy stance to support economic activity. The interbank rate remained low at 8.1 percent in December 2018 from 7.7 percent in December 2017 due to ample liquidity in the money market. The interest rates for Government securities have been declining indicating that the implementation of Government domestic borrowing program supported market stability. The 91-day Treasury bill rate declined to 7.3 percent in December 2018 compared to 8.0 percent in December 2017 while over the same period, the 182 day and the 364-day Treasury bills declined to 8.4 percent and 9.7 percent from 10.5 percent and 11.1 percent, respectively.

The 182 day and the 364 day Treasury bills averaged 10.6 percent and 11.1 percent in December 2017 from 10.5 percent and 11.0 percent in December 2016, respectively.

Commercial banks' average interest rates remained stable and compliant with the interest rate capping law that was effected in September 2016. The CBR was reduced to 9.0 percent from 9.5 percent in March 2018 and as a result the lending rate declined to 12.6 percent in October 2018 compared to 13.7 percent in October 2017. The deposit rate also declined to 7.6 percent from 8.2 percent over the same period. Consequently, the interest spread declined from 5.9 percent in October 2017 to 5.0 percent in October 2018.

BALANCE OF PAYMENT (BOP)

The BPS shows the overall balance of payments position having a deficit of US$ 1,333.9 million (1.4 percent of GDP) in the year to October 2018 from a surplus of US$ 490.5 million (0.6 percent of GDP) in the year to October 2017 This deficit was due to a decline in the financial account despite an improvement in the capital and current accounts.

The current account balance improved to a deficit of US$ 4,660.6 million (5.0 percent of GDP) in the year to October 2018 compared to a deficit of US$ 5,141.8 million (6.5 percent of GDP) in the year to October 2017. This improvement was supported by strong growth of agricultural exports particularly tea and horticulture, increased diaspora remittances, strong receipts from tourism, and lower imports of food and SGR-related equipment relative to 2017. It is expected to narrow further to 5.2 percent of GDP in 2018 from 6.3 percent in 2017.

Foreign Exchange Reserves

The banking system's foreign exchange holding remained strong at US$ 11,668 million in October 2018 from US$ 9,931 million in October 2017. The official foreign exchange reserves held by the Central Bank improved to US$ 8,554 million (5.6 months of import cover) in October 2018 compared with US$ 7,574 million (5.1 months of import cover) in October 2017.

Foreign exchange reserves have increased from around 3.0 months of import cover in 2003 to above 5.5 months of import cover in 2018 which is above the statutory requirement of 4.0 months of import cover and thus remain adequate to safeguard against exogenous shock

Capital markets

Activity in the capital market slowed down with equity share prices declining as shown by the NSE 20 Share Index. The NSE 20 Share Index was at 2,834 points by end- December 2018 from 3,712 points in December 2017. The depressed share prices resulted in lower market capitalization of Ksh 2,102 billion in December 2018 from Ksh 2,522 billion in December 2017. The decline reflects trends in the global equities markets as investors shift to bond markets in expectation for a further hike in the U.S. interest rates on strong jobs and economic data.

5.2 Impact of Global and National developments on County Economic Development

The county's economy witnessed marked improvement especially after the March 2018 handshake. At the county level, there were favorable environmental factors such as the long rains experienced in the latter part of 2018 and generally sound economic environment that has encouraged investments.

However, Mandera County continues to experience unique challenges such as persistent insecurity that secures away investors, long droughts that requires emergency intervention inform of food and water provision and general poverty that hampers desired level of economic activity. These challenges are expected to exist in the near future and they pose the greatest risks to the county's economic prospects.

CHAPTER THREE

GLOBAL AND NATIONAL ECONOMIC OUTLOOK

3.1 National Economic Development Outlook

Kenya's Real GDP is projected to expand by 6.1 percent in FY 2018/2019, 6.2 percent in FY 2019/2020, 6.4 percent in FY 2020/21 and 7.0 percent by FY 2022/23 This growth will be supported by a pickup in agricultural and manufacturing activities underpinned by improved weather conditions, strong service sector, stable macroeconomic environment, ongoing public infrastructural investments and sustained business and consumer confidence..

This economic growth prospects for the FY 2019/20 and over the medium term takes into account the global and sub-Saharan Africa growth prospects, the emerging global challenges and the domestic risks. The projections accommodates the strategic objectives of the Government as outlined in the Third Medium Term Plan (2018-2022) of Vision 2030.

Measures being undertaken by the Government under "The Big Four" Plan to boost the manufacturing sector; enhance food security and nutrition; build affordable housing; and achieve Universal Health Coverage are expected to enhance growth, create jobs and promote inclusive growth. The outlook, therefore points to a continued coordination of monetary and fiscal policies for overall macroeconomic stability which will support robust growth, lower fiscal deficits, contain inflation within the target range and a gradual improvement in the current account balance

3.2 Impact of the National Economic Outlook to the County Economy

The positive economic performance has a corresponding positive impact on the county economy. The county on its own guided by its own plans is making strides in key sectors such as health, water, infrastructure and social development to meet the unique needs of its deserving population. Over the last 5 years, the county has invested massive resources into projects such as tarmacking and murraming of roads, constructing and upgrading of water infrastructure and construction of health facilities. The results of these investments is beginning to be felt across the county inform of adequate water, good road networks and functioning health services. The county will continue with its reform agenda to realize best results for its people by taking the following measures

- Improvement of local revenue collection to boost its resource base for budgetary support.
- Adoption of Program Based Budgeting to guarantee maximum value for money in its budgetary allocations.
- Liaise with security stakeholders to create secure environment that can enhance investments
- Initiate measures to boost vulnerable members of society such as cooperative loans and scholarships to need students.

3.3 FISCAL PERFORMANCE OF THE 2018/2019 BUDGET

3.3.1 Introduction

Total budget passed by the county assembly for FY 2018/2019 through supplementary appropriation amounted to Ksh 13,709,957,408. Of this amount, Ksh 6,633,042,110 was allocated for the recurrent vote while the remaining Ksh 7,076,915,298 was earmarked to fund development initiatives. The proportion of the recurrent class of the budget was 48% while the development component accounted for 52%.

The table summarizes county revenues for FY 2018/2019 budget

Revenue summary By Sources	2017/2018 Kshs	2018/2019 Kshs
Equitable share of Revenue	9,739,500,000	10,142,200,000
Local Revenue Collections	141,000,000	179,287,568
World Bank Funding for Health sector - Result Based Financing	28,305,000	-
World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	160,000,000	100,000,000
Danida Funding for Health sector - Transforming Health care - Universal Health (new funding)	40,078,375	32,653,125
Road Maintenance Fuel Levy (Conditional Grant)	381,574,994	267,035,293
Kenya Devolution Support Program	54,795,936	58,673,488
Kenya Urban Support Program	-	175,819,500
Foregone user fees in Health Facilities in rural Area (Conditional Grant)	25,474,920	25,474,920
Unspent Fund for Ongoing Projects from the previous FY (Unreleased funds by the exchequer)	1,559,407,928	
Unspent fund from Recurrent Budget for 2016/2017 Financial Year	42,477,798	
On-Going Development Projects funds b/f from 2017/2018	-	2,421,546,956
Recurrent Unspent balance b/f	-	-

Danida Funds from 2015/2016 reflected in the supplementary that was not passed	7,310,000	25,000,000
Unspents RMLF b/f	37,000,000	34,195,144
Development of youth Polytechnics	29,831,415	31,240,000
Kenya Climate smart Agriculture Project (NEDI)	-	150,000,000
Agricultural Sector Development Support Progam (ASDSP)	-	37,000,000
Total	**12,246,875,573**	**13,709,957,408**

Source: Mandera County Treasury

3.3.2 Fiscal Performance Analysis for each department for FY 2018/19

Table shows the breakdown of county's budget per ministry.

2017/2018 BUDGET SUMMARY	2018/2019 Departmental Allocations		
Departments	Recurrent Expenditure	Developments Expenditure	Total Departmental Allocation
Ministry of Agriculture Livestock and Fisheries	205,064,462	649,985,726	855,050,188
Ministry of Education, Culture and Sports	604,834,064	498,823,674	1,103,657,738
Ministry of Gender, Youth and Social Service	97,312,980	129,050,000	226,362,980
Ministry of Finance	569,892,792	159,923,837	729,816,630
Ministry of Health Services	1,716,693,900	810,941,000	2,527,634,900
Ministry of Trade, Investments Industrializations and Cooperative Development	47,069,254	285,226,041	332,295,295
County Assembly	810,631,525	211,263,510	1,021,895,035
Lands, Housing and Physical Planning	63,202,036	156,703,085	219,905,121
Office of the Governor and Deputy Governor	667,598,466	-	667,598,466

County Public Service Board	70,060,764	-	70,060,764
Ministry of Public Service, Management and Devolved Unit	1,267,128,478	453,000,000	1,720,128,478
Public Works Roads and Transport	102,812,511	2,030,512,603	2,133,325,114
Ministry of Water, Environment and Natural Resources	410,740,878	1,691,485,823	2,102,226,701
GRAND TOTAL	**6,633,042,110**	**7,076,915,298**	**13,709,957,408**

Source: Mandera County Treasury

From the table above, the county assembly passed a total budget of Kshs 13.710 billion across all spending units in the year under review. The table breaks down the county budget into recurrent and development.

Notable projects in each ministry's development budget are discussed below:

3.3.2.1 Health Services sector:

This ministry has received one of the biggest budgetary allocations. It has total budget of Kshs 2,527,634,900. About Kshs 1.7 billion of this budget will go towards financing recurrent expenditure while the remaining 811m will fund development projects. Some of the key health projects that will be implemented in this sector include Construction of KMTC in partnership with Kenya Medical Training College (80m), a Level 4 hospital at Kutulo sub-county (Out-patient dept., Male and Female Wards, Maternity Wing, Theater, Radiology, Lab, etc.) at Kshs 65m and procurement/Equipment Leasing (A $ E and Maternity at Elwak and MCRH) at a cost of Kshs 75m.

3.3.2.2 Water, Energy and Natural Resources sector:

This ministry's gross budget is Ksh 2,102,226,701. Of this, Kshs 1,691,485,823 is for development budget and the remaining Ksh 410,740,878 is for recurrent budget. This sector plays a critical role in county's development agenda. To achieve this, it has a wide range of development projects scattered across the county. Examples of these projects include drilling of boreholes at 49m, Expansion of Arda Boji Earthpan by 60,000M3 at 31m, Office block for MADAWASCO head office at 40m and Rehabilitation of various dams at a cost 40 million. Others are various Earth Pans of varying volumes, Solar street lighting, environmental protections etc

3.3.2.3 Public Works Roads and transport Sector:

This ministry received a total budget of Ksh 2,133,325,114. In the year under review, Kshs 2,030,512,603 of this budget will be used to finance development initiatives while Kshs 102,812,511 will for recurrent purposes. The Kshs 2 billion development budget will going towards financing of both new and on-going projects. The new projects include the Kshs 267 million for Takaba-Gither, Rhamu - Malka Mari, Kutayu - Elwak, Elwak-Elgolicha, Awara-Morothiley and Guba-Choroqo. Othets are Fencing/Securing of Karro Airport Land at the Kshs 30m, Proposed fencing of Takaba Airstrip at Kshs 25m, Construction/Procurement of Residence for the DG at Kshs 33m and various other lower value items.

Some of the on-going projects that are being funded include: Kshs 698m for Mandera Tarmac Road, county headquarter Kshs 245m, County Rest House KShs140m, and Governor's residence at 62m.

3.3.2.4 Agriculture, Livestock and Fisheries:

This ministry received total budget of Kshs. 855,050,188 of which Kshs 649,985,726 was for development and other Kshs 205,064,462 for recurrent. Some of the major projects to be implemented in this year include 200,000M3 Earth Pan for irrigation and food production in in one Sub-County at a cost of 67.5m, projects under Kenya Climate smart Agriculture Project, 150m, Completion of the Construction of the regional livestock Market at 76m and Constructions of modern slaughter house in Mandera East at 61m.

3.3.2.5 Ministry of Genders, Culture and Social Services

This ministry is tasked with taking care of the vulnerable members in the society. It has a received a total budget of Kshs 226,362,980. Of this budget, Kshs 97,312,980 is for recurrent and Kshs 129,050,000 is for development. Some of the notable projects under this ministry are Support to the most vulnerable in the society (housing, hunger safety net programs, restocking) at Kshs 60m and construction of Mandera County rehabilitation center at Kshs 44 million.

3.3.2.6 Trade, Industrialization, investment and Co-operatives development:

For the FY 2018/2019, this ministry was allocated a development budget of Kshs 285,226,041 and a recurrent budget of Kshs 47,069,254. The ministry is implementation various capital projects such as construction of Elwak SME park at Kshs 107m, Mandera town Esp market at Kshs 10m, Completion of Proposed Miraa Market In Mandera Town at 32m, operationalization of county trade fund at a total cost of 50m as well as fencing of old Mirra Market at the cost of Kshs 15m.

3.3.2.7 Ministry of Education, Culture and Sports:

This ministry's budget is composed Kshs 498,823,674 development and Kshs 604,834,064

Recurrent. Some of its major projects include construction of Administration Block at Mandera Teachers Training College at a cost of Kshs 80m, construction of over 60 ECD Class rooms across the county at a cost of 65m and construction of administration block at Mandera Technical Training Institute, Dining Hall, and a kitchen a the cost of Kshs 60m.

3.3.2.8 Ministry of Public Service and Devolved Units:

A large chunk of this ministry's budgetary allocations went to fund recurrent activities due the nature of its mandate. It has a total budgte of Ksh 1,720,128,478. A budget of Ksh 358,791,000 was allocated for development projects. Some of its development projects include construction of Sub-County Headquarter for Takaba at a cost 40m, completion of Kutulo and Elwak Sub-County HQs at 40m, construction of Municipality Office Blocks, 40m and establishment of Mandera East HR registry at a cost of 13m.

3.3.2.9 Land, Housing and physical planning sector:

This ministry was allocated a budget of Kshs 383,431,572. Kshs 304,733,094 was for development. Some of its projects include Completion of Cadastral survey for Mandera town, Elwak and Kutulo 20m and Construction of sub-county land office-Elwak at a cost of 20m.

3.3.2.10 Finance and Economic Planning sector:

This is a largely service ministry. A bulk of its total budget of Kshs 729,816,630 is earmarked to fund recurrent expenses. The major component of the recurrent budget is personnel cost. The ministry has a development budget of Ksh 159,923,837 which will finance initiatives such as IDP Housing Programs (m), material stores, 10m and Materials and Equipment store at 23m.

3.3.3 Revenue Performance

3.3.3.1 Local Revenue

The table below shows the local revenue performance for the first six months of FY 2018/2019

Ministry	**Revenue Source**	**Budget**	**Year to January 2019 Performance**	**Per cent performance**
Revenue Sources	Sub-Revenue Source	2018/2019		
Ministry of Lands and urban Planning	Land rents	22,310,115	10,855,920	49%
	Plot Tranfers/Sub-Divisions/Application Fees	10,078,000	3,013,500	30%
	Sub Total	**32,388,115**	**13,869,420**	43%
Ministry Trade, Industrializations and Co-operatives	Miraa Movements	19,201,845	4,659,100	24%
	single Business Permit	18,767,852	2,872,600	15%

	Markets stalls	3,868,865	2,713,870	70%
	stores	3,235,201		0%
	Bus-park/Taxis	1,178,491	186,250	16%
	Income from Quarries	3,308,958	101,850	3%
	Building plan	3,685,817	340,900	9%
	Barriers	1,877,431	4,102,360	219%
	Local Flights Tickets- Mandera Airstrip	5,500,000	-	0%
	Sub Total	**60,624,458**	**14,976,930**	**25%**
Ministry of Livestock and Agriculture	Livestock Markets	8,551,098	1,986,750	23%
	Livestock Movement	4,463,527	1,563,000	35%
	Slaughter fees and Charges	5,173,030	2,073,040	40%
	Produce Cess	1,491,170	107,600	7%
	Agriculture Mechanization/Hire of Equipment	4,900,000	841,100	17%
	Sub Total	**24,578,825**	**6,571,490**	**27%**
County Treasury	Income from Sale of Tenders documents	927,591	3,000	0%
	Rental income	118,745	316,850	267%
	Others	10,586,878	-	0%
	Sub Total	**11,633,215**	**319,850**	3%
Ministry of Health Services	Public Health	9,100,000	729,700	8%
	Hospital collection	27,320,000	11,955,070	44%

		36,420,000	12,684,770	35%
Ministry of Water and irrigations	Income from Water Management	9,944,467	981,450	10%
	Sub Total	9,944,467	981,450	10%
Ministry Roads and Public Works	Hire of Public Works Equipment	3,500,000	-	0%
	Sub Total	3,500,000	-	0%
	Grand Total	**179,089,080**	**49,403,910**	28%

Total local revenue collection for the first seven months of this financial year stands about 49.4m. This represents about 28% of the targeted annual revenue of Kshs 179m. There are various challenges hampering local revenue performance such as insecurity, low economic activity, weak enforcement services and lack of cooperation from the county residents. However, compared to previous years, there are indications in this financial year that the performance is on positive trajectory.

3.3.3.2 Exchequer Releases

In terms of exchequer releases by National Treasury, as at end of February 2019, we have received **Kshs 4,969,678,000** being disbursement for the months of July to December. This means we are two months behind (January and February). We have also received Conditional grants amounting to **Kshs 429,967,288**. These are summarized in the table below

Exchequer releases and other Conditional grant received as end of February 019

Exchequer Release	**Descriptions**	**2018/2019 Budget amount**	**Amount received in Kshs**	**% Received**
	July		507,110,000	
	August		709,954,000	
	September		912,798,000	
	October		1,014,220,000	
	November		1,014,220,000	
	December		811,376,000	
	Sub-Total	**10,142,200,000**	**4,969,678,000**	**49%**

Conditional Grants	Kenya Climate smart Agriculture Project (NEDI)	54,858,856	54,858,856	100%
	Agricultural Sector Development Support Program (ASDSP)	37,000,000	10,161,036	27%
	Kenya Urban Support Program	175,819,500	175,819,500	100%
	Danida Funding for Health sector - Transforming Health care - Universal Health (new funding)	32,653,125	16,326,563	50%
	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health Care	100,000,000	39,283,686	39%
	Road Maintainance Fuel Levy (Conditional Grant)	267,035,293	133,517,647	50%
	Sub-Total	**667,366,774**	**429,967,288**	**64%**
Grand Total		**10,809,566,774**	**5,399,645,288**	50%

EXPENDITURE PERFORMANCE

Budget execution in the first quarter of this financial was slow due to delays of funds from national treasury and longtime taken to have the budget in the IFMIS. However, budget absorption picked in the second quarter of the financial quarter of the financial year. Our total spends to date stands at **Kshs 6,954,075,918** representing 51% of the total budget. This is made up of recurrent expenditure of Kshs 4,320,652,246 (65%) and Development expenditure of Kshs 2,633,423,672 (37%).

The table below shows the breakdown of the total expenditure by ministries.

Departments/programmes	Approved Budget for 2018/2019	Actual Expenditure as end of February	Absorption Rate
County Assembly	1,021,895,035	495,062,101	48%
Ministry of Agriculture Livestock and Fisheries	855,050,188	222,312,686	26%

Ministry of Education, Culture and Sports	1,103,657,738	561,195,119	51%
Ministry of Gender, Youth and Social Service	226,362,980	66,023,101	29%
Ministry of Finance and Economic Planning	729,816,630	541,725,222	74%
Ministry of Health Services	2,527,634,900	1,557,198,381	62%
Ministry of Trade, Investments Industrializations and Cooperative Development	332,295,295	146,362,760	44%
Ministry of Lands, Housing and Physical Planning	219,905,121	63,737,403	29%
Office of the Governor	667,598,466	366,042,178	55%
County Public Service Board	70,060,764	34,587,720	49%
Ministry of Public Service, Conflict Management, Cohesion and Devolved Unit	1,720,128,478	1,087,346,711	63%
Ministry of Public Works Roads and Transport	2,133,325,114	917,326,430	43%
Ministry of Water, Environment and Natural Resources	2,102,226,701	895,156,105	43%
TOTAL	**13,709,957,408**	**6,954,075,918**	51%

Source: County Treasury

a) Recurrent expenditure performance

The table below analyses recurrent expenditure by ministry for the first seven months of this financial year.

Departments/programmes	Approved Budget for 2018/2019	Actual Expenditure as end of February	Absorption rate
County Assembly	810,631,525	446,271,463	55%
Agriculture Livestock and Fisheries	205,064,462	129,249,181	63%
Education, Culture and Sports	604,834,064	433,837,048	72%
Gender, Youth and Social Service	97,312,980	29,523,101	30%

Ministry of Finance and Economic Planning	569,892,792	409,925,222	72%
Ministry of Health Services	1,716,693,900	1,220,162,428	71%
Trade, Investments Industrializations and Cooperative Development	47,069,254	24,513,765	52%
Lands, Housing and Physical Planning	63,202,036	28,538,900	45%
Office of the Governor	667,598,466	366,042,178	55%
County Public Service Board	70,060,764	34,587,720	49%
Public Service, Management and Devolved Unit	1,267,128,478	855,880,778	68%
Ministry of Public Works Roads and Transport	102,812,511	57,677,429	56%
Ministry of Water, Energy Environment and Natural Resources	410,740,878	284,443,032	69%
TOTAL	**6,633,042,110**	**4,320,652,246**	**65%**

Source: County Treasury

The overall performance for the county's recurrent budget for period review was 65% which is well with target. A total amount of Kshs **4,320,652,246** was spent under the recurrent category of the budget. Of this amount, **Kshs 3,874,380,783** was spent by the executive and the remaining **Kshs 446,271,463** was utilized by the county assembly. The best spenders in the recurrent budget were the Ministry of Finance and Education both at 72% followed by the ministry of Health Services at 71%, Water at 69%, Public Services 68%. The lowest spender in the recurrent expenditure is ministries of Gender, Youth and Ministry of Lands, Housing and Physical Planning at 30% and 45% respectively.

b) Development expenditure

The table below analyses development expenditure in the first seven months of FY 2018/019.

Departments/programmes	Approved Budget for 2018/2019	Actual Expenditure as end of February	Absorption rate
County Assembly	211,263,510	48,790,638	23%
Ministry of Agriculture Livestock and Fisheries	649,985,726	93,063,505	14%
Ministry of Education, Culture and Sports	498,823,674	127,358,071	26%

Ministry of Gender, Youth and Social Service	129,050,000	36,500,000	28%
Ministry of Finance and Economic Planning	159,923,837	131,800,000	82%
Ministry of Health Services	810,941,000	337,035,953	42%
Ministry of Trade, Investments Industrializations and Cooperative Development	285,226,041	121,848,995	43%
Ministry of Lands, Housing and Physical Planning	156,703,085	35,198,503	22%
Ministry of Public Service, Management and Devolved Unit	453,000,000	231,465,933	51%
Ministry of Public Works Roads and Transport	2,030,512,603	859,649,001	42%
Ministry of Water, Environment and Natural Resources	1,691,485,823	610,713,073	36%
TOTAL	**7,076,915,298**	**2,633,423,672**	37%

Source: Mandera County Treasury

Development expenditure performance for the first half of this financial year stood at 37%. The best performer in utilizing development funds was the ministry of Finance at 82% followed by Public Services, Trade, Roads and Public Works at 51%, 43% and 42% respectively while the lowest spender was the ministry of Agriculture and Livestock at 14%.

It’s important to note that most of expenditures above are in relation to payments for projects that were awarded last financial year whose funds were brought forward from the previous financial year. There was a delay in the formation of the County Government that resulted in the delays in the implementation in the current financial year but now the implementation is well underway.

CHAPTER 4

FISCAL FRAMEWORK AND STRUCTURAL MEASURES FOR FY 2019/2020 AND THE MEDIUM-TERM

The 2019/2020 Medium-Term budget will endeavor to continue on the fiscal consolidation path. The objective of this fiscal consolidation is to support sound financial management and eliminate wastages. The end result of this is expected to be creation of sustainably wealthy county and provision of high quality services to improve the livelihoods of the citizens. The county will pursue prudent fiscal policies to ensure economic growth and development. In addition, these policies will provide support to economic activities while allowing for sustainable implementation of the projects and programs.

As has been in the previous financial years, Mandera County's resource envelope will consist of the following revenue streams:

- Equitable Share of revenue from national government.
- Compensation for user fees forgone
- Donor funds from UHC fund and world bank
- Road Maintenance Levy Fund
- Kenya Devolution Support Program, KDSP
- Kenya Urban Support Program
- Own local revenue collections

In 2019/2020 financial year, the National Treasury has unjustifiably reduced the allocation to the counties in a growing economy as well as a going Revenue (The budget estimate for 2019/20120 is Kshs 2.7 Trillion up from 2.5 Trillion for 2018/2019). An analysis of the same document shows that the total allocation to the counties are Kshs 310 billion in form of equitable sharable Revenue down from Kshs 314 billion in 2018/2019 financial year. There is further allocation of Kshs 61.6 billion Conditional Grants. Assuming that there no material changes, Mandera County is expected to receive about Kshs 11 billion. This amount consist of equitable share (10,013,000,000), use fees forgone (25,474,920), village polytechnics (31,240,000), road maintenance levy fund (290,185,219) and leasing of medical equipment (131,914,894). Due to the second generation formula by CRA the county's equitable share has dropped from 10.142 billion in 2018/2019 to 10.013 billion in the FY 2019/2020. A reducing equitable share will put Mandera County in a precarious situation because funds from national government form the lion's share of the county budget revenues.

FISCAL POLICY

The County government in its FY 2019/2020 fiscal policy is committed to fiscal consolidation while ensuring that resources are availed for development initiatives in order to positively impact on productive sector growth and overall economic growth. In this regard, the county government is committed to keeping recurrent spending at sustainable levels and devotion of more funds to development. Reforms in the budget expenditure management and revenue administration will be implemented to increase efficiency, reduce wastages and increase revenues collected and hence create fiscal space that frees more funds for productive areas. The county government is truly committed to implementing a program based budget system in the following financial year. This is expected to create budget clarity that emphasis on results as opposed to mere absorption of funds.

SPENDING PRIORITIES

The FY 2019/20 budget framework is set out against background of the medium term fiscal policy of the county government and county government's broad policies as domesticated in the County through the CIDP, the ADP and departmental strategic plans.

Considering the limited resources facing the county Government and competing needs for funding, priorities for funding in FY 2019/2020 will be given to projects/programmes that focus on strategic interventions. These programmes are geared towards promotion of service delivery that supports social development, economic growth and transformation of the County. The projects to be funded must also be in line with the county goals and objectives as outlined in this CFSP, the CIDP and the ADP. In this regard, ministries are required to rationalize and prioritize their expenditure programmes in the FY 2019/20 to focus only on the strategic interventions and projects as captured in these documents.

FISCAL STRATEGY FOR FY 2019/2020

The FY 2019/2020 fiscal strategy has been designed to address Following objectives:

- Fast tracking of implementation of development programs to encourage faster absorption of funds
- Completion of all ongoing/stalled projects
- Settling of all pending liabilities to solve ever present public complaints in county's payment systems
- Streamlining and improving local revenue performance to realize more resources
- Collaborating with key and donors to finance flagship projects in health, water and infrastructure.
- Increasing budget transparency and accountability as required by law.
- Devolving services closer to the people and ensuring count services are visible in all parts of the county.
- Under take programs that will address the plight of the most vulnerable in the Society. This will entails building some shelter for them as well as providing some sources livelihood inform of a given heads of livestock.

RISKS TO THE COUNT'S FISCAL PEROMANNCE

Despite its ambitious development agenda, the county faces a number of risks and uncertainties that curtail realization of its objectives.

Some specific risks to the county's fiscal performance are:

- The recent revision of the revenue sharing formula by CRA disadvantages the county by reducing resources available inform of equitable share.
- Low performance by local revenue collections results in budget deficits.
- Delays of release of funds from national treasury
- Large portfolio of ongoing projects that will reduce resources available for new investments
- Insecurity that poses the single biggest risk to the success of the County.
- New IFMIS requirements such as e-sourcing create slow and cumbersome procurement processes.

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CHAPTER FIVE:

DETAILS OF CEILINGS AND MINISTRIAL PRIORITIES

Resource Allocation Guidelines

Resource allocation for the FY 2019/20 will be geared towards financing priority programmes and projects that will culminate in the realization of county strategic objectives such as investments in the agricultural sector; food security, provision of adequate and clean water, boosting road infrastructure, Well Functioning Universal Health Care, support to ECD and vocational training as well as addressing the plight of the most vulnerable in our society.

In this regard special focus will be directed areas such as:

- Sound governance, transparency, and accountability and Human Resource productivity in the delivery of services to the county residents. To achieve this, adequate resources will be committed to staff salaries, allowances and capacity buildings.
- Promotion of accessible and affordable health care for all County resident by providing skilled health staff and drugs
- Improving food security by encouraging Agricultural production through increased extension services to reduce cost to farmers and support to small scale farmers.
- Expansion and maintenance of road infrastructure and network to enhance productivity and reduce cost of doing business in the county
- Promotion of ECDs and adult education to uplift county literacy levels
- Investing in youth and women by ways of loans and Scholarships/Bursary
- Under take programs that will address the plight of the most vulnerable in the Society

In establishing budget ceilings for the financial year and subsequent financial allocations, non-discretionary expenditures take first charge. Examples of these include statutory obligations such as salaries and other related staff expenses. In development expenditure, first consideration will be given to the completion of ongoing projects while availing adequate resources to the new projects which are key to growth of the County. Priority will be given to projects identified in the CIDP, ADP and the public participation reports.

Projects proposals will be subjected to rigorous scrutiny to ensure they are in line with the county vision and development plans. Costing of programs will also be closely monitored to ensure there are no future variations and adjustments.

The Table below summarizes the revenues expected in the 2019/2020 financial Year for Mandera County Government. The comparative for 2018/2019 is also shown.

		2018/2019	2019/2020
Funding Types	**Revenue summary By Sources**	**Kshs**	**Kshs**
Taxes	Equitable share of Revenue	10,142,200,000	10,013,000,000
	Local Revenue Collections	179,287,568	179,287,568
Conditional Grants	World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health	100,000,000	125,000,000
	Danida Funding for Health sector - Transforming Health care - Universal Health	32,653,125	30,000,000
	Road Maintenance Fuel Levy (Conditional Grant)	267,035,293	290,185,219
	Loans & grants		593,513,860
	Kenya Devolution Support Program	58,673,488	
	Kenya Urban Development Support Program	175,819,500	175,819,500
	Kenya Urban Institutional grant	-	10,000,000
	Foregone user fees in Health Facilities in rural Area (Conditional Grant)	25,474,920	25,474,920
	On-Going Development Projects funds b/f from 2017/2018	2,421,546,956	-
	Danida Funds from 2015/2016 reflected in the supplementary that was not passed	25,000,000	-
	Unspents RMLF b/f	34,195,144	-
	Development of youth Polytechnics	31,240,000	31,240,000
	Kenya Climate smart Agriculture Project (NEDI)	150,000,000	200,000,000
	Agricultural Sector Development Support Progam (ASDSP)	37,000,000	37,000,000
	TOTAL	**13,709,957,408**	**11,710,521,067**

Traditionally, some amount of funds will remain unspent at end of the financial year. This amount cannot be reliably established at this stage. However, going by the trends of previous years, some of this year's budget will be carried forward to the following year budget as unspent but committed funds. This amount of funds will become clearer as we approach the final phase of budget preparation at the closure of the financial year.

A close look at 2019 Budget Policy Statement (BPS) released by the national treasury shows a marginal decrease in the county's equitable share from 10.142 billion 2018/2019 to 10.013 billion in the FY2019/2020This decrease was precipitated by the revision of revenue sharing formula by the Commission on Revenue Allocation, CRA. Sufficient fiscal consolidation measures will be adopted to cope with the adverse impact of the new formula

PRIORITIZATION AND ALLOCATION OF RESOURCES

The County Government will continue with its policy of expenditure prioritization with a view to funding core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies.

The following measures will be adopted as a guideline for resource allocation:

1. ***Linkage of projects and programmes with the objectives of the County Integrated Development Plans:*** The County, in its resource allocation will ensure there is a linkage between plans and budget. Information derived planning documents and CIDP (2018-2022) will guide resource allocation in the FY 2019/2020.
2. ***Adherence to Annual Development Plan*:**

Another criterion that will be used in prioritization and allocation of resources is that programmes that have been identified in the 2019/2020 Annual Development Plan.

3. ***Degree to which the programme is addressing the core mandate of the county entity*:** Projects and Programmes that address the core mandate of the county government will be given priority. The critical sector include Health, Water, Road and other infrastructure, Agriculture and Livestock as well as Education and sports

4. ***Expected outputs and outcomes from a programme***: Projects and Programmes that have high output and impact will be selected for implementation over those that have a low output and low impact.

5. ***Cost effectiveness and sustainability of a projects/ programmes***: Projects and programmes that are cost effective and sustainable will be given a higher priority over those that are unsustainable and have a high cost.

MINISTRIAL CEILINGS

Having identified the key criteria for allocation of resources among the various competing interest, having also established the likely amount of resource available, here blow we allocate these resources as per the table below.

Table: *showing the full allocation to the ministries for FY 2019/2020*

PROPOSED 2019/2020 BUDGET ESTIMATE		**2019/2020 Financial Budget Estimate**			
MINISTRIES	**Total Departmental Allocation 2018/2019**	**Recurrent Expenditure Estimate**	**Development Expenditure Estimate**	**Total Departmental Allocation 2019/2020**	**% by Ministries**
Ministry of Agriculture Livestock and Fisheries	855,050,188	245,219,397	623,887,466	869,106,863	7%
Ministry of Education, Culture and Sports	1,103,657,738	679,878,809	573,516,000	1,253,394,809	11%
Ministry of Gender, Youth and Social Service	226,362,980	90,617,333	162,000,000	252,617,333	2%
Ministry of Finance	729,816,630	882,713,544	225,000,000	1,107,713,544	9%
Ministry of Health Services	2,527,634,900	1,896,656,068	504,294,300	2,400,950,368	21%
Ministry ofTrade, Investments Industrializations and Cooperative Development	332,295,295	51,328,492	135,000,000	186,328,492	2%
County Assembly	1,021,895,035	728,474,208	135,000,000	863,474,208	7%
Lands, Housing and Physical Planning	219,905,121	64,645,166	139,733,960	204,379,126	2%
Office of the Governor and Deputy Governor	667,598,466	604,530,757	-	604,530,757	5%
County Public Service Board	70,060,764	72,920,336	-	72,920,336	1%
Ministry of Public Service, Management and Devolved Unit	1,720,128,478	1,258,840,198	213,300,000	1,472,140,198	13%
Public Works Roads and Transport	2,133,325,114	111,324,707	1,362,874,697	1,474,199,405	13%
Ministry of Water, Environment and Natural Resources	2,102,226,701	446,205,630	502,560,000	948,765,630	8%
GRAND TOTAL	**13,709,957,408**	**7,133,354,645**	**4,577,166,422**	**11,710,521,067**	100%

The setting of the above ceiling for all the spending units within the county government is the most difficult one due to the fact that there are a lot of on-going projects that needs to be completed in the coming financial year such as the County Headquarter, Governor's residence, County Hotel, Kutulo Sub-County Hospital, Borehole 11 Hospitals, Operationalization of the Koromey Irrigation schemes etc as well as anticipated recruitment of more than 1,200 staff to improve service delivery. This has been made worse by the anticipated reduction in the Equitable Shareable Revenue. For the first time, our recurrent expenditure is estimated to take up more than 60% of our total budget with personnel and other related cost like insurance and pensions taking up 53% of the recurrent expenditure and 32% of the total budget.

Conclusion

Budgetary resources are always limited against limitless priorities and needs. It is imperative therefore that ministries prioritize their programmes within the available resources to ensure that utilization of public funds are in line with the overall county government priorities. Ministries need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans in allocating resources. There is also need to ensure that recurrent resources are being utilized efficiently and effectively before funding is considered for programmes.

The set of policies highlighted in this CFSP aims at striking a balance between the ever changing needs of the county government and the content of strategic documents like the CIDP and the fiscal responsibility principles outlined in the PFM law. The fiscal policies are also in line with the tone of the national strategic objectives such as the Big Four Agenda.