



COUNTY GOVERNMENT OF MACHAKOS

COUNTY BUDGET REVIEW AND
OUTLOOK PAPER

September, 2018

FOREWORD

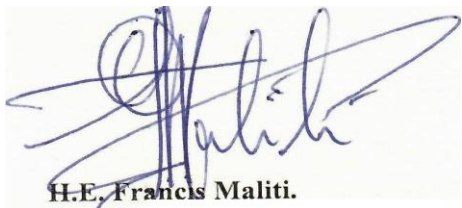
Machakos County Budget Review and Outlook Paper (CBROP 2018) was prepared pursuant to Section 118 of the Public Financial Management Act, 2012. This review document focused on the fiscal year ending June 2018 compared with the year on year growth for similar period in previous years.

The global outlook revealed a stable macroeconomic variability with a 3.9 percent growth in the GDP supported by increased outputs in most sectors, low inflation, tighter monetary policies and stability of prices of crude oil and associated petroleum products. Locally the County fiscal analysis for FY 2017/2018 revealed a subdued performance in both revenues and expenditure compared to similar period in FY 2016/2017.

The County Government is conscious to the Big Four Agenda i.e. food security, affordable housing, universal healthcare and manufacturing. It is worth noting that the County Government of Machakos will play a host to some of the housing units as envisaged in the provision of affordable housing agenda as well being one of the counties selected to pilot the universal healthcare programme.

The County expenditure performance revealed a slowdown in budget absorption rate especially on development expenditure from Kshs. 2.3billion in FY 2016/2017 to about Kshs. 1.6billion in FY 2017/2018.

In this 2018 CBROP, while re-emphasizing the Government's economic and development agenda, the County has set consistent expenditure ceilings that take into consideration the projected resource envelope. Departments are therefore called upon to adhere to the sector ceilings and rationalize all programs to ensure that only those programs with the least cost but highest impact on our core objectives of infrastructure development, clean water and quality healthcare services among others are given consideration in resource allocation



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County Executive Committee Member-Finance and Economic Planning

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Plan
AfCFTA	African Continental Free Trade Area
AU	African Union
CARA	County Allocation Revenue Act
CBROP	County Budget Review and Outlook Paper
CFTA	Continental Free Trade Area
CFSP	County Fiscal Strategy Paper
CG	County Government
CIDP	County Integrated Development Plan
COFOG	Classification of Functions of Government
CRF	County Revenue Fund
DANIDA	Danish International Development Agency
Dev't	Development
ECDE	Early Childhood Development Education
FIF	Facility Improvement Fund
FY	Financial Year
GDP	Gross Domestic Product
ICT	Information Communication Technology
IFMIS	Integrated Financial Management System
IMF	International Monetary Fund
KCSAP	Kenya Climate Smart Agriculture Project
KDSP	Kenya Devolution Support Program
Kshs	Kenya Shillings
KUSP	Kenya Urban Support Project
MoDP	Ministry of Devolution and Planning
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
OSR	Own Source Revenue
PBB	Programme Based Budget
PFM	Public Finance Management
Rec.	Recurrent
RMFLF	Road Maintenance Fuel Levy Fund

CHAPTER ONE

1.0 INTRODUCTION

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

1. The County Budget Review and Outlook Paper is prepared in accordance with Section 118 of the Public Financial Management Act, 2012 which requires the County Treasury to prepare and submit County Budget Review and Outlook Paper to the County Executive Committee for approval by 30th September in each financial year. The paper includes:

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

2. County Executive committee shall consider the County Budget Review and outlook Paper with a view to approving it with or without amendments, not later than fourteen days after its submission.

3. Not later than seven days after the CBROP has been approved by Executive committee, the County Treasury shall:

- a) Submit the paper to the Budget and appropriation Committee of the County Assembly to be laid before the County assembly; and

- b) Publish and publicize the paper not later than fifteen days after laying the Paper before County Assembly.

B. County Government Fiscal Responsibility Principles

In line with chapter 12 of the Constitution of Kenya, Section 107 of the Public Financial Management (PFM) Act, 2012

1. The County Government's recurrent expenditure shall not exceed the County Government's total revenue
2. Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure
3. The County Government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County Government revenue as prescribed by the regulations.
4. Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
5. Public debt and obligations shall be maintained at a sustainable level as approved by County Government (CG)
6. Fiscal risks shall be managed prudently
7. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future

C. Objectives of the County Budget Review and Outlook Paper

1. The 2018 CBROP aims to provide a review of the fiscal performance for the FY 2017/2018 and how the outcomes impacted the County's financial objective and fiscal responsibility principles as envisaged in the PFM Act 2012 and CFSP 2018. This information alongside other emerging issues will provide the basis for revising the current budget FY 2018/19 via supplementary budget proposals.
2. This CBROP therefore, underpins the County fiscal initiatives outlined in CFSP 2018 which include the following;

3. Based on the indicative County resource envelope, the CBROP 2018 will also relay the primary sector ceilings for the FY 2019/2020 budget inclusive of indicative projections for the FY 2020/2021 and 2021/2022 MTEF period. These ceilings will set off the budget preparation process for the fiscal year 2019/2020.

4. The paper is organized into four chapters: Chapter II provides a review of fiscal performance in FY 2017/2018 and its implication on the 2018 CFSP financial objectives; Chapter III studies the recent economic developments and the updated National and County macroeconomic outlook; Chapter IV and V contains the proposed sector budget ceilings in the medium term and the Conclusion respectively.

CHAPTER TWO

2.0 REVIEW OF FISCAL PERFORMANCE IN FY 2017/18

Overview

1. The fiscal year 2017/18 marked the third year of Programme Based Budgeting (PBB) for all County Government entities as per section 12 of the second schedule of the PFM Act 2012. During the financial year 2017/18 there was a decline in local revenue collection and absorption of both development and recurrent expenditure as compared to similar period in FY 2016/17.
2. During the year under review total County revenue amounted to Kshs. 9.43 Billion against a revised target of Kshs. 10.078 Billion. Total receipts from equitable share of revenue comprised of Kshs. 7.39 Billion (100 per cent percent of the total receipts). Ksh 24.76 Million being conditional allocation for foregone user fee (103 percent), Kshs. 288.00 Million (100 per cent) being conditional allocation for fuel levy fund, Kshs. 383.58 Million (100 per cent) being conditional allocation for level five hospital, Kshs. 30.29 Million received from Donors-DANIDA (100 percent) and local revenue collection amounting to Kshs. 1.084 Billion (72%).
3. In the reporting period the execution of both development and recurrent budget revealed a decline of 1% and 35% respectively and in totality 9% as compared to financial year 2016/17. The County spent a total of Kshs. 8.119 Billion during financial year 2017/18 against a revised target of Kshs. 10.078 Billion representing an execution rate of 81% percent. The recurrent expenditure for the period under review represents 80% of the annual recurrent budget while development expenditure represents 20% of the annual development budget. The absorption of development expenditure was hampered by prolonged electioneering period and delays in disbursement of funds by the exchequer.

(b) 2.1 Fiscal Performance FY 2017/2018

2.1.1 Revenue performance

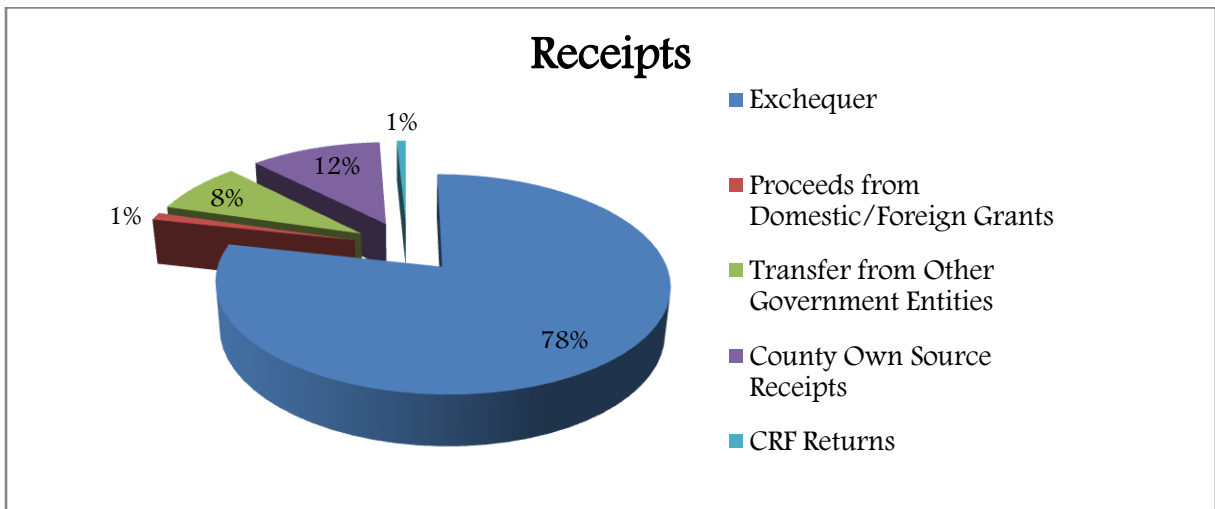
4. Despite a deviation of Kshs. 493 Million from the planned target there was a decline in revenue by 3% in the year under review compared to actual receipt in financial year 2016/17.

Table 1: Fiscal Out-turn for the FY 2017/2018 (Amounts in Kshs. billion)

	Approved Budget 2017/18	Revised Budget 2017/18	Actual
Total Revenue	9.990	10.078	9.430
National Government transfers	8.290	8.432	8.272
Local Revenue	1.700	1.571	1.084
Unspent Balances B/f FY 2016/17	0	0.0747	0.0747
Total Expenditure			8.119
Recurrent	6.907	6.975	6.523
County Assembly	0.974	0.931	0.710
County Executive	5.933	6.044	5.813
Development	2.761	2.964	1.596
County Assembly	0.241	0.296	0.021
County Executive	2.52	2.668	1.575

5. The County government received Kshs. 9.43billion against the expected Kshs. 10.078billion by the end of the FY 2017/18. This represented 93.6% receipt of funds both from national government and own source revenue. The exchequer releases accounted for a larger portion of receipts at 78% with proceeds from domestic/foreign grants accounting for 1%. This is illustrated in figure1 below.

Figure 1: County Total Receipts for FY 2017/2018



6. Total expenditures stood at Kshs. 8.119billion in the period under review with recurrent and development expenditures accounting for Kshs. 6.523billion and 1.596billion respectively. Compensation to employees formed the larger part of expenditures accounting for 57% and acquisition of assets consumed 10% of the expenditure as shown in figure 2 below.

Figure 2: County Total Payments for FY 2017/2018

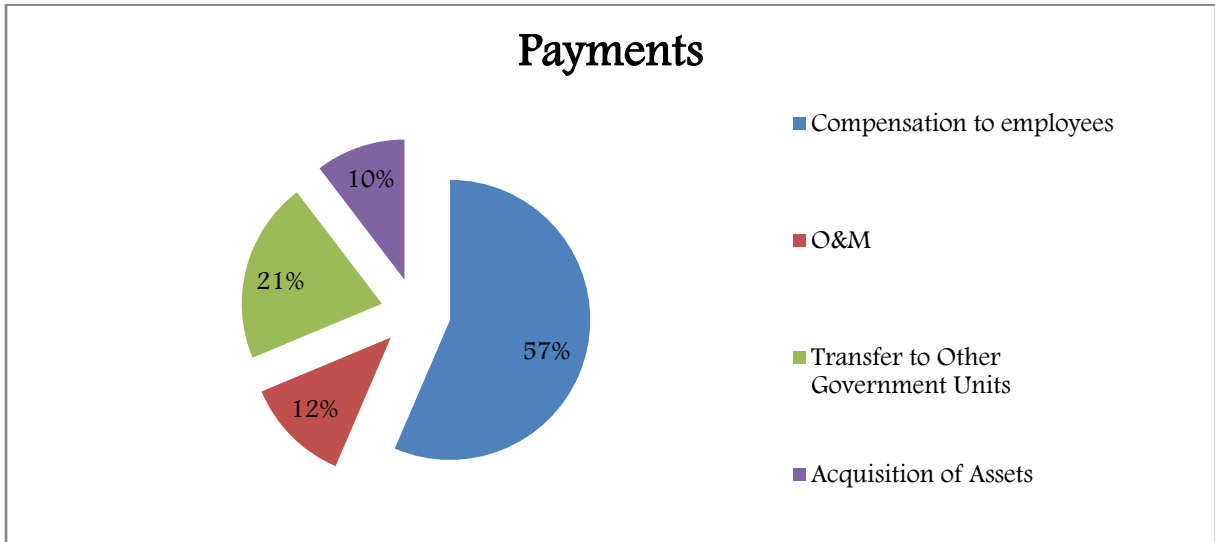


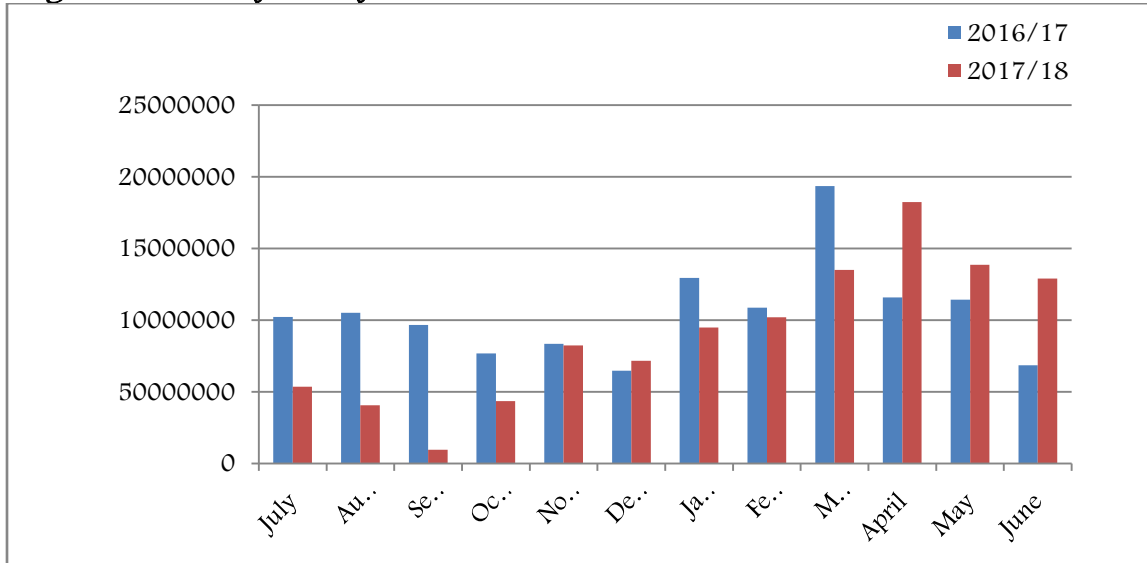
Table 2: County Own Revenue per Source

Revenue Stream	2016/2017 Actual	2017/18 Estimates	2017/2018 Revised Estimates	2017/18 Actual
Land Rates & Debt Clearance Cert	159,763,871.00	213,536,354.19	198,716,645.20	
Single Business Permit	170,934,785.00	231,990,447.58	215,121,742.00	182,849,984.00
Quarry	259,851,250.95	347,957,121.42	327,102,072.56	229,729,097.00
Sand Gravel	59,325,245.00	80,091,403.94	71,190,294.00	47,105,372.00
Market Fees	44,321,901.00	62,079,047.72	55,186,281.20	6,707,032.00
Plot/Stall Rent	12,944,381.00	17,473,361.02	15,533,257.00	10,041,599.00
Bus Park/Off Street Parking	79,151,964.00	102,845,653.16	97,982,356.80	43,206,310.00
House Rent	39,198,392.00	54,038,025.39	48,038,070.40	4,864,373.00
Refuse/Conservancy Fee	13,107,496.00	17,693,546.70	15,728,995.20	10,568,554.95
Sign Board & Advertisement Fee	34,898,359.00	47,108,596.85	41,878,030.80	35,807,526.00
Fire Fighting & Ambulance Management Unit	13,770,961.00	18,589,144.83	16,525,153.20	15,434,615.00
Slaughter House Fees/Livestock	5,530,222.00	7,465,136.07	6,636,266.40	5,511,773.00
Enforcement Management Unit	6,546,259.00	8,836,664.10	7,855,510.80	4,409,065.00
Building Plan Approval	199,972,525.00	267,937,312.05	255,967,030.00	182,938,221.05
Cess	6,928,412.03	9,352,524.84	8,314,094.44	6,228,835.00
Procurement Unit	632,650.00	854,001.58	759,180.00	0.00
Social Services & Sports Management Unit	2,107,214.00	2,844,486.03	2,528,656.80	22,000.00
Water Sales	391,430.00	528,383.53	469,716.00	157,327.00
Miscellaneous	6,867,460.00	9,270,246.90	8,240,952.00	1,235,437.00
House Loan Repayment	25,176.00	33,984.58	30,211.20	38,100.00
Salary Refunds/Salary Advance	26,278.00	35,472.15	31,533.60	18,125.00
Motor vehicle Registration	56,919.00	76,833.82	68,302.80	109,623.00
Health	91,408,806.00	129,785,404.25	115,690,567.20	73,131,315.00
Liquor	49,323,970.00	66,581,440.62	59,188,764.00	35,807,526.00
Tourism	1,504,955.00	2,031,508.66	1,805,946.00	89,000.00
Weights And Measures	714,062.00	963,898.01	856,874.40	0.00
TOTAL	1,259,304,943.98	1,700,000,000.00	1,571,446,504.00	1,084,204,845.00

Source: Machakos County Financial Statement FY 2017/18

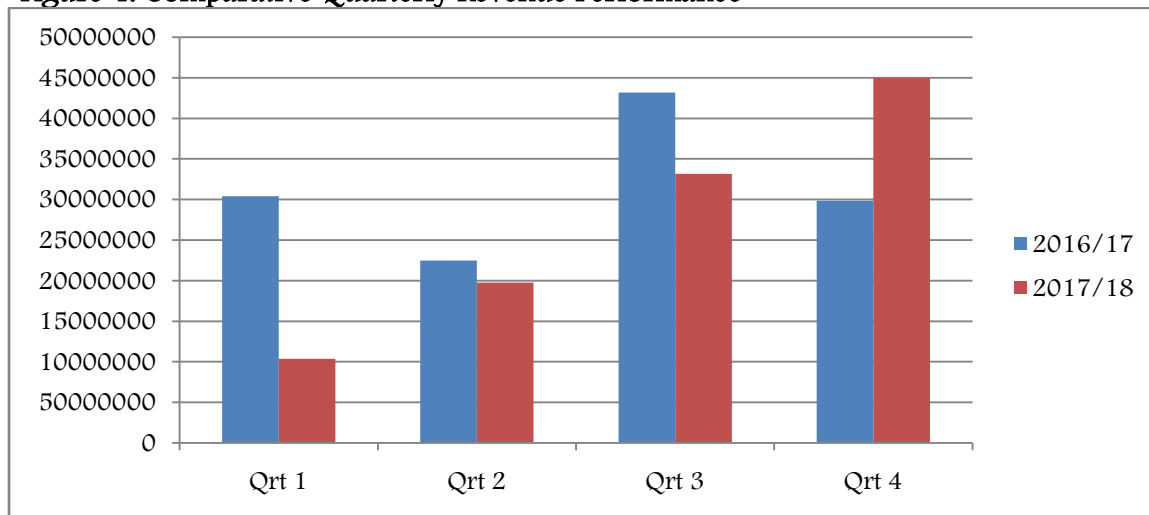
- Total own source revenue collections amounted to Kshs. 1.084 Billion against a revised target of Kshs. 1.571 Billion. This shows a deficit of Kshs. 487 Million of the target for the year under review. Total revenue collections compared to the previous FY 2016/2017 reduced by Kshs. 175 Million.

Figure 3: Monthly County Own Source Revenue Performance



- On a month to month basis, local revenue performed better in FY 2016/17 between July and March compared to FY 2017/18 over the same period. However, between April and June of FY 2017/18 local revenue shot up with the best month in April, 2018 raising Kshs. 182million in figure 4 above.

Figure 4: Comparative Quarterly Revenue Performance



9. Even though there was a general decline in the County OSR collections, figure 4 above indicates a significant improvement in the fourth quarter of FY 2017/18 compared to the same period in the 2016/17 FY. Revenue collections in that period rose from Kshs. 298million in 2016/17 FY to Kshs. 449million in FY 2017/18. This was attributed to the streamlining of revenue collections and sealing leakages. The County is thus optimistic that with revenue collection measures put in place it will be able to meet its target in the current FY 2018/19.

Table 3: Exchequer releases

Revenue Stream	ACTUAL FY 2016/17(A)	Revised Targeted Revenue(Kshs) (B) FY 2017/18	Actual FY 2017/18 (C)	Variance (B-C)	Actual Variance (C-A)
Equitable Share	7,303,463,454	7,399,000,000	7,398,999,999	1	95,536,545
Level 5 Hospital	365,317,919	383,583,815	383,583,816	(1)	18,265,897
Free maternity	88,707,500	-	-		(88,707,500)
DANIDA Grant	13,350,000	30,290,934	30,290,934	-	16,940,934
World Bank	-	95,401,875	29,813,086	65,588,789	29,813,086
Devolution KDSP Level 1	-	49,893,169	49,893,169	-	49,893,169
Development of Youth Polytechnics	-	65,957,023	65,957,023	-	65,957,023
User Fees foregone	24,764,876	24,129,039	24,764,877	(635,838)	1.00
RMFLF	112,217,668	288,391,503	288,391,504	(1)	176,173,836
Health officers additional allowance	156,588,000	-	-	-	(156,588,000)
Coffee cess allocation	6,636,751	-	-	-	(6,636,751)

Revenue Stream	ACTUAL FY 2016/17(A)	Revised Targeted Revenue(Kshs) (B) FY 2017/18	Actual FY 2017/18 (C)	Variance (B-C)	Actual Variance (C-A)
Transforming Health Systems for Universal Care Project	-	95,744,681	-	-	-
Total - Exchequers	8,071,046,168	8,432,392,039	8,271,694,408	160,697,631	200,648,240

Source: Machakos County Financial Statement FY 2017/18

10. The County received 8.27 Billion from the exchequer against a targeted amount of Kshs. 8.33 Billion. The exchequer release comprise of equitable share of Kshs. 7.39 Billion, Conditional grants of Kshs. 937. 64 Million. There was no conditional fund for free maternity, health officer's additional allowance and coffee cess allocation during FY 2017/18 as shown in table 3 above.

2.1.2 Expenditure Performance

11. The total expenditure for the FY 2017/18 amounted to Kshs. 8.119 Billion against a target of Kshs. 10.078 Billion indicating a performance of 80.6%. The recurrent budget had the highest absorption of 80% and Development budget of 20%. Absorption in the development expenditure declined by 35%. An in-depth analysis of expenditure indicates that compensation of employees had the highest absorption of 56%. Use of goods, Transfers and other payments accounted for 12%, 10% and 2% respectively of the total expenditure budget while Acquisition of assets, Capital Grants and Other Developments accounted for 10%, 8% and 2% respectively of the total budget as shown in table 4 below.

Table 4: Expenditure Performance by Economic Classification for the Period Ending 30th June, 2018

Economic Item	Actual 2016/17 (A)	Targets 2017/18 (B)	Actual 2017/18 (C)	% of Total Expenditure
Recurrent Expenditure:				
Compensation of employees	4,398,376,032.00	4,613,606,356.00	4,584,272,805	56
Use of goods and Services	1,083,013,274.00	1,115,983,304.00	993,863,062.00	12

Economic Item	Actual 2016/17 (A)	Targets 2017/18 (B)	Actual 2017/18 (C)	% of Total Expenditure
Transfers to other Government entities	803,783,256.00	931,670,184.00	794,814,901.00	10
Other Grants and Transfers	368,389,997.00	349,450,752.00	149,639,058.00	2
Sub Total	6,653,562,559.00	7,010,710,596.00	6,522,589,826.00	80
Development Expenditure:				
Acquisition of Assets	1,788,819,132.00	2,053,459,190.00	842,048,077.00	10
Capital Grants to Government Agencies	371,364,953.00	718,347,680.00	582,747,675.00	8
Other Developments	144,411,538.00	296,000,000.00	171,687,473.00	2
Sub Total	2,304,595,623.00	3,067,806,870.00	1,596,483,225.00	20
Total	8,958,158,182.00	10,078,517,466.00	8,119,073,051.00	100

Source: Machakos County Financial Statement FY 2017/18

County Entities Expenditure Analysis

12. Categorization of spending by County entities is shown in the table 5 below. Three County entities recorded more than 50% budget execution rate. The highest absorption was observed in Public Service, ICT & Labor while the lowest was in health and Emergency services. All the entities compensation of employees except County Assembly is through Public Service, ICT & Labor; this explains the highest absorption rate of 943%.

Table 5: Expenditure Performance for Period Ending 30th June, 2018 per Department (Kshs. in Millions)

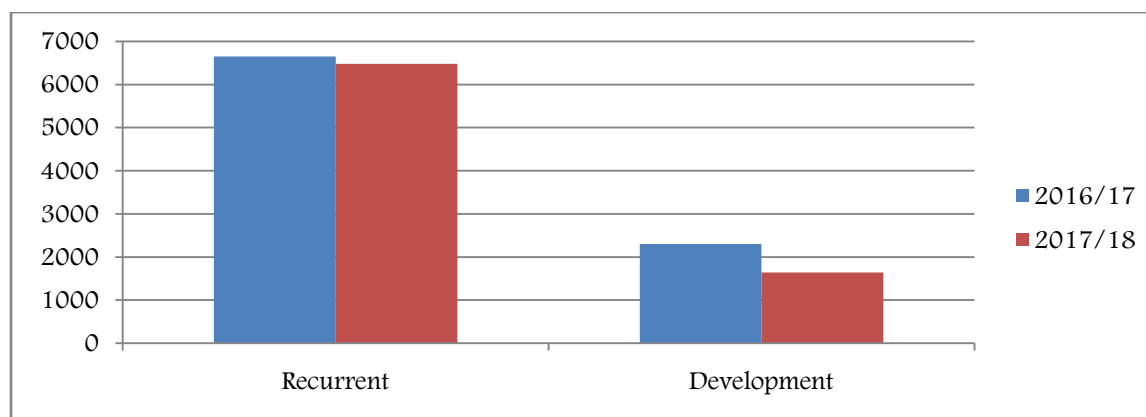
County Entities	Recurrent Expenditure			Development Expenditure			Total Expenditure		
	Actual (A)	Target (B)	Rate of Budget Execution	Actual (C)	Target (D)	Rate of Budget Execution	Actual (E)	Target (F)	Rate of Budget Execution
Office Of The Governor	368.39	585.93	63	13.32	22.13	60	381.71	608.06	63
Public Service, ICT & Labour	4,547.01	468.08	971	6.21	14.68	42	4,553.22	482.76	943
Trade, Economic Planning And Industrialization	33.23	81.38	41	0.45	21.97	2	33.68	103.35	33
Finance And Revenue Management	73.49	352.14	21	12.37	22.5	55	85.86	374.64	23
Decentralized Units, County Administration, Environment & Solid Waste	124	457.47	27	41.31	54.7	76	165.31	512.17	32

County Entities	Recurrent Expenditure			Development Expenditure			Total Expenditure		
	Actual (A)	Target (B)	Rate of Budget Execution	Actual (C)	Target (D)	Rate of Budget Execution	Actual (E)	Target(F)	Rate of Budget Execution
Management									
Agriculture, Livestock, Fisheries, Water & Irrigation	66.54	426.43	16	199.04	431.19	46	265.58	857.62	31
Health And Emergency Services	390.86	3,000.12	9	159.78	881.6	18	550.64	3,881.72	11
Transport, Roads, Public Works And Housing.	40.9	251.26	16	1130.97	1,198.29	43	1171.87	1,449.55	38
Education, Youth And Social Welfare	59.59	251.89	24	7.54	16.47	46	67.13	268.36	25
Lands, Urban Development, Energy & Natural Resources	28.11	86.99	32	40.42	83.39	48	68.53	170.38	40
Tourism, Culture , Sports & Co-Operative Development	27.61	76.38	36	9.62	24.89	39	37.23	101.27	37
County Public Service Board	6.72	41.01	16	-	-	0	6.72	41.01	16
County Assembly	710.39	931.67	76	21.2	296	7	731.59	1,227.67	60
TOTAL	6,476.84	7,010.75	94%	1,642.23	3,067.81	49%	8,119.07	10,078.56	81%

Source: Machakos County Financial Statement FY 2017/18

13. It is noted that tables 4 and 5 give different expenditures in both recurrent and development. This is attributed to the fact that some departments implement projects and programmes that requires some of the compensation to employees be budgeted for under the development vote due to project staff.

Figure 5: Comparative County expenditure for FY 2016/17 and 2017/18 (Kshs. In Millions)



Source: Machakos County Financial Statement FY 2017/18

14. There was a slight decline in total expenditure by 9.4% from Kshs. 8.958billion in FY 2016/17 to Kshs. 8.119billion in FY 2017/18. This has already been explained as having been attributed to the prolonged elections that curtailed general spending. Recurrent and development declined by 2.7% and 28.7% respectively.

15. During the reporting period, a supplementary budget was undertaken that was meant to spur infrastructural projects. However, delays in approval of the same coupled by slow and lengthy procurement procedures were sighted as the major setbacks in the low expenditure absorption.

CHAPTER THREE

3.0 RECENT ECONOMIC DEVELOPMENTS AND FISCAL OUTLOOK

16. The economic performance of the County is dependent on the formulation and implementation of sound policies by both the National and County Government.

3.1 Recent Economic Developments

17. During the period under review the transport sector in the County has improved greatly through construction and upgrading of access roads, major roads and dualing of the Mombasa road stretch between Athi-River and Kyumbi as well as the completion and operationalization of the Standard Gauge Railway. This in turn has led to improved accessibility to health centers, market places and movement of people, goods and services hence improving economic activities.

18. Significant efforts have been made to boost the agricultural sector which is the main economic stay of the County. These efforts include; fueling of tractors for free service to farmers, provision of extension services and supply of subsidized seeds and fertilizer to farmers. This has led to improved production in the agriculture sector.

19. To spur development in our urban centres, through the Kenya Urban Support Program, the County has established Municipal Boards in Machakos, Mavoko and Kangundo – Tala. These municipalities will be charged with the responsibility of promoting development along five key investment areas, i.e. waste management (solid and liquid), storm water drainage, connectivity (roads and street lights), urban social and economic development (markets, bus parks and slaughter houses) and fire and disaster management.

20. Emerging investments in Mavoko Sub County along the Mombasa road corridor and other areas within the County has contributed to the growth of industrial and trade sector and creation of employment in the County.

3.2 Macroeconomic outlook and policies

3.2.1 Global Economic Outlook

21. Global growth is projected to reach 3.9 percent in 2018 and 2019 as forecasted in the April 2018 World Economic Outlook report, but the expansion is becoming less even, and risks are mounting. The rate of expansion appears to have peaked in some major economies and growth has become less synchronized.

22. Among emerging market and developing economies, growth prospects are also becoming more uneven, amid rising oil prices, higher yields in the United States, escalating trade tensions, and market pressures on the currencies of some economies with weaker fundamentals.

3.2.2 Sub Saharan Africa Economic Outlook

23. The recovery in *Sub-Saharan Africa* is set to continue, supported by the rise in commodity prices. For the region, growth is expected to increase from 2.8 percent in 2017 to 3.4 percent this year, rising further to 3.8 percent in 2019 (IMF). This would mark best result since 2014 if confirmed. While the economy is on a more solid trajectory after growth fell to an over two-decade low in 2016, challenges to the outlook remain. Poor infrastructure and weak business climates as well as relatively small private sectors are limiting the strength of the recovery. In addition, several economies are burdened with large debt, while security concerns continue to plague investment and cast a shadow on the regional outlook.

24. The African Continental Free Trade Area (AfCFTA) is an ambitious initiative to form a continental common market to boost intra-Africa trade from the current 16 per cent to 52 per cent by 2022. This will be achieved by providing a comprehensive and mutually beneficial trade agreement among the member states, covering trade in goods and services, investment, intellectual property rights and competition policy. The CFTA is a flagship project of Agenda 2063 and refers to a continental geographic zone where goods and services move among member states of the African Union (AU) with no restrictions. It is therefore a potential tool for driving industrialization, economic diversification and development.

25. The Continental Free Trade Area (CFTA) will create a wider single market of more than 1.2 billion people with a combined GDP of \$2.19 trillion for goods and services across

the continent. This will bring benefits for businesses and consumers and strengthen Africa's position in world trade by inducing investments, resulting in the pooling of African resources to enhance structural transformation and the development of regional value chains. It will also create the "fiscal space" to foster public and private investment, while ensuring economic diversification with a view to creating jobs.

26. At least 44 countries signed the CFTA in early 2018 underscoring their commitment to the project. Kenya and Ghana handed over to the African Union Commission the documents ratifying the continental free trade in May 2018. The benefits to participating African countries will include;

27. The project however also risks causing tariff revenue losses, leading to "holes" in national budgets. The impact on taxes applied to imported and exported goods, however, would be small and gradual and the tariff revenue losses might be outweighed by the additional revenues from growth to be generated by CFTA.

3.2.3 East African Community Economic Outlook

28. Growth depends, among other factors, on a stable macroeconomic environment. Low inflation and stable, optimal exchange and interest rates, crucial to macroeconomic stability, have preoccupied policy makers (especially central banks) in East Africa.

Price movements

29. *Inflation dynamics:* In 2016, inflation in the region stood at 13.1 percent, and in 2017 at 14.4 percent. The double-digit regional average inflation rates have been largely driven by Sudan's inflation and, to some degree after 2016, Burundi's. At these rates, East African inflation has been the highest on the continent. However, the region's inflation is expected to slow to single digits at 8.9 percent in 2018 and 7.8 percent in 2019.

30. *Exchange rate evolution:* The region's inflation and exchange rates in 2017 show success in attaining macroeconomic stability. In Kenya, the region's dominant and sophisticated economy, the shilling remained stable in the range of KSh100–104/\$ in 2017.

31. *Domestic resource mobilization:* The fiscal deficit across the region's countries results partly from weak domestic resource mobilization, the case throughout 2015–17. With

the average regional domestic saving at 12.8 percent of GDP and the investment-to-GDP ratio at 24.2 percent, the domestic resource gap in 2017 stood at about 11 percentage points

32. *Debt*. Shifting external financing toward nontraditional partners, particularly China, could aggravate indebtedness, because the cost is high. Also, some countries have begun borrowing through the international bond market, also an expensive course that could raise debt stress further.

3.2.4 Domestic Economy Outlook

33. Available data signals that the economy remained in sound shape at the beginning of the third quarter of the 2017/2018 FY. Growth is being supported by higher confidence after the end of a prolonged election cycle. The current account has improved on healthy agricultural exports, rising transfer inflows and lower capital goods imports following the completion of the Mombasa-Nairobi phase one of the Standard Gauge Railway project. Sturdy growth, within-target inflation and a strengthening external position have kept the shilling firm, enabling the Central Bank to pursue a more accommodative monetary policy aimed at boosting economic activity.

34. Solid growth is expected this year, due to healthy expansions in private consumption and investment amid more favorable credit conditions. A continued upturn in the agricultural sector, aided by improved weather conditions, should also support growth. Moreover, rising investor confidence should attract a greater inflow of foreign investment into the economy. That said, the Government's fiscal consolidation plans could curb the pace of expansion.

35. On the downside however, the debt-to-GDP ratio has continued to increase over the past three years. Currently, it stands at about 56 percent, which is higher than the 2010–2014 average of 45 percent and the 2015–2016 average of 52 percent. This could be burdensome in relation to the County's potential to repay the loans.

3.2.5 County's Economic Outlook

36. Analysis of the revenue figures shows that the trend of building plans approvals has declined. This can be explained by the fact that over the years, the County has

witnessed many upcoming building developments in major towns and this has reached saturation levels.

37. The revenue policy to exempt mama mbogas from paying market fees that was introduced by H.E. Dr. Alfred Mutua through his 2018 – 2022 manifesto has improved the economic welfare of this group of small scale market traders. Moving forward, this policy is likely to attract more participation in the business and empowerment of women since they form the majority of small scale market traders.
38. With the national launch of the Big four agenda, the County has aligned its operations and activities along achievement of these targets across the four agenda as follows;
39. **Food security:** The County has experienced favorable weather conditions coupled with the County Government’s initiatives have led to improved food security situation. The County will continue to heavily invest in key sectors like water/ irrigation and agriculture and cooperatives in availing appropriate programs that would ensure sustained food security and nutrition.
40. **Manufacturing:** The existence of Export Processing Zone, establishment of other manufacturing industries in Mavoko has led to employment creation.
41. **Affordable Housing:** Mavoko area has been selected by the National Government for project for the affordable housing flagship program.
42. **Universal Healthcare program:** This is set to be launched in the second quarter of 2018/19 FY as part of a pilot program in collaboration with the national Government and the World Bank. About 1.3 million of Machakos residents are set to benefit from the program. This will lead to a healthy and productive society.
43. The County is witnessing a renewed fight against corruption that is aimed at reducing wastage and embezzlement of public resources. This will improve service deliver and create confidence among investors.

44. According to a survey conducted by the Institute of Economic Affairs around August 2018, Machakos is ranked as the most ideal investment hub in Kenya hence boosting economic growth.

3.3 Medium Term Fiscal Framework

45. The County Government has prepared a County Integrated Development Plan II (CIDP) 2018-2022 that will guide planning and budgeting for the next five years. The CIDP preparation process was participatory, consultative and captured inputs from the relevant stakeholders and citizen views through public participation forums in all the forty wards. The CIDP was prepared as per the new guidelines issued by the Ministry of Devolution and Planning (MoDP).

46. The County Government has several conditional grants from the World Bank/National Government which include the Kenya Devolution Support Programme (KDSP), Kenya Urban Support Programme, leasing of medical equipment, operation of level 5 hospitals, road maintenance fuel levy, rehabilitation of village polytechnics and compensation of user fee forgone.

47. KDSP supports capacity building activities in five Key Result Areas (KRA) namely; Public Finance Management, Planning and Monitoring and Evaluation, Human Resources and Performance Management, Civic Education and Public Participation and Investment implementation and Social and Environmental Performance.

48. The County Government will continue to focus on capacity building for the youth through rehabilitation of village polytechnics. These will fill the technical skills gap required by industries within the County as well as promoting self-employment and innovation among the youth.

49. The National Government, through the National Treasury, has prepared a draft policy on Enhancement of County Governments Own-Source Revenue. The Policy proposes a standardized framework (institutional, policy and legal) for own source revenue raising measures and enforcement. It also proposes measures to broaden the Counties' revenue bases and enhance revenue administration capacity. This Policy has been triggered by key five concerns which are:

- i. The smallness of Counties' Own-Source Revenue and its diminishing share vis-à-vis total resources;
- ii. The manner in which Counties plan and budget for local revenue;
- iii. Legal questions relating to some revenue-raising measures;
- iv. The short- and long-term fiscal and macroeconomic ramifications of the measures; and,
- v. Utilization of collections as well as reporting and accounting procedures.

Underlying these concerns is the question about how each County can optimize its Own Source Revenue within the existing rules of Public Finance Management (PFM).

3.4 Risks to the Outlook

Low local revenue inflow

50. Low revenue inflow has a negative impact on the economic activities at the County resulting to slow economic growth. The County has 26 revenue streams but only 7 contribute significantly in revenue collection. These are building plans, quarries, land rates, bus parks and Single Business Permits. Quarries and sand are being depleted overtime which may adversely affect amount of revenue collected.

Delay in Disbursements

51. Delays in disbursements of funds by the national Government will be another challenge as this will lead to disruptions in implementing programs.

Public expenditure pressures

52. Public expenditure pressures especially recurrent expenditures pose fiscal risks to the future economic performance of the County. With the commitment to improve infrastructure within the County e.g. roads and water, there is need to put strategies in place to manage recurrent expenditures.

Erratic weather patterns

53. Over the years the County has experienced erratic weather patterns that normally affect agriculture productivity which has led to poor economic performance and depressed livelihood.

CHAPTER FOUR

4.0 RESOURCE ALLOCATION FRAMEWORK

54. This section establishes the resource envelope the County expects and how it will be allocated across all the sectors for 2018/19 FY and in the medium term.

4.1 Adjustment to the FY 2018/19 Budget

- A. The FY 2017/18 Budget sought to consolidate the gains made by the County Government in the last four years as it even continues to pursue the transformative agenda it started for inclusive economic growth.
- B. Given the performance in 2017/18 budget and the updated fiscal outlook, the risks to the FY 2018/19 budget include lack of realization of the projected local revenue which will hinder the full implementation of the budget, expenditure pressures with respect to remuneration of employees and the absorption rate by the different sectors especially for development expenditure. The County Government will however monitor these risks with an aim of mitigating them to ensure there is proper and prudent use of resources over the medium term.
- C. Any adjustments to the FY 2018/19 budget will take into account actual performance of expenditure so far and absorption capacity in the remainder of the financial year because of the resource constrains. Further, to reduce unnecessary pressure on expenditures, the County Government will institute measures aimed at reducing unnecessary expenses and introduce controls which will ensure adherence to the approved budget allocations. Regular monitoring and evaluation will also be carried out to identify slow or non performing programmes in order to allocate resources accordingly.
- D. Any review of salaries and benefits for the personnel will be guided by the Salaries and Remuneration Commission.
- E. On the Revenue side, the County Treasury is expected to institute corrective measures to curb the revenue leakages with an aim of ensuring revenue targets are met in order

to fund the various programmes. Some of the strategies directed towards achieving this include establishment of a revenue unit, continuous automation of the revenue system, continuous mapping of the available revenue streams, revenue target setting and monitoring and sensitizing all citizens on the benefits of paying County rents, rates and fees.

4.2 Medium Term Expenditure Framework.

55. This subsection explains adjustment that will be made to the budget over the immediate and the following two years. The County will continue to implement the medium term expenditure framework (MTEF) through policies, projects, and programs set out in the annual development plan and County fiscal strategy paper as anchored in the County integrated development plan.
56. The County will continue to invest in good governance, creation of employment, improved infrastructure, access to clean water for both domestic and commercial use, quality and affordable universal health care, education, urban planning and development among others.
57. The medium term budget frame work for the FY 2018/19-2020/21 ensures continuity in resource allocation based on prioritized programmes. The allocation of resources in the medium term will be based on;
- i. PFM Act, 2012 principles
 - ii. Ongoing projects
 - iii. Emerging priorities
 - iv. Programmes prioritized in the Second County Integrated Development Plan (CIDP)
 - v. Cost effectiveness and sustainability of the programmes
 - vi. Budget ceilings allocated by the Commission of Revenue Allocation
 - vii. Equitable share of revenue allocation from the National Government
 - viii. Degree to which the programmes address the strategic objectives of the County.
 - ix. Degree to which the programmes are addressing the core function and responsibilities of the ministry.
 - x. Goals and the objectives of the country and the Vision 2030 blueprint.
 - xi. The Big Four

58. The resource allocation framework therefore, continues to be aligned to development programmes that target the following areas;

i. Improvement of Infrastructure

Infrastructure is essential for a successful conducive business environment. In a global economy where economic opportunities have been increasingly related to the mobility of people, goods and information, a strong relationship appears between the quantity and quality of transport infrastructure and the level of economic development. When the transport systems are efficient, they result in positive multiplier effects such as better accessibility to markets, employment, additional investments and reduced costs in many economic sectors.

During the FY 2018/19 resources will be set aside to develop and effectively manage a sufficient and robust quality road system that will require minimum maintenance.

ii. Access to Clean Water

Access to clean water and proper sanitation is vital for enhancing prosperity, sustainable development and poverty eradication. To ensure access to clean drinking water and basic levels of sanitation for all residents of Machakos County, the implementation of the ongoing comprehensive water program will be fast tracked. This will ensure that the drilling and equipping of boreholes, construction of new dams and water pans as well as refurbishing and desilting existing ones and distribution of elevated tanks are done within the stipulated time frames.

iii. Access to Quality Health Care Services.

Access to quality healthcare is critical. The County Government will invest in improving the quality of healthcare services provided to the citizens of Machakos County and eliminate health disparities through quality care for all through completion and equipping of community hospitals and refurbishment of level 3 and 4 hospitals

iv. Sustainable Environmental Conservation

The County Government has taken a proactive leadership role in environmental protection and conservation. Environmental protection and conservation is vital

towards climate change mitigation and adaptation. In the FY 2018/19 the following programmes will be implemented:

- i. Purchase of tree seedlings and tree planting activities
- ii. Purchase of solid waste management equipment
- iii. Establish tree nurseries to be distributed to farmers at subsidized prices.

v. Revenue Management and Enhancement

The ability of the County Government of Machakos to provide the required services depends on revenue availability from the National Government disbursements and locally raised sources. In the FY 2017/18, resources have been set aside to develop an innovative, effective and efficient revenue collection system to enable the attainment of revenue targets. This will be done through expanding the revenue base and enforcing strict control measures to ensure minimal revenue leakages.

vi. Creating Conducive Business Environment

Reducing the cost of doing business and improving security in Machakos County are essential towards encouraging investments, enhancing economic growth and promoting employment creation. The County Government will invest in:

- a) Promotion of fair trade practices through calibration and verification of weight and measures equipment and ensuring consumer awareness
- b) Formulation and implementation of sound economic policies
- c) Conducting feasibility studies to determine viability of new industries
- d) Promotion of private sector development through enterprise and entrepreneurship development
- e) Promotion of the informal sector through the construction of Jua Kali sheds.
- f) Periodic monitoring & evaluation of projects and programmes

vii. Promotion of sustainable agriculture

The Agriculture Sector plays a key role in accelerating economic growth through enhancing food security; income generation; employment and wealth creation. The sector also contributes

significantly to socio-economic growth and development through forward and backward linkages with other priority sectors of the economy.

59. During the FY 2018/19 and in the medium term, the sector will continue to implement policies aimed at cushioning the agriculture sector and ensuring food security. This includes subsidies, construction of fruit processing plant, construction of Dairy processing plant, construction of slaughter houses, rehabilitation of existing cattle dips, pasture development , provision of feeds, fruit seedlings and seeds to farmers , provision of indigenous chicks to farmers, artificial insemination, acquisition of motor vehicles and motor bikes to support extension services to farmers across the County, improvement of Fish farming by increasing the number of fingerlings to farmers, acquisition of additional tractors and promotion of drip irrigation as part of climate resilience interventions.

viii. Improving Education

Education is a fundamental factor in development of a country. To improve the education sector, the County Government will implement the following programmes:

- i. Disbursement of bursaries to the bright and needy students across the County
- ii. Construction of additional Youth Polytechnics and Technical Skills Training Schools.
- iii. Carrying out vocational training
- iv. Construction on libraries to inculcate reading culture within the County
- v. Recruitment of additional ECDE teachers
- vi. School Feeding Program to enhance retention

Approved Budget FY 2018/19

60. In the FY 2018/19, the County Assembly has approved a budget amounting to Kshs. 12.23 billion out of which Kshs. 7.63 billion and Ksh.4.60b are recurrent and development expenditures respectively.

Revenues FY 2018/19

61. The FY 2018/19 budget targets a total of Ksh 12.23 billion of which of 1.72 billion will be from own source revenue collection and Ksh 10.51 billion from National Government. The performance of the local revenue will be underpinned by the measures that have been put in place to enhance revenue collection and the Finance Act, 2018 when enacted. The various sources of the revenue from the County own revenue and national Government are as per annex 1 and 2 respectively.

CHAPTER FIVE

CONCLUSION

62. The implications of 2017/18 budget implementation are that in comparison with the previous period, there was notable decline in absorption rates especially in development vote. Own source revenue also declined by 14%. With the various revenue measures put in place, it is envisaged that the County will realize its target for the FY 2018/19.

63. Going forward the County shall embark on the preparation of the sectoral departmental strategic plans which shall complement the ADP and CIDP for an integrated resource allocation to sector projects that result in “quick-wins” and widespread impacts. Moreover, in entrenching fiscal discipline, the County Government has continued to rely on the fiscal responsibility principles set out in the PFM Act 2012 in making forecasts realistic and reasonable. The County Government has also continued to pursue prudent fiscal policy through reorienting expenditure toward priority programmes within the mandate given. The next County Fiscal Strategy Paper due in February 2019, shall firm up the baseline expenditure ceilings proposed in this CBROP document.

64. Finally there is need to undertake impact evaluation in order to assess if higher rate of project implementation translates into realization of County goals and objectives.

ANNEXES

Annex 1: County Total Revenue Projections in the Medium Term

S/No	Description	Actual 2017/18	Printed Estimates 2018/19 (Kshs)	Projected		
				2019/2020	2020/2021	
1	Equitable Share	7,398,999,999	8,321,000,000	8,737,050,000	9,173,902,500	
2	Conditional Grants/Loans	Level Five Hospital	383,583,816	383,583,815	402,763,006	422,901,156
		Compensation for user fees foregone	24,764,877	24,129,039	25,335,491	26,602,265
		Leasing of medical equipment	29,813,086	200,000,000	210,000,000	220,500,000
		Rehabilitation of Youth Polytechnics	65,957,023	54,295,000	57,009,750	59,860,238
		Road Maintenance Levy Fund	288,391,504	219,084,683	230,038,917	241,540,863
		Kenya Climate Smart Agriculture Project (KCSAP)	-	117,000,000	122,850,000	128,992,500
		Kenya Devolution Support Project (KDSP) – level 1	49,893,169	53,423,784	56,094,973	58,899,722
		Kenya Urban Support Project (KUSP)	-	1,018,320,500	1,069,236,525	1,122,698,351
	Universal Healthcare in Devolved System	30,290,934	24,806,250	26,046,563	27,348,891	

S/No	Description	Actual 2017/18	Printed Estimates 2018/19 (Kshs)	Projected	
				2019/2020	2020/2021
	Program				
	Transforming Health Systems for Universal Care Project	-	95,401,875	100,171,969	105,180,567
	Unspent Funds	74,678,925	-	-	-
3	Own Source Revenue	1,084,204,845	1,720,061,674	1,806,064,758	1,896,367,996
	Total County Allocation	9,430,578,178	12,231,106,620	12,842,661,951	13,484,795,049

Annex 2: Own Source Revenue Projections

Revenue Stream	Printed	Revised	2017/18 Actual	2018/19 Estimates	Projected Estimates	
	Estimates 2017/18	Estimates 2017/2018			2019/2020	2020/2021
Land Rates &Debt Clearance Cert	215,712,054	191,716,645	188,194,035	218,212,495	229,123,120	240,579,276
Single Business Permit	230,771,448	205,121,742	182,849,984	233,469,567	245,143,045	257,400,197
Quarry	350,768,007	311,821,501	229,729,097	354,915,233	372,660,994	391,294,044
Sand Gravel	42,378,339	37,664,590	47,105,372.00	81,058,793	85,111,732	89,367,319
Market Fees	59,829,248	53,186,281	6,707,032.00	60,536,625	63,563,457	66,741,629
Plot/Stall Rent	17,370,257	15,441,601	10,041,599.00	17,575,630	18,454,412	19,377,133
Bus Park/Off Street Parking	89,856,294	79,879,362	43,206,310.00	108,108,919	113,514,364	119,190,083
House Rent	52,913,125	47,038,070	4,864,373.00	53,538,732	56,215,668	59,026,452
Refuse/Conserva ncy Fee	17,693,547	15,728,995	10,568,554.95	17,902,742	18,797,879	19,737,773
Sign Board & Advertisement Fee	47,108,597	41,878,031	35,807,526.00	47,665,575	50,048,853	52,551,296
Fire Fighting &Ambulance Management Unit	18,589,145	16,525,153	15,434,615.00	18,808,929	19,749,376	20,736,845
Slaughter House Fees/Livestock	7,465,136	6,636,266	5,511,773.00	7,553,398	7,931,068	8,327,622
Court Fines	220,192	195,744	-	222,796	233,936	245,632

Revenue Stream	Printed Estimates 2017/18	Revised Estimates 2017/2018	2017/18 Actual	2018/19 Estimates	Projected Estimates	
					2019/2020	2020/2021
Enforcement Management Unit	8,616,472	7,659,767	4,409,065.00	8,718,347	9,154,264	9,611,977
Off-Street Parking Unit	16,989,359	15,102,995	-	-	-	-
Building Plan Approval	269,938,912	239,967,030	182,938,221.0 5	273,142,474	286,799,597	301,139,5
Cess	9,352,525	8,314,094	6,228,835.00	9,463,102	9,936,257	10,433,070
Procurement Unit	854,002	759,180	-	864,099	907,304	952,669
Social Services &Sports Management Unit	2,844,486	2,528,657	22,000.00	2,878,117	3,022,023	3,173,124
Water Sales	528,384	469,716	157,327.00	534,631	561,362	589,430
Miscellaneous	9,270,247	8,240,952	1,235,437.00	9,379,852	9,848,844	10,341,286
House Loan Repayment	33,985	30,211	38,100.00	34,386	36,106	37,911
Salary Refunds/Salary Advance	35,472	31,534	18,125.00	35,892	37,686	39,570
Motor vehicle Registration	76,834	68,303	109,623.00	77,742	81,629	85,711
Interest On Plots/Stall Rent	103,104	91,656	-	104,323	109,539	115,016

Revenue Stream	Printed Estimates 2017/18	Revised Estimates 2017/2018	2017/18 Actual	2018/19 Estimates	Projected Estimates	
					2019/2020	2020/2021
Health	123,390,919	109,690,567	73,131,315.00	124,849,804	131,092,294	137,646,908
Liquor	66,581,441	59,188,764	35,807,526.00	67,378,651	70,747,584	74,284,963
Tourism	2,031,509	1,805,946	89,000.00	2,055,528	2,158,304	2,266,219
Weights And Measures	963,898	856,874	-	975,294	1,024,059	1,075,262
Machakos County Sand Harvesting	37,713,065	33,525,704	-	-	-	-
TOTAL	1,700,000,000	1,511,165,933	1,084,204,845	1,720,061,674	1,806,064,758	1,896,367,996

Annex 3: Expenditure by Economic Classification in the Medium Term

i. Recurrent

County Entity	Details	Approved Expenditure 2017/18	Printed Estimates 2018/19	Projected Estimates	
				2019/2020	2020/21
Office of the Governor	Compensation to Employees	196,475,466.00	226,634,132.00	237,965,838.60	249,864,130.53
	Use of goods and services	348,050,575.00	325,664,258.00	341,947,470.90	359,044,844.45
	Other Current Transfers	41,400,000.00	53,420,306.00	56,091,321.30	58,895,887.37
	Total	585,926,041.00	605,718,696.00	636,004,630.80	667,804,862.34
Public Service Labour and ICT	Compensation to Employees	151,443,252.00	153,443,252.00	161,115,414.60	169,171,185.33
	Use of goods and services	287,666,679.00	279,792,707.00	293,782,342.35	308,471,459.47
	Other Current Transfers	68,132,770.00	500,000.00	525,000.00	551,250.00
	Total	507,242,701.00	433,735,959.00	455,422,756.95	478,193,894.80
Trade, Economic Planning and Industrialization	Compensation to Employees	52,174,381.00	56,820,100.00	59,661,105.00	62,644,160.25
	Use of goods and services	17,959,817.00	75,790,500.00	79,580,025.00	83,559,026.25
	Other Current Transfers	42,750,000.00	2,500,000.00	2,625,000.00	2,756,250.00

County Entity	Details	Approved Expenditure 2017/18	Printed Estimates 2018/19	Projected Estimates	
				2019/2020	2020/21
	Total	112,884,198.00	135,110,600.00	141,866,130.00	148,959,436.50
Finance and Revenue Management	Compensation to Employees	284,908,015.00	286,051,241.00	300,353,803.05	315,371,493.20
	Use of goods and services	67,233,931.00	107,890,027.00	113,284,528.35	118,948,754.77
	Total	352,141,946.00	393,941,268.00	413,638,331.40	434,320,247.97
Decentralized Units, County Administration, Environment and Solid Waste Management	Compensation to Employees	376,175,972.00	281,523,441.00	295,599,613.05	310,379,593.70
	Use of goods and services	106,098,034.00	89,310,000.00	93,775,500.00	98,464,275.00
	Other Current Transfers	-	4,000,000.00	4,200,000.00	4,410,000.00
	Total	482,274,006.00	374,833,441.00	393,575,113.05	413,253,868.70
Agriculture, Livestock, Fisheries, Water and Irrigation	Compensation to Employees	348,294,346.00	375,261,884.00	394,024,978.20	413,726,227.11
	Use of goods and services	106,094,047.00	127,371,089.00	133,739,643.45	140,426,625.62
	Total	454,388,393.00	502,632,973.00	527,764,621.65	554,152,852.73
Health Services and Emergency Services	Compensation to Employees	2,700,121,503.00	2,789,681,364.00	2,929,165,432.20	3,075,623,703.81
	Use of goods and services	200,000,000.00	353,686,000.00	371,370,300.00	389,938,815.00
	Other Current				

County Entity	Details	Approved Expenditure 2017/18	Printed Estimates 2018/19	Projected Estimates	
				2019/2020	2020/21
	Transfers	20,000,000.00	402,000,000.00	422,100,000.00	443,205,000.00
	Total	2,920,121,503.00	3,545,367,364.00	3,722,635,732.20	3,908,767,518.81
Transport, Roads, Public Works and Housing	Compensation to Employees	177,220,412.00	137,284,375.00	144,148,593.75	151,356,023.44
	Use of goods and services	41,043,213.00	49,813,408.00	52,304,078.40	54,919,282.32
	Total	218,263,625.00	187,097,783.00	196,452,672.15	206,275,305.76
Education, Youth and Social Welfare	Compensation to Employees	84,313,800.00	79,261,490.00	83,224,564.50	87,385,792.73
	Use of goods and services	17,263,034.00	20,460,000.00	21,483,000.00	22,557,150.00
	Other Current Transfers	84,111,778.00	195,500,000.00	205,275,000.00	215,538,750.00
	Total	185,688,612.00	295,221,490.00	309,982,564.50	325,481,692.73
Land, Urban Development, Energy and Natural Resources	Compensation to Employees	55,992,145.00	62,057,961.00	65,160,859.05	68,418,902.00
	Use of goods and services	34,996,593.00	35,142,377.00	36,899,495.85	38,744,470.64
	Total	90,988,738.00	97,200,338.00	102,060,354.90	107,163,372.65
Tourism, Culture, Sports and Co-	Compensation to Employees	53,327,869.00	55,994,263.00	58,793,976.15	61,733,674.96
	Use of goods				

County Entity	Details	Approved Expenditure 2017/18	Printed Estimates 2018/19	Projected Estimates	
				2019/2020	2020/21
operative Development	and services	17,719,500.00	20,101,239.00	21,106,300.95	22,161,616.00
	Other Current Transfers	5,280,500.00	5,174,160.00	5,432,868.00	5,704,511.40
	Total	76,327,869.00	81,269,662.00	85,333,145.10	89,599,802.36
County Public Service Board	Compensation to Employees	33,011,797.00	31,895,584.00	33,490,363.20	35,164,881.36
	Use of goods and services	8,000,000.00	9,502,200.00	9,977,310.00	10,476,175.50
	Total	41,011,797.00	41,397,784.00	43,467,673.20	45,641,056.86
County Assembly	Compensation to Employees	549,564,903.00	412,335,858.00	432,952,650.90	454,600,283.45
	Use of goods and services	330,105,281.00	439,440,481.00	461,412,505.05	484,483,130.30
	Other Current Transfers	95,000,000.00	85,000,000.00	89,250,000.00	93,712,500.00
	Total	974,670,184	936,776,339	983,615,155.95	1,032,795,913.75
Total Compensation to Employees		5,063,023,861	4,948,244,945.00	5,195,657,192.25	5,455,440,051.86
Total Net Use of goods and services		1,582,230,704	1,933,964,286	2,030,662,500.30	2,132,195,625.32
Total Net Other Current Transfers		356,675,048	748,094,466	785,499,189.30	824,774,148.77
TOTAL NET EXPENDITURE		7,001,929,613	7,630,303,697	8,011,818,881.85	8,412,409,825.94

ii. Development

County Entity	Details	Approved Expenditure 2017/18	Estimates 2018/19	Projected Estimates	
				2019/20	2020/21
Office of the Governor	Acquisition of Non-Financial Assets	22,500,000	6,825,000	7,166,250	7,524,563
	Total Development	22,500,000	6,825,000	7,166,250	7,524,563
Public Service Labour and ICT	Acquisition of Non-Financial Assets	20,700,000	12,700,000	13,335,000	14,001,750
	Other Capital Grants and Transfers	0	0	0	0
	Total Development	20,700,000	12,700,000	13,335,000	14,001,750
Trade, Economic Planning and Industrialization	Acquisition of Non-Financial Assets	45,950,000	91,575,000	96,153,750	100,961,438
	Other Capital Grants and Transfers	683,265,785	0	0	0
	Total Development	729,215,785	91,575,000	96,153,750	100,961,438
Finance and Revenue Management	Acquisition of Non-Financial Assets	22,500,000	11,801,000	12,391,050	13,010,603
	Other Capital Grants and Transfers	0	0	0	0
	Total Development	22,500,000	11,801,000	12,391,050	13,010,603
Decentralized Units, County Administration, Environment and Solid Waste Management	Acquisition of Non-Financial Assets	39,708,931	31,000,000	5,250,000	5,512,500
	Other Capital Grants and Transfers	0	0	0	0
	Total Development	39,708,931	31,000,000	5,250,000	5,512,500
Agriculture, Livestock, Fisheries, Water and Irrigation	Acquisition of Non-Financial Assets	227,188,894	665,611,142	698,891,710	733,836,284
	Other Capital Grants and Transfers	0	0	0	0
	Total Development	227,188,894	665,611,142	698,891,710	733,836,284
Health Services and Emergency Services	Acquisition of Non-Financial Assets	609,596,132	748,444,409	785,866,629	825,159,961
	Other Capital Grants and Transfers	0	0	0	0

County Entity	Details	Approved Expenditure 2017/18	Estimates 2018/19	Projected Estimates	
				2019/20	2020/21
	Total Development	609,596,132	748,444,409	785,866,629	825,159,961
Transport, Roads, Public Works and Housing	Acquisition of Non-Financial Assets	614,341,530	1,133,897,233	1,190,592,095	1,250,121,699
	Other Capital Grants and Transfers	205,065,000	302,400,000	317,520,000	333,396,000
	Total Development	819,406,530	1,436,297,233	1,508,112,095	1,583,517,699
Education , Youth and Social Welfare	Acquisition of Non-Financial Assets	18,970,000	235,000,000	246,750,000	259,087,500
	Other Capital Grants and Transfers	0	54,295,000	57,009,750	59,860,238
	Total Development	18,970,000	289,295,000	303,759,750	318,947,738
Land, Urban Development, Energy and Natural Resources	Acquisition of Non-Financial Assets	206,061,879	1,054,320,500	1,107,036,525	1,162,388,351
	Other Capital Grants and Transfers	0	0	0	0
	Total Development	206,061,879	1,054,320,500	1,107,036,525	1,162,388,351
Tourism, Culture, Sports and Co-operative Development	Acquisition of Non-Financial Assets	15,821,362	6,872,102	7,215,707	7,576,493
	Other Capital Grants and Transfers	9,568,268	8,046,681	8,449,015	8,871,466
	Total Development	25,389,630	14,918,783	15,664,722	16,447,959
County Public Service Board	Acquisition of Non-Financial Assets	6,014,148	2,014,855	2,115,598	2,221,378
	Other Capital Grants and Transfers	0	0	0	0
	Total Development	6,014,148	2,014,855	2,115,598	2,221,378
County Assembly	Acquisition of Non-Financial Assets	241,000,000	236,000,000	127,600,000	140,360,000
	Other Capital Grants and Transfers	0	0	0	0
	Total Development	241,000,000	236,000,000	127,600,000	140,360,000
TOTAL		2,988,251,929	4,600,802,922	4,683,343,079	4,923,890,224

Annex 4: Programme Based Expenditure in the Medium Term

i. Recurrent Expenditure

County Entity	Printed Estimates 2018/19	Projections	
		2019/20	2020/19
Office of the Governor	605,718,697	636,004,632	667,804,863
P01 Administrative Services.	401,503,989	421,579,188	442,658,148
P02 Transport Services.	30,177,780	31,686,669	33,271,002
P03 Human Resource Services	78,990,300	82,939,815	87,086,806
P04 Information Communication Services	10,844,956	11,387,204	11,956,564
P05 Hospitality Services.	22,811,866	23,952,459	25,150,082
P06 Cabinet Office.	7,969,500	8,367,975	8,786,374
P07 Deputy Governor, Advisors and County Secretary.	53,420,306	56,091,321	58,895,887
Public Service, Labour and ICT.	433,735,959	455,422,757	478,193,895
P01 Administration and Support Services.	424,510,959	445,736,507	468,023,332
P02 Information, Communication Services and ICT Infrastructure	5,975,000	6,273,750	6,587,438
P03 Training, Research and Development	3,250,000	3,412,500	3,583,125
Trade, Economic Planning and Industrialization.	135,110,600	141,866,130	148,959,437
P01 Administrative Services	82,585,600	86,714,880	91,050,624
P02 Legal Services	52,525,000	55,151,250	57,908,813
Finance and Revenue Management.	393,941,268	413,638,331	434,320,248
P01 Resource Mobilization.	26,127,351	27,433,719	28,805,404
P02 Budget Formulation, Coordination and Implementation.	55,987,728	58,787,114	61,726,470
P03 Supply Chain Management.	4,058,000	4,260,900	4,473,945
P04 Accounts Services.	7,736,042	8,122,844	8,528,986
P05 Audit Services.	5,850,000	6,142,500	6,449,625
P06 Human Resource Management and Support Services.	294,182,147	308,891,254	324,335,817
Decentralized Units, County Administration, Environment and Solid Waste.	374,833,441	393,575,113	413,253,869
P01 Administrative and Support Services.	169,524,927	178,001,173	186,901,232
P02 Administration of field services and Management of security services.	181,418,514	190,489,440	200,013,912
P04 General Administration and Planning	3,340,000	3,507,000	3,682,350
P05 Environmental Management	50,000	52,500	55,125
P06 Solid Waste Management	18,500,000	19,425,000	20,396,250
P07 Sanitation Management	2,000,000	2,100,000	2,205,000
Agriculture, Livestock, Fisheries,	502,632,973	527,764,622	554,152,853

County Entity	Printed Estimates 2018/19	Projections	
		2019/20	2020/19
Water and Irrigation.			
P01 General Administration and Support Services.	65,000,622	68,250,653	71,663,186
P02 Crop Development and Management.	132,491,243	139,115,805	146,071,595
P03 Livestock Resources Management and Development.	58,478,670	61,402,604	64,472,734
P04 Fisheries Development.	16,256,104	17,068,909	17,922,355
P05 Veterinary Services.	66,287,057	69,601,410	73,081,480
P06 Agriculture Training Centre.	13,929,793	14,626,283	15,357,597
P07 Water Supply and Sewerage.	47,669,128	50,052,584	52,555,214
P08 Water Resources Management and Water Storage.	47,022,849	49,373,991	51,842,691
P09 Development and promotion of irrigation schemes.	5,562,474	5,840,598	6,132,628
P10 General Administrative and Support Services.	49,935,033	52,431,785	55,053,374
Health and Emergency Services.	3,545,367,364	3,722,635,732	3,908,767,519
P01 Headquarters General Administration and Planning.	3,227,301,364	3,388,666,432	3,558,099,754
P02 Curative Services.	288,300,000	302,715,000	317,850,750
P03 Preventive and Promotive Services.	12,790,000	13,429,500	14,100,975
P04 Emergency Services.	16,976,000	17,824,800	18,716,040
Transport, Roads, Public works and housing.	187,097,783	196,452,672	206,275,306
P01 Headquarters Administrative Services.	30,555,014	32,082,765	33,686,903
P02 Road Development, Maintenance and Management.	24,232,764	25,444,402	26,716,622
P03 Housing Development and Human Settlement.	2,500,000	2,625,000	2,756,250
P04 County Government Buildings.	56,735,608	59,572,388	62,551,008
P05 County Fleet Management.	73,074,397	76,728,117	80,564,523
Education, Youth and Social Welfare.	295,221,490	309,982,565	325,481,693
P01 Headquarters Administrative Services.	152,784,000	160,423,200	168,444,360
P02 Basic Education.	95,087,490	99,841,865	104,833,958
P03 Youth Development Services.	21,850,000	22,942,500	24,089,625
P04 Gender and Social Services.	25,500,000	26,775,000	28,113,750
Lands, Urban Development, Energy and Natural Resources.	97,200,337	102,060,354	107,163,372
P01 Administrative Services.	61,942,274	65,039,388	68,291,357
P02 Energy and Natural Resources.	35,258,063	37,020,966	38,872,014
Tourism, Culture and Sports, Co-operative Development and Marketing.	81,269,662	85,333,145	89,599,802

County Entity	Printed Estimates 2018/19	Projections	
		2019/20	2020/19
P01 General Administration and Support Services.	45,571,383	47,849,952	50,242,450
P02 Heritage & Culture.	306,880	322,224	338,335
P03 Management and development of Sports and sports facilities.	3,548,000	3,725,400	3,911,670
P04 Liquor Management.	2,596,914	2,726,760	2,863,098
P05 Tourism development and Marketing.	5,250,256	5,512,769	5,788,407
P06 Management of recreational Facilities	1,787,447	1,876,819	1,970,660
P07 Machawood.	3,674,160	3,857,868	4,050,761
P08 County Image Directorate.	1,500,000	1,575,000	1,653,750
P09 Co-operative Development.	17,034,622	17,886,353	18,780,671
County Public Service Board	41,397,784	43,467,673	45,641,057
P01 Human Resource and Administration	41,397,784	43,467,673	45,641,057
County Assembly	936,776,339	983,615,156	1,032,795,914
P01 HR, Administration and Coordination Services.	252,070,955	264,674,503	277,908,228
P02 Financial Management Services	33,105,281	34,760,545	36,498,572
P03 Legal, Library and Research Services	12,000,000	12,600,000	13,230,000
P04 County Assembly Service Board	31,500,000	33,075,000	34,728,750
P05 Legislative Services	286,414,903	300,735,648	315,772,431
P06 Procedure and Committee Services	154,335,200	162,051,960	170,154,558
P07 Budget Office Services	6,000,000	6,300,000	6,615,000
P08 Audit Committee Services	5,500,000	5,775,000	6,063,750
P09 Ward Office Services	70,850,000	74,392,500	78,112,125
P10 Other Transfers	85,000,000	89,250,000	93,712,500
RECURRENT TOTAL	7,630,303,697	8,011,818,882	8,412,409,826

ii. Development Expenditure

County Entity	Printed Estimates 2018/19	Projections	
		2019/20	2020/21
Office of the Governor.	6,825,000	7,166,250	7,524,563
P01 Headquarters Administrative Services	6,825,000	7,166,250	7,524,563
Public Service, Labour and ICT	12,700,000	13,335,000	14,001,750
P01 General Administration and Support Services	1,700,000	1,785,000	1,874,250
P02 Information, Communication Services and ICT Infrastructure	11,000,000	11,550,000	12,127,500
Trade, Economic Planning and	91,575,000	96,153,750	100,961,438

County Entity	Printed Estimates 2018/19	Projections	
		2019/20	2020/21
Industrialization			
P02 Trade Development	51,000,000	53,550,000	56,227,500
P03 Industrial Development	40,000,000	42,000,000	44,100,000
P06 Legal Office.	575,000	603,750	633,938
Finance and Revenue Management	11,801,000	12,391,050	13,010,603
P01 Administrative Services Resource Mobilization	10,071,100	10,574,655	11,103,388
P04 Accounts Services.	700,000	735,000	771,750
P05 Audit Services	1,029,900	1,081,395	1,135,465
Decentralized Units, County Administration, Environment and Solid Waste	31,000,000	32,550,000	34,177,500
P01 General Administrative and Support Services	16,000,000	16,800,000	17,640,000
P04 Environmental Management	5,000,000	5,250,000	5,512,500
P05 Solid Waste Management	10,000,000	10,500,000	11,025,000
Agriculture, Livestock, Fisheries, Water and Irrigation.	665,611,142	698,891,699	733,836,284
P01 General Administration and Support Services.	2,000,000	2,100,000	2,205,000
P02 Crop Development and Management	50,000,000	52,500,000	55,125,000
P03 Livestock Resources Management and Development	2,500,000	2,625,000	2,756,250
P04 Fisheries Development	400,000	420,000	441,000
P05 Veterinary Services	22,000,000	23,100,000	24,255,000
P07 Water Supply and Sewerage	335,311,202	352,076,762	369,680,600
P08 Water Resources Management and Water Storage	42,000,000	44,100,000	46,305,000
P09 Development and promotion of irrigation schemes	144,034,578	151,236,307	158,798,122
P10 General Administrative and Support Services	67,365,362	70,733,630	74,270,312
Health and Emergency Services.	748,444,409	785,866,629	825,159,961
P01 Headquarters General Administration and Planning.	460,576,125	483,604,931	507,785,178
P02 Curative Services.	141,000,000	148,050,000	155,452,500
P03 Preventive and Promotive Services.	36,418,284	38,239,198	40,151,158
P04 Emergency Services.	110,450,000	115,972,500	121,771,125
Transport, Roads, Public works and housing.	1,436,297,233	1,508,112,095	1,583,517,699
P01 Headquarters Administrative Services	500,250	525,263	551,526
P02 Road Development, Maintenance and Management	1,319,221,983	1,385,183,082	1,454,442,236
P04 County Government Buildings	36,575,000	38,403,750	40,323,938
P05 County Fleet Management	80,000,000	84,000,000	88,200,000
Education, Youth and Social Welfare	289,295,000	303,759,750	318,947,738
P01 Headquarters Administrative	105,000,000		115,762,500

County Entity	Printed Estimates 2018/19	Projections	
		2019/20	2020/21
Services		110,250,000	
P02 Basic Education.	10,000,000	10,500,000	11,025,000
P03 Youth Development Services.	174,295,000	183,009,750	192,160,238
Lands, Urban Development, Energy and Natural Resources	1,054,320,500	1,107,036,525	1,162,388,351
P01 Urban Planning and Development	1,018,320,500	1,069,236,525	1,122,698,351
P02 Energy and Natural Resources	36,000,000	37,800,000	39,690,000
Tourism, Culture and Sports, Co- operative Development and Marketing	14,918,783	15,664,722	16,447,958
P02 Heritage & Culture	772,800	811,440	852,012
P03 Management and development of Sports Facilities	0	-	-
P04 Liquor Management	3,171,040	3,329,592	3,496,072
P05 Tourism development and Marketing	1,723,680	1,809,864	1,900,357
P06 Management of recreational Facilities	282,662	296,795	311,635
P07 Machawood	2,368,400	2,486,820	2,611,161
P08 County Image Directorate	5,678,281	5,962,195	6,260,305
P09 Co-operative Development	921,920	968,016	1,016,417
County Public Service Board	2,014,855	2,115,598	2,221,378
P01 Human Resource and Administration	2,014,855	2,115,598	2,221,378
County Assembly	236,000,000	247,800,000	260,190,000
P01 HR, Administration and Coordination Services	41,000,000	43,050,000	45,202,500
P02 Legislative Services	195,000,000	204,750,000	214,987,500
DEVELOPMENT TOTAL	4,600,802,922	4,830,843,068	5,072,385,222
COUNTY TOTAL	12,231,106,619	12,842,661,950	13,484,793,048

Annex 5: County Sector Ceilings

Sector	County Departments	Expenditure	2018/2019	2019/2020	2020/2021	
Agriculture and Co-operative Development	Co-operative Development	Rec	17,034,622	17,886,353	18,780,671	
		Dev't	921,920	968,016	1,016,417	
		Total	17,956,542	18,854,369	19,797,088	
	Livestock & Veterinary	Rec	124,765,727	131,004,013	137,554,214	
		Dev't	24,500,000	25,725,000	27,011,250	
		Total	149,265,727	156,729,013	164,565,464	
	Agriculture	Rec	211,421,658	221,992,741	233,092,378	
		Dev't	52,000,000	54,600,000	57,330,000	
		Total	263,421,658	276,592,741	290,422,378	
	Fisheries	Rec	16,256,104	17,068,909	17,922,355	
		Dev't	400,000	420,000	441,000	
		Total	16,656,104	17,488,909	18,363,355	
	Energy, Infrastructure and ICT	Transport	Rec	103,629,411	108,810,882	114,251,426
			Dev't	80,500,250	84,525,263	88,751,526
			Total	184,129,661	193,336,144	203,002,951
Housing		Rec	2,500,000	2,625,000	2,756,250	
		Dev't	-	-	-	
		Total	2,500,000	2,625,000	2,756,250	
Public Works		Rec	56,735,608	59,572,388	62,551,008	
		Dev't	36,575,000	38,403,750	40,323,938	
		Total	93,310,608	97,976,138	102,874,945	
Roads		Rec	24,232,764	25,444,402	26,716,622	
		Dev't	1,319,221,983	1,385,183,082	1,454,442,236	
		Total	1,343,454,747	1,410,627,484	1,481,158,859	
Energy		Rec	35,258,063	37,020,966	38,872,014	
		Dev't	36,000,000	37,800,000	39,690,000	
		Total	71,258,063	74,820,966	78,562,014	
ICT		Rec	5,975,000	6,273,750	6,587,438	
		Dev't	11,000,000	11,550,000	12,127,500	
		Total	16,975,000	17,823,750	18,714,938	
Commercial, Tourism and Labour Affairs		Trade	Rec	82,585,600	86,714,880	91,050,624
			Dev't	51,000,000	53,550,000	56,227,500
			Total	133,585,600	140,264,880	147,278,124
	Industrialization	Rec	-	-	-	
		Dev't	40,000,000	42,000,000	44,100,000	

Sector	County Departments	Expenditure	2018/2019	2019/2020	2020/2021	
		Total	40,000,000	42,000,000	44,100,000	
	Tourism	Rec	60,380,160	63,399,168	66,569,126	
		Dev't	13,224,063	13,885,266	14,579,529	
		Total	73,604,223	77,284,434	81,148,656	
Health	Health	Rec	3,545,367,364	3,722,635,732	3,908,767,519	
		Dev't	748,444,409	785,866,629	825,159,961	
		Total	4,293,811,773	4,508,502,362	4,733,927,480	
Education, Youth and Social Welfare	Education	Rec	247,871,490	260,265,065	273,278,318	
		Dev't	115,000,000	120,750,000	126,787,500	
		Total	362,871,490	381,015,065	400,065,818	
	Youth	Rec	21,850,000	22,942,500	24,089,625	
		Dev't	174,295,000	183,009,750	192,160,238	
		Total	196,145,000	205,952,250	216,249,863	
	Sports	Rec	3,548,000	3,725,400	3,911,670	
		Dev't	-	-	-	
		Total	3,548,000	3,725,400	3,911,670	
	Social Welfare	Rec	25,500,000	26,775,000	28,113,750	
		Dev't	-	-	-	
		Total	25,500,000	26,775,000	28,113,750	
	Culture	Rec	306,880	322,224	338,335	
		Dev't	772,800	811,440	852,012	
		Total	1,079,680	1,133,664	1,190,347	
	Public Administration	Office of the Governor	Rec	605,718,697	636,004,632	667,804,863
			Dev't	6,825,000	7,166,250	7,524,563
			Total	612,543,697	643,170,882	675,329,426
County Treasury		Rec	393,941,268	413,638,331	434,320,248	
		Dev't	11,801,000	12,391,050	13,010,603	
		Total	405,742,268	426,029,381	447,330,850	
Public Service		Rec	427,760,959	449,149,007	471,606,457	
		Dev't	1,700,000	1,785,000	1,874,250	
		Total	429,460,959	450,934,007	473,480,707	
County Public Service Board		Rec	41,397,784	43,467,673	45,641,057	
		Dev't	2,014,855	2,115,598	2,221,378	
		Total	43,412,639	45,583,271	47,862,434	
Decentralized		Rec	169,524,927	178,001,173	186,901,232	

Sector	County Departments	Expenditure	2018/2019	2019/2020	2020/2021
	Units	Dev't	16,000,000	16,800,000	17,640,000
		Total	185,524,927	194,801,173	204,541,232
	County Administration	Rec	237,283,514	249,147,690	261,605,074
		Dev't	575,000	603,750	633,938
		Total	237,858,514	249,751,440	262,239,012
	County Assembly	Rec	936,776,339	983,615,156	1,032,795,914
		Dev't	236,000,000	247,800,000	260,190,000
		Total	1,172,776,339	1,231,415,156	1,292,985,914
	Water and Irrigation	Water	Rec	144,627,010	151,858,361
Dev't			444,676,564	466,910,392	490,255,912
Total			589,303,574	618,768,753	649,707,190
Irrigation		Rec	5,562,474	5,840,598	6,132,628
		Dev't	144,034,578	151,236,307	158,798,122
		Total	149,597,052	157,076,905	164,930,750
Land, Environment and Natural Resources	Urban Development	Rec	61,942,274	65,039,388	68,291,357
		Dev't	1,018,320,500	1,069,236,525	1,122,698,351
		Total	1,080,262,774	1,134,275,913	1,190,989,708
	Environment and Natural Resources	Rec	20,550,000	21,577,500	22,656,375
		Dev't	15,000,000	15,750,000	16,537,500
		Total	35,550,000	37,327,500	39,193,875
Total County Budget.			12,231,106,619	12,842,661,950	13,484,795,047

Annex 6: Machakos County Budget Calendar 2018/19

No.	ACTIVITY	RESPONSIBILITY	DEADLINE
1.	Issue guidelines for preparation of 2019/20 and Medium Term County Budget Estimates	County Executive Committee Member for Finance	30 th August 2018
2.	Submission of Annual Development Plan (ADP) to the County Assembly for approval	CECM Planning	1 st September, 2018
3.	Publish and Publicize Annual Development Plan	CECM Planning	8 th September, 2018
4.	Expenditure Reviews	CECM responsible for Planning	10 th September , 2018
5.	Draft County Budget Review and Outlook Paper (CBROP)	County Treasury	15 th September 2018
6.	Submission of CBROP to the County Executive Committee	County Executive Committee Member for Finance	30 th September 2018
7.	Deliberation and approval of CBROP by the County Executive Committee	County Executive Committee	14 th October 2018
8.	Submission of approved CBROP to County Assembly	County Treasury	21 st October 2018
9.	Issue guidelines for reviewing 2018/2019 County Budget (Supplementary)	County Treasury	30 th October, 2018.
10.	Public Participation	County Treasury	31 st January, 2019
11.	Draft County Fiscal Strategy Paper (CFSP) circulated to stakeholders	County Treasury	15 th January 2019
12.	Submission of the CFSP to County Assembly	County Treasury	28 th February, 2019
13.	Submission of Debt Management Strategy to County Assembly	County Treasury	28 th February, 2019
14.	Publish and Publicize CFSP	County Treasury	7 th March, 2019

No.	ACTIVITY	RESPONSIBILITY	DEADLINE
15.	Adoption of CFSP	County Assembly	14 th March, 2019
16.	Submission of budget Estimates for 2019/20 to County Treasury	All Accounting Officers	15 th March, 2019.
17.	Consolidation of budget estimates for FY 2019/20	County Treasury	30 th March, 2019.
18.	Submission of County Budget Estimates and other supporting documents to County Executive Committee.	County Executive Committee Member for Finance (CECMF)	15 th April, 2019
19.	Submission of County Budget Estimates and other supporting documents to County Assembly	County Executive Committee Member for Finance (CECMF)	30 th April, 2019
20.	Submission of Cash flow projections to County Treasury	All Accounting Officers	20 th May, 2019
21.	Submission of Cash flow projections to Controller of Budget, Intergovernmental Budget and Economic Council and the National Treasury	County Treasury	15 th June, 2019
22.	Approval of the Budget Estimates	County Assembly	30 th June 2019.
23.	Publish and Publicize Budget Estimates	County Treasury	21 st July, 2019
24.	Submission of Finance Bill to County Assembly	CEC Finance	
25.	Approval of Finance Bill	County Assembly	90 Days after Appropriation Bill approval

Annex 7: County Sector Composition

Sector	County Departments
Agriculture and Cooperative Development	<ul style="list-style-type: none"> • Livestock & Veterinary • Agriculture • Fisheries • Co-operative Development
Energy, Infrastructure and ICT	<ul style="list-style-type: none"> • Energy • Transport • Housing • Public works • Roads • ICT
Commercial , Tourism and Labour affairs	<ul style="list-style-type: none"> • Trade • Industrialization • Tourism • Investment • Labour
Health	<ul style="list-style-type: none"> • Health
Education , Youth and Social welfare	<ul style="list-style-type: none"> • Education • Youth • Social welfare • Culture • Sports
Public Administration	<ul style="list-style-type: none"> • Office of the Governor • County Treasury • Economic Planning • Public Service • County Image • Legal Office • County Public Service Board • Decentralized Units/County Administration • County Assembly
Land , Environment and Natural Resources	<ul style="list-style-type: none"> • Lands • Urban Development • Environment • Natural Resources
Water and Irrigation	<ul style="list-style-type: none"> • Water • Irrigation