

REPUBLIC OF KENYA



MAKUENI COUNTY

2016 COUNTY FISCAL STRATEGY PAPER

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VISION

**“A COUNTY WHERE RESOURCES ARE SUSTAINABLY HARNESSSED AND EQUITABLY  
SHARED FOR THE BENEFIT OF EVERY HOUSEHOLD”**

## **FOREWORD**

The Makueni County 2016 County Fiscal Strategy Paper re-affirms the commitment of the County Government to socially transform the County. The transformational agenda is geared towards creating wealth & ensuring socio economic transformation of the County through reducing the poverty levels and achieving the following key objectives; develop, maintain & improve water sources and increase water distribution for domestic & irrigation use, equip health facilities and recruit general and specialist staff to increase access to healthcare, increase agricultural productivity, increase access to energy, ICT, road infrastructure, improve town and urban planning, increase opportunities and economic empowerment of youth, women, men, OVCs and the physically challenged. The Government will adopt a holistic approach in matters of development and service delivery.

The CFSP acts as implementing tool for the Makueni County long term development plan (Makueni County Vision 2025). The Vision aims at creating wealth & ensuring socio economic transformation of the County. It defines the development pathway for the County in the next decade (10 years) through 2025. The motivation of the Vision is the collective aspiration for an inclusive, just and self-reliant society by the year 2025.

The paper is also in line with the priorities of the County in the medium term as outlined in the County Integrated Development Plan (2013-2017), the MTP 11, Vision 2030 and the UN SDGs.

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**COUNTY EXECUTIVE COMMITTEE MEMBER - FINANCE & SOCIO ECONOMIC PLANNING**

## **ACKNOWLEDGEMENT**

The CFSP outlines the key government interventions for the next fiscal year. The overriding policy thrust of the Paper is to sustain economic growth by restoring and focusing on economic policies and structural reforms aimed at promoting productivity and building the resilience necessary for wealth creation and overall poverty reduction. Allocation of resources to programs in the paper was subject to how the programs support the County Government's agenda of socio economic transformation and wealth creation.

The interventions identified therein are meant to strategically address the specific challenges being faced by the local citizenry. The 2016 fiscal strategy paper lays a solid foundation for to foster the envisioned Socio Economic Transformation.

The preparation of the 2016 CFSP was achieved through consultation and co-operation between the County Treasury and all county departments. Much of the information in this report was obtained from the county sector working groups and other government agencies.

We would like to acknowledge the unlimited support and guidance by the Executive Committee Member – Finance and Economic Planning and the dedicated team from the Finance and Socio-Economic Planning who spent valuable time to put together this strategy paper. The Officers included; Annastacia Muendo – Director Budget and Expenditure, Boniface Mutua – Director Socio- Economic Planning, Maina G. C – Snr Economist, Karanja Waigi– Snr Economist, Patrick Nzula – Revenue directorate, Ruth Mulu – IFMIS support and secretariat.

I would like to take this opportunity to thank the entire staff of Makueni County Government for their dedication and commitment to public service.

**STEPHEN THIONG'O**

**CHIEF OFFICER FINANCE AND PLANNING**

## LIST OF ACRONYMS

ADP – Annual Development Plan  
ARUD – Agriculture Rural & Urban Development  
CARPS - Capacity Assessment and Rationalization of the Public Service  
CBROP – County Budget Review & Outlook Paper  
CFSP – County Fiscal Strategy Paper  
CIDP – County Integrated Development Plan  
CTTI – County Technical Training Institute  
ECDE – Early Childhood Development Education  
FBS - County Food Banking System  
FIF – Facility Improvement Fund  
FY – Financial Year  
GECA – General Economic Commercial Affairs  
ICT – Information Communication Technology  
IFMIS – Integrated Financial Management Information System  
LAN – Local Area Network  
MSMEs – Micro, Small & Medium Enterprises  
MTEF – Medium Term Expenditure Framework  
MTP - Medium Term Plan  
NDA - Net Domestic Assets  
NFA - Net Foreign Assets  
P2B – Plan to Budget  
P2P – Procure to Pay  
PAIR – Public Administration and International Relations  
PFMA – Public Finance Management Act  
REA – Rural Electrification Authority  
SDGs- Sustainable Development Goals  
SWG - Sector Working Groups

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**1.0 INTRODUCTION**

**1.1 Legal Basis for the Publication of the County Fiscal Strategy Paper**

The County Fiscal strategy Paper (CFSP) is prepared in accordance with the provisions of Section 117 of the Public Finance Management Act (PFMA), 2012. The said provisions state as follows:

- 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, the County Treasury shall seek and take into account the views of;
  - a. The Commission on Revenue Allocation,
  - b. The public,
  - c. Any interested persons or groups,
  - 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 finalising the budget proposal for the financial year concerned.
- 8) The County Treasury shall publish and publicise the County Fiscal Strategy Paper within seven days after it has been submitted to the county assembly.

## 1.2 Fiscal Responsibility Principle for the County Government.

In line with the Constitution, the Public Finance Management Act (PFM) 2012 sets out the fiscal responsibility principles to ensure prudent and transparent management of Public Resources

The PFM Act (107) states that:

- (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 per-cent 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;
- (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.



## **2.0 BACKGROUND / OVER VIEW**

The 2016 Makueni County Fiscal Strategy Paper is the third to be prepared in the County and it reaffirms the broad policies and strategies in the 2015 CFSP. It sets out the administrations priority programmes to be implemented in the FY 2016/17-2018/19 medium term expenditure framework (MTEF).

The paper, reiterates the ongoing Government's priority programmes and strategic intervention measures and is guided by the proposed County Vision 2025, Kenya Vision 2030, County Integrated Development Plan, the Annual Development Plan and the county's transformational agenda for wealth creation.

The County's development transformational agenda has been clustered into four pillars namely; Economic Affairs, Social Amenities and Services, Political & Governance and Environment & climate change. The clustering of these pillars is meant to direct resources to related activities in order to accelerate the desired sectoral growth. The approach ensures efficiency in delivery of services by linking specific sectoral resources to outcomes.

### **2.1 Enhancing Economic Transformation for a Shared Prosperity & wealth Creation**

The government through the various pillars has set out various strategies / interventions which if successfully implemented will radically transform the livelihood of the local citizenry. The implementation of these policies / interventions will be phased for a period of 10 years.

**Key strategies per pillar include;**

### **2.1.1 Economic Pillar.**

This pillar is a major source of employment opportunities in the county. The sectors embedded in this pillar include; Agriculture, Rural and Urban development; General Economic, Commercial and Labour Affairs; and Energy, Infrastructure and ICT. The specific interventions in the pillar are geared towards stimulating economic growth through creation of income generating opportunities driven through the three MTEF sectors.

#### **a. Agriculture, Rural and Urban Development**

This sector is the key driver of economic growth in the County. The County will implement interventions geared towards increasing agricultural and livestock production and productivity. Key interventions will include;

- i. Strengthening extension and other service delivery structures and promoting the adoption and use of improved and appropriate technology. The staff to farmer ratio will be increased and the sub-locations will be made the units of extension where resources will be decentralized to.
- ii. Continuously promoting run off water harvesting to reduce the overdependence on rain fed agriculture. The government will continue to implement the water harvesting strategy by constructing the major dams each covering 30 acres. This is expected to open up more areas for irrigation in the county.
- iii. Developing new irrigation infrastructure and rehabilitating the existing ones to enhance productivity. The Government will also promote the kitchen gardens and small-scale irrigation at household level using the harvested water.
- iv. Building the capacity on post-harvest loss management and facilitate storage, handling, and grading, packaging, transportation and pest control to reduce post-harvest losses. The strategy will also involve value addition to increase product shelf life including development of food processing infrastructure.
- v. Streamlining the input supply chain to ensure farmers get quality and affordable inputs and services. The government will promote farmer service centres/clinics to support the supply of inputs and provision of expert services.

- vi. Evaluating the viability of value chains by commissioning viability studies for all the important value chains including green grams, sorghum, Horticulture (fruits and vegetables), dairy, skins and hides, honey, and poultry.
- vii. Establishing and equipping an agricultural mechanization unit where individual farmers can access farm machineries. This is aimed at increasing agricultural productivity.
- viii. Supporting range rehabilitation and pasture development and conservation programmes to support livestock production activities including dairying, ranching and fattening.

The County will implement key flagship projects such as;

- i. Rolling out the artificial insemination programme using high quality semen sourced both locally and internationally
- ii. Increasing investments on value addition and processing.
- iii. Fully operationalize Kalamba fruit Processing Plant & Wote Tannery.
- iv. Developing the Kwa Kathoka Agriculture Training Center (ATC) into a modern farmer-training center of excellence with real time demonstrations and facilities for residential training with a focus on dry land farming and development of a county agricultural information resource centre.
- v. Collaborating with the national government including all the relevant partners and stakeholders to survey public land for titling in all urban areas where surveying and mapping is inadequate. These measures are aimed at improving the security of tenure and thus greatly enhance production in the county.

#### **b. Energy, Infrastructure and ICT**

The county government aims at implementing programmes geared towards providing reliable, cheap and well distributed energy throughout the County. Specific interventions in these sector will include;

- i. Investing in new connectivity lines. The County will partner with the National Agencies responsible for electricity distribution.
- ii. Exploiting the potential opportunities for energy generation from wind, solar, biogas and hydro. The County will promote the development of biogas especially in areas where dairy industry is being promoted and in institutions.

- iii. Enhance roads access in the County through upgrading classified roads and urban roads to bitumen standards.
- iv. Improving Information Communication and Telecommunication to facilitate development.
- v. Strengthening and upgrading the existing community information centres to be centres of service delivery and innovation hubs at the Ward levels. This will act as points for providing digital content and e-products/marketing and enhance innovation.

**c. General Economic and Commercial Affairs**

This sector aims at promoting creation of a conducive environment for businesses development and employment creation. This will enhance the growth of SMEs, boost entrepreneurship skills and ensure market linkages through; creating programmes geared towards developing commerce, industrialization, increasing the level of private investment. Specific interventions in this sector will include;

- i. Developing a county tourism policy to ensure coordination and regulation of tourism activities by all interested actors.
- ii. Undertaking aggressive marketing of sites attractive to tourists.
- iii. Developing a legal and management framework (Cooperative Policy) in conjunction with representatives of the cooperatives. The policy is aimed at governing and guiding in management of the County based cooperatives.
- iv. Undertake massive training of co-operative society members to ensure that issues on governance and mismanagement are tackled as they arise. This is expected to strengthen the cooperative movement in the county and have entities that are profitable and of value to the members.
- v. Planning and zoning all potential business zones to ensure coordinated business development at minimum cost possible.
- vi. Investing in appropriate market and town infrastructure that will facilitate investment. Such infrastructure will include wholesale and retail markets, market lighting and urban transport and communication infrastructure.
- vii. Strengthening consumer protection unit to ensure fair play for both the entrepreneurs and the consumers.

### **2.1.2 Social amenities & services pillar**

The pillar consists of Education, Health, social protection, culture and recreation, water and environment sub-sectors. The pillar is geared towards promotion of a healthy human resource, improved access to health services, potable water, sustainable environment conservation and equity.

#### **a. Health Sector**

The government is committed towards improving access to quality health care to all citizenry. These will be achieved through;

- i. Increasing specialist doctor's services and using technology to provide diagnostic advice from a central facility (telemedicine),
- ii. Maintaining & rehabilitating existing health facilities.
- iii. Balancing of existing staff in all the facilities. The Government will also collaborate with training institutions (Medical training colleges) by attaching students to the County health facilities.
- iv. Setting up of a tele-medical centre will facilitate access to specialized medical services for patients in remote areas where are no specialized doctors.
- v. Implement preventive measures towards HIV/AIDS and Non-Communicable Diseases,
- vi. Improve levels of immunization and access to primary healthcare,
- vii. Intensify the WASH and Nutrition training programmes
- viii. Strengthen the community health strategy (Primary Healthcare) to control disease incidences.
- ix. Intensify community awareness programmes by ensuring full immunization and support to nutrition programmes. This is aimed at reducing the levels of child and infant mortality rates . The government will also support initiatives that improve health seeking behaviour for expected mothers so as to reduce maternal mortality rates.
- x. Acquire specialized diagnostic equipment (X-ray, Ultrasound, CT scan and other equipment)
- xi. Fastrack the completion of the Trauma Centre at Makindu, and establish a mental/psychiatric unit at Makueni.
- xii. Set up an orthopaedic care centre at Kibwezi, and incorporate a doctor's plaza concept at Makindu and Makueni level 4 hospitals.

The Government will also collaborate with the National Government to improve NHIF coverage in the County to ensure that universal health coverage is reached by all citizenry.

#### **b. Education Sector**

The County recognizes education as an important aspect in human resource development which is key in driving the overall economic transformation. Education and training is expected to take leadership in development of skilled human resource base geared towards the achievement of the aspirations of the County. Key interventions that the County will undertake will include;

- i. Undertaking an assessment of current staffing levels in ECDE and CTTI institutions in the County in term of numbers, skill levels, and age in order to inform the required recruitment levels to ensure acceptable learner instructor ratios and skill requirements. Based on this assessment, the County will recruit the necessary staff to meet the acceptable ratios.
- ii. Undertake an assessment of the current status of ECDE and CTTI infrastructure in line with current and future demands to inform investment in new and upgrading of the existing infrastructure. It will also ensure that the institutions are well equipped with modern and appropriate learning equipment and materials
- iii. Upgrade identified CTTIs. The upgraded CTTIs will be equipped with adequate facilities for offering relevant technical courses and will offer demand driven skills and collaborate with other education players and facilities to offer short term courses. Each of the specialized CTTI will offer unique and tailor-made courses.
- iv. Undertake an assessment of the job market requirements to inform curriculum selection for the County CTTIs. This will ensure that relevant courses are given priority in the County CTTIs. The County will ensure that CTTIs have the necessary equipment for offering the selected courses.
- v. Establish an Education Fund and guiding regulations on how the fund will be administered. This will be geared towards supporting increased student retention and transition.

### **c. Water sector**

The County has prioritized water harvesting with a rallying call for “*Kutwiikanya Kiwu*”. This has led to aggressive investment in construction of dams and drilling of boreholes.

#### **Key interventions in the sub sector will include;**

- i. Undertaking a water resources mapping and create a database of the existing and potential water resources.
- ii. Construction of dams to harvest rainwater, harvesting and treatment of spring and river water, promotion of institutional and household level water harvesting, storage and utilization.
- iii. Expand existing water distribution pipelines, water treatment works to increase the amount of available potable water.
- iv. Constructing six major dams, one for each sub-county complete with treatment plants, storage tanks and distribution network.

### **d. Social protection, culture and recreation sector**

Social protection is an essential investment that contributes to economic growth and makes growth more pro-poor within the context of directly reducing poverty. It aims at supporting the participation of the poor in labour markets, enables them to access public services and investment in human capital through employment and empowerment objectives as well as raising their productivity.

#### **Key interventions in these sectors will include;**

- i. Promoting assistance to the numerous groups of vulnerable households and groups found in the County. Such as the elderly, the orphaned vulnerable children (OVCs), people with disabilities, people living with HIV infected, women and child headed households, youths and regions through innovative programs.
- ii. Increase and restructure the Bursary/Education schemes - The Government shall avail funds for bursaries and scholarships to vulnerable needy children.
- iii. Create an equalization fund as an Affirmative poverty reduction measure on the poorest regions of the County. This is an effort to ensure distribution of resources to marginalized

areas (far behind poverty levels the County) besides the equal distribution of funds for ward development.

- iv. Promote the construction and rehabilitation of sporting and recreation facilities in the County.
- v. Fast-track completion of a sports Centre.
- vi. Facilitate sporting tournaments and sports events including county marathon to promote sportsmanship in collaboration with sporting bodies to nurture and grow emerging talents from the county.
- vii. Develop standard playing fields in the six sub-counties and leveling of fields in the wards. This includes the maintenance of these fields and their governance to ensure they facilitate sporting activities in a dignified way.
- viii. Fast-track completion of model talent search Centre aimed at nurturing the sporting talent in the county.
- ix. Provide high quality, diversified parks, recreation and open space systems that provides for all age and interest groups.

### **2.1.3 Political and governance Pillar**

The political and governance pillar aims at promoting equity, participation, pluralism, transparency, accountability and the rule of law in the exercise of political, economic, social and administrative authority of the Government of Makueni County and her people. It seeks to foster a vibrant engagement between the government and the people in their exercise of self-governance.

Key strategies to be undertaken under this pillar include;

- i. Legislating all devolved functions and continuously putting in place adequate legal and policy framework necessary for the delivery of the County Government functions as per Schedule 4 of the Constitution of Kenya and other relevant laws.
- ii. Developing strategies to ensure there is a cordial relationship between all organs of the County Government and the people of Makueni.



- iii. Establishing functional Citizen Centres (*Mwene Nthi Centres*) that will serve both as the offices of the Sub County and Ward Administrators as well as citizen's `service Centres.
- iv. Institutionalize the people's forums as provided for in the public participation policy.
- v. Operationalize the Community radio to facilitate a platform through which the engagement of the Government with her citizens and other public take place
- vi. Institutionalize a community complaints management system as stipulated in the public participation policy.
- vii. Strengthening of County monitoring, evaluation and statistics systems.
- viii. Collaborate with the national government in managing security issues in the County. This will be through supporting community policing and installing relevant security infrastructure in major centres.
- ix.** Improving Public Finance Management systems. These will be achieved through decentralization of county treasury services & strengthening the internal audit.

### **3.0. ECONOMIC OUTLOOK**

#### **3.1 National Economic Outlook**

##### **Recent Economic Developments and Policy Outlook**

The rebased GDP estimates in nominal terms for 2014 is Ksh 4,955.5 billion which represents 26.3 percent increase from the previous estimates. This translates to US\$ 1,289 in GDP per capita in 2015 up from US\$ 994 in 2014, placing Kenya at lower middle income economy. Kenya's economy is now ranked as the 9th largest in Africa and 4th largest in Sub Saharan Africa.

The economy grew by 5.3 percent in 2014 and is projected to expand by 5.6 percent in 2015, 6.0 percent in 2016 and 6.5 percent in the medium term. Macroeconomic stability has been preserved with inflation remaining on average within target. Overall month-on-month inflation declined to 7.8 percent in January 2016 from 8.0 percent in December 2015. This was attributed to the declines in the prices of electricity, kerosene and cooking gas. In addition there was reduction in the pump prices of petrol and diesel that led to the reduction of the Transport index.

On average, the annual inflation rate stood at 6.8 percent in January 2016 compared to 6.7 percent in January 2015 and was therefore, within the current allowable margin of 2.5 percent on either side of the target of 5.0 percent

Food inflation however, rose from 7.4 percent in November 2015 to 7.5 percent in December 2015. This reflects the 12-month change in the 'food and non-alcoholic beverages' index, which rose from 7.5 percent in November 2015 to 7.7 percent in December 2015. This has great negative impact on the persistently food insecure counties including Makueni.

The national government real GDP is estimated to expand by 5.5 percent in FY 2014/2015, 5.8 percent in FY 2015/2016, 6.1 percent in FY 2016/2017 and 6.5 percent by FY 2018/19. This high growth will be supported by increased production in agriculture on account of favorable weather, completion of public infrastructural projects, expected recovery of Tourism sector, enhanced private consumption. The economy will also benefit from increased private

investments and domestic demand, following enhanced investor confidence and the on-going initiatives to deepen regional integration.

### **3.1 County Economic Outlook**

The county economy is anchored on the national economic environment since the county depends heavily on national government transfers to grow the economy. Any exogenous shocks greatly affect the county economy. The shocks include the fuel prices, food prices, recurrent droughts.

The tourist hotel bed occupancy in the county increased by 110% from 2,966 in 2013 to 6,244 in 2014 with 974 foreign spending in the county and 5,270 Kenyan residents in 2014. This is a reflection of the huge potential in tourism development and investment. Over the same period number of registered businesses increased by 3,190 to 17,390, this indicates the favorable business environment in the county. Small businesses, information and banking sectors are the sectors with high number of registrations representing over 50% indicating the growth potential in the economic sector. The turnover for the cooperative sector was over Kshs 240 million in 2014. This represents the benefits from the investment in cooperative development.

The level of growth will be supported by increased production in agriculture following the interventions being put to revamp the sector together with other measures, continued investment in infrastructure projects, expansion of activities in other sectors of the economy such as building and construction, manufacturing, retail and wholesale and financial intermediation, among others.

#### **There are downside risks to the outlook:**

- i. The impact of insecurity and depressed rainfall could affect agricultural production.
- ii. Geopolitical uncertainty on the international oil market will slow down the manufacturing sector.
- iii. Delayed releases from the National Government.
- iv. Increasing wage bill
- v. Weak/low capacity in mobilizing own revenue
- vi. Increased cost of free healthcare
- vii. The forthcoming political campaign period

## **4.0 FISCAL POLICY AND BUDGET FRAMEWORK**

### **4.1 Overview**

The 2016 CFSP is geared towards wealth creation & socio economic transformation. The paper advocates allocation of more resources to development to sustain the growth momentum. This will be achieved through;

- A minimum of 30% of the budget being allocated to development expenditure
- Increasing the engagement with development partners and fundraising to fund additional project in the ADP
- Strict adherence to public finance principles outlined in the Public Finance Management Act, 2012 and the PFMA regulations 2015.
- Increasing the proportion of the budget funded by local revenue sources from the current 6% to 9% in the medium term through enhanced revenue mobilization.

In the face of the high poverty levels in the county, the government will set aside supplementary funds for projects in poverty hit wards. These funds will fund key economic and social sector projects which have the potential to transform the livelihoods of the citizens and increase adaptive capacity.

### **4.2 Promoting Prudent Fiscal Policy**

Fiscal policy will continue to support economic activity within a context of sustainable public financing. The government will reorient its expenditure to finance key projects across the pillars outlined in the 2016/17 Annual Development Plan. The pillars are; economic pillar, social transformation pillar and political and governance pillar.

### 4.3 County Government Fiscal Projections, 2015/16-2017/18

Item	2014/15	2015/16	2016/17	2017/18
Allocation from National GoK	5,193,526,432.00	5,969,671,381.00	6,441,351,588.00	7,085,486,746.80
County generated revenue	400,000,000.00	400,000,000.00	450,000,000.00	495,000,000.00
AIA Fruit Processing Plant			100,000,000.00	110,000,000.00
Others	162,577,093.00	657,234,253.85	407,916,942.00	448,708,636.20
<b>Total</b>	<b>5,756,103,525.00</b>	<b>7,026,905,634.85</b>	<b>7,399,268,530.00</b>	<b>8,139,195,383.00</b>

The total expected revenue is expected to rise to Ksh 7.34 M in 2016/2017 financial year from Ksh 7.02 M in 2015/2016 financial year. The equitable revenue constitutes the biggest share of this revenue at 87.05 per cent. The total expected own revenue is estimated at 7.4 per cent of the total expected revenue while other allocations including the FIF are estimated at 5.51 per cent.

### 4.4 Observing Fiscal Responsibility Principles

The County Government recognizes that the fiscal stance it takes today will have implications into the future. The county will uphold the fiscal responsibility principals outlined in the Public Finance Management Act, 2012 which are;

- i. Ensuring balanced budget – the government expenditure doesn't exceed its revenue
- ii. Over the medium term at least 30% of the budget is allocated to development expenditure
- iii. Limiting the county debt financing and any borrowing would be for development expenditure only
- iv. Prudent financial and risk management in the county to ensure that resources are used prudently.

#### **4.5 Fiscal Structural Reforms**

The government will continue with measures outlined in the 2015 CFSP this will be achieved through the following measures;

##### **i. Enhancing revenue mobilization**

To enhance revenue mobilization, the county will enhance the local revenue sources mobilization with an overall aims of reducing leakages, enhancing efficiency and identifying new revenue sources not targeted earlier on.

##### **ii. Restructuring procurement**

The government will restructure the procurement system to enhance efficiency in public procurement and ensure equitable opportunities to all bidders. The government will additionally ensure that at least 30% of government procurement opportunities are allocated to youth, women and marginalized groups. This will be through implementation of the AGPO policy approved by the county government.

##### **iii. Enhanced and regular reporting**

The government will strengthen the reporting system through various entities; these include financial reporting, budget implementation reporting, monitoring and evaluation reporting. These reports will be on quarterly basis to enhance efficiency and service delivery.

##### **iv. Decentralizing treasury services**

The government will ensure treasury services are decentralized to the departments and in the medium term to the sub counties to decongest the county headquarters and improve service delivery.

##### **v. Deficit financing policy**

The County does not anticipate borrowing, but if any, it will be done in accordance with the Constitution of Kenya 2010 and the PFM act 2012.

## **5.0 2016/17 BUDGET FRAMEWORK**

The 2016/17 budget framework is set against the background of the medium-term macro-fiscal framework set out above, the County Government's strategic objectives as outlined in the annual development plan, County Integrated Development Plan and the Socio Economic Transformation agenda of the county. This makes County Government to refocus on expenditure from recurrent to development. The medium-term fiscal stance envisages new sources of revenue such as focusing on the untapped sectors such as Public Private Partnerships (PPPs) focusing more on infrastructure development.

### **5.1 Revenue Projections**

The 2016/17 budget targets revenue collection of Kshs 450Million. The projected growth assumes normal uninterrupted revenue collection pattern during the year and improved investor confidence in the Country. Inflation is expected to remain low and stable, reflecting continued implementation of a prudent monetary policy and stable food and oil prices, as well as stable exchange rate.

County revenue from local sources will be raised through permits, market entrance fee, Cess, rents, service-charge and rates, and from equitable share of the National revenue as part of the devolved funds.

The operationalization of the Kalamba fruit Processing Plant is expected to generate AIA amounting to Ksh 100M. This will raise the total target for revenue collection inclusive of Appropriation-in-Aid (AIA) to Kshs 550,000,000.00 which is approximated at 7.4% of the total county revenue.

The estimated equitable share of revenue from the National Government of Kshs. 6,441,351,588.00 is based on Budget Policy Statement (BPS) 2016. The total county revenue is expected to reach Kshs. 7,399,268,530.00 for the FY 2016/2017 due to other allocations from the national government and the own revenue. The revenue is expected to grow to Ksh 8,139,195,383.00 in 2017/2018 financial year based on the positive economic outlook in 2016/2017 fiscal year.

**Table 5.1 is analysis of Revenue Projections.**

<b>Item</b>	<b>FY 2016/17</b>
<b>Revenue &amp; Grants</b>	
Revenue from the national government	6,441,351,588.00
County generated revenue	450,000,000.00
AIA Fruit Processing Plant	100,000,000.00
<b>Sub Total</b>	<b>6,991,351,588.00</b>
FIF / AIA - Hospitals / Public Health	97,989,668.00
Conditional Allocations for Free Maternal Health Care Allocation	83,696,467.00
Conditional Allocations for compensation for User Fees Forgone	19,449,802.00
Conditional Allocation for Leasing of Medical Equipment	95,744,681.00
Conditional Allocation from Road Maintenance Fuel Levy Fund	98,971,324.00
Conditional Allocation - other loans & grants	12,065,000.00
<b>Sub Total</b>	<b>407,916,942.00</b>
<b>Total Revenue 2016-2017</b>	<b>7,399,268,530.00</b>
<b>Total Revenue Expected 2016-2017</b>	<b>7,399,268,530.00</b>
Recurrent	4,684,121,217.86
Development	2,715,147,312.15
% of the total-recurrent	<b>63.31</b>
% of the total-Development	<b>36.69</b>

**Source: CRA**

The County is expected to institute measures to expand revenue base through Assessment of the potential actual revenue base and eliminate revenue leakages.

In addition, the County Government intends to mitigate cases of deficits in the future by instituting strategies to counter challenges that hinder revenue collection. These interventions amongst others will include;

- Establishing a resource mobilization unit,
- Operationalization of the revenue automation system.
- Enactment and implementation of the FY 2015/16 Finance Bill,
- Developing a framework for PPPs, enhancing partnership and collaboration with the National Government and non-state actors,



- Mapping all available revenue streams,
- Redeployment, rotation and capacity building of staff.

The department will also put in place measures to ensure all revenue collected by the devolved units is banked in the County Revenue accounts and thus eliminate non disclosures of revenue.

Other measures the county will undertake include;

- i. Sensitizing all citizens on the benefits of paying rent & rates.
- ii. Exploiting dormant revenue streams e.g. parking
- iii. Updating records on Land Rates and Land Rent Training of revenue collectors
- iv. Target setting and monitoring.
- v. Rapid Results Initiative in revenue collection.
- vi. Restructuring and reorganizing revenue collection

## **5.2 Expenditure Forecasts**

The key policy document guiding the County Government's funding allocation decisions is the County Integrated Development Plan, which provides the updated development priorities of the county. Planning is expected to be guided by the public consultative forums to prioritise projects. In 2016/17, overall expenditure is estimated at **Kshs 7,399,268,530.00**. This includes both the county executive and the county assembly.

## **5.3 Recurrent Expenditure**

Recurrent expenditures in the FY 2016/17 is projected that **Kshs 4,684,121,217.86** with respect to goods and services, expenditure ceilings for sectors/ministries are determined by the funding allocation for goods and services in the previous year budget as the starting point. The total recurrent expenditure is estimated to be 63.31 per cent of the total projected revenue in 2016/2017 financial year.

## **5.4 Development Expenditure**

In line with the objective of allocating adequate resources towards development expenditure and the need to ensure completion of on-going projects, The projected development expenditures excluding donor funded projects is projected to be **Kshs 2,715,147,312.15**. The total development expenditure is estimated to be 36.69 per cent of the total projected revenue in 2016/2017 financial year.

Most of the funds are expected to support critical infrastructure as well as facilitate critical interventions to remove constraints hindering economic growth. Adherence to Public Procurement and Disposal Act 2015 will lead to value for money as well as transparency in all procurements.

The above allocation is expected to support critical infrastructure development that will attract private sector investment as well as facilitate critical interventions that will remove constraints to growth.

## **5.5 Summary**

Prudent utilization of public resources will remain critical and ensure that citizens get value for money in all development projects undertaken. The County is committed to building a strong institution to ensure efficiency in the use of public resources.

Efficiency and economical spending of government resources will be enhanced to ensure more funds are available for development. The county government is committed to ensuring that at least 30% of all government tenders are allocated to youth, women, persons living with disability and other vulnerable groups.

To fully engage and develop the sporting talent, the county will continue to support the youth in their sports and talent activities. In addition the county has introduced the youth mentorship program

To ensure meaningful sustainable development, the county government will ensure there is meaningful public participation from the inception to the completion and post-management of all projects undertaken at the community level. It will also ensure that some of the projects which are labour intensive will be undertaken by the local community.

The county will ensure that monitoring and evaluation of development projects is given emphasis to ensure that there is proper tracking of how projects are being implemented.

## **6.0 RESOURCE ENVELOPE AND CRITERIA FOR RESOURCE ALLOCATION**

### **6.1 Resource envelope**

The Makueni County 2016 MTEF Fiscal Framework is being prepared at a time when significant progress has been made in operationalizing the County Government of Makueni in accordance with the provision of the constitution and the County government Act 2012. The resource envelope available for allocation among the spending agencies is based on the medium term fiscal framework.

- Equitable share from the Consolidated Fund will finance 86% of the total budget. These are funds allocated to the County on the basis of the allocation formula by the Commission on Revenue Allocation (CRA). The proportion of the equitable share from the consolidated fund to locally raised revenue underscores the need to focus on the locally raised revenue in this medium term to raise its proportion. Other loans & grants, FIF contribute to 5% of the total budget.
- Locally mobilized revenue will fund 7.40% of the budget. The single business permit (31%), market entrance fee (12%), parking (11%) and liquor licensing (10%) accounts for 64% of the local collection.

The County will from this medium term focus on its potential to improve the local revenue source in order to meet the expanding budgetary requirements. Departments mandated to collect revenue have been put on performance contracting and challenged to raise Appropriation in Aid (AiA) targets as a complementary strategy of raising sustainable revenue.

### **6.2 Spending Priorities**

The Makueni County has already set the development agenda for the next financial year by commencing the budget preparation process and also reviewing the county integrated development plan covering the period 2013-2017. –

The spending priorities have been prioritized to those that contribute towards reduction in poverty levels & wealth creation.

The interventions are meant to achieve the following key objectives; develop, maintain & improve water sources and increase water distribution for domestic use, equip health facilities and recruit general and specialist staff to increase access to healthcare, increase agricultural productivity, increase access to energy, ICT, road infrastructure, improve town and urban planning, increase opportunities and economic empowerment of youth, women, men, OVCs and the physically challenged.

The above projects and policy interventions have high impact on poverty reduction, investment, equity, employment and wealth creation. In addition, the Constitution and the PFM law require national and county governments to promote budgetary transparency, accountability and effective financial management of their respective jurisdictions. Therefore, inefficient and wasteful public expenditure will be eliminated at all costs in order to promote public trust in public spending.

In finalizing the preparation of the 2016 MTEF budget, the County Government will continue to pursue the policy of curtailing less productive expenditures and redirecting savings to capital investment. Spending proposals will in this regard undergo rigorous scrutiny to identify areas of inefficient and non-priority expenditure.

## **7.0 RESOURCE ALLOCATION FRAMEWORK**

### **7.1. Resources available**

The county has two major source of revenue as provided for by the constitution of Kenya 2010; the revenue from the national government and revenues raised locally.

The largest source of revenue is the equitable share from the national government. Article 202 requires revenue raised nationally to be shared equitably among the national and county governments. In addition County governments may be given additional allocations from the national government share of revenue, either conditionally or unconditionally.

Revenues raised locally include taxes imposed by a county government pursuant to Article 209 (3) of the Kenyan constitution. Other includes property rates, entertainment taxes, service charges and any other tax that may be authorized by an Act of Parliament.

The combination of the above two sources will give the total available resource for allocation among various competing programmes during the 2016/2017 financial year.

During the period 2016/2017 the county treasury shall ensure adherence to the ratio of development to recurrent of at least 30:70 over the medium term, as set out in the PFMA 2012

### **7.2 Adjustment to 2015/16 Budget**

The 2015/16 budget was formulated on the basis of reaffirming the broad policies and strategies for Socio economic transformational agenda founded in the FY 2014/15. It aimed at improving the living standard of Makueni Citizenry through ensuring each household earns at least Kshs 500/day; reduce the absolute poverty; reduce the social inequalities and reduce youth and women un-employment.

The budget was anchored on three key development priorities; Water Sector Development, Social Sector Development and Infrastructural development. The priorities aimed at Harvesting Water for Socio-Economic development, creating a healthy, educated and skills-equipped citizenry and increasing investment in road, energy, financial and marketing infrastructure.

The 2015/16 priorities were identified during the Sector Working Groups meetings and the public Budget Public Hearing. The public hearings were conducted from the sub-ward level to facilitate capturing the county's best strategic interventions that would propel the county to the desired development levels.

Adjustments to the 2015/16 budget will be guided by the priority areas identified by the 2016/17 Annual Development Plan (ADP) and the 2015 County Budget Review and Outlook Paper (CBROP), and the just concluded CFSP hearing which conducted from village levels.

The adjustment will also take into account actual performance of expenditure and absorption capacity during 2014/15 financial year and the half year absorption capacity for 2015/16 budget. Expenditure in non- priority areas will be cut by slowing down or reprioritizing development expenditures in order for the county Government to live within its means.

Wage bill will be a major challenge in the implementation of the budget alongside timely release of funds by the national government and local revenue collection capacity. To effectively manage the wage bill only necessary and sanctioned recruitment will be allowed. County department will be required to prudently manage their wages and training and development expenditure.

### **7.3 The 2016/17 Budget framework**

The resource allocation will be guided by the Principles of public finance as provided by Article 201 of the COK 2010. The articles calls for

- openness and accountability, including public participation in financial matters
- Promote an equitable society, and in particular
- Equitable sharing of the burdens and benefits of the use of resources and public borrowing between present and future generations
- Prudent and responsible use of public money
- Responsible financial management and clear fiscal reporting.

The 2016/17 Budget framework falls within the 2015/16 - 2017/18 MTEF period. During this MTEF period, resources will be aimed at achieving meaningful social economic development, by identifying and adopt a single sector with many linkages to other sectors; the sector adopted is expected to trigger development of other sectors once it is fully developed.

The 2016/2017 budget will therefore be geared towards transformational development through poverty reduction initiatives and empowerment of the vulnerable population. Like the 2015/16 budget, the 2016/17 budget will adopt the water sector as the anchor sector for socio-economic transformation. The focus will incorporate water resource management to facilitate conversion of water resource to easily liquidated resource.

To complement the water harvesting and management-led development, the government will focus on the following key complementing economic growth drivers during the 2016/17 financial year;

1. Increasing agricultural and livestock production and productivity
2. Improving land use systems, planning and legislation
3. development of modern and competitive infrastructure
4. modernization of commercial activities
5. domestication of financial infrastructure

The Makueni 2015/16 - 2017/18 MTEF is guided by the Makueni CIDP 2013-2017 and will facilitate implementation of the Second Medium Term Plan (MTPII 2013/17) of the Kenya Vision 2030. On the other hand the 2016/17 programme are guided by the 2016/17 Annual Development Plan (ADP) and the new Makueni development blue print; Makueni Vision 2025.

The Sector Working Groups has prioritized programmes and their respective resources requirements over the 2015/16 - 2017/18 MTEF period. The 2016/2017 programmes and their resources will be geared toward championing the realization of the County's water agenda set during the 2015/16 financial year: **“Water Harvesting for Socio-Economic Transformation”** and christened **“Kutwiikany’a Kiw’u”**

The theme of the makueni 2016/17 budget will be **“Water Resource Management for Accelerated Socio-Economic transformation”**

The 2016/17 reaffirms the government commitment to ensuring enjoyment of fruit of devolution by all citizens within the county. This will be manifested in financing of programmes that promote equitable development with an affirmative bias toward the vulnerable population.

The 2016/17 Budget framework and aspirations assumes normal weather pattern during the year, improved private-public partnerships/collaborations, constant micro-economic conditions and increased political goodwill.

## 7.4 Resources Available

### 7.4.1 Equitable Share

Article 202 of the Constitution requires that revenue raised nationally be shared equitably among the national and county governments. According to Article 203(2) of the Constitution, in dividing the shareable revenue between the two levels of government each financial year, county governments must be allocated an equitable share of revenue that is not less than 15% of the most recent audited revenue received as approved by the National Assembly.

The national government has been exceeding this set ceiling owing to the need to support devolution and national development. This has been guided by the theme of the MTP II which is “Transforming Kenya: Pathway to Devolution, Socio-Economic Development, Equity and National Unity”. The total revenue allocated to county governments has been on an upward trend as tabulated below.

	2013/2014	2014/2015	2015/2016	2016/2017
	Ksh M	Ksh M	Ksh M	Ksh M <i>(projected)</i>
Total sharable revenue to County Governments	190,000.00	226,700.00	259,774.50	280,300.00
%ge of total sharable revenue	31	33.4	33.4	30

In addition, the Government has set aside Ksh 4,121 M for free maternal health, Ksh 4,500 M for leasing of medical equipment, Ksh 900 M for Compensation for user fee forgone, Ksh 4,000 M for level five hospitals, Ksh 200 M for Special Purpose Grant supporting access to emergency medical services, Ksh 4,306.8 being Allocation from Fuel Levy Fund (15%) and Ksh 3,870.7 M being Conditional allocations (Loans & grants).



This raises total allocation to county government to ksh 302,198.5 M in 2016/2017 Financial year from Ksh 287,044.2 in 2015/2016 Financial year; a marginal increase of 5.28 per cent.

The county is expected to receive a total of Ksh 6.44 B as equitable share based on the County Revenue Allocation Bill 2016. This is an increase of Ksh 0.47 B from Ksh 5.97 B in 2015/2016. Other expected allocation includes compensation for user fees forgone, free maternal health, allocation from Road maintenance levy, leasing of medical Equipments and Loans & grants totaling to Ksh 309,927,274 million.

### 7.3.2 Revenue Allocation from the national government for FY 2016/17

#### a. Equitable share

Type	FY 2013/14	FY 2014/15.	FY 2015/16.	FY 2016/17.
Equitable Share	4,366,389,448.00	5,208,872,802.00	5,969,671,381.00	6,441,351,588
<b>TOTAL</b>	<b>4,366,389,448.00</b>	<b>5,208,872,802.00</b>	<b>5,969,671,381.00</b>	<b>6,441,351,588.00</b>
<b>Change (Ksh)</b>	4,366,389,448.00	842,483,354.00	760,798,579.00	471,680,207.00
<b>Change (%ge)</b>	100	19.29	14.61	7.90

#### b. Other Allocation from the national government for FY 2016/17

Type	FY 2013/14	FY 2014/15.	FY 2015/16.	FY 2016/17.
Free maternal health		21,750,000.00	80,802,400.00	83,696,467
Compensation for user fees forgone			20,618,293.00	19,449,802
Leasing of medical Equipments			95,744,680.85	95,744,681
Roads maintenance fuel levy			75,834,678.00	98,971,324
Loans and grants	354,912,725.00	287,383,344.00	220,000,000.00	12,065,000
<b>TOTAL</b>	<b>354,912,725.00</b>	<b>309,133,344.00</b>	<b>493,000,051.85</b>	<b>309,927,274.00</b>
<b>Change (Ksh)</b>	354,912,725.00	-45,779,381.00	183,866,707.85	-183,072,777.85
<b>Change (%ge)</b>	100	-12.90	59.48	-37.13

### c. Total allocation from the national government

Type	FY 2013/14	FY 2014/15.	FY 2015/16.	FY 2016/17.
Equitable Share	4,366,389,448.00	5,208,872,802.00	5,969,671,381.00	6,441,351,588.00
Other allocation	354,912,725.00	309,133,344.00	493,000,051.85	309,927,274.00
<b>TOTAL ALLOCATION</b>	<b>4,721,302,173.00</b>	<b>5,518,006,146.00</b>	<b>6,462,671,432.85</b>	<b>6,751,278,862.00</b>
<b>Change (Ksh)</b>	5,076,214,898.00	796,703,973.00	944,665,286.85	288,607,429.15
<b>Change (%ge)</b>	100	16.87	17.12	4.47

### 7.3.3 Local Revenue projections

In addition to the equitable share of revenue, county government of Makueni is expected to get additional resources from own revenues through imposition of property taxes, entertainment taxes, user fees and/or any other tax that may be authorized by an Act of Parliament as well as

The FY 2016/2017 budget will target increased revenue collection in the county from Kshs 400 Million in the FY2015/2016 budget to Kshs 600Million as tabulated below.

Type	FY 2013/14	FY 2014/15.	FY 2015/16.	FY 2016/17.
	<b>Actual</b>	<b>Actual</b>	<b>Projection</b>	<b>Projection</b>
Local Revenues	189,187,741	215,349,954	400,000,000	450,000,000
AiA form Kalamba Fruit Processing plant				100,000,000
Health-FIF		89,804,407	89,081,516	97,989,668
<b>TOTAL</b>	<b>189,187,741</b>	<b>305,154,361</b>	<b>489,081,516</b>	<b>697,989,668</b>

### 7.3.4. Total Projected Revenue in 2016/2017 financial year

The total expected revenue during the 2016/2017 financial year will comprise the Ksh 6.75 B from the national government transfers and 0.65 B from local sources.

Item	FY 2013/14	FY 2014/15.	FY 2015/16.	FY 2016/17.
Revenue for the national Govt	4,721,302,173.00	5,518,006,146.00	6,462,671,432.85	6,751,278,862.00
Own Revenue	189,187,741	305,154,361	489,081,516	647,989,668
<b>Total 2016/17 Projected Revenue</b>	<b>4,910,489,914.00</b>	<b>5,823,160,507.00</b>	<b>6,951,752,948.85</b>	<b>7,399,268,530.00</b>

The county treasury will however consider the projected revenue less other Conditional Allocations from the national government and donor funds. The total revenue available for allocation amongst the prioritized programmes during 2016/2017 financial year will therefore be equal to ksh 7.04 B excluding Conditional Allocations and donor funds as tabulated below.

Type	FY 2013/14	FY 2014/15.	FY 2015/16.	FY 2016/17.
	<b>Actual</b>	<b>Actual</b>	<b>Projection</b>	<b>Projection</b>
Total 2016/17 Projected Revenue	4,910,489,914.00	5,823,160,507.00	6,951,752,948.85	7,399,268,530.00
Less other Allocations	-354,912,724.00	-309,133,343.00	-493,000,050.85	-309,927,273.00
Less FIF		-89,804,406	-89,081,515	-97,989,667
<b>TOTAL SHARBLE REVENUE in 2016/17</b>	<b>4,555,577,190.00</b>	<b>5,424,222,758.00</b>	<b>6,369,671,383.00</b>	<b>6,991,351,590.50</b>
<b>Change (Ksh)</b>	4,555,577,189	868,645,568	945,448,625	621,680,208
<b>Change (%ge)</b>	100	19.07	17.43	9.76

### 7.3.5 Expenditure Forecasts

During the 2016/17 financial year, the overall expenditures (less Conditional Allocations and donor funds) are projected to increase to Kshs. **6,991,351,590.50** up from Ksh. **6,369,671,383.00** in FY 2015/16 budget as tabulated below.

Type	FY 2013/14	FY 2014/15.	FY 2015/16.	FY 2016/17.
	Actual	Actual	Projection	Projection
Projected expenditure	4,555,577,190.00	5,424,222,758.00	6,369,671,383.00	6,991,351,590.50
	<b>4,555,577,190.00</b>	<b>5,424,222,758.00</b>	<b>6,369,671,383.00</b>	<b>6,991,351,590.50</b>

The county will experience reduced expansion of the expenditure during the 2016/2017 financial year because the government has contained the growth of recurrent expenditure. The growth in recurrent expenditure was occasioned by the high demand of technical staff to facilitate setting up of the relevant governance structure. The government has since filled most of the vacancies and is expecting no more recruitment during the period under review.

### 7.3.6 Recurrent expenditures

The recurrent expenditure in FY 2016/2017 is projected to be 67 per cent of the total expenditures. The expenditure has stabilized which can be attributed to the fact that most departments have recruited required staff. The projected recurrent expenditure for the 2016/2017 financial year is **KsH 4,684,121,218** which is comprised of **Ksh 2,524,210,450** projected expenditure on salaries and wages and **KsH 2,159,910,768** projected expenditure on operations and maintenance.

The wage bill is expected to stabilize at 36 per cent of total projected expenditures. The executive wage bill is projected at 33.16 per cent of the total expenditure while the County Assembly's wage bill is projected at 45.70 of its total recurrent expenditure.

The recurrent expenditure include KsH 300M to be budgeted under the Finance and Planning Department for operationalizing a Car & Mortgage fund. The establishment of the fund is guided

by the Salaries and Remuneration Commission's (SRC) vide circular SRC/ADM/CIR/1/13. Vol III(128) dated 17<sup>th</sup> December 2014.

Expenditure ceilings on goods and services for the departments are based on funding allocation in the FY 2014/2015 budget as the starting point. Then an adjustment factor is applied to take into account the general increase in prices and the CIDP which is the development strategy for the county.

### **7.3.7 Development expenditures**

The FY 2016/2017 ceiling for development expenditures excluding donor funded projects will be Kshs. **2,307,230,370** accounting for 33 per cent of the total projected expenditures. The development ceiling for The Office of the Governor includes Ksh 615 M cluster development projects funds. The allocation will be appropriated in various departments once the specific projects to be funded are identified during 2016/2017 budget hearings.

### **7.3.8 Fiscal Discipline**

The financial management during the 2016/2017 financial year will be guided by chapter twelve of the constitution of Kenya 2010. Article 201 (d) of the Constitution requires public money to be used in a prudent and responsible way while Section 107 of the PFM Act, 2012 sets out the fiscal responsibility principles to be enforced by the County Treasuries. Current trends in the county planning and budgeting as well as execution of budgets suggest that county governments may have difficulty meeting these requirements.

## 8.0 MEDIUM TERM EXPENDITURE FRAMEWORK

### 8.1 Resource envelope

The resource envelope available for allocation among the sectors is based updated fiscal framework which has been outlined in chapter 5 and the C-BROP which was prepared in September 2015.

### 8.2 Budgetary Allocations for the FY 2016/17 ~ 2018/19 MTEF

The budgetary allocations to the County assembly and the County executive are summarized as below.

**Table 8.2: Summary Budget Allocations for the FY 2016/17 ~ 2018/19 MTEF**

	2015/16 BUDGET ESTIMATES	2016/17 CEILINGS - SALARIES	2016/17 CEILINGS - O&M	2016/17 CEILINGS - RECURRENT	2016/17 DEVELOPME NT CEILINGS	TOTAL 16/17 BUDGET CEILINGS
County Assembly	664,667,329	205,668,660	244,331,340	450,000,000	40,000,000	490,000,000
County Executive	6,362,238,306	2,318,541,790	1,915,579,428	4,234,121,218	2,267,230,370	6,501,351,588
<b>Total</b>	<b>7,026,905,635</b>	<b>2,524,210,450</b>	<b>2,159,910,768</b>	<b>4,684,121,218</b>	<b>2,307,230,370</b>	<b>6,991,351,588</b>
%ge of Total Budget		<b>36.10</b>	<b>30.89</b>	<b>67.00</b>	<b>33.00</b>	

### 8.3 Key Priorities for the 2016/17 Medium Term Budget

The County Government is committed to improving the implementation and absorption capacity of capital projects. The County Treasury in liaison with other departments will work on ways of improving the monitoring and reporting on project implementation.

The MTEF budget for the period will critically be reviewed to remove non priority expenditures and shift the savings to the priority programme. The County vision 2025, County Integrated Development Plan and other policy documents will guide resource allocation

The Constitution and the PFM Act, 2012 requires County Governments to promote budgetary transparency, accountability and effective management of the economy. In line with this, the

County Government will aim at eliminating inefficient and wasteful public spending at all levels in order to promote public trust in public spending.

As we finalize the FY 2016/17 MTEF Budget, we will review expenditures to ensure that the expenditures are geared towards the identified priorities. Taken as a whole, the 2016/17MTEF Budget will focus on the following,

- Improving the allocation of funds to water sector to address water challenge in the County. The sector will receive bulk of development resources
- Enhancing support to social sectors (Health and Education) the health sector will receive the third largest share of the development funds.
- Capital investments in Energy and Infrastructure sector and other development expenditure in general. The Energy and Infrastructure Sector will be receiving the fourth largest share of the development resources. This reflects Government's commitment in improving infrastructure in the whole county for faster growth.
- Other sectors will be Agriculture, rural and urban development sector, General economic and commercial affairs and social protection sectors.

The allocation under PAIR sector is inclusive supplementary funds for projects in poverty hit wards, cluster development projects funds, mortgage facility and emergency funds. The cluster development funds will be redistributed to the various departments once the actual projects have been identified. The water sector will receive 55% of the total allocation from these cluster development fund's which is estimated at Kshs **338,250,000.00**

**Table; Sector percentage development allocation**

<b>PILLAR</b>	<b>SECTOR</b>	<b>DEVELOPMENT BUDGET FY 2016/17</b>	<b>%Age of Total Development Budget</b>
Economic	ARUD	415,000,000.00	18%
	EII	134,000,000.00	6%
	GECA	30,000,000.00	1%
Political & Governance	PAIR	888,000,000.00	38%
Social	Education	115,000,000.00	5%
	Health	335,000,000.00	15%
	Social Protection	100,000,000.00	4%
	WEI	290,230,370.15	13%
	<b>Grand Total</b>	<b>2,307,230,370.15</b>	<b>100%</b>

#### **8.4 Details of Sector Priorities**

The medium term expenditure framework for 2016/17 – 2018/19 ensures that resources are allocated to priority programmes as envisaged in the County vision 2025, County integrated development plan and other County policy documents. The main aim is to accelerate growth and development, alleviate poverty create employment for the youth and improve the livelihoods of Makueni citizenry. Details of sector priorities are as listed below.

##### **8.4.1 Environmental Protection, Water and Natural Resources Sector**

The Environmental Protection, Water and Natural Resources Sector consist of three sub-sectors namely: Environment, Water and Natural Resources, and Mining. The goal of the sector is to protect, conserve and promote environment and Natural Resources management and increase access to affordable water supply for sustainable County development.

In the FY 2014/15 the sector implemented 5 programmes namely; Water Resources Management and Water Storage, Irrigation development, Environment Management and Protection, Natural Resources conservation and management & Administration, Planning and Support services.



During the FY 2016/17, focus will be directed to the following priority areas; Water Harvesting - kutwiikany'a kiw'u, through construction of dams, Weirs, Sand dams and water pans and rehabilitation of existing dams and water pans, household water conservation and harvesting. The sector aims at halving the average distance to the nearest water point. The sector will also develop an elaborate water development policy which is expected to ensure the realization of the County water harvesting strategy & distribution.

#### **8.4.2 Health Sector**

The goal of the sector is to provide integrated and high quality curative, preventive and rehabilitative primary health care services that are equitable, responsive, accessible and accountable to the people of Makueni.

The Sector made achievement as follows: Construction of five theatres in five major hospitals and bought an ultra-modern x-ray unit for one of Sub County hospital. The sector has ensured adequate supply of drugs, non-pharmaceuticals to the health facilities and has been able to equip the hospitals with specialized equipment's and all the health centers and dispensary with basic equipment's. In order to address emergencies the sector constructed four theatres and one mega trauma center.

The sector bought 12 ambulances to improve on the County referral system and renovated 69 dispensaries, upgraded 51 dispensaries by constructing either a maternity wing or staff quarters or both. So far the sector has opened 39 dispensaries and 16 new dispensaries and 10 new staff quarters are waiting to be commissioned.

Three wards, three X-blocks and two KMTC block have been put up for improved quality of care which is in tandem with increased training of staff. The sector is maintaining 109 community health units and intent to support 60 units in starting income generating activities.

The goal of the sector is to provide integrated and high quality curative, preventive and rehabilitative primary health care services that are equitable, responsive, accessible and accountable to the people of Makueni.

### 8.4.3 Energy, Infrastructure, Transport & ICT Sector

The Energy, Infrastructure and ICT Sector consist of Roads, Transport, ICT, Energy & Public Works. The sector's mid-term aims is to implement key programmes and sub programmes to ensure development of high quality, affordable, reliable and efficient transport, Energy and ICT infrastructure which are enablers for socio-economic transformation

The goal of the sector is to ensure development of high quality, affordable, reliable and efficient transport, Energy and ICT infrastructure which are enablers for socio-economic transformation During the FY 2014/15 the Sector implemented a total of 7 programmes.

The 2014/15 budget was geared towards accelerating infrastructure development, focusing on quality, aesthetics and functionality of the infrastructure services while focusing on the following priority areas;

- i. Economic empowerment of all citizenry in the County through; allocating resources to programmes that will enhance creation of economic opportunities, infrastructure development and strengthening development and usage of ICT to spur economic development. Investment on roads will be enhanced to ensure all dilapidated roads are maintained and other existing roads upgraded. Strengthening infrastructure at decentralized levels will also be a key strategy in order to facilitate the decentralization of services to the lowest possible levels.
- ii. Promoting use of alternative sources of energy and ensuring an increase of 5% in the number of homesteads connected with the National grid in the county. This will also involve the lighting up of all major towns to boost the level of economic activity and security.

During the period under review, the sector implemented four programmes as detailed below

S/No.	Programmes	Objectives
<b>1. ENERGY SUB SECTOR</b>		
i)	County Electrification	To increase Access to Electricity
ii)	Renewable Energy Resources	To promote utilization and development of new and renewable energy resources
iii)	General Administration & Support services	To support and improve efficiency in service Delivery
<b>2. TRANSPORT AND INFRASTRUCTURE SUB-SECTOR</b>		
i)	Policy Formulation and	To develop and review policies and regulatory

	Administrative Services	guidelines that guarantee provision of efficient, safe and reliable transport
ii)	Road Transport	To develop and manage an effective, efficient, and secure road network & interconnection with other counties.
iii)	Infrastructure development, Vehicles , Machinery & other equipments	To design, develop, supervise, construct, and maintain government building, Foot bridges and acquisition of vehicles, machinery & other equipments.
<b>3. INFORMATION, COMMUNICATION &amp; TECHNOLOGY SUB-SECTOR</b>		
i)	Information and communication Services	To collect, collate and disseminate credible information to promote knowledge based society. To support artists in the county
ii)	ICT systems and Applications	To design and develop County Government application and citizen-oriented systems aimed at enhancing citizen participation and their development
iii)	ICT Infrastructure Development	To develop a world class ICT infrastructure that ensure availability of accessible, efficient, reliable and affordable ICT services
iv)	Policy formulation and administrative services	To formulate, review and implement appropriate policies, legal and institutional frameworks that improve efficiency of service delivery.

#### 8.4.4 Agriculture, Rural and Urban Development (ARUD) Sector

The goal of the sector is to attain food security, sustainable land management, affordable housing and sustainable urban infrastructure development.

The Agriculture, Rural and Urban Development (ARUD) Sector comprises of three sub-sectors namely: Agriculture, Livestock and Fisheries and Land, Urban development and Mining. The Research and Development institutions in the sector are; Kenya Agricultural and Livestock Research Organization (KALRO).

The goal of the sector is to attain food security, sustainable land management, affordable housing and sustainable urban infrastructure development.

The key policy objectives of the sector include: raising agricultural productivity through value addition, increasing market access and adoption of technologies; exploiting irrigation potential; effective administration and management of land and land based resources; enhancing urban development; development of decent and affordable housing, and sustainable management of resources in the sector.

The sector initiated seven programmes during the 2014/15 financial year. The sector aimed at increasing agricultural productivity through expanding the output and agricultural value. During the period, the sector was allocated Ksh 760,539,080.56 M to facilitate the sector's service delivery programmes and related activities. The Agriculture Livestock and Food Security

sub-sector got the lion share in the sector amounting to Ksh 500,577,186.40. This was 65.82 per cent of the total sectors allocation. On the other hand the Lands, Urban Development and Mining got 34.18 percent amounting to Ksh 259,961,894.16.

During the period under review the sector implemented the following programmes. realized the following key achievements;

### **Agriculture department**

- i. General Administration, Planning and Support Services,
- ii. crop development & productivity,
- iii. Agribusiness and information management and
- iv. Livestock Resources Management and Development.

#### **2.1.2 Lands, Housing and Urban Development**

- v. Administration, Planning & Support Services for Land, Housing and Urban Development,
- vi. County Urban Planning& Housing and
- vii. Land Survey & Mapping.

Key achievements includes

1. Agriculture & livestock subsector ; Provided Subsidized Artificial Insemination; Rehabilitated crushes for animal vaccination; undertook Poultry & Livestock breed improvement; trained farmers on Soil conservation, undertook vaccination against FMD and LSD; Started mechanized hay baling and pasture production and conservation programme, conducted farm tour visits, distributed Certified seeds, enhanced promotion of orphaned crops; (through formation of sorghum clusters and demonstration on sorghum utilisation and on crop husbandry), Started construction of Kalamba fruit processing plant, installed coolers in the mini dairy processing plant and purchased motorbikes for various dairy cooperative societies.
2. Lands Sub Sector; planning was done for 25 markets, Surveying of land in 5 Wards completed successfully and data collection, analysis & plotting has done for various markets to facilitate land data digitization.

### **P.1. Administration, Planning & Support Services for Land, Housing and Urban Development,**

1. Policies developed; zoning policy and planning standards and regulations
2. The CLIMS phase 2 (training) is just about to start
- 3.

### **P.2. County Urban Planning& Housing and**

1. Initiated urban Pedestrian access road improvement in Wote, Ukia and Emali towns
2. Initiated cabro paving in Wote town
3. Developed slum prevention/upgrading for Mtito Andei; secured land tenure for the residents

### **P.3. Land Survey & Mapping**

1. Completed Surveys plans for Mtito Andei, Wote, Makindu, Emali and Sultan Hamud towns
2. Completed sections for kisekini and kyamuso
3. Completed 60 cumulative physical development plans during the two financial years
4. Planning 25 markets, Surveying of land in 5 Wards and data collection, analysis & plotting for land data digitization.

### **8.4.5 Public Administration and International Relations (PAIR)**

This sector comprises of; Office of the Governor & Deputy Governor, Office of the County Secretary, County Public Service Board, Department of Finance & Planning, Department of Devolution and Public Service & the County Assembly.

The sector cuts across the entire government and focuses on provision of overall policy and leadership direction on matters pertaining to management of Government, legislation, planning, financing, and public human resource management. Besides coordinating government business, the sector provides policy and leadership direction to the rest of the county. It also mobilizes resources to fund government projects and programmes through the MTEF process and has linkages with all other sectors.

The goal of the sector is to transformational development through poverty reduction initiatives and equitable distribution of resources; “Kila nyumba o kalila”.

## Mandate of the Sector

The mandates of the specific sub-sectors are;

Sub-sector	Mandate
office of the governor and deputy governor	Provision of overall leadership for county posterity
Finance and social economic planning	Coordinating county development policy and planning; overseeing devolution and public human resource management.
County public service	Public human resource management.
County public service board	Provision of competent human resource for efficient and effective public service delivery and promotion of good governance
Devolution and public service	overseeing and supporting devolution
County Assembly	Legislation and provision of oversight on county policy

The 2014/15 budget was geared towards transformational development with high poverty reduction outcomes through offering timely and adequate planning and advisory, co-ordination and facilitation Monitoring and evaluation services to other sectors.

The Budget also aimed at facilitating the implementation of the new governance structures ushered in by the Constitution of Kenya 2010. The budget thus entrenched devolution at the formative stage with a view of setting up systems and other requisite institutions to ensure good governance of the county.

During the period under review, the sector implemented four programmes as detailed below

	PROGRAMME	OBJECTIVES
1.	Policy formulation and General administration services	To facilitate harmonious and efficient management of Government for effective public service delivery.
2.	Governance services	Organization and facilitation of county Government Business
3.	Policy formulation and General administration services for county treasury	To provide efficient services to county treasury division/ units & Programmes, departments and the public
4.	Public Finance Management	To ensure prudent financial management and internal controls for effective and efficient service delivery by all County government entities
5.	Economic and Financial Policy	To provide a framework for the formulation, analysis and

	Formulation and Management	management of fiscal and monetary policies for the maintenance of macroeconomic stability and accelerated growth.
6.	Policy formulation and General administration services for public services	To support efficient and effective delivery of services
7.	Support to devolution services	To provide technical support services on planning, infrastructure development and management support to devolved levels of Government.
8.	Human Resource Management and Development.	To spearhead management and development of human resources in the public service
9.	Policy formulation and General administration services for Public Services Board	To ensure a transformed public service that is professional, efficient and effective.
10.	Policy formulation and General administration services for Devolution Services	To ensure efficient and effective devolution support services
11.	Legislation and Oversight Services	To strengthen the capacity of Members of County Assembly to make laws and strengthen the capacity and process of overseeing the County Budgets.

#### 8.4.6 Education Sector;

Education is one of the county MTEF sectors. It comprises of Education; Civic education, Youth Training and development and the ICT functions. The Civic education function has been transfer to the devolution and public sub-sector in PAIR .

The sector derives its functions and mandate form schedule four of the constitution of Kenya 2010. Basic education is a fundamental human right which is provided for by the constitution of Kenya. The constitution guarantees every child to free and compulsory education. It further provides for access to affordable tertiary education, training and skills development. This is consistent with the international education commitments and other global conventions to which Kenya is a signatory.

The County Government is committed to providing quality education and training in line with the Kenya constitution 2010 and schedule 4 of the County government act. In addition the sector aims at leveraging the adoption of ICT in service delivery by ensuring internet access in all sub-county and ward headquarters. The sector is collaborating with the National government to facilitate the completion of the county fiber optic project.

The sector initiated four programmes during the 2014/15 financial year. The sector aimed at empowering Makueni citizens with the necessary skills that will facilitate transforming the county into a sustainable economy. During the period, the sector was allocated Ksh 458,322,467.82 M to facilitate the sector's service delivery programmes and related activities. The sectors mandate is to provide, promote, co-ordinate quality pre-primary education, civic education, village polytechnics, home craft centres and child care facilities.

The 2014-15 MTEF budget aimed at guiding and coordinating pre-primary education, civic education and youth village polytechnics to achieve economic development outlined in the County Integrated Development Plan.

The key priority areas in the period under review included construction of ECDE classrooms, civic education and support to education through bursaries and support to educational institutions in the County. The civic education function has since been transferred to the Department of Devolution and Public service.



During the period under review, the sector implemented four programmes as detailed below.

<b>PROGRAMME</b>	<b>OBJECTIVES</b>
Administration, Planning & Support Services	To provide effective and efficient linkages between the programs of the sector
Early childhood education	To enhance access, quality, equity and relevance of education at ECDE, primary, alternative provision of basic education, special needs and alternative basic adult and continuing education
Technical Vocational training	To provide access to quality and relevant training to young people in youth polytechnics
Civic education	To empower the citizenry in achieving meaningful participation in development activities.

### **Sectoral Performance and achievements**

During the period under review the sector had 304 projects to implement. The projects include the projects of the education department and the ICT department which was an independent department in 2014/2015 financial year.

<b>Capital Project status</b>	<b>Projects (No)</b>	<b>Projects (%)</b>
Complete	164	53.95
Incomplete	56	18.42
Not Begun	84	27.63
	<b>304</b>	<b>100</b>

The sector implemented 164 projects to completion while 56 and 84 projects were incomplete and had not started respectively. The complete projects accounted for 53.95 per cent of the total projects while the incomplete and not started projects accounted for 18.42 per cent and 27.63 per cent respectively.

The completed projects included county bursary programme, county exams, drought mitigation, establishment of CICs, a couple of ICT projects, and few construction projects. To the contrary all the incomplete projects were constructions works which was affected by the delayed completion of the budget cycle.

The department also achieved the following under the headquarters soft projects category

- Awarded bursary to 8,000 needy students
- Awarded 12 scholarships
- County mock exams in 363 secondary & 932 primary schools
- purchased 42,000 seats, 7000 tables, 1572 textbooks & teachers guide for ECDEC centres
- purchased 1 pencil per every ECDE pupils; 42000 pupils

#### **8.4.7 General Economic Commercial and Labour Affairs (GECLA)**

The General Economic and Commercial Affairs (GECA) Sector comprises of eight sub-sectors namely: Regional Development Authorities; Labour; Trade; East Africa Community (EAC); Tourism; Industrialization; Kenya Industrial Research and Development Institute (KIRDI); and Productivity Centre of Kenya (PCK). In the County the sector comprises of the following sub sectors; trade, tourism, cooperatives and industrialization.

The sector plays a key role in accelerating economic growth, employment creation, poverty reduction, industrial development and achieving equitable distribution of resources and attainment of the millennium development goals through trade, tourism and investments.

The goal of the sector is to facilitate trade, investment and cooperatives by championing and enabling environment for business and facilitate sustainable tourism development for prosperity of the County. This will play a major role of job employment hence reducing poverty at our County

The 2014/15 budget was geared towards ensuring that the department creates an enabling environment for business to thrive by increasing market access and promoting SMEs to exploit their major potential. The department will also work towards ensuring development of tourist sites and maintaining the existing ones to spur tourism in the County.

During the period under review, the sector implemented the following programmes.

PROGRAMME	OBJECTIVES
Trade development and investment	To facilitate domestic competitive trade and investment climate
Tourism development and marketing	To increase the number of tourism sites and tourists visiting the county and the earnings
Cooperative movement development	To facilitate enabling environment for growth of cooperatives in the County.
Policy formulation and administrative services	To provide general support and p[policy guidance

#### 8.4.8 Social Protection, Culture and Recreation Sector

The sector will support unemployed youth, women, children, people with HIV/AIDs and People with Disabilities.

In the FY 2014/15 the sector implemented four programmes which realized the following key achievement; sixty groups were given materials on to how to support their economic activities. Ten groups benefited with tents & Chairs & two benefited with seats, three groups benefited with goats, twenty five groups supported with 5,000ltr water tanks, one group benefited with car wash machine. Six hundred and thirty five community members were also trained on entrepreneurship to improve their businesses.

The sector also Organized Governors cup in four leagues from the ward level to the county finals supported 7 and 15 aside rugby teams which started and competing in the KRU leagues. 635 individual youths trained on entrepreneurship in the entire county to promote self-employment.

The government recognizes that for the county to reach its full potential, it is important to empower youth, women and persons with disabilities and remove all obstacles to ensure full participation in social economic development of the country.

The government is therefore committed to promote gender and youth empowerment, livelihoods for the vulnerable groups and marginalized areas. In the financial year 2016/17, 2,500 youth will be trained through the Support to youth programme and another 4,000 will be trained through the social transformation programme. The government targets to register 30 community

youth SACCOs and 2,000 youths will be targeted to benefit from these SACCOs in a bid to attain sustainable youth led enterprises and promote employment creation services. In addition, 5,000 youth will be mentored on leadership and national values while 10,000 will be sensitized on entrepreneurship skills and social vices and 40 youth Empowerment Centers will be constructed.

The government will develop and disseminate women economic empowerment strategy train them on how to benefit through the Youth Empowerment programme to benefit Youth, Women and Persons with Disabilities.

**ANNEXES**

**ANNEX 1: SECTOR CEILINGS**

<b>PILLAR</b>	<b>SECTOR</b>	<b>2015/16 BUDGET</b>	<b>RECURRENT BUDGET FY 16/17</b>	<b>DEVELOPMENT BUDGET FY 2016/17</b>	<b>TOTAL FY 2016/17 BUDGET</b>
Economic	ARUD	528,950,009.09	288,336,640.55	415,000,000.00	703,336,640.55
	EI&ICT	610,862,158.36	152,753,046.92	134,000,000.00	286,753,046.92
	GECA	215,721,791.99	59,802,123.53	30,000,000.00	89,802,123.53
Political & Governance	PAIR	2,004,677,275.14	1,965,257,792.15	888,000,000.00	2,853,257,792.15
Social	Education	498,503,413.88	229,227,859.21	115,000,000.00	344,227,859.21
	Health	2,128,759,687.39	1,745,875,279.75	335,000,000.00	2,080,875,279.75
	Social Protection	219,393,463.00	77,427,016.28	100,000,000.00	177,427,016.28
	WEI	820,037,836.00	165,441,459.46	290,230,370.15	455,671,829.61
	<b>Grand Total</b>	<b>7,026,905,634.85</b>	<b>4,684,121,217.85</b>	<b>2,307,230,370.15</b>	<b>6,991,351,588.00</b>

### Annex 3: Summary of Sector Programmes and sub-programmes, 2016/17 - 2018/19

Department	Programme/ Sub Programme
Office of the governor	<b>Programme 1: General administration &amp; planning</b> SP1. 1 General administration & planning
County secretary	<b>Programme 1: Leadership and coordination of departments.</b> SP1. 1 Leadership and coordination of departments.
County attorney's office	<b>Programme 1: Legal &amp; advisory services</b> SP1. 1 Legal & advisory services
County public service board	<b>Programme 1: Human resource management &amp; Development</b> SP1. 1 Human resource management & Development
Department of finance & socio economic planning	<b>Programme 1: General administration &amp; planning</b> SP1. 1 General administration & planning <b>Programme 2: Public financial management</b> SP2.1 Accounting services SP2.2; Budget formulation, coordination and management SP2.3; Internal audit services SP2.4; Resource mobilisation SP2.5; Supply chain management services SP2.6; Economic planning
Health	<b>P.1 Preventive, Promotive and RMNCAH</b> SP 1.1 Communicable Disease Control SP1.2 Non Communicable diseases prevention and control SP1.3 Waste Management SP1.4 RMNCAH <b>P.2 County Referral &amp; Specialized services.</b> SP2.1 County Referral Health Services SP2.2 Specialized Health Services SP2.3 Specialized Medical Equipment <b>P.3 Health Development &amp; research</b> SP3.1 Pre-Service and In-Service Training P.4 General Administration & Support Services SP4.1 General Administration <b>P.5 Health Policy, Standards and Regulations.</b> SP5.1 Health Policy SP5.2 Social Protection in Health
Gender, youth & social services	<b>Programme 1: General administration &amp; planning</b> SP1. 1 General administration & planning <b>Programme 2: Gender &amp; Social Development</b> SP2. 1 Gender & Social Development <b>P3; Youth Development support &amp; Empowerment</b> SP3. 1 Youth Development <b>Programme 2: Sports Development</b> SP4. 1 Sports Development
Trade, industry, tourism and cooperatives	<b>Programme 1: General administration &amp; planning</b> SP1. 1 General administration & planning <b>Programme 2: Trade development &amp; promotion</b>

	SP2.1; Enterpreneural development and training
	SP2.2; Fair trade and consumer protection
	SP2.3; Local markets development
	SP2.4; Trade marketing & promotion
	<b>P3; Industrial development and promotion</b>
	SP3. 1 Industrial development and promotion
	<b>Programme 4: Tourism development &amp; promotion</b>
	SP4. 1 Tourism development & promotion
	<b>Programme 5: Cooperative development and management</b>
	SP4. 1 Cooperative development and management
Department of agriculture, livestock and food security	<b>Programme 1: General administration &amp; planning</b>
	SP1. 1 General administration & planning
	<b>Programme 2: Land, Crop development &amp; productivity</b>
	SP2. 1 Land, Crop development & productivity
	<b>P3; Agribusiness and information management</b>
	SP3. 1 Agribusiness and information management
	<b>Programme 2: Livestock Production, Management and Development</b>
	SP4. 1 Livestock Production, Management and Development
Department water, irrigation & environment	<b>Programme 1: General administration &amp; planning</b>
	SP1. 1 General administration & planning
	<b>Programme 2: Water infrastructure Development</b>
	SP 2.1 Water harvesting and storage
	SP 2.2.Piped water supply infrastructure
	SP2.3 Ground water development
	<b>P3; Irrigation infrastructure development</b>
	SP3. 1 Irrigation infrastructure development
	<b>Programme 4: Environment management and protection</b>
	SP4. 1 Environment management and protection
Transport, infrastructure & energy	<b>Programme 1: General administration &amp; planning</b>
	SP1. 1 General administration & planning
	<b>Programme 2: Road transport</b>
	SP2. 1 Road transport
	<b>P3; Infrastructure development</b>
	SP3. 1 Infrastructure development
	<b>Programme 2: Energy Infrastructure &amp; development</b>
	SP4. 1 Energy Infrastructure & development
Lands, mining & physical planning	<b>Programme 1: General administration &amp; planning</b>
	SP1. 1 General administration & planning
	<b>Programme 2: : Land Survey &amp; Mapping</b>
	SP2. 1 : Land Survey & Mapping
	<b>P3; Urban planning</b>
	SP3. 1 Urban planning
	<b>Programme 2: Mining mapping &amp; development</b>
	SP4. 1 Mining mapping & development
Devolution	<b>Programme 1: General administration &amp; planning</b>
	SP1. 1 General administration & planning
	<b>Programme 2: :Public Participation &amp; Civic Education</b>
	SP2. 1 :Public Participation & Civic Education

	<b>Programme 3; Information and communication</b>
	SP3. 1 Information and communication
	<b>Programme 4: Enforcement and compliance</b>
	SP4. 1 Enforcement and compliance
	<b>Programme 5: Volunteerism &amp; mentorship</b>
	SP5. 1 Volunteerism & mentorship
Education	<b>Programme 1: General administration &amp; planning</b>
	SP1. 1 General administration & planning
	<b>Programme 2: Early childhood education</b>
	SP1. 1 Early childhood education
	<b>Programme 3: Technical training &amp; non formal education</b>
	SP1. 1 Technical training & non formal education
	<b>Programme 4: Support to education</b>
	SP1. 1 Support to education
	<b>Programme 5; ICT Infrastructure &amp; Systems Development</b>
	SP3. 1 ICT Infrastructure & Systems Development
County assembly	<b>Programme 1; Legislation, oversight and representation</b>
	SP1.1; Legislation, oversight and representation



### ANNEX 3: DEPARTMENT CEILING

PILLAR	SECTOR	DEPARTMENT	2015/16 BUDGET	SALARIES BUDGET FY 16/17	O&M	RECURRENT BUDGET FY 16/17	DEVELOPMENT BUDGET FY 2016/17	TOTAL FY 2016/17 BUDGET
Economic	ARUD	Department of lands, Physical Planning & Mining	105,630,645.89	26,340,379.74	17,374,969.27	43,715,349.01	50,000,000.00	93,715,349.01
		Department of Agriculture, Livestock & Fisheries development	423,319,363.20	186,934,173.54	57,687,118.00	244,621,291.54	365,000,000.00	609,621,291.54
		<b>Sub Total</b>	<b>528,950,009.09</b>	<b>213,274,553.28</b>	<b>75,062,087.27</b>	<b>288,336,640.55</b>	<b>415,000,000.00</b>	<b>703,336,640.55</b>
	EI&ICT	Department of ICT	-	-		0.00		0.00
		Department of Transport & Infrastructure	610,862,158.36	78,828,167.76	73,924,879.16	152,753,046.92	134,000,000.00	286,753,046.92
		<b>Sub Total</b>	<b>610,862,158.36</b>	<b>78,828,167.76</b>	<b>73,924,879.16</b>	<b>152,753,046.92</b>	<b>134,000,000.00</b>	<b>286,753,046.92</b>
	GECA	Department of Trade, Tourism & Cooperatives	215,721,791.99	29,429,831.10	30,372,292.43	59,802,123.53	30,000,000.00	89,802,123.53
		<b>Sub Total</b>	<b>215,721,791.99</b>	<b>29,429,831.10</b>	<b>30,372,292.43</b>	<b>59,802,123.53</b>	<b>30,000,000.00</b>	<b>89,802,123.53</b>
Political & Governance	PAIR	County Attorney's Office	43,571,041.79	7,402,980.68	36,951,000.00	44,353,980.68	0	44,353,980.68
		County Public Service Board	50,961,037.15	28,584,402.96	27,564,897.00	56,149,299.96	0	56,149,299.96
		Office of Governor	174,648,475.28	79,484,660.85	162,515,000.00	241,999,660.85	690,000,000.00	931,999,660.85
		County Secretary	109,603,288.05	61,379,872.53	262,900,000.00	324,279,872.53		324,279,872.53
		Department of finance & Socio Economic Planning	681,512,091.68	202,234,906.27	409,814,875.67	612,049,781.94	40,000,000.00	652,049,781.94
		Department of Devolution & Public Service	279,714,012.19	133,275,196.20	103,150,000.00	236,425,196.20	118,000,000.00	354,425,196.20
		County Assembly	664,667,329.00	205,668,660.28	244,331,339.72	450,000,000.00	40,000,000.00	490,000,000.00

		<b>Sub Total</b>	<b>2,004,677,275.14</b>	<b>718,030,679.77</b>	<b>1,247,227,112.39</b>	<b>1,965,257,792.16</b>	<b>888,000,000.00</b>	<b>2,853,257,792.16</b>
Social	Education	Department of Education & ICT	498,503,413.88	189,210,426.86	40,017,432.35	229,227,859.21	115,000,000.00	344,227,859.21
		<b>Sub Total</b>	<b>498,503,413.88</b>	<b>189,210,426.86</b>	<b>40,017,432.35</b>	<b>229,227,859.21</b>	<b>115,000,000.00</b>	<b>344,227,859.21</b>
	Health	Department of health	2,128,759,687.39	1,181,497,095.45	564,378,184.30	1,745,875,279.75	335,000,000.00	2,080,875,279.75
		<b>Sub Total</b>	<b>2,128,759,687.39</b>	<b>1,181,497,095.45</b>	<b>564,378,184.30</b>	<b>1,745,875,279.75</b>	<b>335,000,000.00</b>	<b>2,080,875,279.75</b>
	Social Protection	Department of Gender, Youth & Social services	219,393,463.00	35,471,636.28	41,955,380.00	77,427,016.28	100,000,000.00	177,427,016.28
		<b>Sub Total</b>	<b>219,393,463.00</b>	<b>35,471,636.28</b>	<b>41,955,380.00</b>	<b>77,427,016.28</b>	<b>100,000,000.00</b>	<b>177,427,016.28</b>
	WEI	Department of water, Irrigation & Environment	820,037,836.00	78,468,059.46	86,973,400.00	165,441,459.46	290,230,370.15	455,671,829.61
		<b>Sub Total</b>	<b>820,037,836.00</b>	<b>78,468,059.46</b>	<b>86,973,400.00</b>	<b>165,441,459.46</b>	<b>290,230,370.15</b>	<b>455,671,829.61</b>
		<b>Grand Totals</b>	<b>7,026,905,634.85</b>	<b>2,524,210,449.96</b>	<b>2,159,910,767.90</b>	<b>4,684,121,217.86</b>	<b>2,307,230,370.15</b>	<b>6,991,351,588.01</b>