REPUBLIC OF KENYA

BARINGO COUNTY GOVERNMENT

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

30TH SEPTEMBER 2018

To obtain copies of the document, please contact:

The Baringo County Treasury
AFC Building
P. O. Box 53-30400
KABARNET, KENYA.

The document is also available on the website at: www.baringo.go.ke

Foreword

The County Budget Review Outlook Paper (CBROP) 2017/18 financial year is prepared in accordance with section 118 of the Public Finance Management Act, 2012. It reviews the fiscal performance of the financial year 2017/18 by making comparisons to the budget allocations for the period under the review.

In so doing the CBROP analyzes the performance of both revenue and expenditure in the budget for 2017/18 Financial year. It has included the total revenue collected and made comparison over projected revenue for the same year. Furthermore, the document analyses revenue streams and underpins some possible causes of underperformance/over performance as well as analysis of performance of departmental expenditures for the period under review.

It is also expected that CBROP will help in improving the link between policy, planning and budgeting, transparency and accountability in the use of public resources. This is vital in the preparation of annual budgets, management of public resources, and prioritization of resources to key sectors. Thus this will help in addressing weaknesses in implementation of spending priorities consistent with government policies of achieving high and sustained economic growth and poverty reduction.

This outlook paper also provides an overview of how the actual performance of the FY 2017/18 affected the financial objectives as detailed in the CFSP and will form a basis for projecting the 2019/20 budget based on the recent economic development. It is projected that, the revenue and expenditure for 2018/19 will be achieved with strict expenditure controls and enhanced revenue collection measures. This will be achieved through fiscal discipline in ensuring proper management of public resources and opening up of new as well as maintaining of existing sources of revenue.

The 2018 CBROP shall spell out broad fiscal parameters for the 2019/20 budget and the medium term that is consistent with county's strategies. Subsequently, the County Fiscal Strategy Paper (CFSP) for 2019 will provide an update of available resources and set firm departmental ceilings and expenditure priorities. The CPROP will be made available to the public including members of County Assembly to facilitate understanding of the fiscal situation and proposed county government strategies in line with the objective of improving public transparency and accountability.

Hon. Dr. David Sergon
County Executive Committee Member
Finance and Economic Planning

Acknowledgements

The development of the County Budget Review and Outlook Paper has been made possible through the participation of many individual officers. Special thanks go to the Executive Committee Members under the leadership of His Excellency the Governor Stanley K. Kiptis and Deputy Governor H.E Jacob Chepkwony for their steadfast leadership, guidance and support during the entire process of writing the paper. Special gratitude goes to the Executive Committee Member for Finance and Economic Planning Hon Dr. David Sergon for his invaluable input and leadership in preparation of this document.

Finance and economic Planning unit would like to appreciate the Chief Officers from various departments and the following officers from accounting unit; Mr. Rerimoi David, Mr. Karimi Francis, Mr. Alvin Lopakale and Mr. Nicholas Kiprotich for generously availing data that was used in the report.

Also, individual appreciation goes to the core team from Directorate of Budget and Economic Planning who pieced up the document. These officers include the Director of Economic Planning Mr. Evans K. Lokabel, head of budget Mr. Jacob Kendagor and senior economists Mr. Kiprono Kosgei, Mr. Michael K Ngetich and Mr. Solomon C. Kimuna.

Finally, we are grateful to those whom we would not individually mention here particularly staff from various departments whose input, efforts and personal dedication led to timely submission of this document.

Finally, we hope the implementation of the interventions provided herein will be useful while preparing 2019/20 budget as well as implementation of 2018/19 approved budget.

Ms. Jane Barus
Chief Officer-Finance and Economic Planning

Acronyms and Abbreviations

ADP	Annual Development Plan
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CMA	Capital Markets Authority
DANIDA	Danish International Development Agency
FSI	Financial Services
FY	Financial Year
GDP	Gross Domestic Product
HSSF	Health Sector Services Fund
KNBS	Kenya National Bureau of Statistics
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
SWGs	Sector Working Group

Table of Contents

Executive Summary

The County Budget Review Outlook Paper (CBROP) is prepared in accordance with section 118 of the Public Finance Management Act, 2012. It reviews the actual fiscal performance of the financial year 2017/18 and makes comparisons to the budget allocations in the same year. It presents the Budget performance for FY 2017/18 and how the budget adhered to the fiscal responsibility principles and financial objectives as set out in the PFM Act, 2012. The updated fiscal forecasts therein also provide the basis to revise the FY 2018/19 budget in the context of supplementary estimates set out in the broad fiscal parameters, the" BIG **FOUR Agenda"** and the medium-term expenditure framework.

The approved budget for 2017/18 financial year was Kes. 6.942 comprising of equitable share of Kes 4.983 Billion, Local Revenue Kes 450 Million, Grants Kes, 587.33 M, and roll over Kes. 943,308 Million. Second revised budget totaled to Kes6.959 Billion due increment of Grants and Equitable Share.

In the financial year under review, locally collected revenue amounted to Kes 308 Million which was off target by Kes 42 Million. This represents an achievement of 88 percent which off target by 12 per cent.

The total exchequer releases as at 30th June, 2018 was Kes 5.281Billion. The total expenditure for the period under review was Kes 5.218 representing and an overall absorption rate of 75 percent of the revised budget of Kes 6.959Billion.

The total recurrent expenditure was Kes 4.227 Billion and development expenditure was Kes 991.12 Million presenting absorption of 99.6 percent and 37 percent respectively.

The FY 2017/18 budget adhered to the fiscal responsibility principles as set out in the PFM Act, 2012, by allocating 30 percent of the budget to development and 70 percent recurrent.

Moving forward, implementation of 2017/18 F/Y budget and formulation subsequent budgets in the medium term will be premised on the lessons drawn from the performance of the period under review. The issue of under-performance in revenue collection, low absorption and increasing wage bill and O&M should be addressed. The prudent management of resources and continued timely release of funds by the national government, peaceful co-existence in the country as well as stable global economic environment and favorable weather conditions is expected during the period to realize the set objectives.

The budget for FY 2017/18 target local revenue collection of Kes 450 million up from Kes. 330 million in FY2016/17. It was later reviewed downwards to Kes 250

Million due prolonged electioneering period, insecurity and revenue collection performance. The revenue for the FY 2018/19projected is Kes 371.147 million and the projected MTEF projections will be Kes 393.41 Million, Kes 417.02 Million and Kes 442.04 Million.

Overall expenditure is projected at Kes. 8.029 Billion in 2018/19 F/Y up from the approved budget of Kes 5.218 Billion in the FY 2017/18. Recurrent expenditures will amount to Kes. 4.296 Billion while development expenditure is projected at Kes. 3.733 Billion in FY 2018/19 due to rollovers.

The risks to the medium-term framework include: increased fear of insecurity in some parts of the county, pressures on expenditures especially recurrent related to new salary demands, climate change and droughts, Risks from the global economies relates to uncertainties in the global financial markets particularly with regard to the U.S. economic and trade policies, normalization of monetary policy in the advanced economies and the Brexit outcome.

The recent National Finance Bill, 2018 which increases taxes on essential goods like fuel pushing up the cost of living and posing a threat to the business environment with a consequent reduction in investment by the private sector, increases unemployment.

The National Finance Bill 2018 also reduce county allocations and this will affect capital investments on 2018/19 budget and in the medium term.

Agricultural Sector particularly livestock sub sector is one of the largest sources of revenue through market sales. Livestock disease outbreaks lead to loss of animals and disrupt operations of livestock markets with a consequent loss of revenue.

To confront these risks, the County will closely monitor the developments and undertake appropriate measures to safeguard its economic stability should these risks materialize.

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

The County Budget Review and Outlook Paper is prepared in accordance with Section118 of the Public Financial management Act, 2012, states that:

(1) A County Treasury shall:

(a) Prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and

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

(2) in preparing its county Budget Review and Outlook Paper, the County Treasury shall specify (a) the details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;

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

(3) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission. (4) Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall—

(a) arrange for the Paper to be laid before the County Assembly; and

(b) as soon as practicable after having done so, publish and publicize the Paper.

Key Highlights

Chart 1: Budget for FY 2017/18

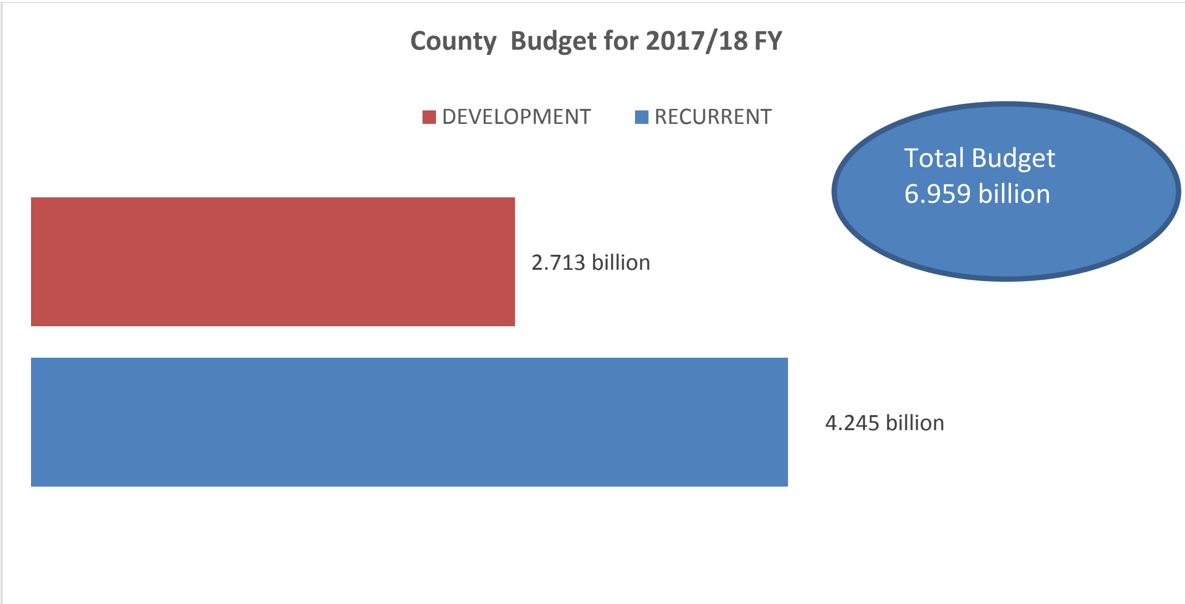
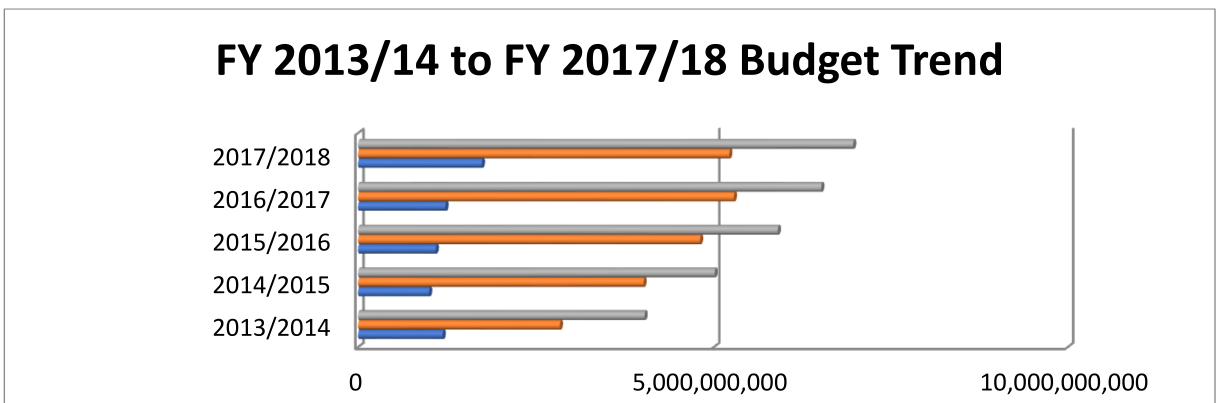


Chart 2: Annual Budget Trend (2013/14 -2017/18)



	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Budget	4,027,493,342	5,012,341,436	5,900,975,981	6,511,437,735	6,959,386,301
Actual	2,837,391,101	4,013,402,477	4,808,045,431	5,282,701,131	5,218,331,181
balance carried forward	1,190,102,241	998,938,959	1,092,930,550	1,228,736,604	1,741,055,120

- ***Balance carried forward*** – Amounts related to rolled-over projects, and revenue not received

Chart 3: Overall Revenue Analysis

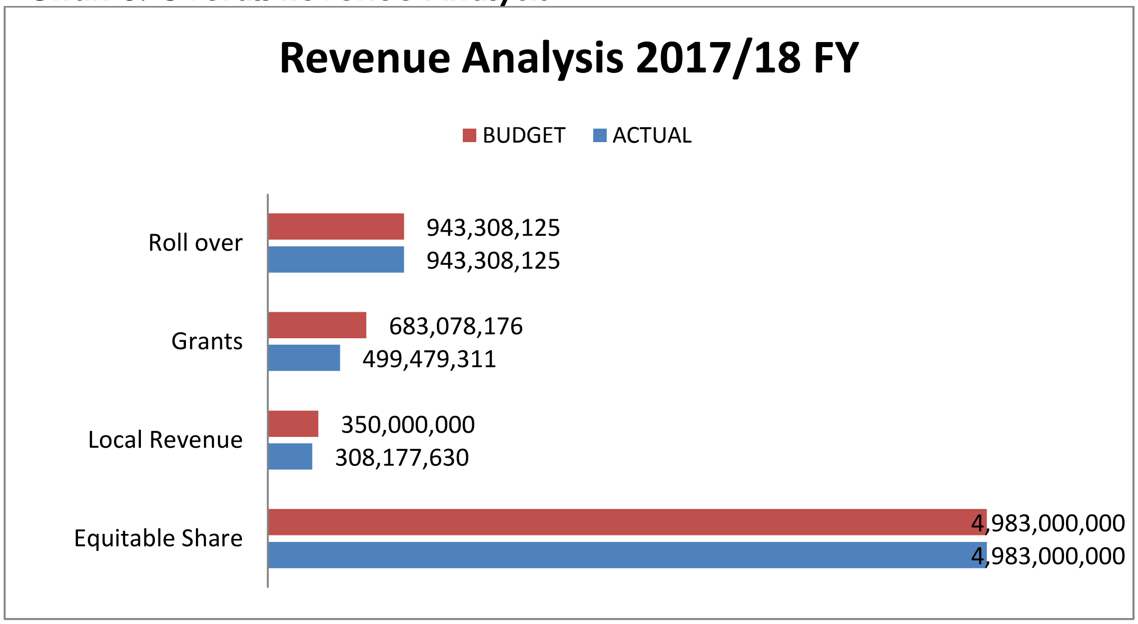
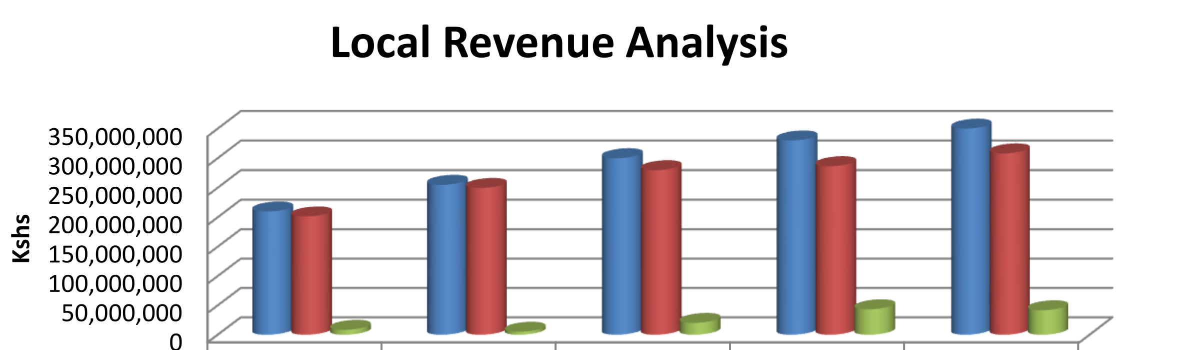
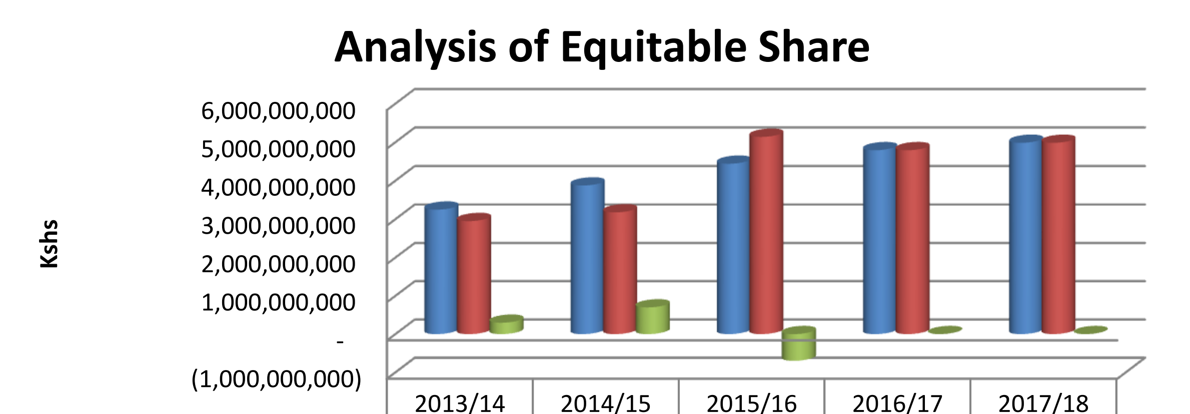


Chart 4: Annual Local Revenues



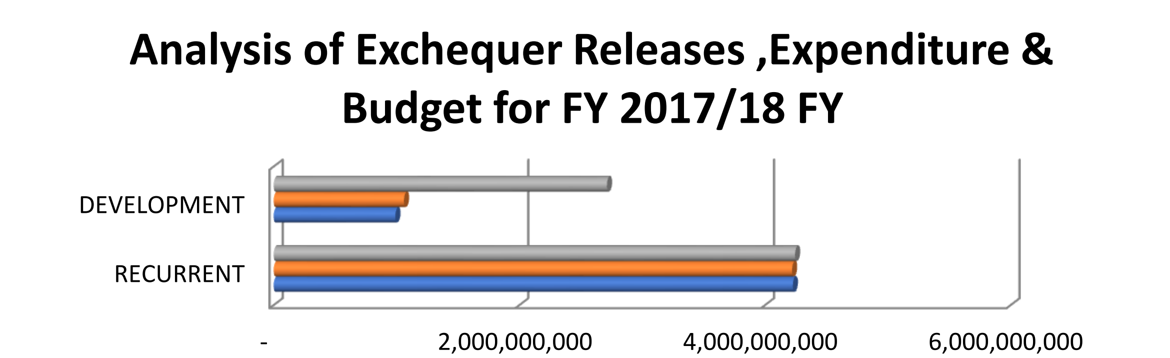
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Budget	210,000,000	255,000,000	300,000,000	330,000,000	350,000,000
Actual	201,519,603	249,723,429	279,736,551	286,546,866	308,177,630
variance	8,480,397	5,276,571	20,263,449	43,453,134	41,822,370

Chart 5: Equitable Share Trends



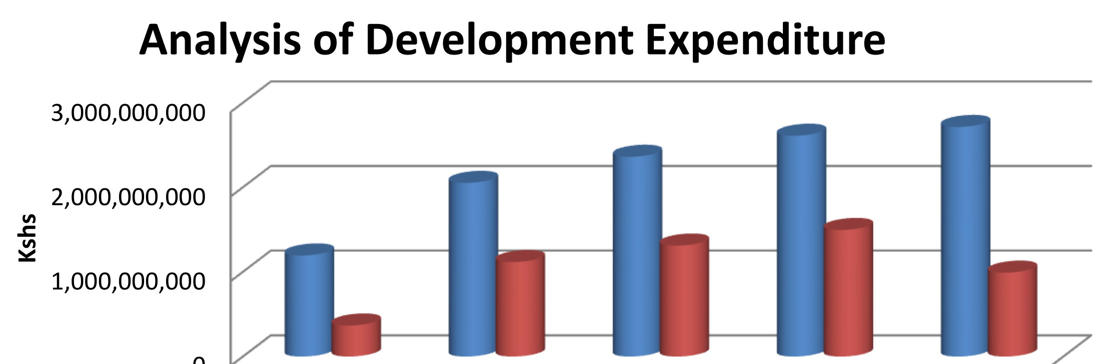
	2013/14	2014/15	2015/16	2016/17	2017/18
Budget	3,247,937,84	3,874,911,81	4,440,576,02	4,791,438,19	4,983,000,00
Actual	2,950,935,46	3,177,427,69	5,138,060,15	4,791,438,19	4,983,000,00
balance caried forward	297,002,376	697,484,127	(697,484,127	-	-

Table 7: Exchequer Releases



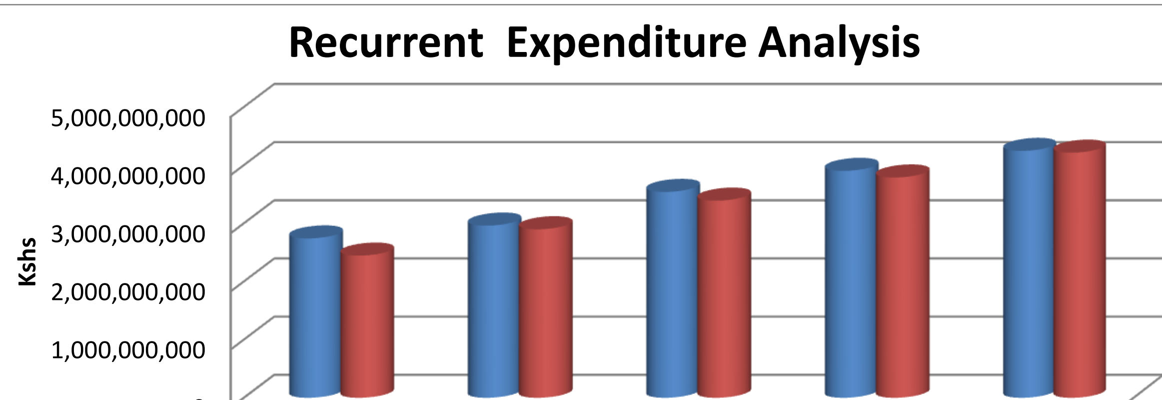
	RECURRENT	DEVELOPMENT
BUDGET	4,245,686,050	2,713,700,251
EXCHEQUER	4,220,920,491	1,060,915,245
EXPENDITURE	4,227,209,517	991,121,664

Chart 8: Development Expenditure Analysis for the Five Years



	2013/14	2014/15	2015/16	2016/17	2017/2018
Dev. Exp	1,193,708,73	2,051,774,65	2,360,893,83	2,609,715,31	2,713,700,25
Dev. Exp	366,484,041	1,115,663,10	1,310,357,63	1,494,729,73	991,121,664

Chart 9: Recurrent Expenditure for the Five Years



	2013/14	2014/15	2015/16	2016/17	2017/18
Budget	2,740,110,737	2,960,575,785	3,540,082,146	3,901,722,416	4,245,686,050
Actual	2,444,463,308	2,897,739,398	3,389,735,799	3,787,971,397	4,214,918,834

Chart 10: Overall Absorption for Development and Recurrent (Billion)

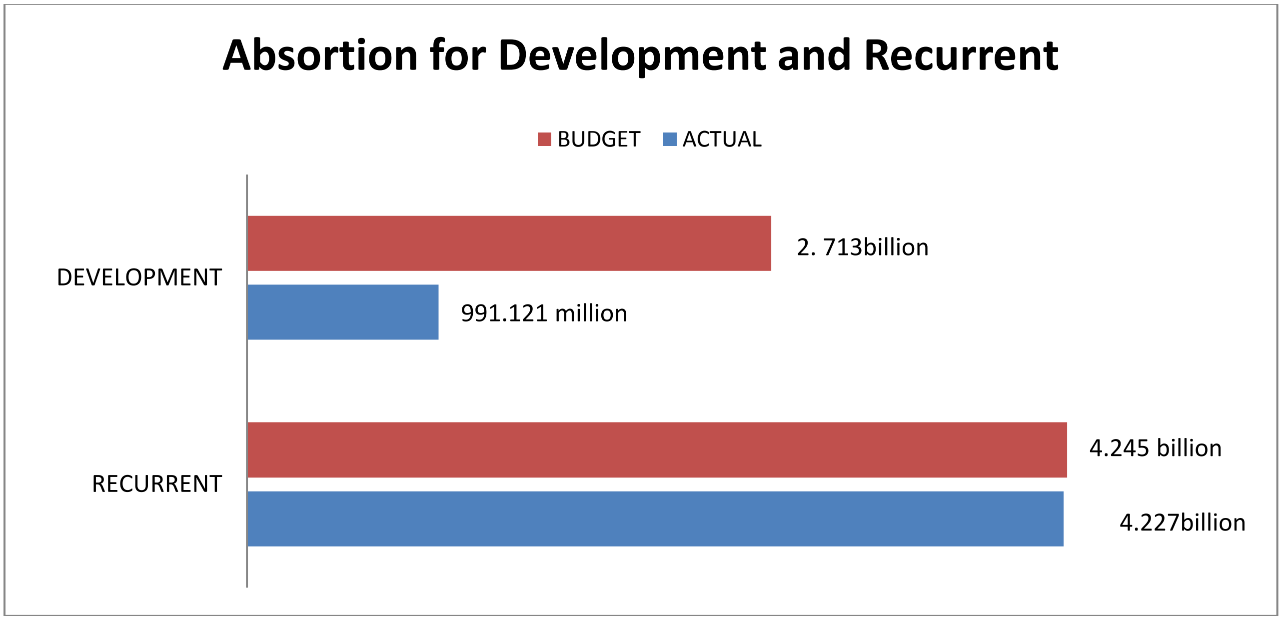


Chart 11: Overall Expenditure Analysis Per Department

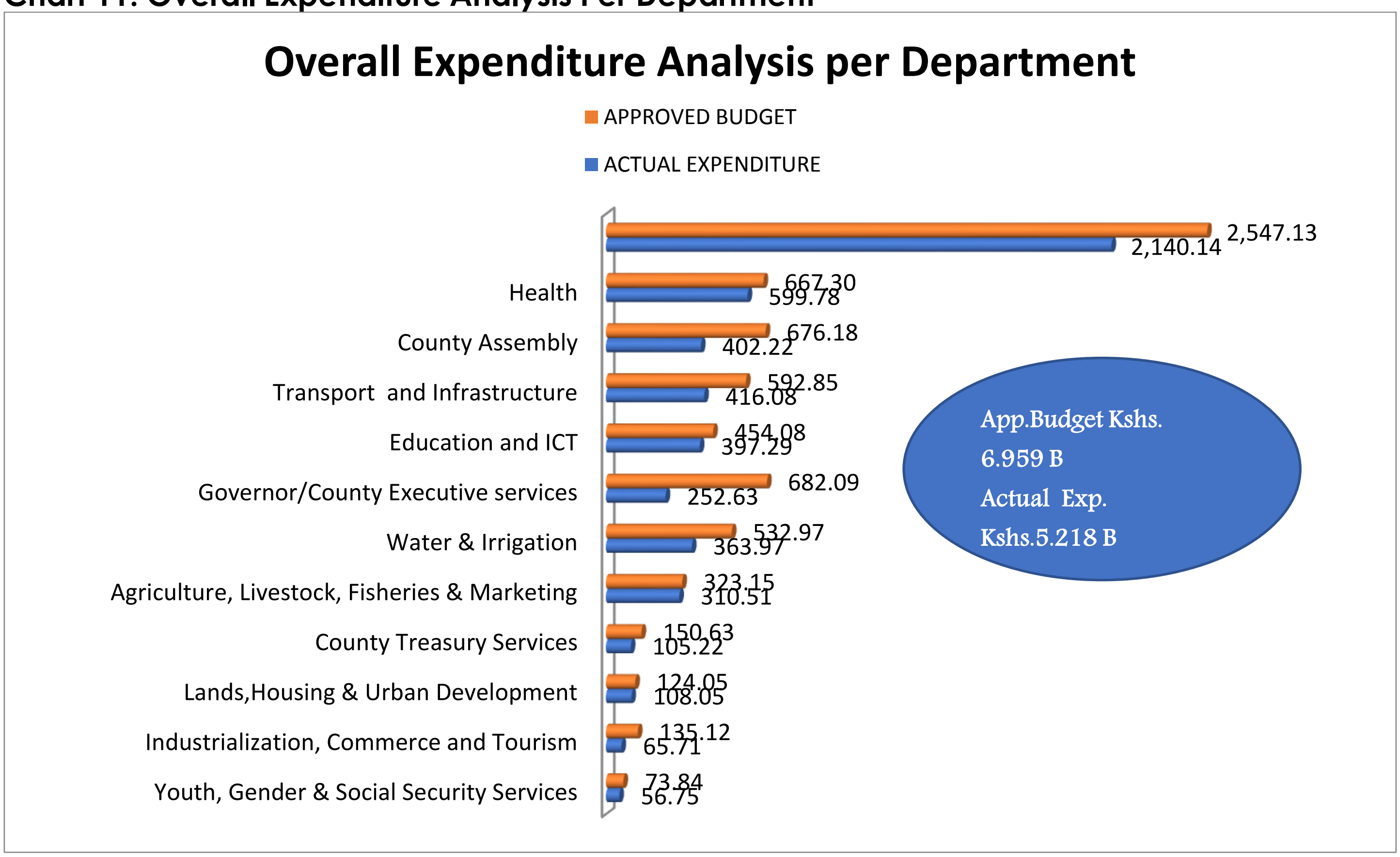


Chart 12: Development Summary for FY 2017/18

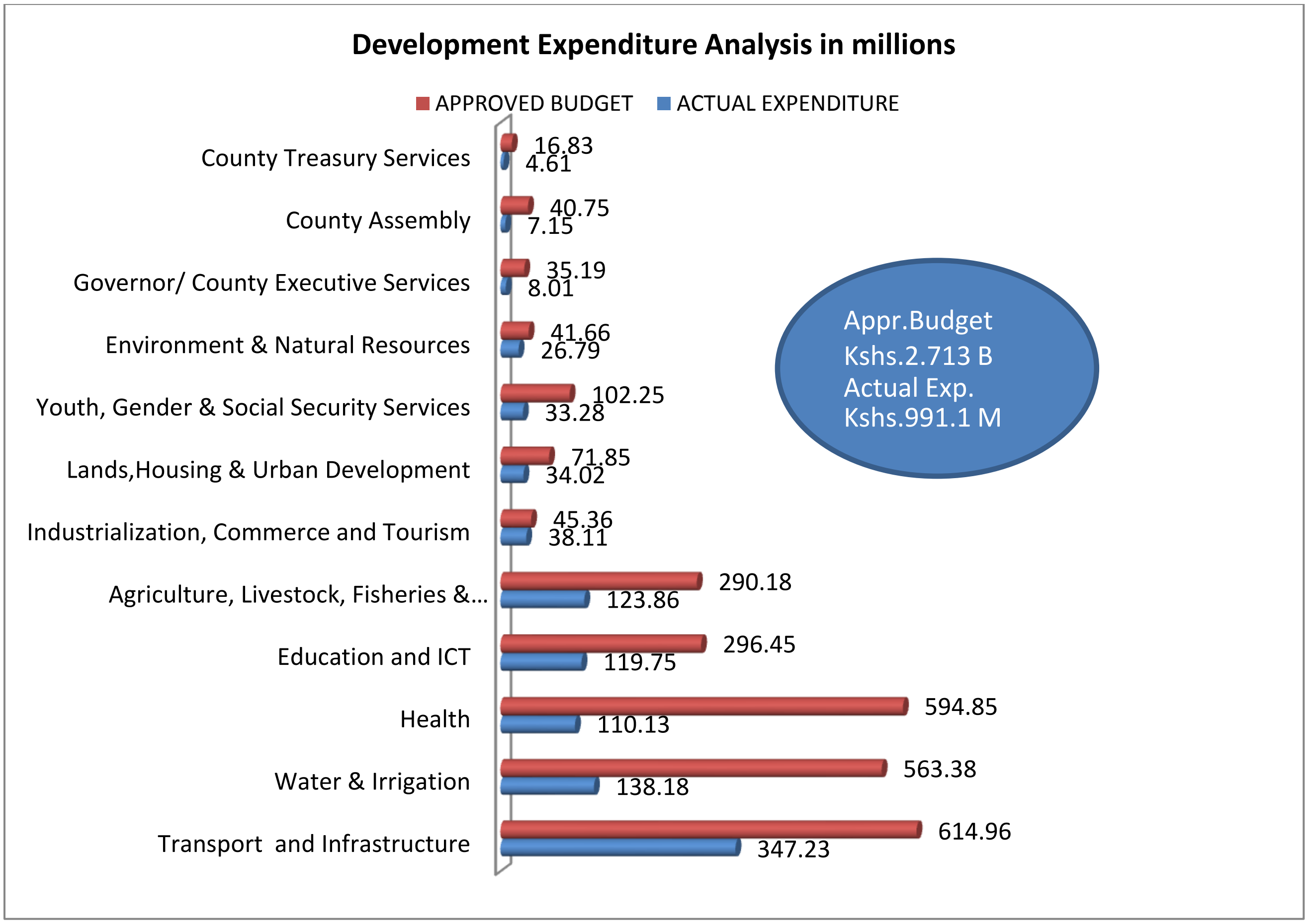


Chart 13: Analysis of Actual Recurrent Expenditure Vs Approved Budget 2017/18

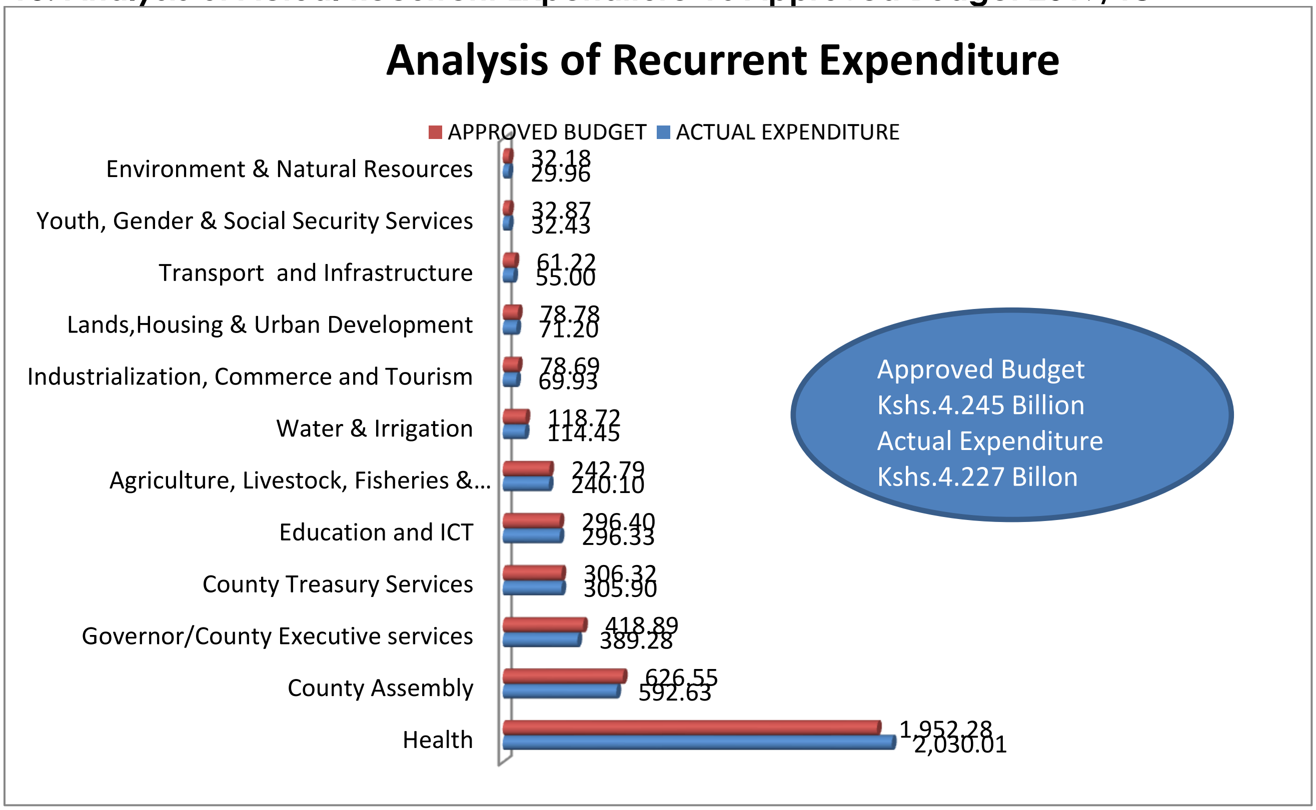
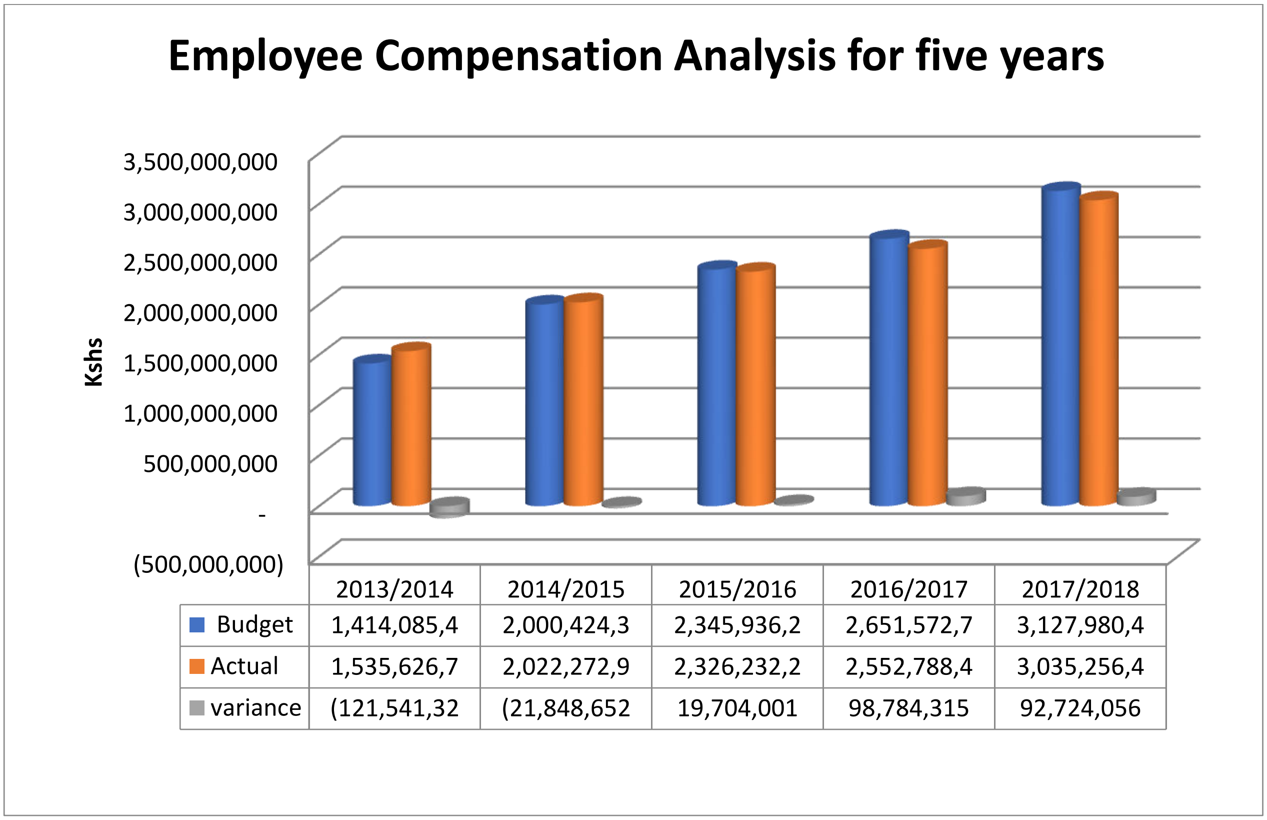
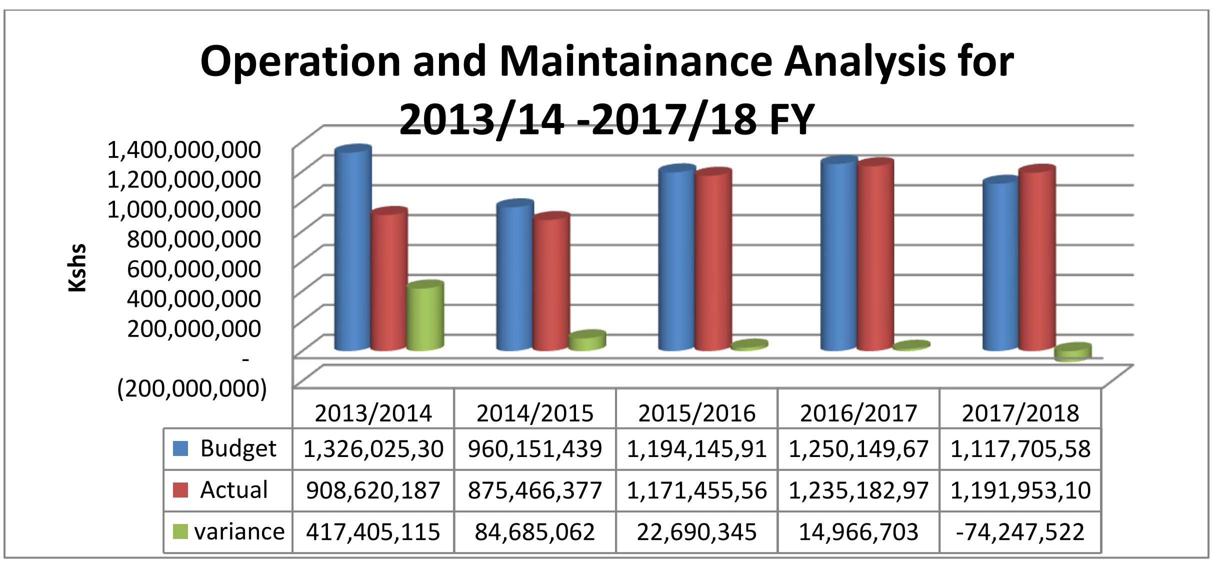


Chart 14: Employee Compensation Analysis for five years



	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Budget	1,414,085,4	2,000,424,3	2,345,936,2	2,651,572,7	3,127,980,4
Actual	1,535,626,7	2,022,272,9	2,326,232,2	2,552,788,4	3,035,256,4
variance	(121,541,32	(21,848,652	19,704,001	98,784,315	92,724,056

Chart15: Operations and Maintenance Analysis



	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Budget	1,326,025,30	960,151,439	1,194,145,91	1,250,149,67	1,117,705,58
Actual	908,620,187	875,466,377	1,171,455,56	1,235,182,97	1,191,953,10
variance	417,405,115	84,685,062	22,690,345	14,966,703	-74,247,522

INTRODUCTION

Objective of the 2018 Budget Review and Outlook Paper

1. The objective of the 2018 County Budget Review and Outlook Paper (CBROP) is to provide a review of fiscal performance for the FY 2017/18 and how this performance impacts on the financial objectives and fiscal responsibility principles set out in the 2018 National Budget Policy Statement (BPS) and county Fiscal Strategy Paper (CFSP). The document provides highlights of recent economic developments and outlook and sector ceilings for the FY 2019/20 budget and the medium term.

2. The sector ceilings are guided by the overall resource envelope that is informed by the macroeconomic and fiscal outlook as presented in section III and IV of this document. The sector ceilings set in motion the budget preparation for the FY 2019/20 and the medium term.

3. As required by the PFM Act, 2012, budget process aims to promote the efficient and effective use of resources, based on evidence and rational deliberation. To achieve this, the County Government remains committed to a measured, prudent course of fiscal consolidation to narrow the budget deficit.

4. In this context, the 2018 Budget Policy Statement (BPS) set out a series of proposals to raise additional revenue and sustain core expenditure, improve value for money spent, stabilize the public finances, and contribute to economic development.

5. To meet the current commitments as contained in the 2018/19 Budget, the Government proposed revenue raising measures aimed at raising the revenue to fund the budget and to expand revenue base.

6. However, the underperformance in both revenue collection and expenditure in the FY2017/18 has implications on the financial objectives outlined in the 2018 BPS, CFSP and the 2018/19 Budget. In particular, the baseline for projecting both the revenue and expenditures for the FY2018/19 and the medium term has changed putting into consideration the actual revenue trends and the national outlook.

7.To remedy these deviations, the 2018 CBROP details appropriate revisions considering the budget outturn for the FY 2017/18. In addition, the fiscal outlook contained in this CBROP focuses on reforming revenue administration systems to enhance revenue yields, promote compliance and facilitate private sector growth and development as indicated in the 2018 CFSP. Further, the County Treasury propose establishment of guidelines on how capital projects should be planned, appraised and evaluated before funds are committed in the budget.

8.With this background, the rest of the paper is organized as follows: Section I provides a review of the fiscal performance for the FY 2017/18, Section II provides medium term fiscal performance and projections, Section III Fiscal performance in relationship to fiscal responsibility, Section IV shows recent national economic development and outlook and Section VI provides recommendations and conclusion.

I. REVIEW OF FISCAL PERFORMANCE FOR FY 2017/18

Overview

1. During the period under review, county's approved budget estimates was Ksh 6.642 billion which was revised upwards to Kes 6.959 billion through a supplementary budget due to increment in equitable share and grants. The revised estimates consisted of Kes 4.245 Billion billion for recurrent and Kes 2.713 billion for development.
2. Revised expected Revenues comprised of: Equitable share of Kshs 4.983 Billion; Leasing of Medical Equipment Kshs 95.74 Million; Roads Maintenance Fuel Levy Fund Kshs 189.199 Million; Roll Over -Result Based Fund Kshs 19.44 Million; Roll Over -RLMF Kshs 17.49 Million; Local revenue Kshs 350 Million ; Compensation for use fees forgone Kshs 13.19 Million; World Bank support to Health Facilities Ksh94.21;Universal Health Care project Kshs 78.89 Million; Danida Rollover 12.95 Million; Danida Grant for Universal Healthcare Kshs 19.87 ; Capacity and Performance Grant Kshs 40.84 Million; Roll over Projects Kshs 943 Million; EU grant for Devolution Advisory Kshs 66 Million and Rehabilitation of Youth Polytechnics Kshs 35.23 Million.
3. Out of the total received revenues, the larger share came from equitable share amounting to Kes 4.983 billion, which constituted 74.5 percent. Other revenue funds includes: HSSF DANIDA rollover of Kes 19.60 million (1.51 percent), Compensation for user fees forgone of Kes 6.685 M (0.1 percent); Roads Maintenance Fuel Levy of Kes 155.545M million (2.3 percent); World Bank Support to Health of Kes 24.656 million (0.4 percent); Capacity and Performance Grant (KDSP) Kshs 213, 862,851 (22.7 per cent); DANIDA grant for Universal Health Care Kshs 7,051,487 (3.3 per cent) ;Conditional Grant from to Rehabilitate Youth Polytechnics of Ksh 35,239,276 (0.5 percent); Local Revenue Source of Kes 308 million (4.5 percent) and Project Roll Over of Khs 943.308 million (14.1 percent) as shown in table 1.
4. It is also noted that, at the time of closure of books of accounts, total roll over for Result Based Funds was kes 61.137 million up from Kes 19.44 miilion and Kes 54.27 million up from kes 17.49 million from RLMF as earlier reported in the approved and revised budget estimates.

5. The actual revenue received for the fiscal year was Kes 6.733 billion comprising of Kes 4.983 billion equitable share, Kes 499.47 million from grants, 943.3 million from rollover and Kes 308 million from County own revenue.
6. Over the review period, actual expenditure amounted to Kes 5.218 billion as compared to Kes 5.282 billion during the same period of FY 2016/17. The decrease in expenditure was as a result of low project implementation. Of the total expenditure, Kes 4.227 billion was spent on recurrent, comprising of Personnel Emoluments of Kes 3.035 billion, Operations & Maintenance of Kes 1.191 billion and Kes 991.12 million on development representing overall absorption of 75 percent.

Performance of Revenue

7. Revised revenue projection for the county was Kes 6.959 billion comprising of Kes 4.983 billion equitable share, Kes 683.07 million from grants, Kes 943.30 million rollover and own revenue of Kes 350 million. However, the actual revenue received was Kes 6.733. The increase in revenue target is explained by Kes 150.139 million from equitable share, Kes 58 million from Road Maitainance Levy and Kes 78.899 million from Universal Health Project. Additional revenue was received from DANIDA of Kes 19.87 million and Kes 13.87 million under Kenya Devolution Support Program; European Union Grant for Devolution Advisory; Kes 15.319 Million for Rehabilitation of Youth Polytechnics and rollover grants Kes 49.88 Million from Result Based Fund and and RLMF.

   Though there was an increament in revenues, there was reduction from other sources i.e. local revenue and World Bank Support to Health facilities(Kes 28.403) and revison of rollover funds- Kes 6.836 Million.
8. Locally collected revenue was Kes 308 million against a target of Kes 350 million after the revised budget, an increase of Kes 22 Million from the previous fiscal year. As compared to the previous years, there has been gradual increase in own revenue from Kes 201.519 million, Kes 249.723 million and Kes 279.317 in FY 2013/14, FY 2014/15 FY ,FY 2015/16 and Kes 286.54 million for 2016/2017 respectively. This improvement is attributed to adoption of policies geared towards revenue enhancement measures including automation of revenue system, strong internal control systems as well as setting up of good business working environment for trade through construction and upgrading of markets and sale yards, street lighting and cabro works in major towns among others. **Table 2** shows County Own Revenue Trends and Projections for the MTEF period.

Note: The total revenue reported in the Fourth Quarter was Kes 301, which was the actual collection during the review period. The cash flow reconciliation brought a variance of approxmate of seven million which was due to unswiped amount from ATC revenue account in FY 2016/17 and direct banking of approxmately two million which was not submitted for receipting.

9. Out of the targeted revenues, there is shortfall of Kes 41.8 million from local revenue and Kes 33.65 from RLMF. This shortage will impact on project implementation of 2017/2018 plans and this should inform supplimentary budget for 2018/2019 for consideration.
10. The shortage in local revenue collection during the 2017/18 fiscal year was attributed by a number of factors including: shortage of revenue enforcement officers which has compromised compliance and payment of revenue; Weak legal system, that is the County has week legal system to assist in prosecution of the law offenders and improve compliance in both revenue and other County Regulations; Inadequate financial allocation for opening up of quarry and sand cess roads; Lack of synergy from all departments towards revenue collection. Our Finance act categorizes clearly all the charges that should be charged at all levels per department. The department puts less effort towards embracement and implementation of revenue charges; Extreme weather Conditions, that is too much rains caused open air markets not to be operational and sunny conditions leads to droughts and dead of animals therefore affecting auction markets; During the start of the financial year, revenue generation in hospitals was affected due to prolonged Doctors and nurses strikes, the closure of some of the livestock markets due to outbreak of disease. Insecurity also affected both livestock trading and tourism sector particularly in the three sub counties of Baringo North, Baringo South and Tiaty and finally there has been some political interference which affects full enforcement and compliance of the law.

Table1: Revenue Trends and MTEF Projections

	2016/17		2017/18		2018/19	2019/2020	2020/2021	2021/2022
Revenue	**Approved Budget**	**Actual**	**Approved Budget**	**Actual**	**Approved Budget**	**Projection**	**Projection**	**Projection**
Total Equitable /Grants Revenue	**6,181,437,735**	**6,094,440,890**	**6,609,386,301.00**	**6,425,787,436.00**	**7,658,222,566.00**	**6,053,842,116.59**	**6,306,712,925.47**	**6,516,232,608.57**
Conditional Allocation Free Maternity	83,230,118	61,724,000	-	-	-			
Leasing Of Medical Equipment	95,744,681	-	95,744,681.00	-	200,000,000.00	95,744,681.00	95,744,681.00	95,744,681.00
User Charges	-	-	-	-	-	-	-	
HSSF DANIDA - Health facilities	12,985,000	25,790,000	32,822,375	19,872,375.00	16,706,250	16,706,250	16,706,250	16,706,250.00
Loans And Grants(WHO)	-	-	-	-	-	-	-	
World Bank Support To Health Facilities	77,761,278	77,761,278	94,210,000.00	24,656,046.00	-	94,210,000.00	94,210,000.00	94,210,000.00
Compensation For Use Fees Forgone	13,370,516	13,370,516	13,191,000.00	13,370,516.00	13,191,000.00	13,191,000.00	13,191,000.00	13,191,000.00
Roll Over-Result Based Fund	-	-	19,440,319.00	19,440,319.00	-	-	-	
Salary Remittance (Doctors)	65,124,000	65,124,000	-	-	-	-	-	
Salary Remittance (Nurses)	-	42,105,000	-	-	-	-	-	
Universal Health Care	24,656,046	-	78,899,346.00	-	78,899,347.00	78,899,347.00	78,899,347.00	78,899,347.00
Roll Over Funding	943,507,490	943,507,490	943,308,125.00	943,308,125.00	1,795,000,000.00	-	-	
Roads Maintenance Fuel Levy Fund	73,620,416	73,620,416	189,199,286.00	155,545,544.00	133,931,014.00	141,966,874.84	150,484,887.33	159,513,980.57
Roll Over RLMF		-	17,492,384.00	17,492,384.00	-	-	-	
C & P Grant	-	-	40,839,509.00	213,862,851.00	43,729,455.00	45,915,927.75	48,211,724.14	-
Development of	-	-	35,239,276.00	35,239,276.00	35,605,000.00	31,707,536.00	31,707,536.00	

	2016/17		2017/18		2018/19	2019/2020	2020/2021	2021/2022
Revenue	**Approved Budget**	**Actual**	**Approved Budget**	**Actual**	**Approved Budget**	**Projection**	**Projection**	**Projection**
Total Equitable /Grants Revenue	**6,181,437,735**	**6,094,440,890**	**6,609,386,301.00**	**6,425,787,436.00**	**7,658,222,566.00**	**6,053,842,116.59**	**6,306,712,925.47**	**6,516,232,608.57**
Youth Polythecnics								
EU Grant Devolution Advice and Support	-	-	66,000,000.00	-	85,000,000.00	25,000,000.00	-	-
IDA World Bank (KUSP)	-	-	-	-	52,360,500.00	52,360,500.00	52,360,500.00	52,360,500.00
IDA World Bank (KCSAP)	-	-	-	-	117,000,000.00	117,000,000.00	117,000,000.00	117,000,000.00
Equitable Share	4,791,438,190	4,791,438,190	4,983,000,000.00	4,983,000,000.00	5,086,800,000.00	5,341,140,000.00	5,608,197,000.00	5,888,606,850.00
Local Revenue	**330,000,000**	**286,546,866**	**350,000,000**	**308,177,630.16**	**371,147,448**	**393,416,291**	**417,021,269**	**442,042,544.83**
Total Revenues	**6,511,437,735**	**6,380,987,756**	**6,959,386,301**	**6,733,965,066.16**	**8,029,370,014.0**	**6,447,258,407.82**	**6,723,734,194.17**	**6,958,275,153.40**

Table 2: County Own Revenue Trends and Projections

Projected Local Revenue for the MTEF Period								
	2016/2017		**2017/2018**		**2018/2019**	**2019/2020**	**2020/2021**	**2021/2022**
Sources	**Approved Budget**	**Actuals**	**Approved Budget**	**Actuals**	**Approved Budget**	**Projections**		
	Kshs	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
Game Park Fees	67,820,432.00	62,320,050.00	74,356,033.00	71,917,050.00	89,181,762.24	94,532,667.98	100,204,628.05	106,216,905.74
Animal Stock Sale Fees	20,110,246.00	11,812,060.00	15,253,617.00	11,822,380.00	17,086,174.64	18,111,345.12	19,198,025.83	20,349,907.38
Produce & Other Cess	48,016,320.00	36,985,511.00	38,561,801.00	40,838,377.60	30,890,709.57	32,744,152.15	34,708,801.27	36,791,329.35
Single Business Permit	40,086,128.00	32,366,030.00	37,977,208.00	33,035,321.00	38,340,204.12	40,640,616.36	43,079,053.34	45,663,796.54
Plot Rent/ Rates	21,780,288.00	12,916,819.00	29,203,758.00	11,096,369.00	20,941,012.67	22,197,473.42	23,529,321.83	24,941,081.14
Market Fees & Others	40,225,197.00	35,942,724.00	40,647,583.00	37,002,770.00	39,303,964.13	41,662,201.98	44,161,934.10	46,811,650.15

Projected Local Revenue for the MTEF Period								
	2016/2017		**2017/2018**		**2018/2019**	**2019/2020**	**2020/2021**	**2021/2022**
Sources	**Approved Budget**	**Actuals**	**Approved Budget**	**Actuals**	**Approved Budget**	**Projections**		
	Kshs	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
Koibatek ATC	3,996,043.00	2,282,212.00	2,700,000.00	1,784,760.00	5,041,640.93	5,344,139.38	5,664,787.75	6,004,675.01
Marigat AMS	7,197,410.00	934,745.00	2,400,000.00	287,582.00	3,873,504.80	4,105,915.09	4,352,269.99	4,613,406.19
Public Health	3,388,924.00	4,080,680.00	6,000,000.00	4,046,030.00	5,492,791.02	5,822,358.48	6,171,699.99	6,542,001.99
Veterinary	1,285,835.00	11,601,340.00	18,300,000.00	23,290,990.00	28,721,725.58	30,445,029.11	32,271,730.86	34,208,034.71
Hospital Revenue	76,093,177.00	75,304,695.00	84,600,000.00	73,056,001.00	92,273,954.86	97,810,392.15	103,679,015.68	109,899,756.62
TOTAL	**330,000,000.00**	**286,546,866.00**	**350,000,000.00**	**308,177,630.60**	**371,147,444.56**	**393,416,291.23**	**417,021,268.70**	**442,042,544.83**

Overall Expenditure Performance

11. During the period under review, the county's revised budget was Kes 6.959 billion from initial approved budget of Kes6.642 billion, inclusive of balance brought forward grants of Kes 36.932 M and development as rollover fund of Kes 943.308 million from FY 2016/2017. However, from the overall budget, Kes 4.245 billion was allocated to finance recurrent and Kes 2.713 billion for development operations.
12. The cumulative expenditure for the period under review was Kes 5.218 billion which was below target of Kes 6.959 billion by Kes 1.741 billion representing 75 percent overall absorption rate which was below the previous fisacal year of 81 per cent, this is illustrated in **Table5**.

    Note: The Overal Expenditure reported in the Fourth Quarter was Kes.5.202 billion, while after the final financial reconciliation the amounts went up to Kes 5.218 Billion.
13. The recurrent and development expenditures under the review period was Kes 4.227 billion and Kes 991Million respectively implying that utilization of recurrent was 99.6 percent and 37 percent on development allocation.
14. The expenditure of Kes 3.305 billion representing 58 percent of the total expenditure was used to finance employee compensation as per attached staff establishment in Annex 6, while Kes 1.191 billion representing 22 percent of the total expenditure was spent on operations and maintenance.
15. As at the end of period ending 30th June 2018, total actual recurrent expenditure was Kes 4.227 billion. The departments of health services and county assembly accounted for the highest expenditure of 48 percent and 14 percent respectively, while county executives spent 9.2 percent, the department for treasury and economic planning and education and ICT each accounted for 7.2 percent and 7 percent respectively.
16. Analysis of development outlay indicates that the department of transport and infrastructure accounted for the largest absorption share of 35 percent, followed by the department of water and irrigation at 13.9 percent while departments of agriculture, livestock and fisheries, health and education 12.5 percent, 12.1 percent and 11.1 percent respectively. Details of various departmental expenditures for the FY 2017/18 are provided in **Table 4** below.
17. Analysis of grants and Subsidies in the year under review shows an opening balance of Kes 46.42 million, with a total receipts of Kes,36.13 million. The total amount disbursed during the review period amount to Kes, 48.62 million with high operation cost of Kes, 1.283 million, Ref:Annex 5.

18. Total receipts for Emergency fund was Kes 20.59 million with a disbursement of Kes 20.35 million with an operation expenditure of Kes 11,950. Lake Bogoria Community Grant received Kes 8.23 million and managed to disburse Kes, 3.3 million with an operating expenditure of Kes 658,930. Cooperatives Fund received a total of Kes, 2.78 million butdid not manage to disburse any fund with an operating costs of Kes, 339,283. Small and Medium Entreprises receipts amounted to Kes, 8.2 million without any disbursement but had an operation expenditure of Kes, 408,770.
19. Commmunity Wildlife Conservancy Fund received a total of Kes 37,297 without a disbursement with an operating expenditure of Kes 37,297. Bursary Fund had receipts of Kes 47.71 and disbursed Kes 35.43 with an operating expenditure of Kes 907,645. Executive Mortgage Scheme had a receipt of Kes 13.67 million and managed to disburse Kes 9.3 million with an operation expenditure of Kes 2,825.
20. Executive Car Loan Scheme had receipts of Kes 22.12 million and it managed a disbursement of Kes 19.54 million and operion expenditure of Kes 4,035. People Living with Disability and Youth and Women Groups Funds received Kes 10.67 million and Kes 13.37 million respectively and disbursement was Kes 5.67 million and Kes 7.1 million respectively. Operation expenditure was Kes 305,423 and Kes 201,624 respectively for the two funds.

Pending Bills

21. Departments of Health, Office of the Governor, Industrialization and Commerce and Enterprise development and Finance and Economic Planning, had the highest recurrent pending bills for the services and goods contracted while departments of transport and infrastructure and Water and Irrigation had development pending bills. Other pending bills per department are shown on the table below;

Table 3: Pending Bills

Department	**Recurrent**	**Development**
	Amount	**Amount**
County Public service Board	835,560.00	-
Education, sports, Culture and Social services	397,600.00	-
Finance and Economic Planning	7,062,848.06	-
Transport and Infrastructure	573,000.00	2,853,600.00
Water and Irrigation	118,850.00	3,099,982.00
Environment and Natural resources	131,100.00	-
Industrialization and Commerce and Enterprise development	1,565,383.00	-
Health	10,552,267.00	-
Lands Housing and Urban Development	553,450.00	-

Department	Recurrent	Development
	Amount	Amount
Eldama Ravine Town	677,675.00	-
Kabarnet town	45,000.00	-
Office of the Governor	1,718,990.00	-
Office of the Deputy Governor	58,000.00	-
Baringo central	98,825.00	-
Office of the County Secretary	779,894.00	-
Eldama Ravine Sub county	97,500.00	-
Baringo south	103,200.00	-
Baringo North	101,050.00	-
Tiaty Sub County	29,250.00	-
Agriculture Livestock and fisheries	177,350.00	-
Total	**25,676,792.06**	**5,953,582.00**
Payroll Statutory Deductions Un-Remitted	49,093,848.14	
Gross Total	**80,724,222.20**	

Table 4: Absorption Rates

	Recurrent	%	Development	%
Department	**Expenditure**		**Expenditure**	
County Assembly	592,626,195.65	14.0%	7,150,890.00	0.72%
Office of the Governor	293,665,135.80	6.9%	2,379,229.00	0.24%
Baringo south Sub County	17,571,409.10	0.4%	332,030.00	0.03%
Tiaty Sub County	16,906,853.35	0.4%	145,413.00	0.01%
Eldama Ravine Sub County	15,936,023.15	0.4%	2,378,560.00	0.24%
Mogotio sub county	14,708,931.00	0.3%	2,777,522.30	0.28%
Baringo Central Sub County	14,314,482.45	0.3%	-	0.00%
Baringo North Sub County	16,172,362.05	0.4%	-	0.00%
Finance and Economic planning	305,897,380.55	7.2%	4,609,527.00	0.47%
Transport and Infrastructure	54,997,186.40	1.3%	347,225,666.00	35.03%
Trade, Tourism and Wildlife	69,933,562.40	1.7%	38,114,303.00	3.85%
Education & ICT	296,327,647.50	7.0%	119,748,654.10	12.08%
Health Services	2,030,008,235.20	48.0%	110,128,414.00	11.11%
Lands, Housing & Urban Dev	71,198,529.80	1.7%	34,018,990.50	3.43%
Agriculture, Livestock and Fisheries	240,101,929.95	5.7%	123,864,495.65	12.50%
Water and Irrigation	114,449,708	2.7%	138,180,897.85	13.94%
Youths & Gender	32,432,552	0.8%	33,279,191.00	3.36%
Environment, Natural Resources and Mining	29,961,392.50	0.7%	26,787,881.00	2.70%
Total	**4,227,209,516.60**	**100.0%**	**991,121,664.40**	**100.00%**

Table 5: Overall Expenditure per Department

Department	Budget	Expenditure	% Absorption
County Assembly	667,299,732.00	599,777,085.65	90%
Office of the Governor	331,560,332.12	296,044,364.80	89%
Baringo south Sub County	23,335,488.02	17,903,439.10	77%
Tiaty Sub County	19,876,238.00	17,052,266.35	86%
Eldama Ravine Sub County	19,853,086.19	18,314,583.15	92%
Mogotio sub county	22,048,137.09	17,486,453.30	79%
Baringo Central Sub County	18,803,445.08	14,314,482.45	76%
Baringo North Sub County	18,601,418.05	16,172,362.05	87%
Finance and Economic planning	323,151,694.53	310,506,907.55	96%
Transport and Infrastructure	676,181,434.13	402,222,852.40	59%
Trade, Tourism and Wildlife	124,048,566.20	108,047,865.40	87%
Education & ICT	592,850,262.00	416,076,301.60	70%
Health Services	2,547,129,995.29	2,140,136,649.20	84%
Lands, Housing & Urban Dev	150,625,473.00	105,217,520.30	70%
Agriculture, Livestock and Fisheries	532,968,240.92	363,966,425.60	68%
Water and Irrigation	682,094,092.44	252,630,606	37%
Youths & Gender	135,120,556.00	65,711,743	48.6%
Environment, Natural Recourses and Mining	73,838,109.46	56,749,273.50	77%
Total	**6,959,386,300.52**	**5,218,331,181.00**	**75%**

Departmental Performance

A. County Assembly

22. The county assembly comprises of the Speaker's office, clerk and county assembly members. Their main objective is to provide oversight role and enact relevant legislations.
23. During the fiscal year, the county assembly was allocated Kes 667.299 million to finance its operations consisting of Kes 626.55 million for recurrent and Kes 40.74 million for development operations. However, the county assembly overall expenditure amounted to Kes 599.77 million, this was 90 percent absorption rate.
24. Out of the recurrent budget, Kes 293.55 million was allocated to finance employee compensation . On the other hand, the entity utilized Kes 299.07 million on operations and maintenance. Overall, Percentage absorption on recurrent was 90 percent.
25. Of the Kes. 55.74 Million allocated for development the department absorbed Kes. 7.15 Million representing an absorption of 18 percent

B. Public Administration Devolution And E-Government

26. The sector comprised of the following sections: Office of the Governor, Office of the Deputy Governor, County Secretary, County Public Service Board, sub county administration, public administration, ICT, Civic Education, intergovernmental Relations, legal services and communication services. The overall mandate of the department is to provide leadership in the county's governance and development.
27. The department was allocated ksh 454.07 million for its operations consisting of Kes 418.89 million and Kes 35.18 million for recurrent and development expenditure respectively. During the review period, actual recurrent expenditure and development expenditure was Kes.389.27 million and Kes 8 million respectively which represented 87.5 percent absorption rate.
28. From the recurrent expenditure of Kes 202.76 million, Kes 186.5 million was spent on employee compensation and Kes 211.054 million spent operations and maintenance. This represented 97 percent absorption rate of its allocation and 89 per cent on operations and maitainance allocation.
29. Key Achievements include peace building initiative,s Disaster Risk Reduction (DRR), Construction of an ICT Innovation Centre Tenges, Establishment of Local Area Networks, Data and Content Development

C. County Treasury and Economic Planning

30. The county treasury department has five divisions, that is: Administration and Revenue, accounting, Audit, Supply Chain Management and Budget and Planning. The main function of the department is to manage county funds as stipulated in the public finance management Act, 2012 as well as to manage revenue from local and National Governments' sources including grants and loans.
31. The departments' allocation in the fiscal year was Kes 323.15 million consisting of Kes 306.31 million for recurrent and Kes 16.83 million for development expenditure. During the period, the department's expenditure was Kes 310.5 million representing 96 percent absorption.
32. From the total expenditure, recurrent amounted to Kes 306.31 million to finance both employee compensation and operations and maintenance at a cost of Kes 166.07 million and Kes 139.81 million respectively, representing 99.9 percent absorption rate. The development expenditure indicates that Kes 4.6 million was spent against allocated budget of Kes 16.83 million representing absorption rate of 27 percent.
33. Key Achievemnets include- Automation of procurements, Use of right procurement method, Opening, evaluation and award of contracts,

Opening, evaluation and award of contracts, Inspection, recording and tagging of goods and assets, Maintaining audit trail for procurement process

34. The department also prepared, published and publicized the quarterly reports FY 2017/18, prepared and publicize program-based budget, supplementary budgets, Budget Statement, Implemented Capacity and Performance Plan under Kenya Devolution Support Program, Formation of audit committees (Executive), Preparation of financial statements and procurement plan, Construction of livestock markets, toilets and revenue and bodaboda shades, Opening and maintenance of quarry roads and acquisition of county integrated monitoring and evaluation information software.

D. Department of Transport and Infrastructure

35. This department is in charge of provision of road infrastructural facilities for sustainable economic growth and development through maintenance of existing road networks and opening up rural areas. During the financial year, the department was allocated Kes 676.18 million to finance its operations, development being allocated Kes 614.95 million and recurrent Kes 61.22 million.
36. Out of this allocation, departments' expenditure stood at Kes 402.22 million representing 59.5 percent absorption. Of Kes. 54.99 Million recurrent expenditure Kes 41.94 Million was allocated to employee compensation and Kes. 13.04 Million was allocated to operations and maintenance. The total absorption rates was 89,8 per cent of the total budget. Regarding Development expenditure, the department spent Kes 347.22 Million representing 56 percent on its total budget.
37. The department was able to undertake the following: constructed 1 Culvert, 2 Storm water Drainages, 1 Drift Road, 8 Footbridges, 1 Public Baraza Park, no. 107 Rural Roads, 2 Field Leveling, Tarmarked 5 Urban Centers
38. During project implementation, the department encountered a number of challenges which affected the speed and the quality of the output. These challenges include: thinly distribution of funds to many projects, lengthy, Procurement processes and Weather patterns which also affected the implementation plan.
39. To overcome the challenges, the following measures should be adopted: Funding allocated to high impact projects/programmes, procurement be done in time to allow projects be done timely to avoid the rainy seasons and also a budget for emergency be introduced to assist during the season and

to achieve quality works contractors need to be informed more about road construction and training from Kenya Roads Board team.

E. Department of Industrialization, Commerce, Tourism and Enterprise Development

40. The Department comprises of five sections: Industrialization, Commerce, Tourism, Wildlife, Cooperatives and Small & Medium Enterprises (SMEs).
41. The departments' Mission is to promote, co-ordinate and implement integrated socio-economic policies and programs for a rapidly industrializing economy through: Promotion and creation of enabling environment to facilitate growth in trade, commerce, enterprise development and industrialization; million promote good governance and effective management of Cooperative Societies and develop and exploit tourism potential in the County
42. The sector was allocated a total of ksh. 124.04 million consisting of Kes.78.69 million and Kes. 45.35 million for recurrent and development expenditure respectively. During the review period, the actual expenditure was Kes 108.04 million representing 87 percent. Recurrent and development expenditure consumed Kes.69.93 million and Kes 38.11 million were spent respectively. This repsents an aborption of 88.9 and 84 percent on recurrent and development respectively.
43. Out of the recurrent expenditure, Kes 58.07 million was spent on employee compensation and Kes 11.86 million for operations and maintenance .
44. The sub sector managed to achieve the following-Construction/ renovations of Market sheds and stalls, Redesigning and Equipping Weights and measures office, Purchase of Lathe Machine, Aloe vera commercialization process, Credit support to SMEs and Financial support to Cooperative Societies
45. Completion of Proposed Renovations and Civil Works at Mogotio Old Market, Construction and Branding L. Bogoria Gate, renovation of Kitchen, Toilet and Education Centre, Construction of Market stalls at Churo, Chemolingot, Construction of Fish Stalls at Kampi Ya Samaki, Redesigning and renovation and Equipping of Weights and measures office,completion of market sheds and Purchase of Lathe Machine for Jua kali artisans at Kabarnet.
46. There is need to establish marketing unit within the department, hastening the completion of abattoirs in Barwessa, Loruk and Maoi and commencing slaughter of goats and cows for value addition and Enhanced capacity building to strengthen corporate Governance.

F. Education and ICT Department

47. The department consists of three (3) sections, namely Vocational Education & training (VET), Information Communication Technology (ICT) and Early Childhood Development Education (ECDE).
48. The mandate of the department is to provide funds required for the development of the necessary infrastructure for the institutions of basic education and training used for conducting preliminary education, child care facilities, home craft centres and vocational training centres.
49. In the FY 2017/2018, the department was allocated Kes 592.85 million for its operations which consisted of Kes 255.39 million recurrent allocations and Kes 296.45 million for development operation. During the period the department total expenditure was Kes 416.07 million representing 83.4 percent absorption rate.
50. The actual recurrent expenditure comprised of Kes 257.45million for employee compensation and Kes 38.87 million for operation and maintenance against an allocation of Kes 255.39 million and Kes 41 million respectively. This represents a total absorption rate of 100 percent. Similarly, the the actual development expenditure was Kes 119.74 million representing 40 percent of the total development allocation. Overall absorption rate for the sub sector was 70 per cent.
51. The department was able to achieve the following: Construction of 2 classrooms and 2 hostels at Baringo ECDE college, Construction of 1 vocational classroom, disbursement of Kshs 30 million bursary to 2,700 high school and 300 VTC's scholarships to needy students under Special programs, Construction of 14 ECDE classrooms against a target of 103 and equipping of 120 classrooms, Construction of 58 sanitation facilities, procured 16,000 teaching materials have been procured to date and ECDE program.
52. The department also constructed 1 VTC classroom and ongoing construction and equipping of workshops and Appointment of 48 polytechnic instructors and office administrator

G. Health Services

53. The sector plays a key role in the prevention of disease, provision of curative and rehabilitative services. The County has a total of 201 health facilities comprising 6 hospitals, 167 primary care facilities and 29 community units. During the fiscal year the department was allocated Kes 2.547 billion for both recurrent and development. To run its operations,Kes 1.637 billion was allocated to finance recurrent and Kes 594.85 million for development.

54. During the period under review, the department spent a total of Kes 2.14 billion representing 84 percent absorption rate. On recurrent expenditure Kes 402.37 million was spent for operations and maintenance while Kes 1.627 billion was spent on employee compensation. This implies that Kes. 2.03 Billion was spent on recurrent representing 104 percent. The department spent beyond its budget and due to undisclosed funds that were rolled over under Result Based Health fund and DANIDA fund.
55. Of the total allocation of Kes. 594.85 Million on development expenditure Kes 110.12 Million was spent representing 19 percent absorption. This reflects low absorption of its development expenditure.
56. The achievement of the sector include -Service delivery at community level expanded from 36 to 58 community units during the financial year, Health care financing, Medical products, vaccines and technologies, Human resource for health: 52 staff across cadres was recognized for exemplary service during the year in the attraction and retention strategy, Health information systems: Electronic medical records system 13 was installed and functional in 18 EHMs lower level facilities, Leadership, management and governance: All lower level facilities had election of health facility management committees. All 5 Hospitals had functional hospital management teams and boards and sub-counties had health management teams that were functional, Health research and development: operational research showed that staff attitude largely contributed to the reasons mothers delivered at home rather than at health facilities. Employee satisfaction was at 66%. Client satisfaction with services was at 72% and Partnership for development: there were quarterly stakeholders' forum meetings, in which development and implementing partners offered technical synergies to the sector.

H. Department of Agriculture, Livestock Development and Fisheries

57. The agricultural department comprises of the following four sections: agriculture; livestock development; fisheries development; and veternary. Its Mission is to improve livelihoods through promotion of competitive agriculture, innovative research, growth of a viable cooperatives sub sector.
58. The department was allocated Kes 532.96 million out of which Kes 242.79 million and Kes 290.17 million for recurrent and development activities respectively. During the period under review, its total expenditure was Kes 363.96 million repsenting 68.3 percent absorption rate. The sub sector expenditure include, Kes 240.1 million was spent on recurrent representing a

total absorption rate of 98.9 percent while Kes 123.86 million was spent development representing 43 percent absorption.

59. Total annual expenditure on emplyee compensation was Kes 220.39 while operations and mainteinence was Kes 19.7 Million representing 100 per cent and 92 per cent respectively.

60. The sub sector was able to Support newly established irrigation schemes, Acquisition of Coffee seedlings, Purchase of ground nuts seeds sheller, peanut maker, Purchase of hermetic bags including farmer trainings

61. It also include-Purchase of extension training materials, Ground nuts promotion, Cotton promotion, Pyrethrum development, Soil samples obtained, results obtained, Creation of productive assets by House-Holds, Coffee improvement scheme (Coffee Factory), Purchase of farm inputs, Purchase of (energy savers)- Jiko liners, food warmers, fireless cookers and solar driers, Completion of 13 self-contained rooms, Zero grazing unit constructed, hay Raker purchased, Purchase of one mower, Construction of six door toilet, Restocking L. Baringo and 30 community dams with quality tilapia fingerlings ,Purchase of fully mounted seine nets, Completion of fish feed pelletizing plant at Emining, 2,347 kgs of pasture seeds purchased and distributed to farmers, Purchase of 1 tractor and hay harvesting accessories, 40,000 day old chicks distributed to farmers

62. Other acievemnets include-Purchase of 16 in calf heifers ,Construction of a milk processing plant, Construction of MAOI slaughter house 250 beehives and accessories purchased and distributed to farmers, Purchase of 2 laptops, Rehabilitation of 2 sale yards (Emining and Marigat.), Completion of MAOI slaughter house and Mogotio Tannery, Implementation of ASDSP project phase 2.to develop honey, dairy and goat meat value chains, Distribution of pasture seeds to livestock farmers, 250 beehives, 16 calves, 40,000 day old chicks, construction of 2 sale yards

I. Department of Youth, Gender, Labour, Sports, Culture, Social Security and Services

63. The department's aspiration is to make a cohesive, secure, socially, culturally and economically empowered community that seeks to enhance a better living for its people.its mission is to maximize the full potential of Baringo community through participatory engagements that will safeguard the rights and welfare of all.

64. The department was allocated Kes 135.12 million during the fiscal year out of which Kes 18.91 million was allocated to recurrent whereas Kes 102.24 million was allocated for development activities.

65. During the period under review, the expenditure for the department was Kes 65.71 million which represented 48.6 percent absorption rate which was far less than the previous fiscal year of 55 per cent.
66. During the period under review, actual recurrent expenditure amounted to Kes 32.43 million which represented 98.7 percent absorption rate. Of this recurrent expenditure, Kes 18.57 million was spent on employee compensation whereas Kes 13.86 million was spent on operations and maintenance. Of the total allocation of Kes. 33.27 Million was spent on development Kes. representing 33 percent.
67. The departments achievemnts include- Cultural development through Kenya Music and Cultural festivals, promoted youth talent development across the county, Organized Kimalel Cultural Fair, Supported Community Cultural events, Organized teams for National and County events and Registration of cultural groups
68. Under Sports Development the sector participated in regional and cross-country sports events, Organized Chemususu marathon, conducted trainings on anti-doping, advanced documentation of sports facilities in the county, Monitored implementation of sports infrastructure in the county
69. Youth, Gender and Social services performed the following: Capacity building of staff and residents on gender mainstreaming, response and prevention of Gender Based Violence, Youth empowerment and development programs, Bio-data collection of the Elderly and Persons with Disability and disbursement of Grants to Pwds and the Elderly Disbursement of Loans to youth and women, Entrepreneurship training for youth, women and pastors and Coordination of Ushanga Initiative

J. Department of Environment and Natural Resources

70. The department of environment and natural resources manages the diverse landscapes and renewable natural resources for the people of the County in a manner that supports a healthy environment.
71. The department's programme is categorized into; environmental conservation and management and natural resource conservation and management.
72. The overall objectives of the programmes is to; (i) ensure a clean, healthy and protected environment for sustainable future of the people of Baringo County; and (ii) conserve and manage the existing ecosystem functions while providing benefits to the society.
73. The sector was allocated a total of Kes 73.83 million for its operations consisting of Kes 32.17 million and Kes 41.66 million for recurrent and

development operations respectively. During the review period actual expenditure was Kes 56.74 million representing 76.9 percent absorption for the department. The total recurrent and development expenditure was Kes 29.96 million and Kes 26.78 million respectively. This represented absorption rate of 93.1 and 64 percent on recurrent and development respectively. From the recurrent expenditure, Kes 24 million was spent in employee compensation and Kes 5.95 million on operations and maintenance.

74. The departments achievemnts include- Development of Dumpsites, Tree planting, soil & water conservation, Protection and conservation of wetlands, springs and riparian land protection, construction of flood control structures, establishment of model tree nursery (purchase of tree nursery equipment materials & establishment of tree nursery bed, Control of water Hyacinth and development of watershed management plans, Tourism product development, Protection of Wildlife and Benefit Sharing (Grants to Lake Bogoria Community 10% accrued from revenue Collected)

K. Department of Water and Irrigation

75. The department comprises of the following section: water and irrigation and related research and development. The department is mandated with the responsibility of water resource development for irrigation and to enhance access to clean and affordable water services

76. During the period, expenditure was Kes 252.6 million against allocated budget of Kes 682.09 million representing 37 percent absorption rate.

77. The recurrent expenditure amounted to Kes 118.71 million which was spent on employee compensation and operations and maintenance each amounting Kes 68.9 million and Kes 45.54 million respectively. The recurrent expenditure had 98.8 percent absorption rate. However, development expenditure was Kes 283.682 million which was below target by Kes 151.692 million representing absorption rate of 65.2 percent.

78. The department achieved the following: Rehabilitation of 81 water supplies against a plan target of 132, Construction of 19 number water pans out of 28 planned, ongoing 15 Irrigation infrastructures, Drilling and equipping of 28 boreholes out of which 4 were drilled and capped and 19 awarded for drilling, operationalized and maintained 18 existing water systems, Investigation Planning and Design of 209 water and irrigation infrastructure.

L. Department of Lands, Housing and Urban Development

79. Land is the foundation upon which all economic activities are based; hence its effective management is paramount for social, economic and political development. Its mision is to promote, co-ordinate and implement

integrated socio-economic policies and programs in the management of lands, Housing and Urban Development within Baringo County.

80. The department was allocated Kes 150.62 million out of which Kes 58.55 million was allocated to finance recurrent operations and Kes 71.84 million was allocated for development activities.
81. During the review period, total expenditure was Kes 105.21 million comprising Kes 71.19 million and Kes 34.01 million for recurrent and development expenditures respectively. This represents 69.9 percent absorption rate. Of the recurrent expenditure, Kes 55.87 million was spent on employee compensation whereas Kes 15.32 million spent on operations and maintenance.
82. The department achieved the following: Cabro works & drainage system to improved parking spaces, Street lighting for improved Safety and increased business hours, Purchase of garbage compactor for Waste Disposal, Improvement of drainage system for improved storm water management, 5km Pedestrian work ways for improved Safety and development of Botanical Garden (Kapropita) for beatification, Opening of New roads to improve, ongoing Developing Spatial infrastructure framework and revision of development plans, planning of new trading centres, Survey of Towns/Trading centres

II. MEDIUM TERM FISCAL PERFORMANCE AND PROJECTIONS

83. This section highlights the assumptions that can affect the implementation process, performance on revenue and expenditure and looks at the Fiscal Responsibility Principles that will guide the future projections.

Assumptions

During the medium term fiscal framework, it is expected that:

- National economy will grow at a steady growth rate of more than 5.6 per cent;
- The National Assembly will increase funding to the counties;
- Timely release of audited financial statements and approved by the National Assembly on time resulting in increased equitable share;
- County assembly approval of budgets within the legal framework;
- Normal weather pattern during the year favouring agriculture;
- There will be peace in the county especially among the communities;
- National Inflation will be expected to remain low and stable;
- The County expects to continue receiving conditional grants;

- ❖ The local revenues assumed to grow steadily over the medium term;
- ❖ Donor funds through MOUs with donors will continue;
- ❖ The wage bill will be maintained or reduced to the recommended rate; and
- ❖ Strategy on flagship project implementation will reduce operations and maintenance

III. FISCAL PERFORMANCE FOR FY 2017/18 IN RELATION TO FISCAL RESPONSIBILITY

84. The fiscal performance in the FY 2017/18 affected the financial objectives set out in the 2017 County Fiscal Strategy Paper (CFSP) and the Budget for FY 2017/18 in the following ways: The local revenue collected was less than the set target of Kes 350 milion. The actual realised revenue collection was Kes 308 million.
85. The under-spending in development budget for the FY 2017/18 additionally pose implications on the base used to project expenditures in the FY 2018/19 and the medium term. The reasons for the deviations from the financial objectives include: lower than projected revenue collection; and slow uptake of development allocation in the FY 2017/18.
86. To remedy future deviations, the fiscal outlook will focus on reforming and enhancing revenue administration systems to enhance revenue yields, this include introduction and use of ICT technology; promote compliance and facilitate private sector growth and development. Revenue projections will remain on upward trajectory in line with the initial projections taking into account improved security, enhancement of revenue measures and taking into account that the assumptions mentioned above remain constant. Revenue measures include opening up new markets; opening and maitaining quarry and sand cess roads; marketing tourist sites;disease control among the livestock;street parking sites and cross sectoral collaboration among others.

    The equitable share is also expected to increase based on approval of the audited accounts by the National Government.
87. The overall revenue collection during the fiscal year was lower than projected estimates of Kes 350 million by Kes 42 million. This was attributed by non actualization of valuation roll, lack of vehicles for revenue officers; less numbers of revenue law enforcement officers;lack of funds to map and survey new markets; weak legal seystems;lack of access roads to quarries and insecurity in some parts of the county. As compared to the previous years, own revenue has been improving from Kes 201.51 million in FY 2013/14,

Kes 249.72 million in FY 2014/15 and Kes 279.7 million in FY 2015/16 and Kes 286.54 in FY 2016/17. This local revenue is further expected to rise to Kes. 371.147 million in 2018/19 financial year. To achieve this, the county will focus in enhancing revenue systems and embark on infrastructure development of game parks, quarries among others as mentioned above which is the main source of revenue.

88. Towards achievement of the revenue target of FY 2018/19, the County Treasury is expected to properly rollout the implementation of Finance Act, 2018 and implementation of other subsidiary legislation of Baringo County Bylaws and Baringo County Advertisement and Nuisance Bills which will significantly improve revenue collection. This will need more public participation forums through civic education for compliance.
89. Equitable share has been on a rising trend from Kes. 3.247 billion in FY 2013/14 to Kes 3.874 billion in FY 2014/15, Kes 4.440 in FY 2015/16 and Kes 4.791 billion in FY 2016/17, Kes 4.983 billion in 2017/18 and expect to rise to Kes 5.086 Billion in the FY 2018/19.
90. In addition, implementation pace in the spending units continues to be a source of concern especially with regard to the development expenditures. To improve on this slow absorption rate of project/programme implementation, the county has put in place various measures. These measures include close monitoring of programme/project implementation while observing high standards of accounting processes and implementation of monitoring and evaluation framework. The county treasury is in the process of acquiring Monitoring and Evaluation Management Sytem to enhance project management, reporting and accountability. Other measures include reducing the number of projects implemented and adopt high impact projects within a plan period.
91. The County Assembly should also enhance its capacity in oversight over the executive to improve capital investments.

Fiscal Responsibility Principles

92. In line with the Constitution, the Public Finance Management (PFM) Act, 2012, and in keeping with the prudence and transparent management of public resources, the County Government adhered to the fiscal responsibility principles on development budget as set out by law.

Budget Implementation of the financial year 2017/18

93. Implementation of 2017/18 budget took off with slow pace attributed to long electioneering period that spill to the second quarter. Preliminary outturn

indicates that the expenditure by end of the first quarter 2017 had not commenced due to delays in passage of appropriation bill by the county assembly as they did in second quarter. The national government released the development funding also in the second quarter and this affected the overall absorption rate that spiral downwards from 81% in 2016/2017 to 75% in 2017/2018.

IV. RECENT NATIONAL ECONOMIC DEVELOPMENTS AND OUTLOOK

94. The fiscal performance for the FY 2017/18 budget was generally satisfactory, despite the challenges with shortfall in revenues and mounting expenditure pressures. The FY 2017/18 was particularly challenging because of the prolonged elections in 2017. There were expenditure pressures on recurrent expenditures especially to implement several Collective Bargaining Agreements (CBAs) especially for medical personnel.

Overview

95. The Kenyan economy is on a recovery path and is projected to recover to 6.0 percent in 2018, an upward revision from the earlier projection of 5.8 percent in the 2018 Budget Policy Statement. The outlook is supported by a pickup in agricultural and manufacturing activities due to improved weather conditions as well as the stable macroeconomic environment, ongoing public infrastructural investments and regain in business and consumer confidence following political stability in the country. Indeed, Kenya continues to be ranked favorably in the ease of doing business and as a top investment destination. At the county level, efforts to continue improving the business environment and citizen service delivery was enhanced. Promotion of local destination, leveraging on ICT to access business license using e-revenue system. Development and improvement of markets infrastructure to improve access to markets.

Medium Term Economic Outlook

96. Global economic activity continues to firm up with output strengthening by 3.7 percent in 2017 from 3.2 percent in 2016, supported by notable improvements in investment, trade, and industrial production, coupled with strengthening business and consumer confidence. This growth momentum is expected to reach 3.9 percent in 2018 and 2019, reflecting improving domestic demand in advanced economies and China, accommodative financial conditions and improved performance in other emerging market economies.

97. In addition, the partial recovery in commodity prices should allow conditions in commodity exporting countries to gradually improve. In advanced economies, growth is expected to remain at 2.4 percent in 2017 and 2018 reflecting stronger prospects for the euro area and Japan and especially the projected domestic and spillover effects of expansionary fiscal policy in the United States. Growth in emerging market and developing economies is expected to increase further from 4.7 percent in 2017 to 4.9 percent in 2018 and 5.1 percent in 2019 reflecting improved prospects for commodity exporters after three years of very weak economic activity.

98. Similarly, growth in Sub-Saharan Africa is projected to pick up to 3.4 percent in 2018 from 2.8 percent in 2017, albeit with variations across the region. At the sub region, the East African Community economies continue to record relatively higher economic growth supported by a stable macroeconomic environment, on-going infrastructure investments and strong private consumption

99. On the domestic scene, the economy is on a recovery path as reflected by the leading economic indicators for the second quarter of 2018 and the strong growth of 5.7 percent in quarter one of 2018 compared to a growth of 4.8 percent in the same quarter in 2017. The economic outlook is supported by continued strengthening of the global economy, a pickup in agricultural and manufacturing activities due to improved weather conditions as well as the stable macroeconomic environment, ongoing public infrastructural investments and regain in business and consumer confidence following political stability in the country. Given the above developments the growth outlook for 2018 has been revised upward to 6.0 percent from the 5.8 percent as earlier projected in the 2018 Budget Policy Statement (BPS).

100. Going forward in terms of fiscal years, the economic growth is projected at 6.2 percent in the FY 2019/20 and 6.9 percent over the medium term due to investments in strategic areas under the "Big Four" plan envisaged to support the business environment, create jobs and ultimately promote broad based inclusive growth.

Monetary Policy Outlook

101. The national monetary policies that focus on stable macro-economic environment for instance interest rates, inflation, balance of payments and exchange rates are bound to affect performance of the County governments.

Interest rates

102. At the national short term interest rates have remained fairly low and stable. The Central Bank Rate was reduced to 9.0 percent on 30th July 2018 from 9.5 percent in March 2018 in order to support economic activity. The interbank rate remained low at 6.8 percent in August 2018 from 8.1 percent in August 2017 due to ample liquidity in the money market. The 91-day Treasury bill rate declined to 7.6 percent in August 2018 compared to 8.2 percent in August 2017 while over the same period, the 182 day and the 364 day Treasury bills averaged 9.0 percent and 10.0 percent from 10.3 percent and 10.9 percent, respectively.

Inflation

103. The overall month on month inflation has been below the 5.0 percent target for the first eight months of 2018. However, higher domestic fuel prices due to the recent increase in international oil prices, and the impact of the excise tax indexation on prices of some of the CPI items are expected to exert moderate upward pressure on inflation in the near term.

104. Nevertheless, overall inflation is expected to remain within the target range mainly due to expectations of lower food prices reflecting favorable weather conditions and the continued prudent monetary policy measures that will moderate demand-driven inflationary pressures. Further, the stability of the Kenya exchange rate will reinforce the price stability objective and keep inflation within the Government target range in the remainder period of the fiscal year and in the medium term. The main risks to inflation remain adverse weather that affects agricultural production and their prices, and potential volatility in international oil prices.

Exchange rates

105. The Shilling is expected to be stable in 2018 on account of a narrower current account deficit and resilient foreign exchange inflows. The current account deficit is expected to narrow from 6.4 percent of GDP in 2017 to 5.4 percent of GDP in 2018 largely due to lower imports of food and inputs for phase II of the SGR project, steady growth in tea and horticulture exports, strong diaspora remittances, and continued growth in tourism receipts. 102. The main risks to the foreign exchange market in 2018 relate to continued uncertainties in the global financial markets with regard to the pace of normalization of monetary policy in advanced economies especially in the U.S. and the Brexit resolution. Nevertheless, the foreign exchange reserves will continue to provide an adequate buffer against short term shocks in the foreign exchange market.

Balance of Payments

106. The overall national balance of payments position was at a deficit of US$ 496.6 million (0.6 percent of GDP) in the year to June 2018 from a deficit of US$ 413.2 million (0.6 percent of GDP) in the year to June 2017 (Chart 6). This balance was supported by the improvement in the capital and financial account despite the increased current account deficit. The foreign exchange market remains stable supported by a narrower current account deficit. The current account deficit narrowed to 5.8 percent of GDP in the 12 months to June 2018 from 6.4 percent over the same period in 2017 reflecting strong growth of agricultural exports particularly tea and horticulture, resilient diaspora remittances, and improved tourism receipts. The strong capital inflows has also led to the stabilization of the shilling in the foreign exchange market and also allowed accumulation of international reserves. The usable official reserves stood at US$ 8,652 billion or 5.8 months of imports by end August 2018.

Fiscal Policy Outlook

Widening the Revenue Base

107. Revenue performance Own Source Revenue (OSR) stands at 5 percent of total revenue. Measures to grow OSR for instance requires comprehensive resource mapping to widen the revenue base as well control of revenue leakages.

Efficiency in Public Expenditure and Growth on Productive Sectors

108. Increase public spending to grow productive sectors particularly in value chains in agro-processing and tourism sectors. This will have a net effect on increase employment, income and wealth creation and revenue generation. A robust austerity measures to cut on wastages, reduce recurrent; and operations and maintenance (O&M).

Risk to the Domestic Economic Outlook

109. The macroeconomic outlook is not without risks. Risks from the global economies relates to uncertainties in the global financial markets particularly with regard to the U.S. economic and trade policies, normalization of monetary policy in the advanced economies and the Brexit outcome. The recent geopolitical tensions building around production and use of nuclear weapons if not addressed could weigh down global growth with negative impact on trade and financial flows.

110. Domestically, the economy will continue to be exposed to risks arising from adverse weather conditions until the mitigating measures of food security under "The Big Four" and County CIDP (20118-2022) are put in place. The recent National Finance Bill, 2018 which increases taxes on essential

goods like fuel pushing up the cost of living and posing a threat to the business environment with a consequent reduction in investment by the private sector, increases unemployment. Agricultural Sector particularly livestock sub sector is one of the largest source of revenue through market sales. Livestock disease outbreaks lead to loss of animals and disrupt operations of livestock markets with a consequent loss of revenue. Insecurity especially cattle rustling has improved for the last one year, but still pose a potential threat to economic and social activities among the affected communities. Additional risks could emanate from public expenditure pressures especially recurrent expenditures on Personnel Emolument and Operations and Maintenance (O&M). The County Government will monitor the above risks and take appropriate measures to safeguard macroeconomic stability

Budget framework for FY 2019/20

Revenue projections

111. The 2019/20 budget targets revenue of Kes 6.447 billion of which Kes.393.416 million will be from local revenue sources, Kes. 712.702 million Grants and Kes 5.341 billion will be from equitable share. This revenue is expected to rise to Kes 6.723 billion and Kes. 6.958 billion in the FY 2020/21 FY and FY 2021/22.

Expenditure Forecasts

112. In FY 2018/19, overall expenditure is projected to rise from approved estimates of Kes 8.029billion to Kes. 6.447billion in FY 2019/20. The expenditure trends is further expected to rise to Kes 6.723 billion in FY 2020/21 and Kes 6.958 billion in FY 20121/22. The FY 2018/19 approved estimate is Kes 8.029 billion composed of development and recurrent allocations of Kes 3,733 billion and Kes 4.296 billion respectively. The total recurrent expenditure for FY 2018/19 has Kes 3.172 billion and Kes 1.123 billion will be for compensation of employees and operation and maintenance respectively.

113. Expenditure projections for operations and maintenance for the MTEF period is expected to reduce over time as indicated in **table 4 below**. Similarly, compensation of employees is projected to be Kes 3.288 billion, Kes 3.462 billion and Kes. 3.583 billion in FY 2019/20, FY 2020/21 and FY 2021/22 respectively. On the other hand, development expenditure is projected to be on upward from Kes 1.966 billion to Kes 2.122

billion in FY 2019/2020 and 2021/22. Other expenditure trends as indicated the table below.

Table 6: Projected Expenditure Trends

	2016/2017		2017/2018		2018/2019	Projections		
Economic Classification	**Approved Budget**	**Actual**	**Approved Budget**	**Actual**	**Approved Budget**	**2019/2020**	**2020/2021**	**2021/2022**
Total Recurrent Expenditure	**3,901,722,415.00**	**3,787,971,396.95**	**4,245,686,050.00**	**4,227,209,516.60**	**4,296,124,583.75**	**4,480,844,593.44**	**4,672,995,264.95**	**4,836,001,231.61**
Employee Compensation	2,651,572,740.00	2,552,788,425.05	3,127,980,468.60	3,035,256,413.00	3,172,582,814.10	3,288,101,787.99	3,462,723,110.00	3,583,511,704.00
Operation and Maintenance	1,250,149,675.00	1,235,182,971.90	1,117,705,581.40	1,191,953,103.60	1,123,541,769.65	1,192,742,805.45	1,210,272,154.95	1,252,489,527.61
Total Development	**2,609,715,319**	**1,494,729,734.10**	**2,713,700,250.52**	**991,121,664.40**	**3,733,245,430.00**	**1,966,413,814.39**	**2,050,738,929.22**	**2,122,273,921.79**
Development expenditure	2,609,715,319	1,494,729,734.10	2,713,700,250.52	991,121,664.40	3,733,245,430.00	1,966,413,814.39	2,050,738,929.22	2,122,273,921.79
Total Expenditure	**6,511,437,734**	**5,282,701,131.05**	**6,959,386,300.52**	**5,218,331,181.00**	**8,029,370,013.75**	**6,447,258,407.82**	**6,723,734,194.17**	**6,958,275,153.40**
Project Net Deficit/Surplus	**0**		**0**		**0**			
Development rate of change	40%		39%		46%	31%	31%	31%
Employee Compensation Rate	41%		45%		40%	51%	52%	52%
Operation and Maintenance rate	19%		16%		14%	19%	18%	18%
TOTAL RATE	**100.00%**		**100.00%**		**100.00%**			

Risks to the Outlook

The macroeconomic outlook is not without risks. Risks from the global economies relates to uncertainties in the global financial markets particularly with regard to the U.S. economic and trade policies, normalization of monetary policy in the advanced economies and the Brexit outcome. The recent geopolitical tensions building around production and use of nuclear weapons if not addressed could weigh down global growth with negative impact on trade and financial flows.

Domestically, the economy will continue to be exposed to risks arising from adverse weather conditions until the mitigating measures of food security under "The Big Four" and County CIDP (20118-2022) are put in place. The recent National Finance Bill, 2018 which increases taxes on essential goods like fuel pushing up the cost of living and posing a threat to the business environment with a consequent reduction in investment by the private sector, increases unemployment. Agricultural Sector particularly livestock sub sector is one of the largest sources of revenue through market sales. Livestock disease outbreaks lead to loss of animals and disrupt operations of livestock markets with a consequent loss of revenue. Insecurity especially cattle rustling has improved for the last one year, but still pose a potential threat to economic and social activities among the affected communities. Additional risks could emanate from public expenditure pressures especially recurrent expenditures on Personnel Emolument and Operations and Maintenance (O&M). The County Government will monitor the above risks and take appropriate measures to safeguard macroeconomic stability

V. RECOMMENDATION AND CONCLUSIONS

114. The PFMA, 2012 stipulates that a county treasury to prepare a fiscal framework for the next financial year which lays ground for preparing the budget estimates as well as prioritization of resource allocation. In this regard, the 2019/20-2021/22 MTEF presented in this CBROP is developed while taking into consideration key County Government's priority policies outlined in the County Integrated Development Plan (CIDP), Sector plans, Annual Development Plan and Third Medium Term Plan towards realization of Vision 2030.

115. Therefore, SWGs should carefully consider detailed costing of programmes/projects in addressing county strategic objectives. The sector ceilings annexed herewith will guide the Sector Working Group (SWGs) in rolling out preparation of 2019/20 budget. It is critical to note that SWGs and respective department as well as involvement of key stakeholders in prioritizing and allocating resources based on prioritized programs earmarked for 2019/20 but within the CBROP projections.

116. For effective budget implementation, enhanced capacity building will be carried out as well as development of systems for monitoring and evaluation to be used by all relevant entities. This will ensure that resource are utilised effectively and efficiently towards improvement of livelihoods of the residents.

117. Going forward, the county shall ensure faster project execution through implementation of monitoring and evaluation policy and Monitoring

and evaluation system, use of integrated M&E soft ware and adherence to procurement plan. The monitoring and evaluation framework has been rolled and that sub county and county steering committees will engage various entities in executing development activities and provide timely feedback. When these processes are implemented by all key players, then roll over development fund will be expected to reduce significantly.

VI. ANNEXES

Annex 1: Actual Revenue Against Budget - 2017-2018

	2017/18	
Revenue	**Approved Budget**	**Actual**
Total Equitable /Grants Revenue	**6,609,386,301.00**	**6,425,787,436.00**
Conditional Allocation Free Maternity	-	-
Leasing Of Medical Equipment	95,744,681.00	-
User Charges	-	-
HSSF DANIDA -Health facilities	32,822,375	19,872,375.00
Loans And Grants(WHO)	-	-
World Bank Support To Health Facilities	94,210,000.00	24,656,046.00
Compensation For Use Fees Forgone	13,191,000.00	13,370,516.00
Roll Over-Result Based Fund	19,440,319.00	19,440,319.00
Salary Remittance (Doctors)	-	-
Salary Remittance (Nurses)	-	-
Universal Health Care	78,899,346.00	-
Roll Over Funding	943,308,125.00	943,308,125.00
Roads Maintenance Fuel Levy Fund	189,199,286.00	155,545,544.00
Roll Over RLMF	17,492,384.00	17,492,384.00
C & P Grant	40,839,509.00	213,862,851.00
Development of Youth Polythecnics	35,239,276.00	35,239,276.00
EU Grant Devolution Advice and Support	66,000,000.00	-
IDA World Bank (KUSP)	-	-
IDA World Bank (KCSAP)	-	-
Equitable Share	4,983,000,000.00	4,983,000,000.00
Local Revenue	**350,000,000**	**308,177,630.16**
Total Revenues	**6,959,386,301.00**	**6,733,965,066.16**

Annex 2: Recurrent and Development Expenditure-2017-2018

DEPARTMENT	Personnel Emoluments (Kshs)	Operations & Maintenance (Kshs)	Total Recurrent	Development Expenditure (Kshs)	Total Expenditure (Kshs)
County Assembly	293,553,081.95	299,073,113.70	592,626,195.65	7,150,890.00	599,777,085.65
Governor/County Executive Services	70,012,580.80	101,018,478.15	171,031,058.95	2,379,229.00	173,410,287.95
Deputy Governor Office	-	-	-	-	-
County Secretary Office	29,094,671.55	51,613,308.00	80,707,979.55	-	80,707,979.55
Tiatiy Sub County	13,141,682.35	3,765,171.00	16,906,853.35	145,413.00	17,052,266.35
Baringo North Sub County	12,610,788.05	3,561,574.00	16,172,362.05	-	16,172,362.05
Baringo Central Sub County	9,692,296.45	4,622,186.00	14,314,482.45	-	14,314,482.45
Baringo South Sub County	13,820,589.50	3,750,819.60	17,571,409.10	332,030.00	17,903,439.10
Mogotio Sub County	10,798,153.00	3,910,778.00	14,708,931.00	2,777,522.30	17,486,453.30
Eldama Ravine Sub County	12,092,632.15	3,843,391.00	15,936,023.15	2,378,560.00	18,314,583.15
County Public Service Board	31,503,095.30	10,423,002.00	41,926,097.30	-	41,926,097.30
County Treasury Services	166,077,396.70	139,819,983.85	305,897,380.55	4,609,527.00	310,506,907.55
Transport and Infrastructure	41,948,343.40	13,048,843.00	54,997,186.40	347,225,666.00	402,222,852.40
Industrialization, Commerce and Tourism	58,073,178.60	11,860,383.80	69,933,562.40	38,114,303.00	108,047,865.40
Education and ICT	257,457,255.00	38,870,392.50	296,327,647.50	119,748,654.10	416,076,301.60
Health	1,627,633,427.15	402,374,808.05	2,030,008,235.20	110,128,414.00	2,140,136,649.20
Lands, Housing & Urban Development	55,874,991.65	15,323,538.15	71,198,529.80	34,018,990.50	105,217,520.30
Eldama Ravine Town	-	-	-	-	-
Kabarnet Town	-	-	-	-	-
Agriculture, Livestock, Fisheries & Marketing	220,395,326.60	19,706,603.35	240,101,929.95	123,864,495.65	363,966,425.60
Youth, Gender & Social Services	18,570,327.95	13,862,224.00	32,432,551.95	33,279,191.00	65,711,742.95
Water and Irrigation	68,904,206.35	45,545,501.45	114,449,707.80	138,180,897.85	252,630,605.65
Environment & Natural Resources	24,002,388.50	5,959,004.00	29,961,392.50	26,787,881.00	56,749,273.50
GRAND TOTAL	**3,035,256,413.00**	**1,191,953,103.60**	**4,227,209,516.60**	**991,121,664.40**	**5,218,331,181.00**

Annex 3: Employee Compensation & Operations and Maintenance-2017/18

Department	Employee Compensation		Operation & Maintenance		Total Recurrent		%	Total Development		%	Total		(%)
	Budget	**Actual**	**Budget**	**Actual**	**Budget**	**Actual**		**Budget**	**Actual**		**Budget**	**Actual**	
County Assembly	350,263,921	293,553,081.95	276,288,292	299,073,113.70	626,552,213	592,626,196	94.6%	40,747,519	7,150,890.00	18%	**667,299,732**	**599,777,086**	89.9%
Governor/County Executive Services	209,175,513	202,766,489.15	209,717,492	186,508,707.75	418,893,005	389,275,197	92.9%	35,185,140	8,012,754.30	23%	**454,078,145**	**397,287,951**	87.5%
County Treasury Services	173,856,121	166,077,396.70	132,460,993	139,819,983.85	306,317,114	305,897,381	99.9%	16,834,581	4,609,527.00	27%	**323,151,695**	**310,506,908**	96.1%
Transport and Infrastructure	44,572,632	41,948,343	16,650,000	13,048,843.00	61,222,632	54,997,186	89.8%	614,958,802	347,225,666.00	56%	**676,181,434**	**402,222,852**	59.5%
Industrialization, Commerce and Tourism	65,160,146	58,073,178.60	13,530,240	11,860,383.80	78,690,386	69,933,562	88.9%	45,358,180	38,114,303.00	84%	**124,048,566**	**108,047,865**	87.1%
Education and ICT	255,398,784	257,457,255.00	41,001,000	38,870,392.50	296,399,784	296,327,648	100.0%	296,450,478	119,748,654.10	40%	**592,850,262**	**416,076,302**	70.2%
Health	1,637,126,565	1,627,633,427.15	315,150,066	402,374,808.05	1,952,276,632	2,030,008,235	104.0%	594,853,364	110,128,414.00	19%	**2,547,129,995**	**2,140,136,649**	84.0%
Lands, Housing & Urban Development	58,559,626	55,874,991.65	20,217,700	15,323,538.15	78,777,326	71,198,530	90.4%	71,848,147	34,018,990.50	47%	**150,625,473**	**105,217,520**	69.9%
Agriculture, Livestock, Fisheries & Marketing	221,313,540	220,395,326.60	21,478,298	19,706,603.35	242,791,838	240,101,930	98.9%	290,176,403	123,864,495.65	43%	**532,968,241**	**363,966,426**	68.3%
Youth, Gender & Social Services	18,915,660	18,570,327.95	13,958,000	13,862,224.00	32,873,660	32,432,552	98.7%	102,246,896	33,279,191.00	33%	**135,120,556**	**65,711,743**	48.6%
Water and Irrigation	69,266,214	68,904,206.35	49,450,000	45,545,501.45	118,716,214	114,449,708	96.4%	563,377,878	138,180,897.85	25%	**682,094,092**	**252,630,606**	37.0%
Environment & Natural Resources	24,371,746	24,002,388.50	7,803,500	5,959,004.00	32,175,246	29,961,393	93.1%	41,662,863	26,787,881.00	64%	**73,838,109**	**56,749,274**	76.9%
GRAND TOTAL	**3,127,980,469**	**3,035,256,413**	**1,117,705,581**	**1,191,953,104**	**4,245,686,050**	**4,227,209,517**	99.6%	**2,713,700,251**	**991,121,664**	37%	**6,959,386,301**	**5,218,331,181**	75.0%

Annex 4: Projected locally generated revenue for MTEF Period 2019-2022

	2016/2017		2017/2018		2018/2019	2019/2020	2020/2021	2021/2022
Sources	**Approved Budget**	**Actuals**	**Approved Budget**	**Actuals**	**Approved Budget**	**Projections**		
Game Park Fees	67,820,432.00	62,320,050.00	74,356,033.00	71,917,050.00	89,181,762.24	94,532,667.98	100,204,628.05	106,216,905.74
Animal Stock Sale Fees	20,110,246.00	11,812,060.00	15,253,617.00	11,822,380.00	17,086,174.64	18,111,345.12	19,198,025.83	20,349,907.38
Produce & Other Cess	48,016,320.00	36,985,511.00	38,561,801.00	40,838,377.60	30,890,709.57	32,744,152.15	34,708,801.27	36,791,329.35
Single Business Permit	40,086,128.00	32,366,030.00	37,977,208.00	33,035,321.00	38,340,204.12	40,640,616.36	43,079,053.34	45,663,796.54
Plot Rent/ Rates	21,780,288.00	12,916,819.00	29,203,758.00	11,096,369.00	20,941,012.67	22,197,473.42	23,529,321.83	24,941,081.14
Market Fees & Others	40,225,197.00	35,942,724.00	40,647,583.00	``	39,303,964.13	41,662,201.98	44,161,934.10	46,811,650.15
Koibatek ATC	3,996,043.00	2,282,212.00	2,700,000.00	1,784,760.00	5,041,640.93	5,344,139.38	5,664,787.75	6,004,675.01
Marigat AMS	7,197,410.00	934,745.00	2,400,000.00	287,582.00	3,873,504.80	4,105,915.09	4,352,269.99	4,613,406.19
Public Health	3,388,924.00	4,080,680.00	6,000,000.00	4,046,030.00	5,492,791.02	5,822,358.48	6,171,699.99	6,542,001.99
Veterinary	1,285,835.00	11,601,340.00	18,300,000.00	23,290,990.00	28,721,725.58	30,445,029.11	32,271,730.86	34,208,034.71
Hospital Revenue	76,093,177.00	75,304,695.00	84,600,000.00	73,056,001.00	92,273,954.86	97,810,392.15	103,679,015.68	109,899,756.62
TOTAL	**330,000,000.00**	**286,546,866.00**	**350,000,000.00**	**308,177,630.60**	**371,147,444.56**	**393,416,291.23**	**417,021,268.70**	**442,042,544.83**

Annex 5: Funds Accounts Annual Report FY 2017-2018 (Grants and Subsidies)

Funds Accounts Annual Report Fy 2017-2018										
Descriptions	**Emergency Fund**	**Lake Bogoria Community Grant**	**Co-operative Fund**	**SME Fund**	**Community Wildlife Conservancy Fund**	**Bursary Fund**	**Executive Mortgage Scheme**	**Executive Car Loan Scheme**	**PWDs**	**Youth and Women Fund**
Opening Bal-1st July,2017	**473,208.45**	**1,476,494.00**	**1,860,421.08**	**3,132,480.00**	**5,366.20**	**2,712,102.00**	**400,729.00**	**14,965,824.00**	**7,644,912.10**	**6,566,605.97**
Receipts From Baringo	20,047,052.70	6,733,485.00	-	-	-	40,000,000.00	10,500,000.00	-	3,000,000.00	3,000,000.00
Loan Recovery	-	-	912,910.00	5,083,849.00	-	-	2,776,151.00	7,161,950.00	-	3,799,055.41

Funds Accounts Annual Report Fy 2017-2018										
Descriptions	**Emergency Fund**	**Lake Bogoria Community Grant**	**Co-operative Fund**	**SME Fund**	**Community Wildlife Conservancy Fund**	**Bursary Fund**	**Executive Mortgage Scheme**	**Executive Car Loan Scheme**	**PWDs**	**Youth and Women Fund**
Intrest Earned	72,340.00	26,856.00	10,442.44	-	31,931.00	-	-	-	28,956.25	6,294.38
Total Receipts	**20,592,601.15**	**8,236,835.00**	**2,783,773.52**	**8,216,329.00**	**37,297.20**	**42,712,102.00**	**13,676,880.00**	**22,127,774.00**	**10,673,868.35**	**13,371,955.76**
Less : Disbursements/ Uses	20,352,912.00	3,301,907.00	-	-	-	35,433,538.00	9,300,000.00	19,540,000.00	5,672,000.00	7,100,000.00
NHIF	-	-	-	-	-	-	-	-	1,814,000.00	-
Operations Costs	11,950.00	658,930.00	339,283.87	408,770.00	37,297.20	907,645.00	2,825.00	4,035.00	305,423.44	201,624.16
Total Expenses	**20,364,862.00**	**3,960,837.00**	**339,283.87**	**408,770.00**	**37,297.20**	**36,341,183.00**	**9,302,825.00**	**19,544,035.00**	**7,791,423.44**	**7,301,624.16**
Closing Bal As 30th June, 2018	**227,739.15**	**4,275,998.00**	**2,444,489.65**	**7,807,559.00**	**0.00**	**6,370,919.00**	**4,374,055.00**	**2,583,739.00**	**2,882,444.91**	**6,070,331.60**
							10,500,000/= Was received as transfer from Car Loan Fund	10,500,000/= Was Disbursed as transfer to Mortgage Loan Fund		

Annex 6: Staff Establishment per Department (as at 30/6/2017)

S/No	Department	Number of Staff
1	County Assembly	139
2	Office Of the County Executive services	51
3	Office of the County Secretary	24
4	County Public Service Board	13
5	County Treasury Services	265
6	Tiaty Sub county	12
7	Baringo North Sub County	15
8	Baringo Central Sub County	7
9	Baringo South Sub County	18
10	Mogotio Sub County	10
11	Eldama Ravine Sub County	12
12	Transport and Infrastructure	54

S/No	Department	Number of Staff
13	Industrialization, Commerce and Tourism	77
14	Education and ICT	1,836
15	Health	1,251
16	Lands, Housing & Urban Development	25
17	Eldama Ravine Town	18
18	Kabarnet Town	32
19	Agriculture, Livestock, Fisheries & Marketing	264
20	Youth, Gender & Social Security Services	13
21	Water & Irrigation	112
22	Environment & Natural Resources	26
	TOTAL	**4,279**