

SAMBURU COUNTY GOVERNMENT



DEPARTMENT OF FINANCE, ECONOMIC PLANNING & ICT

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

SEPTEMBER 2019

Foreword

The County Budget Review and Outlook Paper (CBROP) is a statutory policy document in the review and analysis of County budget performance. The document has been prepared in accordance with section 118 of Public Finance Management Act (PFM, 2012). In the Act, County Treasuries are required to prepare and submit CBROPs to respective County Executive Committees by 30th September every year. As a policy document, CBROP provides performance of budget of the previous financial year showing estimates, actuals, and deviations. It is also a review of budget appropriations and compliance with the fiscal responsibility principles and financial objectives outlined in the PFM Law of 2012.

The 2019 CBROP is structured to show the financial and economic trends not only at the county level but also at the national scene. The trends are applied to inform policy direction, actions and strategies which will be adopted in the 2020 County Fiscal Strategy Paper (CFSP). The CBROP will form a basis for the development of the budget for FY 2020/21 and over the medium term period. Further, the outcome of the fiscal performance for FY 2018/19 budget will be useful in advising the revision of estimates for FY 2019/20.

Fiscal discipline seeks to ensure that each spending agency in the county can keep and support sustainable economic growth. The implementation of the County budget will focus on reducing poverty levels by improving access to health care, education, Water and agricultural productivity.

The County Government remains committed to maintaining the trend of economic growth and development in line with the needs and commitments made to the people of Samburu. Towards this end, the County Government will ensure that there is transparency and accountability by engaging stakeholders in development planning, implementation, and monitoring as required by the Constitution and the Public Finance Management Act, 2012.

Dorcas Lekesanyal
CECM - Finance, Economic Planning & ICT

Acknowledgement

The Samburu County Budget Review and Outlook Paper (CBROP) 2019 is prepared in accordance with the Public Finance Management (PFM) Act, 2012. The document is expected to improve the public's understanding of county's public resources and expenditures hence guide public debate on economic planning and budgeting matters.

The county government is committed to continue building capacity to enhance resource management, raise own revenue and entrench good governance in all departments. The county government will continue to implement priority programs to raise productivity and ensure there is prudent utilization of available funds.

The development of Samburu County Budget Review and Outlook Paper (CBROP) 2019 has been made possible through the participation of many stakeholders. We are very grateful to the County Executive Committee for overall leadership throughout the entire process. To all county departments, units and agencies, we appreciate your invaluable inputs in the preparation of this policy document.

Special thanks goes to the County Executive Committee Member for Finance, Economic Planning and ICT; Hon. Dorcas Lekesanyal, for her guidance and coordination in developing this statutory document. We also are grateful for the collaboration and the comments received from the Chief Officers, County technical staffs and other stakeholders.

Finally, since it would not be possible to list everybody individually in this page, I would like to take this opportunity to thank the entire staff of the County Treasury for their dedication, sacrifice, commitment and assistance during this process.

David Lesamana
Chief Officer - Economic Planning & ICT

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Abbreviations and Acronyms

| | |
|-------|--|
| CBROP | County Budget Review and Outlook Paper |
| CFSP | County Fiscal Strategy Paper |
| CHEW | Community Health Extension Worker |
| CMEC | County Monitoring and Evaluation Committee |
| CIDP | County Integrated Development Plan |
| ECDE | Early Childhood Development Education |
| FY | Financial Year |
| GDP | Gross Domestic Product |
| GWh | Giga Watt Hours |
| IFMIS | Integrated Financial Management Information System |
| ICT | Information Communication Technology |
| KSH | Kenya Shillings |
| MTEF | Medium Term Expenditure Framework |
| MW | Mega Watts |
| PFM | Public Financial Management |
| TIVET | Technical Industrial and Vocational Educational Training |
| USD | United States Dollar |

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

The CBROP is prepared in accordance with Section 118 of the PFM Act, 2012. The law states that:

- 1)** The County Treasury shall prepare and submit to the County Executive Committee for approval, by 30th September in each financial year, a CBROP which shall include:
 - a)** Actual fiscal performance in the previous financial year compared to the budget appropriation for that year;
 - b)** Updated macro-economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent CFSP.
 - c)** Information on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the latest CFSP; and
 - d)** The reasons for any deviation from the financial objectives together with proposals to address the deviation and the time estimated to do so.
- 2)** The County Executive Committee shall consider the CBROP with a view to approving it, with or without amendments, not later than fourteen days after its submission.
- 3)** Not later than seven days after the CBROP has been approved by 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.

The Fiscal Responsibility Principles laid out in section 107 of the PFM Act 2012 includes;

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

Section One: INTRODUCTION

1. The County Budget Review and Outlook Paper (CBROP 2019) have been prepared in line with the provisions of the Public Finance Management, PFM Act, 2012 that are relevant to the devolved systems of Government. Specifically, the Act requires that every County prepares a CBROP by 30th September of that financial year. The CBROP reviews the actual fiscal performance of the financial year 2018/19 and makes comparisons to the budget appropriations for the same year. It also provides the recent economic developments and the updated economic and financial forecast.
2. The main objectives of CBROP are to:
 - a) Details of the actual County Fiscal performance in financial year 2018/19 compared to the budget appropriation of the same year.
 - b) An updated economic and financial forecast with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper.
 - c) Information on any changes in the forecasts compared with the CFSP on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP for that financial year.
 - d) Reasons for any deviation from the financial objectives in the CFSP together with the proposals to address the deviation and the estimated timeframe for doing so.
3. The CBROP takes cognizance of the CIDP and other county development priorities and emerging County needs. The Annual Development Plan (ADP) has already spelled out these priorities. In this paper, the resource envelope for the FY 2020/21 has been projected and indicates the sector ceilings presented. As envisaged in the PFMA, 2012 these Ceilings set in motion the budget preparation for the FY 2020/21 Fiscal Year.
4. The paper is organized in six sections as follows:
 - a) Section I provides the introduction,
 - b) Section II Provides review of the fiscal performance in the FY 2018/19 and its implications on the financial objectives set out in the County Fiscal Strategy Paper submitted to the County Assembly in February 2019,
 - c) Section III gives brief highlights of the recent economic developments and updated macroeconomic outlook;
 - d) Section IV looks at Implementation of FY 2019-2020 Budget;
 - e) Section V provides the resources allocation framework,
 - f) Section VI concludes the paper.

Section Two: REVIEW OF FISCAL PERFORMANCE FOR THE FY 2018/19

Overview

5. This section provides an overview of the performance and implementation of the budget for the financial year 2018/19 and how this may have affected compliance with the fiscal responsibilities. This will be useful in providing a basis for setting out broad fiscal parameters for subsequent budgets.

B. 2018/19 Fiscal Performance

6. Table 1 below presents the fiscal performance for the FY 2018/19 and the deviations from the revised budget estimates. The revenue targets for FY 2018/2019 were estimated in such a manner as to form a balanced budget at Ksh **5,874,899,429**. The actual revenue realized by June 30th, 2019 amounted to Ksh. **5,659,934,936**. The total revenue realized in FY 2018/19 missed the targets by Ksh **214,964,493**.

Table 1: Approved Revenues vs. actuals

| | ITEMS | Approved Estimate 2018/19 | Actuals 2018/19 | Deviations |
|---------|------------------------------------|---------------------------|-----------------|--------------|
| | COUNTY GENERATED REVENUE | | | |
| 1130104 | Land Rates | 29,000,000 | 18,075,529 | (10,924,471) |
| 1420328 | Single Business Permits | 20,000,000 | 12,928,850 | (7,071,150) |
| 1110104 | Total Cess Receipts | 20,000,000 | 12,068,649 | (7,931,351) |
| 1420327 | Game Parks/Nature Reserves Fees | 150,000,000 | 182,675,556 | 32,675,556 |
| 1420405 | Markets and Slaughter House Fees | 8,000,000 | 4,677,570 | (3,322,430) |
| 1420404 | Vehicle Parking Receipts/Transport | 1,436,628 | | (1,436,628) |
| 1110104 | Wheat Cess | 700,000 | | (700,000) |
| 1140509 | Prospecting Licenses | 275,000 | | (275,000) |
| 1420601 | Tender Application Fees | 552,145 | | (552,145) |
| 1140501 | Liquor License | 4,000,000 | 6,285,300 | 2,285,300 |
| | Various Health Departments Fees | | | |

| | | | | |
|--|---|----------------------|----------------------|----------------------|
| | | 6,386,920 | 5,394,398 | (992,522) |
| | Agricultural Machinery Services | 1,580,536 | 331,500 | (1,249,036) |
| | Approval of plans and supervision | 1,000,000 | 1,406,790 | 406,790 |
| | Insurance Recoveries | 1,100,000 | | (1,100,000) |
| | Proceeds from sale of Motor Vehicles | 11,000,000 | | (11,000,000) |
| | SUB-TOTAL LOCAL SOURCES | 255,031,228 | 243,844,143 | (11,187,085) |
| | SUMMARY | | | |
| | Revenue from Local Sources | 255,031,228 | 243,844,143 | (11,187,085) |
| | Revenue transfer from national government | 4,427,400,000 | 4,427,400,000 | - |
| | Road Maintenance Fuel Levy | 116,569,586 | 143,493,610 | 26,924,024 |
| | Conditional Grant-Compensation for User Fee Foregone | 5,235,578 | | (5,235,578) |
| | Conditional Grant-Leasing of Medical Equipment | 200,000,000 | 200,000,000 | - |
| | Conditional Allocation for Development of Youth Polytechnics | 20,905,000 | | (20,905,000) |
| | Kenya Urban Support Programme (UDG and UIG) | 50,000,000 | 50,000,000 | - |
| | Kenya Devolution Support Program (KDSP) | 39,330,852 | | (39,330,852) |
| | DANIDA (Health support funds) | 12,757,500 | 12,757,530 | 30 |
| | World bank loan for National agricultural and rural inclusive growth project | 140,435,163 | 50,078,476 | (90,356,687) |
| | EU Grant for instrument for devolution advice and support (Abattoir Construction) | 70,000,000 | 62,213,284 | (7,786,716) |
| | Agriculture Sector Development Support Programme (ASDSP) | 22,652,198 | 22,885,849 | 233,651 |
| | Urban Institutional Grant (KUSP) | 41,200,000 | 41,200,000 | - |
| | World Bank Loan for transforming health systems for universal care project | 97,143,610 | 38,590,020 | (58,553,590) |
| | FAO Funds | 8,766,690 | | (8,766,690) |
| | Brought forward revenue | 367,472,024 | 367,472,024 | - |
| | GRAND TOTAL | 5,874,899,429 | 5,659,934,936 | (214,964,493) |

Source: Samburu County Treasury 2019

7. The year under review recorded slight higher improvement compared to previous year but did not attain the target due to;
 - a) Realistic projections;
 - b) Sealing of Revenue leakages;
 - c) Deployment, addition, rotation and capacity building of staff.
 - d) Sensitizing all citizens on the benefits of paying rent & rates.
 - e) Timely updating records on Land Rates and Land Rent
 - f) Strengthen revenue enforcement and compliance

8. Revenue flow from national government has not been consistent. The regular flow of revenue had a negative fiscal and financial implication to the county. It impacted on the capacity of the county government to implements projects and programmes and to meet its non-discretionary expenses on time. However, overall revenue performance was below the projected targets.

9. Expenditure

Recurrent expenditure amounted to Ksh **3,542,353,264** against a target of Ksh **3,940,681,298**. Thus, the total expenditure on recurrent at the close of FY 2018/19 represents 74% rate of absorption.

Development expenditure amounted to **Ksh 1,214,402,203 compared** to a target of Ksh. **1,934,218,131** this represents 26% rate of absorption.

Table 2 shows a comparison between estimates/ targets against the actuals at the close of the financial year and is illustrated graphically by figure 1 below. The exchequer release verses the actual expenditure is illustrated by Table 3 and illustrated by figure 2.

Table 2 : Approved Expenditure vs. Actuals for FY 2018/19

| DEPARTMENT | Recurrent (Ksh). | Actual (Ksh) | Budget Absorption rate | Development (Ksh.) | Actual (Ksh) | Budget Absorption rate | TOTAL(Ksh) | Total -Actual (Ksh) | Budget Absorption rate |
|--|------------------|--------------|------------------------|--------------------|--------------|------------------------|---------------|---------------------|------------------------|
| County Assembly | 474,006,348 | 460,591,008 | 97 | 75,000,000 | 69,998,514 | 93 | 549,006,348 | 530,589,522 | 97 |
| County Executive | 432,246,552 | 405,653,887 | 94 | 12,902,656 | 12,594,496 | 98 | 445,149,208 | 418,248,383 | 94 |
| Finance, Economic Planning & ICT | 646,100,061 | 544,566,736 | 84 | 24,160,890 | 14,356,064 | 59 | 670,260,951 | 558,922,800 | 83 |
| Agriculture, Livestock Development, Veterinary Services & Fish | 340,492,421 | 288,654,315 | 85 | 272,647,338 | 56,531,486 | 21 | 613,139,759 | 345,185,801 | 56 |
| Water, Environment, Natural Resources & Energy | 178,488,698 | 149,264,045 | 84 | 288,656,840 | 237,933,967 | 82 | 467,145,538 | 387,198,012 | 83 |
| Education and Vocational Training | 374,053,092 | 342,667,068 | 92 | 172,097,590 | 106,671,606 | 62 | 546,150,682 | 449,338,674 | 82 |
| Medical Services, Public Health & Sanitation | 909,505,890 | 859,372,153 | 94 | 342,110,718 | 275,854,704 | 81 | 1,251,616,608 | 1,135,226,857 | 91 |

| | | | | | | | | | |
|--|----------------------|----------------------|-----------|----------------------|----------------------|-----------|----------------------|----------------------|-----------|
| Lands, Housing, Physical Planning & Urban Development | 131,681,267 | 104,229,851 | 79 | 123,659,530 | 55,189,015 | 45 | 255,340,797 | 159,418,866 | 62 |
| Roads, Transport & Public Works | 118,730,204 | 81,894,018 | 69 | 416,739,114 | 246,407,446 | 59 | 535,469,318 | 328,301,464 | 61 |
| Tourism, Trade, Enterprise Development & Cooperatives | 194,943,952 | 169,679,298 | 87 | 169,550,820 | 128,351,241 | 76 | 364,494,772 | 298,030,539 | 82 |
| Culture, Social Services, Gender, Sports & Youth Affairs | 140,432,813 | 135,780,885 | 97 | 36,692,635 | 10,513,664 | 29 | 177,125,448 | 146,294,549 | 83 |
| TOTAL | 3,940,681,298 | 3,542,353,264 | 90 | 1,934,218,131 | 1,214,402,203 | 63 | 5,874,899,429 | 4,756,755,467 | 81 |

Percentages

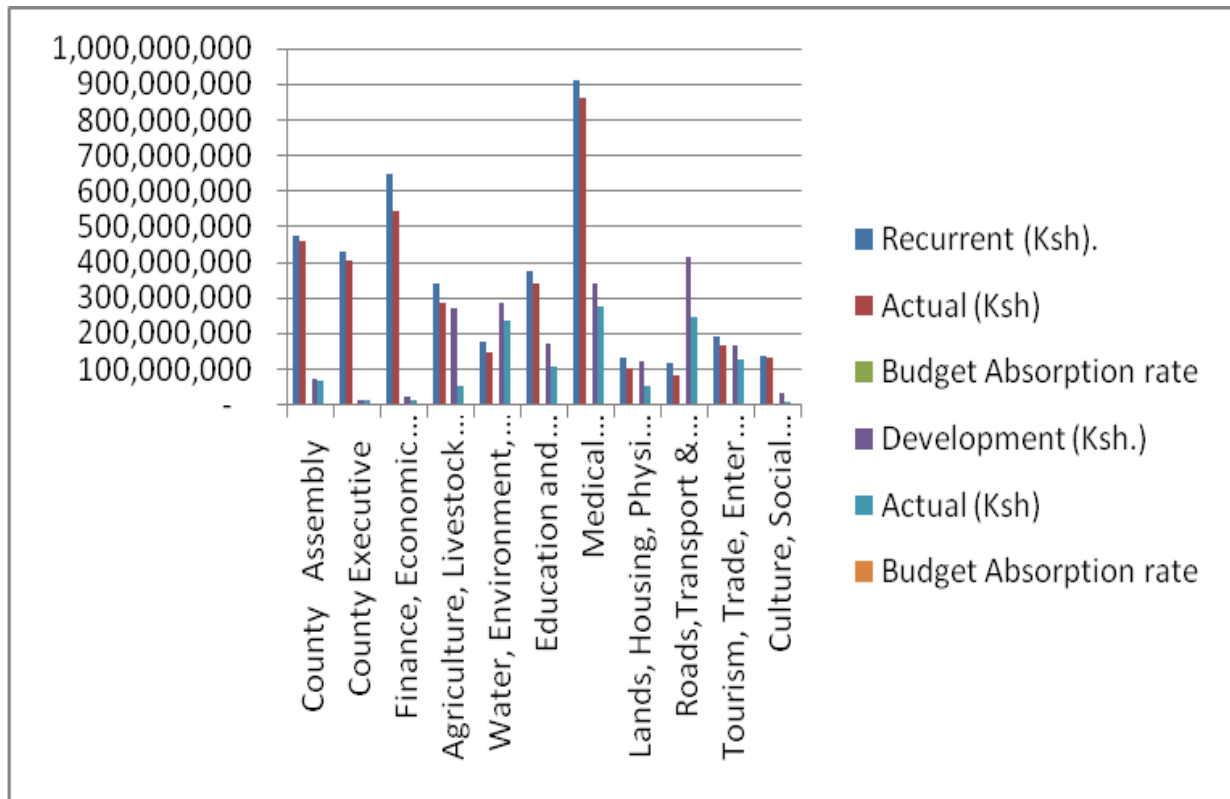
67

74

33

26

Source: Samburu County Treasury 2019



Source: Samburu County Treasury 2019

Figure 1: Approved Budget vs. Actual expenditure in FY 2018/19

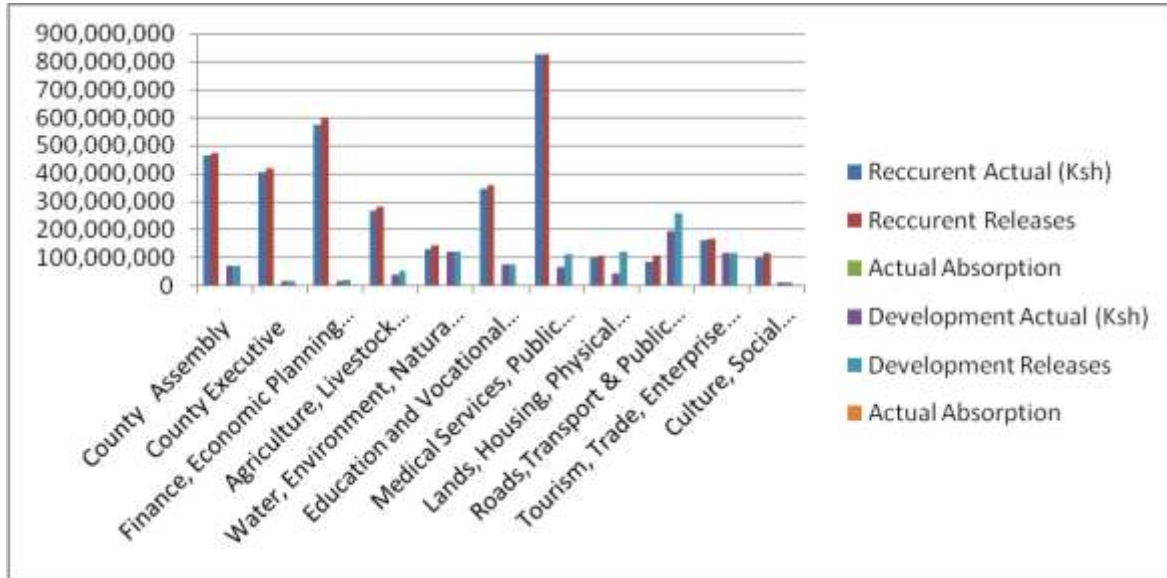
Table 3: Exchequer Releases Absorption Rates

| DEPARTMENT | Recurrent (Ksh). | Actual (Ksh) | Releases | Actual Absorption | Budget Absorption rate | Development (Ksh.) | Actual (Ksh) | Releases | Actual Absorption | Budget Absorption rate | TOTAL(Ksh) | Total -Actual (Ksh) | Total Releases | Actual Absorption | Budget Absorption rate |
|--|----------------------|----------------------|----------------------|-------------------|------------------------|----------------------|----------------------|----------------------|-------------------|------------------------|----------------------|----------------------|----------------------|-------------------|------------------------|
| County Assembly | 474,006,348 | 460,591,008 | 474,006,348 | 97 | 97 | 75,000,000 | 69,998,514 | 69,998,514 | 100 | 93 | 549,006,348 | 530,589,522 | 544,004,862 | 98 | 97 |
| County Executive | 432,246,552 | 405,653,887 | 417,546,494 | 97 | 94 | 12,902,656 | 12,594,496 | 12,594,496 | 100 | 98 | 445,149,208 | 418,248,383 | 430,140,990 | 97 | 94 |
| Finance, Economic Planning & ICT | 646,100,061 | 544,566,736 | 598,823,827 | 91 | 84 | 24,160,890 | 14,356,064 | 19,000,000 | 76 | 59 | 670,260,951 | 558,922,800 | 617,823,827 | 90 | 83 |
| Agriculture, Livestock Development, Veterinary Services & Fish | 340,492,421 | 288,654,315 | 279,419,470 | 103 | 85 | 272,647,338 | 56,531,486 | 51,685,000 | 109 | 21 | 613,139,759 | 345,185,801 | 331,104,470 | 104 | 56 |
| Water, Environment, Natural Resources & Energy | 178,488,698 | 149,264,045 | 143,494,019 | 104 | 84 | 288,656,840 | 237,933,967 | 121,500,000 | 196 | 82 | 467,145,538 | 387,198,012 | 264,994,019 | 146 | 83 |
| Education and Vocational Training | 374,053,092 | 342,667,068 | 356,918,624 | 96 | 92 | 172,097,590 | 106,671,606 | 73,000,000 | 146 | 62 | 546,150,682 | 449,338,674 | 429,918,624 | 105 | 82 |
| Medical Services, Public Health & Sanitation | 909,505,890 | 859,372,153 | 826,151,860 | 104 | 94 | 342,110,718 | 275,854,704 | 309,916,549 | 89 | 81 | 1,251,616,608 | 1,135,226,857 | 1,136,068,409 | 100 | 91 |
| Lands, Housing, Physical Planning & Urban Development | 131,681,267 | 104,229,851 | 106,995,300 | 97 | 79 | 123,659,530 | 55,189,015 | 119,805,504 | 46 | 45 | 255,340,797 | 159,418,866 | 226,800,804 | 70 | 62 |
| Roads, Transport & Public Works | 118,730,204 | 81,894,018 | 105,070,359 | 78 | 69 | 416,739,114 | 246,407,446 | 256,174,807 | 96 | 59 | 535,469,318 | 328,301,464 | 361,245,166 | 91 | 61 |
| Tourism, Trade, Enterprise Development & Cooperatives | 194,943,952 | 169,679,298 | 163,784,606 | 104 | 87 | 169,550,820 | 128,351,241 | 115,789,482 | 111 | 76 | 364,494,772 | 298,030,539 | 279,574,088 | 107 | 82 |
| Culture, Social Services, Gender, Sports & Youth Affairs | 140,432,813 | 135,780,885 | 113,504,220 | 120 | 97 | 36,692,635 | 10,513,664 | 9,168,969 | 115 | 29 | 177,125,448 | 146,294,549 | 122,673,189 | 119 | 83 |
| TOTAL | 3,940,681,298 | 3,542,353,264 | 3,585,715,127 | 99 | 90 | 1,934,218,131 | 1,214,402,203 | 1,158,633,321 | 105 | 63 | 5,874,899,429 | 4,756,755,467 | 4,744,348,448 | 100 | 81 |

Percentages 67 74 76 33 26 24

Source: Samburu County Treasury 2019

Exchequer Releases Absorption Rates



Source: Samburu County Treasury 2019

Figure 2: Exchequer Releases Absorption Rates 2018/19

10. Pending Bills

Payroll Subjects had the highest recurrent pending bills for the services and goods contracted while departments of Water, Environment, Natural Resources & Energy had the highest development pending bills as shown on the table below;

Table 4: Pending Bills

| SUMMARY OF YR 2018/19 PENDING BILLS | | | | |
|--------------------------------------|---------------|---------------|---------------|-----|
| Department | Development | Recurrent | Totals | % |
| County Executive | - | 5,493,815.00 | 5,493,815.00 | 2% |
| Payroll Subjects | - | 85,554,378.80 | 85,554,378.80 | 24% |
| Finance & Economic planning | - | 1,836,495.00 | 1,836,495.00 | 1% |
| Agriculture, Livestock and Fisheries | 37,512,043.44 | 1,056,600.00 | 38,568,643.44 | 11% |
| Environment and Natural Resources | 85,721,563.00 | 1,764,369.00 | 87,485,932.00 | 25% |

| | | | | |
|--|-----------------------|-----------------------|-----------------------|-------------|
| Education, Youth Affairs and Sports | 8,293,967.00 | 29,028,113.00 | 37,322,080.00 | 10% |
| Health Services | 7,164,119.00 | 11,339,632.14 | 18,503,751.14 | 5% |
| Physical Planning, Housing and Urban Development | 4,972,050.00 | 759,444.00 | 5,731,494.00 | 2% |
| Public Works, County Roads and Water | 23,485,167.95 | 2,233,393.30 | 25,718,561.25 | 7% |
| Trade, Tourism and Co-operative Development | 31,799,246.00 | 12,208,884.00 | 44,008,130.00 | 12% |
| Gender, Culture and Social Services | - | 5,341,264.00 | 5,341,264.00 | 2% |
| Totals | 198,948,156.39 | 156,616,388.24 | 355,564,544.63 | 100% |

Source: Samburu County Treasury 2019

11. Overall balance and financing

Reflecting on the above performance in revenue and expenditure, the total payment commitments amounted to Ksh **4,756,755,467** in FY 2018/19 against the estimates of Ksh. **5,874,899,429** hence unutilized funds are ksh **1,118,143,962** on the other hand, the total revenue realized amounted to Ksh. **5,659,934,903** against the target of Ksh. **5,874,899,429** hence unrealized revenue of ksh **214,964,526**. The upshot of the forgoing is that the performance in the budget execution in FY 2018/19 is a pointer of the existence of room for improvement in the implementation of budget.

Continuing in Fiscal Discipline and Responsibility Principles

12. Implications on the financial objectives set out in 2018 County Fiscal Strategy Paper (CFSP) and approved budget for FY 2018/19 based on the fiscal performance in FY 2018/19 include:

- The County's recurrent expenditure for the FY 2018/19 did not exceed the total revenue for the year under review.
- Over the medium term, the County's allocation for development expenditure was 32.9% of the total budget thus it adhered to the minimum requirement of 30% as stipulated in the PFM law. During implementation, the County's development expenditure accounted for 24% of the total expenditure.
- The compensation to employees accounted for 34% of the total budget. Out of the money spent it accounted for 42% and continues to put pressure on other spending areas particularly on execution of development budget. The County Government continues to pursue measures aimed at not exceeding a

maximum of 35% of the total budget by freezing employment by the cabinet. Other exogenous factors like new salary awards for health workers and salary harmonization by the Salary and Remuneration Commission (SRC) award on employee compensations have continued to impact negatively on County ability to manage a rising wage bill.

- d) Over the medium term, the County Government did not envisage any borrowing during the period under review.
- e) The County Government was able to spend over Ksh 400 million servicing County's pending bills.
- f) The county Government achieved a 95% performance in Own Source Revenue against the target in FY 2018/19. Although other intervening variables affected the Own Source Revenue the economic assumptions underpinning the period under review may not have been as accurate.
- g) Cash flow projections remain unrealistic due to irregular trends in disbursement of the National transfers thereby affecting implementation of development project and majority end up being rolled over to the next financial year.
- h) The County Treasury will continue to facilitate capacity improvement across all Departments to further improve absorption of development budget which is still low compared to recurrent budget execution in FY 2019/20.

Section Three – Recent Economic Developments and Outlook

A: Recent Economic Developments

International Scene

- 13.** The global economy experienced decelerated growth of 3.6 % in 2018 compared to a 3.8 % growth in 2017. The advanced economies are estimated to have expanded by 2.4 % in 2018 compared to a growth of 2.5 % in 2017. Growth in emerging markets and developing economies decelerated from 4.7 % in 2017 to 4.6 % in 2018. Sub-Saharan Africa region remained on a recovery path growing by 3.0 % during the review period compared to a growth of 2.9 % in 2017. In 2018, the global inflation rose to 3.6 % compared to a revised rate of 3.2 % in 2017, mainly attributable to robust global oil demand. Prices of agricultural produce remained broadly stable but declined slightly in the second half of the year.
- 14.** World trade volume rose by 3.9 % in 2018 compared to a growth of 5.2 % in 2017. The growth in trade was affected by trade tensions involving major economies and elevated trade policy uncertainties. The volume of exports in advanced economies grew by 3.4 % in 2018 compared to a growth of 4.4 % in 2017. Similarly, the volume of exports in the emerging markets and developing economies grew by 4.7 % in the review period compared to a growth of 6.9 % in 2017, largely affected by increase in oil prices. The overall fiscal deficit as a percentage of GDP stood at 2.9 % in 2018 compared to 2.3 % in 2017. The global economy showed improved labour market conditions during the period under review, with an estimated 3.3 billion people in the labour market. The global unemployment rate dropped from 5.7 % in 2017 to 5.3 % in 2018.

Country's Economic Performance

- 15.** Real Gross Domestic Product (GDP) is estimated to have expanded by 6.3 % in 2018 compared to 4.9 % in 2017. The growth was attributable to increased agricultural production, accelerated manufacturing activities, sustained growth in transportation and vibrant service sector activities. Agricultural activities benefitted from sufficient rains that were well spread throughout the country. Similarly, the increased precipitation was a significant boost to electricity generation and consequently favorable to growth during the review period. The Agriculture, Forestry and Fishing sector growth accelerated from a revised growth of 1.9 % in 2017 to 6.4 % in 2018. The manufacturing sector expanded by 4.2 % compared to a revised growth of 0.5 % in 2017 mainly buoyed by increased agro-processing during the review period. Other sectors that grew notably in 2018 include Electricity Supply, Transportation and Storage, Information and Communication Technology, Accommodation and Food

Services at 10.5%, 8.8%, 11.4%, 16.6%, respectively in 2018. The growth realized was anchored on a relatively stable macroeconomic in 2018. Inflation remained low at 4.7 % in 2018 compared to 8.0 % in 2017 majorly as a result of considerable declines in prices of food after the shortage experienced in 2017.

- 16.** While economic activity faltered following the 2008 global economic recession, growth resumed in the last five years reaching 5.7% in 2018 placing Kenya as one of the fastest growing economies in Sub-Saharan Africa. The economic expansion has been boosted by a stable macroeconomic environment, low oil prices, rebound in tourism, strong remittance inflows and a government led infrastructure development initiative.
- 17.** Looking ahead, near-term gross domestic product growth (GDP) is expected to rise to 5.8% in 2019 underpinned by recovery in agriculture, better business sentiment, and easing of political uncertainty. Medium-term GDP growth should rebound to 5.8% in 2019 and 6.0% in 2020 respectively dependent on growth in private sector credit, continued strong remittance flows, management of public debt and expenditure and global oil prices. In the long-term, adoption of prudent macroeconomic policies will help safeguard Kenya's robust economic performance. This includes implementation of fiscal and monetary prudence and lowering deficit down to 4.3% by FY19/20 as per the Medium-Term Fiscal Framework. The fiscal consolidation needs to avoid compromising public investments in critical infrastructure key to unlocking the economy's productive capacity.
- 18.** In addition to aligning fostering economic development through the country's development agenda to the long-term development plan; Vision 2030, the President in December outlined the "Big Four" development priority areas for his final term as President. The Big Four will prioritize manufacturing, universal healthcare, affordable housing and food security. Social Development Kenya has met some Millennium Development Goals (MDGs) targets, including reduced child mortality, near universal primary school enrolment, and narrowed gender gaps in education. Interventions and increased spending on health and education are paying dividends. While the healthcare system has faced challenges recently, devolved health care and free maternal health care at all public health facilities will improve health care outcomes and develop a more equitable health care system.

19. Kenya has the potential to be one of Africa's success stories from its growing youthful population, a dynamic private sector, highly skilled workforce, improved infrastructure, a new constitution, and its pivotal role in East Africa. Addressing the challenges of poverty, inequality, governance, the skills gap between market requirements and the education curriculum, climate change, low investment and low firm productivity to achieve rapid, sustained growth rates that will transform lives of ordinary citizens, will be a major goal for Kenya.

Employment, Earnings and Consumer Prices

20. The economy created 840.6 thousand new jobs in 2018. The informal sector, which accounted for 83.6 % of the total employment created 762.1 thousand new jobs in the period under review. The number of persons engaged, excluding those in rural small scale agriculture and pastoralist activities rose by 5.0 % to 17.8 million persons in 2018. Employment in the public sector went up from 833.1 thousand persons in 2017 to 842.9 thousand persons in 2018. The Private sector which accounted for 69.5 % of the total employment grew by 3.0 % in 2018.

21. Wage employment in the modern sector increased from 2,699.5 thousand persons in 2017 to 2,765.1 thousand persons in 2018. The total number of self-employed and unpaid family workers within the modern sector rose from 139.4 thousand persons in 2017 to 152.2 thousand persons in 2018.

22. Overall nominal wage bill for public and private and sector rose from KSh 1,817.3 billion in 2017 to KSh 2,010.2 billion in 2018. Annual nominal average earnings per person in the modern sector increased from KSh 666,241.1 in 2017 to KSh 716,934.7 in 2018. Similarly, annual real average earnings per person increased from KSh 364,313.4 to KSh 376,080.6 over the same period. Inflation as measured by Consumer Price Index decreased from 8.0 % in 2017 to 4.7 % in 2018.

Money, Banking and Finance

23. In 2018, the Central Bank Rate (CBR) was reviewed downwards twice from 10.00 % to 9.50% in March 2018 and then to 9.00 % in July 2018, signaling easing monetary policy stance. This was aimed at reducing cost of borrowing, increase money supply and boost economic activity. Consequently, overall interest rates dropped during the review period except for the interbank rate. The 91-Day Treasury bill dropped to 7.34 % in December 2018 from 8.01 % in December 2017. Annual average inflation eased from 8.0% in 2017 to 4.7 % in 2018.

Agriculture Sector

- 24.** Growth in agriculture Value Added at constant prices increased to 6.6% in 2018 from 1.8% recorded in 2017. The improved performance during the year under review was due to favourable weather conditions for both crops and livestock production, occasioned by the long rains in 2018. Maize production increased by 26.0% from 35.4 million bags in 2017 to 44.6 million bags in 2018. Production of tea and coffee recorded growths of 12.1% and 7.0%, respectively, during the review period. The volume of fresh horticultural exports increased by 6.1 % to 322.6 thousand tonnes in 2018. The value of marketed livestock and livestock products increased by 8.3% to KSh 146.8 billion during the year under review
- 25.** During the review period, the prices of tea and coffee declined by 15.5 % and 15.3 % to KSh 25,896.47 and KSh 40,286.41, respectively, per 100 kilogram. The price paid for wheat increased by 11.2 % from KSh 3,197.99 per 100 kilogram in 2017 to KSh 3,555.50 per 100 kilogram in 2018. The total domestic sugar production increased by 30.6 % from 376.1 thousand tonnes in 2017 to 491.1 thousand tonnes in 2018. Overall, marketed production increased by 11.4 % from KSh 446.9 billion in 2017 to KSh 497.9 billion in 2018.

Environment and Natural Resources

- 26.** The Gross Value Added from the environment and natural resources sector increased to KSh 287.2 billion in 2018 from KSh 254.8 billion registered in the previous year. The total value of minerals increased by 5.9 % to KSh 30.4 billion in the review period. The export price of Soda Ash increased by 9.4 % from KSh 20,694 in 2017 to KSh 22,642 per tonne in 2018 while export price per tonne of titanium ore and its concentrates rose by 5.5 % to KSh 27,249 in 2018. The value of fish landed rose by 4.5 % to KSh 24.0 billion in 2018. The value of fish from fresh water sources, which accounted for 81.0 % of the total value of fish rose from KSh 18.6 billion in 2017 to KSh 19.4 billion in the year under review.
- 27.** The National Government expenditure on water supplies is expected to rise by 46.3 % to KSh 53.4 billion in 2018/19. Expenditure on Water Development is expected to almost double from KSh 22.5 billion in 2017/18 to KSh 43.1 billion in 2018/19. The Government forest plantations stocking increased from 135.1 thousand hectares in 2017 to 141.6 thousand hectares in 2018. The total number of Environmental Impact Assessments (EIAs) increased by 33.3 % from 1,842 in 2017 to 2,456 in 2018. Most parts of the country experience heavy rainfall during the year with all the meteorological stations recording Total Rainfall (TOT) above their Long-Term Means (LTMs).

Energy Sector

- 28.** Average international Murban crude oil prices increased from USD 54.9 in 2017 to USD 71.48 in 2018. This was mainly occasioned by continued oil supply cuts in the international market in the first half of the year and decline in oil production in Venezuela and the U.S. During the review period, the total import bill of petroleum products increased to KSh 327.8 billion. Similarly, the total value of petroleum products exported, including re-exports, increased by 7.5 % to KSh 38.8 billion in 2018.
- 29.** Total installed electricity capacity increased from 2,339.9 MW in 2017 to 2,711.7 MW in 2018. Total electricity demand increased by 7.9% to 11,182.0 GWh in 2018 compared to 10,359.9 GWh in 2017. Domestic demand for electricity increased from 8,410.1 GWh in 2017 to 8,702.3 GWh in 2018. There was additional electricity generation of 360 MW to the grid from Lake Turkana Wind Power Project (310 MW) and Garissa Solar Power Project (50MW). The Early Oil Pilot Scheme started producing 2000 Barrels per day (bbl/d) from Ngamia and the country have exported the first batch.

Manufacturing Sector

- 30.** The manufacturing real value added increased by 4.2 % in 2018 compared to a growth of 0.5 % in 2017. The manufacturing output volume expanded by 5.1 % in 2018 from a revised contraction of 0.8 % in 2017 which was mainly on account of increase in production of dairy products, tea, coffee and sugar due to favourable weather conditions. However, the plastic products, wood and other products of wood, and other non-metallic mineral products subsectors registered declines in the review period.
- 31.** The Producer Price Index (PPI), which excludes the Value Added Tax (VAT) and transport cost of the finished products, increased by 0.9 % in 2018 mainly due to increase in prices of wood and products of wood and cork except furniture; and chemicals and chemical products.

The Construction Sector

- 32.** The construction sector expanded by 6.3 % in 2018 from a revised growth of 8.5 % recorded in 2017. Expenditure on roads is expected to rise by 23.0% to KSh 195.1 billion in 2018/19, of which KSh 128.4 billion is to be spent on construction of new roads. Loans and advances from commercial banks to the construction sector grew slightly by 1.8% from KSh 112.0 billion in 2017 to KSh 114.0 billion in 2018, reflecting a slowdown in the construction sector. The approved Government expenditure on housing in 2018/19 is expected to increase by 57.3% to KSh 29.0 billion to finance housing flagship projects.

Transport and Storage

- 33.** The value of output from transport and storage expanded by 14.6 % from KSh 1,092.1 billion in 2017 to KSh 1,252.0 billion in 2018. Cargo throughput handled at the Port of Mombasa rose from 30.3 million tonnes in 2017 to 30.9 million tonnes in 2018. Commercial passenger traffic handled at the airports increased by 16.8 % to 11.8 million in 2018. Domestic and international passengers handled increased by 22.5 % and 13.1 % to 4.9 million and 6.9 million, respectively, during the review period.
- 34.** Rail freight traffic more than tripled from 1,147 thousand tonnes in 2017 to 3,544 thousand tonnes in 2018, mainly due to introduction of freight transportation services on the Standard Gauge Railway (SGR). Revenue from railway freight increased from KSh 3.0 billion in 2017 to KSh 9.8 billion in 2018. Similarly, earnings from passenger traffic stream more than doubled to KSh 1.7 billion in 2018. Total pipeline throughput increased by 2.7 % to 6,321.5 thousand cubic metres during the review period. The number of newly registered motor vehicles increased by 5.2 % from 282,672 units in 2017 to 297,289 units in 2018.

The Tourism Sector

- 35.** The tourism sector registered an improved performance in 2018 compared to 2017. The number of international visitor arrivals increased by 14.0 % from 1,778.4 thousand in 2017 to 2,027.7 in 2018. The improved performance may be attributed to stable political environment, withdrawal of travel advisories, improved security and investor confidence in the country.
- 36.** The number of hotel bed-nights increased by 20.1 % from 7,174.2 thousand in 2017 to 8,617.9 thousand in 2018. The number of international conferences held expanded by 6.8 % to 204 in 2018 compared to 191 in 2017. This was boosted by high profile international conferences held in the country and visits by foreign dignitaries during the review period. Visitors to national parks and game reserves rose by 20.3 % to 2,868.9 thousand in 2018. Overall, the sector recorded an increase in tourism earnings from KSh 119.9 billion in 2017 to KSh 157.4 billion in 2018.

Information and Communication Technology

- 37.** The value of Information and Communication Technology sector expanded by 12.9 % from KSh 345.6 billion in 2017 to KSh 390.2 billion in 2018 driven by growth in the digital economy. Mobile cellular penetration rate per 100 inhabitants improved from 91.89 in 2017 to 103.45 in 2018. Cable Television and direct to home satellite subscriptions increased significantly to 169.7 thousand, and 1.1 million in 2018, respectively.

38. The total number of mobile transceivers grew by 16.9 % from 184,149 in 2017 to 215,276 in 2018 with the number of fourth generation (4G) technology mobile transceivers almost doubling from 3,873 in 2017 to 7,469 in 2018. International telephone traffic declined from 1,056.7 million minutes in 2017 to 1,037.4 million minutes in 2018. Mobile telephony subscriptions increased by 15.6 % from 42.8 million in 2017 to 49.5 million in 2018. Total transfers through mobile money grew by 9.5 % from KSh 3,638 billion in 2017 to KSh 3,984 billion in 2018 while mobile money subscriptions increased marginally from 30.0 million in 2017 to 31.6 million in 2018. The value of mobile commerce transactions increased by 87.2 % to KSh 6,077 billion in 2018.

Education and Training

39. Total expenditure for the Ministry of Education is expected to increase by 6.5 % to KSh 439.2 billion in 2018/19, with KSh 407.4 billion expected to be spent on the recurrent account. Development expenditure is expected to rise by 51.4 % to KSh 31.8 billion, during the period under review. Education sector witnessed a general increase in the number of educational institutions across all categories, most notable being in public vocational training centres which grew by 26.6%. Total pupil enrolment in ECDE centres rose by 3.0 % to stand at 3.4 million in 2018. Similarly, enrolment in primary and secondary schools grew by 1.3 % and 4.0%, respectively, in the review period. However, university enrolment is expected to decline by 1.7 % to 513,182 in 2018/19 academic year.

40. The number of Kenya Certificate of Primary Education candidates went up by 6.7 % to 1.1 million in 2018. The Kenya Certificate of Secondary Education candidates in 2018 went up by 7.1 % to 653,787. The number of candidates who scored a minimum university entry score of C+ (plus) and above, rose by 29.8 % to 90,950 in 2018. The number of loan applicants from public universities increased by 4.9 % to 221,816 in 2017/18. During this period, the number of loan beneficiaries from the public universities increased by 5.1 % to 217,888, while the amount of loans awarded rose by 10.3 % to KSh 9.2 billion. The number of loan applicants and beneficiaries from TVET institutions increased by 33.8 % and 44.7 per cent, respectively, in 2017/18. The amount of loans awarded increased by 50.6 % to KSh 1.3 billion in 2017/18.

Health and Vital Statistics

41. The expenditure on health services by the National Government is expected to increase by 57.8 % to KSh 97.5 billion, while that of the County government is projected to grow by 28.7 % to KSh 108.1 billion in 2018/19.

- 42.** National Hospital Insurance Fund (NHIF) membership increased by 13.2 % to 7.7 million in 2017/18. The membership from formal sector rose by 4.3 % compared with a 23.3 % rise in the informal sector. Receipts from members rose by 27.1 % to KSh 44.5 billion in 2017/18 while payouts increased by 41.4 % to KSh 37.2 billion.
- 43.** The total number of health facilities increased by 9.8 % to 10,820 in 2018. The number of registered health personnel grew by 6.3 % to 175,681 in 2018. The number of middle level medical graduates from public medical training colleges increased by 21.2 % to 10,869 while medical undergraduates and post graduates are expected to increase by 6.0 % to 4,470 in the 2018/19 academic year. The number of registered births increased by 22.9 % from 923,487 in 2017 to 1,135,378 in 2018.

Governance Peace and Security

- 44.** The total number of crimes reported to the Police increased by 13.2 % from 77,992 in 2017 to 88,268 in 2018 with crimes involving dangerous drugs reported to have increased by 44.1%. The number of persons reported to the police to have committed crimes increased by 5.1 % to 75,037 in 2018, of which Kiambu police command station had the highest share at 8.4 % followed by Nairobi City at 8.3%. On the fight against corruption, public assets worth KSh 3.8 billion were recovered by the Ethics and Anti- Corruption Commission in 2017/18 compared to KSh 256.0 million in the previous year. In addition, the Commission averted loss of public assets valued at KSh 4.7 billion through pre-emptive actions during the period.
- 45.** The number of cases disposed of in law courts increased by 21.8 % to 370,488 in 2018. However, the backlog of pending cases grew by 5.9 % to 571,094 partly due to a higher number of cases filed. Total prison population increased from 208,168 persons in 2017 to 223,718 persons in 2018 of which about half were children and adolescents aged 25 years and below. The number of passports processed and issued increased by 76.0 % from 136,990 in 2017 and 241,095 in 2018 due to the requirement to replace old passports with the new generation ones. There was an overall decline of 21.6 % in the number of applications made for national identity cards from 1,234,149 in 2017 to 967,651 in 2018. During the year under review, the number of registered refugees and asylum seekers declined by 3.4 % to 471,724.
- 46.** In 2018/19 financial year, funds disbursed by the government through the Uwezo Fund are expected to decrease by 40.0 % to KSh 300.0 million while those disbursed through the Women Enterprise Fund (WEF) are expected to increase by 3.3 % to KSh 2,238.5 million.

The funds allocated for the Orphans and Vulnerable Children are expected to decrease by 1.2 % to KSh 8.4 billion in 2018/19. However, funds allocated for older persons are expected to increase by 25.1 % from KSh 14.5 billion in 2017/18 to KSh 18.1 billion in 2018/19.

Country 2019 Outlook

- 47.** Performance of Kenya's economy looks less optimistic in 2019 on account of a number of factors. The 2019 long rains have delayed and weather forecast indicates that most parts of the country will experience depressed rainfall, while a number of others may record almost long rains failure. If this materializes, direct negative impacts will be felt within the activities of agriculture, electricity and water supply sectors. Further impacts could be experienced in industries that have strong interlinkages with these sectors. However, activities of the tourism sector are likely to remain vibrant supported by strong expansion in tourists' arrivals. The construction industry is expected to follow the current trend given the ongoing infrastructural development by the government as well as the prevailing private sector confidence.
- 48.** A gradual increase in international oil prices in the course of the year is anticipated, especially if an agreement on production cuts by the Organization of the Petroleum Exporting Countries (OPEC) and their partners is implemented. There are prospects of production cuts being partly offset by an increase in shale output from the USA, as well as slowed demand emanating from effects of deterioration in global economic expansion. All in all, it is more probable that the international oil prices will rise and lead to higher domestic pump prices.
- 49.** Inflation is likely to rise significantly, largely driven by increase in food prices as a result of constrained domestic production in 2019. This could worsen if the magnitude of the expected rise in fuel prices ends up being substantial. The Kenyan Shilling exchange rate against major trading currencies is expected to remain stable supported by diaspora remittances and a significant level of reserves.
- 50.** On the demand side, growth is likely to be driven by both the public consumption as well as private sector investment. Public consumption is projected to be underpinned by the ongoing development in infrastructure. Private consumption might not expand as rapidly as that of public, but is likely to remain robust in 2019 and therefore supportive of growth, while business confidence should remain strong enough to back up expansion in investment.

Exports are likely to be constrained by a subdued external demand against a background of a slowdown in global trade. Overall, the economic growth is likely to slow down, but key macroeconomic indicators are likely to remain within desirable ranges throughout 2019.

B: County Specific Outlook 2018/2019

The outlook for Samburu County for the financial year 2018/19 in different sectors as follows;

County Assembly

51. Programs and activities geared towards promotion of County assembly legislative, representation and oversight role were undertaken for continued functioning of the county assembly to the best interest of the people of the county

County Executive

52. The County Executive's achievements during the period for 2018- 19 includes;

- Training conducted on various County cadre staffs
- Completion of County headquarter
- Staff audit and payroll cleansing undertaken
- Training and development of performance contracting and staff's appraisal
- 50,000 needy households supplied with food aid
- 24 CSG Meetings to coordinate county activities

Finance, Economic Planning & ICT

53. The County Treasury's achievements during the period for 2018- 19 includes; completion of value for money audits in selected departments, implementation of policy on access to county government procurement opportunities for women, the youth and persons with disabilities, procurement plan ,enhancement of revenue measures and trainings, ICT policy preparations and trainings, preparation of financial statements on time, timely preparation of annual budget , development of M &E policy, establishment of Monitoring and evaluation unit.

Agriculture, Livestock Development, Veterinary Services & Fisheries

54. The expenditure levels on budget allocated to development projects were very minimal. Its only camel project and provision of certified seeds were advertised but towards the closure of the financial year. All other planned projects are anticipated to continue during this financial year, 2019/2020.

Water, Environment, Natural Resources & Energy

55.The County Water and Environment sector comprises of four Directorates namely: Water and Sanitation; Environment; Natural Resources and Energy. The sector also has a semi-autonomous institution, the Samburu Water and Sanitation Company that it supports to provide water and sanitation services within the urban centers and/or major towns.

- a) During the period 2018/19, some of the key achievements realized include: construction of solid waste management sites at Archers post; protection of water catchment areas; increasing forest cover through supporting school greening programme; surveys on green energy potentials; strengthening of institutions such as Water Resource User Associations(WRUAs) at Tuum and development of soil conservation structures to control soil erosion and restoration of degraded rangelands through control of invasive species at Maralal and Meibae, establishment of Holistic Range Management Centre at West Gate conservancy. The department also in partnership with Kenya Off Grid Solar Access Project through the Ministry of energy had conducted a feasibility study for the proposed ten solar minigrid sites in the county. The project targets to power community boreholes and other community facilities.
- b) Despite the above achievements, the sector was faced with the following challenges: inadequate funding and delays in disbursement of funds; inadequate human resource (Technical personnel), range degradation, impacts of climate change, and inadequate strategies for implementation of policies and enforcement of legislation.

Education and Vocational Training

56.The sector presents a platform for imparting much needed skills, competencies and attitude to propel the County development. In the 2018-2019 financial year, Key achievements includes; increased number of children receiving pre-school food rations, construction and equipping of ECD classrooms, employment of ECDE teachers, Construction of sanitary blocks office, store and kitchen.

57.Going forward the department intends to continue with the construction of more classrooms, sanitary blocks, kitchen and stores and upgrade some to primary level. Continue with the provision of water harvesting tanks, outdoor fixed equipment, furniture for ECDE centers and polytechnic, teaching and learning materials, polytechnic tools and equipment's provisions.

Medical Services, Public Health & Sanitation

58. The department of Health services has three health sector programs namely, Curative and rehabilitative health services, Preventive and Promotive health services and General administration, planning, management support and coordination. There various achievements across all the mentioned programs. Some of the key for the financial year 2018/2019 are: -

- 65 outreaches antenatal care, Immunization, Family planning and nutrition services Conducted through Transforming Health Systems Universal Care but several have been also supported by other partners
- One Ambulance purchased for Wamba Health Centre, the ambulance was procured using Transforming Health Systems Universal Care funds.
- Operations and Maintenance support for all gazetted level 2 and 3 health facilities. The department gazetted several facilities Nauneri Dispensary, Lmisigiyoi Dispensary, Nkorika Dispensary, Logetei Dispensary, Lmarmaroi Dispensary, Lengusaka Dispensary, Laresoro Dispensary and Archers Post Sub County Hospital.
- All gazetted Dispensaries supplied with Kenya Essential Medical Supplies Agency drugs and they will also receive DANIDA funds since they are now gazetted.
- Quality Improvement, 2018/2019 Training of managers on KQMH tools, dissemination of information to County Health Management Teams, Sub County Health Management Teams and Facility In charges.
- Blood campaigns conducted at Maralal secondary school, Nuclear booking, Yare Camel Derby August 2018 and Wamba Boys secondary school in June 2019
- Procurement of two Hematology Analyzers for Baragoi and Maralal County Referral Hospitals
- Sample transportation of viral load, early infant Diagnostic, sputum cultersCd4 and Genexpert samples from peripheral facilities to testing Hub.i.e. Maralal County Referral Hospital, Wamba Health Centre, Kemri and Tuberculosis Reference Laboratories.
- Malezi Bora activities supported. During which immunization, Family Planning, antenatal care, RH Health Education amongst other reproductive health services were provided Targeting 300 community members (100 per sub county)
- Purchase of baby warmers for 26 facilities

- Formation of County and Sub County MPDSR Committee. Quarterly perinatal and maternal and perinatal audit review by the County MPDSR Committee and Sub County
- Fully immunized improved from 58.2% in 2016 to 68% in 2018/2019. The county was given a trophy by National vaccines and Immunization program (NVIP) as the most improved county in Kenya in immunization. The achievements are attributed to various integrated outreaches supported by both the County government and Partners, also due to increased number of immunizing facilities through procurement of vaccines fridges.
- EPI mentorship done in 31 health facilities done with THS UC support.
- Trainings of Integrated Management of Acute Malnutrition, Baby Friendly Community Initiative for Health Care Workers and Community Health Volunteers, Health Care Workers trained on Baby Friendly Community Initiative, Integrated Management of Acute Malnutrition and Community Health Volunteers trained on Baby Friendly Community Initiative.
- Mothers Support Groups Meetings and Sensitization-22 Groups. MTMSGs meeting and sensitization done in 33 CUs
- Capacity Building of HCWs - training on Tuberculosis DOTS & MDR patient management
- Procurement of 11 Tuberculosis Biosafety cabinets
- Training of Nurses, Clinical Officers on malaria case management, microscopy, diagnosis and commodity management
- Conducted community screening on Neglected Tropical diseases (jiggers)
- Community led Total Sanitation activities in the county: 28.3 %(141) of the villages have been triggered.3.5%(6) have been declared ODF and celebrated,3.5%(6) are awaiting Celebrations,2.8%(4) are awaiting Verification,90%(127) requires to be followed up and 357 villages requires to be triggered. Representing 71%
- Distribution of water treatment chemicals, 20 litre Jerri cans, bar Soaps for hand washing to Households in the community units.
- Sensitization of School Head Teachers and Health club patrons, BOM on Hygiene promotion.
- Establishment of 9 community health units: Transforming Health Systems Universal Care (Lpartuk, Milimani and Nkutuk engiron), FEED THE CHILDREN (Kiltamany, Laresoro and Ndonyo wasin) and UNICEF (Baawa, Logetei and Anderi). Increased of CHUs from 32 in 2017/18 to 42 in 2018/19

- Recruitment of 12 Community health extension workers'/ community health assistance.
- Health worker's salaries and remuneration paid.
- The Human Resource department was able to undertake the following in the previous year of 2018/2019, Employed 26 nursing staff on contract. New health workers employed by Afya Nyota Nuru ya Bonde.
- Senior staff were trained on strategic leadership skills and recommended others to join the Kenya school of Gov't for senior management course.
- Afya TIMIZA has signed a contract agreement of employing 17 nurses in the financial 2019 2020.
- Renovations and cosmetic improvements carried out at the centers of learning in each Sub County namely in Samburu North Baragoi Sub District Hospital, Samburu Central Maralal District Hospital and Samburu East Wamba Health Centre. The renovations included painting, putting of tiles, partitioning of the commodity storage areas and commodity security enhancements such as putting of security grills. The supply of furniture was done to the centers of learning i.e. tables and chairs.
- Procurement of Pharmaceuticals, Non Pharmaceuticals, Renal Commodities. Procurement from; Kenya Essential Medical Supplies Agency. (KEMSA) Mission for Essential Drugs Supplies (MEDS) Angelica Medical Supplies (Renal Commodities)
- Collected Two hundred and fifty (250) Pallets as a donation from the Kenya Essential Medical Supplies Agency (KEMSA) and this pallet were redistributed to all the facilities in Samburu County so as to improve the storage conditions of the commodities.
- Purchase of essential EMONC equipment's which include delivery packs, IUCD insertion sets, and 50 pieces of IUCD removal sets.
- Conducted Quarterly Data review meeting on RMNCAH indicators at County and Sub County levels by the County Health Management Team & Sub County Health Management Team targeting all the Health Care Facilities and Community Health Units.
- Annual Work Plan (AWP) development for financial year 2019/2020 involving all health service delivery levels 1, 2, 3 and 4. All Community Health Units and Health facilities prepared their 2019/2020 AWP's.
- Improvement of referral system because of increase of community units to

- Capacity building of health workers among others trainings e.g. Basic Emergency Obstetric Care, Compressive Emergency Obstetric Care.
- Deliveries by skilled delivery at the facility increasing to 46%.
- TB patients completing treatment – 85%.
- Women of Reproductive Age (WRA) receiving Family Planning (FP) commodities from 21.9% to 39%.

Transport, Roads & Public Works

59.In the financial year 2018-2019 the department did not complete the procurement of 2018-2019 projects but continued with the implementation of projects procured under financial year 2017-2018. The department achieved a major milestone by completing the New Office Block for Samburu County Government which is now being used. The department also did the following at various sites in different wards;

- ✓ Dozing , Grading and Gravelling
- ✓ maintained existing roads
- ✓ Grading and Drift Construction
- ✓ Vented drift
- ✓ Level drift and protection works
- ✓ Construction of Level drift
- ✓ Installation of Culverts

The department also supervised construction projects which were being undertaken by other departments. It also carried out trainings/ capacity building for their technical staff / general public. These include;

- a) Firefighting and awareness trainings in Samburu North, Samburu East and Samburu Central Sub-Counties.
- b) Capacity Building to the county governments' staff on Annual Road Inventory Condition Survey conducted by Kenya Roads Board in Naivasha.
- c) Training on management of Narrow Roads conducted by Kenya Roads Board.
- d) Capacity building on contract management organized by Institution of Quantity Surveyors of Kenya and facilitated by National Construction Authority in Kisumu.

The department together with County Assembly of Samburu Sectoral Committee on Roads, Transport and Public Works carried out benchmarking visit to The County Government of Uasin Gishu to learn on the following:

- I. Operationalization and management of heavy earth moving machinery and their use in construction and maintenance of roads.
- II. Firefighting strategies, firefighting equipment, training of firefighting officers and collaboration with other foreign cities on fire management.
- III. Experiences on collaboration with other road construction and maintenance agencies in Kenya.

Lands, Housing, Physical Planning & Urban Development

- 60.** The department engaged in implementation of several programmes key among them and which are currently ongoing include the development of the Samburu County Spatial Plan and implementation of Cadastral Survey for Maralal Town; development of Integrated Urban Development Plans for Wamba and Archer's Post which are complete and ready for the next stage as well as for Kisima, Suguta Marmar and Baragoi Towns which are currently ongoing;
- 61.** Regularization of plot ownership for various towns across the County which is also ongoing. The department has also ensured effective management of Group Ranches by facilitating various Group Ranch AGMs and dispute resolution programmes. It's also involved in formalization of Milimani Settlement Scheme which is at the Physical Planning stage.

Tourism, Trade, Enterprise Development & Cooperatives

- 62.** During the financial year 2018-19 the department utilized its budgetary allocation as indicated by the sub-sectors' below:

62.1 Tourism and Marketing

- ✓ Construction of SNR headquarters at Archer's gate.
- ✓ Support of Newly established conservancies
- ✓ Construction of Tourist bandas in Meibae is 80% complete which was fully funded with a grant of Ksh. 2 Million
- ✓ The Rangeland rehabilitation was complete, fully funded at grant of Ksh. 1.5 million
- ✓ Construction of Kalama Office resource centre is on-going, fully funded at grant of Ksh. 5 Million
- ✓ The department participated at STTA Conference in March 2019
- ✓ World Trade Fair in Berlin March 2019, Devolution conference in March 2019, and
- ✓ Organized Camel Derby in Aug 2018

- ✓ Formulation Community Conservation Fund Bill is at the 2nd reading being finalized in the assembly

62.2 Co-operatives

- ✓ 17 new cooperatives registered (14 beadwork and 3 Saccos).
- ✓ 18 pre cooperative education meetings carried out.
- ✓ 29 general meetings attended by officers.
- ✓ 7 cooperatives audits carried out.
- ✓ Revival of one (1) dormant society (Samburu Hides and Skin).
- ✓ Held two (2) Cooperatives leaders' Training.
- ✓ Carried out member's trainings for 18 societies.
- ✓ Exposure/Study tour for 20 cooperatives leaders.
- ✓ Held Cooperatives awareness week and Ushirika day celebrations.
- ✓ Marketing of Ushanga and bee keeping products at Asal, EAC Jua Kali/Nguvu kazi, Devolution, Anti-FGM and Indigenous women Conferences and Exhibitions.

62.3 Trade and Enterprise Development

- ✓ 87 groups were trained and issued with loan amounting to ksh.15.450m
- ✓ Markets construction - Longewan and lolmolog at a cost of ksh.4m

Culture, Social Services, Gender, Sports & Youth Affairs

63. Gender

Gender policy and coordination

- Zero draft in place
- Coordination of all non-governmental entities within the county

Gender empowerment

- ✓ Conducted women trainings on IGA's across the county
- ✓ An exposure tour to Uasin Ngishu County during the cross county competitions
- ✓ Observation of International Women day 2018/19
- ✓ Marking of 16 days of gender activism together with various partners

Girls' mentorship

- I. observation of anti fgm day in partnership with other stakeholders
- II. observation of worlds menstrual hygiene day
- III. Provision of sanitary towels to various secondary schools

Promotion of culture and heritage.

Cultural Events

- I. Conducted Yare Camel Derby 2018/19 edition.
- II. Facilitated Moran's trip to Germany
- III. Identification of historical sites and cultural artifacts

Social Services

Promotion of talents

- Identification of talents in schools and also villages
- Support of talent by providing a platform

Drug and Substances Control

- I. Liquor licensing committee formed.
- II. Inspection of premises conducted and licenses issued.
- III. Trainings conducted with stakeholders.
- IV. Revenue generated through licensing.

Disability mainstreaming.

- I. Supported the formation of the board.
- II. Supported PWDs training
- III. Observing world d
- IV. Provision of starts pack to PLWDs

Food distribution to children's home and rescue centers

Sports and Youth Affairs

The sector realized the following:

- Purchase of sports equipment's and uniforms
- Funding of the second phase of high-altitude sports training center (Loosuk)
- Construction of various playgrounds
- Construction of High-Altitude Sports Centre Loiborngare (3rd phase)

County Development Challenges

- a) Inadequate funding and funds delays from national treasury greatly affected the implementation of departmental programmes.
- b) Challenges of IFMIS system.
- c) Effect of the Presidential Executive Order directing County Governments to clear pending bills accumulated since 2013.
- d) Insecurity as a result of cattle rustling.
- e) Effects of drought and poor performance of rainfall in agro-pastoral areas of the county.
- f) Shortage of technical staff hampered smooth departmental operations.
- g) Introduction of e-procurement delayed most of the projects

C. Medium Term Fiscal Framework

- 64.** The County Government will operate within a framework of balanced budget. The County Governments fiscal policy objective in the medium term will focus on channeling resources to priority and growth potential areas including health, water, education, agriculture and livestock production.
- 65.** Revenue mobilization initiatives will be strengthened to enhance own revenue performance. To realign local revenue performance to positive growth trajectory, the County Government will ensure adequate legislations to guide revenue collection and management improve enforcement for compliance, enhance use of technology to automate main revenue sources and broaden tax base. The County Government will engage the National Government and development partners for additional resources to support implementation of targeted development interventions. The Government will also engage stakeholders to develop a comprehensive policy and legislative framework to regulate exploitation of the vast natural resources in the County. The policy will address itself to licensing, attracting investors, taxation and sustainable use of the resources.
- 66.** In the medium term the County Government will strengthen expenditure management focusing on expenditure productivity. This will be done by full implementation of the Integrated Financial Management Information System (IFMIS) across departments. The County Government will continue to monitor expenditures closely to avoid channeling resources to unproductive expenditure areas. Major expenditure areas will be expected to include personnel emoluments (P.E), development and operations. The Government will also upscale implementation of programmes targeting the vulnerable including the youth, women and people living with disabilities (PWDs) to enhance their participation in the socio- economic development of the County.
- 67.** The County Government of Samburu does not anticipate any long term borrowing in the medium term. However, the fiscal responsibility principles will remain the guiding framework for its public finance management discourse.

D. Risks to Fiscal Outlook

- 68.** The county continues to be susceptible to risks that adversely affects the national fiscal framework and outlook which is influenced by the global macroeconomic context. Tourism being one of the major main stay in the county economy, faces numerous challenges ranging from frequent travel

advisories and emergence of other tourism attraction sites. Internal conflicts in some pockets of the county, high rates of unemployment, growing number of dependents, erratic weather patterns and leakages in revenue collection systems are major threats to performance.

69.Public expenditure pressures particularly the rising wage bill eats into other expenditure thereby compromising the allocation for development expenditure. With the commitment to improve infrastructure within the county, the share of resources going to priority physical infrastructure Health, Agriculture, Education and water should ordinarily increase gradually. The county government will undertake appropriate measures to cushion these pressures to safeguard fiscal stability.

Section Four - Resource Allocation Framework

A. Amendment to the 2019/2020 MTEF Budget

Adjustments to the 2019/20 budget will take into account the actual performance of expenditure so far and absorption capacity in the remainder of the financial year. The focus will be on accelerating the absorption of available resources in the implementation of programmes and projects. Measures will also be put in place to improve the collection of local revenue. Resources earmarked for development purposes will be utilized for development projects and will not be expended as recurrent.

70. Effective utilization of public finances, resource allocation and utilization in the remainder of the financial year will be guided by the following;

- i. Ongoing projects;
- ii. Emerging priorities;
- iii. County Flagship projects;
- iv. County Integrated Development Plan (CIDP 2018-2022);
- v. PFMA, 2012;
- vi. Medium Term Plan III (2018-2022).

71. County Government has prioritized key strategic interventions across all departments to accelerate economic growth for social economic transformation and prosperity. The main areas include; improved access to quality health care and clean water, promoting education, increasing agriculture productivity, and facilitating infrastructural development.

72. Challenges in revenue performance require the County Government to enhance the structures in place to seal loopholes and widen the tax-base. Other initiatives to enhance collection of property rates will be explored and implemented to ensure that the budget is fully financed.

B. Medium Term Expenditure Framework

73. On the expenditure side, the County Government will continue with rationalization of expenditure to improve efficiency and contain the wage bill. Continued compliance with PFM Act, 2012 and the PFM (County Governments) Regulations, 2015 is expected to accelerate reforms in expenditure management

74. The medium term budget framework for the FY2020/21- 2022/23 will ensure continuity in resource allocation based on prioritized programmes. The priority

social-economic sectors will continue to receive adequate resources to promote development. The health and water sectors are already receiving significant share of resources in the budget and will continue to utilize the allocated resources efficiently in order to generate fiscal space to accommodate other strategic interventions. Agriculture and livestock resource allocation will continue to be enhanced to boost productivity, create employment and improve food security through value addition.

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

- a) National economy will grow at a steady growth rate of more than 5.6 %;
- b) The National Assembly will increase funding to the Counties;
- c) Timely release of audited financial statements and approved by the National Assembly on time resulting in increased equitable share;
- d) County Assembly approval of budgets within the legal framework;
- e) Normal weather pattern during the year favouring agriculture;
- f) There will be peace in the county especially among the communities;
- g) National Inflation will be expected to remain low and stable;
- h) The County expects to continue receiving conditional grants;
- i) The local revenues assumed to grow steadily over the medium term;
- j) Donor funds through MOUs with donors will continue;
- k) The wage bill will be maintained or reduced to the recommended rate

C. The Proposed Budget Framework.

Expenditure Justifications

76. The key policy document guiding the County Government's funding allocation decisions is the County Integrated Development Plan, which provides the updated development priorities of the county. The County Government Act, 2012 requires that all county governments prepare and implement an Integrated Development Plan. The Integrated County Development Plans are, according to the act, five year plans that are implemented through annual budgetary allocation by the county governments. In addition, all planning is expected to be inspired by the Kenya Vision 2030 and be aligned to the third Medium Term Plan of Kenya Vision 2030

77. Whereas expenditure cuts are targeted on the one-off expenditures that do not require additional expenditure for the next financial year, expenditure increments are informed by core needs identified through analysis by fiscal experts in the County as well as from insightful and welcome submissions from the county public and submissions by individuals and organizations on the 2020/21 budgetary estimates.

Revenue Projections

78. The FY 2020/2021 resource envelope is projected at KSh 5.7 Billion constituting: KSh 268 million own source revenue, KSh 4.6 billion from the National Government and ksh 820 million from development partners. As noted above, performance on County's own source revenue will be underpinned by continuous review of revenue administration policies. These figures are indicative and will be firmed up in the 2020 CFSP.

Table 5: Medium Term Revenue Ceiling FY 2020 /21 - 20 22/23

| | ITEMS | Estimate 2019/20 | Projection 2020/21 | Projection 2021/22 | Projection 2022/23 |
|---------|--|---------------------|-----------------------|-----------------------|-----------------------|
| | COUNTY GENERATED REVENUE | | | | |
| 1130104 | Land Rates | 15,750,000 | 16,537,500 | 16,805,313 | 16,693,425 |
| 1420328 | Single Business Permits | 20,000,000 | 20,050,000 | 21,390,890 | 21,198,000 |
| 1110104 | Total Cess Receipts | 21,000,000 | 21,050,000 | 22,407,085 | 22,257,900 |
| 1420327 | Game Parks/Nature Reserves Fees | 168,000,000 | 168,375,000 | 172,972,165 | 178,063,200 |
| 1420405 | Markets and Slaughter House Fees | 8,400,000 | 8,820,000 | 8,962,834 | 8,903,160 |
| 1420404 | Vehicle Parking Receipts/Transport | 3,508,458 | 3,583,882 | 1,609,531 | 3,718,614 |
| 1110104 | Wheat Cess | 735,000 | 771,750 | 784,247 | 779,026 |
| 1140509 | Prospecting Licenses | 288,750 | 303,188 | 308,097 | 306,046 |
| 1420601 | Tender Application Fees | 579,751 | 608,740 | 618,597 | 614,479 |
| 1140501 | Liquor License | 6,200,000 | 6,410,000 | 6,481,417 | 6,571,380 |
| | Various Health Departments Fees | 12,706,265 | | | |
| | Agricultural Machinery Services | 1,659,563 | 1,742,541 | 1,770,760 | 1,758,970 |
| | Approval of plans and supervision | 1,050,000 | 1,102,500 | 1,120,354 | 1,112,895 |
| | Insurance Recoveries | 1,155,000 | 1,212,750 | 1,232,389 | 1,224,184 |
| | Miscellaneous Revenue | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| | SUB-TOTAL LOCAL SOURCES | 267,032,787 | 256,567,850 | 262,463,679 | 269,201,279 |
| | SUMMARY | | | | |
| | Revenue from Local Sources | 267,032,787 | 256,567,850 | 262,463,679 | 269,201,279 |
| | Revenue transfer from national government | 4,620,900,000 | 4,658,919,973 | 4,740,005,317 | 4,840,005,317 |
| | Road Maintenance Fuel Levy | 131,167,313 | 126,675,281 | 126,675,281 | 126,675,281 |
| | Conditional Grant-Compensation for User Fee Foregone | 5,235,578 | 5,235,578 | 5,235,578 | 5,235,578 |
| | Conditional Grant-Leasing of Medical Equipment | 131,914,894 | 131,914,894 | 131,914,894 | 131,914,894 |

| | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| Conditional Allocation for Development of Youth Polytechnics | 15,483,298 | 20,905,000 | 20,905,000 | 20,905,000 |
| Kenya Urban Support Programme (UDG and UIG) | 50,000,000 | | | |
| Kenya Devolution Support Program (KDSP) | 30,000,000 | | | |
| DANIDA (Health support funds) | 13,218,750 | | | |
| World bank loan for National agricultural and rural inclusive growth project | 350,000,000 | | | |
| EU Grant for instrument for devolution advice and support (Abattoir Construction) | 32,159,348 | | | |
| Balance brought forward 2018-19 for construction of Abattoir | 67,182,582 | | | |
| Agriculture Sector Development Support Programme (ASDSP) | 18,994,320 | | | |
| Urban Institutional Grant (KUSP) | 8,800,000 | | | |
| World Bank Loan for transforming health systems for universal care project | 35,000,000 | | | |
| LOANS AND GRANTS | | 535,672,418 | 535,672,418 | 535,672,418 |
| GRAND TOTAL | 5,777,088,870 | 5,735,890,994 | 5,822,872,167 | 5,929,609,767 |

Source: Samburu County Treasury 2019

79. Expenditure forecasts

Overall budgetary expenditure for FY 2019/2020 stands at KSh 5.7 billion. This is projected to remain relatively the same at ksh 5.7 Billion in the FY 2020/21.

- Recurrent expenditures are expected to increase marginally from KSh 3.8 billion in the FY 2019/20 to KSh 3.9 billion in the FY2020/21.
- With most County positions having been filled, the wage bill is projected to be at KSh 2.0 billion and is expected to relatively remain at this position for some time.
- The allocation of resources for development expenditures is projected to increase from KSh 1.8 billion in the FY 2019/20 to KSh 1.82 billion in the FY 2020/21. As part of shifting more resources to development, most of the outlays are expected to support critical County infrastructure as the county realigns to meet the fiscal responsibility requirements.

Here below is the summary of the of proposed departmental budget allocation for the financial year 2020/2021.

Table 6: Medium Term Expenditure Ceiling FY 2020/21 - 2022/23

| Department | Total Expenditure, Ksh Million in FY | | | |
|-----------------|--------------------------------------|------------------------|---------------------|---------------------|
| | Approved 2019/20 | CBROP Ceilings 2020/21 | Projections 2021/22 | Projections 2022/23 |
| County Assembly | 549,895,345 | 542,512,853 | 579,216,780 | 592,946,415 |

| | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| County Executive | 446,974,857 | 467,809,311 | 493,941,881 | 496,269,934 |
| Finance, Economic Planning & ICT | 518,962,038 | 528,216,700 | 576,973,069 | 591,222,378 |
| Agriculture, Livestock Development, Veterinary Services & Fisheries | 799,680,579 | 790,724,419 | 625,960,301 | 641,906,166 |
| Water, Environment, Natural Resources & Energy | 396,241,279 | 389,406,366 | 459,306,507 | 466,905,096 |
| Education and Vocational Training | 501,962,750 | 540,757,216 | 579,675,466 | 590,340,363 |
| Medical Services, Public Health & Sanitation | 1,209,750,378 | 1,319,427,556 | 1,333,086,495 | 1,367,045,862 |
| Lands, Housing, Physical Planning & Urban Development | 216,632,831 | 205,920,548 | 289,294,904 | 292,562,576 |
| Roads, Transport & Public Works | 505,956,079 | 401,736,329 | 479,367,646 | 488,502,752 |
| Tourism, Trade, Enterprise Development & Cooperatives | 346,131,648 | 348,261,818 | 368,921,119 | 368,064,363 |
| Culture, Social Services, Gender, Sports & Youth Affairs | 190,001,086 | 201,117,878 | 229,160,626 | 204,234,095 |
| TOTAL | 5,682,188,871 | 5,735,890,994 | 6,014,904,794 | 6,100,000,000 |

Source: Samburu County Treasury 2019

Projected fiscal balance (deficit) and likely financing

80. The overall budget for FY 2020/21 is balanced and hence fully financed, though it should be highlighted that this can fluctuate due to performance of local revenue collection as well as the grants pledged by development partners.

Section Five - Conclusion and Next Steps

- 81.** County Budget Review and Outlook Paper reflect the dynamic circumstances and are broadly in line with the Fiscal Responsibility Principles outlined in the PFM Act, 2012. They are also consistent with the County Strategic Objectives being pursued as a basis of allocation of public resources.
- 82.** These Strategic Objectives are provided in the policy documents that have been developed by the County whose objectives are to successfully implement the Second County Integrated Development Plan (CIDP2) which is aligned to the National Development Blue Print, and the Vision 2030.
- 83.** As budgetary resources are finite, it is critical that SWGs and county departments prioritize their programmes within the available ceilings to ensure that use of public funds is in line with county government priorities. Towards minimizing increase in pending bills, all departments will be required to clear outstanding liabilities that are largely creditors. There is also need to ensure that resources are utilized efficiently and effectively. SWGs need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans in allocation resources.
- 84.** In pursuit of this, effective budget implementation at the county level will be facilitated through capacity building and the development of systems for close monitoring and evaluation of spending entities to ensure that resource application bears maximum benefits to the taxpayer. Involvement of all stakeholders in budget execution is also key in enhancing overall budget implementation and the priority public needs will be key in shaping the final budget policies and allocations for the 2020/21 financial year.
- 85.** The county will also strengthen its revenue collection and management systems with the goal of generating more revenues to strive towards budgetary self-reliance while ensuring the stability of the fiscal framework and financial health of the County.