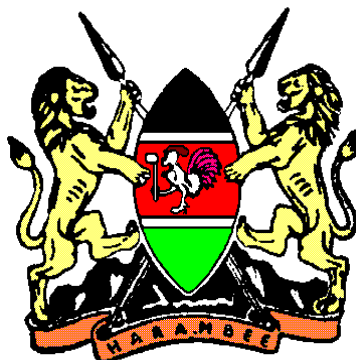


REPUBLIC OF KENYA



**COUNTY GOVERNMENT OF KERICHO
FINANCE AND ECONOMIC PLANNING**

MEDIUM TERM

COUNTY FISCAL STRATEGY PAPER 2021

FEBRUARY 2021

Vision

“A prosperous county where residents enjoy a high quality of life in a sustainable environment”

Mission

“To foster equitable and sustained socio-economic development through effective and efficient mobilization and utilization of available resources.

CORE VALUES

Accountability and Professionalism

Accountability to its citizens by paying attention to details and running the affairs of the county in a fair manner.

Yield and Sustainability

Yielding lasting fruits to be enjoyed by the citizens, putting in place measures to ensure sustainability of programs and services rendered.

Commitment and Hard work

Commitment to work by ensuring that there is always competitive and efficient service delivery, responsive to the needs of the people.

Innovation and Creativity

Innovation services driven by creative strategies.

TAGLINE

All You Can Imagine

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ABBREVIATIONS AND ACRONYMS

ADP	-	Annual Development Plan
CFSP	-	County Fiscal Strategy Paper
CIDP	-	County Integrated Development Plan
CRA	-	Commission on Revenue Allocation
CSP	-	County Strategic Plan
ECDE	-	Early Childhood Development Education
ERP	-	Enterprise Resource Planning
FIF	-	Facility Improvement Fund
FY	-	Financial Year
HDU	-	High Dependency Unit
ICU	-	Intensive Care Unit
ICT	-	Information Communication Technology
IFMIS	-	Integrated Financial Management Information System
MTEF	-	Medium Term Expenditure Framework
MTP	-	Medium Term Plan
NHIF	-	National Hospital Insurance Fund
NSSF	-	National Social Security Fund
O&M	-	Operation and Maintenance
PFM A	-	Public Finance Management Act, 2012
PBB	-	Program Based Budgets

Foreword

The County Fiscal Strategy Paper 2021 identifies the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for Financial Year (FY) 2021/2022 and the Medium Term in accordance with the Public Finance Management Act 2012, section 117(1) which stipulates that the County Treasury should prepare the Fiscal Strategy Paper for the County.

The policy document outlines the following broad areas: review of the fiscal performance of the first half of FY 2020/2021; highlights of the recent economic developments and economic outlook; broad strategic priorities and policies for FY 2021/2022 as indicated in the Annual Development Plan 2021/2022 and as outlined in the Kericho County Integrated Development Plan II (2018-2022).

The main sources of County revenue in the Medium Term will be Equitable Share from National Government, Local Revenue Collections and Donor Funding. In the 2021/22 FY and the Medium Term, the County Government proposes a series of measures to increase revenue and balance its fiscal spending. The County will thus focus on strengthening the potential it is endowed with to stimulate economic growth and development through projects focusing on increased accessibility to water and food security, Supply and access to quality basic services, investing in accessible and quality health services, Streamlined waste management services, Provision of Quality Education, Youth & Sports development, Improved Land and Housing Services and investing in Countywide infrastructure development in line with the country's transformative agenda and the vision 2030.

Dr. Patrick C. Mutai

CECM Finance and Economic Planning and Head of County Treasury & Ag. CECM Public Works, Roads and Transport.

ACKNOWLEDGEMENT

This County Fiscal Strategy Paper is a continuation of the County Government's effort to ensure effective linkage between policies, planning and budgeting. It provides an updated resource envelop and presents a fiscal framework for the next budget and the medium term plan. It also updates the Medium Term Expenditure Framework (MTEF) for the financial years 2021/2022 to 2023/24. It also sets indicative sectoral ceilings in line with indicative priorities and programmes as outlined in the County Integrated Development Plan 2018/22

I am grateful to the County Secretary and all Chief Officers for the valuable information they provided in their respective fields and for the cooperation shown during the period of the assignment. I also take this opportunity to express my profound gratitude to members of the County Executive Committee and especially His Excellency the Governor for the visionary leadership that has enabled us chart a clear development path. It is through his exemplary guidance, support and mentorship that the County Treasury has continued to produce and implement prudent policies, excellent plans and budget documents that have helped steer the County to great success on financial and budgetary matters.

Immense appreciation goes to the Executive Member for Finance and Economic Planning for his impactful input, good will and guidance provided during the entire period of preparing this document. The Economic Planning Directorate spent significant amount of time consolidating and enriching this policy document

CPA. George Kirer

**Chief Officer Finance, Ag. C.O. Economic Planning & Ag. C.O. Lands,
Housing and Physical Planning**

CHAPTER ONE

1.0 COUNTY FISCAL STRATEGY PAPER PROCESS OVERVIEW

1.1 Introduction

This Kericho County Fiscal Strategy Paper 2021 is prepared in line with the Constitution, the Public Financial Management (PFM) Act, 2012. This is the eight paper prepared by the County Executive that will guide the County Government in preparing its budget for Financial Year (FY) 2021/2022 and the Medium Term.

1.2 County Fiscal Strategy Paper Process

As per the requirement of the Public Finance Management Act, 2012 section 117(5) the County Government has taken into consideration views of various stakeholders during the preparation of the 2021 County Fiscal Strategy Paper.

1.3 Legal basis for the publication of County Fiscal Strategy Paper

The County Fiscal Strategy Paper is published in accordance with section 117 of the Public Finance and Management Act, 2012. The law states that

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

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

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

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

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

(a) the Commission on Revenue Allocation;

(b) the public;

(c) any interested persons or groups; and

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

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

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

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

1.4 Rationale for the Fiscal Strategy Paper

The objective of the 2021 County Fiscal Strategy Paper is to lay down the framework for the preparation of the County Budget. It is a requirement under Section 117 of the Public Finance Management Act, 2012 that each County Treasury shall prepare and submit to the County Executive Committee the Fiscal Strategy Paper for approval, and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the 28th February each year.

Pursuant to the provisions of the PFM Act 2012, this County Fiscal Strategy Paper addresses the following:

- i. The Medium-Term macroeconomic framework and its outlook as contained in the Budget Policy Statement and how it impacts on the County economic environment;
- ii. A statement of fiscal responsibility principles, as specified in the PFM Act, 2012 and regulations indicating how the Fiscal Strategy Paper adheres to these principles;
- iii. The economic assumptions underlying the County budgetary and fiscal policy over the Medium Term;

- iv. Indicative allocation of available resources among County Government entities; and
- v. A medium-term fiscal framework defining a top-down aggregate resource envelope and broad expenditure levels.

1.5 Outline of the 2021 County Fiscal Strategy Paper

The report is structured into four sections as follows;

- a) Chapter One provides an overview of the report
- b) Chapter Two outlines the recent economic development and fiscal outlook at the Global, National and County Levels.
- c) Chapter Three outlines the County strategic objectives and the various programmes that the County is implementing to achieve her objectives.
- d) Chapter Four covers the fiscal and budget framework with projected resource envelope and departmental ceilings.

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CHAPTER TWO

2.0 RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

2.1 Introduction

This section gives an over view of the recent economic developments at the global, national and county levels.

2.2 Global Economic and Fiscal Overview

The flare-up and spread of the Covid-19 Pandemic and the following regulation measures have crushed worldwide economies. Thus, the worldwide economy is projected to shrink by 4.4 percent in 2020 from a development of 2.8 percent in 2019. This monetary standpoint is more terrible than the development announced during the 2008 - 2009 global financial crisis.

Progressed economies will contract with a forecast rise of 1.7 percent in 2019 by 5.8 percent in 2020. Major economic contractions is projected in the US (- 4.3 percent), Japan (- 5.3 percent) and the Assembled Realm (- 9.8 percent). Growth in the Euro zone is projected to decline 8.3% from 1.3% in 2019 by 2020.

There is also expected a 3.3% decline in the 2020 developing economies and the emerging markets, up from a growth of 3.7% in 2019. All major economies are forecast to weaken by 2020 except for China, which is projected to rise by 1.9%, a decline from 6.1% in 2019. China's strength was an exception, however, and disruptions from the pandemic in the majority of other EMDEs were more severe than previously envisioned, resulting in deeper recessions and slower recoveries, especially in countries with recent large COVID-19 outbreaks

Prospects for the global economy are uncertain, and several growth outcomes are possible. In the baseline forecast, global GDP is expected to expand 4 percent in 2021, predicated on proper pandemic management and

effective vaccination limiting the community spread of COVID-19 in many countries, as well as continued monetary policy accommodation accompanied by diminishing fiscal support. Nonetheless, the level of global GDP in 2021 is forecast to be 5.3 percent below pre-pandemic projections.

Global growth is envisioned to moderate in 2022 to 3.8 percent—still above its potential pace, but weighed down by lasting damage from COVID-19. By 2022, global GDP is still expected to be 4.4 percent below pre-pandemic projections—with the gap in EMDEs nearly twice as large as in advanced economies—as output remains dampened by lingering risk aversion on the demand side and the effects of diminished physical and human capital accumulation on labor productivity

2.3 National Economic and Fiscal Overview.

The economy of Kenya recovered in Q3 of 2020, although fragile, after contracting due to the pandemic for the first time in at least a decade in Q2. After shrinking in Q2, exports increased between July and August, while the decrease in imports slowed in the same period. This also, however, points to weakened domestic demand. Going forward, at the beginning of Q4, the situation seemed to be upbeat: In October, market conditions improved notably, with the PMI in the private sector rising to a record high, driven by growing aggregate demand as more constraints were eased. In early November, however, a recent increase in cases of Covid-19 prompted a snap-back of containment measures, boding ill for operations. The government aims to borrow an additional KES 1.0 trillion for the current fiscal year as revenues have dwindled, and is seeking a second IMF loan.

According to the Kenya National Bureau of Statistics (KNBS) GDP shrank 5.7 percent year-on-year in the second quarter, swinging from the 4.9 percent growth reported in the first quarter

Looking at the details of the release, the contractions in the housing and restaurant sector (Q2:-83.3 percent year-on-year; Q1:-9.3 percent year-on-year) and the education sector (Q2:-56.2 percent year-on-year; Q1: +5.3 percent year-on-year) were particularly sharp, leading to the downturn. The results largely reflected international travel disruptions due to restrictions on virus spread at home and abroad, as well as school and university closures. Moreover, the transport and storage business contracted 11.6 per cent, up from 6.1 per cent in Q1. Meanwhile, the manufacturing sector (Q2:-3.9 percent year-old; Q1: +2.9 percent year-old) and the wholesale and retail trade sector (Q2:-6.9 percent year-old; Q1: +6.4 percent year-old) were also affected, likely reflecting a slowdown in household spending and depressed demand.

The foreign exchange market remained largely stable, but partially affected by the significant strengthening of the US dollar in global markets and by the uncertainty over the Covid-19 pandemic. Despite this, the current account deficit is estimated to improve to 5.1% in 2020 from 5.8% in 2019, mainly supported by an improvement in the trade balance.

Looking ahead, the pandemic shock will hinder growth this year, with restrictions on domestic activity, while international travel disruptions and subdued global demand hurt the external sector. However, accommodative monetary policy and increased money supply are expected to cushion the downturn slightly. In 2021, activities are expected to recover strongly on the back of healthier global demand and a pick-up in the tourism sector as the world's economies re-open. The risk of the uncertain pandemic will nevertheless probably remain.

Inflation hits eight-month high in December. Purchaser costs expanded 0.98% in occasionally changed month-on-month standing in December, facilitating from November's 1.07% increment. December's print reflected greater costs for food and non-mixed refreshments and lodging, water, power and gas. Inflation came in at 5.6% in December, getting from November's 5.3%, and denoting the

most noteworthy swelling rate in eight months. In the interim, the pattern stayed unaltered in December with yearly normal expansion coming in at November's 5.3%. In this current year inflation is projected to average at 5.4%

2.4 County Economic and Fiscal Overview, FY 2019/2020

The fiscal year 2019/20 spending plan was financed by the National Equitable Share of Kshs.5.38 billion (61.52per cent), Kshs.23.43million (0.27 per cent) from DANIDA grant to Health, World Bank grants of Kshs.71.50 million towards Transformative Health System and Kshs 30 million for Kenya Devolution Support, local revenue sources of Kshs.350 million (4 per cent), Facility improvement fund at Kshs.361.6 million (4.13 per cent), Agricultural Sector Development Support fund at Kshs 36.1 million, Climate Smart Agriculture Project at Kshs. 204.4 million, Kenya Urban Support Project 265 million, Routine Maintenance Fuel Levy at Kshs 152.7 million, User fee Reimbursement Kshs 18 million, Development of Youth polytechnics fund Kshs 29.4 million, COVID-19 grants at Kshs 152.4 million and unspent balance at 1.670 billion (19.1 per cent).

In the financial year 2019/2020 expenditure amounted to Kshs. 7.496 billion against a target of Kshs 8.746 billion, representing 85.71 % absorption of the fund representing an under spending of Kshs 1.249 billion from the supplementary 2 budget expenditure. Development expenditure was Kshs. 2.756 billion against a target of Kshs 3.857 billion while recurrent expending was Kshs4.739 billion against a target of 4.888 billion.

Revenue performance-July-December 2020

Over the 6-months period, the major source of revenue was Kshs 2,238,288,000 from the Equitable Share which accounted for 87 % of Total Revenue. Own Source Revenue contributed Kshs 138,677,229 translating to 5 % of the total revenue, while Conditional Grants accounted for Kshs 200,175,929 (8 %) of the total revenue over the 6-months period.

MONTH	EQUITABLE SHARE	OWN SOURCE REVENUE	CONDITIONAL GRANTS	TOTAL
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JULY	-	11,694,809.00	-	11,694,809.00
AUGUST	462,723,000.00	15,017,100.00	-	477,740,100.00
SEPTEMBER	-	25,462,340.00	-	25,462,340.00
OCTOBER	887,782,500.00	21,791,087.00	-	909,573,587.00
NOVEMBER	457,342,500.00	31,168,562.00	137,786,845.10	626,297,907.10
DECEMBER	430,440,000.00	33,543,331.00	62,389,083.40	526,372,414.40
TOTAL	2,238,288,000.00	138,677,229.00	200,175,928.50	2,577,141,157.50

Own Source Revenue Collection July-December 2020

The analysis of revenues collected from County's local sources is as indicated in the table below from July to December 2020

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Revenue Stream	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Advertisement, Branding and Billboard Fees	303,500	633,475	67,000	343,175	113,900	268,000	1,729,050
Agriculture Livestock, Veterinary Payments and Machinery Services.	176,145	382,109	224,890	163,240	137,325	154,805	1,238,514
Alcoholic Drink License Fees	0	0	0	0	0	0	0
Application/Registration Fees	108,700	133,000	62,200	39,800	7,700	92,900	444,300
Audit Fees	6,300	7,700	0	0	3,000	3,000	20,000
Boda Boda Payments	300	379,800	420,320	213,620	231,600	297,960	1,543,600
Building Plan Approvals Fees	530,191	193,180	560,313	516,497	859,440	564,920	3,224,541
Bus Park Fees	295,530	925,830	1,532,110	1,902,400	1,906,540	1,880,990	8,443,400
Business Permits Late Payment Penalties, Current Year	1,580	0	0	17,428	3,400	0	22,408
Car Park Fees	713,800	748,200	1,144,900	908,350	824,600	881,850	5,221,700
Cemetery Fees	1,000	0	1,500	4,000	0	3,000	9,500
Clamping, Fines and Impounding Fees	19,290	28,700	29,800	9,600	34,800	23,500	145,690
Coffee Fees	471,932	0	0	0	0	0	471,932
Education Payment Fees	0	0	0	0	0	0	0
Fire License Fees	94,100	206,700	84,900	65,500	20,200	125,700	597,100
Forest Cess/Seedling Sale Yard	32,900	29,400	37,400	39,050	28,400	27,150	194,300
Hire Of Social Hall/Park & Stadium Fees	0	0	0	0	0	0	0
Hospital Payments	470,842	2,657,806	12,826,279	11,757,318	22,860,438	19,308,289	69,880,972
House Rent Fees	418,800	645,900	409,800	271,500	389,800	1,741,100	3,876,900
Inspection Fees	121,900	180,300	88,000	56,700	19,900	25,800	492,600
Kabanga Tea Farm Payments	0	0	0	0	0	0	0
Land and Property Rates Fees	870,008	875,993	725,531	595,399	387,464	1,327,857	4,782,252
Land Cultivation Fees	0	0	0	0	0	0	0
Market Fees	1,511,920	1,620,400	1,823,140	1,917,380	1,843,880	1,990,620	10,707,340
Murram, Ballast , Sand & Scrap Metal Cess Fees	113,700	84,700	269,000	79,800	32,900	66,800	646,900
NEMA Fees	2,500	5,000	27,500	17,500	32,500	40,000	125,000
Plot Rent	249,398	58,477	109,900	101,860	121,515	110,800	751,950
Produce Cess	69,840	67,580	1,855,287	69,000	66,520	1,076,240	3,204,467
Public Health Payments	1,659,553	34,300	117,050	282,600	22,000	77,200	2,192,703

Quarry Stone Cess	240,800	269,400	205,500	215,900	213,300	238,200	1,383,100
Refuse Fees	159,600	580,800	204,300	84,100	19,500	127,700	1,176,000
Reserved Parking Fees	0	0	0	0	0	379,600	379,600
Signage Fees	53,500	174,000	85,000	46,000	26,000	368,250	752,750
Single Business Permit	2,573,800	3,501,300	1,912,700	1,512,200	454,600	1,369,000	11,323,600
Slaughter House Operation Fees	110,900	112,700	109,700	124,380	117,840	130,760	706,280
Stockyard Sales Fees	112,900	146,660	181,120	174,300	191,040	192,040	998,060
Survey Fees	95,000	70,000	111,400	55,000	60,000	60,000	451,400
Tea Transport Cess fees	0	200	0	0	0	0	200
Weights and Measures Fees	104,580	263,490	235,800	207,490	138,460	589,300	1,539,120
TOTAL REVENUE STREAMS	11,694,809	15,017,100	25,462,340	21,791,087	31,168,562	33,543,331	138,677,229

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From this analysis, in the first half-year, the County has generated 22% of its Own Source Revenue (Local Collections and FIF) target of Kshs. 644,058,870 which is a decrease of Kshs. 67,582,130 from the 2019/20 FY target. Hospital payments commonly referred to as Facility Improvement Fund (FIF) was the best performing revenue stream in the period. The stream generated 50.39 % (Kshs. 69,880,972) of the County's Own Source Revenue within the 6-month period. This was followed by Single Business Permit at 8.17 % (Kshs. 11,323,600) and Market Fees at 7.72 %. (Kshs. 10,707,340). Most of the revenues 24.19%, (Kshs. 33,543,331) was collected in the month of December and the least 8.43 %, (Kshs 11,694,809) was collected during the month of July 2020.

As a matter of priority, the County Government endeavors to focus on efforts to improve on Own Source Revenue (OSR) collection through full revenue automation (cashless revenue collection management) in order to increase our capacity to finance our operations so as to reduce the extent to which we rely on the National Exchequer.

County 2020/21 First Half-year expenditure performance

Budget execution started on a slow note in the first half of the FY 2020/21 due to cash flow constraints that hampered the implementation of the set priority projects and programs in the county with the only major expenditure being on personnel emoluments.

Total expenditure for the first half of the FY2020/21 amounted to Kshs 1,736,579,823 which was a 23 percent of the total budget. Development expenditure for the first half of the current financial year amounted to Kshs 296,087,925. The underperformance in development expenditure reflects was due to lack of disbursement of funds to undertake the same. Recurrent expenditure amounted to Kshs 1,440,491,897 over the same period.

The table below shows the expenditures per department in both recurrent and development votes.

Development Expenditure			
DEPARTMENT	Budget	Total Expenditure	Absorption
AGRICULTURE, LIVESTOCK DEVELOPMENT AND FISHERIES	388,714,181	639,662	0.16%
EDUCATION, YOUTH AFFAIRS, CHILDREN, CULTURE AND SOCIAL SERVICES	276,168,518	1,775,912	0.64%
FINANCE AND ECONOMIC PLANNING	262,271,341	0	0.00%
HEALTH	495,400,917	10,027,130	2.02%
ICT	15,432,683	0	0.00%
LANDS, HOUSING AND PHYSICAL PLANNING	192,230,191	0	0.00%
PSM	17,516,331	0	0.00%
PUBLIC WORKS, ROADS, TRANSPORT	1,258,494,496	270,007,848	21.45%
TRADE, INDUSTRIALISATION, TOURISM, WILDLIFE AND COOPERATIVE MANAGEMENT	10,330,549	207,629	2.01%
WATER, ENERGY, NATURAL RESOURCES AND ENVIRONMENT	436,608,061	13,429,745	3.08%
Grand Total	3,353,167,268	296,087,926	8.83%

Recurrent Expenditure			
DEPARTMENT	Budget	Total Expenditure	Absorption
AGRICULTURE, LIVESTOCK DEVELOPMENT AND FISHERIES	143,847,181	61,546,430	42.79%
COUNTY PUBLIC SERVICE BOARD	54,200,321	13,334,589	24.60%
EDUCATION, YOUTH AFFAIRS, CHILDREN, CULTURE AND SOCIAL SERVICES	353,109,613	89,263,022	25.28%
FINANCE AND ECONOMIC PLANNING	240,692,544	67,501,786	28.04%
HEALTH	1,999,279,544	854,791,315	42.75%
ICT	71,791,149	21,969,461	30.60%
LANDS, HOUSING AND PHYSICAL PLANNING	98,080,682	32,153,699	32.78%
OFFICE OF THE GOVERNOR	98,301,145	54,975,170	55.93%
PSM	331,324,803	129,192,857	38.99%
PUBLIC WORKS, ROADS, TRANSPORT	98,773,646	40,333,452	40.83%
TRADE, INDUSTRIALISATION, TOURISM, WILDLIFE AND COOPERATIVE MANAGEMENT	59,368,603	24,071,943	40.55%
WATER, ENERGY, NATURAL RESOURCES AND ENVIRONMENT	113,892,235	51,358,174	45.09%
Grand Total	3,662,661,465	1,440,491,897	39.33%

From an a Analysis of the two tables above, it is evident that development expenditure had a slow absorption rate at 8.83% while that of recurrent expenditure was close to the mid-year target at 39.33% of the total full year respective budgets. These low absorption rates can be attributed to late disbursement of funds from the exchequer.

CHAPTER THREE

3.0 BUDGET THEME: BUDGETING FOR PROSPERITY

3.1 Overview

This chapter provides the details for overall spending priorities of the county government. It also describes the sectoral spending priority programmes and projects for the remaining MTEF period.

The 2021/2022 Annual Development Plan spells out priority activities, projects and programmes to be undertaken by the various departments during the plan period. This is key in terms of informing allocation of resources to various sectors, projects and programmes.

The County is committed to improving the implementation and absorption capacity of projects. Due to the tight fiscal framework involved in budget preparation, the departments will be tasked with rationalizing and prioritizing their expenditures and programmes to ensure that they are in line with the CFSP ceilings

3.2 County Strategic Objectives

3.2.1 Agriculture and Livestock

The county is endowed with fertile soils and receives adequate rainfall throughout the year hence making it conducive for agricultural activities. The county produces both cash and food crops. The main crops grown include tea, coffee, sugarcane, potatoes, maize, beans, pineapples, horticulture. Dairy production is the leading livestock enterprise in the county as well as poultry, hair sheep, wool sheep, meat goat rearing, beekeeping, pig production and rabbit rearing.

The overall objective of this sector is continued improvement of livelihoods of the people of Kericho County through promotion of competitive and sustainable agriculture, livestock, and fisheries enterprises for development, cooperative marketing and value addition.

In the financial year 2021/2022 and the MTEF period, the sector will continue undertaking the following; provision of efficient and effective agricultural, livestock and fisheries services, improving food security and; promoting affordable agricultural land use and efficiency in farm operations through crop management; the veterinary services will continue preventing and controlling spread of disease from within and other counties; providing animal health and extension and welfare services; Improved livelihood for the households in income generation activities through cooperative marketing and value addition.

In addition the department has set aside Kshs.5 Million for the acquisition of land and completion of the sweet potato pack house. This is to aid in the value addition of sweet potatoes and better returns for farmers within the county.

3.2.2 Health and Sanitation

A well developed and healthy human resource is an important aspect in the development of the county. The sector provides both preventive and curative services. It ensures a healthy population who can actively participate in development activities in the county. The big challenge, however, is shortage of qualified health personnel; inadequate medical facilities and equipment; high poverty rates; HIV and AIDs prevalence; and reduced budgetary allocation for the sector. The county will therefore endeavor to provide health care facilities and to create awareness for improved health seeking behavior. Over the plan period, the county will strive to improve provision of health services to its residents.

This Sector is committed to improving access to quality health services in the county through promotion and provision of integrated and high quality curative, preventive and rehabilitative services that are equitable, responsive, accessible and universal health care for all.

In the medium term, the department will continue investing in service delivery, health workforce, health infrastructure, health products and technologies, health information, health financing and leadership governance. The resources allocated will be used to implement projects aimed at achieving accessibility, affordability of health services, and reduction of health inequalities and optimal utilization of health services.

3.2.3 Education, Social Protection, Culture and Recreation

The overall goal of this sector is to promote education, empower the youth, promote sports, culture and also improve the provision of social services whereas ensuring gender is mainstreamed in all its programmes.

The County Government takes cognizance of the critical role, quality early childhood development and vocation training play in equipping labour force with relevant skills necessary for economic growth. Over the years the sector has implemented various projects such as construction of ECDE centers, rehabilitation and equipping vocational training centers. Bursaries to needy and bright underprivileged students was allocated Kshs 31 million. To leverage on these gains the County will implement the following projects in the FY 2021/2022.

- i. Completing and equipping the ongoing ECD Centers
- ii. Empower the youth with livelihood skills
- iii. Harness the full potential of our cultural heritage
- iv. Support women and persons living with disability with start-up kits
- v. Improvement of vocational training institutions
- vi. Promotion co-curriculum activities in learning institutions.

3.2.4 Transport, Public Works, Infrastructure, Energy and ICT

This Sector plays a significant role as a driver and an enabler in the implementation of the Governor's Manifesto and the Big Four Action Plan. The Sector aims at providing efficient, affordable and reliable infrastructure which is critical for socio-economic transformation underscored in the Third Medium Term Plan (MTP III) 2018-2022 of the Kenya Vision 2030.

The infrastructural development is mainly carried out by the Department of Public Works, Roads and Transport. Public Works sub sector is involved in the provision of planning, maintenance and supervision services of public buildings and structures. The goal is therefore to ensure standards are followed during construction of the public projects and safety concerns are adhered to as per the building and construction codes. The roads subsector is mandated to open up county road networks countywide, build drainage structures, and maintain urban and rural county roads. The sub sector is set to achieve opening up of specific lengths of priority road networks identified in the Annual Development Plan. The transport subsector also implements the transport policy and is set to achieve specific road safety initiatives in specific roads identified, issue licenses to public transport with aim of management of the transport services and increase the targeted value of revenue that is also expanded through enforcement of axle load controls at toll stations.

The Size of population connected to internet in the county has increased and the population has been able to access information better than before through the vernacular radio stations. The costs of mobile phones are now affordable to most citizens. The county government has provided free Wi-Fi in several spots within the county and so have the private investors in the hospitality industry. Televisions are also more affordable and most public facilities have them.

The county has the potential for harnessing solar energy, wind and biogas energy. The county is also endowed with several waterfalls along rivers which can be harnessed to generate hydro electrical power. Multinational companies like James Finlay and Unilever Kenya generate their own power to supplement what the Kenya Power Company supplies them. The county needs to diversify its sources of energy and the focus is on green energy so as to enhance reliability and reduce on costs incurred on power consumption.

In the medium term this sector will focus on road infrastructure improvement through maintaining the already existing road networks, Upgrading of Kerenga Airstrip at a cost of Kshs 150 million and also opening up new access roads. This is to restore confidence of residents and making the cost of doing business favorable through developing, deploying and supporting innovative, quality and sustainable ICTs and E-Government solutions and services. The Public works, Roads and Transport sub-sector has allocated an additional Kshs 128.1 Million for the pending bills relating to old works from FY 2013/2014 and ICT sub-sector pending bills of Kshs. 2.6 Million. In addition, an amount of Kshs. 15 Million has been set aside for repairs and maintenance of county vehicles and machinery which are serviceable. This is to free funding for acquisition of more vehicles.

3.2.5 Trade, Industrialization and Tourism

This sector's vision is to Promote Vibrant Business Enterprise Growth through an Enabling Policy and Legal Framework for Sustainable Socio-Economic Development in Kericho County. It significantly contributes towards generation of income and employment through tourism and trade development thus promoting self-employment, improving trading environment and attracting more investors and tourists in the County.

Kericho County has the following notable tourist attraction sites:- Forternan Museum, Chebulu Conservancy, Reresik Caves, Tulwap Kipsigis, Bagao

Caves, Chagaik Arboretum , Kapkatet Kipsigis Cultural Museum, Mau Forest, Agro tourism (Tea Plantation Areas), Tagabi Monkey Sanctuary and other private farms offering camping facilities e.g. Chesumot Farm. These sites are underutilized since they are not developed. They require infrastructural improvement. Kericho County has not yet tapped full exploitation of hospitality industry. Major hotels are located in Kericho town which is within Ainamoi sub-county. The county will continue to invest more in the industry as it is the most emerging and viable business.

Ksh. 15 Million has been allocated for acquisition of land and completion of Chebulu Conservancy. Upon completion the facility will be a revenue generation source and a major tourist attraction for the County.

The county has developed various amenities in the markets that include market sheds, chain-link fencing and toilet blocks in all the 30 wards. The sector during the MTEF period will also focus on the establishment of at least one industrial park in all the six sub counties.

3.2.6 Lands, Housing and Physical Planning

There are two major land tenure systems in Kericho County namely the Leasehold Tenure and the Freehold Tenure. The Freehold Tenure is governed under the Land Registration Act of 2012 and is mainly utilized for farming. On the other hand, Leasehold Land Tenure system is an interest in land for a definite term of years usually 99 years renewable upon request by the proprietor. All urban areas exist under leasehold tenure in the county which includes Kericho Town, Londiani Town, Kipkelion Town, Litein Town and parts of Sondu Town.

Landlessness within the county remains an issue that requires immediate attention. The vast Chelimo land to the South of Kericho town has been invaded by landless people who have inhabited the area since 1999. According

to the last enumeration taken in the area, there were a total of 751 land less people in the area who needed to be resettled. The Talai community had no land until they were resettled in 2012 in Kericho Town and issued with allotment letters. The Government of Kenya through the World Bank funded programme has undertaken survey of land with a view of issuing ownership documents. The process is still ongoing and the other beneficiaries include the Nubians. This will help reduce the incidences of landlessness in the county.

In the medium term this sector will focus on development of adequate, affordable quality housing through developing and implementing county housing unit, provision of affordable and quality housing units with the construction of Governor's and Deputy Governor's residence allocated Kshs 30 million in the next financial year, refurbishment of county residential houses and maintenance of offices and promotion of appropriate building technology.

The county has factored an amount of Ksh. 70 Million to cater for the construction of Kericho Town Main Market. This is counterpart funding to complement funding received from the World Bank under the Kenya Urban Support Program. In addition, the department plans to do a valuation roll for freehold land in the County Government and an amount of Kshs.10 Million has been set aside. Furthermore, the department intends to buy equipment for building inspection and has allocated Kshs.30Million towards the same. Planning of towns has been allocated Kshs. 10 Million.

3.2.7 Environment, Water and Natural Resources

This sector is mandated with ensuring provision of safe and quality water, conserved and protected environment and sustainable utilization of natural resources. The Constitution recognizes that access to safe and sufficient water is a basic human right. The constitution also enshrines a series of environmental rights that summed up the right of citizens for a clean environment .In addition ,the constitution provides for devolution of certain

Environmental mandates to the county government which includes environmental conservation and protection ,refuse removal and disposals sites, noise and air pollution control ,forestry and soil and water conservation.

In the medium term this sector will focus on development access to safe water, access to basic sanitation, increased forest and tree cover, enhanced solid waste management and urban Aesthetics. This can be achieve through developing new water supply projects, Rehabilitation and augmentation of existing water supplies, Protection of water sources, Drilling and equipping/Rehabilitation of boreholes, Develop new water pans and dams and Installation of water harvesting facilities in public institutions/schools. The main area of focus for this sector aside from the strategic intervention projects and other water projects, is the completion of Kipkobob water project estimated at Kshs. 70million.

3.2.8 Finance, Administration and Intergovernmental Relations

This sector provides overall leadership and oversight in the management of the County affairs through legislation, public policy formulation, coordination and prudent resource management.

Over the medium term the County Administration will embark on construction and equipping of sub-County and ward offices, digitize collection and management of revenue, preparation of revenue, financial and budget policy documents. Formation of project management committees, stakeholder engagement (public participation/feedback forums), site verification visits (M&E) and publication of County reports/statistics. Development of planning documents such as annual development plans, Annual Progress Reports and sector policies and research and economic surveys. Provision of health insurance to county staff promotes motivation among staff, the public service management sub sectors has indicated to allocate Kshs 63 Million towards

provision of comprehensive health coverage through the NHIF scheme. Pending bills for revenue automation amounts to Kshs 15 million and insurances for county assets at Kshs 27.2 million has been factored under the finance and economic planning subsector. Statutory debts mentioned in the County Debt Management Paper 2021 of Kshs 128.4 million has also been factored in the projected ceilings for the public service management subsector.

The county set aside Retention monies relating to development works for the period FY 2013/2014 to FY 2017/2018 has been allocated Kshs.70 million across all departments. In addition, an amount of Kshs. 60 Million has been allocated for General Insurance of county assets and an amount of Kshs. 58 Million has been set aside to cater for outstanding tax liability due to the Kenya Revenue Authority.

The Strategic Intervention Projects have provisioned with an amount of Kshs.569 Million as detailed in Appendix I. This is the balance outstanding on all the contracts to completion and handing over. In addition, the projects will be transferred to the line department from the department of Finance and Economic Planning as per the County Executive Committee Resolution.

CHAPTER FOUR

4.0 FISCAL POLICY AND BUDGET FRAMEWORK FOR 2021/22 - 2023/24

4.1 Overview

The priorities outlined in the Medium-Term Plan of Kenya Vision 2030 and the Second County Integrated Development Plan will guide the development of sector priorities, policies, plans and monitoring and evaluation processes for FY 2021/22 - 2023/24 County MTEF budget.

4.2 Strategic Priorities and Interventions

The ultimate goal of the county government is to improve the quality of life for the residents of Kericho County. The CFSP's strategic priorities and policy goals have therefore been aligned as follows;

Strategic Priority 1: Enhanced provision of Quality Health Care and implementation of universal health care to residents.

Strategic Priority 2: Promotion of Food Security.

Strategic Priority 3: County wide promotion of Infrastructural developments.

Strategic Priority 4: Supply and access to quality basic services

Strategic Priority 5: Enhancing efficiency and effectiveness in service delivery.

4.3 Fiscal Responsibility Principles for the County Government

In line with the Constitution, the Public Finance and Management Act, 2012 sets out the fiscal responsibility principle to ensure that prudent and transparent management of public resources. The PFM law (Section 107) states that:

(1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.

(2) In managing the county government's public finances, the County

Treasury shall enforce the following fiscal responsibility principles—

(a) the county government's recurrent expenditure shall not exceed the county government's total revenue;

(b) over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;

(c) the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;

(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.

4.4 Fiscal Policy Framework

Fiscal policy will support the County development economic activities while providing platform for the implementation of the CIDP 2018-2022 and all other policy documents within a context of sustainable public financing.

The county will continue reorienting expenditure towards those priority programmes as identified in public consultative forums. The critical programmes to be implemented are expected to accelerate economic activities and socio-economic development. The expected share of development funds of the total expenditure will be 33% while recurrent expenditure will translate to

67% of the budget. This will be derived from a total revenue of Kshs 7.506 Billion for the financial year 2021/22.

4.5 Debt Management Strategy

In regard to deficit financing and borrowing, the County Government is aware of the provisions of PFM Act, 2012 and adherence to the requirements of these laws is ensured. Section 107(3) (4) of the PFM Act provides as follows:

- 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.

The County Government will continue to prioritize the payment of all pending bills emanating from the different departments before roll out of new projects and programs in the respective departments.

4.6 FY 2021/22 Budget Framework

The 2021/22 budget framework is set against the background of the medium-term fiscal framework, the county government's strategic objectives and priorities as outlined in the CIDP II and broad development policies in the 2018-2022 Governor's manifesto.

4.7 Revenues projections

In FY 2021/22, the County Government targets to raise a total revenue of Kshs. 7.506 Billion; Total equitable share of Kshs 6.431 billion, Conditional grants Kshs 203 million, Donor funds Kshs 407 million and county own source revenue of Kshs 464 million.

The table below provides a summary of all expected sources of revenue and the amounts: -

FINANCIAL YEAR 2021/22	Baseline year	Projected revenue			% Ratio
SOURCES OF REVENUE	2020/21	2021/22	2022/23	2023/24	2021/22
Revenue Description					
1.CRA Equitable share	5,380,500,000	6,430,664,924	6,623,584,872	6,822,292,418	85.68%
2.Local Collections	289,828,650	288,592,000	297,249,760	306,167,253	3.85%
3.Facility Improvement Fund	533,352,527	175,462,000	180,725,860	186,147,636	2.34%
4.CONDITIONAL GRANTS					
4A. Routine Maintenance Fuel Levy	273,409,756	162,252,169	167,119,734	172,133,326	2.16%
4B. User fee Reimbursement	18,048,789	18,048,789	18,590,253	19,147,960	0.24%
4C. Development of Youth polytechnics fund	22,866,170	22,866,170	23,552,155	24,258,720	0.30%
5. DONOR FUNDS					
5A. DANIDA FUND	17,062,500	15,300,000	15,759,000	16,231,770	0.20%
5B. Agricultural Sector development support Fund(ASDSP II)	52,557,771	26,276,994	27,065,304	27,877,263	0.35%
5C. Transformative health system (world bank)	82,748,619	71,544,247	73,690,574	75,901,292	0.95%
5D. Kenya Devolution Support Project (world bank)	132,491,953	-	-	-	0.00%
5E. Climate Smart Agriculture Project (world bank)	284,297,280	294,500,000	303,335,000	312,435,050	3.92%
5F. Kenya Urban Support Program UDG (SIDA)	103,228,166	-	-	-	0.00%
5F. Kenya Urban Support Program UIG (SIDA)	-	-	-	-	0.00%
5H. Other Donor Funds - COVID -19 funds	36,180,000	-	-	-	0.00%
UNSPENT FUND	565,380,551	-	-	-	0.00%
Total	7,791,952,732	7,505,507,293	7,730,672,512	7,962,592,687	100.00%

4.8 Resource Envelope and Allocation Criteria

The resource envelope available for allocation among the departments is informed by the guiding principles of ensuring fiscal responsibility and resources will be utilized to meet both recurrent and development expenditure in a ratio of 68% and 32% respectively.

The Resource Criteria for Resource Sharing

- i. Non – discretionary expenditure: In the recurrent expenditure category, nondiscretionary expenditures take the first charge and include statutory obligations such as salaries, gratuity and pension. These expenditures translates to 45.91% against Total Projected Expenditure and 67.40% against Total Projected Recurrent Expenditure.
- ii. Development expenditures are shared out on the basis of CIDP priorities as well as strategic interventions to boost revenue base and stimulate the economic growth as outlined in the National Government Policies and Governor’s Manifesto. The development expenditures are estimated at 30 percent.
- iii. On-going projects: emphasis is given to completion of on-going projects with high impact on poverty reduction, social injustices, employment and wealth creation.
- iv. Infrastructure projects: with the County government’s commitment to improve infrastructure, construction of roads, development of water and sanitation network and construction of community hospitals/health centers among others will be given priority.

4.9 Expenditure Forecast

The County government spending will be guided by the approved Annual Development Plan 2021/2022 and CIDP 2018- 2022 which outlines the proposed projects that will be implemented. The total County expenditure is targeted at Kshs. 7.506 billion. Kshs. 5.113 billion and Kshs. 2,393 billion will

be set aside for recurrent and development translating into 68 and 32 percent of recurrent and development expenditures respectively

4.10 Medium- Term Expenditure Baseline Ceilings

The County is committed to improving the implementation and absorption capacity of projects. Due to the tight fiscal framework involved in budget preparation, the departments will be tasked with rationalizing and prioritizing their expenditures and programmes to ensure that they are in line with the CFSP ceilings

The table below show the ceilings for the 2021/22 budget and projections of the medium term for global, recurrent and development respectively.

APPROVED

1. Global Consolidated Forecast.

COUNTY GOVERNMENT OF KERICHO						
CONSOLIDATED SUMMARY						
	Line Ministries/Departments	TOTAL EXPENDITURE				% OF ALLOCATION
		2020/21	2021/22	2022/23	2023/24	21-22
1	County Assembly Services	727,735,022	727,130,872	748,944,798	771,413,142	10%
2	Public Service & Administration	356,851,861	423,945,290	436,663,649	449,763,559	6%
3	Office of the Governor & Deputy governor	115,301,145	137,141,040	141,255,271	145,492,929	2%
4	County Public Service Board	50,681,633	67,386,254	69,407,841	71,490,077	1%
5	Finance & Economic Planning	451,293,885	439,384,911	452,566,459	466,143,452	5%
6	Health Services	2,509,002,768	2,561,044,801	2,637,876,145	2,717,012,429	34%
7	Agriculture, Livestock Development & Fisheries	578,374,126	543,914,220	560,231,647	577,038,596	7%
8	Education, Youth, Culture & Social Services	617,178,130	483,066,341	497,558,331	512,485,081	7%
9	Public Works, Roads & Transport	1,431,760,730	695,130,765	715,984,688	737,464,229	10%
10	Trade, Industrialization, Tourism, Wildlife & Cooperative Development	86,199,152	162,101,280	166,964,319	171,973,248	2%
11	Water, Energy, Natural Resources & Environment	537,300,296	280,108,089	288,511,331	297,166,671	4%
12	Land, Housing & Physical Planning	231,560,873	271,880,215	280,036,621	288,437,720	2%
13	Information, Communication & E-Government	74,713,112	119,554,003	123,140,623	126,834,842	2%
14	Kericho Municipal Board	12,000,000	12,000,000	12,360,000	12,730,800	0%
15	Litein municipal Board	12,000,000	12,000,000	12,360,000	12,730,800	0%
16	STRATEGIC INTERVENTION	-	569,719,212	586,810,788	604,415,112	8%
	TOTAL EXPENDITURE	7,791,952,732	7,505,507,292	7,730,672,511	7,962,592,686	100%

2. Recurrent Expenditure

	Line Ministries/Departments	RECURRENT EXPENDITURE				% OF ALLOCATION
		2020/21	2021/22	2022/23	2023/24	2021/22
1	County Assembly Services	713,950,829	719,729,804	741,321,698	763,561,349	15%
2	Public Service & Administration	339,335,530	417,540,346	430,066,557	442,968,553	9%
3	Office of the Governor & Deputy governor	115,301,145	137,141,040	141,255,271	145,492,929	3%
4	County Public Service Board	50,681,633	67,386,254	69,407,841	71,490,077	1%
5	Finance & Economic Planning	241,022,544	341,485,112	351,729,666	362,281,556	6%

6	Health Services	2,043,601,851	2,360,777,958	2,431,601,297	2,504,549,336	46%
7	Agriculture, Livestock Development & Fisheries	161,847,174	176,043,149	181,324,443	186,764,177	3%
8	Education, Youth, Culture & Social Services	341,109,612	348,877,032	359,343,343	370,123,643	7%
9	Public Works, Roads & Transport	75,773,646	93,056,317	95,848,007	98,723,447	2%
10	Trade, Industrialization, Tourism, Wildlife & Cooperative Development	59,868,603	87,963,768	90,602,681	93,320,762	2%
11	Water, Energy, Natural Resources & Environment	117,192,235	132,989,587	136,979,275	141,088,653	3%
12	Land, Housing & Physical Planning	73,330,682	80,700,959	83,121,988	85,615,647	2%
13	Information, Communication & E-Government	54,280,429	78,824,799	81,189,543	83,625,229	2%
14	Kericho Municipal Board	8,000,000	7,000,000	7,210,000	7,426,300	0%
15	Litein municipal Board	8,000,000	7,000,000	7,210,000	7,426,300	0%
	TOTAL EXPENDITURE	4,403,295,912	5,056,516,125	5,208,211,609	5,364,457,957	100%

3. Development Expenditure

	Line Ministries/Departments	DEVELOPMENT EXPENDITURE				
		2020/21	2021/22	2022/23	2023/24	21/22
1	County Assembly Services	13,784,193	7,401,068	7,623,100	7,851,793	0%
2	Public Service & Administration	17,516,331	6,404,944	6,597,092	6,795,005	0%
3	Office of the Governor & Deputy governor	-	-	-	-	0%
4	County Public Service Board	-	-	-	-	0%
5	Finance & Economic Planning	210,271,341	97,899,799	100,836,793	103,861,897	4%
6	Health Services	465,400,917	200,266,843	206,274,848	212,463,093	9%
7	Agriculture, Livestock Development & Fisheries	416,526,952	367,871,071	378,907,203	390,274,419	16%
8	Education, Youth, Culture & Social Services	276,068,518	134,189,309	138,214,988	142,361,438	6%
9	Public Works, Roads & Transport	1,355,987,084	602,074,448	620,136,682	638,740,782	26%
10	Trade, Industrialization, Tourism, Wildlife & Cooperative Development	26,330,549	74,137,512	76,361,637	78,652,486	3%
11	Water, Energy, Natural Resources & Environment	420,108,061	147,118,502	151,532,057	156,078,018	6%
12	Land, Housing & Physical Planning	158,230,191	221,797,189	228,451,104	235,304,638	3%
13	Information, Communication & E-Government	20,432,683	40,729,204	41,951,080	43,209,613	2%
14	Kericho Municipal Board	4,000,000	5,000,000	5,150,000	5,304,500	0%
15	Litein municipal Board	4,000,000	5,000,000	5,150,000	5,304,500	0%
16	STRATEGIC INTERVENTION	-	569,719,212	586,810,788	604,415,112	24%
	TOTAL EXPENDITURE	3,388,656,820	2,448,991,167	2,522,460,902	2,598,134,729	100%

Analysis of Personnel Emoluments

	2020/21	2021/22	2022/23	2023/24
TOTAL PERSONNEL EMOLUMENTS EXPENDITURE	3,166,471,656	3,445,892,523	3,535,996,006	3,637,263,023
TOTAL RECURRENT EXPENDITURE	4,403,295,912	5,056,516,125	5,208,211,609	5,364,457,957
TOTAL EXPENDITURE	7,791,952,732	7,536,125,225	7,762,208,982	7,995,075,252

APPROVED

	2020/21	2021/22	2022/23	2023/24
~	APPROVED ESTIMATES	PROJECTED CEILINGS		
County Assembly				
Recurrent				
Personnel emoluments	384,000,000	384,000,000	380,000,000	380,000,000
Use of Goods and Services	329,950,829	335,729,804	361,321,698	383,561,349
Total	713,950,829	719,729,804	741,321,698	763,561,349
Development	13,784,193	7,401,068	7,623,100	7,851,793
Total	727,735,022	727,130,872	748,944,798	771,413,142
Public Service & Administration				
Personnel Emoluments	226,302,344	248,932,578	273,825,836	301,208,420
Use of Goods and Services	113,033,186	168,607,768	156,240,721	141,760,134
Recurrent Transfers	~	~	~	~
Sub-Total	339,335,530	417,540,346	430,066,557	442,968,553
Capital Expenditure	17,516,331	6,404,944	6,597,092	6,795,005
Capital Transfers				
Subtotal	17,516,331	6,404,944	6,597,092	6,795,005
Total	356,851,861	423,945,290	436,663,649	449,763,559
Office of the Governor & Deputy governor				
Personnel Emoluments	60,424,590	64,231,339	68,277,914	72,579,422
Use of Goods and Services	54,876,555	72,909,701	72,977,357	72,913,507
Recurrent Transfers	~	~	~	~
Total	115,301,145	137,141,040	141,255,271	145,492,929
County Public Service Board				
Personnel Emoluments	43,120,342	47,432,376	52,175,613	57,393,175
Use of Goods and Services	7,561,291	19,953,878	17,232,228	14,096,902
Recurrent Transfers	~	~	~	~
Total	50,681,633	67,386,254	69,407,841	71,490,077
Finance & Economic Planning				
Personnel Emoluments	93,617,348	102,979,082	113,276,991	124,604,690
Use of Goods and Services	86,089,172	177,190,005	177,136,651	176,360,841
Recurrent Transfers	61,316,024	61,316,024	61,316,024	61,316,024
Sub-Total	241,022,544	341,485,112	351,729,666	362,281,556
Capital Expenditure	210,271,341	97,899,799	100,836,793	103,861,897

Capital Transfers	132,491,953	70,000,000	-	-
Subtotal	342,763,294	167,899,799	100,836,793	103,861,897
Total	583,785,838	509,384,911	452,566,459	466,143,452
Health Services				
Personnel Emoluments	1,735,930,875	1,909,523,963	1,928,619,202	1,947,905,394
Use of Goods and Services	105,665,730	451,253,996	502,982,095	556,643,941
Recurrent Transfers	202,005,246	-	-	-
Sub-Total	2,043,601,851	2,360,777,958	2,431,601,297	2,504,549,336
Capital Expenditure	465,400,917	200,266,843	206,274,848	212,463,093
Capital Transfers	117,859,908	104,893,036	108,039,827	111,281,022
Subtotal	583,260,825	305,159,879	314,314,675	323,744,115
Total	2,626,862,676	2,665,937,837	2,745,915,972	2,828,293,451
Agriculture, Livestock Development & Fisheries				
Personnel Emoluments	144,879,271	162,264,784	163,887,431	165,526,306
Use of Goods and Services	16,967,903	13,778,365	17,437,012	21,237,871
Recurrent Transfers	-	-	-	-
Sub-Total	161,847,174	176,043,149	181,324,443	186,764,177
Capital Expenditure	416,526,952	367,871,071	378,907,203	390,274,419
Capital Transfers	336,855,051	320,776,994	330,400,304	340,312,313
Subtotal	753,382,003	688,648,065	709,307,507	730,586,732
Total	915,229,177	864,691,214	890,631,950	917,350,909
Education, Youth Affairs, Culture & Social Services				
Personnel Emoluments	234,830,528	258,313,581	260,896,717	263,505,684
Use of Goods and Services	12,134,428	59,418,795	67,301,970	75,473,303
Recurrent Transfers	94,144,656	31,144,656	31,144,656	31,144,656
Sub-Total	341,109,612	348,877,032	359,343,343	370,123,643
Capital Expenditure	276,068,518	134,189,309	138,214,988	142,361,438
Capital Transfers	22,866,170	22,866,170	23,552,155	24,258,720
Subtotal	298,934,688	157,055,479	161,767,143	166,620,158
Total	640,044,300	505,932,511	521,110,486	536,743,801
Public Works, Roads & Transport				
Personnel Emoluments	38,972,897	42,870,187	47,157,206	51,872,927
Use of Goods and Services	36,800,749	50,186,130	48,690,801	46,850,520
Recurrent Transfers	-	-	-	-
Sub-Total	75,773,646	93,056,317	95,848,007	98,723,447

Capital Expenditure	1,355,987,084	602,074,448	620,136,682	638,740,782
Capital Transfers	273,409,756	162,252,169	167,119,734	172,133,326
Subtotal	1,629,396,839	764,326,617	787,256,416	810,874,108
Total	1,705,170,485	857,382,934	883,104,422	909,597,555
Trade, Industrialization, Tourism, Wildlife & Cooperative Development				
Personnel Emoluments	51,182,625	56,812,713	62,493,985	68,743,383
Use of Goods and Services	8,685,979	31,151,055	28,108,696	24,577,378
Recurrent Transfers	~	~	~	~
Sub-Total	59,868,603	87,963,768	90,602,681	93,320,762
Capital Expenditure	26,330,549	74,137,512	76,361,637	78,652,486
Capital Transfers				
Subtotal	26,330,549	74,137,512	76,361,637	78,652,486
Total	86,199,152	162,101,280	166,964,319	171,973,248
Water, Energy, Natural Resources & Environment				
Personnel Emoluments	75,809,347	83,390,282	91,729,310	100,902,241
Use of Goods and Services	41,382,888	49,599,305	45,249,964	40,186,412
Recurrent Transfers	~	~	~	~
Sub-Total	117,192,235	132,989,587	136,979,275	141,088,653
Capital Expenditure	420,108,061	147,118,502	151,532,057	156,078,018
Capital Transfers				
Subtotal	420,108,061	147,118,502	151,532,057	156,078,018
Total	537,300,296	280,108,089	288,511,331	297,166,671
Land, Housing & Physical Planning				
Personnel Emoluments	51,455,627	56,601,189	62,261,308	68,487,439
Use of Goods and Services	37,875,055	38,099,770	35,280,679	31,980,808
Recurrent Transfers	16,000,000	14,000,000	14,420,000	14,852,600
Sub-Total	89,330,682	94,700,959	97,541,988	100,468,247
Capital Expenditure	158,230,191	221,797,189	228,451,104	235,304,638
Capital Transfers	111,228,166	10,000,000	10,300,000	10,609,000
Subtotal	269,458,357	231,797,189	238,751,104	245,913,638
Total	358,789,039	326,498,148	336,293,092	346,381,885
Information, Communication & E-Government				
Personnel Emoluments	25,945,862	28,540,448	31,394,493	34,533,942
Use of Goods and Services	28,334,567	50,284,351	49,795,050	49,091,287

Recurrent Transfers	~	~	~	~
Sub-Total	54,280,429	78,824,799	81,189,543	83,625,229
Capital Expenditure	20,432,683	40,729,204	41,951,080	43,209,613
Capital Transfers				
Subtotal	20,432,683	40,729,204	41,951,080	43,209,613
Total	74,713,112	119,554,003	123,140,623	126,834,842
TOTAL RECURRENT EXPENDITURE	4,403,295,912	5,056,516,125	5,208,211,609	5,364,457,957
TOTAL DEVELOPMENT EXPENDITURE	3,388,656,820	2,479,609,100	2,553,997,373	2,630,617,294

APPROVED

4.11 Strategic Intervention Projects

Strategic intervention projects were introduced in the financial year 2018/2019 and were designed to be multi-year projects with desired specific output and outcome that will benefit a wide area or community within the county. These projects have to be completed within specified timelines by the responsible department. The budget ceiling and an analysis of the projects is show in the table below.

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	Appendix I				
	STRATEGIC INTERVENTION PROJECTS				
	PROJECT NAME	CONTRACTOR	CONTRACT SUM	OUTSTANDING BALANCE KSHS	RESPONSIBILITY
1	Construction and equipping of theatre at Ainamoi Health Centre	pulp construction company	14,136,359.00	8,148,459.00	Health Services
2	Completion of MCH at Kipsitet	Mumannest Enterprises Limited	10,074,020.0	-	Health Services
3	Erection and completion of an emergency centre in Kaitui Dispensary	Sarit Building & Civil Contractors Limited	9,209,970.0	773,594.52	Health Services
4	Rehabilitation and construction of Kimologit water supply	Nakuru Express Services	186,289,132.8	144,255,117.80	Water, Energy, Natural Resources & Environment
5	Construction of Kapkures water supply project	Resjos Construction	87,417,115.8	87,417,115.76	Water, Energy, Natural Resources & Environment
6	Construction of Tuiyobei water supply project	Eco Gas Limited	59,548,616.8	-	Water, Energy, Natural Resources & Environment
7	Kaboloin water project lower part of Kapsaos	one way Logistic Company	15,255,327.9	3,218,502.53	Water, Energy, Natural Resources & Environment
8	Kiptunoi water supply	Pramigo Holdings	35,787,774.8	27,622,388.84	Water, Energy, Natural Resources & Environment
9	Kiboybei water supply	Alfabet Limited	36,731,977.5	30,858,168.51	Water, Energy, Natural Resources & Environment
10.	Kapkenyeloi water Tank	Eagle wood General Contractors Limited	8,407,358.9	5,158,544.87	Water, Energy, Natural Resources & Environment
11.	Proposed rehabilitation and construction of drainage and tarmacking of minor roads at Londiani town	Buffloc Limited c	224,774,768.6	65,867,445.20	Public Works Roads and Transport
12.	Completion of rehabilitation and construction of drainage structures in Kapkatet township	Riang International limited	46,884,040.0	39,790,004.67	Public Works Roads and Transport
13.	Proposed rehabilitation of Kapias - Timbilil Kamotos road in Kunyak ward	Jepcom Ventures Limited	8,941,017.7	6,236,477.66	Public Works Roads and Transport
14.	Proposed rehabilitation of Lelagoi - Yanja - Karap maina road	Bestland Enterprises Limited	15,361,827.1	1,005,027.10	Public Works Roads and Transport
15.	Proposed erection and completion of a modern market at Sondu	Helec Bulders limited	128,945,229.0	52,864,008.97	Trade, Industrialization, Tourism, Wildlife & Co-operative Development
16	Roret pineapple plant	Ms Possible	12,498,129.4	6,460,970.16	Trade, Industrialization, Tourism, Wildlife & Co-operative Development
	Soliat Water Supply	Alfalink Enterprises limited	103,545,774.3	90,043,386.32	Water, Energy, Natural Resources & Environment
	Total		1,003,808,439.67	569,719,211.91	

5.0 CONCLUSION

Public participation was carried out across the County in each of the six Sub counties and specific projects identified by the community. These projects will be streamlined into their respective line ministries for implementation. However, emphasis will be given to the ongoing projects to ensure completion and operationalization of the same.

This County Fiscal Strategy Paper was prepared in line with the Budget Policy Statement 2021

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