

REPUBLIC OF KENYA



BARINGO COUNTY GOVERNMENT

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

CBROP 2019

30TH SEPTEMBER 2019

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

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Foreword

The County Budget Review Outlook Paper (CBROP) 2018/19 financial year is prepared in accordance with section 118 of the Public Finance Management Act, 2012. It reviews the fiscal performance of the financial year 2018/19 by making comparisons to the budget allocations for the period under the review.

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

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

This outlook paper also provides an overview of how the actual performance of the FY 2018/19 affected the financial objectives as detailed in the CFSP and will form a basis for projecting the 2020/21 budget based on the recent economic development. It is projected that, the revenue and expenditure for 2020/21 will be achieved with strict expenditure controls and enhanced revenue collection measures. This will be achieved through fiscal discipline in ensuring proper management of public resources and opening up of new as well as maintaining of existing sources of revenue.

The 2019 CBROP shall spell out broad fiscal parameters for the 2020/21 budget and the medium term that is consistent with county's strategies. Subsequently, the County Fiscal Strategy Paper (CFSP) for 2020 will provide an update of available resources and set firm departmental ceilings and expenditure priorities.

The CBROP will be made available to the public including members of County Assembly to facilitate understanding of the fiscal situation and proposed county government strategies in line with the objective of improving public transparency and accountability.

Hon. Dr. Richard Rotich
County Executive Committee Member
Finance and Economic Planning

Acknowledgements

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

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

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

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

Finally, we hope the implementation of the interventions provided herein will be useful while preparing 2020/21 budget as well as implementation of 2019/20 approved budget.

Mr. John Kisang
Chief Officer-Finance and Economic Planning

Acronyms and Abbreviations

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

Table of Contents

Foreword..... ii

Acknowledgements..... iii

Acronyms and Abbreviations..... iv

Legal Framework for County Budget Review and Outlook Paper..... 1

 Legal Basis for the Publication of the County Budget Review and Outlook Paper..... 1

Executive Summary..... 2

III. REVIEW OF FISCAL PERFORMANCE FOR FY 2018/19..... 7

IV. Fiscal Responsibility Principles in the Public Finance Management Act..... 13

V. National Recent Economic Development and Outlook..... 15

Overview..... 15

VI. RESOURCE ALLOCATION FRAMEWORK..... 17

A. Adjustments to the FY 2019/20 Budget..... 17

B. Medium Term Fiscal Projections..... 18

C. FY 2020/21 Budget Framework..... 19

D. Medium-Term Expenditure Framework..... 22

VII. RECOMMENDATION AND CONCLUSIONS..... 23

ANNEX; EPENDITURE PER DEPARTMENT- ECONOMIC CLASSIFICATION..... 25

Legal Framework for County Budget Review and Outlook Paper

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

The County Budget Review and Outlook Paper is prepared in accordance with Section 118 of the Public Financial Management Act, 2012, which states that:

(1) A County Treasury shall:

- (a) Prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and
- (b) Submit the paper to the County Executive Committee by the 30th September of that year.

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

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

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

- (a) arrange for the Paper to be laid before the County Assembly; and
- (b) as soon as practicable after having done so, publish and publicize the Paper.

Executive Summary

The County Budget Review Outlook Paper (CBROP) is prepared in accordance with section 118 of the Public Finance Management Act, 2012. It reviews the actual fiscal performance of the financial year 2018/19 and makes comparisons to the budget allocations in the same year. It presents the Budget performance for FY 2018/19 and how the budget adhered to the fiscal responsibility principles and financial objectives as set out in the PFM Act, 2012. The updated fiscal forecasts therein also provide the basis to revise the FY 2019/20 budget in the context of supplementary estimates set out in the broad fiscal parameters, the” **BIG FOUR Agenda**” and the medium-term expenditure framework.

The approved budget for 2018/19 financial year was Kes. 8.125 billion. This was composed of Kshs 5,086,800,000 equitable share, Ksh. 371,147,448 from local revenue, Kshs1,622,061,611 from cash transfer of ongoing projects from previous 2017/2018 FY and Kshs 1,045,018,399 conditional grants for financing both development and recurrent activities.

In the financial year under review, locally collected revenue amounted to Kes 359.809 Million which was off target by Kes 11 Million.

The total exchequer releases as at 30th June, 2019 was Kes 5.923 billion. The total expenditure for the period under review was Kes 5.545 representing an overall absorption rate of 68 percent of the revised budget of Kes 8.125 billion.

The FY 2018/19 budget adhered to the fiscal responsibility principles as set out in the PFM Act, 2012, by allocating 30 percent of the budget to development and 70 percent recurrent.

Moving forward, implementation of 2019/20 F/Y budget and formulation subsequent budgets in the medium term will be premised on the lessons drawn from the performance of the period under review. The issue of under-performance in revenue collection, low absorption and increasing wage bill and O&M should be addressed. The prudent management of resources and continued timely release of funds by the national government, peaceful co-existence in the county and favorable weather conditions is expected during the period to realize the set objectives.

The revenue collected in the FY 2018/19 is Kes 359.806 million and the projected MTEF projections will be Kes 393.41 million in FY 2019/20, Kes 417.02 million in FY 2020/21 and Kes 442.04 million in FY 2021/22.

Overall expenditure is projected at Kes. 8.681 billion in 2018/19 F/Y up from the approved budget of Kes 5.125 billion in the FY 2018/19. Recurrent expenditures will amount to Kes. 4.382 billion while development expenditure is projected at Kes. 4.298 billion in FY 2019/20 due to rollovers.

The County Government is pursuing a fiscal consolidation policy which is aimed at maintaining expenditures within the budget. Taking this into account, the overall expenditure for FY 2020/21 are projected at Ksh6,784,470,541 billion down from Ksh

8,681,521,002 billion in the FY 2019/20. These expenditures comprise among others, recurrent of Ksh 4.462 billion and development of Ksh 1.912 billion.

The risks to the medium-term framework include: increased fear of insecurity in some parts of the county, pressures on expenditures especially recurrent related to new salary demands, climate change and droughts,

The National Finance Bill 2019 also reduce county allocations and this will affect capital investments on 2019/20 budget and in the medium term. Another risk is Agricultural Sector particularly livestock sub sector one of the largest sources of revenue through market sales. Livestock disease outbreaks lead to loss of animals and disrupt operations of livestock markets with a consequent loss of revenue.

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

CBROP 2019

Introduction.

I. Objective of the 2019 County Budget Review and Outlook Paper

The 2019 Budget Review and Outlook Paper, has been prepared in accordance with the Public Finance Management (PFM) Act, 2012 and its Regulations. The document provides actual fiscal performance for the FY 2018/2019, fiscal projections and the sector ceilings for the FY 2020/21 Medium Term Budget. The document also provides an overview of how the actual performance of the FY 2018/19 affected our compliance with the fiscal responsibility principles and the financial objectives spelt out in the PFM Act as well as information showing changes from the projections outlined in the 2019 Budget Policy Statement.

Fiscal outcome for the FY 2018/19 indicates that the cumulative revenue collection including A was Ksh 359.809 Million. This revenue was Ksh 12 Million below the target of Ksh 371.147 Million. Total expenditures by end of June 2019 was Ksh 5.545 billion against the target of Ksh 8.545billion, translating into lower absorptions recorded in development expenditures by the County Government.

The fiscal performance for the FY 2018/19 was broadly fair though with challenges emanating from both revenue shortfalls and expenditure pressures especially on wages and emoluments. The Fiscal outcome largely did not adhere to the fiscal responsibility principles and financial objectives set out in the PFM Act, 2012. The County Government development expenditure as a percent of the budget was 32 percent above the benchmark of 30.0 percent while the County Government wages and benefits to County Government revenues was 38 percent, high above the benchmark of 35.0 percent.

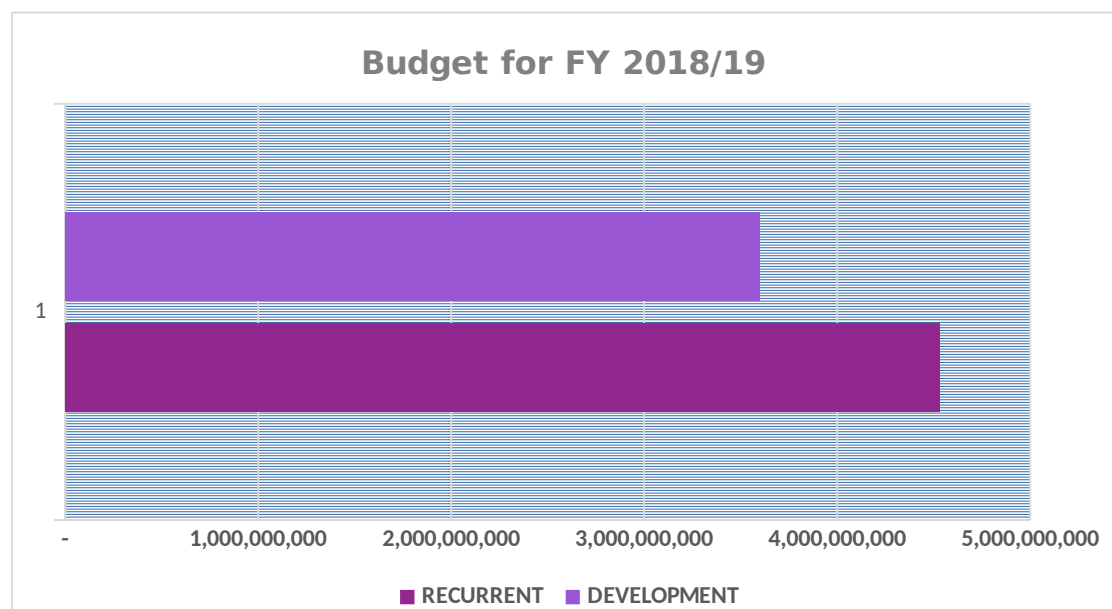
The Fiscal outcome for the FY 2019/2020 is projected to slightly improve supported by continued improvement in revenue collection and administration, focus on investing on revenue avenues in the county economy and budget rationalization.

The risks to this outlook include revised revenue formula by the national government, unmet target on local revenues, wages and emoluments pressures and weather-related shocks. Should these risks persist, County's growth forecast could be constrained. However, the County Government will monitor these risks and respond appropriately to mitigate any negative impact on growth.

II. Fiscal Performance for the year 2018/2019

Key Highlights

During 2018/2019 FY total budget estimates was Kshs 8,125,027,458. This was composed of Kshs 5,086,800,000 equitable share, Ksh. 371,147,448 from local revenue, Kshs1,622,061,611 from cash transfer of ongoing projects from previous 2017/2018 FY and Kshs 1,045,018,399 conditional grants for financing both development and recurrent activities. Out of the total budget estimates, recurrent budget was estimated at Kshs 4,528,481,688 composed of Kshs 3,129,182,815 and Kshs 1,399,298,873 for employee compensation and operations and maintenance respectively while development budget was estimated at Kshs 3,596,545,770 as shown in table below.



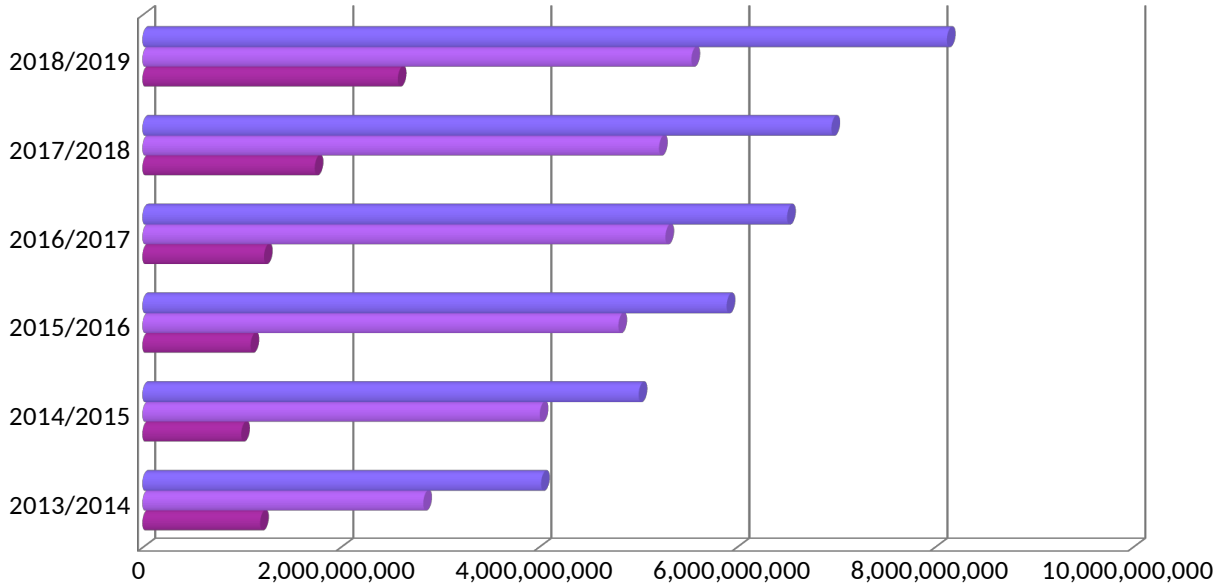
BUDGET TRENDS

Over the last six years the County Budget has steadily moved upwards from Kshs 4.027 Billion in FY 2013/14 to Kshs 8.125 Billion in FY 2019/20. The county budget trends have been on upward trajectory since 2013/14 financial year. In the base year 2013/2014, the budget was Kshs.4.027Billion against the actual expenditure of Kshs 2.83 Billion. This was followed by Kshs 5.012 Billion budget in FY 2014/2015, with actuals expenditure ending at Kshs 4.013 Billion. This budget was shifted upward due to a rollover of funds of Kshs 784.16 Million. The following year 2015/16, the budget was further pushed upwards to Kshs 5.900 Billion with a rollover of Kshs 886.34 and end actual expenditure being Ksh 4.808.

Further in FY 2016/17, the budget moved to 6.511Billion pushed by a rollover of Kshs 943.50 Million and eventual expenditure end up to Kshs 5. 282 Billion. During the FY 2017/18 the budget moved to Kshs. 6.959 Billion, with Kshs 943.38 Million as rollover and a further upward trend to Kshs 8.125 Billion and Kshs 1.622Billion as rollover in FY 2018/19.

The rollover funds have kept on ballooning making planning and budgeting have an overlapping effect on budget implementation.

FY 2013/14 to FY 2018/19 Budget Trend



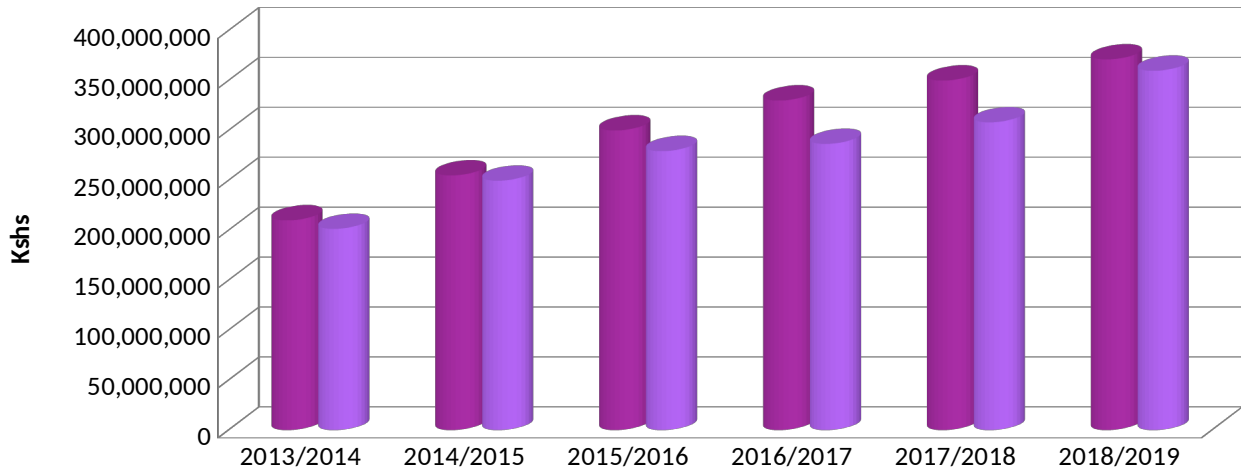
REVENUE ANALYSIS

The county's revenue consists of Local revenues, Equitable share that include grants and donor funds. Local revenues have been rising significantly but it has never matched the growing pressure of the recurrent expenditure on the budget. Equally there has been lower than the target revenue collection resulting to a deficit in the budget.

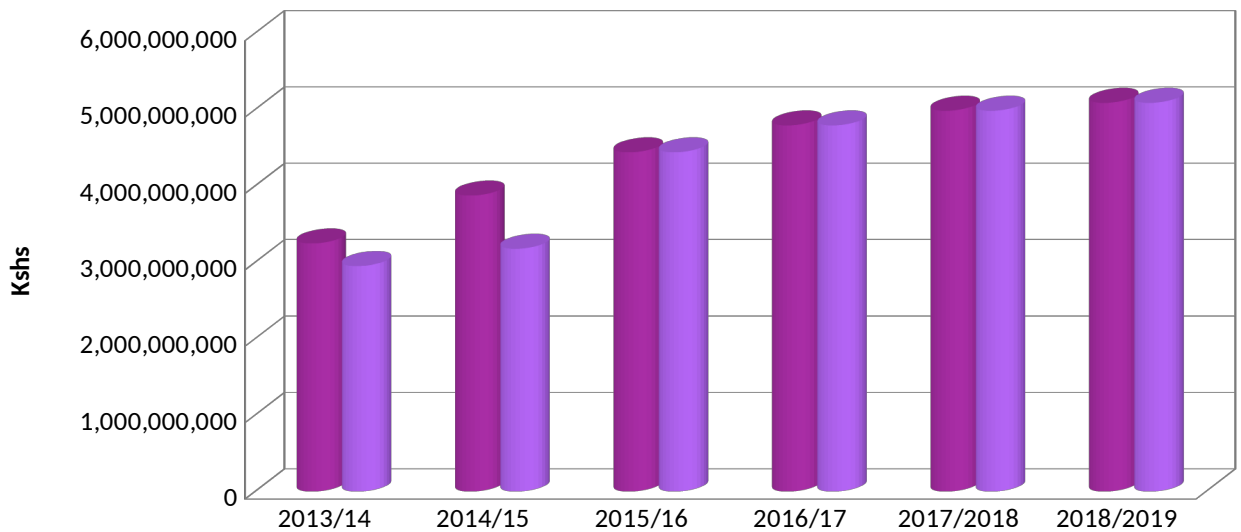
Equitable share has equally increased in the last six years though with the change of formula by the Commission on Revenue Commission, increment has been dismal in the last three years.

Revenue		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Local revenue	Budget	210,000,000	255,000,000	300,000,000	330,000,000	350,000,000	371,147,446
	Actual	201,519,603	249,723,429	279,317,203	286,546,866	308,177,631	359,809,968
Equitable Share	Actual	2,950,935,465	3,177,427,690	4,440,576,026	4,791,438,190	4,983,000,000	5,086,800,000
	Budget	3,247,937,841	3,874,911,817	4,440,576,026	4,791,438,190	4,983,000,000	5,086,800,000
Dev. Exp	Actual	366,484,041	1,115,663,103	1,310,357,630	1,464,675,867	991,121,664	1,151,217,629
	Budget	1,193,708,731	2,051,774,651	2,360,893,835	2,609,715,320	2,713,700,251	3,596,545,770
Rec. Exp	Actual	2,444,463,308	2,897,739,398	3,527,475,680	3,783,104,248	4,214,918,834	4,394,107,934
	Budget	2,740,110,737	2,960,575,785	3,540,082,146	3,901,722,415	4,245,686,050	4,529,081,688
Total Budget	Actual	2,837,391,101	4,013,402,477	4,837,833,310	5,247,780,115	5,206,040,498	5,545,325,563
	Budget	4,027,493,342	5,012,341,436	5,900,975,981	6,511,437,735	6,959,386,301	8,125,627,458

Analysis of local Revenue



Analysis of Equitable share



III. REVIEW OF FISCAL PERFORMANCE FOR FY 2018/19

Overview

1. During the period under review, county's revised budget estimates was Ksh 8.125 billion. The revised estimates consisted of Kes 4.529 Billion for recurrent and Kes 3.596 billion for development.
2. Revised expected Revenues comprised of: Equitable share of Kshs 5.086 Billion; Local Revenue Kshs 371,147,446; Roll-over Projects Kshs 1,622,061,611; Compensation to use foregone Kshs 13,191,000; Roads Maintenance Fuel levy Ksh 133,931,014; Roads Maintenance Fuel levy Ksh 33,653,742 as a balance for the year 2017/18; KDSP Grant

Kshs 43,729,455 ; Rehabilitation of Youth Polytechnics Ksh 35,605,000 ; EU grant for Devolution Advisory Ksh 85,000,000 ; DANIDA Grant Kshs 16,706,250 ; IDA World Bank (KUSP) Kshs 52,360,500 ; IDA World Bank (KCSAP) Ksh 117,000,000 ; KDSP Grant Phase II Kshs 173,023,342 ; ASDPS (Agricultural sector Development) Kshs 20,718,749 ; KUSP (Balance 2017/2018) Kshs 41,200,000

3. Out of the total received revenues, the larger share came from equitable share amounting to Kes 5.086 billion, which constituted 63 percent. Other funds are; Agricultural Sector Support Program Funds Kshs 7,543,234; Compensation of user fees forgone Kshs 13,191,000; DANIDA Funds Kshs 16,706,250; European Union Funds through Instruments for Devolution Advice and Support Programme (IDEAS) Kshs 73,254,422; Kenya Urban Support Program Funds Ksh.41,200,000; KUCP Funds Kshs 52,360,500; Roads maintenance fuel levy Ksh. 133,931,014 and a rollover of the same fund RLMF of Ksh. 33,653,742; SMART FUNDS Kshs 42,084,111; Transform Health Services Funds from World Bank Kshs 34,008,070.50 and Capacity and Performance Grant under Kenya Devolution Support Program (KDSP) funds Kshs.138,074,112; and Project Roll Over of Kshs 1.622 billion 20 percent up from 14.1 percent in the previous fiscal year.

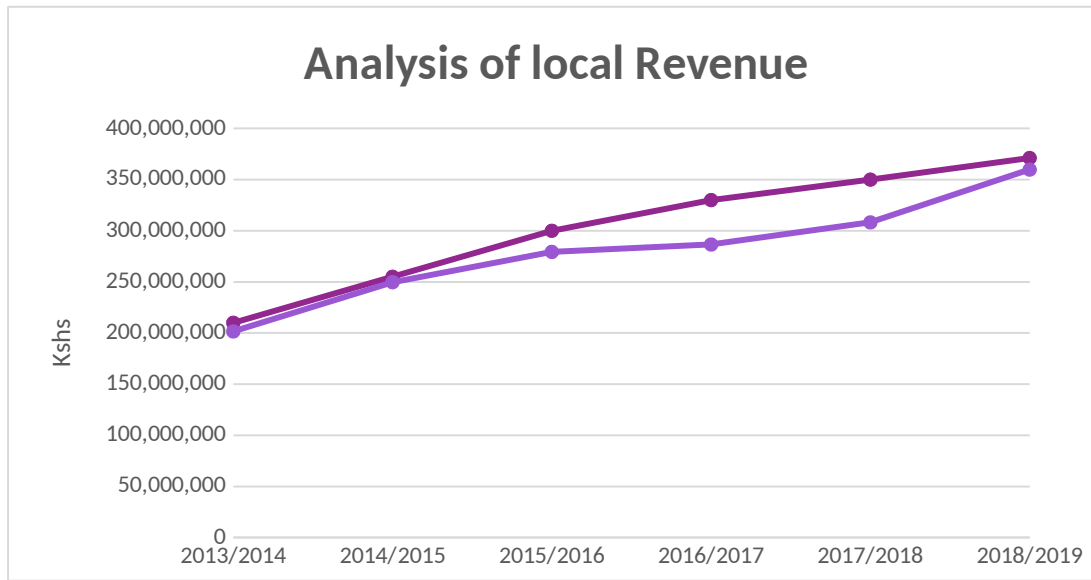
It is also noted that, at the time of closure of books of accounts, total County Revenue Fund Account had 1,636,398,065.25; local revenue account Kshs 29,374,781.68; County Assembly Kshs 137,991; Recurrent account Kshs 28,271.15; Development account Kshs 9,546,292.55; World bank funds Kshs 19,709,910.60; Danida Funds Kshs 12,519,872.85; Roads Maintenance Fuel Levy (RMLF) Kshs 194,773,070.60; Kenya Urban Support Programme Development Account - Kshs 32,900,942.20; Kenya Urban Support Programme Recurrent Account Kshs 41,200,000; SMART Agriculture Fund-Kshs 29,209,925; Agriculture Support Development Programme Kshs 7,543,234; and European Union Funds (IDEAS) Kshs 78,754,422.

4. The actual revenue received for the fiscal year was Kes 7.847 billion comprising of Kes 5.086 billion equitable share, Kes 779.748 million including a rollover of Kshs 74.85 from grants, 1.622 million from rollover projects and Kes 359.809 million from County own revenue.
5. Over the review period, actual expenditure amounted to Kshs 5.545 against Kes 5.542 billion during the same period of FY 2017/18. The increase in expenditure was as a result of increase of staff emoluments and increase in development expenditure. Of the total expenditure, Kes 4.394 billion was spent on recurrent, comprising of Personnel Emoluments of Kes 3.107 billion, Operations & Maintenance of Kes 1.286 billion and Kes 1.151 million on development representing overall absorption of 68 percent.

Performance of Revenue

6. Revised revenue projection for the county was Kes 8.125 billion comprising of Kes 5.806 billion equitable share, Kes 1.045 billion from grants, Kes 1.622 million rollover and own revenue of Kes 59.809 million. However, the actual revenue received was Kes 7.84 billion.
7. Locally collected revenue was Kes 359.809 million against a target of Kes 371.147 million during budget, an increase of Kes 51 Million from the previous fiscal year Kshs 308.177. As compared to the previous years, there has been gradual increase in own revenue from Kes 201.519 million, Kes 249.723 million and Kes 279.317 in FY 2013/14, FY 2014/15 FY ,FY 2015/16 , Kes 286.54 million for 2016/2017 and 308.177 in 2017/18 respectively. This improvement is attributed to adoption of policies geared towards revenue enhancement measures including automation of revenue system, strong internal control systems as well as setting up of good business working environment for trade through construction and upgrading of markets and sale yards, street lighting and cabro works in major towns among others.
8. Table below shows County Own Revenue Trends ; The total revenue reported in the FY 2018/19 was Kes 359.809 million against a target of Kshs 371.147 million.
9. Out of the targeted revenues, there is shortfall of Kes 11.3 million from local revenue. This shortfall will impact on project implementation of 2018/2019 plans and this should inform supplementary budget for 2019/2020 for consideration.
10. The shortage in local revenue collection during the 2018/19 fiscal year was attributed by a number of factors including: shortage of revenue enforcement officers which has compromised compliance and payment of revenue; Weak legal system, that is the County has week legal system to assist in prosecution of the law offenders and improve compliance in both revenue and other County Regulations; Inadequate financial allocation for opening up of quarry and sand cess roads; Lack of synergy from all departments towards revenue collection. Our Finance act categorizes clearly all the charges that should be charged at all levels per department. The department puts less effort towards embracement and implementation of revenue charges; Extreme weather Conditions, this lead to droughts and dead of animals therefore affecting auction markets;

Table1: Revenue Trends



Projected Local Revenue for the MTEF											
No	Sources	2013/ 2014	2014/ 2015	2015/ 2016	2016/2017		2017/2018		2018/2019		2019/2020
		Actuals	Actuals	Actuals	Approved Budget	Actuals	Approved Budget	Actuals	Approved Budget	Actuals	Approved Budget
1	Game Park Fees	69,456,838	54,429,063	44,298,390	67,820,432	62,320,050	74,356,033	71,917,050	89,181,762	84,704,490	94,532,668
2	Animal Stock Sale Fees	7,497,705	9,928,000	15,258,665	20,110,246	11,812,060	15,253,617	11,822,380	17,086,175	9,182,420	18,111,345
3	Produce & Other Cess	18,374,372	32,385,244	48,506,214	48,016,320	36,985,511	38,561,801	40,838,378	30,890,710	29,829,710	32,744,152
4	Single Business Permit	31,737,095	35,722,947	38,098,248	40,086,128	32,366,030	37,977,208	33,035,321	38,340,204	40,807,990	40,640,616
5	Plot Rent/Rates	15,127,880	17,317,051	16,744,873	21,780,288	12,916,819	29,203,758	11,096,369	20,941,013	14,326,886	22,197,473
6	Market Fees & Others	29,184,504	30,303,827	37,215,442	40,225,197	35,942,724	40,647,583	37,002,770	39,303,964	38,156,702	41,662,202
7	Koibatek ATC	-	7,404,056	2,893,400	3,996,043	2,282,212	2,700,000	1,784,760	5,041,641	1,273,249	5,344,139
8	Marigat AMS	-	4,159,189	3,930,042	7,197,410	934,745	2,400,000	287,582	3,873,505	544,036	4,105,915
9	Public Health	570,900	1,136,942	2,157,105	3,388,924	4,080,680	6,000,000	4,046,030	5,492,791	3,270,276	5,822,358
10	Veterinary	266,320	1,200,000	1,158,190	1,285,835	11,601,340	18,300,000	23,290,990	28,721,726	17,989,295	30,445,029
11	Hospital Revenue	29,303,991	55,737,110	69,475,982	76,093,177	75,304,695	84,600,000	73,056,001	92,273,955	119,724,914	97,810,392
	TOTAL	201,519,60	249,723,42	279,736,55	330,000,00	286,546,86	350,000,000	308,177,631	371,147,445	359,809,968	393,416,291

Projected Local Revenue for the MTEF											
		2013/ 2014	2014/ 2015	2015/ 2016	2016/2017		2017/2018		2018/2019		2019/2020
No	Sources	Actu als	Actua ls	Actua ls	Appr oved Budg et	Actua ls	Approv ed Budget	Actuals	Approv ed Budget	Actuals	Approved Budget
		5	9	1	0	6					

Expenditure performance per Sector

County Expenditures composed of the recurrent and development. Overall absorption rate was 68 percent

	3	5	8	6	41	1	
Environment, Natural Resources and Mining	35,824,465	34,006,688	56,494,627	43,608,316	92,319,092	77,615,004	84%
Total	4,528,481,688	4,394,107,934	3,596,545,770	1,151,217,629	8,125,027,458	5,545,325,563	68%

CBROP 2019

Summary of Other Key Achievement in the 2018/2019 FY

1. The department of environment and natural resources was able to achieve the following: implementation of the County sustainable charcoal production act fully enacted and passed, establishment of a tree nursery in Mochongoi with the assistance of the scouts, conservation of 22 springs and micro catchment areas, Geopark Mapping, Development of Lake Bogoria National Reserves Management Plans, Consultative public engagement meetings with the mining investors, Addressing conflicts emanating from mining investors and the communities and Issuance of access rights to mining investors seeking for prospecting and mining licences.
2. The department of Industry, Commerce, Enterprise and Cooperative Development has Constructed 11 fresh produce market benefiting 660 traders, 18 honey stalls, development of Two (2) Jua Kali sheds were constructed in Eldama Ravine Kabarnet. Approximately forty (40) enterprises are operating in the two industrial parks and employs close to 60 people, directly or indirectly, Provision of accessible and affordable loans to support Micro Small and Medium Enterprises amounting to Kshs. 38.64 million to 474 beneficiaries, financial support to Co-operatives cumulatively Kshs 21 Million disbursed.
3. Towards provision of clean and safe water for socio economic growth, the department of water and irrigation has continued constructing a number water infrastructure and Operationalization and Maintenance of Water Supplies, provision of water harvesting storage and floods control, Pan/Small Dam Construction and set to Purchase of drilling machine set.
4. Towards improvement, efficiency and effectiveness of service delivery the department of devolution, public service management, ict and e-government, 10 ward offices have been constructed, development of communication strategy and policy development, recruitment and employment of 418 interns and promotion of nurses, conducted civic education forums and training of champions from both public and county staff.
5. Agriculture, Livestock and fisheries development has increased area under coffee from 896 Ha to over 2,265 hectares, production per tree increased from an average of 3kg to 5kgs per year, Food security intervention at ATC - A new dining hall has been constructed, hostel rooms have been renovated, borehole drilled and completed, a water tank construction is ongoing, fencing has been completed, training of the farm tractor drivers has been done, coffee and pasture plots have been planted, a modern guest house construction is underway, Stocking of 20 more water dams with 60,000 tilapia fingerlings, Procured and distributed

35,833 -day old poultry chicks to farmers, ongoing Construction of 1 milk processing plant (50,000 litres/day) ongoing in Eldama ravine sub county (project phased), Procured and distributed 250 beehives and accessories to farmers in the whole county, Procured and distributed 2357kgs of pasture seeds to farmers, Purchased and distributed 25 in calf heifers to boost dairy production in Lembus ward, Procured 10 sahiwal bulls and established 10 bull schemes for cattle upgrading and implementation of ASDSP 2 and EU IDEAS LED projects in department budgets.

6. Under health service, delivery at community level expanded from 56 to 60 during the financial year, Health care financing: Received funds from the government amounting to 2,009,105,581; Grants from development partners amounting to Kshs. 51.866 million to the CHMT for Transforming Health Systems for Universal Health coverage and 19.872 million to lower facilities; Households, in the form of user fees KShs.66.7 million; and Health insurance amounting to KShs. 53.42 million, Medical products, vaccines and technologies: Drugs and non-pharmaceutical products were procured and delivered timely throughout the financial year. About KShs.166 million was spent on drugs and supplies, Human resource for health: 2 Specialist doctors, 4 medical officers and 200 Interns in various disciplines were recruited and deployed. There was no new employment of nurses, Health information systems: Electronic application (Toto Health) was developed to promote antenatal care and skilled delivery, Leadership, management and governance: All lower level facilities had nomination of health facility committees. All Hospitals had functional hospital management teams, and sub-counties had health management teams that were functional. All Hospital management boards were trained. Mogotio Sub County Hospital was gazetted and its maternity services started, Partnership for development: there were quarterly stakeholders forum meetings, in which development and implementing partners offer technical synergies to the sector. New implementing partners came on board, including CMLAP-2, Intra health and PSK.
7. The department of lands and urban development has been implementing County spatial plan, Survey of Towns/Trading centres, Establishment of GIS Lab, Preparation of Integrated Urban Development Plans, Renovation/repair of Market, Kabarnet financed by KUSP, Purchase of fire engine under procurement

8. Transport and infrastructure department has opened 525 km of rural access roads, 359 km of good and climate-proofed rural road network and plan to purchase 2 excavators.
9. Social Protection, Culture and Recreation department was able to Completion of phase one cultural centre, Participation in cultural exchange program through music and cultural festivals hence promotion of national integration and cohesion, Advocacy workshop on documentation of ICH and heritage sites and Organize and supports sporting activities

IV. Fiscal Responsibility Principles in the Public Finance Management Act

In line with the Constitution, the Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM law (Section 15) states that:

- 1) Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure
- 2) The County government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County government revenue as prescribed by the regulations.
- 3) Over the medium term, the County government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure
- 4) Public debt and obligations shall be maintained at a sustainable level as approved by county assembly/ County Government (CG).
- 5) Level of Debt--Not to exceed the level specified annually by resolution by county assembly.
- 6) Fiscal risks shall be managed prudently
- 7) A reasonable degree of predictability with respect to the level of rates and cess shall be maintained, taking into account any change in finance bill is made in the future

County Governments' Compliance with Fiscal Responsibility Principles

Allocation on Development Expenditure

In managing the County Government's finances, the Public Finance Management Act, 2012 Section 107(b) requires that over the medium term, a minimum of 30 percent of each County Government's budget shall be allocated to development expenditure. The county government complied with this legal requirement in their FY 2018/19 budget. The actual expenditure on development spending was 32 percent.

Allocation on Compensation of Employees

Regulation 25(1) (b) of the PFM (County Governments) Regulations, 2015, requires that the county government's expenditure on wages and benefits for its public officers should not exceed thirty-five (35) percent of the county government's total revenue. As per the review of FY 2018/2019 the County spent Kshs.3.107 representing 38 percent of the total expenditure for that period. In this regard, the wage bill remains a major challenge being faced by the county governments hence the need for concerted effort to find viable solutions to keep the wage bill within the legal threshold of 35 percent.

Other Challenges encountered by County Governments in Public Finance Management

a Pending Bills

The County Government expected to develop a repayment plan and prioritize the payment of these pending bills. The County had a pending recurrent bill of Kshs 13,138,245.05 and Kshs 26,080,231.48 as development.

b Use of IFMIS

The county has embraced E-procurement system through IFMIS but it is still a challenge to some government entities and also to some contractors, thus delays in service delivery and project implementation. Equally, the county has procured ICT revenue systems, which might not be serving all the entities well or as not covered all revenue sources and thus no value for money.

V. National Recent Economic Development and Outlook

Overview

The global economic growth slowed down to 3.6 percent in 2018 compared to 3.8 percent in 2017 owing to increased trade tensions and tariff hikes between China and United States, weakening of consumer and business confidence in the Euro area and tightening of financial conditions for emerging markets. These conditions are expected to ease as markets became more optimistic about trade tensions following the G20 Summit in June. Growth in Sub-Saharan Africa region remained strong at 3.1 percent in 2018 up from 2.9 percent in 2017.

Despite the global economic challenges, Kenya's economy continues to register strong economic performance. The economy expanded by 6.3 percent in 2018 up from a growth of 4.9 percent in 2017. This growth was supported by strong agricultural and manufacturing activities, vibrant service sector, stable macroeconomic environment, ongoing public infrastructural investments and sustained business confidence. The outlook for Kenya's economy is strong, projected at 6.0 percent in 2019. In the first quarter of 2019, the economy expanded by 5.6 percent compared to a growth of 6.5 percent in the same quarter of 2018 supported by strong growth in the service sector industries despite contraction in agricultural activities due to delayed rains.

The economy continues to register macroeconomic stability with low and stable interest rates and competitive exchange rate to support exports. The overall year on year inflation remained within target at 5.0 percent in August 2019 compared to 4.0 percent in August 2018.

The foreign exchange market remains stable supported by a narrower current account deficit. The current account deficit narrowed to 3.8 percent of GDP in June 2019, from 5.4 percent in June 2018, reflecting strong growth of agricultural exports particularly horticulture and coffee, resilient diaspora remittances, and improved tourism receipts. The international reserves accumulation stood at US\$ 9,656 million equivalent to 6.0 months of import cover.

B. Recent Developments

Real Sector Developments

The economy remains resilient and recorded a fairly stable growth of 5.6 percent in the first quarter of 2019 compared to a growth of 6.5 percent in the corresponding quarter of 2018. The growth was mostly supported by growth in the service sector industries such as wholesale and retail trade, transportation, accommodation and food services, financial and insurance activities.

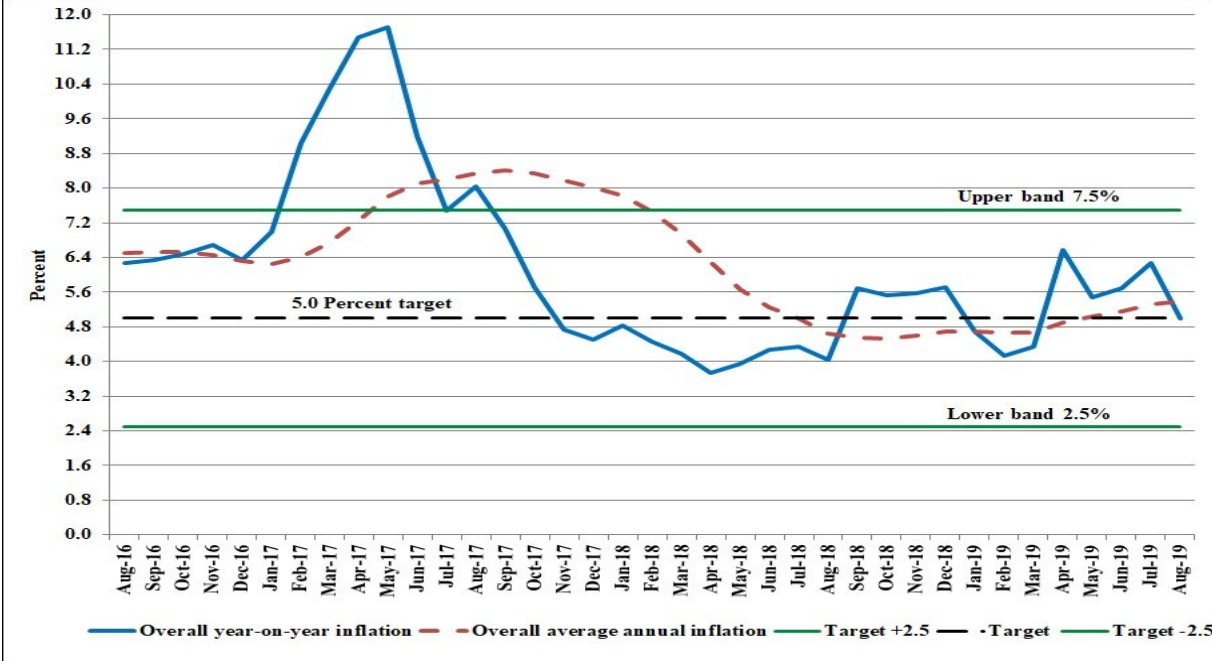
The quarter was characterized by slowdown in agricultural activities following delay in the onset of long rains, leading to reduced production of key food crops and livestock products such as coffee, sugarcane, carrots, potatoes, maize, cabbages and milk. The sector grew by 5.3 percent in the first quarter of 2019 down from a growth of 7.5 percent over the same period in 2018. Nevertheless, the sector’s performance was supported by growth of tea and horticultural production.

The contribution of Agricultural sector to the overall GDP growth was at 1.4 percentage points in the first quarter of 2019, a drop from 2.0 percentage points in the same quarter of 2018.

Inflation Rate

Year-on-year overall inflation remained within the government target range at 5.0 percent in August 2019 up from 4.0 percent in August 2018. This increase reflected higher prices of key food items such as carrots, potatoes, sifted maize flour, cabbages, and fresh packed milk, due to delayed long rain. Electricity cost, kerosene price and house rent also increased during the same period.

Inflation Rate



Source of Data: Kenya National Bureau of Statistics

Core inflation (Non-Food-Non-Fuel) has remained below 5 percent in the period under review reflecting muted demand pressures in the economy arising from prudent monetary policies. Fuel inflation rose gradually beginning August 2018 on account on

the ban of charcoal and imposition of Value Added tax on petroleum products. The effect of these measures on fuel inflation coupled with declining oil prices has led to a decline in fuel inflation.

The delay in the onset of rains resulted in lower agricultural activities and rising food inflation from March 2018. However, food inflation declined from 7.9 percent in July 2019 to 6.7 percent in August 2019 reflecting declining prices of key food items such as Sukuma wiki, Irish potatoes, Cabbages, Carrots and Tomatoes (**Chart 3b**).

Risks to the Economic Outlook

a The County will continue to be exposed to risks arising from public expenditure pressures, particularly wage related recurrent expenditures and the erratic weather-related shocks that could impact on agricultural output, until the mitigating measures of food security under “The Big Four” Plan are put in place.

b The County Government is continually monitoring these risks and taking appropriate monetary and fiscal policy measures to address resilience and address food security.

C The county has also put in place measures to address revenue shortfalls, by investing on revenues sources ie. Investing on revenue roads, valuation roll, and ICT systems on revenue collection.

VI. RESOURCE ALLOCATION FRAMEWORK

A. Adjustments to the FY 2019/20 Budget

The Medium-Term Fiscal Framework (MTFF) for the FY 2019/20 emphasizes on efficiency and effectiveness of public spending and improving revenue collection to ensure the budget is sustainable while at the same time supporting development and continued fiscal discipline.

The passing of division of revenue bill 2019 by the National Assembly has contributed little change to our fiscal framework, the County shall get a paltry increment of Kshs 9 million ie from Kshs 5.086 billion that we had budgeted earlier to Kshs 5.095. This calls for tightening of spending and implementing austerity measures in travels, cut spending on newspapers, foreign travels, and restriction on use of government vehicles among others.

The 2019/2020 budget had anticipated higher increment from Equitable Share we had earlier under budgeted the following non-discretionary items; medical drugs Kshs 105 million instead of Kshs 150 million; Staff medical insurance cover Kshs 38million instead of Kshs 85 million and salaries to the newly recruited intern Kshs 40 million instead of Kshs 66 million. Overall operations and maintenance is exerted great pressure and requires a Solomonic wisdom in fiscal discipline.

The underperformance in both revenue collection and expenditure in the FY 2018/19 has implications on the financial objectives outlined in the 2019 Budget Policy Statement and the 2019/20 Budget. In particular, the baseline for projecting both the revenue and expenditures for the FY 2019/20 and the medium term has changed given the outcome of FY 2018/19.

In light of these challenges, the County Government has put more emphasis on collection of local revenue, by investing on ICT technology, recruiting more revenue office and revenue inspectors and investing on revenue enablers ie. Roads and investing on lands department to actualize valuation roll and plan centres and other urban areas as avenues to raise revenue.

Revenue Projections for FY 2019/20 have been revised and maintained as the previous year 2018/19 taking into account the amendments to the Finance Bill 2019 by the National Assembly.

Expenditure projections for FY 2019/20 shall be revised to accommodate non-discretionary items in the budget and support with austerity measures and reduce expenditure in less productive areas of spending in the County Government.

B. Medium Term Fiscal Projections

The health facilities through Facility Improvement Fund revenues indicates an improvement in revenue generation as at the end of the financial year 2018/19, compared to the collection for financial year 2017/2018. The fund covers Kabarnet County Referral hospital, Eldama Ravine Hospital, Marigat Hospital, Kabartonjo Hospital, Chemolingot Hospital and Mogotio hospital which started its operation and the generation of revenue effective February, 2019.

Challenges

There were some challenges which affected revenue collection namely;

1. Prolong outbreak of livestock disease leading to closure of stock sale markets and slaughter slab especially Marigat, Eming, Barwessa, Kinyach, Eming, Goldox slaughter slab in Mogotio among others.
2. Transportation issues in sub-counties. The issue of sharing of revenue vehicle with administration has led to some revenue points not being attended to especially in Tiaty Sub-County.
3. Staff welfare. The all period of the quarter under review, no motivation and training of staff including release of AIE for revenue mobilization to sub-counties. Some of the claimed amounts were released after the closure of the financial year.
4. Introducing of weighbridges within the county has affected the transportation of building stones and sand thus affecting revenue collections.
5. The prolonged moratorium on logging in public, community forest and charcoal burning has led to no collection in forest products.
6. Less numbers of Revenue Enforcement Officers. The county is in a high short fall of revenue enforcement officers. This has led to compromise in law compliance and payment of revenue.
7. Weak legal system. Currently, the County has weak legal system to assist in prosecution of the law offenders and improve compliance in both revenue and other County Regulations.
8. Lack of investment ideas and priorities towards revenue generating activities. Currently, the county has no plan to invest in revenue generating activities like modern designs of stall in our major markets, opening and maintaining of roads for example to Kerio River for sand collection and in return is revenue.

9. Severe spell of drought in most parts of the County that has led to more supply of relief food and other necessities thus affecting the trade of livestock markets, drop of prices and migration of livestock in search of pasture and water.
10. Mistrust for electronic revenue collection and management system by the County top management thus affecting the continuous process of reengineering and redesigning for better controls and moving towards the cashless process of revenue collection.
11. The negative publicity of Baringo County Government by the media via the zero-development agenda.

To mobilize revenues and cushion against further revenue shortfalls, the County Government has put in place measures aimed at strengthening revenue administration and compliance. These, among others include:

- a. Staff motivation via whole sale trainings and issuance of certificates of participation for all revenue and enforcement staff.
- b. The plan to fully roll out the cash less revenue payment system. Currently implemented in Baringo County Referral hospital, Eldama ravine hospital and Lake Bogoria entrance gate. The department has operationalized the use of pay bills numbers in all the revenue points. This has reduced the chances of use of revenues at sources and promote immediate banking.
- c. The foreseen increase of numbers of revenue enforcement and compliance team sourced from the current parking staff, interns and other direct payment points due to the roll of cash less revenue system.
- d. The revenue mapping process that will inform on the allocation of resources for investment in revenue generating activities which is not limited to opening maintenance of roads leading to revenue points.
- e. The process of finalizing on the new draft valuation roll awaiting validation and approval among others.
- f. Providing of a stand by vehicle for revenue monitoring and reinforcement purposes specially to support in revenue monitoring.
- g. The department plan to maintenance and open up of more quarry and sand cess roads.
- h. Prompt payment of AIE for revenue mobilization to boost staff motivation to run and collect all the collectable revenue.
- i. Construction of access roads to quarries / sand harvesting areas and around lake Baringo.
- j. Construction of public beach at lake Baringo to increase tourism revenue.
- k. Validation of valuation roll and holding countywide land clinics to generate more revenue through land transactions.

Given the expenditure and revenue enhancement measures the County Government has put in place mechanism to enhance prudent public spending. Particular emphasis will be placed on:

- ❖ Increasing efficiency, effectiveness and accountability of public spending;
- ❖ Containing the growth of recurrent expenditure in favour of capital investment; and

- ❖ Ensuring capital expenditures are thoroughly scrutinized and aligned with the governor’s manifesto, “the Big Four” Plan, the Third MTP and strategic policy interventions by the County Government.

C. FY 2020/21 Budget Framework

The FY 2020/21 budget framework builds up on raising of more revenue through investment on key revenue streams, in order to contain growth of recurrent expenditure. Other policy measures that the County Government has been implementing include adoption of the zero-based budgeting process, adoption of technology in revenue collection, review and reducing spending on the number of programmes and projects, and giving high priority on flagship projects.

The departments are also required to adopt the culture of doing more with less that is available with a view to promote sustainability and affordability.

Revenue Projections: The County Revenue projections is always ballooned by rollover funds that are ploughed back every year because of poor completion rate of project implementation. In FY 2019/20 budgeted rollover is Kshs 2.423 billion up from Kshs 1.622 billion in the previous year 2018/19. Going forward its assumed that the departments will be able to put in place mechanisms to increase their absorption rate and offer value for money to the citizens.

Grants has been a key contributor to the County’s budget and it plays a key role in cushioning the budget against fiscal pressures ie recurrent expenditure- operations and maintenance and personnel emoluments.

In the FY 2018/19 the total grants received was Kshs 779.748 million and the amount expected in FY 2019/20 is Kshs 778.022, and to reduce to Kshs 616.817 million in FY 2020/21 and further reduction to Kshs 562.809 million in FY 2021/22.

Equitable share has been key financing component of the County’s budget contributing over ninety percent of the total revenue over the years. In FY 2018/19, Equitable share contributed Ksh 5.086 billion and expected to remain the same in FY 2019/20 due to the recent passing of the Division of Revenue Bill by the National Assembly. It is projected to grow to Kshs 5.341 in FY 2020/21 and further rise to Kshs 5.608 in FY 2021/22.

	Revenue	2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2019/2020	2020/2021	2021/2022
		Actual	Budget	Actual	Budget	Approved Budget	Actual	Approved Budget	Actual	Approved Budget	Actual	Approved Budget	Actual	Approved Budget	Projection	
1	Roll Over Funding	137,000	137,000	784,161	784,161	886,341	886,341	943,507	943,507	943,308	943,308	1,622,061	1,622,061	2,423,282	-	
2	Grants	26,660	432,550	97,463	97,463	274,058	137,845	446,492	359,521	683,078	499,931	1,045,018	779,748	778,022	616,817	562,809
3	Equitable Share	2,950	3,247	3,874	3,874	4,405	4,440	4,714	4,791	4,791	4,983	5,086,800	5,086,800	5,086,800	5,341,140	5,608,197

	e	,46	,84	,81	,81	6	,02	0	,19	0	,00					
4	Local Revenue	201,519,605	210,000,00	249,3429	255,8000	300,000	279,3100	330,000	286,5466	350,000	308,1730	371,147,448	359,321,520	393,416,291	417,021,269	442,042,545
	Total Revenues	3,316,115,186	4,027,493,342	5,006,264,865	5,012,341,436	5,900,975,981	5,744,081,603	6,511,437,735	6,380,987,756	6,959,386,301	6,733,965,066	8,125,027,458	7,847,931,678	8,681,521,003	6,374,979,061	6,613,049,122

Local Revenue Projections: In the FY 2020/21 revenue collection is projected to increase to Ksh 417.021 million up from Ksh 393 million in the FY 2019/20. This revenue performance will be underpinned by on-going investments on revenue sources, revenue administration and change in policy.

Projected Revenue Targets for Financial 2018/2019 TO 2022/2023
Revenues Sources Analysis

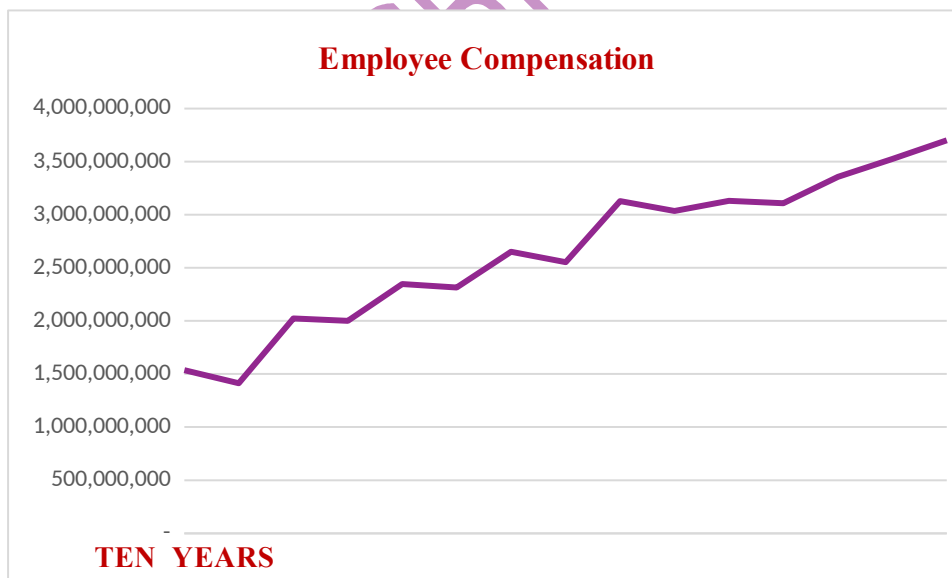
No	Sources	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
1	Game Park Fees	89,181,762	91,791,142	100,015,651	106,016,591	112,377,586
2	Animal Stock Sale Fees	17,086,175	11,094,259	11,759,914	12,465,509	13,213,440
3	Produce & Other Cess	30,890,710	31,713,261	34,101,240	36,121,944	38,925,261
4	Single Business Permit	38,340,204	42,602,276	42,997,810	45,543,049	47,639,633
5	Plot Rent/ Rates	20,941,013	17,176,532	18,207,124	19,299,552	20,457,525
6	Market Fees & Others	39,303,964	41,622,898	43,078,649	45,723,368	48,466,770
7	Public Health Licences	5,492,791	4,188,017	4,439,298	4,705,656	4,987,995
8	Vetirinary	28,721,726	19,068,652	20,212,771	21,425,537	22,711,069
9	Koibatek ATC	5,041,641	2,339,098	2,479,444	2,628,210	2,785,903
10	Marigat AMS	3,873,505	1,102,042	1,168,164	1,238,254	1,312,549
11	Hospital Revenue	92,273,955	130,718,118	138,561,205	146,874,878	155,687,370
	TOTAL	371,147,445	393,416,295	417,021,272	442,042,549	468,565,103

Expenditure Projections: The County Government is pursuing a fiscal consolidation policy which is aimed at maintaining expenditures within the budget. Taking this into account, the overall expenditure for FY 2020/21 are projected at Ksh6,784,470,541 billion down from Ksh 8,681,521,002billion in the FY 2019/20. These expenditures comprise among others, recurrent of Ksh 4.394 and development of Ksh 4.298billion.

Department	2013/14		Budget 2014/2015		2015 /16		App	Actu	App	Actu	App	Actu	App	2020	2021
							rove	al	rove	al	rove	al	rove	/202	/202
							d		d		d		d	1	2
							Bud		Bud		Bud		Bud		
							get		get		get		get		
							/201		/201		/201		/202		
							7		8		9		0		
Total Recurrent Expenditure	2,444,694,475	2,740,117,073	2,897,739,375	2,960,575,575	3,540,082,146	3,527,555,700	3,901,725,241	3,787,971,395	4,245,680,605	4,227,209,517	4,528,481,686	4,394,107,935	4,382,995,505	4,733,731,612	4,952,121,957
Employee Compensation	1,535,627	1,414,085	2,022,278	2,004,426	2,345,933	2,313,842	2,651,570	2,552,785	3,127,980	3,035,253	3,129,183	3,109,183	3,355,673	3,523,457	3,699,632

Operation and Maintenance	908,620,187	1,326,025,302	875,466,377	960,151,439	1,194,145,914	1,213,703,758	1,250,149,675	1,235,182,972	1,117,705,581	1,194,953,104	1,399,298,873	1,286,732,833	1,027,323,642	1,210,272,155	1,252,489,528
Total Development	366,484,041	1,193,708,731	1,115,663,103	1,267,599,532	1,474,552,450	1,317,631,701	1,707,408,997	1,499,734,417	2,713,700,251	991,121,664	3,596,577,099	1,151,217,629	4,298,521,687	2,050,739,929	2,122,273,922
Development expenditure	366,484,041	1,193,708,731	1,115,663,103	1,267,599,532	1,474,552,450	1,317,631,701	1,707,408,997	1,499,734,417	2,713,700,251	991,121,664	3,596,577,099	1,151,217,629	4,298,521,687	2,050,739,929	2,122,273,922
Total Expenditure	2,810,985	3,933,818	4,013,408	4,228,177	5,014,636	4,837,911	5,609,132	5,289,131	6,959,381	5,218,331	8,125,026	5,545,324	8,681,522	6,784,471	7,074,399
Project Net Deficit/Surplus	-	-	-	-	-	-	0	0	0	0	0	0	0	0	0
Development rate of change	13%	30%	28%	30%	29%	27%	30%	28%	39%	19%	44%	21%	50%	30%	30%
Employee Compensation Rate	55%	36%	50%	47%	47%	48%	47%	48%	45%	58%	39%	56%	39%	52%	52%
Operation and Maintenance rate	32%	34%	22%	23%	24%	25%	22%	23%	16%	23%	17%	23%	12%	18%	18%
TOTAL RATE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

The wages and salaries are expected to continually increase in real terms ie Kshs 3.107 billion in FY 2018/19 to Kshs 3.355 billion in FY 2019/20, and Ksh 3.523 billion in FY 2020 /21 and Kshs 3.699 billion in FY 2021/22. Though the investment on revenue generating ventures and an increment of the other revenues ie equitable share will reduce the percentage wage to the overall budget.



D. Medium-Term Expenditure Framework

The County Government will continue with its policy of expenditure prioritization with a view to achieving the transformative development agenda which is anchored on provision of core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies, and improving the general welfare of the people. Realization of these objectives will have implications in the budget ceilings to be provided in this Budget Review and Outlook Paper. The following criteria will serve as a guide for allocating resources:

- a) Completion of the ongoing projects
- b) Prioritization of the Flagship projects
- c) Linkage of Programmes to the ‘Big Four’ Plan either as drivers or enablers;
- d) Linkage of the programme with the objectives of CIDP, CADP and Third Medium-Term Plan of Vision 2030;
- e) Degree to which a programme addresses poverty reduction;
- f) Degree to which the programme is addressing the core mandate of the Department;
- g) Expected outputs and outcomes from a programme; and
- h) Cost effectiveness and sustainability of the programme.

In FY 2018/19, the National Government initiated the implementation of the “Big Four” Agenda and the County Government has supported by allocating resources to implement the programmes both for drivers and enablers. Going forward, resources will be prioritized towards the achievement of the following “Big Four” interventions;

- a) Enhancing Food and Nutrition Security through investment on agriculture, livestock development and fisheries development;
- b) Providing Universal Health Coverage and Guaranteeing Quality and Affordable Healthcare to our citizens. This is done through investing on improving sub county hospitals
- c) Supporting value addition by investing on tannery, Aloe Vera, coffee processing and cotton production.

VII. RECOMMENDATION AND CONCLUSIONS

The PFMA, 2012 stipulates that a county treasury to prepare a fiscal framework for the next financial year which lays ground for preparing the budget estimates as well as prioritization of resource allocation. In this regard, the 2020/21-2022/23 MTEF presented in this CBROP is developed while taking into consideration key County Government’s priority policies outlined in the County Integrated Development Plan (CIDP), Sector plans, Annual Development Plan and Third Medium Term Plan towards realization of Vision 2030.

Therefore, SWGs should carefully consider detailed costing of programmes/projects in addressing county strategic objectives. The sector ceilings annexed herewith will guide the Sector Working Group (SWGs) in rolling out preparation of 2020/21 budget. It is critical to note that SWGs and respective department as well as involvement of key stakeholders in prioritizing and allocating resources based on prioritized programs earmarked for 2020/21 but within the CBROP projections.

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

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

CBROP 2019

ANNEX; EPENDITURE PER DEPARTMENT- ECONOMIC CLASSIFICATION

Baringo County Government																	
Baringo County Government Budget Summary Fy 2017/2018																	
Department	Employee Compensation			Operation & Maintenance			Total Recurrent				DEVELOPMENT				TOTAL		(%)
	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%	%	Budget	Actual	%	%	Budget	Actual	
County Assembly	371,462,226	351,366,862	95	290,781,435	283,581,225	98	662,243,661	634,948,086	95.9	14.4	19,504,016	5,574,722	29	0.5	681,747,677	640,522,808	94
Governor/ County Executive Services	216,516,277	215,983,262	100	293,583,900	270,510,763	92	510,100,179	486,494,026	95.4	11.1	33,427,815	10,476,506	31	0.9	543,527,994	496,970,532	91.4
County Treasury Services	162,803,689	162,478,931	100	150,047,756	148,380,872	99	312,851,445	310,859,803	99.4	7.1	21,159,609	10,552,764	50	0.9	334,011,054	321,412,567	96.2
Transport and Infrastructure	48,423,706	48,423,386	100	16,100,000	13,161,108	82	64,523,706	61,584,493	95	1.4	883,783,560	346,636,951	39	30.1	948,307,266	408,221,444	43.0
Industrialization, Commerce and Cooperative	63,457,982	63,384,277	100	12,245,676	9,311,186	76	75,703,658	72,695,463	96	1.7	20,369,802	16,976,766	83	1.5	96,073,460	89,672,229	93.3
Education, Youth, Culture, Sports and	281,719,212	281,714,573	100	91,969,333	90,718,664	99	373,688,545	372,433,237	99.7	8.5	389,002,756	179,326,90	46	15.6	762,691,301	551,760,140	72.3

Social Services												3					
Health	1,596,946,172	1,596,946,170	100	407,159,409	384,501,178	94	2,004,105,581	1,981,447,348	98.9	45.1	735,552,046	133,701,931	18	11.6	2,739,657,627	2,115,149,279	77.2
Lands, Housing & Urban Development	61,986,238	61,894,565	100	58,515,700	14,281,838	24	120,501,938	76,176,403	63.2	1.7	191,450,216	80,444,579	42	7.0	311,952,154	156,620,982	50.2
Agriculture, Livestock, Fisheries & Marketing	227,398,230	227,380,958	100	20,488,664	15,031,067	73	247,886,894	242,412,025	97.8	5.5	446,014,088	98,819,074	22	8.6	693,900,982	341,231,099	49.2
Water and Irrigation	71,991,616	71,991,256	100	49,060,000	49,059,106	100	121,051,616	121,050,362	100.0	2.8	799,787,235	225,099,116	28	19.6	920,838,851	346,149,478	37.6
Environment & Natural Resources	26,477,465	25,810,862	97	9,347,000	8,195,826	86	35,824,465	34,006,688	94.9	0.8	56,494,627	43,608,315	77	3.8	92,319,092	77,615,003	84.1
Grand Total	3,129,182,815	3,107,375,102	99	1,399,298,873	1,286,732,833	92	4,528,481,688	4,394,107,934	97.0	100.0	3,596,545,770	1,151,217,629	32	10.0	8,125,027,458	5,545,325,563	68.2