

COUNTY GOVERNMENT OF GARISSA



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GARISSA

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GARISSA COUNTY FISCAL STRATEGY PAPER

ACHIEVING EQUITABLE AND SUSTAINABLE
ECONOMIC DEVELOPMENT FOR THE RESIDENTS OF
GARISSA COUNTY

DECEMBER 2016

1. Table of Contents		
2.	Forward	
3.	Acknowledgement	
4.	List of Acronyms and Abbreviations	
5.	Legal Basis for County Fiscal Strategy Paper	
6.	County Government Fiscal Responsibility Principles	
7.	Executive Summary	
8.	Chapter one: Achieving Equitable and Sustainable Economic Development	
	1.1 Introduction	9
	1.2 Process Overview	9
	1.3 Outline of the CFSP	10
9.	Chapter Two: Recent Economic & Fiscal Developments	
	1.4 National Economic and Fiscal Development Overview	11
	1.5 County Economic and Fiscal Development Overview	11
10.	Chapter Three: Forward Economic and Fiscal Outlook	
	1.6 National Economic and Fiscal Outlook	12
	1.7 County Economic and Fiscal Outlook	12
11.	Chapter Four: Priorities and Interventions	
	1.8 Overview	13
	1.9 Priority 1: Improving access to Water and Sanitation	13
	Priority 2: Provision of accessible and quality Health Care Services	13
	Priority 3: Investing in Agricultural Transformation and Food Security	13
	Priority 4: Investment in transport and infrastructure development	14
	Priority 5: Creating a Conducive Business Environment for Employment	14
12.	Chapter Five :Fiscal Policy and Budget Framework	
	<i>Budget Framework for 2017/18</i>	16
	Revenues	17
	Expenditure	17
	Recurrent Expenditure	17
	Development Expenditure ¹⁷	
	Garissa County Government Fiscal Projections 2017/18-2019/20 (Ksh)	18
	Risks to the 2017/2018 Budget Framework	18
13.	Chapter Six: Medium-Term Expenditure Framework	
	6.1 Overview	19
	6.2 Over view of FY 2016/2017 Half year	19
	6.2.1 Revenue Analysis	19
	6.3 Medium Term Expenditure Framework.	19
	6.3.1 Resource Envelope	19
	6.3.1 Spending Priorities for the 2017/18 Medium Term Budget	19
	6.3.2 Overall, the MTEF budgeting basically focus on the following:	19
	6.4 Medium-Term Expenditure Estimates Baseline Ceilings	19
	6.4 .1 Details of Sector Priorities	20
	Agriculture, Irrigation Services and Fisheries	20
	Roads, Public works, Lands, Housing and Physical Planning	20
	Environment, Energy, Natural Resources, Wild life management and Tourism	20
	Health and Sanitation	21
	Education, Public services, Labor relations and Information	21
	Women affairs, Culture, Social Services and Libraries	22
	Finance, Revenue, Economic Planning	22
	Youth, Sports, Trade, Investment, Enterprise development and Co-operatives	22
	Livestock and Pastoral Economy	22
	County Assembly	23

	Executive Services	23
	Urban services	23
14.	Chapter Seven: Conclusions -----	
15.	ANNEXE -----	
	Annex 1: 2017/18 MTEF Budget Calendar	32

2. Forward

I am pleased to present the County Government of Garissa fourth cycle of CFSP for 2017. This CFSP has been prepared by the treasury team. The process of developing this CFSP has involved considerable effort, analysis and honest introspection to identify the factors that have been impeding performance, and more importantly, to chart out a path for transforming Garissa County into an economic block in the Northern Kenya region. The county is geared to change from its current status to an economic hub that demonstrates excellence in promoting improved access to service, resources and opportunities for every resident.

In this CFSP, we plan to reorganize and expand our revenue collection framework and engagement strategies with the other stakeholders and develop targets for every sector. The plan to automate revenue collection needs to be fast-tracked in order to ensure that the initiatives set out in this CFSP are translated into action.

In this County Fiscal Strategy Paper, therefore, we review the progress we have made in the broad priority areas spelt out in the 2016 County Fiscal Strategy Paper. In addition, we re-emphasize the economic transformative policy adopted in 2016 as a basis to decisively deal with the concerns of county’s citizens.

The six main broad areas as aligned with the Budget Policy Statement are;

- (i) Provision of accessible and quality health services;
- (ii) Improving access to Water and Sanitation;
- (iii) Investing in agricultural transformation and food security;
- (iv) Investment in transport and infrastructure development;
- (v) Creating a conducive business environment

I would like to once again give credit to our Budget and planning team for leading the planning, preparation process and overall coordination of this exercise. Indeed, there’s renewed energy to recognize the need for internal transformation within the county government to enhance efficiency, effectiveness and oversight of all the recurrent and development budgetary programs in order to deliver improved services across the county through collaboration and partnerships. I would like to invite all stakeholders to support us in any form since from the CFSP, the task ahead is enormous but we are determined to demonstrate real transformation to ensure maximum efficiency in service delivery and value for money in all our

undertakings. I take this earliest opportunity to appreciate any support towards realizing this CFSP in the form of resources, technical assistance, partnership or recommendations for alternative service delivery mechanisms.

Abdullahi Hussein
Ag. County Executive
Finance, Economic Planning, Revenue & County Affairs
GARISSA

3. Acknowledgement

This Fiscal Strategy Paper, the fourth since the operationalization of the County Governments, sets out county policy goals and strategic priorities that will be the basis for formulation of County's Financial Year 2017/18 budget and the Medium Term. The Paper is prepared in accordance with the Public Finance Management Act, 2012.

This CFSP is the culmination of a detailed process by our Budget and planning team with input gathered over time from various engagements and stakeholders. Every time, we engage in the process of preparing this CFSP at the Department, it is always in itself an eye opener for all of us and results in marked change in the way we operate. As a dynamic team, the entire process enabled us to obtain clarity on our roles and responsibilities in the County Government of Garissa.

The Department of Finance and Economic Planning as a vibrant entity of the County Government of Garissa is determined than ever to address any emerging challenges in the course of delivering on its mandate. In this regard, we have identified a number of Key Priority Areas (KPAs) where our resources and efforts will be focused this year. We have resolved that the specific key outputs will be delivered based on these KPAs and it is against these outputs that the overall performance of each sector in the county government of Garissa will be measured.

I take this opportunity to invite all the stake holders to support us in the overall implementation of the planned key priorities therein. I urge all our dear Development partners (Local and International) and the private sector to partner and cooperate with us in all aspects necessary to bridge the gap towards enhanced development of the county.

Let me conclude and reiterate that it may not be possible to mention all those individuals and organizations that contributed to the final product of this CFSP. I wish to salute all our sector heads, County Executive and residents of Garissa County who shared their views in the Public Participation Forums for their tireless efforts during the entire development process of the CFSP

Bashir H. Hussein
Chief Officer
Finance & Economic Planning
GARISSA COUNTY

4. List of Acronyms and Abbreviations

BPS	Budget Policy Statement
CA	County Assembly
CBK	Central Bank of Kenya
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CG	County Government
FY	Financial year
KNBS	Kenya National Bureau of Statistics
NGOs	Non-Governmental Organizations
PFMA	Public Financial Management Act
TA	Transition Authority

5. Legal Basis for County Fiscal Strategy Paper

The Fiscal Strategy Paper is published in accordance with section 117 of the Public Finance Management Act, 2012. The PFM Act requires that the County Treasury to prepare the CFSP. The Act states among others that a County Treasury:

- 1) Shall prepare and submit to 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 28th February of each year.
- 2) Shall align its County Fiscal Strategy Paper with the National objectives in the Budget Policy Statement.
- 3) The County Fiscal Strategy Paper 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) Shall include in its Fiscal Strategy Paper, the Financial Borrowing for the financial year and over the Medium Term.
- 5) In preparing the Fiscal Strategy Paper, shall seek and take into account views of :
 - i. The Commission on Revenue Allocation
 - ii. The Public
 - iii. Any interested persons or groups: and
 - iv. 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 in finalizing the budget proposal for the financial year concerned.
- 8) The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly.

6. County Government Fiscal Responsibility Principles

In order to ensure prudent and transparent management of resources, the County Treasury shall be guided by the following fiscal responsibility principles as spelt out in Section 107 of the Public Finance Management (PFM) Act, 2012:

- I. The county government's recurrent expenditure shall not exceed the county government's total revenue;
- II. Over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
- III. 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;
- IV. Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- V. The county debt shall be maintained at a sustainable level as approved by county assembly;
- VI. The fiscal risks shall be managed prudently; and
- VII. 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.

7. Executive Summary

This fourth cycle of the CFSP is in line with several dynamisms in building upon the National Budget Policy Statement (BPS) for the FY 2017/18 which re-emphasizes the transformative economic agenda and structural reforms that have so far been implemented by the Jubilee Administration over the last three years. This Economic Transformation Agenda includes:

- (i) Creating a conducive business environment for job creation;
- (ii) Investing in sectoral transformation to ensure broad based and sustainable economic growth, and in particular agricultural transformation to ensure food security;
- (iii) Investing in infrastructure in areas such as transport, logistics, energy and water;
- (iv) Investing in quality and accessible health care services and quality education as well as strengthening the social safety net to reduce the burden on the households and promote shared and equitable growth; and
- (v) Further consolidate gains made in devolution in order to provide better service delivery and enhanced economic development.

While building on the recent positive developments in Kenya, the CFSP recognizes that County Governments operate in an environment dictated by external and internal socio-economic, legal and political factors, which directly and indirectly impact on its operations. Overall achievement of this CFSP will largely depend on how the County Treasury competitively builds on its strengths, exploits the existing opportunities, minimizes weaknesses and manages threats. In this regard, the County Treasury will require a lot of effort from both internal and external stakeholders coupled with proper planning, monitoring and evaluation, change management, effective mobilization and utilization of resources, adequate and speedy use of information and communications technology. The county Treasury shall draw lessons from the national treasury in sustaining implementation of her programs by creating strong resilience to result in strong economic growth while maintaining macroeconomic stability in the wake of global economic slowdown.

This CFSP provides a systematic framework on which to anchor the Programs of the County Government of Garissa during the period FY 2017/18. The drafters of the CFSP take cognizance that Kenya's economy grew by 6.2 percent in the second quarter of 2016 from 5.9 percent in first quarter supported by strong expansion in agriculture; forestry and fishing; mining and quarrying; transport and storage; electricity and water supply; wholesale and retail trade; accommodation and restaurant and information and communication. Garissa County has noted considerable growth an indication that it remains strong and is projected to pick up in 2017 and the medium term. The economic growth outlook of the county is underpinned by continued good performance across all sectors of the economy; investment in security and continued infrastructure development and enhanced public participation. Therefore, in this CFSP, we aim to address the outstanding challenges that continue to present a dark cloud above the growth and development of Garissa County; an Oasis in the desert.

8. Chapter one: Achieving Equitable and Sustainable Economic Development

Introduction

The Fiscal Strategy Paper identifies the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for Financial Year 2017/2018 and the Medium Term.

This paper being the fourth to be prepared by the County Treasury outlines priorities that shall form the basis for formulation FY 2017/18 budget and the Medium Term. The fiscal framework ensures adherence to principles of public finance and fiscal responsibility principles as set out in the Constitution and the Public Finance Management Act 2012 respectively. Specifically, the development to recurrent expenditures has been maintained within the required ratios of 30:70. Further the expenditures are fully funded from the allocation from the National Government and county own revenue. In achieving county goals, prudence in use of public resources will be exercised. The paper covers the following broad areas; review of the fiscal performance of financial year 2016/2017; highlights of the recent economic developments and the economic outlook; broad strategic priorities and policies for the Medium Term and the Medium Term Fiscal Framework. The CFSP reaffirms and builds upon the broad policies and strategies that the County Government of Garissa set off to achieve in the previous County Fiscal Strategy Paper.

The priorities outlined in the Paper are in line with the priorities set out in the Budget Policy Statement, namely:

- i. Creating conducive business environment
- ii. Investing in Agricultural transformation and food security
- iii. Scaling up investment in key infrastructural sectors, and
- iv. Investing in quality and accessible health care and education

In order to achieve the set objectives, the county will employ greater transparency, effectiveness; efficiency and economy in management of public resources in order to ensure fiscal discipline. The following Five Key Priority Areas (KPAs) have been addressed:

- i. Improving access to Water and Sanitation;
- ii. Provision of accessible and quality health Care services;
- iii. Investing in agricultural transformation and food security;
- iv. Investment in transport and infrastructure development; and
- v. Creating a conducive business environment.

This County Fiscal Strategy Paper articulates priority economic policies and structural reforms as well as sector-specific expenditure programs to be implemented under the Medium Term Expenditure Framework for FY 2017/18 and 2018/2019 in order to achieve the County Government's development goals. This County Fiscal Strategy Paper, therefore, reiterates the Government's priority programs and structural reform measures to be implemented in the Medium Term Expenditure Framework for 2017/18 – 2018/19. The broad key strategic priorities identified for implementation in the medium term are in line with the focus areas of the Medium Term Plan which include: employment creation, expansion and improvement in quality education, health and other social services, use of alternative energy, increased investment and modernization of Infrastructure.

Process Overview

This CFSP has been developed through citizen driven approach and using a methodology that was intended to ensure ownership, commitment and leadership by the residents of Garissa County through the public participation forums as organized by the Budget Committee Forum. The development process was undertaken through a series of internal evaluations as well as consultations with the members of the public as stakeholders. It followed a generic process of following the historical development, and analyzing the current situation, the achievements, as well as the external and internal environment, using conventional

analysis tools. This process was designed to engage the members of the public in identifying the strategic issues and the initiatives necessary to transform the county as an economic hub of the region. This momentum will need to be sustained to ensure that the initiatives set out in this CFSP are translated into action and used to carry along all other aspects to ensure the county government delivers on its mandate.

Outline of the CFSP

This CFSP which is the outcome of concerted efforts from strategic players through public participation forums is organized in the following five chapters;

- **Chapter One** introduces to the CFSP, the County thematic concern based on the national theme as well as describes the CFSP process;
- **Chapter Two** examines the recent Economic and Fiscal Developments at the county level based on the national as extracted from the Budget Policy Statement (BPS);
- **Chapter Three** defines the Forward Economic and Fiscal Outlook with an extraction from the BPS as well as data from county supplementary estimates;
- **Chapter Four** gives the strategic priorities and interventions that reside in the overall (CIDP) and have been approved by the County Assembly;
- **Chapter Five** outlines the Fiscal Policy and Budget Framework that presents a summary statement on both the Fiscal and Budget framework;
- **Chapter Six** explains the Medium-Term Expenditure Framework presenting the resource envelope-based on revenue/debt, outlines spend priorities as well as present medium-term baseline ceiling per sector/department;
- **Chapter Seven** is the Conclusion which gives a summary statement on the CFSP and recommended direction to take;
- **Annexes** indicate the requisite attachments to the CFSP.

National Economic and Fiscal Development Overview

This Section provides an analysis of how Kenya's national economic growth has been robust supported by significant agriculture, forestry and fishing, mining and quarrying, transport and storage, electricity and water supply, and accommodation and restaurant. The economy grew by 6.2 percent in the second quarter of 2016 from 5.9 percent in first quarter and is projected at 6.2 percent in financial year 2017/18 and 6.5 percent in the medium term which is still well above the projected global growth and sub Sahara growth. However, weaker global economic environment due to sharp decline in commodity prices has led to downward revision of global growth. At the domestic level, growth remains strong and is projected to pick up in 2016 and the medium term.

Macroeconomic stability has been preserved with inflation remaining on average within target. Overall month on month inflation was at 6.47 percent in October 2016 from 6.5 percent in October 2015. This was attributed to the decrease in prices of several food items which outweighed the increases as well as decrease in the Alcoholic Beverages, Tobacco & Narcotics index.

The Kenya Shilling exchange rate has stabilized following increased foreign exchange inflows in the money market. The current level of foreign exchange reserves, backstopped by the precautionary program with the IMF, continues to provide an adequate cushion against exogenous shocks. Furthermore, the current account deficit narrowed, mainly due to a lower oil import bill, and a slowdown in consumer imports.

Short term interest rates have declined following improved monetary conditions that led to increased liquidity in the money market. The interbank rate was at 4.1 percent in October 2016 from 4.9 percent in September 2016 and 21.3 percent in September 2015.

County Economic and Fiscal Development Overview

Over the years, the Garissa County economy has also reflected similar trends to those recorded by the National economy. Over the last few years, The County experienced and continues to experience a number of shocks which have the potential of reversing the positive economic outlook. Among the shocks include-

Erratic weather patterns that resulted in depressed livestock and agricultural productivity. This is largely because the livestock sub sector is the main backbone of the County's economy. However, if the current weather condition of rains continues then the economic performance in 2017//2018 looks good.

Insecurity concerns in some parts of the County and the Country in general has contributed to deteriorating economic performance not only in the County but also in the Country as a whole. This has a negative effect on private investment in the County.

The County will therefore put in place legislation and mechanism that will enhance revenue collection, minimize or eradicate wastage expenditures and manage the wage bill. Such strategies will include the automation of revenue collection, implementation of the Finance Act and capacity building of the revenue management department.

10. Chapter Three: Forward Economic and Fiscal Outlook

National Economic and Fiscal Outlook

The implementation of the budget for FY 2016/17 has progressed well. Revenue collection has improved in the first quarter with high receipts of VAT and excise revenues reflecting improvements in revenue administration from the i-Tax system, new excise tax measures and the re-introduction of withholding VAT. Expenditures lagged behind their respective targets during the first quarter but are expected to pick up in the next quarter as implementation of development programmes and the general activity of Government gain pace.

By the end of September 2016, total cumulative revenue including A-I-A collected amounted to Ksh 313.6 billion against a target of Ksh 328.0, representing a shortfall of Ksh 14.4 billion. The shortfall was as a result of the below target collection of the ordinary revenue by Ksh 14.4 billion and the ministerial A-I-A by Ksh 10.6 billion. The shortfall in ordinary revenue was mainly on account of underperformance in import related revenues and VAT imports.

The total expenditure and net lending for the first quarter of FY 2016/17 amounted to Ksh 387.6 billion, against a target of Ksh 526.9 billion. The shortfall of Ksh 139.2 billion was attributed to lower absorption recorded in both recurrent and development expenditures by the National Government and County Governments. Recurrent expenditure for National Government amounted to Ksh 230.2 billion (excl. Ksh 7,486 billion for Parliament and Judiciary), against a target of Ksh 287.9 billion, with underperformance recorded in wages and salaries, and Operation and Maintenance which accounted for Ksh 15.1 billion, and Ksh 38.8 billion, respectively.

The combined effect of the revenue and expenditure performance in the first quarter of FY 2016/17 resulted to an overall fiscal deficit, on a commitment basis (including grants) of Ksh 72.5 billion (equivalent to 1.1 percent of GDP) against a targeted deficit of Ksh 182.3 billion. This deficit was financed through foreign borrowing amounting to Ksh 39.2 billion and net domestic financing amounting to Ksh 49.4 billion.

Net domestic financing amounted to Ksh 49.4 billion against a target of Ksh 96.6 billion by end September 2016, an under performance of Ksh 47.2 billion. The net domestic borrowing of Ksh 49.4 billion comprised borrowing through government securities of Ksh 76.3 billion and net repayment of other domestic borrowing of Ksh 40.7, less accumulation of government deposits of Ksh 13.8 billion.

County Economic and Fiscal Outlook

Over the medium term, expenditure on recurrent will need to be contained in order to ensure substantial amount of funds for development. In particular, every effort should be made to contain wages and salaries by the executive and other public entities by limiting the size of public service. Pursuing a sustainable level of debt once counties are allowed to borrow is also vital as a means to provide room for the private sector to expand business and create the much needed jobs within an environment of low inflation, and stable interest rates and exchange rate.

In light of apparent fiscal constraints, tough choices are therefore required to ensure that available resources are directed towards those priority programs that have the highest socio-economic impact on our economic development. This is especially more urgent with respect to the public sector wage bill that, if not appropriately managed, will become the main macroeconomic challenge for Garissa County.

11. Chapter Four: Priorities and Interventions

Overview

This chapter covers five key priority areas in the County. These key County priority areas include the following; Improving access to water and sanitation, Provision of accessible and quality health care services, Investing in Agricultural Transformation and Food Security, Investment in transport and infrastructure development and Creating a Conducive Business Environment for Employment.

Priority 1: Improving access to Water and Sanitation

Access to livestock and household water is essential for economic transformation and social development. Safe drinking water and sanitation also complement efforts towards improved primary health care and productivity of labor. For this reason, Government has invested significantly over the years to enhance access to sustainable water supplies. Some of the strategies implemented in the financial year 2014/2015 and 2015/2016 include; excavation of new water pans, construction of boreholes, extension of water supplies and emergency water provision through water trucking.

In FY 2017/18, some of the programmes that the county will be implementing include;

- (i) Completion of existing projects
- (ii) Drilling of 10 New Boreholes
- (iii) Construction of 10 New water pans
- (iv) Laying of 2 new mini water system
- (v) Construction of 10 elevated water tanks
- (vi) Construction of 2 mega dams

Priority 2: Provision of accessible and quality Health Care Services

A healthy population is the cornerstone of economic progression. Health is the highest spender in the county. However a large portion of this goes to compensation of employees. A number of strategies have been initiated in 2016/17 and will continue 2017/18 and the Medium Term. These strategies are aimed at reducing health inequalities and reverse the downward trend in health related outcome. The strategies include provision of ambulances to ease referrals; recruitment of health personnel; construction of maternity wings in health facilities and provision of drugs and equipment to health facilities.

In FY 2017/18, some of the programmes that the county will be implementing include;

- (i) Construction of OPD blocks in Hulugho and Mbalambala
- (ii) Construction of County health headquarters
- (iii) Construction of staff quarters
- (iv) Expansion of emergency block at PGH
- (v) Equipment for new Dispensaries in the whole County
- (vi) Equipment for X-ray department
- (vii) Equipment for new maternity

The County Government is cognizant of the challenges facing the health sector. These include but not limited to - skewed distribution of resources, absenteeism by health workers, knowledge practice gaps as well as stock outs of drugs and medical supplies. These challenges will be addressed in the coming year.

Priority 3: Investing in Agricultural Transformation and Food Security

Garissa County is food insecure. To reduce this food dependency the government had prioritized investing in agriculture in order to spur an inclusive economic growth. Expanded agricultural output will also increase food supply, reduce food related prices and bring down the cost of living, create employment and promote overall rural development.

In FY 2017/18, the County will implement the following programmes;

- (i) Construction of Canals
- (ii) Construction of new Irrigation Schemes and drainage,
- (iii) Provision of planting seeds to farmers
- (iv) Procurement of tractors, Low loaders and workshop tools.
- (v) Procurement of water pump sets

The County will also invest in the following activities in the Financial Year 2017/2018

- (i) Setting up camel milk value addition, milk processing and packaging plant
- (ii) Purchase of vet drugs and vaccine
- (iii) Livestock vaccination
- (iv) Provision of spraying machines to farmers
- (v) Construction of Livestock market in Modogashe and completion and equipping of Garissa export slaughter house

Priority 4: Investment in transport and infrastructure development

Developed infrastructure is a key pre-requisite to sustained economic development due to the backward and forward linkages that it offers other sectors in the County's economy. The road network in the County is in a poor state and to this end the government will continue to invest in the expansion of road network with the objective of creating a conducive environment and provide a link to other sectors.

The county road network has improved in the last three years through rehabilitation of existing roads and construction of new ones. Feeder roads have also been opened up. To date approximately 1,255.9 km of road has been improved. Out of this 1,200 km has been bush cleared and graded; and 250 km has been gravelled. Additionally 2.8 km of road network has been tar marked. Several drainage works has also been done.

In the financial year 2017/2018 the government will first give priority to the completion of all the ongoing projects and further invest in maintenance of the existing roads.

Priority 5: Creating a Conducive Business Environment for Employment

The County shall continue creating a conducive business environment for employment creation. It will continue to pursue prudent fiscal policies that are supportive of accelerated inclusive growth and development. Through the County Finance Act of 2015/2016 the government shall propose affordable taxes/charges that will not only spur economic growth for employment creation but also bring in the much needed revenue to further implement government policies and programmes.

Some of the strategies initiated in FY 2014/15 include the accelerated youth and women employment through the *Ugatuji na Kazi* programme. The project has seen hundreds of the target population employment in income generating activities. The programme will not only be sustained but it will also be up scaled this financial year.

In the financial year 2017/2018 some of the strategies that will be implemented include-

- (i) Formulation and implementation of sound economic policies
- (ii) Promotion of private sector development through enterprise and entrepreneurship development.
- (iii) Promotion of fair trade practices through calibration and verification of weight and measures equipment and consumer awareness

Construction of market shades is ongoing and will be continued in FY 2017/18. This will ensure better working environment for traders and customers.

Fiscal policy strategy recognizes that available resources are scarce and hence the need to efficiently apply them only on priority programs with the highest impact on stated objectives. This will be achieved by

maintaining a strong revenue effort and containing the growth of total expenditure, while shifting composition of expenditure from recurrent to capital expenditure and eliminating unproductive expenditures.

12. Chapter Five :Fiscal Policy and Budget Framework

5.1 The 2017 Medium-Term Fiscal Policy aims at supporting rapid economic growth and employment to as well as ensuring provision of essential County services. Specifically, the Fiscal policy underpinning the FY 2017/18 Budget and MTEF aims at containing growth of total expenditure. Further, the policy aims at shifting more public resources from recurrent to capital investment so as to promote sustainable and inclusive growth. Specifically,

- Over the medium term, a minimum of 35% of the county government budget shall be allocated to development expenditure. The Government is committed to a reduction in the recurrent expenditure to devote more resources to development.
- The Government's expenditure on wages and benefits for public officers shall not exceed 35% of the Government revenue as prescribed by the regulations.
- Fiscal risks shall be managed prudently.

5.2 Over the recent years, the Government has reoriented expenditure towards priority programmes in Roads, education, health, agriculture and livestock development under the medium-term expenditure framework (MTEF).

5.3 The overall budget deficit is expected to remain at zero in the short term as the freeze on county borrowing holds. It is, however, possible that the deficit may slightly rise towards the tail end of the medium term in the event that a comprehensive fiscal analysis indicates the necessity of borrowing to fund expanded development expenditure. This will entirely depend on a needs analysis and an assessment of the financial health of the County to ensure that the borrowing is both affordable and sustainable. In the longer term, however, efforts will be made to maintain the budget deficit at less than 5% of total expenditure to secure the County's fiscal sustainability.

5.4 This policy will be achieved through the County Government's commitment to ensure a strong revenue collection effort with measures in the County Finance Bill 2014/2015, in order to help improve compliance in payment and minimizes delays. Efforts will therefore continue to be made to rationalize existing tax incentives, expand the tax base and eliminate the possibility of exemptions.

5.6 The 2016/17 budget framework for Garissa County is set against the background of the medium-term fiscal policy of the National and the County Government, the 2017/2018 Budget Policy Statement, the Medium Term Plan and the County Integrated Development Plan.

Revenues

5.7 The County government has two sources of revenue; the equitable share from the national government in accordance with Article 203 (2) of the Constitution. The county may also receive conditional or unconditional grants from national government and development partners as contained in Article 202 (2) of the Constitution.

5.8 The second internal source of revenue including imposition of various taxes as well as user fees and charges authorized and approved by the County Assembly through the enactment of the Finance Act.

5.9 During the FY year 2017/18 the county's own revenue is projected at Ksh.350,000,000 and equitable share from the national government of kshs 6,646,229,735. In addition conditional allocations totaling Ksh. 866,696,176.00 from the National Government will also be received. The total resource envelope is therefore Ksh.7,862,925,911. The revenues are projected to increase to Ksh. 8,649,218,502 and Ksh 9,514,140,352 the FY 2018/19 and FY 2019/20 respectively.

5.10 As a measure of increasing its revenue base from internal sources, the county government will pursue the following strategies-

- i. Full implementation of the 2017/18 Finance Bill;
- ii. Widening of the tax base;
- iii. Tax incentives and relief;
- iv. Measures to prevent non remittance of collected revenue;
- v. Automation of the tax collection;
- vi. General anti-evasion rule.

Expenditure

Recurrent Expenditure

5.11 Recurrent expenditures is expected to be **at 65 %** in the FY 2017/18 and to reduce to 55% in the medium term. This will involve cutting down on wages by limiting recruitment to only essential personnel. Wastages in operation and maintenance expenditures will also be contained. This will go a long way in supporting robust economic growth in the County while ensuring prudence and caution in the application of resources.

Development Expenditure

5.12 Consistent with the objective of allocating adequate resources towards development and the need to ensure completion of critical infrastructure, development expenditure will be pegged at **35%** in the FY 2017/18 and 45 percent in the medium term. Table 1 gives the fiscal framework for the Medium Term.

Garissa County Government Fiscal Projections 2017/18-2019/20 (Ksh)

	Estimates FY 2017/2018	FY2018/2019	FY2019/2020
REVENUE			
National Transfers	6,646,229,735.00	7,310,852,708.50	8,041,937,979.35
Local Collections	350,000,000.00	385,000,000.00	423,500,000.00
Conditional Allocations	761,379,788.00	837,517,766.80	921,269,543.48
Other Conditional Loans and Grants	105,316,388.00	115,848,026.80	127,432,829.48
EXPENDITURE			
Recurrent	5,071,668,195.00	5,578,835,014.50	6,136,718,515.95
Development	2,791,257,716.00	3,070,383,487.60	3,377,421,836.36
TOTAL	7,862,925,911.00	8,649,218,502.10	9,514,140,352.31

Risks to the 2017/2018 Budget Framework

5.13 The realization of development goals for the County will not be without risks and challenges. This section highlights the possible risks and challenges and respective recommendations

5.14 The high wage bill will be a major challenge in the implementation of the budget. The county therefore will put in place measures aimed at staff rationalization to achieve a lean and sustainable wage bill.

5.15 Revenue performance may also pose a potential risk. The county will continually put up solid structures geared towards sealing loop holes and expanding revenue base. Full automation of revenue collection and other measures outlined above will be implemented.

5.16 Untimely release of funds by the national government will be another challenge. This could lead to programmes for the year falling behind schedule, hence compromising on service delivery. There is therefore need to engage the relevant institutions in order to have the relevant laws enacted on time to ensure timely release of funds.

5.17 The County's performance may also be slowed down by unreliable weather conditions. This will affect agriculture which is the main economic driver of the County. Resources therefore need to be set aside to mitigate the situation.

13. Chapter Six: Medium-Term Expenditure Framework

6.1 Overview

This section will review the half year budget implementation of 2016/2017 and highlight the projections for the County revenue, recurrent and development expenditure. It will also look at the underlying risks, structural measures and strategic interventions.

6.2 Over view of FY 2016/2017 Half year

This section provides an overview of the performance of half budget for the Financial Year 2016/2017 as well as emerging challenges.

6.2.1 Revenue Analysis

In the first half of FY 2016/17, the county received Kshs.2.58 billion from the National Government as a direct transfer to the CRF account, raised Kshs.40 million from local sources

6.2.2 Expenditure

The half year under review the county recurrent expenditure is 2 billion and development expenditure is 280 million.

6.3 Medium Term Expenditure Framework.

6.3.1 Resource Envelope

During the FY year 2017/18 the county's own revenue is projected at Ksh.350,000,000 and equitable share from the national government of kshs 6,646,229,735 In addition conditional allocations totaling Ksh. 866,696,176 from the National Government will also be received. The total resource envelope is therefore Ksh.7,862,925,911. The revenues are projected to increase to Ksh. 8,649,218,502 and Ksh 9,514,140,302 in the FY 2018/19 and FY 2019/20 respectively.

6.3.1 Spending Priorities for the 2017/18 Medium Term Budget

The MTEF budget will critically be reviewed with a view to remove non- priority expenditures and shift the savings to the priority programmes..

6.3.2 Overall, the MTEF budgeting basically focus on the following:

Health and Sanitation; roads, Water, livestock and Agriculture will continue to receive adequate resources; these sectors are already receiving a significant share of resources in the budget. The funds should be used prudently to generate fiscal space to accommodate other strategic interventions in other sectors.

6.4 Medium-Term Expenditure Estimates Baseline Ceilings

6.4.1 Development expenditures are shared out on the basis of the County Integrated Development Plan priorities as well as other strategic interventions to address unemployment. The following guidelines are

used:

- On-going projects: emphasis is given to completion of on-going projects and in particular infrastructure projects and other projects with high impact on poverty reduction
- Strategic program interventions: priority is also given to program interventions covering drought resilience, social equity and environmental conservation.

6.4 .1 Details of Sector Priorities

The medium term expenditure framework for 2017/18 – 2019/20 ensures continuity in resource allocation based on prioritized programs aligned to the Second MTP of Vision 2030 and CIDP to accelerate growth, employment creation and poverty reduction.

Agriculture, Irrigation Services and Fisheries

This Sector comprises of three sub-sectors, namely; Agriculture, Irrigation Services and Fisheries. The Sector goal in line with the Vision 2030 is –to attain food security and sustainable irrigation land management. The Constitution, under Article 43 on the Bills of Rights, has provided for accessibility to adequate food of acceptable quality.

Over the medium term the sector aims to address the challenges bedeviling it by raising agricultural productivity through value addition and adoption of new technologies; exploiting irrigation potential; increased commercialization of local products; creating an enabling policy and legal framework, improving efficiency and effectiveness of sector institutions.

The 2017/18 – 2019/20 MTEF estimates for the sector are estimated to be **4 %** of the budget. Out of this allocation **49.2%** will go towards development.

Roads, Public works, Lands, Housing and Physical Planning

Effective administration and management of land resources; enhancing of decent and affordable housing, and sustainable management of resources in the sector is the key priority. Further infrastructure connectivity and accessibility through rehabilitating and upgrading strategic urban and rural roads is key too. Priority will be given to land reforms and issuance of title deeds and development of social and physical urban infrastructural facilities. Other strategies to be pursued include development of houses to accommodate the staff who are expert in specific fields and main the skilled workforce so in the medium term projects pursued include; development of residential houses for the staff, supporting the development of infrastructure initiatives around flagship projects, strengthening the institutional framework for infrastructure development, raising the efficiency and quality of infrastructure. The 2017/18 – 2019/20 MTEF estimates for the sector is **8.9%** out of which **85.8 %** will be used for development.

Environment, Energy, Natural Resources, Wild life management and Tourism

The sector aspires to be a world-class provider of cost-effective public utility infrastructure facilities and services in the areas of Energy, Environment and Tourism that meet national standards. Functions such as county street lighting and rural electrification will be enhanced throughout the county. The county will conserve and protect wildlife and mineral exploration. The sector will also work on key policies related to all the sub sectors including but not limited to Environmental policy management, county forest and natural resources management. The 2017/18 – 2019/20 MTEF estimates for the sector is **2.03%**. Development expenditure will be capped at **75.2%** of its total allocation. This is expected to progressively increase absolutely in the medium term.

Health and Sanitation

The sector mandate is to promote and participate in the provision of integrated and high quality curative, preventive and rehabilitative services that is equitable, responsive, accessible and accountable to all our county citizens. The sector faces numerous challenges, which include inadequate infrastructure for service delivery, shortage of qualified health personnel, and on time delivery of medicines and medical supplies.

In the medium term, the sector will seek to address these challenges by implementing fully the CIDP and sector strategic plan for the directorate through continued investment in recruitment of health professionals, medical services, health infrastructure and improvement in the working conditions of medical practitioners. The 2017/18 – 2019/20 MTEF estimates for the sector is **20.0%** out of which **29.8%** of the total will go towards development. In addition, the department will get additional funds from national government in form of conditional allocations. In the medium term it is expected that allocation to the sector will progressively increase in absolute terms.

Water Services

It is a constitutional right for every citizen to have access to enough, clean and reliable water. Over the MTEF period the sector aims to achieve expansion of water coverage and sewerage facilities; scaling up water storage; conservation and management of catchment areas; mitigation and adaptation measures on climate change; enforcement of sector laws and regulations. The 2017/18 estimates for the sector is **10.49%** out of which **72.7%** will be spent on development expenditure.

Education, Public services, Labor relations and Information

The Sector comprises of Education, Public Service and Information Management. The sector's overall goal is to increase access to education and efficient management of information and public service. The sector's challenges include inadequate infrastructure and staffing, slow pace of enrollment and lack of an ECD training college in the County. In the medium term, the Government will seek to address these challenges by enhancing education. The 2017/18 estimates for the sector is **7.35 %**. Only **34.6%** will be

used in development projects

Women affairs, Culture, Social Services and Libraries

The sector is mandated to address issues on promotion of harmonious gender relations and social services. The sector is also mandated to address issues relating to promotion and exploitation of local culture for peaceful co-existence, enhancing reading culture through expansion of library network for increased information access.

Funding for the 2017/18-2019/20 MTEF period will continue to focus on the delivery of the sector priorities and in particular those aimed at creating an efficient, motivated cultural society as well as representation and social security. In addition, the sector will continue to improve livelihood of vulnerable groups specifically the orphans and vulnerable children, the elderly, and persons with disability by coming up with a program that will integrate the various cash transfers. The 2017/18 estimates for the sector is **1.0% out** of which **40%** will go towards development.

Finance, Revenue, Economic Planning

The sector is composed of three sub sectors namely; finance and economic planning and revenue. The role of the finance and Economic planning sub sector is to facilitate other sectors in the county. It also manages other special funds such as emergency and scholarship funds. Revenue department is charged with collection of revenue from local sources. The 2017/18 ceiling is **14.38%**. This is because of the special program as part of this department and also we intend to construct county headquarters .arrears of pension and gratuity also factored. Out of this amount development expenditure will take up to 27 % of its total allocations.

Youth, Sports, Trade, Investment, Enterprise development and Co-operatives

The sector is responsible for the promotion of trade domestically through creation of an enabling business and investment environment. It also promotes technical education and training. The sector's goal is to reduce inequality as well as exploit knowledge and skills in technology and innovation. The development and promotion of sports for a vibrant sporting industry is also a dream achievable in the county which the Ministry will be targeting to achieve. Trade sub sector will endeavor to ensure that the directorate will provide the Business Community with information that will enable it meet its business goals. The sector will also be in charge of sports and youth sector. The 2017/18 estimate is to be **1.65%** and progressively increase in the medium term. Out of this allocation **33%** will be used for development expenditure.

Livestock and Pastoral Economy

This Sector comprises of Livestock development and Veterinary sub sectors. Like agriculture sector its goal is to attain food security and ensure disease free zone. The key challenges facing the sector include unfavorable climatic changes, inadequate warning systems, low productivity, low value addition, inadequate

physical infrastructure and low access to financial services as well as affordable credit.

The 2017/18 – 2019/20 MTEF estimates for the sector are estimated to be at least **4.17%** of the budget, this is almost double of last year allocation. Development will take up to **63%** of this allocation we expect to develop one crushes per word and provide 100 spray equipment per word and also do quarterly vaccination of livestock .This is expected to remain the same in the medium term. Although with an increase in the resource envelope the funds allocated are expected to increase.

County Assembly

County Assembly plays a crucial role in strengthening the democratic space and good governance in the county. Their allocations remains as per last year CRA and the senate recommendations and is pound to change depending further communications from this institutions .

Executive Services

The sector coordinates development and administrative affairs of the county. The 2016/17 – 2018/19 MTEF estimates for the sector is **5.19%**.

Urban services

The department is involved in management of town services like parking, town planning, beautification of town, Collection of garbage and disposal, street lights and flood lights and issuance of building approval plans etc. In the financial year 2017/18 the department will receive 4.56 % of the county revenue of which 20.0% will go towards development projects.

Summary of allocations per department

Departments	Equitable Share	Local Collection	Conditional Allocation	Loans & Grants	Total budget	%
AGRICULTURE, IRRIGATION SERVICES AND FISHERIES	306,564,248.00	8,500,000.00	0.00	0.00	315,064,248.00	4.01%
WOMEN AFFAIRS ,CULTURE ,SOCIAL SERVICES AND LIBRARIES	75,657,156.00	2,910,000.00	0.00	0.00	78,567,156.00	1.00%
TRANSPORT AND INFRASTRUCTURE	524,926,229.00	0.00	174,825,000.00	0.00	699,751,229.00	8.90%
EDUCATION ,INFORMATION AND PUBLIC SERVICE	576,756,249.00	1,300,000.00	0.00	0.00	578,056,249.00	7.35%
ENVIROMENT ,ENERGY AND NATURAL RESOURCES	146,300,000.00	13,200,000.00	0.00	0.00	159,500,000.00	2.03%
URBAN SERVICES	206,515,000.00	152,080,000.00	0.00	0.00	358,595,000.00	4.56%
FINACE ,REVENUE AND ECONOMIC	1,075,480,644.00	55,236,000.00	0.00	0.00	1,130,716,644.00	14.38%

PLANNING						
HEALTH AND SANITATION	1,559,328,824.00	34,800,000.00	586,554,788.00	105,316,388.00	2,286,000,000.00	29.07%
LIVESTOCK AND PASTROL ECONOMY	308,459,067.00	19,512,000.00	0.00	0.00	327,971,067.00	4.17%
TRADE & COOPERATIVES ,YOUTH AND SPORTS	80,123,408.00	50,000,000.00	0.00	0.00	130,123,408.00	1.65%
WATER	812,538,000.00	12,462,000.00	0.00	0.00	825,000,000.00	10.49%
EXECUTIVE SERVICES	320,580,910.00	-	0.00	0.00	320,580,910.00	4.08%
ASSEMBLY	653,000,000.00	-	0.00	0.00	653,000,000.00	8.30%
TOTAL	6,646,229,735.00	350,000,000.00	761,379,788.00	105,316,388.00	7,862,925,911.00	100.00%

Economic classification of departmental allocations

Departments	Compensation of employees	O&M	Development	Total	2018/2019	2019/2020
AGRICULTURE, IRRIGATION SERVICES AND FISHERIES	101,824,248.00	58,240,000.00	155,000,000.00	315,064,248.00	346,570,672.80	381,227,740.08
WOMEN AFFAIRS ,CULTURE ,SOCIAL SERVICES AND LIBRARIES	29,188,956.00	17,578,200.00	31,800,000.00	78,567,156.00	86,423,871.60	95,066,258.76
TRANSPORT AND INFRASTRUCTURE	77,943,613.00	21,349,900.00	600,457,716.00	699,751,229.00	769,726,351.90	846,698,987.09
EDUCATION ,INFORMATION AND PUBLIC SERVICE	270,314,818.00	107,741,431.00	200,000,000.00	578,056,249.00	635,861,873.90	699,448,061.29
ENVIROMENT ,ENERGY AND NATURAL RESOURCES	27,500,000.00	12,000,000.00	120,000,000.00	159,500,000.00	175,450,000.00	192,995,000.00
URBAN SERVICES	195,000,000.00	91,595,000.00	72,000,000.00	358,595,000.00	394,454,500.00	433,899,950.00
FINACE ,REVENUE AND ECONOMIC PLANNING	430,480,442.00	400,236,202.00	300,000,000.00	1,130,716,644.00	1,243,788,308.40	1,368,167,139.24
HEALTH AND SANITATION	1,300,000,000.00	562,000,000.00	424,000,000.00	2,286,000,000.00	2,514,600,000.00	2,766,060,000.00
LIVESTOCK AND PASTROL ECONOMY	69,480,567.00	53,490,500.00	205,000,000.00	327,971,067.00	360,768,173.70	396,844,991.07
TRADE & COOPERATIVES ,YOUTH AND SPORTS	46,064,445.00	41,058,963.00	43,000,000.00	130,123,408.00	143,135,748.80	157,449,323.68

WATER	80,000,000.00	145,000,000.00	600,000,000.00	825,000,000.00	907,500,000.00	998,250,000.00
EXECUTIVE SERVICES	125,958,645.00	154,622,265.00	40,000,000.00	320,580,910.00	352,639,001.00	387,902,901.10
COUNTY ASSEMBLY (312 salary+43.2 millage) = 355.2M	344,000,000.00	309,000,000.00	0.00	653,000,000.00	718,300,000.00	790,130,000.00
TOTAL	2,601,832,980	1,508,260,916	3,286,505,175	315,064,248.00	8,649,218,502.10	9,514,140,352.31
PERCENTAGES	39.40%	25.10%	35.50%	100%		

14. Chapter Seven: Conclusions

The 2017 MTEF is marked by moderate growth in overall expenditure, taking into account the weaker global economic outlook and the need to stimulate economic growth. The set of policies outlined in this CFSP reflect the changed circumstances and are broadly in line with the fiscal responsibility principles outlined in the PFM law.

The fiscal framework presented herein is prepared pursuant to the PFM Act and lays ground for the next financial year in terms of preparing the final Estimates as well as prioritization of resource allocation. Fiscal discipline will be important in ensuring proper management of funds and delivery of expected output. Effective and efficient utilization of funds especially on capacity building on different sectors of the County will be crucial in ensuring that the County gets to deliver on its functions. In pursuit of this, effective budget implementation at the county level will be facilitated through capacity building and the development of systems for close monitoring and evaluation of spending entities to ensure that resource application bears the most fruit to the taxpayer. The county will also revamp its revenue collecting and management systems with the goal of generating more revenues to strive towards budgetary self-reliance while ensuring the stability of our fiscal framework and financial health of the County.

15. ANNEXE

Annex 1: Table of Total revenues

REVENUE SOURCES BREAK DOWN 2017/2018	ESTIMATE
EQUITABLE SHARES	6,646,229,735
LEVEL FIVE HOSPITALS	426,000,000
COMPENSATION FOR FORGONE USER SERVICES	14,523,507
FREE MATERNAL HEALTH CARE	50,286,600
ROAD MAINTENANCE LEVY FUNDS	95,688,977
LEASE OF MEDICAL EQUIPMENT	95,744,681
LOANS & GRANTS	105,316,388
LOCAL COUNTY OWN REVENUES COLLECTION	350,000,000
TOTAL REVENUE EXPECTED	7,862,925,911.00

Annex 2: Table of Local Revenue Breakdown
Departmental Revenue Projections FY 2017/2018

FINANCE AND ECONOMIC PLANNING					
ITEM	REVENUE SOURCE	UNIT	RATE(KSHS)	MONTHLY(KSHS)	TOTAL FOR THE YEAR
1	Sale of Tender Documents	180	1000	180,000.00	2,160,000.00
TOTAL				180,000.00	2,160,000.00
AGRICULTURE, LIVESTOCK AND FISHERIES					
ITEM	REVENUE SOURCE	UNIT	RATE(KSHS)	MONTHLY(KSHS)	TOTAL FOR THE YEAR
1	Stock Auction fees	485	various	1,462,000	17,544,000.00
2	License And fees			164,000.00	1,968,000.00
3	Hire of Agricultural Machinery			500,000.00	6,000,000.00
4	Agricultural Training Center			150,000.00	1,800,000.00
TOTAL				2,276,000	27,312,000.00
HEALTH					
ITEM	REVENUE SOURCE	UNIT	RATE(KSHS)	MONTHLY(KSHS)	TOTAL FOR THE YEAR
2	Medical Examination Certificates		various	50,000	600,000.00
3	Inspection certificates for Medical Institutions			50,000	600,000.00

4	Public Health School Inspection			50,000	600,000.00
5	Building Plans certification			100,000	1,200,000.00
6	County Mortuary Charges			50,000	600,000.00
9	Vermin and Rodent Control			30,000	360,000.00
10	Health centers, county clinics			500,000	6,000,000.00
11	Drugs (Hospital Charges			2,000,000	24,000,000.00
12	Food and Hygiene Licenses			70,000	840,000.00
TOTAL				2,900,000	34,800,000.00

REVENUE SECTION

ITEM	REVENUE SOURCE	UNIT	RATE(KSHS)	MONTHLY(KSHS)	TOTAL FOR THE YEAR
1	Daily fees			150,000.00	1,800,000.00
2	Market Entry fees			220,000.00	2,640,000.00
3	Market Stall Fees			828,000.00	9,936,000.00
4	Building blocks			580,000.00	6,960,000.00
5	Miraa cess			725,000.00	8,700,000.00
6	Vegetable cess			220,000.00	2,640,000.00
7	Misc Income			200,000.00	2,400,000.00
8	Cereals			300,000.00	3,600,000.00
9	Outdoor Advertisement			500,000.00	6,000,000.00
10	Traffic and Parking			500,000.00	6,000,000.00
11	Transit fees			200,000.00	2,400,000.00
TOTAL				4,423,000.00	53,076,000.00

TRADE AND TOURISM

ITEM	REVENUE SOURCE	UNIT	RATE(KSHS)	MONTHLY(KSHS)	TOTAL FOR THE YEAR
1	Single Business Permit (Once in a year)			4,000,000.00	48,000,000.00
2	Tourism fees and Charges			125,000.00	1,500,000.00
3	Weights and Measures			41,667.00	500,004.00
TOTAL				4,166,667.00	50,000,004.00

WATER AND SANITATION					
ITEM	REVENUE SOURCE	UNIT	RATE(KSHS)	MONTHLY(KSHS)	TOTAL FOR THE YEAR
1	Revenue from water Companies	%	10	1,000,000.00	12,000,000.00
2	Water pumps	daily	50	1,500.00	18,000.00
3	Boreholes	Monthly	5000	5,000.00	60,000.00
4	Irrigation farm pumps	Monthly	2000	2,000.00	24,000.00
5	Water trucks/vendors	per load	200	30,000.00	360,000.00
TOTAL				1,038,500.00	12,462,000.00

ENERGY, ENVIRONMENT & NATURAL RESOURCES					
ITEM	REVENUE SOURCE	UNIT	RATE(KSHS)	MONTHLY(KSHS)	TOTAL FOR THE YEAR
1	CESS	VARIOUS	VARIOUS	500,000.00	6,000,000.00
2	Environmental Certificates	VARIOUS	VARIOUS	150,000.00	1,800,000.00
3	Royalties	VARIOUS	VARIOUS	250,000.00	3,000,000.00
4	Fees for Cutting trees	VARIOUS	VARIOUS	50,000.00	600,000.00
5	Waste Disposal site	VARIOUS	VARIOUS	150,000.00	1,800,000.00
TOTAL				1,100,000.00	13,200,000.00

CULTURE, SOCIAL, GENDER & CHILDREN					
ITEM	REVENUE SOURCE	UNIT	RATE(KSHS)	MONTHLY(KSHS)	TOTAL FOR THE YEAR
1	Liquor Licensing	1	100,000	100,000	100,000
2	Social Hall hire	various	various	100,000	1,200,000
3	Furniture & crockery's/utensils	various	various	30,000	360,000
4	Hire of stadium, open grounds	various	various	50,000	600,000
5	Registration of Welfare Groups	various	Various	50,000	50,000
6	County Parks	various	Various	50,000	600,000
TOTAL				380,000	2,910,000

EDUCATION, INFORMATION AND PUBLIC SERVICE					
ITEM	REVENUE SOURCE	UNIT	RATE(KSHS)	MONTHLY(KSHS)	TOTAL FOR THE YEAR
1	Application/Approval for Registration of Educational Institutions(yearly)				100,000
2	Inspection of educational facilities			100,000	1,200,000
TOTAL				100,000.00	1,300,000.00
URBAN SERVICES					
ITEM	REVENUE SOURCE	UNIT	RATE(KSHS)	MONTHLY(KSHS)	TOTAL FOR THE YEAR
1	Impounding/storage charges of Roaming animals			300,000.00	3,600,000.00
2	Drainage of Stagnated water in CBD			200,000.00	2,400,000.00
3	Refuse Collection			300,000.00	3,600,000.00
4	Rent from County Houses	140	various	268,700.00	3,224,400.00
5	New land Registration	6000	various	10,000,000.00	120,000,000.00
6	Land Rate	5479	3500	1,598,041.70	19,176,500.00
7	Road cutting		various	140,000.00	1,680,000.00
TOTAL				12,806,741.70	153,680,900.00
GRAND TOTAL					350,000,000

Annex 3: Detailed departmental Allocation

DEPARTMENT/SUB DEPARTMENT	SALARIES	O & M	DEVELOPMENT	TOTAL
HEALTH AND SANITATION				
Head Quarter	1,300,000,000.00	80,830,000.00	174,000,000.00	1,554,830,000.00
Level Five Hospital	0.00	205,310,000.00	150,000,000.00	355,310,000.00
Sub County Health Facilities	0.00	275,860,000.00	100,000,000.00	375,860,000.00
Total	1,300,000,000.00	562,000,000.00	424,000,000.00	2,286,000,000.00
WATER	80,000,000.00	145,000,000.00	600,000,000.00	825,000,000.00
LIVESTOCK	69,480,567.00	53,490,500.00	205,000,000.00	327,971,067.00
AGRICULTURE, IRRIGATION SERVICES AND FISHERIES	101,824,248.00	58,240,000.00	155,000,000.00	315,064,248.00
ENVIRONMENT ,ENERGY ,NATURAL RESOURCES , WILD	27,500,000	12,000,000	120,000,000	159,500,000

LIFE MANAGEMENT & TOURISM				
WOMEN AFFAIRS ,CULTURE ,SOCIAL SERVICES AND LIBRARIES	29,188,956	17,578,200	31,800,000	78,567,156
TRANSPORT AND INFRASTRUCTURE				
Administration	77,943,613.00	8,000,000.00	0.00	85,943,613.00
Lands, Housing & Physical Planning	0.00	6,674,950.00	126,413,000.00	133,087,950.00
Roads, Transport and Public Works	0.00	6,674,950.00	474,044,716.00	480,719,666.00
Total	77,943,613.00	21,349,900.00	600,457,716.00	699,751,229.00
EDUCATION				
Administration	131,000,000.00	23,210,250.00	80,000,000.00	234,210,250.00
E.C.D	0.00	67,238,700.00	40,000,000.00	107,238,700.00
Information & ICT	0.00	2,443,600.00	0.00	2,443,600.00
Polytechnic	0.00	3,894,000.00	35,000,000.00	38,894,000.00
Public Service	27,980,000.00	40,432,000.00	0.00	68,412,000.00
Human Resources	111,334,818.00	15,522,881.00	0.00	126,857,699.00
Total	270,314,818.00	152,741,431.00	155,000,000.00	578,056,249.00
EXECUTIVE				
Governor	27,900,000.00	48,620,000.00	0.00	76,520,000.00
Deputy Governor	19,500,000.00	17,537,265.00	0.00	37,037,265.00
County Secretary	15,386,215.00	20,320,000.00	0.00	35,706,215.00
Sub County Administration	49,200,000.00	61,545,000.00	40,000,000.00	150,745,000.00
Inter- Governmental & Institutional Relations	13,972,430.00	6,600,000.00	0.00	20,572,430.00
Total	125,958,645.00	154,622,265.00	40,000,000.00	320,580,910.00
FINANCE & ECONOMIC PLANNING				
Finance & Economic Planning	59,042,526.00	277,275,632.00	150,000,000.00	486,318,158.00
Revenue	202,757,916.00	41,660,570.00	150,000,000.00	394,418,486.00
Special Programme	168,680,000.00	81,300,000.00		249,980,000.00
Total	430,480,442.00	400,236,202.00	300,000,000.00	1,130,716,644.00
URBAN SERVICES				
Urban Services	195,000,000	91,595,000	72,000,000	358,595,000
TRADE & COOPERATIVES				
Administration	46,064,445	12,000,000	33,000,000	91,064,445
Weights & Measures	0.00	3,686,000	0.00	3,686,000
Sports and youth	0.00	18,000,000	10,000,000	28,000,000
Trade and Co-operative Development	0.00	3,686,963	0.00	3,686,963
Industrialization & investment Enterprise Development	0.00	3,686,000	0.00	3,686,000
Total	46,064,445	41,058,963	43,000,000	130,123,408
ASSEMBLY (312 million salaries+43.2 inform of millage)	344,000,000	309,000,000	0.00	653,000,000
GRAND TOTAL	3,097,755,734	2,018,912,461	2,746,257,716	

Annex 1: 2017/18 MTEF Budget Calendar

Issue of budget circular by CEC finance	C.EC finance	14-Sep-16
Finance bill preparation	County treasury	16-Sep-16
The submission county outlook and review paper	County treasury	21-Sep-16
Start of Sector Consultations	All Departments- Finance and planning to co-ordinate in consultation with the Governor's office	11-Oct-16
Submission of final sector reports	All C.E.Cs for their respective Departments	21-Dec-16
Development of County Fiscal Strategy Paper(CFSP)	County Treasury	7-Jan-17
Submission of County Fiscal Strategy Paper(CFSP) to County Executive Committee for approval	County Treasury	14-Jan-17
Presentation of County Fiscal Strategy Paper to County Budget and Economic Forum(CBEC)	C.E.C Finance & Planning in consultation with the Governor	18-Jan-17
Submission of County Fiscal Strategy Paper(CFSP) to County Assembly	County Treasury	25-Jan-17
Issue of circular for finalization of 2014/15-2016/17 MTEF estimates and PBB	County Treasury	28-Jan-17
Circulate approved County Fiscal Strategy Paper(CFSP) to County Executive and Accounting Officers	County Treasury	13-Feb-17
Finalization of Departmental itemized and Programme Based Budgets(PBB)	All Departments	14-Feb-17
Review and Finalization of Departmental itemized and Programme Based Budgets	County Treasury	27-Feb-17
Submission of Budget Estimates to County Executive for approval	County Treasury	16-Mar-17
Publish Departmental itemized and Programme Based Budgets	County Treasury	17-Mar-17
Presentation of Budget to County Assembly	C.E.C Finance & Planning	21-Mar-17
Approval of the budget	County assembly	31-Mar-17

Annex 2: Sector Composition

SECTOR CLUSTER	DEPARTMENTS/AGENCIES
Roads, public works, Lands and Housing	Roads Lands

	public works and housing
Health	Health
Water and Sanitation	water and sanitation water and sanitation
Finance and Economic planning	Finance Economic planning Emergency fund scholarship fund Budgetary Revenue supply chain Internal Audit Human resource
Education, public service ,information management and human resources	Education public service Information management Human Resources
Trade ,Tourism ,Investment ,Enterprise Development and special programs	Trade Tourism Investment And enterprise development special programmes
Energy, Environment & Natural Resources	Energy Environment Natural resources Mining and energy
Agriculture , Livestock, Fisheries & Irrigation	Agriculture Livestock Irrigation Fisheries
Youth ,sports ,culture ,gender and social services	Culture and social services Gender and children Youth and sports
County affairs	Governor's office Deputy Governor's office County Secretary Sub County Administrations Inter Governmental Relations
Urban services	Urban services