

COUNTY GOVERNMENT OF SAMBURU



MEDIUM TERM

COUNTY FISCAL STRATEGY PAPER

January 2021

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Foreword

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

The strategy covers the following broad areas: review of the fiscal performance of the first half of FY 2020/2021; highlights of the recent economic developments and economic outlook; broad strategic priorities and policies for FY 2021/2022 as indicated in the Medium-Term Fiscal Framework and as outlined in the Samburu County Integrated Development Plan (CIDP) 2018-2022. This is further elaborated in the 2021/2022 Annual Development Plan(ADP) .

In the FY 2021/22 budget estimates, the total revenue is projected to be Ksh **5,647,818,496**. This comprises of equitable share of ksh **5,020,896,200** as provided in 2021 BPS and Kshs **526,922,296** as Loans and conditional grants. Own source revenue is projected to be Ksh **100,000,000** . The County Government has projected that overall expenditure will be equal to the forecasted County receipts for FY2021/2022. The County allocation for development expenditure will amount Ksh **1,720,000,000** which is 30.45% of Total Expenditure while recurrent Expenditure will amount to Ksh **3,927,818,496** which is 69.55 % of Total expenditure.

The County is operating on a generally stable macroeconomic environment appropriate for the attainment of the stated policy priorities and better service delivery. However, there are emerging challenges like the pending bills, the growing wage bill burden, insecurity and unpredictable climatic conditions which may lead to spontaneous unforeseen emergencies that will require instant interventions which will constrain limited resources. It is the responsibility of the County Government to ensure that fiscal discipline principles are adhered to ensure prudential management of limited resources.

Hon. Dorcas Lekesanyal

CECM-Finance, Economic Planning & ICT

Acknowledgement

The preparation of this policy paper was a collaborative effort among various departments of the County Government of Samburu. We are grateful for their inputs. We thank all the sector working groups for participation in various forums and for providing timely information necessary in the finalization of this policy document in addition to comments from several other stakeholders.

The 2021 Budget Policy Statement (BPS) from the National Treasury was a useful reference document on key issues and policy direction. We also acknowledge that the successful completion of this 2021 CFSP was made possible due to the leadership provided by the county executive member for Finance, Economic Planning & ICT Hon. Dorcas Lekesanyal. Her advice, direction and facilitation in carrying out the exercise is much appreciated. In summary CFSP comprises; **performance, priorities, projections,** and sector **ceilings.**

A core team in the County Treasury spent a significant amount of time in putting together this Paper. We are grateful to the entire staff at the department of Budget and Economic Planning and the Macro working Group for their continuous effort. I would like to take this opportunity to thank the entire staff of County Government of Samburu for their dedication and commitment to public service.

I sincerely appreciate all of them .

Mr. David Lesamana

Chief Officer - Finance Economic Planning and ICT

Legal Basis

Legal Basis for the Publication of the CFSP.

The county fiscal strategy paper is prepared in accordance with Section 117 of the PFMA. The law states that:

(1) The County Treasury shall prepare and submit to the County Executive Committee the CFSP for approval and the County Treasury shall submit the approved CFSP to the County Assembly, by the 28th February of each year.

(2) The County Treasury shall align its CFSP with the national objectives in the BPS.

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

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

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

(a) the CRA;

(b) the public;

(c) any interested persons or groups; and

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

(6) Not later than fourteen days after submitting the CFSP to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments.

(7) The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal for the financial year 2020/21.

(8) The County Treasury shall publish and publicize the CFSP within seven

Fiscal Responsibility

Fiscal Responsibility Principles in the PFMA

In line with the Constitution, the PFMA, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFMA (Section 107) states that:

- (a) The County Government's recurrent expenditure shall not exceed the County Government's total revenue;
- (b) Over the medium term a minimum of thirty percent of the County Government's budget shall be allocated to the development expenditure;
- (c) The county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;
- (d) Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- (e) The county debt shall be maintained at a sustainable level as approved by county assembly;
- (f) The fiscal risks shall be managed prudently; and
- (g) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

Abbreviations and Acronyms

ADP	Annual Development Plan
ASAL	Arid and Semi-Arid Lands
ASDSP	Agriculture Sector Development Support Programme
BPS	Budget Policy Statement
BOQ	Bill of Quantities
CBK	Central Bank of Kenya
CFSP	County Fiscal Strategy Paper
CHMT	County Health Management Team
COVID-19	Corona Virus Disease 2019
CRA	Commission on Revenue Allocation
CBR	Central Bank Rate
CDDCs	Community Driven Development Committees
CATC	County Technical Advisory Committee
CLTS	Community Led Total Sanitation
CRR	Cash Reserve Ratio
CPSC	County Project Steering Committee
CIDP	County Integrated Development Plan
DRSLP	Drought Resilience and Sustainable Project
EAC	East African Community
ECD	Early Childhood Development
FP	Family Planning
FY	Financial Year
GDP	Gross Domestic Product
KeRRA	Kenya Rural Roads Authority
ICT	Information, Communication and Technology
IMF	International Monetary Fund
KEMSA	Kenya Essential Medical Supplies Agency
KSH	Kenya Shillings
MEDS	Mission For Essential Drug Supplies
MTEF	Medium Term Expenditure Framework
NARIG	National Agriculture Rural Inclusive Growth Programme
MPC	Monetary Policy Committee
ODK	Open Data Kit
ODF	Open Defecation Free
PFMA	Public Financial Management Act 2012
PH	Public Health
PVCAs	Prioritized Value Chain Actors
PPEs	Personal Protective Equipment
RPLRP	Regional Pastoral Livelihood Resilience Project
PDO	Project Development Objective
SHMT	Sub County Health Management Team
SNR	Samburu National Reserve
SMEs	Small and Micro Enterprises
SPs	Service Providers
WRA	Women of Reproductive Age

CHAPTER ONE: OVERVIEW

Introduction:

1. The preparation of the CFSP 2021 was a consultative process that involved seeking and considering the views of: The Commission on Revenue Allocation; The National Treasury; Controller of Budget; County Assembly; the public and other Stakeholders.
2. The County Fiscal Strategy Paper contains:
 - a) An assessment of the current state of the economy and the financial outlook over the Medium Term, including macroeconomic forecasts;
 - b) The financial outlook with respect to county revenue and expenditures for the next financial year and over the Medium Term;
 - c) The proposed expenditure limits for the County Government of Samburu; and
 - d) The fiscal responsibility principles and financial objectives over the Medium Term.

Outline of the 2021 County Fiscal Strategy Paper

3. The CFSP document contains six chapters that is organized as follows:

Chapter 1: This chapter gives the overview and the organization of the CFSP.

Chapter 2: This chapter provides an overview of the recent economic developments and the macroeconomic outlook that covers the global and domestic scene.

Chapter 3: This chapter contains the County Development Priorities that outlines budget priorities and resources.

Chapter 4: This chapter contains the Budget framework which outlines the fiscal framework that is supportive of growth over the medium-term, while continuing to provide adequate resources to facilitate execution of policy priorities of the County Government of Samburu. The chapter also gives the budget overview for 2021/22 and its compliance with the fiscal responsibility principles.

Chapter 5: This chapter finally gives the conclusion and next steps.

CHAPTER TWO: RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK

Overview of Recent Economic Performance

Global Economic Review

A. Overview

4. A global recession is looming due to severe disruptions brought about by COVID-19 containment measures which have significantly weakened economic activity. Supply and demand shocks brought about by total/partial lockdowns and other directives aimed at ensuring social distancing is upheld are expected to reduce consumption, investment, and hamper both domestic and international trade. As a result, some projections have indicated that the looming global recession may be greater than the global financial crisis. The IMF is projecting a global GDP contraction of -4.9% in 2020 whereas the World Bank is projecting a contraction of -5.2%. It should be noted that even before the COVID-19 pandemic erupted, the global economic outlook was lacklustre, with a modest growth forecast estimated at 2.51 to 3.3%² for 2020 – and these were downgrades from previous forecasts. The COVID-19 pandemic has therefore significantly worsened an already bad situation.
5. Sub-Saharan Africa which escaped the worst of the global financial crisis is projected this year to go into its first recession in 25 years .The African Development Bank (AfDB) projects that Africa's economy is likely to contract in 2020 as a result of the ongoing health crisis. The continent's real GDP is expected to contract by between 1.7% and 3.4% in 2020 as opposed to the pre-Covid-19 projection of 3.9% growth. The revised projections suggest that Africa will experience GDP losses of between \$145.5 billion and \$189.7 billion. The worst affected economies will be those that rely on commodity exports, tourism, volatile financial flows and those with high debt burdens . It is estimated that between 25 million to 30 million jobs in Africa could be lost as a result of the Covid-19 pandemic . Informal sector jobs, accounting for 89% of all employment in sub-Saharan Africa, are likely to be the worst affected by the Covid-19 pandemic

Kenya Economic Outlook

6. Domestically, the COVID-19 containment measures have disrupted demand and supply chains leading to a significant weakening of economic activity. On the demand side, mitigation strategies such as dusk to dawn curfew, the ban on public gatherings and closure of bars and restaurants significantly reduced working hours and disrupted operations of some businesses resulting in loss of employment. As a result, income from work has dipped significantly since March 2020. Within the first five weeks of the pandemic, income from work reduced by almost one third among low-income households in Kenya. Subsequently, over 80% of people living in Kenya's informal settlements reported a partial or total loss in income due to the Covid-19 pandemic. More households are expected to experience a dip in income over the coming months especially if new Covid-19 infections trigger further mitigation measures in the next few months. The reduced household incomes have adversely affected demand for goods and services.

The Macroeconomic environment

7. Real Gross Domestic Product (GDP) contracted by 0.4 percent in 2020 year-on-year(y/y), compared to growth of 5.4 percent in 2019. This reflects a worse-than-anticipated Q2 GDP outturn, mainly due to a sharp reduction of services sector output, especially education. As a result, the economy is projected to contract by 1.0 percent in 2020 in the baseline scenario, and by 1.5 percent in a more adverse scenario. This revision essentially adopts the adverse scenario, reflecting the more severe impact of the pandemic to date than had been initially anticipated, including on the measured output of the education sector following the closure of institutions in March.

8. The special focus topic finds that the pandemic increased poverty by 4 percentage points (or an additional 2 million poor) through serious impacts on livelihoods, by sharp decreases in incomes and employment. The unemployment rate increased sharply, approximately doubling to 10.4 percent in the second quarter as measured by the KNBS Quarterly Labor Force Survey. Many wage workers who are still employed face reduced working hours, with average hours decreasing from 50 to 38 hours per week.

Almost 1 in 3 household run businesses are not currently operating, and between February and June average revenue from household run businesses decreased by almost 50 percent. This has exacerbated food insecurity, and elevated pain and human suffering.

9. In response to the crisis, the government has deployed both fiscal and monetary policies to support the healthcare system, protect the most vulnerable households, and support firms to help preserve jobs, incomes and the economy's productive potential. Tax revenue dropped below target, due to the marked slowdown in economic activity, as well as tax relief as part of the government's fiscal response package. At the same time, expenditures were raised to strengthen the capacity of the healthcare system to manage infections, protect the most vulnerable households, and support businesses.

Recent Economic Developments

10. Kenya has made significant political, structural and economic reforms that have largely driven sustained economic growth, social development and political gains over the past decade. Kenya's "Vision 2030" strategy, which aims to transform the country from a frontier market into an emerging market by 2030, is optimistic, but the goal will become achievable in the coming periods, provided that economic growth is supported by institutional reforms
11. Kenya's economy is transformative and has promoted greater investments at the grassroots, strengthened accountability and public service delivery at local levels. While global economic activity has faltered recently, growth has resumed in the last five years reaching 5.7% in 2019 placing Kenya as one of the fastest growing economies in Sub-Saharan Africa. The economic expansion has been boosted by a stable macroeconomic environment, low oil prices, rebound in tourism, strong remittance inflows and a government led infrastructure development initiative. An upbeat fixed investment should support growth this year and next, as the government moves forward with its "Big Four Agenda" infrastructure projects.
12. Under the Kenya Informal Settlements Improvement Project, 98.2 km of settlement access roads have been constructed; 84.549 kilometers of footpaths; 107.535 kilometers of drainage canals; 63.048 km of sewer pipeline

and 4,788 sewer connections; 110km of water pipeline and 7,306 water connections; 21 number ablution blocks and 134 30-meter-high mast security lighting. In addition, a total of 1,361,320 people has benefitted from tenure (127,200) and infrastructure and service delivery (1, 234,120).

13.The National Safety Net Program (NSNP) is reaching nearly five million people in over one million households, an increase from 1.65 Million people in 2013, and will be scaling up to an additional 50,000 households in the next two years in the most drought affected areas of the north and northeast region. A \$1 billion investment in International Development Association (IDA) financing over 13 years has have realized extensive roads rehabilitation, triggered major institutional and policy reforms that have transformed Kenya's roads and the aviation sector.

- a) 162,000 kilometers of Kenya's roads are documented since 2005.
- b) The investment also led to creation of transport agencies and strengthened others namely: The Kenya National Highways Authority, the Kenya Urban Roads Authority, the Kenya Rural Roads Authority and the Kenya Civil Aviation Authority
- c) Modernization and expansion projects in the aviation sector has:
- d) Boosted economic growth and has created thousands of jobs.
- e) Promoted regional trade and tourism
- f) Jomo Kenyatta International Airport is ready to handle non-stop flights to and from the United States for the first time and its passenger capacity has increased to 7.5 Million from 2.5 Million

14.Kenya has also invested heavily in geothermal power generation, which supplies low-cost, low-emissions energy. With an eye on sustainable development, President Uhuru Kenyatta aims to help mitigate climate change by reducing Kenya's carbon footprint, while creating much-needed jobs. The move comes as the country looks to triple the number of people connected to its power grid, to reach 60% of the population.

In the long-term, adoption of prudent macroeconomic policies will safeguard Kenya's robust economic performance.

Inflation Rate

15. Though Inflation has remained broadly within target and was estimated at 4.59% in June, 2020, it is still a key factor to watch for due to the expected impact on vulnerable households. So far, declining demand and reduced money in circulation due to reduced economic activity has resulted in manageable inflation levels. The estimated inflation rate of 4.36 percent in July 2020 is a reduction from the June inflation rate of 4.59 percent mostly on account of a reduction in food prices as well as lower cost of water vendor services, house maintenance and some house rents. Going forward, the biggest risk to inflation is likely to emanate from fuel prices, desert locust upsurge, below average rainfall and the ongoing health crisis.

The capital market

16. The Covid-19 pandemic is having a negative impact on the capital market. The Nairobi Securities Exchange 20 Share Index has contracted during the Covid-19 pandemic, from 2,337 points in February 2020 to 1,948 points in May 2020. This is partly attributed to the social distancing measures which have been found to have a direct negative impact on stock market returns due to their effect on economic activities. With companies facing pandemic related distress, some facing the prospect of delisting, and new entrants postponing their listing plans, the risk of market concentration is expected to be exacerbated in the next couple of years. In the fourth quarter of 2019, the market value of the top five companies by market capitalization was 73%

The Services sector

17. The Accommodation and restaurant sector is arguably the worst hit sector by the COVID-19 pandemic and is estimated to have contracted by 9.3% in the 1st quarter of 2020 compared to a growth of 10.2% in 2019. This performance is expected to have worsened in the second quarter between April and June due to stiffer restrictions announced in late March. This sector is highly dependent on the tourism sector which is estimated to have incurred a loss

of about Ksh.85 Billion due to the pandemic and is projected to recover by only 30% between July and December. Other sectors under the service industry that have been adversely affected by the pandemic include the wholesale and retail sector, and the transportation and storage sector. Going forward, the phased reopening of the economy from early July could improve performance of these sectors but so long as the crisis continues, the impact will be very limited. International tourism is unlikely to pick in the second half of the year and with social distancing measures still in place, accommodation and restaurant is likely to operate below capacity for the rest of the year. The wholesale and retail sector could also benefit from the phased reopening but is likely to experience setbacks due to the reduction in consumer spending that is likely to persist to the end of the year. On the other hand, the lifting of movement restrictions and resumption of travel is expected to improve performance of the transportation and storage sector.

The Kenya Shilling:

18. The Kenya Shilling depreciated by 5.1% against the US Dollar in H1'2020, to close at Kshs 106.5, from Kshs 101.3 at the end of December 2019, attributable to high dollar demand from foreigners exiting the market as they direct their funds to safer havens. At the tail end of the period review, there was increased dollar demand from merchandise importers as the easing of coronavirus restrictions jumpstarted economic activities thus boosting demand for hard currency.

Monetary Policy:

19. After holding the Central Bank Rates stable last year, the Monetary Policy Committee (MPC) in a bid to support the economy met five times reducing the Central Bank Rate (CBR) to 7.00% from 8.25% at the beginning of the year. In addition to the CBR rate, the Cash Reserve Ratio (CRR) was also reduced to 4.25%, from 5.25% to provide liquidity to banks for onward lending.

20. To alleviate adverse economic effects of the lockdown, the Central Bank of Kenya (CBK) has initiated various measures to ensure that there is ample liquidity in the economy.

The CBK has lowered its policy rate by 125 basis points to currently stand at 7 percent. The lowering of the Central Bank Rate (CBR) signals commercial banks to lower their lending rate so as to make loans more affordable. The bank further lowered the Cash Reserve Ratio (CRR) by 100 basis point to 4.25 percent and increased the maximum tenor of repurchase agreements from 28 days to 91 days. This is meant to provide additional liquidity to commercial banks, thereby enabling them to extend new lending or restructure loans to affected borrowers. At the end of the first half of the year, commercial banks had restructured Kshs. 844.4 Billion worth of loans from the total banking sector loan book of Kshs. 2.9 Trillion thereby providing some relief to borrowers.

Medium Term Economic Outlook

Global Growth Outlook

- 21.** The outbreak and spread of the Covid-19 Pandemic and the ensuing containment measures have devastated global economies. As a result, the global economy is projected to contract by 4.4 percent in 2020 from a growth of 2.8 percent in 2019. This economic outlook is worse than the growth reported during the 2008 - 2009 global financial crisis.
- 22.** Advanced economies are projected to contract by 5.8 percent in 2020 from a growth of 1.7 percent in 2019. Significant contraction of the economy is projected in the United States (-4.3 percent), Japan (-5.3 percent) and the United Kingdom (-9.8 percent). Growth in the Euro area is expected to contract by 8.3 percent in 2020 from a growth of 1.3 percent in 2019.
- 23.** The emerging markets and developing economies are also projected to contract by 3.3 percent in 2020 from a growth of 3.7 percent in 2019. All major economies are projected to contract in 2020 except China which is projected to grow by 1.9 percent, a slowdown from a growth of 6.1 percent in 2019.
- 24.** The Sub-Saharan African region has not been spared the negative impact of the pandemic with the region projected to contract by 3.0 percent in 2020 from a growth of 3.2 percent in 2019.

The largest impact of the crisis on growth has been for tourism-dependent economies, while commodity-exporting countries have also been hit hard. Growth in more diversified economies will slow significantly, but in many cases will still be positive in 2020.

25. Growth in the East African Community (EAC) region is estimated to slow down to 1.0 percent in 2020 compared to a growth of 6.2 percent in 2019. This growth will be supported by positive growths in Kenya, Tanzania and Rwanda. Economic activities in Burundi and Uganda are expected to contract in 2020.

Domestic Growth Outlook

26. In 2020, the Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and the swift containment measures, which have not only disrupted the normal lives and livelihoods, but also to a greater extent business and economic activities. As a result, our economy is estimated to slow down to around 0.6 percent in 2020 from a growth of 5.4 percent in 2019. Looking ahead, the economy is projected to recover and grow by about 6.4 percent in 2021 and above 6.2 percent over the medium term.

Risks to the Domestic Economic Outlook

27. Revenue is expected to underperform in the current financial year. The National Treasury projects that ordinary revenue will decline from Kshs. 1,643.4 Billion (16.1% of GDP) Billion in 2019/20 (revised estimates II) to Kshs. 1,621.4 billion (14.4% of GDP) in 2020/21. A number of revenue enhancement measures have been introduced which could potentially mitigate the anticipated revenue decline. The recent tax policy changes which introduced new taxes and removed many hitherto, as well as existing tax incentives in the tax system.

28. Fiscal expansion due to Covid-19 related expenditures coupled with dwindling tax revenues is expected to worsen the fiscal deficit in FY 2020/21. The National Treasury projects that the fiscal deficit (excluding grants) as a share of GDP, will worsen from -7.3% in 2017/18 to -7.6% in 2020/2021. However, this should be regarded as a conservative projection.

Due to the economic shocks of the pandemic, the fiscal deficit in the coming year is expected to range between -7.9% and -9%. The prevailing high fiscal deficit implies that Kenya will have limited room for a fiscal response to the impact of the Covid-19 pandemic on poor and vulnerable households, especially if its economic shocks persist for an extended period.

- 29.** Due to the fluidity of the ongoing situation, it is difficult to accurately predict economic growth performance for 2020. The outcome will largely depend on the length and depth of the crisis. A surge in infections without a breakthrough in medical interventions may trigger stiffer Covid-19 containment measures in the course of the year. Furthermore, the situation is still evolving for some businesses and the impact of the early Covid-19 containment restrictions continues to be felt particularly in the accommodation and restaurant sector.
- 30.** Production is likely to remain muted due to declined demand and investment prospects are likely to be kept on hold pending outcome of the crisis. This will further exacerbate the impact of job losses on livelihoods. In view of the foregoing, the projected real GDP growth for 2020 is between 1% and 2% . This is nonetheless an improvement from the previous forecast of -1.5% to 1% in April 2020 due to the general easing of Covid-19 restrictions which have brought about a slight improvement in business activity as illustrated by the PMI index; and the better than expected performance of the country's agricultural exports.
- 31.** Despite the economic burden presented by the health pandemic, the situation has presented an opportunity for the country to boost the local industries. Given the unprecedented demand for Personal Protective Equipment (PPEs) such as masks, gloves and gowns for the protection of frontline healthcare workers as well as the general public, many apparel manufacturers including SMEs in the Textiles and Apparel sector have taken to producing fabric masks and protective gowns to deal with the pandemic. Notably, RIVATEX in Eldoret and KICOTEC in Kitui have stepped up production of face masks and are receiving support from the government through the Covid-19 fund to enable continued production. Other local industries such as Haco industries are producing hand sanitisers.

This is a significant boost to the manufacturing industry in Kenya and could potentially alleviate, to a small extent, the increasing unemployment problem. Going forward, this new capacity can be expanded to enable the country reduce its reliance on imported goods.

Risks to the County Economic Outlook

- 32.**The shortfall in equitable resources from the National Government and low collection of own source revenue is a major constraint to delivery of services at the county level. The dream of devolution may take long to be achieved not unless the basic Minimum allocation of raised from 15% to 40% and efficiency in allocation and utilization of resources is enhanced.
- 33.**The County has continued to accumulate pending bills owing to revenue shortfalls and late disbursements that slow down project implementation pace. The county will aim at reducing all pending bills through employing efficient project/ programme implementation strategies.
- 34.**The ever increasing wage bill poses a fiscal risk to the implementation of the County Government priorities. The department of Human Resources and the Public Service Board will endeavor to establish optimal staffing levels and staff rationalization without necessarily hiring new personnel but for only the core functions.

County Economy

The main achievements in 2019-20 financial year include;

County Assembly

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

County Executive

- 36.**The County Executive's achievements during the period includes; completion of County administration system by recruiting various cadres and staff's promotion to ease service delivery. The County Executive is also undertaking construction of ward offices and equipping of Sub County Office in Samburu East.
- 37.**The main constraint in budget implementation has been caused by the vastness of the County coupled by the poor road infrastructure and delayed funding and release of equity share from the National Treasury. In addition, accrued pending bills leads to insufficient funds for priority projects since they form first charge of the budget. Covid-19 pandemic has caused scaling down of the budget for the department and has slowed down administration operations.
- 38.**Going forward, the County Executive will continue to put in place appropriate measures by implementing performance contract and cascading it to lower levels and develop departmental service charter to enhance service delivery and mitigate on the adverse effects with a view to promoting county economic growth, public administration and human resource management. Public communications office will be strengthened to enhance dissemination of information and provide essential publicity for the county government.

Finance, Economic Planning and ICT

- 39.**The department of Finance, Economic Planning and ICT is charged with responsibilities of developing and implementing policies, strategies and development plans for financial accounting, budget formulation and management, planning and management of socio-economic and political development resources.
- 40.**The County Treasury's achievements during the period includes; completion of value for money audits in selected departments, implementation of policy on access to County Government procurement opportunities for women, successful implementation of e-procurement, the youth and persons with disabilities, annual procurement plan preparation, enhancement of revenue

collections despite the Covid-19 pandemics, preparation of financial statements on time, preparation of annual budget, completion in preparation of County Monitoring and Evaluation policy, preparation of quarterly progress reports and County Annual Progress Report. Fully implementation of Kenya Devolution Support Programme with Capacity Building Plan preparation and quarterly reporting undertaken.

41. The main constraint in budget implementation has been caused by the vastness of the County coupled by the poor road infrastructure, delay in disbursement of funds by National Treasury, in addition, accrued pending bills leads to insufficient funds for priority projects since they form first charge of the budget.
42. Going forward, the County Treasury will continue to put in place appropriate measures by implementing performance contract by cascading it to lower levels and develop departmental service charter to enhance service delivery and mitigate on the adverse effects with a view to promoting county economic growth. The requirement of preparation of Programme based budgets and application of e-procurement is to be adhered by all departments.

Agriculture, Livestock Development, Veterinary Services and Fisheries

43. Livestock production projects

- a) Community Camel breed improvement and food security project (Provision of 396 Somali camel breeds breeding camels to pastoralist living in the lowlands).
- b) Dorper Rams project (Provision of 170 breeding Dorper Rams).
- c) Galla Bucks Project (Provision of 92 Galla Bucks).
- d) Dairy Cattle Project (Provision of 35 Ayrshire Heifers).
- e) Development and Rehabilitation of livestock marketing infrastructures (Construction of Loibor Ngare Sale Yard).

- f) Pasture and Fodder Development Project (Supply & delivery of 1,500 Kg of Assorted pasture seeds).
- g) Dairy Milk Products Processing Plant Joint Project in Maralal (Construction of a masonry wall).
- h) Construction of Nomotio abattoir and Auxiliary structures.

44. Agriculture projects

- a) Provision of certified assorted crop seeds to farmers.
- b) Procurement of tractor.
- c) Construction of Arsim Irrigation project.
- d) Construction of Lulu Irrigation project.
- e) Hold 3 Field days in three community farms.

45. Veterinary services projects

- a) Rehabilitation of 2 Slaughter House.
- b) Foot and Mouth Disease vaccine -53,000 doses procured by County and 50,000 herds of cattle vaccinated.
- c) Pest of small ruminants (PPR) vaccine-600,000 doses procured and 600, 000 shoats vaccinated.
- d) Residential training workshops of farmers, livestock traders, cobblers, flayers and hides and skins traders.

PERFORMANCE OF THE NATIONAL PROGRAMMES & OTHER PROJECTS

46. Since the inception of devolution, the Samburu County Government has entered into a number of Memorandum of understanding with the National Government and other development partners to support the County in many development initiatives ranging from building drought-resilience pastoral communities, enhancing food security, promoting livestock and livestock products, value addition, increasing market access for our

products, range improvement and water development for livestock and domestic use. During the period under review, the following Programmes have registered good performance accumulated overtime.

Regional Pastoral Livelihood Resilience Project (RPLRP)

47.The RPLRP has the overall development objective of enhancing livelihoods resilience of pastoral and agro-pastoral communities in the drought prone areas of the Arid and Semi-Arid Lands (ASAL) of Kenya including Samburu County. The project started its operations in March 2015 and so far, it has developed and handed over several projects to the communities including; the Lengarde borehole; Baragoi and Latakweny Livestock and Lpus Sale Yards; Nomotio hay shade; Nkaroni poultry project; Siangan rock catchment; Lolmolog grain warehouse; Nairimirimo borehole, Nairimirimo water pan and Lerata water pan.

Drought Resilience and Sustainable Project (DRSLP)

48.The DRSRP with the overall development objective to enhance drought resilience and improve sustainable livelihoods of the communities in the arid and semi-arid lands including Samburu County has supported the county in the accomplishment of the Loosuk, Longewan and Lemisigiyo water pans; 13 Bore Holes (Noomboroi, Muruankai Lbukoi, Mugur, Lowa, Mabati, Swari, Locho, Angata Nanyukie, Longewan, Lesuwa Loiting, Lowabebne, and Lkichaki) complete and handed-over to WUA committees; 4 livestock Markets (Maralal, Lekuru, Suguta and Poro,); 10 ha communal pasture demonstration plots established at Longewan and Nchoro Lerai; supplied Veterinary assorted equipment worth Ksh 3.8 million; and 2 Cattle dips complete and in use (Sawan and Loiting).

Agricultural Sector Development Support Programme (ASDSP) Phase II

49.The ASDSP with the overall goal; "To contribute to "transformation of crop, livestock and fishery production into commercially oriented enterprises that ensure sustainable food and nutrition security" through the Development of Sustainable Priority Value Chains (Beef, Honey & Maize value chains) in the county for Improved income, food and nutrition security in the County has

accomplished Capacity Knowledge enhancement of existing service providers on identified opportunities enhanced; 1(one) innovation concept per value chain developed; Geo-referencing of the Value Chain organizations- Value chain maps for Beef, Honey and Maize have been developed; Participated on Training on suitability maps; Conducted a 2 day desk review to scoop Prioritized Value Chain Actors (PVCAs) based on their Per Capital Income for coaching mentorship and training; inventoried the existing and potential Service Providers (SPs) on Entrepreneurship skills; held meeting to review/profile market information service providers; supported and participated in development of market led Value chain plans; Developed action plan to fill identified gaps(1 day Meeting; Developed a county Programme strategic plan; and Developed the 2020/21 Annual Work Plan and Budget (AWP&B).

National Agricultural Rural Inclusive Growth (NARIG) Programme

50.The NARIG Programme with the project development objective (PDO); “To increase agricultural productivity and profitability of targeted rural communities in selected Counties, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response,” recorded major achievements during the period under review. These included: The project advertised, through local newspapers, request for expression of interest from qualified firms to provide extension service to farmers under 4 agricultural value chains supported by the project; The project conducted backstopping of the Community Driven Development Committees (CDDCs) at the ward level to ensure compliance to the requirements of the committee to operate as required by the project documents; the CDDCs and SCTT vetted community micro-projects and forwarded to CPCU for further appraisal by County Technical and Advisory Committee (CTAC) and eventually approval by County Project Steering Committee (CPSC) with a total of 400 community micro-projects approved for funding; The project organized for a ceremony to present cheques to CDDCs for the 100 approved micro-projects; The project trained 4 data collection clerks per ward on data collection using Open Data Kit (ODK) mobile app; The project trained 4 PFS facilitators per ward and also trained ward extension

officers on farmer field school methodology. Field school is a participatory approach to extension where farmers meet regularly, guided by a trained facilitator, to analyze their production system and identify the best options through a discovery-based approach. It's expected that all funded farmer groups will for the PFS platform for farmer training and engagement; The project trained all the 15 CDDCs and Social Accountability and Integrity Committee (SAIC) members on fiduciary issues. The CDDCs, through their respective procurement committees, developed procurement plans and procured materials on behalf of the funded groups. The project organized value chain stakeholders' forums for 4 priority value chains supported by the project; The project supported Dairy producer organizations (PO), 3 Honey POs to develop proposals for inclusion and membership registration drive grants proposals as well as matching grants proposals; Three (3) POs were funded to undertake membership recruitment exercise, Samburu Dairy Farmer's Cooperatives – Ksh 1,500,000, Hope Enterprise Society Ltd – Ksh 1,500,000, Samburu Bee Keepers Cooperative Society –Ksh 1,500,000. The project also supported farmers under the sheep/goat's Value chain to form producer organizations at the sub-county level through federation of funded groups. 3 new POs formed and registered to support farmers under the value chain. 35 youths were trained to Participatory Education Theater to dramatize project messages as a way to raise project awareness. Trained youth were used during project occasions.

Establishment of a Dairy Processing Plant (SCG/NDMA/SDCL)

51. The main purpose of the project is to promote and improve value addition in the dairy industry in the county as well as increasing the market access for milk and milk products resulting to increased household incomes, creation of employment opportunities and increased Samburu County Government revenue for wealth creation and uplifting the living standards of its citizens. The main achievements to date include Construction works of the main buildings completed; Procurement of lab equipment and reagents; Milk freezers (4,000 litres) procured; A milk coolant (3,000 litres) provided; and Milk ATMs procured.

Instrument for Devolution, Advice and Support (IDEAS) Programme

52. This is a EU-Co-Funded Development Contract signed between the County Government and the Ministry of Devolution & ASALs, State Department of Devolution (The “Contracting Authority”) with an overall objective; “To contribute to improved livestock economy thereby contributing to poverty reduction, wealth creation and overall local economic development in Samburu County through the establishment of a Mini-Meat processing plant, the Nomotio Abattoir with a maximum capacity of slaughtering and processing 200 Shoats and 50 large stock. The key project activities reported include the construction of the abattoir and auxiliary structures (54% complete); hydrological survey of the proposed borehole construction; One technical consultative meeting held to establish the gap analysis for counties implementing the construction of abattoirs. The COVID-19 pandemic has been the biggest challenge affecting the smooth running of the project implementation. The COVID-19 prevention rules and regulations prohibit social gatherings hence affected the official launching of the project by halting all the preparations that were ongoing during the month of March 2020. Another challenge that has temporary stopped the construction of the main abattoir construction has been the ongoing Gap Analysis of the Abattoir being undertaken by the County Project Engineers guided by the National IDEAS Technical Advisory Team in Nairobi. The analysis basically involves the revision of the abattoir designs to meet the national and international standards and the eventual cost implications to the initial project budget.

Water, Environment, Natural Resources & Energy

53. Key achievements realized include:

- a) Undertaking hydrogeological surveys and water feasibility studies to ascertain underground and surface water potentials;
- b) Borehole Drilling 35 Sites.
- c) Borehole equipping of both previously drilled boreholes (16 No. Sites) and FY/2019/2020 Drilling with equipping component and where water has already been struck (16 No. sites) therefore making a total of 32 No. of boreholes for equipping.

- d) Rehabilitation of 35 kilometres of water extensions and/or supplies and numerous repairs and overall maintenance of rural water supplies across the county.
- e) Excavation and desilting of 2 earth dams/pans in Ngari and Naisunyai still on going.
- f) Designated and constructed a perimeter wall to secure Archer's Post Solid Waste Management site.
- g) Restoration of degraded rangelands through control and management of invasive species in Maralal environs (specifically Loikas, Lmataro and Ngari areas) and Meibae conservancy.
- h) The sector was also able to operationalize the County Environment Committee to undertake its mandate of overseeing environmental management and coordination in the county.
- i) Formulation of rangelands management and planned grazing policy, which is currently in its last stages of formulation process.
- j) Observation of critical days to sensitize the public with regards to environmental conservation and management of natural resources in general such as intenational Day of Forests, and World Water Day.
- k) Capacity building of Natural Resource Management institutions to support protection and management of natural resources i.e. training of four (4) Water Resource User Associations (WRUAs), three (3) Community Forest Associations (CFAs), 3 Charcoal producer Associations, Water User Associations (WUA's), sand harvesting and other environmental groups.
- l) In partnership with IMPACT trust, Water Resources Authority (WRA), Food and Agriculture Organization of the United Nations (FAO), Kenya Forest Service (KFS) and Kenya Water Towers Agency (KWTA) supported the development of Natural Resource Management Plans for 3 WRUA's and 3 CFA's.

- m) In partnership with Ministry of Energy and World Bank, we were also able to undertake feasibility studies for solar connectivity through establishment of Mini-Grids in 10 of our upcoming centres and/or towns and community facilities such as health centres, schools and boreholes as well as undertaking market surveys on clean energy initiatives.
- n) Staff training on different areas of specialization and interest, such as Geographic Information System (GIS), Project Planning & Management, Monitoring & Evaluation, and Solar PV installation and management.

Education and Vocational Training

54. The sector presents a platform for imparting much needed skills, competencies and attitude to propel the County development. In the 2019-2020 financial year, Key achievements includes;

- a) 36 ECDE classrooms constructed.
- b) 18 sanitary blocks constructed.
- c) 17 ECDE Fenced.
- d) Kitchen and stores constructed.
- e) Provision of school feeding program.
- f) Competency based curriculum books.
- g) 32 sets of furniture's provided.
- h) 80 Water tanks 5,000 Ltr.
- i) Construction of Multipurpose hall (Maralal Polytechnic).
- j) Purchase of 3 Motorbikes.

Medical Services, Public Health and Sanitation

55. Some of the key for the financial year 2019/2020 are: -

- a) 65 outreaches Antenatal Care, Immunization, Family planning and nutrition services Conducted through Transforming Health Systems Universal Care (THS UC) but several have been also supported by other partners.
- b) One Ambulance Purchased for Baragoi Sub County Hospital on procurement process, the ambulance will be procured using THS UC funds.
- c) Operations and Maintenance support for all gazetted level 2 and 3 health facilities.
- d) All gazetted Dispensaries supplied with Kenya Medical Supply Authority (KEMSA) drugs and they will also receive Denmark's development cooperation (DANIDA) funds since they are now gazette.
- e) Quality Improvement teams formed, 2019/2020 Training of managers on KQMH tools, dissemination of information to County Health Management Team, Sub County Health Management Team and Facility in charges.
- f) Procurement of two Hematology Analyzers for Baragoi and Maralal County Referral Hospitals.
- g) Sample transportation of Viral load, early infant Diagnostic, sputum cultersCd4 and Genexpert samples from peripheral facilities to testing Hub. i.e., Maralal County Referral Hospital, Wamba Health Centre, Kemri and Tuberculosis Reference Laboratories.
- h) Malezi Bora activities supported during which immunization, Family planning, Antenatal Care, Health Education amongst other reproductive health services were provided Targeting 300 community members (100 per sub county)
- i) Purchase of baby warmers for several facilities.
- j) Formation of County and Sub County Maternal Perinatal Death Surveillance and Response Committee. Quarterly perinatal and maternal and perinatal

audit review by the County Maternal Perinatal Death Surveillance and Response Committee and Sub County.

- k) Fully immunized improved from 58.2% in 2016 to 69% in 2019/2020.
- l) EPI mentorship done in 31 health facilities done with THS UC support. The County was issued with Motor bike to improve immunization services.
- m) Mothers Support Groups Meetings and Sensitization-22 Groups. Mother to Mother Support Groups meeting and sensitization done in 33 Community Units.
- n) Capacity Building of Health Care Workers - training on Tuberculosis, Direct Observed Therapy & Multi drug resistant patient management.
- o) Procurement of 11 Tuberculosis Biosafety cabinets.
- p) Training of Nurses, Clinical Officers on malaria case management, microscopy, diagnosis and commodity management.
- q) Conducted community screening on Neglected Tropical Disease (jiggers).
- r) Community Led Total Sanitation activities in the county: 28.3 % (141) of the villages have been triggered, 3.5% (6) have been declared Open defecation free (ODF) and celebrated, 3.5% (6) are awaiting Celebrations, 2.8% (4) are awaiting Verification, 90% (127) requires to be followed up and 357 villages requires to be triggered. Representing 71%.
- s) Distribution of water treatment chemicals, 20 litre Jerricans, Bar Soaps for hand washing to Households in the community units.
- t) Sensitization of School Head Teachers and Health club patrons, Board of Management on Hygiene promotion.
- u) Establishment of 32 community health units: (Increased of community health units from 32 in 2018/19 to 60 in 2019/20).
- v) Recruitment of 12 Community health extension worker's/ community health assistance.

- w) Health worker's salaries and remuneration paid.
- x) The Human Resource department was able to undertake the following in the previous year of 2019/2020, Employed 164 Health staff on contract under universal health care program and 23 staff under internship, national government program. New health workers employed by Afya Nyota Nuru ya Bonde.
- y) Senior staff were trained on strategic leadership skills and recommended others to join the Kenya school of Gov't for senior management course.
- z) Afya TIMIZA has signed a contract agreement of employing 17 nurses in the financial 2019- 2020.
- aa) Renovations and cosmetic improvements carried out at the centers of learning in each Sub County namely in Samburu North Baragoi Sub District Hospital, Samburu Central Maralal District Hospital and Samburu East.
- bb) Procurement of Pharmaceuticals, Non-Pharmaceuticals, Renal Commodities. Procurement from; Kenya Essential Medical Supplies Agency. (KEMSA) Mission for Essential Drugs Supplies (MEDS) Angelica Medical Supplies (Renal Commodities).
- cc) Collected Two hundred and fifty (250) Pallets as a donation from the Kenya Essential Medical Supplies Agency (KEMSA) and this pallet were redistributed to all the facilities in Samburu County so as to improve the storage conditions of the commodities.
- dd) Purchase of essential - emergency obstetric and newborn care equipment's which include delivery packs etc.
- ee) Conducted Quarterly Data review meeting on RMNCAH indicators at County and Sub County levels by the County Health Management Team (CHMT) and Sub County Health Management Team (SCHMT) targeting all the Health Care Facilities and Community Health Units.

- ff) AWP development for financial year 2019/2020 involving all health service delivery levels 1, 2, 3 and 4. All Community Health Units and Health facilities prepared their 2019/2020 AWPs.
- gg) Improvement of referral system because of increase of community units to 42.
- hh) Capacity building of health workers among others trainings e.g., Basic emergency obstetric care, Comprehensive Maternal Obstetric Care.
- ii) Deliveries by skilled delivery at the facility increasing to 46%,
- jj) TB patients completing treatment – 90%.
- kk) Women of Reproductive Age (WRA) receiving Family Planning (FP) commodities from 21.9%. to 39%.

Transport, Roads and Public Works

56. Assisted in preparation of Bill of Quantities (BOQ) and supervision of on-going construction works for other departments. A total of 159 number of bid documents were prepared for client departments apart from supervision of few on-going projects of low value, we supervised two major projects of high value namely:

- a) Construction of Outpatient Department Complex (ODP).
- b) Nomotio abattoir and auxiliary structures.
- c) Conducted Firefighting Training for institutions and business premises.
- d) Conducted 3 No. firefighting trainings for schools and dispensaries at the three sub-counties.
- e) Conducted trainings for premises/dealers selling gas cylinders and petroleum products. These were done for 26 dealers in Samburu central and for 25 dealers in Samburu east and issued them with fire certificates.
- f) Conducted one fire rescue mission at Loikas.
- g) Road Projects completed in FY 2019/20

- h) The Department budgeted a total of 96 No. projects out of which:
- i) 90 No. projects successfully went through the procurement process. However, only 85 No. went into implementation. The remaining five (5) did not take off for reasons of three (3) No. awards not accepted, contractor not taking over site for one (1No) while one (1) was cancelled since it had been done by Kenya Rural Roads Authority (KERRA).
 - j) Out of the 85 No. projects that successfully went through procurement, 62 No. have been completed, 21No. are on-going while two (2) No. have not taken off.
 - k) From the 85 No. projects budgeted at Kshs. 476,237,313, projects worth Kshs340,070,000 were completed while projects worth Kshs. 102,667,313 are ongoing. A savings of Kshs, 30,614,888 was realized from the competitive bidding.
 - l) Six (6) No. projects were not responsive: one (1) was given to KERRA, four (4) No. have been budgeted in the 2020/21 FY budget while two (2) No. will be re-budgeted during supplementary.
 - m) Wamba streetlight, Archers Post streetlight and Archers post floodlights have been successfully completed.
 - n) Kisima streetlight and Suguta-Mar mar streetlight are on-going and near completion.
 - o) Floodlights at treetop and Sunyai project was not awarded because the bidders were not successfully responsive.
 - p) Covid-19 pandemic response.
 - q) Supported the Health department in fighting the Covid-19 disease in preparation of bills of quantities for the following units:
 - r) Intensive Care Unit and High Dependency Unit (ICU/HDU) at Maralal referral hospital.
 - s) Isolation centre at Nomotio farm.

- t) Isolation centre at Maralal Youth polytechnic.
- u) Donning and doffing room at ICU/HDU centre.

Lands, Housing, Physical Planning and Urban Development

57. The department engaged in implementation of several Programmes key among them and which are currently ongoing include;

- a) Preparation of Baragoi and Lengusaka Town plans.
- b) Titling of Milimani Area.
- c) Planning Titling of Maralal Municipality.
- d) Construction of Maralal Retail Market.
- e) Finalization of County Spatial Planning.
- f) Forest vs community boundary delineation.

Tourism, Trade, Enterprise Development and Cooperatives

58. Co-operative sub-sector

- a) 2 pre cooperative education meetings carried out.
- b) 1 Special General Meeting/Members education facilitated by the office.
- c) 1 Cooperative leaders training.
- d) 4 exposure/Marketing/study visits done and coop representatives participated in Rwanda.
- e) 3 production camps held in every sub county.
- f) 7 general meeting attended by officers.
- g) 8 cooperatives audits carried out.
- h) 1 beading shed constructed at west gate, Wamba West ward.
- i) 30 packets of beadwork materials bought for use in trainings.

59. Tourism and wildlife subsector

- a) Construction of SNR headquarters at Archer's gate.
- b) Construction of Fortified camps at Nyiro (Lwantani) and Ndoto (Martidorop).
- c) Support of existing conservancies, through Samburu National Reserve revenue sharing; Kalama & West gate.
- d) Support of Newly established conservancies.
- e) Construction of Ltungai community conservancy eco-lodge.
- f) Support for operation of Kirisia Nkoteyia community scout program and Kirisia Forest ecosystem.
- g) Construction of Tourist bandas in Meibae.
- h) Purchase of Vehicles 1 NO. for Samburu National Reserve.
- i) The department participated at Magical Kenya travel Expo in October 2019 and Other events like World Trade Fair in Berlin March 2019, World Travel Market (WTM) in London and Sarit Expo.
- j) Formulation Community Conservation Fund Act.

60. Trade and Investment

- a) Construction of market stalls at Kisima Town, Tangar market and south horr.
- b) Construction of Toilets in Lolmolog market.
- c) Construction of Public Toilet in Nomotio Abattoir.
- d) Construction of 11 boda boda sheds county wide.
- e) Sensitization for Covid-19 precaution Measures to Poro Women and Youth groups.
- f) Facilitation of small and medium-sized enterprises (SMEs) to attend the East Africa Jua Kali/ Nguvu Kazi Exhibitions.

Culture, Social Services, Gender, Sports & Youth Affairs

61.The following was realized: participated in various athletic and cross-country championships at the County level, regional and national levels, participated in Maralal International Camel Derby event, Kenya Youth Inter-County Sports Association Games held in Busia County where several players were scouted. Participated in Kenya Inter- Counties Sports Association (KICOSCA) games held in Kericho County, participated in the Desert wheel chair race held in Isiolo County. We also participated in the 11th Edition of East Africa Local Authorities Sports and Cultural Association (EALASCA) Games held in Kampala. We also participated in the Chapa Dimba na Safaricom games which is aimed at transforming the lives of young people and also launched the youth bila steam program

62.Going forward the sports subsector will put more emphasis on completion of the ongoing infrastructure projects namely: completion of the high-altitude sports Centre in Loibor Ngare and also construction of playgrounds to all the wards. Further the department intends to widen links with stakeholders and partners to ensure better collaboration for effective implementation of programs.

63. Culture sub- sector achievements

- a) Maralal International Camel Derby.
- b) Community Training on Menstrual Hygiene/Reproductive health Samburu East and North.
- c) International Day for persons with Disability held and also contribution to disability fund.
- d) Training on sexual Gender Based Violence (GBV) in Samburu North.
- e) Anti- Female genital mutilation (FGM) training in the county.
- f) Peace Caravan at Baragoi.
- g) Liquor Inspection in Samburu East and Central.

- h) Training on Community Sensitization of Early Pregnancy/Marriages and Street Children in Maralal town.
- i) Observed various National Day Celebrations.
- j) Circumcision of Orphaned/Vulnerable Boy Child.
- k) Conducted Youth Trainings in various wards.
- l) Conducted women empowerment programs to various groups.
- m) Community Sensitization on covid-19.

64. Special Programme

- a) Effective control of first locust invasion Jan-2020 to 28th July 2020.
- b) Surveillance teams identified and registered 517 swarms of which 314 swarms successfully controlled.
- c) Trained 98 desert locust control personnel including 7 Training of Trainers and 3 Master Trainers.
- d) Established surveillance teams.
- e) Sprayed protected over 100,000 hectares of pasture/browse/crops.
- f) Mobilized ksh 30 million to support the Amaya ecosystem and conservation in Samburu.
- g) Draft Disaster Risk Management policy discussed by the County Assembly Ad hoc committee.
- h) Updated the multi hazard contingency plan.
- i) Updated partners Who do What Where (3Ws) matrix.
- j) Successful partnerships for desert locust control and Covid-19 mitigation through:
- k) Supply of control equipment and
- l) Supply of personal protective equipment.

- m) Mobilized and supported partners to target and deliver cash transfer 43,000 Households, seeds and vet services.
- n) Successfully developed Frontier County Development Council peace and security policy and strategy.
- o) Promotion of regional peace and cohesion.
- p) Provision of 495 Metric tons to 196,066 beneficiaries and Transportation supported by World food Programme.

County Development Challenges

65. Inadequate funding and funds delay from national treasury greatly affected the implementation of departmental Programmes

Review of Fiscal Performance in 2020/21

66. Budget execution in the first half for the FY 2020/21 was hampered by revenue shortfalls and rising expenditure pressures. The County Government has embarked on expenditure rationalization and prioritization to ensure that expenditures are on the most impactful Programmes that yield the highest welfare benefits to the residents.

Total County revenue

Own Source Revenue

67. The Own Source Revenue was budgeted at Ksh 180,312,319. The collection for first half of the financial year was Ksh 26,315,260 which was 15% of the target as shown in Table 1. The revenue collected is further analyzed by departments as shown in Table 2. Own Source Revenue forms part of the total revenue for the county and its adequacy is important to funding of development projects.

External revenue

68. The total external revenue budgeted is Ksh 6,700,345,605. The collection for first half of the financial year was Ksh 2,442,699,304.80 as shown in Table 3 which was 36% of the target.

Total County Expenditure

69. There has been a lot of public attention on County Government spending. The County Government always aim to shift more public resources from recurrent to capital investment so as to promote sustainable and inclusive growth. The budgeted expenditure for the FY 2020-21 amounted to Ksh 6,880,657,924. The budget for recurrent is Ksh 4,238,931,986 and development Ksh 2,641,725,938. The expenditure for the first half was ksh 1,577,282,918 of which recurrent was Ksh 1,448,806,217 and development was Ksh 128,476,701 as shown in Table 4. The expenditure can further be categorized into three major economic classifications as shown Table 5 namely;

- a) Personnel emolument is composed of basic staff salaries and all allowances.
- b) Operation and maintenance include expenditure incurred in running the offices such as payment of bills, maintenance of vehicles, maintenance of buildings, fueling of vehicles, travelling cost and purchase of working tools such as stationeries, computer and accessories and any other cost incurred in running the offices. The procurement of drugs, food and bursary disbursement is also included.
- c) Development expenditure involves costs incurred in payment of capital projects.

CHAPTER THREE : COUNTY STRATEGIC PRIORITIES

Overview

70. This chapter presents sector/sub-sector strategic priorities, Programmes and projects for the year. The Programmes and projects envisage to achieve jubilee Big Four agendas, Governor's Manifesto and also by mainstreaming cross-cutting issues such as climate change; environmental degradation; Disaster Risk Management (DRM) HIV/AIDs; Gender, Youth and Persons with Disability (PWD), Ending Drought Emergencies (EDE). The broad priorities to be handled by the different departments are detailed below;

COUNTY STRATEGIC PRIORITIES AND PROJECTS FOR 2021-2022

71. County Assembly

- a) To perform its legislative and oversight role to the best of its ability to the people of the county.
- b) To deliver excellent services to customers and other stake holders
- c) To do its representation role to satisfy the needs of the people of the County.

72. County Executive

- a) Administration and Coordination of County Affairs
- b) Construction and equipping of Sub county/Wards offices
- c) Consolidation of Information sharing and Improving Information sharing
- d) Civic Education and Awareness campaigns on major County Policies and Legislations
- e) Co-ordination of Public participation and community Programmes.
- f) Implementation of Public Participation Act

73. County Public Service Board

- a) Approval of Revised schemes of services.
- b) Succession management.

- c) Upgrading/promotion/Acting and temporary appointments of officers.
- d) Record of minutes of hearing proceedings for those with disciplinary cases.
- e) Formulation of a discipline policy.
- f) Implement an effective employee performance appraisal and reward mechanism

74. Finance, Economic Planning and ICT

- a) Automation - Interactive website development (with financial component)
- b) GPS system maintenance
- c) Risk based audits; Institutional risk management policy framework rolled out;
- d) Audit committee training manual and regulations; audit committees trained; Capacity building in information systems audit undertaken; Value for money audits undertaken; teammate rolled
- e) Monitoring & Evaluation planning / framework;
- f) Annual performance reviews; Strengthening line department progress reporting;
- g) Monitoring and evaluation of local revenue collected.
- h) Continuous capacity building of Staff at all levels
- i) Accounting systems and financial regulations reviewed and developed.
- j) Stakeholders involvement in budget Making Process;

75. Special Programs

- a) County Capacity Building at all levels
- b) Partners mapping and Resource mobilization
- c) Strengthening technical working groups coordination
- d) CSG coordination
- e) DRM Baseline Survey

- f) DRM Awareness Programmes
- g) DRR Early warning, preparedness and Response
- h) Policy Advocacy – (BBB) Build Back Better for recovery, rehabilitation and reconstruction
- i) Emergency relief food and cash transfer
- j) Conflict mapping and analysis
- k) Peace building, conflicts management and promotion of county cohesion
- l) Sustainable Livelihoods projects

76. Agriculture, Livestock Development, Veterinary Services and Fisheries

- a) Construction and furnishing of 2 sub-county office
- b) Construction of Ward Extension Offices
- c) Employment of technical staff (Livestock & Fisheries (Poro, Baawa, Loosuk, Partuk, Latakweny, Lkayo, Archers and Wamba)
- d) Development of Nomotio LIC Bill (finalization)
- e) Grazing and range management policy
- f) Community breeding stock
- g) Complete construction and equipping of the Nomotio Abattoir
- h) Construction of modern Sale yards
- i) Provision of improved pasture seeds for pasture establishment and range reseeding for pasture harvesting
- j) Rehabilitation and reconstitution of cattle dips and crushes
- k) Purchase of pesticide's and vaccines
- l) Renovation and fencing of slaughter houses
- m) Capacity building of staff at all levels and also stakeholders
- n) Participatory Disease Surveillance

- o) Purchase of Certified seeds
- p) Farm tractors and implements
- q) AMS spare parts and workshop implements
- r) Farmer field days and demonstrations
- s) Establish 3 fish ponds for field demonstrations
- t) Purchase fish feeds
- u) Introduce fingerlings

77. Water, Environment, Natural Resources and Energy

- a) Water supply pipeline extensions & rehabilitations
- b) Conduct Hydrogeological surveys
- c) Drilling and equipping of boreholes
- d) Construction of Earth dams/pans and check dams
- e) Construction of rock catchments
- f) Development of a Water Master Plan
- g) Construction of Ablution Block
- h) Formulation of waste management strategy and Bill
- i) Construction of a waste management site in Suguta Marmar and Baragoi
- j) Facilitate County Environment Committee (CEC) Quarterly Meetings
- k) Development of a County Environment Action Plan
- l) Observation of Annual environment events , (such as World Wetlands Day, World Environment Day, Clean-up the World Day and International Day of Forests)
- m) Formulation of County Sustainable Forest Management and Tree Growing Policy and Bill

- n) Supporting School Greening Programme
- o) Supporting Tree nursery establishment
- p) Establishment & capacity strengthening of forest institutions such as Forest community groups, Community Forest Associations (CFAs)
- q) Conducting a Natural Resource Assessment and/or inventory
- r) Capacity building of stakeholders on matters, mining & other mineral products
- s) Sensitize stakeholders on green energy potentials and efficient energy technologies
- t) WRUAs Capacity development
- u) Development of Sub-Catchment Management Plans (SCMPs)
- v) Spring and Wetlands protection and Management
- w) Riverine protection
- x) Invasive species control and Management
- y) Support rangelands rehabilitation through pasture production
- z) Soil conservation projects

78. Education and Vocational Training

- a) Construction of pre-school classrooms in the county
- b) Construction of pre-school Sanitary blocks
- c) Construction of office/stores for ECDE schools
- d) provision of furniture to newly constructed ECDE classrooms
- e) provision of ECDE play and learning material to 450 Pre-schools
- f) Fencing of ECDE centers
- g) Provision of food rations to satellite ECDE centers

- h) Construction of pre-school kitchen
- i) provision of water tanks to ECDE centers
- j) Conduct community awareness and mobilization for ECDE centers
- k) Data collection for ECDE management information systems
- l) Construction of ECDE playgrounds
- m) Provide bursaries at the mentioned levels of learning
- n) Purchase of polytechnic assorted tools and equipment
- o) Construction of kitchen and dining hall
- p) Provision of Furniture's for the dining hall Maralal polytechnic
- q) Purchase of vehicles spare parts, vehicle services other production from other departments

79. Medical Services, Public Health and Sanitation

- a) Capacity building of health workers at all levels
- b) Support for professional bodies conferences and meetings
- c) Establishing community units
- d) Support for international and national health days.
- e) Support for CME at facility divisional levels
- f) Health education at community level.
- g) Upscale active disease surveillance.
- h) Upscale community strategy.
- i) Construction of PH latrine in community, facility and markets.
- j) Upscale health education in schools.
- k) Hygiene and up scaling of CLTS.
- l) Upscale health education of drug and substance abuse.

- m) Construction of a rehabilitation centre in the county
- n) Conduct outreaches.
- o) Purchase of basic equipment.
- p) Expansion of health facilities
- q) Support for quarterly stakeholders meeting.
- r) Maintenance and repair for motor vehicles and motor bikes.
- s) Scale up school health clubs.
- t) Support for beyond zero activities (outreaches)
- u) Support functionality of maternal shelters.
- v) Expansion of KEPI room.
- w) Establishment of ambulance command centre.
- x) Purchase of spare parts for KEPI fridges
- y) Upgrading of County Referral
- z) Construction of central sterile supplies department (CSSD) and laundry
- aa) Purchase of a larger Output generator
- bb) Expansion of the County Referral Laboratory to cater for a variety of diagnostic services
- cc) Improving access to universal healthcare
- dd) Procurement of health commodities in the county
- ee) Scale up management of acute malnutrition
- ff) Upgrade the EMR system in the county referral and high-volume facilities
- gg) Construction of medical wards
- hh) Construction of a sub county ware house for health commodities
- ii) Constructing more 5 new facilities
- jj) Constructing 5 new staff houses in rural facilities

- kk) Operationalizing all new facilities
- ll) Recruitment of additional health workers.
- mm) Timely promotion and promote payment of salaries/ allowances and accountability
- nn) Data quality assessment quarterly.
- oo) Monthly in charges meeting and data dissemination.
- pp) SCHMT monthly data audit from facilities.
- qq) APRP development by Health facilities.
- rr) APRP consolidation by SCHMT.
- ss) Stake holders review meeting (quarterly)
- tt) Build Sub County filing area and referral hospital.
- uu) Establish EMR in Kisima and Suguta H/C.
- vv) OJT on reporting tools and health facilities staff on-going.
- ww) -Data sharing bi – annual meeting (2 days).
- xx) Build warehouse for storage of equipment and registers
- yy) M&E indicators on HTC/Nutrition/MCH, dispensary charts on wall.
- zz) Upgrade of Existing Dispensaries to Health Centers
- aaa) Conditional Grant-Leasing of Medical Equipment
- bbb) Purchasing of 3 motorbikes for public health services mobility
- ccc) Procurement of 20 water tanks in the newly constructed health facilities
- ddd) Procurement of 2 utility vehicles for the sub-counties.
- eee) Fencing of the existing facilities
- fff) Construction of administration block for Wamba and Baragoi sub-counties
- ggg) Upgrade of Existing Dispensaries to Health Centers

80. Lands, Housing, Physical Planning and Urban Development

- a) Survey and beaconing of selected urban centers
- b) Digitization of Land Records to establish a functional Land Information Management System
- c) Picking, planning and beaconing of various trading Centres
- d) Support subdivision of selected Group Ranches for security of tenure
- e) Community and urban land boundaries management
- f) Securing of title deeds for selected registered Community Land
- g) County spatial planning
- h) Finalization of cadastral Survey for Maralal and Milimani
- i) Provision for solid waste management for Maralal municipality.
- j) Maralal Storm water management

81. Roads, Transport and Public Works

- a) Fire engine for Maralal municipality
- b) Construction of Materials testing Lab at Maralal
- c) Maralal phase III drainage works Ksh 15M South Horr Drainage works Ksh 10M.
- d) Routine maintenance and Improvement of Roads
- e) Purchase of specialized equipment for road survey and mapping
- f) Vehicle for field work well equipped.
- g) Opening of new roads
- h) Bridges, drifts and Culverts -Seiya bridge (at swari), Nkare narok (nkutuke simitini), Amayia river bridge, Arsim river bridge, seiya bridge at (lodungo'kwe)

- i) Purchase of heavy earth moving equipment -Excavator (Ksh 35M) ,2 Tippers (@Ksh 15M), Lowloader (Ksh 20M) and Dozer (Ksh 25M).
- j) Construction of Maralal Bus park
- k) Installation of street lights at Maralal, Wamba, Suguta marmar, Kisima, Poro and Loosuk.

82. Tourism, Trade, Enterprise Development & Cooperatives

- a) Tourism and Wildlife Conservation
- b) Formulate Game Reserve Policy
- c) Formulate Tourism Marketing strategy
- d) Construction of Fortified camps in Suyian
- e) Construction of ranger's camp at Ngilai- El-barta ward
- f) Construction of Toilets and fencing of Pura and Lerra fortified camps
- g) Development for conservancy management plans
- h) Purchase and Mounting of unit huts in the conservancies
- i) Training of Community conservancies management boards, committees and Community conservancies scouts
- j) Funding existing conservancies development & livelihood projects
- k) Develop and operationalize Tourism website for marketing and information flow.
- l) Undertake tourism promotion and marketing locally and internationally by Attending trade fairs and exhibitions in Camel derby, World Travel Markets (WTM).
- m) Development of Tourism Marketing plan and profiling of Tourism products / potentials.
- n) Renovation of Staff quarters (Rangers Post) Archers gate SNR.
- o) Equipping of Malaso Cafeteria.

- p) Establishment of eco-camp.
- q) Establishment of Tourist information centre at SNR
- r) Identification of signage for improvement.
- s) Re-writing the signage and bill boards.
- t) Conducting patrols to curb illegal grazing.
- u) Construction of cattle bomas.
- v) Issue grants to communities neighbouring SNR
- w) Conducting a boundary survey and Marking the livestock corridor
- x) Completion SNR headquarters at Archers gate.
- y) Capacity building for staff through training on career progression, mentorship on the job training, workshops and seminars in line with job.

83. Trade and Enterprise Development

- a) Carry out feasibility study for industrial parks
- b) Enact a policy and legislation to establish industries
- c) Establishment of SEZ Master Plan
- d) Construction of markets sheds and latrines in all trading Centre's in the county
- e) Refurbishment/Renovation of old markets constructed by the defunct Local Authority
- f) Support the Samburu County youth and women Enterprise Development Fund
- g) Develop loan management software
- h) Purchase of motor bikes for sub-county trade officers and joint loan board officer
- i) Develop a Training Package for SMEs.

- j) Water bottling processing plant at Nyiro
- k) Enactment of Trade Licensing and trade Bills
- l) Routine inspection and verification of weighing Machines and Petrol pumps
- m) Hold a county investment forum and exhibition

84. Cooperatives Sub-sector

- a) Promotion of cooperatives-carry out sensitization meetings, feasibility studies, pre-cooperative education
- b) Carry out feasibility studies on cooperatives & identify revivable
- c) Cooperative Leaders and members' education
- d) Exposure/study visits.
- e) Cooperatives audit.
- f) Support cooperatives with assorted materials.
- g) Procurement of milk cooler for Samburu Dairy Cooperative.
- h) Refurbishment of Samburu beekeepers cooperative honey refinery and Wamba beekeeper's cooperative and proposed Nyiro Ndoto honey cooperative refinery.
- i) Meloni Tannery Effluent treatment plan.
- j) Continue contribution to County Cooperatives Development Fund.

85. Culture, Social Services, Gender, Sports and Youth Affairs

- a) Fencing of Maralal green park.
- b) Construction of Public toilet at Wamba and Baragoi.
- c) Construction of Social Hall at Wamba West Ward.
- d) Disability board fund.
- e) Support to Vulnerable groups.
- f) Drug and substance use awareness.

- g) National days celebrations.
- h) Support to HIV/Aids Programmes.
- i) women empowerment programs.
- j) Control of Pornography and other social vices.
- k) Cultural trainings (Capacity Building, exchange Programmes).
- l) Uphold cultural heritage support to Lororas.
- m) Mentorship Programme for girls.
- n) Annual Samburu Cultural Festivals.

86. Sport and Youth affairs

- a) Construction of 14 playgrounds.
- b) Finishing of the high-altitude sports Centre in Loiborngare.
- c) Construction of Maralal Stadium.
- d) Establishment of Samburu County sports league.
- e) Develop county sports and Youth policy.
- f) Hold athletics and cross-country championships.
- g) Participate in the Kenya Youth Inter-Counties Sports Association Games.
- h) Support the youth groups come up with income generating activities.
- i) Participate in the Kenya Inter-County Sports and Cultural Activities (KICOSCA)
- j) Capacity building of youth groups.
- k) Promote sports for People living with Disabilities.
- l) Participate in the Maralal International Camel Derby event.
- m) Capacity building of referees, coaches, team managers and administrators
- n) Procurement of sports equipment.

- o) Award of sports men and women who have performed well in sports.
- p) Support sports academies
- q) Conduct talent shows
- r) Support youth income generating activities.
- s) Participate in Desert wheel chair race/Adaptive sports

CHAPTER FOUR: FISCAL POLICIES AND MEDIUM TERM BUDGET FRAMEWORK

Overview

87. This chapter provides the County's fiscal policy, how the County will observe the fiscal responsibility principles and the fiscal reforms the county will implement to improve its fiscal performance. The chapter also outlines the County budget framework for 2021/2022 and the first half year fiscal performance for 2020/2021.

Fiscal Responsibility Principles

88. Section 107 of the PFM Act, 2012 and regulation 25 of the PFM (County Governments) Regulations, 2015 sets out the fiscal responsibility principles which the County Governments have to observe and enforce through the County Treasury. The guiding principles that are considered in the allocation of the available resources include:

- a) The requirement that the County public debt shall never exceed twenty (20) percent of the County Government's total revenue at any one time. (so far, no borrowings)
- b) The County Government wages shall be contained at thirty-five (35) percent of the County Government's total revenue in the medium term.
- c) The approved expenditures of a County Assembly will be as per senate's recommendations. This shall not exceed 7% of the total revenues of the County Government or twice the personnel emoluments of that County Assembly, whichever is lower.

- d) The County Government actual expenditure on development shall be at least thirty percent of the County Government's total expenditure.
- e) Fiscal risks shall be managed prudently; and
- f) 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.

89. In the FY 2021/22 and the medium term, the County Treasury will ensure that the budgets are prepared in a way that ensures strict adherence to these principles. For the County to achieve the above fiscal responsibilities the following controls will be exercised;

- a) Legislative (County Assembly) control: The Authority of raising revenue and their appropriation is provided by the County Assembly. The County Executive will work closely with the County Assembly to ensure legitimacy of collection of taxes and appropriation of the same.
- b) The Controller of Budget: the office of the controller of budget will oversee the implementation of county budgets by authorizing withdrawals from the county revenue fund.
- c) The Auditor General: The office of the Auditor General will be involved in auditing the accuracy of all accounts, the propriety of the expenditure and the appropriateness of all county public finance matters.
- d) In collaborating with the office, the county treasury will ensure efficiency, effectiveness and guard against unauthorized expenditure.

Fiscal Framework Summary

90. The 2021/2022-2023/2024 medium-term expenditure framework will continue to be premised on fiscal consolidation strategy which aims at directing resources to the most productive areas and growth enhancing sectors. This is in line with Programmes outlined in the CIDP 2018-2022 and County efforts in complementing the MTP III and the Big Four Agenda by the National Government. Efforts will also be intensified to increase own source revenue for sustainability of our development Programmes.

The county will in the meanwhile continue to engage with development partners through its external mobilization efforts to raise additional funding to compliment her effort in meeting additional financial requirement for development Programmes.

- 91.**The County Government will continue to rationalize expenditures by cutting those that are non- priority through its fiscal rationalization and consolidation strategy. These may include slowing down or reprioritizing operational expenditures in order for the Government to live within its means. Resource allocation to county departments and entities will be premised on sustainability affordability and strict prioritization especially with reference to establishment of new funds and development Programmes. This will ensure that more outputs and outcomes will be achieved at existing or lower resource level by County Department/Entities.

Revenue Projections

- 92.**The cumulative revenue forecast for FY 2021/22 will be Ksh 5,647,818,496. This comprises of equitable share of revenue projected at ksh 5,020,896,200 as provided in 2021 BPS and Kshs 526,922,296 on as conditional grants. Own source revenue is projected to be Ksh. 100,000,000. Summaries for both own source revenue and national transfers forecast over the medium-term period are as presented in Annex I.
- 93.**The County Government will continue to adopt measures aimed at improving own source revenue to expand its fiscal space for development Programmes. This includes implementation of the Revenue Enhancement Strategy and reforms in local revenue administration that has seen legislative review of the current revenue related laws through the Finance Act 2020 which is aimed at strengthening local revenue performance.
- 94.**The national transfers in form of the equitable share of revenue and conditional grants will be firmed up on the passage of Division of Revenue Bill and CARB 2021.

Expenditure Projections

- 95.** In pursuing a balanced budget, the County Government has projected that overall expenditure will equal the forecasted County receipts for FY 2021/2022. In this regard the County Government total expenditure will be Ksh 5,647,818,496 in the FY 2021/2022. Compensation to employees will account for 40.24% of the total County budget approximately Ksh 2,272,554,483. The proportion of the County wage bill is above the envisaged level of 35 percent of total revenues as recommended in Section 25 of the PFM (County Government Regulations) 2015. To contain the percentage expenditure on staff salaries within the regulation requirement, the County have frozen all hiring for new staff at all levels except technical staff only on need basis in the medium term.
- 96.** Further allocation for other recurrent expenditures will remain at the current level. The allocation to the County Executive and the County Assembly will be proposed by CRA later in the financial year.
- 97.** The County allocation for development expenditure will stand at 30.45% in FY 2021/2022. Total County development expenditure will be Ksh 1,720,000,000. The County development expenditure needs will be primarily financed by the projected National transfers to County Government (the equitable share and the conditional grants). The expenditure allocations are shown in Table VII.

Deficit Financing

- 98.** Reflecting on the projected revenue and planned expenditure the fiscal deficit is projected to be nil. In line with the PFM Act 2012 borrowing can only be made to undertake development projects in line with the framework developed between the National and County Governments. Given this underlying reason the County has projected a balanced budget with projected expenditure fully funded by own source revenues, transfers from National Government and approved donor support.
- 99.** The National Government has adopted cautious and pessimistic approach in forecasting revenues for FY 2021/22 and the medium term to manage expectations and improve budget credibility.

Fiscal policy over the medium-term aims at enhancing revenue mobilization and furthering the fiscal consolidation plan to reduce budget deficit and strengthen our pending bill resolutions position while supporting our development Programmes. The County Government will replicate this approach in estimating OSR to improve budget credibility as was the case in FY2019/2020.

Fiscal and Structural Reforms

- 100.** The County Government undertook further reorganization of its functions that saw the establishment of Maralal Municipal Board. In line with provisions of the PFM Act 2012 and PFM Regulation 2015, the County has reviewed its policy framework to enable allocation to the new Entity in order to reflect the new realities and confirm with the provision of the law. The County Assembly in this respect working with County Executive will formulate and approve a framework for allocation of resources to the Municipal Board.
- 101.** The county will undertake the operationalization of the contributory pension scheme for staff devolved from the national government who were previously under the non-contributory scheme. This in line with County Government Retirement Benefit Scheme Act of September 2019 which portends a contingent liability on the part of the County dating back to 2013 the advent of devolution. Details on the level of liability will be provided in the Medium Debt Strategy Paper of 2021.
- 102.** To achieve a result-oriented employee performance, the County Government will apply integrated tools on Result Based Management (RBM) with the roll out of the Performance Contracting (PC). Going into the next MTEF period 2021/2022-2023/2024 the County Government will continue to allocate resources aimed at inducting key County employees into a culture of performance as well as facilitating to the lowest level of management the process of performance contracting, vetting, and reporting.

Departmental Ceilings and criteria for resource allocation

103. The PFM Act, 2012 and the PFM (County Regulations), 2015 set out fiscal responsibilities principles that guide the Medium-Term Expenditure Framework (MTEF) for the County. The Criteria for resource allocation;

- a) Development expenditures have been shared out on the basis of the CIDP priorities and strategic interventions. The following criteria were used in apportioning capital budget.
- b) Compliance with Regulation: Priority for financing projects has be given to those projects that are in full compliance with the Government regulations and priorities as outlined in the CIDP and which are fully justified for financing.
- c) On-going projects: emphasis has been given to completion of on-going capital projects and in particular infrastructure projects with high impact on poverty reduction, equity and employment creation.
- d) Economic impact: priority was also given to Programmes and projects with higher socio-economic impact in terms of job creation and improvement of citizen's welfare.
- e) Strategic policy interventions: priority was also given to policy interventions covering the entire county integration, social equity and environmental conservation.
- f) Interventions identified in the county integrated development plan (CIDP 2018- 2022) and 2020/21 budget.
- g) Counterpart funds: priority was also given to adequate allocations for projects with counterpart funding. Donor counterpart funds are the portion that the Government must finance in support of the projects financed by development partners.

104. The recurrent expenditure includes compensation to employees, use of goods and services and maintenance which should not exceed 70 % of total expenditure while the development costs should not be less than 30 % of the budget.

105. Revenues from local sources are expected to finance 1.8 % of the County Government's expenditures while the balance will be financed by transfers from National Government and development partners. The detailed sector ceilings are in table 7.

CHAPTER FIVE – CONCLUSION

- 106.** The set of policies outlined in this CFSP aims at striking a balance between changing circumstances and emerging issues. The fiscal policies are broadly in line with the CIDP 2018-2022 and the fiscal responsibility principles outlined in the PFM Act. They are also consistent with the national strategic objectives outlined in the 2021 BPS which set a basis for County Government allocation of public resources. Details of these strategic objectives are contained in the County Integrated Development Plan (2018-2022). The policies and sector ceilings annexed herein will guide the Sectors/Departments in finalizing and adjusting 2021/2022- 2023/2024 Draft MTEF budget estimates. Budgetary resources are usually limited thus it is imperative that departments prioritize their Programmes within the available resources to ensure that utilization of public funds are in line with County Government priorities.
- 107.** Departments need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans in allocating resources. There is also need to ensure that recurrent resources are being utilized efficiently and effectively before funding is considered for Programmes.
- 108.** Going forward, MTEF budgeting will entail adjusting non-priority expenditures to cater for the priority sectors. Resource allocation and planning process will be modified in the context of the above realities while this paper will provide final ceilings for adjustment of the draft estimates and finalization of the budget process.
- 109.** Proper implementation of the budget is thus critical towards providing services that will promote sustainable growth. Sustainability requires greater effort from all the stakeholders including County Government Departments, Civil Society, Communities, County Assembly and development partners to get things done. This means providing for continuous consultation, monitoring finding solutions and encouraging innovation to build a sustainable County.

Annexes

Table 1: First half local Revenue 2020-21

MONTH	EXCHEQUER	LOCAL REVENUE	Dev Partners	TOTAL
JULY	1,858,275,289	2,726,385		1,861,001,674
AUGUST	381,224,250.00	1,239,950		382,464,200
SEPTEMBER		4,227,147		4,227,147
OCTOBER		5,186,128		5,186,128
NOVEMBER	189,200,008.00	3,598,628	189,200,008	381,998,644
DECEMBER	13,999,757.90	9,337,022	13,999,758	37,336,538
TOTAL	2,442,699,304.80	26,315,260	203,199,766	2,672,214,330

Source: County Treasury 2021

Table 2: Local Revenue Analysis by departments (31-12-2020)

Department	Budget	Own	%	Variance
Treasury	12,212,750	12,000,536	98	212,214
Agriculture	12,700,000	3,201,150	25	9,498,850
Environment	18,000,000	1,673,600	9	16,326,400
Education		0		0
Health		115,650	#DIV/0!	-115,650
Land	24,000,000	1,767,590	7	22,232,410
Works	4,686,382	477,200	10	4,209,182
Tourism	102,000,000	6,229,534	6	95,770,466
Culture	6,410,000	850,000	13	5,560,000
Totals	180,009,132	26,315,260	15	153,693,872

Source: County Treasury 2021

Table 3: First half External Revenue 2020-21

DESCRIPTION	JULY	AUGUST	SEPT	TOTAL Q1	OCT	NOVEMBER	DECEMBER	TOTAL Q2	TOTAL Q1+Q2
Exhequer	381,224,250	381,224,250	-	762,448,500	-	0	-	-	762,448,500.00
Danida	-	-		0			6,570,000.00	6,570,000.00	6,570,000.00
KUSP Fund	-	-		0		50,000,000.00	-	50,000,000.00	50,000,000.00
NARIG				0		139,200,008.00	7,429,757.90	146,629,765.90	146,629,765.90
Brought Forward				0				-	-
Exhequer	1,053,199,388			1,053,199,388					1,053,199,388.00
World bank loan for National agricultural and rural inclusive growth project B/F	56,256,424			56,256,424					56,256,423.50
Agriculture Sector Development Support Programme (ASDSP) B/F	30,822,580			30,822,580					30,822,580.00
KDSP B/F TAKEN TO COVID 19 ACTIVITIES	30,000,000			30,000,000					30,000,000.00
DANIDA (Health support funds) B/F	4,935,000			4,935,000					4,935,000.00
World Bank Loan for transforming health systems for universal care project B/F	36,441,141			36,441,141				-	36,441,141.40
COVID 19 FUNDS B/F	27,402,000			27,402,000				-	27,402,000.00
Balance brought forward 2018-19 for construction of Abattoir	77,594,506			77,594,506				-	77,594,506.00
Kenya Urban Support Programme (UDG and UIG) 18-19	50,000,000			50,000,000				-	50,000,000.00
Road Maintenance Fuel Levy b/f	110,400,000			110,400,000				-	110,400,000.00
TOTAL	1,858,275,289	381,224,250	-	2,239,499,539	-	189,200,008.00	13,999,757.90	203,199,765.90	2,442,699,304.80

Source: County Treasury 2021

Table 4: Comparison of Budget Estimates and Actual Expenditure. (31-12-20)

DEPARTMENT	RECURRENT (Ksh).	Actual (Ksh)	DEVELOPMENT (Ksh.)	Actual (Ksh)	TOTAL(Ksh)	Total -Actual (Ksh)
County Assembly	490,297,034	225,431,457	140,000,000	0	630,297,034	225,431,457
County Executive	480,897,264	175,031,236	23,000,000	0	503,897,264	175,031,236
Finance, Economic Planning & ICT	737,355,228	188,292,361	76,864,000	0	814,219,228	188,292,361
Agriculture, Livestock Development, Veterinary Services & Fisheries	420,071,245	116,638,947	370,959,873	25,494,966	791,031,118	142,133,913
Water, Environment, Natural Resources & Energy	160,154,525	48,134,346	501,756,935	0	661,911,460	48,134,346
Education and Vocational Training	414,025,328	137,393,749	155,981,331	0	570,006,659	137,393,749
Medical Services, Public Health & Sanitation	1,054,924,041	403,178,297	437,037,537	79,498,485	1,491,961,578	482,676,782
Lands, Housing, Physical Planning & Urban Development	111,662,791	34,251,496	80,000,000	0	191,662,791	34,251,496
Roads, Transport & Public Works	78,700,269	17,656,949	540,073,992	23,483,250	618,774,261	41,140,199
Tourism, Trade, Enterprise Development & Cooperatives	179,967,823	65,358,564	250,572,927	0	430,540,751	65,358,564
Culture, Social Services, Gender, Sports & Youth Affairs	110,876,437	37,438,815	65,479,343	-	176,355,780	37,438,815
TOTAL	4,238,931,986	1,448,806,217	2,641,725,938	128,476,701	6,880,657,924	1,577,282,918

Source: County Treasury 2021

Table 5: Economic Classification of Expenditure (31-12-2020)

Description	Budget Estimates 2020/2021	Total Expenditure 2020/2021	% of Budget Absorption
Personnel Emoluments	2,255,524,101	1,127,430,164	50%
Operational & Maintenance	1,983,407,885	321,376,053	16%
Development Expenditure	2,641,725,938	128,476,701	5%
TOTAL	6,880,657,924	1,577,282,918	23%

Source: County Treasury 2021

Table 6: Revenue Estimates for the period

	ITEMS	Approved Estimate 2019/20	Actuals 2019/20	Approved Budget 2020/21	Projection 2021/22	Projection 2022/23	Projection 2023/24
	COUNTY GENERATED						
	REVENUE						
1130104	Land Rates	15,750,000	13,694,690	24,000,000			
1420328	Single Business Permit	20,000,000	7,394,150	16,000,000			
1110104	Total Cess Receipts	21,000,000	9,011,288	18,000,000			
1420327	Game Parks/ National Reserves Fees	168,000,000	159,131,265	86,000,000			
1420405	Markets/ Slaughter Houses Fees	8,400,000	3,299,965	6,400,000			
1420404	Wheat Cess	735,000	154,074	300,000			
	Liquor License	6,488,750	1,109,500	6,410,000			
1140509	A.M.S		42,000	6,000,000			
1420601	Various Health Dept. Fees	12,706,265	221,875	-			
1140501	County transport and public work charges	3,508,458	1,258,300	3,583,882			
	Vehicle insurance	1,155,000	-	1,212,750			
	Tender application fees	579,751	-				
	Building plan approval	1,050,000		1,102,500			
	Other revenue	7,659,563	20,354,179	11,000,000			
	SUB-TOTAL LOCAL SOURCES	255,031,228	243,844,143	180,312,319	100,000,000	105,000,000	110,000,000
	SUMMARY						
	Revenue from Local Sources	255,031,228	243,844,143	180,312,319	100,000,000	105,000,000	110,000,000
	Revenue transfer from national government	4,620,900,000	4,269,711,600	4,620,900,000	5,020,896,200	5,128,852,568	5,180,330,751
	Road Maintenance Fuel Levy	131,167,313	131,167,313	118,859,147	118,859,147	118,859,148	118,859,149
	Road Maintenance Fuel Levy b/f	133,246,322	133,246,322	110,400,000			
	Conditional Grant-Compensation for User Fee Foregone	5,235,578	5,235,578	5,235,578			
	Conditional Grant-Leasing of Medical Equipment	131,914,894	131,914,894	132,021,277	153,297,872	153,297,873	153,297,874
	Conditional Allocation for Development of Youth Polytechnics	15,483,298	15,483,298	10,549,894	10,549,894	10,549,894	10,549,894

Kenya Urban Support Programme (UDG and UIG)	50,000,000	50,000,000				
Kenya Urban Support Programme (UDG and UIG) 18-19	50,000,000		50,000,000			
Kenya Devolution Support Program (KDSP)	30,000,000	30,000,000	45,000,000			
DANIDA (Health support funds)	13,218,750	13,218,750	13,140,000			
DANIDA (Health support funds) additional	4,935,000	4,935,000				
World bank loan for National agricultural and rural inclusive growth project	350,000,000	204,998,690	216,145,500	244,215,383	244,215,383	244,215,383
EU Grant for instrument for devolution advice and support (Abattoir Construction)	32,159,348	1,500,000	15,626,168			
Balance brought forward 2018-19 for construction of Abattoir	67,182,582	67,182,582	77,594,506			
Agriculture Sector Development Support Programme (ASDSP)	18,994,320	10,747,160	14,496,213			
Urban Institutional Grant (KUSP)	8,800,000	8,800,000				
Urban Institutional Grant (KUSP) b/f	41,200,000	41,200,000				
World Bank Loan for transforming health systems for universal care project	35,000,000	34,999,999	31,320,789			
World Bank Loan for transforming health systems for universal care project	17,658,727					
COVID FUND	27,402,000	27,402,000				
Brought forward revenue	917,077,404	917,077,404	1,053,199,388			
World bank loan for National agricultural and rural inclusive growth project B/F			56,256,424			
Agriculture Sector Development Support Programme (ASDSP) B/F			30,822,580			
KDSP B/F TAKEN TO COVID 19 ACTIVITIES			30,000,000			
DANIDA (Health support funds) B/F			4,935,000			
World Bank Loan for transforming health systems for universal care project B/F			36,441,141			
COVID 19 FUNDS B/F			27,402,000			
Loans & Grants						
GRAND TOTAL	6,956,606,764	6,342,664,733	6,880,657,924	5,647,818,496	5,760,774,866	5,817,253,051

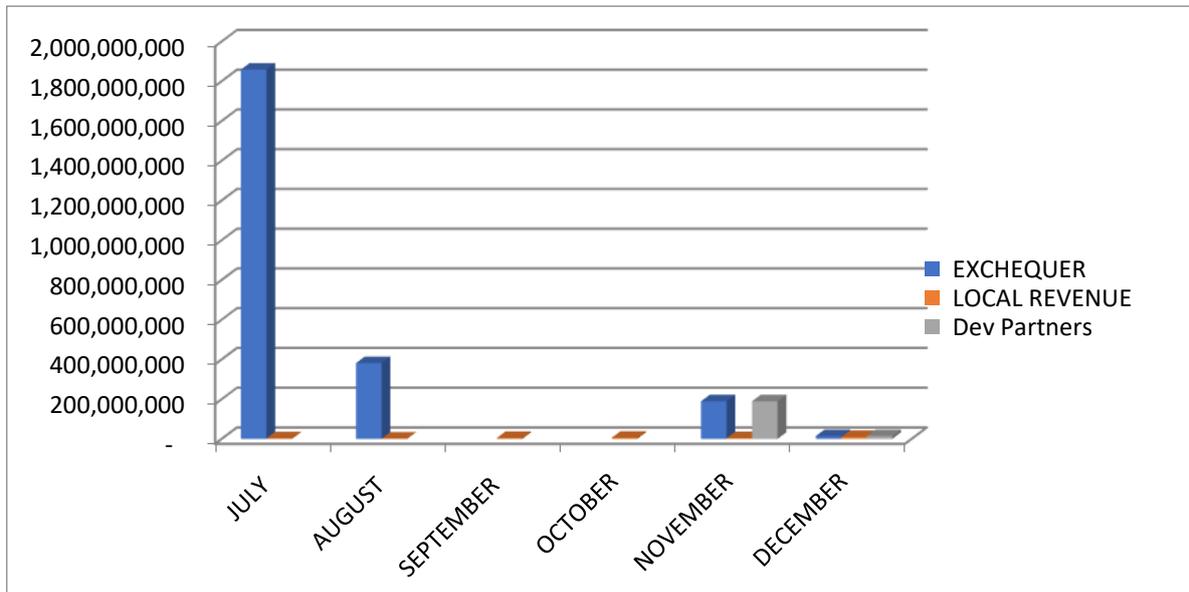
Source: County Treasury 2021

Table 7: MTEF Sector Ceilings 2021/2022

		INITIAL BUDGET 2020/21	Development Partners	NETT	%	Total Expenditure, Ksh			%	% of salary	Loans, grant and development partners	Projected Estimates 2022/23	Projected Estimates 2023/24
						Salary	Arbsorption 19-20	CFSP Ceilings 2021/22					
County Assembly	SUB-TOTAL	495,602,219	-	495,602,219	12	287,574,629	100	621,682,194	11%	46%		634,115,837	640,332,659
County Executive	SUB-TOTAL	417,499,596	-	417,499,596	10	259,786,697	100	513,710,457	9%	51%		523,984,666	529,121,771
Finance, Economic Planning & ICT	SUB-TOTAL	468,940,954	45,000,000	423,940,954	10	193,681,528	88	451,790,480	8%	43%		460,826,290	465,344,195
Agriculture, Livestock Development, Veterinary Services & Fisheries	SUB-TOTAL	593,089,071	410,941,391	182,147,680	4	104,679,303	94	512,700,981	9%	20%	244,215,383	522,955,001	528,082,010
Water, Environment, Natural Resources & Energy	SUB-TOTAL	416,041,022	-	416,041,022	10	45,510,539	98	501,880,826	9%	9%		511,918,442	516,937,251
Education and Vocational Training	SUB-TOTAL	490,266,488	10,549,894	479,716,594	12	272,424,331	95	592,305,199	10%	46%	10,549,894	604,151,303	610,074,355
Medical Services, Public Health & Sanitation	SUB-TOTAL	1,177,067,956	280,495,785	896,572,171	22	833,894,625	100	1,307,955,778	23%	64%	153,297,872	1,334,114,894	1,347,194,452
Lands, Housing, Physical Planning & Urban Development	SUB-TOTAL	161,572,010	50,000,000	111,572,010	3	57,177,800	100	199,955,653	4%	29%		203,954,766	205,954,322
Roads, Transport & Public Works	SUB-TOTAL	443,661,316	229,259,147	214,402,169	5	42,902,368	97	417,804,696	7%	10%	118,859,147	426,160,790	430,338,837
Tourism, Trade, Enterprise Development & Cooperatives	SUB-TOTAL	316,889,023	-	316,889,023	8	116,472,591	100	377,504,805	7%	31%		385,054,901	388,829,949
Culture, Social Services, Gender, Sports & Youth Affairs	SUB-TOTAL	127,971,735	-	127,971,735	3	43,450,071	82	150,527,427	3%	29%		153,537,976	155,043,250
TOTAL		5,108,601,391	1,026,246,217	4,082,355,174	100	2,257,554,483	97	5,647,818,496		40%	526,922,296	5,760,774,866	5,817,253,051

Source: County Treasury 2021

Figure 1: Half Year Revenue 2020-21



Source: County Treasury 2021

Summary of Public Participation

To be attached after discussion