



COUNTY GOVERNMENT OF NYAMIRA

COUNTY BUDGET REVIEW AND OUTLOOK PAPER 2019/2020

September 2020

FORWARD

The County Budget Review and Outlook Paper (CBROP) 20120 has been prepared in line with the Constitution of Kenya 2010 and Section 118 of the PFM Act, 2012. It presents the fiscal performance for 019/2020 Financial Year and the outlook in the medium-term period. The updated macroeconomic outlook provides a basis to revise the 2020/2021 budget in the context of the supplementary estimates, as well as setting out the broad fiscal parameters for the next medium-term framework budget.

In terms of resources mobilization, the county realized Kshs.6,288,600,832, against a target of Kshs.7,001,976,763 in 2019/2020. This included locally generated revenue amounting to Kshs.187, 324,098 an increase from Kshs.165,447,570 raised in 2018/2019. Despite the good performance in local revenue generation, it still fell short of the Kshs. 62,675,902 targets for the year. A number of measures have been put in place in order to address challenges of local revenue including automation of revenue collection as well as review of the Finance Act.

On expenditure, the County absorbed Ksh.6,032,819,187 against a target of Kshs. 7,001,976,763. The actual expenditure comprised of Ksh.1, 1,233,828,011 and Ksh.4,798,991,176 as development and recurrent expenditures respectively and represented an absorption rate of 63% for development while recurrent absorption rate was 95%. This is a challenge that will be addressed by ensuring timely procurement and strengthening monitoring of progress of development projects.

The County priority in the medium-term is completion of ongoing development projects. For new projects emphasis will be alignment to the objectives of the Nyamira County “Big Four” Agenda which include infrastructure; health care; food security and agriculture; and water and environment. Emerging issues like climate change and mitigation effect of the Covid 19 will also be mainstreamed in the activities of the various sectors.

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LIST OF ABBREVIATIONS AND ACRONYMS

ASDSP	Agricultural Sector Development Support Programme
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CBROP	County Budget Review and Outlook Paper
CEC	County Executive Committee
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
ECDE	Early Childhood Development Education
FY	Financial Year
GCP	Gross County Product
GDP	Gross Domestic Product
GVA	Gross Value Added
HE	His Excellency
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
KDSP	Kenya Devolution Support Programme
KRA	Kenya Revenue Authority
KUSP	Kenya Urban Support Programme
LPG	Liquid Petroleum Gas
LREB	Lake Region Economic Block
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
NAGRIP	National Agricultural and Rural Inclusive Growth Project
NFNF	Non-Food Non-Fuel
NHIF	National Health Insurance Fund
NITA	National Industrial Training Authority
NSSF	National Social Security Fund
PFM	Public Finance Management
RMLF	Road Maintenance Levy Fund
SBP	Single Business Permit
THS-UC	Transforming Healthcare System – Universal Care
WB-UDG	World Bank – Urban Development Grant

CHAPTER ONE

1.0 INTRODUCTION

This chapter gives a brief overview of the County. It explains in details the background information, the County Budget Review Outlook Paper at a glance and the financial fiscal responsibility principles.

1.1 BACKGROUND INFORMATION

1.1.1 County Overview

Situated in the Western part of Kenya, Nyamira County has since evolved from different administrative creations and boundaries since independence. It is indeed formed part of one of the division of the larger Kisii district way back in 1970s. In 1987, the Nyamira as a divisional boundary was created a district which has since existed with four constituencies. The coming of the devolution in 2013, Nyamira forms part of the 47 County Governments with one extra Constituency created and 20 electoral wards. The Gusii Community predominantly occupies the county, however, the northern and eastern parts of the County has got some different ethnic significance being Luos and Kipsigis respectively. Agriculture is the County's economic backbone where 90% of its population is dependent on agricultural production and marketing directly and indirectly. It supports 80% of total employment opportunities in the county

1.1.2 County Position and size

Nyamira County is one of the forty seven Counties in Kenya. The County borders Homabay County to the north, Kisii County to the west, Bomet County to the south east and Kericho County to the east. The County covers an area of 899.4km². It lies between latitude 00 30' and 00 45'south and between longitude 340 45' and 350 00' east. The County neither borders any international County nor does it have any major water bodies.

1.1.3 Physical and Natural Conditions

The County's topography is mostly hilly "*Gusii highlands*". The Kiabonyoru, Nyabisimba, Nkoora, Kemasare hills and the Manga ridge are the most predominant features in the county. The two topographic zones in the county lie between 1,250 m and 2,100 m above the sea level. The low zones comprise of swampy, wetlands and valley bottoms while the upper zones are dominated by the hills. The County is divided into two major agro-ecological zones. The

highland (LH1 and LH2) covers 82 per cent of the County while the upper midland zone (UM1, UM2 and UM3) covers the remaining 18 per cent. The county has a bimodal pattern of annual rainfall that is well distributed, reliable and adequate for a wide range of crops. Annual rainfall ranges between 1200 mm-2100 mm per annum. The maximum day and minimum night temperatures are normally between 28.7°C and 10.1°C respectively, resulting to an average normal temperature of 19.4°C which is favourable for both agricultural and livestock production.

1.1.4 Administrative and Political Units

The National and the County governments are a creation of the Constitution of Kenya 2010. Administratively both the governments are divided into 5 sub-counties. Under the national government, the County is further divided into 14 divisions with 43 locations, 108 sub locations and 1,555 villages while the County government has got its administrative units further divided into 20 wards. Politically, the County is an electoral unit with one elected Governor and his deputy being the Chief executive of the County Government. There are six elected Members of the National Assembly, Four representing the County's four constituencies. The other two elected members represent the County at the senate and as women representative. The County also has twenty County Assembly Wards represented by the Members of the County Assembly.

1.1.5 Demographic Features

Using the 2009 Population and Housing Census report, the inter census population growth rate is estimated at 1.83 percent annually which is below the national growth rate at 3 percent. Based on this therefore, the population was projected to 731,368 with males being 350,918 and females being 380,450 during 2020. At the end of the 2022, the population is expected to increase to 758,381 with 363,879 and 394,502 being males and females respectively.

1.2 THE COUNTY BUDGET REVIEW OUTLOOK PAPER AT A GLANCE

1.2.1 Objective of the County Budget Review Outlook Paper

The objectives of the County Budget Review and Outlook Paper (CBROP) are to offer insight of the previous fiscal performance and provide useful guidance on how this impacts the County fiscal responsibilities principles. It reviews performance of the immediate past year against the budget for the year. This year's CBROP analyses the actual fiscal performance for 2019-2020

against the set budget for the same year. It looks at actual performance on the realization of objectives in the County Fiscal Strategy Paper (CFSP) for the same year.

The CBROP seeks to establish the deviation of actual fiscal performance from set financial objectives. It outlines the reasons why actual performance has deviated from the set financial objectives included in the County Fiscal Strategy Paper for that year. In addition to establishing the deviation, it also comes up with a proposal to address the deviation and suggested time frame for bringing the tasks back to the objective path.

The CBROP discusses the recent economic and financial developments at national and county level. It illustrates the updated economic and financial forecasts giving appropriate evidence to show changes in comparison with the CFSP for that particular year. The current CBROP will continue to focus more on the sectoral priorities set out in the 2019 CFSP namely: -

- ***Infrastructure development:*** This will include interventions in roads, energy (street lighting) and ICT development.
- ***Agriculture, rural and urban development:*** Priority will be given to livestock, fisheries and agriculture, spatial planning and housing development.
- ***Water and environment:*** The priority will be given to spring protection, drilling of boreholes, wetlands conservation and promotion of bamboo tree planting.
- ***Health:*** Priorities in this sector will include funding healthcare infrastructure, communicable and non-communicable diseases and other medical supplies.
- ***Social sector:*** priority areas will be culture, sports, youth, security and opportunities for vulnerable members of our society.

1.2.2 Significance of the County Budget Review Outlook Paper

The CBROP ensures that the County Government reviews its previous year's performance. It also guarantees that the County Government makes forecasts based on both the County and the national economic outlook and their likely impact on the level of future revenues and prompts the County Government to set preliminary sector ceilings in light of this review of revenue.

1.2.3 Legal Basis for the CBROP

The Budget Review and Outlook Paper (CBROP) is prepared in accordance with Section 118 of the Public Finance Management (PFM) Act 2012. The law stipulates that:

- 1) A county Treasury shall;
 - (a) Prepare a CBROP in respect of the County for each year; and
 - (b) Submit the paper to the County Executive Committee (CEC) by 30th September of that year.
- 2) In preparing its CBROP, the County Treasury shall specify;
 - (a) The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year
 - (b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP)
 - (c) Information on:
 - i. Any changes in the forecasts compared with the CFSP; or
 - ii. How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or financial objectives in the CFSP for that financial year; and
 - (d) Reasons for any deviation from the financial objectives in the CFSP together with proposals to address the deviation and the time estimated for doing so.
- 3) The CECM shall consider the CBROP with a view to approving it, with or without amendments, within fourteen days after its submission.
- 4) Not later than seven days after the CBROP is approved by the CECM, the County Treasury shall:
 - (a) Arrange for the paper to be laid before the County Assembly; and
 - (b) As soon as practicable after having done so, publish and publicize the paper.

1.3 FINANCIAL FISCAL RESPONSIBILITY PRINCIPLES

In line with the Constitution of Kenya 2010, the PFM Act, 2012 sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. Section 107 of the PFM Act, 2012 states that: The County Government's recurrent expenditure shall not exceed the County Government's total revenue;

- 1) Over the medium term, a minimum of thirty (30) per cent of the County Government's budget shall be allocated to the development expenditure;
 - 2) The county Government's expenditure on wages 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;
 - 3) Over the medium term, the Government's borrowing shall be used only for purpose of financing development expenditure and not for recurrent expenditure;
 - 4) The County debt shall be maintained at a sustainable level as approved by County Assembly;
 - 5) The fiscal risks shall be managed prudently; and
- 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.

CHAPTER TWO

2.0 REVIEW OF COUNTY FISCAL PERFORMANCE IN 2019/2020

2.1 OVERVIEW

In the 2019/2020 Financial Year, the County resource envelope was Ksh. 7,001,976,763 consisting of equitable share from the national government, conditional transfers from the national government, conditional grants from development partners and locally generated revenue.

Compared to the previous years, locally generated revenue performed fairly well. In the FY 2017/2018, the County managed to raise Ksh, 97,881,577, collected Ksh.165,447,570 in 2018/2019 and Ksh. 187,324,098 in 2019/2020. The county local revenue annual target for the year under review was Ksh.250,000,000 and thus the performance was rated at 75%.

The total expenditure target during the same period was estimated at Ksh. 7,001,976,763, where Ksh.5,045,477,858 was recurrent and Ksh. 1,956,498,904 was development. The actualised total expenditure was Ksh. 6,032,819,187, comprising of Ksh. 4,798,991,176 recurrent and Ksh.1,233,828,011 development. Cumulatively, the total budget absorption rate was 86%, where development performance was 63% and recurrent at 95%.

2.2 DEVELOPMENT OBJECTIVES 2019/2020

In attaining the development objectives of the FY 2019/2020, prioritization of interventions and resource allocation was based on the County Integrated Development Plan 2018-2022, Annual development plan 2019/2020, County Fiscal Strategy Paper 2019/2020 and the departmental strategic plans 2018-2022. The objectives seek to achieve the following;

- Infrastructure development through road opening, upgrading, maintaining and generally enhance road connectivity
- Agriculture, rural and urban development through extension services, commercialized farming and provision of subsidized farm inputs
- Water and environmental conservation through development and promotion of water supply schemes and pro-environmental preservation initiatives

- Healthy population through improvement of health infrastructure and enhancing of preventive and curative initiatives
- Social sector development through improvement of youth polytechnics, ECDE and sports infrastructure and service delivery.

2.3 FISCAL PERFORMANCE FOR 2019/2020

This section gives detailed analysis of revenue and expenditure performance.

2.3.1 Revenue Analysis

The total target revenue for the financial year 2019/2020 was Ksh.7, 001, 976,763 against actual revenue of Ksh. 6,288,600,832. The revenues included the unspent balances carried forward from the financial year 2018/2019. The revenue breakdown is as detailed in table 1 below:

Table 1: Revenue outturn in 2019/2020 Financial Year

✓	REVENUE SOURCES	BUDGET ESTIMATE	ACTUAL RECIEPTS	REVENUE PERFORMANCE
		2019/2020	2019/2020	
99102 01	Unspent Balances	1,154,682,640	1,154,682,640	100%
99102 01	Equitable share	4,810,800,000	4,397,071,200	91%
Vario us	Own Source Revenue	250,000,000	187,324,098	75%
ADDITIONAL TRANSFERS FROM NATIONAL GOVERNMENT				
13303 01	Development of youth polytechnics Grant	67,068,298	67,068,298	100%
13304 04	Compensation user fee forgone	13,175,221	13,175,221	100%
31115 04	Roads maintenance levy fund	136,557,750	136,557,732	100%
	TOTAL	216,801,269	216,801,251	100%
CAPITAL GRANTS FROM DEVELOPMENT PARTNERS				
13201 01	World Bank Loan for National and Rural inclusive growth project	350,000,000	161,791,811	46%
13201 01	Kenya Urban Support Programme (KUSP UDG)	114,705,300	82,041,681	72%
13201 01	Kenya Urban Support Programme (KUSP UIG)	8,800,000	8,800,000	100%
13201 01	World Bank grant (THSUC)	35,000,000	14,054,627	40%
13201 01	World Bank grant (KDSP)	30,000,000	30,000,000	100%
15407 01	DANIDA	14,250,000	19,570,000	137%

1320101	Agricultural Sector Development Support Programme II	16,937,554	16,463,524	97%
	TOTAL	569,692,854	332,721,643	58%
TOTAL	GRAND TOTAL	7,001,976,763	6,288,600,832	90%

Source: Nyamira County Treasury 2020

The overall deviation of the actual revenue from the targeted estimates amounted to Ksh. 713,375,931 representing -7% of the budget. The highest deviation was occasioned by grants that were partially received such as World Bank Loan for National and Rural inclusive growth project (NARIGP) and World Bank grant (THSUC). The other notable deviation was noted in Own Source Revenue, a situation that was accelerated by the Covid 19 pandemic. This scenario affected achievement of the planned financial objectives in the financial year under review.

2.3.2 Performance of Local Revenue

The total local revenue realized in the 2019/2020 financial year was Ksh.187,324,098 against a target of Ksh. 250,000,000, representing a 75% performance rate. Table 2 below provides the performance of County departments with regards to local revenue generation.

Table 2: Local Revenue performance analysis

Department/Stream	1st quarter	2nd quarter	3rd quarter	4th quarter	Actual Receipt 2019/2020	Budget 2019/2020	VARIANCE
	Kshs	Kshs	Kshs	Kshs			
Department of Finance, ICT & Economic Planning							
Market Dues	2,715,970	2,250,200	1,683,160	33,260	6,682,590	10,276,339	-3,593,749
Penalt./Fines/Storage Chgs	11,900	613,379	1,745,544	590,610	2,961,433	213,844	2,747,589
Periodic Stickers	165,000	2,590,300	3,658,900	125,500	6,539,700	-	6,539,700
Daily Parking Fee	3,766,850	2,275,650	714,850	403,600	7,160,950	12,544,451	-5,383,501
Motor Bike Stickers	73,000	38,400	38,100	-	149,500	1,050,940	-901,440
Matatu Park & Reg. Fee	140,000	0	273,950	161,150	575,100	2,465,163	-1,890,063
Imprest Surenders	0	226,569	113,505	-	340,074	-	340,074

Department/Stream	1st quarter	2nd quarter	3rd quarter	4th quarter	Actual Receipt 2019/2020	Budget 2019/2020	VARIANCE
	Kshs	Kshs	Kshs	Kshs			
Sub Totals	6,872,720	7,994,498	8,228,009	1,314,120	24,409,347	26,550,737	-2,141,390
Department of Youth, Culture, Sports & Social Services							
Liquor Appl/Lice. Fee	13,000.00	0	1264000	92000	1,369,000	20,985,405	-19,616,405
Sub Totals	13,000.00	0	1264000	92000	1,369,000	20,985,405	-19,616,405
Department of Lands, Housing, physical planning & Urban Development							
Dev.Plan Approval Fee	89,752	396,400	500,000	636,600	1,622,752	827,846	794,906
Physical Plan Approvals	898,220	794,380	601,646	586,321	2,880,567	1,001,703	1,878,864
Land Survey Fees	60,000	82,500	100,300	29,730	272,530	421,608	-149,078
Land Rates	3,193,712	73,315	10,049,430	481,680	13,798,137	26,733,586	-12,935,449
Mkt/ Kiosk Rent	53,200	28,000	165,702	95,000	341,902	1,520,904	-1,179,002
Plot Rent	64,247	44,350	381,765	529,925	108,597	736,104	-627,507
Isolated Plot Rent	20,200	640	279,860	92,300	20,840	503,384	-482,544
Sub Totals	4,379,331	1,419,585	12,078,703	2,451,556	19,045,325	31,745,135	-12,699,810
Department of Transport, Roads & Public Works							
Hire of Machines & Equipments	4,000	-	0	0	4,000	20,542,702	-20,538,702
Other works Services	0	139,000	203,000	113,500	455,500	-	455,500
Sub Totals	4,000	139,000	203,000	113,500	459,500	20,542,702	-20,083,202
Department of Trade, Tourism & Cooperatives							
SBPs Application Fee	32,300	5,500	4,115,800	107,000	4,260,600	1,500,000	2,760,600
SBPs	249,520	62,700	7,567,010	4,114,190	11,993,420	31,781,378	-19,787,958
Weights & Measures	126,210	122,790	48,200	46,790	343,990	1,000,000	-656,010
Sub Totals	408,030	190,990	11,731,010	4,267,980	16,598,010	34,281,378	-17,683,368
Department of Health Services							
Medical Health Services	17,224,645	11,860,036	36,684,082	39,614,331	105,383,094	58,273,640	47,109,454

Department/Stream	1st quarter	2nd quarter	3rd quarter	4th quarter	Actual Receipt 2019/2020	Budget 2019/2020	VARIANCE
	Kshs	Kshs	Kshs	Kshs			
Public Health Services	322,232	584,561	1,032,830	585,800	2,525,423	17,000,000	-14,474,577
Sub Totals	17,546,877	12,444,597	37,716,912	40,200,131	107,908,517	75,273,640	32,634,877
Department of Agriculture, Livestock & Fisheries							
Veterinary Services	615,180	463,250	395,752	315,030	1,789,212	1,251,140	538,072
Cattle Fees	27,400	207,950	276,450	2,400	514,200	1,913,347	-1,399,147
Cesses	2,334,200	1,647,100	1,475,000	1,353,150	6,809,450	11,754,050	-4,944,600
Slaughter Fee	1,320	600	8,400	2,200	12,520	69,716	-57,196
Cattle Move	5,450	73,600	68,650	100	147,800	651,682	-503,882
Sub Totals	2,983,550	2,392,500	2,224,252	1,672,880	9,273,182	15,639,935	-6,366,753
Department of Water, Environment, Mines & Natural Resources							
Water	-	1,170	2,550	-	3,720	5,356,108	(5,352,388)
Adverts/Promotional fees	2,000	31,450	1,724,450	5,215,745	6,973,647	19,624,962	(12,651,317)
Sub Totals	2,000	32,620	1,727,000	5,215,745	6,977,367	24,981,070	(18,003,705)
Total	32,209,508	24,613,790	75,172,886	55,327,912	187,324,098	250,000,002	(62,675,906)

Source: County Treasury 2020

Generally, the revenue performance in the 2019/2020 financial year was good compared to the previous period, with most of the revenue streams registering positive growth. With the synergy of revenue automation and mapping of revenue streams, the performance is expected to grow higher. Despite the good performance, there are challenges facing the revenue collection process that needs to be addressed as follows:

- Additional motor vehicles in-order to enhance mobility for collection, supervision and enforcement of the revenue collection process
- Additional resources to facilitate operations, instruments, uniforms and documentation.

a) Unspent Balances

The unspent balances included in the 2019/2020 financial year budget were the opening balances of the 2018/2019 financial year. The amount was then realised to a tune of 100%.

b) Equitable share

The performance of the expected equitable share was above average at 91%.

c) Local revenue

A total of Ksh. 187,324,098 was realised against a target of Ksh.250,000,000, indicating a performance of 74%. Compared to the previous financial year 2018/2019 performance of Ksh.165,447,570, there is a remarkable improvement in this revenue stream. Further, Covid-19 pandemic adversely affected revenues collected from avenues such as markets and businesses licensing since most of them were shut down or downsized.

d) Additional Transfers from National Government

Averagely all the conditional grants under this category were received at 100% of the targeted transfers.

e) Capital Grants from Development partners

The performance of the Capital grants was averagely received at 58%. This signifies a revenue shortfall at 42% which will form part of the opening balances for The F/Y 2020/2021 Budget.

2.3.3 Revenue Shortfall per Revenue Source

The major revenue streams in the county are land rates, agricultural produce cess, single business permits, plot rents, and parking fee.

a) Land Rates

High default rates and weak enforcement mechanism led to low rates collection. The future implementation of the proposed rating bill 2019 will strengthen enforcement on rate collection while review of the valuation roll will widen the ratable properties. A high percentage of county

residents who own land and are ratable are defaulters and this poses a risk to revenue collection. To encourage rate defaulters to pay land rates, the county will waive penalties.

b) Parking Fees

Lack of designated parking points coupled with weak enforcement made it difficult to enforce and collect parking fees. However, revenue is going to be improved since a parking bay has now been constructed in Nyamira Town and the enforcement personnel employed.

c) Building Permits

Non-disclosure and adherence of county building regulations, poor enforcement of building standards and regulations have led to low revenue collection from building development approval permits. There exist huge potential in this revenue stream. In order to realize this potential, mechanisms have now been put in place to ensure that revenue in this area is maximized.

d) Single Business Permit (SBP)

During the period 2015/16, collection from this stream was below target due to the following;

- Non- implementation of devolved functions collection laws e.g. Liquor
- Lack of updated business register

e) Other challenges that affected the county revenue collection included:

- Legal challenges on betting and control ACT
- Non remittance of NHIF refunds and reimbursement for free maternity care from the National Government.
- Low level of awareness on County charges and the responsibility to pay by the public (civic education)
- Lack of revenue from billboards from road reserves; and no revenues from street poles on KURA and KENHA roads.
- General resistance from the business community especially ‘bodaboda’ operators and market. traders.

2.4 EXPENDITURE ANALYSIS FOR FINANCIAL YEAR 2019/2020

2.4.1 Expenditure Performance

The target expenditure for 2019/2020 financial year was Ksh.7,001,976,763 comprising of Ksh. 5,045,477,858 (70%) and Ksh.1,956,498,904 (30%) of recurrent and development expenditures respectively. The actual total expenditure during the same period was Ksh.6,032,819,187 comprising of Ksh.1,233,828,011 and Ksh.4,798,991,176 as development and recurrent expenditures respectively. Recurrent expenditures represented an absorption rate of 95% whereas development expenditures reported an absorption rate of 63%. The absorption rate of the entire budget was 86%. The table 3 below presents departmental expenditure performance for the 2019/2020 financial year.

Table 3: Departmental Expenditure Performance for the period under review

Department	Details	Printed Estimates	Actual Expenditures	Performance	Printed Estimates	Actual Expenditures	Performance
		2018/2019	2018/2019	2018/2019	2019/2020	2019/2020	2019/2020
County Assembly	Recurrent	587,432,863	587,129,493	100%	616,107,510	616,084,405	100%
	Development	80,000,000	65,888,937	82%	97,000,000	63,321,794	65%
	Sub-total	667,432,863	653,018,430	98%	713,107,510	679,406,199	95%
Executive	Recurrent	477,208,914	417,413,446	87%	486,528,687	482,340,366	99%
	Development	0	0	0%	0	0	0%
	Sub-total	477,208,914	417,413,446	87%	486,528,687	482,340,366	99%
Finance and Economic Planning	Recurrent	457,025,616	380,453,464	83%	651,359,815	595,815,504	91%
	Development	50,330,000	17,033,616	34%	27,257,817	22,796,320	84%
	Sub-total	507,355,616	397,487,080	78%	678,617,632	618,611,824	91%
Agriculture Livestock and Fisheries	Recurrent	188,953,685	208,150,139	110%	167,805,323	166,672,010	99%
	Development	260,170,707	79,922,745	31%	483,445,147	258,178,534	53%
	Sub-total	449,124,392	288,072,884	64%	651,250,470	424,850,544	65%
Environment Water Energy & Mineral Resources	Recurrent	135,048,876	104,675,073	78%	87,106,870	81,734,294	94%
	Development	223,520,000	142,779,413	64%	128,036,597	67,327,308	53%
	Sub-total	358,568,876	247,454,486	69%	215,143,467	149,061,602	69%
Education and Vocational Training	Recurrent	506,273,479	499,114,640	99%	648,642,285	579,397,403	89%
	Development	296,827,284	132,620,740	45%	81,170,130	75,863,745	93%
	Sub-total	803,100,763	631,735,380	79%	729,812,415	655,261,148	90%
Health Services	Recurrent	1,718,474,604	1,634,319,828	95%	1,724,388,861	1,646,071,790	96%
	Development	267,497,955	148,306,025	55%	167,136,481	147,031,166	90%

	Sub-total	1,985,972,559	1,782,625,853	90%	1,891,525,342	1,793,102,956	95%
Lands Housing and Physical Planning	Recurrent	152,767,299	103,822,852	68%	69,618,131	67,446,500	97%
	Development	197,610,482	58,039,393	29%	177,709,129	151,329,847	85%
	Sub-total	350,377,781	161,862,245	46%	247,327,260	218,776,347	88%
Roads Transport and Public Works	Recurrent	129,167,169	115,969,825	90%	90,040,819	87,709,530	97%
	Development	606,470,996	433,229,260	71%	460,114,885	344,688,731	75%
	Sub-total	735,638,165	549,199,085	75%	550,155,704	432,398,261	79%
Trade, Tourism and Cooperative development	Recurrent	59,782,558	51,377,750	86%	47,137,690	45,954,206	97%
	Development	87,000,000	34,292,075	39%	39,759,239	15,273,038	38%
	Sub-total	146,782,558	85,669,825	58%	86,896,929	61,227,244	70%
Gender Youth and Social services	Recurrent	76,684,043	48,967,700	64%	50,194,199	48,897,479	97%
	Development	57,850,006	29,387,745	51%	69,719,879	68,483,373	98%
	Sub-total	134,534,049	78,355,445	58%	119,914,078	117,380,852	98%
Public Service Board	Recurrent	59,228,340	55,379,163	94%	52,646,929	49,464,019	94%
	Development	0	0	0%	0	0	0%
	Sub-total	59,228,340	55,379,163	94%	52,646,929	49,464,019	94%
Public Service Management	Recurrent	280,547,661	274,710,956	98%	287,900,739	286,394,033	99%
	Development	3,200,842	1,200,832	38%	0	0	0%
	Sub-total	283,748,503	275,911,788	97%	287,900,739	286,394,033	99%
Nyamira Municipality	Recurrent	0	0	0%	66,000,000	45,009,637	68%
	Development	0	0	0%	225,149,600	19,534,155	9%
	Sub-total	0	0	0%	291,149,600	64,543,792	22%
County Totals	Recurrent	4,828,595,107	4,481,484,329	93%	5,045,477,858	4,798,991,176	95%
	Development	2,130,478,272	1,142,700,781	54%	1,956,498,904	1,233,828,011	63%
	Totals	6,959,073,379	5,624,185,110	81%	7,001,976,762	6,032,819,187	86%

Source: County Treasury 2020

From the analysis, it can be seen that the absorption rates for the recurrent and development expenditures for the year 2019/2020 have significantly improved from the previous year 2018/2019. Overall budget absorption rate also moved from 81% to 86%, indicating a 4% increment.

Table 4: Shows Budget Expenditure by Programmes and Sub-Programmes

Vote Head	Vote Name	Program	Sub Program	Description	Printed Estimate 2019/2020	Actual Payments 2019/2020	Variation 2019/2020
5261	County Assembly	101005261	101015260	General administration and support services	239,167,445	235,090,901	-4,076,544
		701005261	701045260	Policy and planning services	87,257,183	87,090,507	-166,676
		708005261	708015260	Committees management services	94,454,086	94,410,529	-43,557
		709005261	709025260	Representation and infrastructural development	292,228,796	253,498,914	-38,729,882
				Sub-Total	713,107,510	675,744,066	-37,363,444
5162	Executive	701005262	701015260	General administration support services	281,131,032	255,704,261	-25,426,771
5162		701005262	701025260	Policy development and support services	205,397,655	207,656,394	2,258,739
				Sub-Total	486,528,687	484,385,766	-2,142,921
5263	Finance, ICT and Economic Planning	504005263	504015260	Information and communication services	2,700,000	1,699,300	-1,000,700
5263		504005263	504025260	ICT infrastructural services	25,576,617	24,085,080	-1,491,537
5263		701005263	701015260	General administration support services	348,090,923	326,995,150	-21,095,773
5263		701005263	701025260	Policy development and support services	11,591,550	11,587,540	-4,010
5263		701005263	701035260	Supply chain management	18,785,600	18,781,640	-3,960
5263		702005263	702015260	Economic planning and coordination	70,884,640	39,920,000	-30,964,640
5263		702005263	702025260	Budget formulation and management	173,393,000	171,090,950	-2,302,050
5263		704005263	704025260	Audit services	12,071,280	10,490,660	-1,580,620
5263		705005263	705025260	Internal Resource mobilization	15,524,022	13,961,504	-1,562,518
				Sub-Total	678,617,632	619,418,024	-59,199,608
5264	Agriculture, Livestock and Fisheries	101005264	101015260	General administration and support services	156,077,209	155,082,030	-995,179
5264		101005264	101025260	Policy and planning	8,546,114	8,444,510	-101,604
5264		102005264	102015260	Crop development services	416,939,866	212,190,569	-204,749,297
5264		102005264	102025260	Agribusiness	44,156,331	31,699,627	-12,456,704
5264		103005264	103015260	Aquaculture promotion	3,372,000	3,242,484	-129,516
5264		104005264	104015260	Livestock products value	20,258,950	12,780,325	-7,478,626
5264		104005264	104025260	Animal health diseases	1,900,000	1,411,000	-489,000
				Sub-Total	651,250,470	428,085,543	-223,164,927
5265	Water, Environment, mining and Natural Resources	1001005265	1001015260	General administration and support services	57,111,604	56,645,493	-466,111
5265		1001005265	1001025260	Policy and planning	3,818,670	3,667,750	-150,920

Vote Head	Vote Name	Program	Sub Program	Description	Printed Estimate 2019/2020	Actual Payments 2019/2020	Variation 2019/2020
5265		1002005265	1002035260	Other energy sources promotion	47,903,100	36,725,478	-11,177,622
5265		1003005265	1003015260	Major towns water services	2,980,000	372,000	-2,608,000
5265		1003005265	1003025260	Rural water services	80,696,097	33,620,929	-47,075,168
5265		1004005265	1004015260	Pollution and waste management	7,483,996	5,318,056	-2,165,940
5265		1004005265	1004025260	Agroforestry promotion	15,150,000	12,711,896	-2,438,104
				Sub-Total	215,143,467	149,881,001	-65,262,466
5266	Education and vocational Training	501005266	501015260	General administration	42,157,493	41,117,953	-1,039,540
5266		501005266	501025260	Planning policy	2,879,265	2,641,550	-237,715
5266		502005266	502015260	ECDE and CCC management services	356,882,275	351,280,963	-5,601,312
5266		503005266	503015260	Vocational management services	327,893,382	260,220,682	-67,672,700
				Sub-Total	729,812,415	655,686,948	-74,125,467
5267	Health Services	401000000	401019999	Health Promotion	425,022,327	422,251,750	-2,770,577
5267		401000000	401059999	Communicable Disease Control	162,021,613	114,032,613	-47,989,000
5267		401005267	401015260	Administration support services	177,301,155	162,531,985	-18,769,170
5267		402005267	402015260	Medical services	1,088,525,247	1,066,958,208	-21,567,039
5267		402005267	402025260	Facility infrastructural services	38,655,000	27,351,547	-7,703,453
				Sub-Total	1,891,525,342	1,793,102,956	-98,422,586
5268	Lands, Housing and Urban Development	101005268	101015260	General administration and support services	66,045,731	64,019,600	-2,026,131
5268		101005268	101025260	Policy and planning	3,572,400	3,517,500	-54,900
5268		105005268	105015260	Lands and physical planning	19,441,632	4,944,074	-14,497,558
5268		105005268	105025260	Surveying services	5,915,000	5,859,500	-55,500
5268		106005268	106015260	Town Management and co-ordination services	127,730,329	127,719,036	-11,293
5268		107005268	107015260	Housing improvements	24,622,168	12,716,636	-11,905,532
				Sub-Total	247,327,260	219,546,947	-27,780,313
5270	Roads, Infrastructure and Public Works	201005270	201055260	Administration and support services	87,829,966	86,701,893	-1,128,073
5270		201005270	201065260	Policy and planning	2,210,853	1,641,837	-569,016
5270		202005270	202025260	Construction of roads and bridges	142,502,698	118,810,479	-23,692,219
5270		202005270	202035260	Rehabilitation and maintenance of Roads	317,612,187	225,244,152	-92,368,035
				Sub-Total	550,155,704	433,946,461	-116,209,243
5271	Trade, Co-operative and Tourism Development	301005271	301015260	General administration and support services	33,458,944	32,762,540	-696,404
5271		301005271	301025260	Policy and planning	2,507,706	2,399,674	-108,033

Vote Head	Vote Name	Program	Sub Program	Description	Printed Estimate	Actual Payments	Variation
					2019/2020	2019/2020	2019/2020
				services			
5271		302005271	302015260	Cooperative promotion	8,575,807	7,281,770	-1,294,037
5271		302005271	302025260	Trade promotion	40,909,447	17,387,563	-23,521,884
5271		303005271	303015260	Tourism promotion and management	1,445,025	1,395,697	-49,328
				Sub-Total	86,896,929	61,259,244	-25,637,685
5272	Gender, Youths and Sports Development	701005272	701015260	General administration support services	42,192,130	41,414,330	-777,800
5272		701005272	701025260	Policy development and support services	3,066,000	2,835,100	-230,900
5272		902005272	902015260	Community Development	56,713,224	57,611,573	898,349
5272		902005272	902035260	Cultural promotion heritage	17,942,724	15,519,850	-2,422,874
				Grand Total	119,914,078	117,380,851	-2,533,227
5273	Public Service Board	1001005273	1001015260	General administration and support services	45,828,733	44,037,579	-1,791,154
5273		1001005273	1001025260	Policy and planning	6,818,196	5,426,430	-1,391,766
				Sub-Total	52,646,929	49,464,019	-3,182,910
5274	Public Service Management	101005274	101015260	General administration and support services	270,909,971	270,403,273	-506,698
5274		101005274	101025260	Policy and planning	7,084,300	6,767,160	-317,140
5274		701005274	701075260	Communication services	1,167,000	1,117,202	-49,798
5274		710005274	710015260	Field coordination and administration	2,167,500	1,949,434	-218,066
5274		710005274	710025260	Public Participation and Civic Education	600,000	574,008	-25,992
5274		710005274	710035260	Human resource management	3,896,000	3,595,248	-300,752
5274		710005274	710045260	Human resource development	2,075,968	1,987,700	-88,268
				Sub-Total	287,900,739	286,394,033	-1,506,706
5275	Nyamira Municipality	101005275	101015260	General administration and support services	291,149,600	136,256,326	-154,893,274
				Sub-Total	291,149,600	64,993,791	-226,155,809
				Total Budget	7,001,976,762	6,032,819,187	-969,157,575

Source: County treasury 2020

CHAPTER THREE

3.0 RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

3.1 RECENT ECONOMIC DEVELOPMENTS

The outbreak and spread of Covid -19 pandemic and the ensuing containment measures have devastated global economies. As a result, the global economy is projected to contract by 4.9 percent in 2020 from a growth of 2.9 percent in 2019 with prospects across countries and regions remaining highly uncertain. Kenya has not been spared. The Pandemic and the containment measures slowed down economic activities in key sectors of the economy in the first quarter of 2020, resulting to a lower growth of 4.9 percent compared to a growth of 5.5 percent in a similar period in 2019. Overall, taking into account the available indicators for second quarter for 2020, the economy is projected to grow by 2.6 percent in the calendar year 2020 compared to the initial projection of 6.1 percent in the 2020 Budget Policy Statement. The economy is projected to rebound to 5.3 percent in 2021 and 5.9 percent over the medium term. In terms of fiscal years, the economy is projected to grow by 4.0 percent in the FY 2020/21 and 5.9 percent over the medium term.

The slowdown in the first quarter of 2020 was mainly due to the uncertainty surrounding the Covid-19 pandemic that was already slowing economic activity in most of the country's major trading partners. The contraction by 9.3 percent in the accommodation and food services sector exacerbated the decelerated growth in the first quarter of 2020. On the positive side, the economy was supported by strong agricultural activities that strengthened to 4.9 percent in the first quarter of 2020 from 4.7 percent over the same period in 2019. A resilient non-agriculture sector also supported growth, despite a slowdown to 5.2 percent from 5.9 percent over the period under review.

The contribution of agricultural sector to the overall GDP growth was 1.3 percentage points in the first quarter of 2020, an increase from 1.2 percentage points in the same quarter of 2019. Indicators in the sector also points to continued strong performance in the second quarter majorly on account of improved weather conditions and increased credit extension to the sector. The sector received Ksh 2.5 billion net credit in April 2020, Ksh 0.9 billion in May but recorded a net repayment of Ksh 0.3 billion in June 2020.

The non-agricultural sector (service, industry and mining and quarrying) remained resilient and grew by 5.2 percent in the first quarter of 2020, down from 5.9 percent in the same quarter of 2019. The services and industry sector contributed 3.3 percentage points to real GDP.

3.2 MEDIUM TERM ECONOMIC OUTLOOK

3.2.1 Global Growth Outlook

Growth in the advanced economies is projected at negative 8.0 percent in 2020 recovering to 4.8 percent in 2021. This reflects deeper than anticipated effects of the pandemic on economic activity in the first half of 2020 and more gradual recovery in the second half of the year. Significant contraction of the economy is projected in the United States (-8.0 percent), Japan (-5.8 percent), the United Kingdom (-10.2 percent), Germany (-7.8 percent), France (12.5 percent), and Italy and Spain (-12.8) percent. Growth in the Euro area is expected to contract by 10.2 percent in 2020 before recovering to grow at 6.0 percent in 2021.

The emerging markets and developing economies are also projected to contract by 3.0 percent in 2020. Better prospects are however expected in 2021 with growth forecasted at 5.9 percent; this recovery is well echoed in the forecasted growths of Emerging and Developing Asia and Europe, Latin America and the Caribbean, and Sub-Saharan Africa. The Sub-Saharan African region has not been spared the negative impact of the pandemic with the region projected to contract by 3.2 percent in 2020. Consistent with forecast in the other regions, economic growth in the region is expected to recover to 3.4 percent in 2021 as most of the economies in the region recover from the adverse effects of the Covid-19 pandemic.

3.2.3 Domestic Growth Outlook

On the domestic scene, prior to the outbreak of Covid-19 pandemic, Kenya's economy was strong and resilient despite the challenging global environment. The economy expanded by 4.9 percent in the first quarter of 2020 supported by the agricultural sector on account of favorable weather conditions.

Leading economic indicators for the second quarter point to continued strong performance in agriculture, mainly due to favorable weather conditions and lifting of restrictions in the key export markets. However, the negative effects of covid-19 on the economy are projected to more than offset the gains in the agricultural sector leading to an overall projected growth, in calendar years, of 2.6 percent in 2020. On a positive note, economic growth is projected to recover to 5.3 percent in 2021 and 5.9 percent in the medium term. In terms of fiscal years, economic growth is projected to grow by 4.0 percent in FY 2020/21 and further to 5.9 percent over the medium term. Nyamira being agricultural County is likely to be affected in contributing to the Country's economic growth.

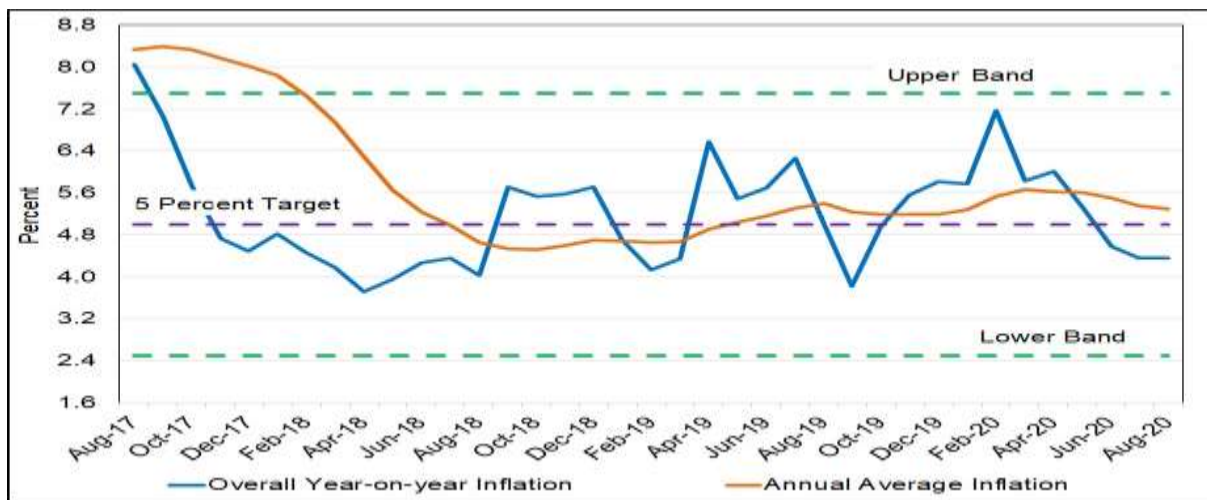
This growth outlook for the calendar year 2020 and the FY 2020/21 and the medium term, will be supported by the stable macroeconomic environment, investments in the strategic areas under the "Big Four" agenda, the ongoing public investments in infrastructure projects, the Economic Stimulus Program being implemented and the planned Post Covid-19 Economic Recovery Strategy. These factors will push up consumer demand and increase both public and private sector investment reinforcing the projected growth. The economic growth projections over the medium term are aligned to those of the Third Medium Term Plan (2018-2022) which is implementing Vision 2030.

3.2.4 Macroeconomic Indicators

a) Inflation Rate

Year-on-year overall inflation has remained within the government target range since end 2017 demonstrating prudent monetary policies. The inflation rate was at 4.4 percent in August 2020, declining from 5.0 percent in August 2019. This decline reflected favorable weather conditions which resulted to declines in the prices of key food items such as cabbages, tomatoes, Irish potatoes, spinach and loose maize grain. Paraffin, petrol, diesel and 200KWh electricity prices also declined during the same period due to lower international oil prices.

Figure 1: Inflation Rate, Percent

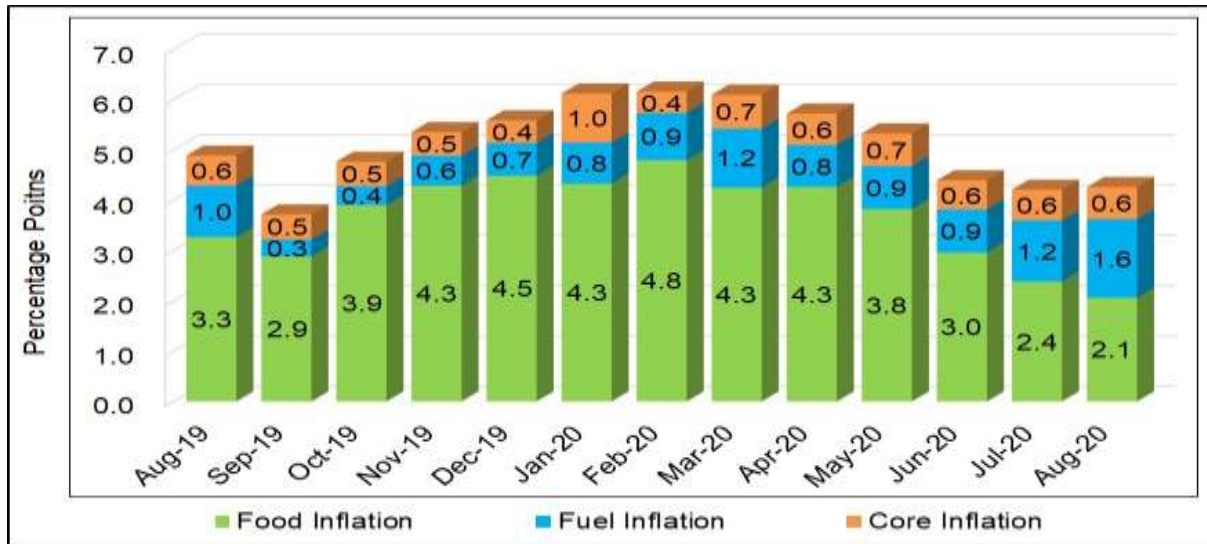


Source of Data: Kenya National Bureau of Statistics

The contribution of core inflation to overall inflation has been low and stable reflecting the impact of the reduction of VAT and muted demand pressures in the economy on account of prudent monetary policies. The contribution of fuel inflation has also been low, a reflection of stable energy prices despite the increase in the Petroleum development levy in July 2020. Thus, the major driver of the overall inflation in the period under review has been food inflation

b) Contributions to Inflation, Percentage Points

Figure 2: Contributions to Inflation, Percentage Points

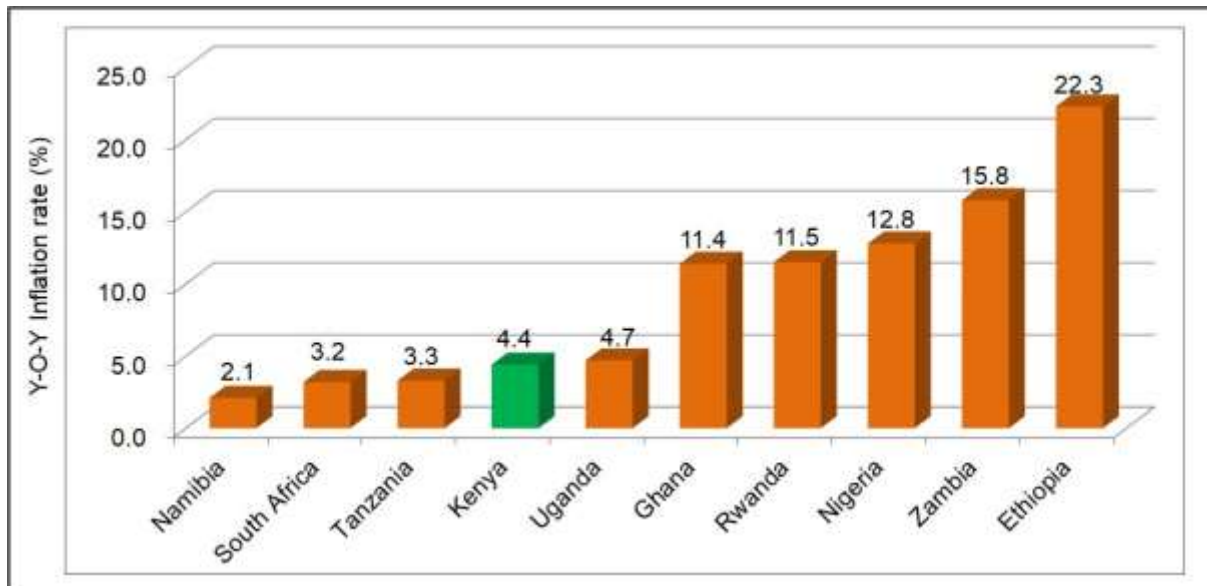


Kenya Shilling Exchange Rate

Kenya’s rate of inflation compares favorably with the rest of Sub-Saharan Africa countries. In July 2020, Kenya recorded a lower inflation rate than Uganda, Ghana, Rwanda, Nigeria, Zambia, and Ethiopia.

c) Inflation rates in selected African Countries (July 2020)

Figure 3: Inflation rates in selected African Countries (July 2020)

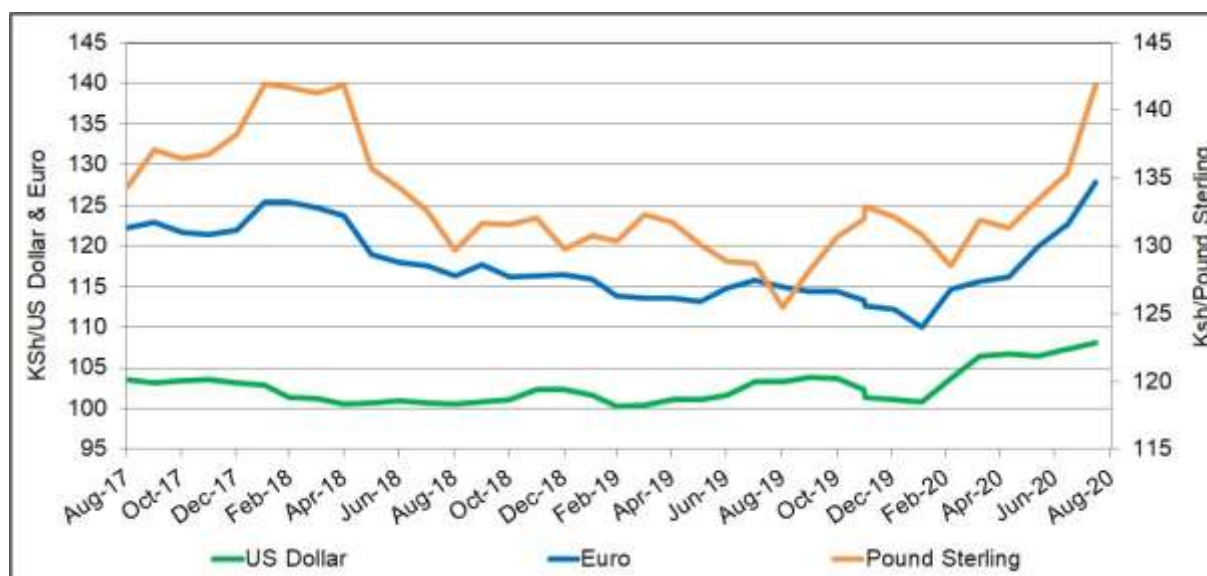


Source of Data: National Central Banks

c) Kenya Shilling Exchange Rate

The foreign exchange market has experienced some volatility in 2020, largely due to uncertainties with regard to the impact of Covid – 19 Pandemic and a significant strengthening of the US Dollar in the global markets. However, the Kenya shilling remained competitive supported by a stable current account deficit. The shilling depreciated against the US Dollar, Sterling pound and the Euro exchanging at an average of Ksh.107.3, Ksh.135.3 and Ksh.122.5 in July 2020 from Ksh. 103.2, Ksh. 128.7 and Ksh. 115.8 in July 2019 respectively.

Figure 4: Kenya Shillings Exchange Rate



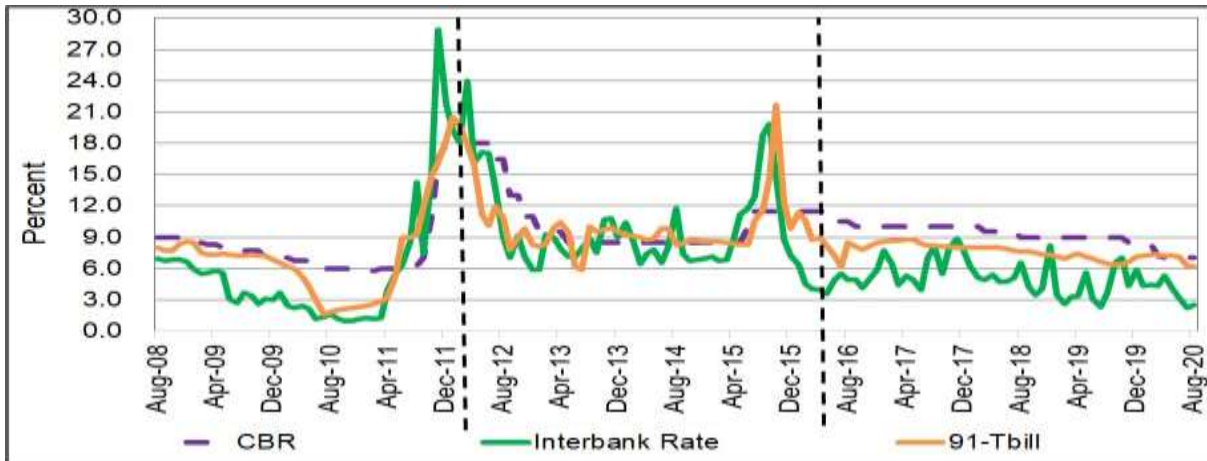
Source of Data: Central Bank of Kenya

In comparison to most Sub-Saharan Africa currencies the Kenya Shilling has remained relatively stable. In the year to August 2020, the Shilling weakened by 4.7 percent against US Dollar. This depreciation in Kenya Shilling was lower than the depreciation in Ghanaian Cedi, Rwanda Franc, Botswana pula, Nigerian Naira, Mauritius Rupee, South African Rand and Namibian Dollar.

d) Interest Rates

Short term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.0 percent on July 29, 2020 same as in April 2020 to signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprise distressed by Covid – 19 pandemic. The interbank rate remained low and fairly stable at 2.5 percent in August 2020 from 3.6 percent in August 2019 in line with easing of the monetary policy and adequate liquidity in the money market. The 91-day treasury bills rate declined to 6.2 percent in August 2020 compared to 6.4 percent in August 2019. Over the same period, the 182-day treasury bills rate declined to 6.6 percent from 7.1 percent while the 364-day decreased to 7.5 percent from 9.2 percent.

Figure 5: Short Term Interest Rates, Percent



Source of Data: Central Bank of Kenya

3.3 OVERALL ECONOMIC GROWTH IN NYAMIRA COUNTY

According to the Gross County Product (GCP) survey undertaken by KNBS and the pilot report shows that the average contribution per county to Gross Value Added (GVA) over the period 2013-2017 is approximately 2.1 percent. Nairobi takes the lead, contributing approximately 21.7 percent of GDP over the period, followed by Nakuru (6.1%), Kiambu (5.5%) and Mombasa (4.7%).

3.3.1 Contribution to GDP

Nyamira County Government contributes 1.4 percent to the National real GDP. This ranks Nyamira County the fourth contributor to the National GDP in the Nyanza region with Kisumu being the biggest contributor with 2.9% followed by Kisii and Homa Bay at 2.1 and 1.4 percent respectively as shown in table below.

Table 5: Contribution of Nyanza Region Counties to National GDP

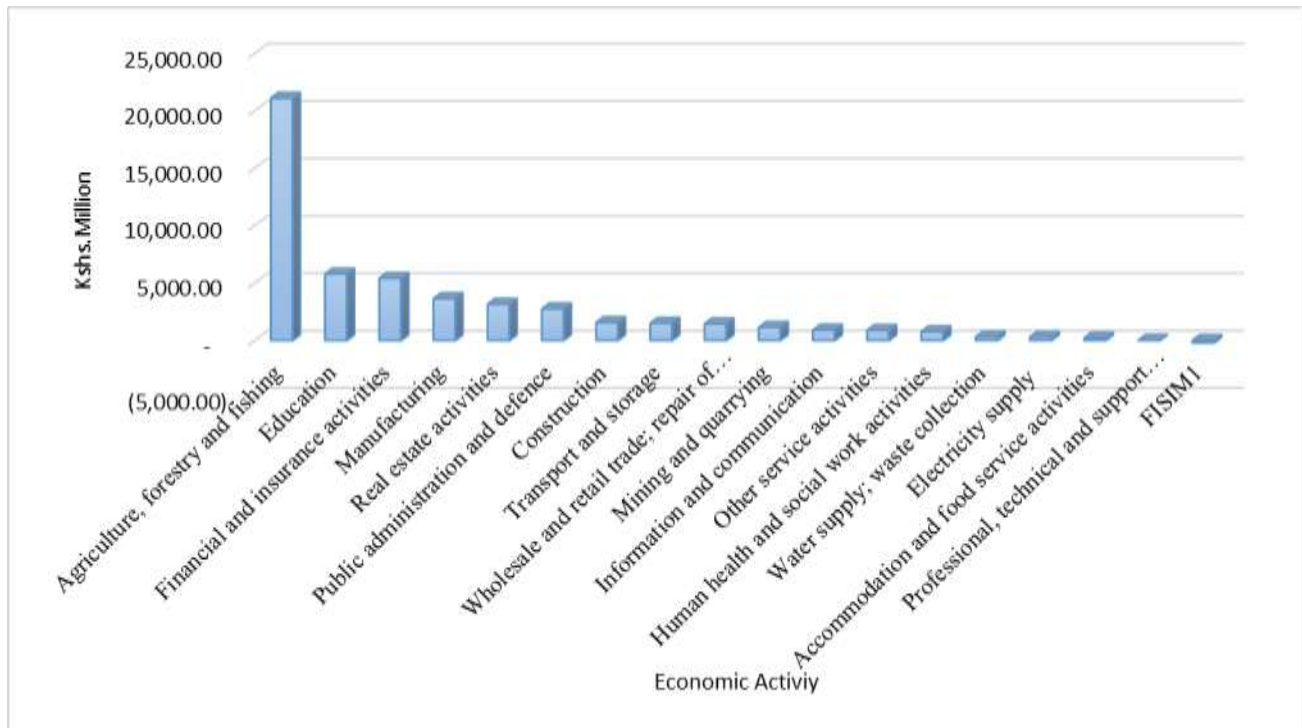
Rank	Counties	% Share of Counties in GDP
1	Kisumu	2.9
2	Kisii	2.1
3	Homabay	1.4
4	Nyamira	1.4
5	Migori	1.2
6	Siaya	1.2

Source: Kenya National Bureau of Statistics

3.3.2 Economic Activities performance

According to the KNBS report, agriculture, forestry and fishing economic activities and was the highest contributor to Nyamira Gross county Product (GCP) and national Gross value added (GVA) at Kshs.21.10 billion of Kshs. 957.58 billion contributed by all counties to the national GDP representing 2.2 percent.

Figure 6: Nyamira Gross County Product by Economic Activities



Source: Kenya National Bureau of Statistics

From this data, it is evident that the investment that the county has done in agriculture is paying off. However, other economic activities require more attention to improve the people's wellbeing.

3.4 NYAMIRA GROWTH OUTLOOK

Nyamira County is currently implementing the County Integrated Development Plan (CIDP) 2018-2022 with the objective to address the “Big Four” agenda. The outlook for the County is envisaged to invest in strategic areas over the medium term so as to maintain this socio-economic growth. These include health, agriculture and food security, infrastructure and environment. Other key areas that County will invest in are provision of water, trade, education and vocational training.

Over the medium-term, Nyamira County intends to support farmers by reserving funds for revamping following key strategic areas;

3.4.1 Agriculture, Livestock and Fisheries

- Adoption of modern and appropriate technologies
- Setting up of demonstration centers for effective land use management.
- Provision of subsidized farm inputs and certified seeds to boost production
- Livestock improvement technologies through construction of value-addition chains
- Management and stocking of fish ponds/dams

Additionally, through the World-Bank Grant-National Agricultural and Rural Inclusive Growth Project (NARIGP), the County will coordinate and implement these programmes to increase productivity and profitability.

3.4.2 Trade, Tourism and industry

The County will endeavor to increase access to market opportunities that will promote competitiveness of Nyamira products. In order to establish a favorable environment for trading, the County will focus on following: -

- Construction and upgrading of new market infrastructure. Social amenities infrastructure should be revamped for the benefit of the citizens and the county government
- Protection and promotion of Tourism sites for revenue generation
- Construction and revival of coffee milling plants, milk cooler units and banana processors. This touches on value addition initiatives
- Organizing and supporting trade fairs and exhibitions for knowledge exchange

3.4.3 Infrastructural development and connectivity

Infrastructure development is the key foundation to achieving economic posterity as it supports economic growth, improves the quality of life, and is necessary for county security. Sectors that are directly correlated to infrastructure development include transportation, power and communication facilities and social infrastructures. Under infrastructure, the County Government intends to;

- Open, upgrade and manage road networks
- Construction of Golan Heights – Nyamira High School – Nyabite Market Road (WB - UDG)
- Improve drainage systems, street lighting of market centers,
- Establish and management of mechanical asset systems,
- Establish of disaster response and management unit,
- Strengthen of public works i.e. Completion of County Headquarters, County Assembly offices and sports facilities.
- Support and install Information, Communication Technology infrastructure

The County Government will further continue to open up new roads and improve the existing ones through the Roads Maintenance Levy Fund (RMLF).

3.4.4 Health Services

Kenya aspires to have Universal Health Care (UHC) by the year 2022. This will be done by scaling up the National Health Insurance Fund (NHIF) and increasing 100% insurance coverage to the poor. As a result, Kenyans will be guaranteed access to medical care at minimal cost. Nyamira County Government will invest in enhancing access to essential health services through;

- Provision of adequate infrastructure in the health facilities
- Continuous recruitment, deployment and retention of qualified health professional's i.e. doctors, nurses and medical specialists
- Establishment of additional well-equipped specialized units
- Expanded training of adequate human resources for health.

The County applied the conditional grants and other resources from the National Government and development partners to improving access to quality health care. In addition, the county will avail resources towards the completion of the Nyamira County doctor's plaza and amenity wing to attract medical specialist.

3.4.5 Other developments in the Medium Term

The county government using conditional grants from National Government is in the process of improving the vocational training centers across the county and operationalization of The Nyamira Municipality.

3.4.5.1 Financial Management

The County Government of Nyamira shall continue exercising macroeconomic stability through provision of a conducive environment to economic activities. Adoption and full utilization of the e-procurement platform would solve the delays in project execution and thus improve the development expenditure absorption rate.

In order to seal off local revenue leakages and enhance revenue administration, the county government has is in the process of finalizing revenue automation, which would in-turn cap the local revenue deficit. These efforts together with the full compliance of the Finance Management Amendment Act 2015 will lead to an expanded revenue base for the county.

On the expenditure side, the County Government will continue with optimization of development expenditures which has seen lower absorption rates compared to the recurrent expenditure. Efforts would be made to make sure the aggregate absorption rate moves from the current 86% to 90% and above. Adherence to the program based expenditure framework shall be done at all periods in project execution.

3.5 RISKS TO THE OUTLOOK

- (i) Risks from the global economies relate to persistence of the Covid-19 pandemic and required lockdowns, voluntary social distancing and its effect on consumption, the ability of laid off workers securing employment in other sectors, rising operating cost to make work places more hygienic and safe, reconfiguration of disrupted global supply chains, extent of cross-border spill overs occasioned by weaker external demand and funding shortfalls.
- (ii) On the domestic front, risks will emanate from weaker external demand, reduced tourist arrivals due the Covid-19 fears and restrictions and further restrictions of movement should they become necessary to control the surge in infections. In addition, the economy will continue to be exposed to risks arising from public expenditure pressures, particularly wage related recurrent

expenditures and the erratic weather related shocks that could have negative impact on energy generation and agricultural output leading to higher inflation that could slow down growth.

- (iii) The wage bill ratio is currently high accounting at 49 percent of the budget against the recommended ceiling of 35 percent. The continued rise of the wage bill will have a negative impact on county operations and affect implementation of development projects.
- (iv) Effects of climate change affects agriculture which is the main driver of the county economy. Agriculture is negatively impacted by unreliable weather patterns and exposure to pest and disease as a result of climate change.
- (v) Unmet revenue targets leading to budget deficits. This affects county operations and budget implementation.

CHAPTER FOUR

4.0 RESOURCE MOBILIZATION AND ALLOCATION FRAMEWORK

4.1 ADJUSTMENT TO 2020/2021 BUDGET ESTIMATES

Formulation of the Nyamira county fiscal structure was guided by the need to address various development issues affecting the County as a whole. Success of the development agenda could only be achieved through prudence in allocation and utilization of the available public resources, both external and internally generated. The budget process is linked to the County Integrated Development Plan 2018-2022, Annual Development Plan 2020/2021 and County Fiscal Strategy Paper 2020. In actualization of the articulated development objectives, there is need to augment the county resource mobilization to avoid budget deficits which in turn affect budget implementation.

In order to remain focused to the County service delivery, some emerging issues which affect the development path of the county need to be addressed. This can only take place through adjustment to the current 2020/2021 Budget Estimates, via a supplementary budget. Such issues include:

- Any salary related deficiencies
- Pending Bills and Obligations for both recurrent and development expenditures
- Any foreseen or experienced revenue adjustments
- Interventions considered for other priority shifts

4.2 DEVELOPMENT PRIORITY

Priority would be given to:

- Clearing outstanding payments/retention towards completed development projects which were not provided for
- Payments to on-going projects to enable their completion
- Alignment of the development objectives to the Nyamira County Big Four Agenda which include: infrastructure, health, food security and agriculture and environment

For the county to achieve sustainable development, the above issues necessitate the review of the 2020/2021 budget estimates.

The PFM Act provisions guiding this planning and budgeting process are: The PFM Act Section 107(2) (a), stating that, “*the county government’s recurrent expenditure shall not exceed the county government’s total revenue*”, and Section 107(2) (b), stating that, “*over the medium term a minimum of thirty percent of the county government’s budget shall be allocated to the development expenditure*”.

4.3 MEDIUM-TERM EXPENDITURE FRAMEWORK

In actualizing medium-term expenditure framework, county priorities set in the CIDP 2018-2022 and the Annual Development Plan 2021/2022 shall take precedence as this form the basis of all resource allocations.

For the success of the MTEF framework, continuous improvement and up-scaling of Integrated Financial Management Information System (IFMIS) shall be done. To improve on efficiency in resource management, e-procurement shall also be widely disseminated and applied, with extreme employment of internal risk controls for checks and balances being fully observed.

As a mandatory requirement, stakeholder involvement and engagement shall duly be acknowledged. Such stakeholders include the citizenry, non-state actors, vulnerable groups, religious organizations, development partners, donors, private sector and national government among others. Collaboration with important institutions such as the National Treasury, the County Assembly, the Office of the Controller of Budget, Commission on Revenue Allocation, the Council of Governors, the Central Bank, the Kenya School of Government among others shall be emphasized.

4.4 BUDGET FRAMEWORK FOR FY 2021/2022

The 2021/2022 budget framework is set against various policies set in the Kenya Constitution 2010, the PFM Act 2012, the County Government Act 2012 among other legislations and County Planning Documents.

4.4.1 Revenue projections 2021/2022

In the 2021/2022 financial year, the County projects to mobilize resources amounting to Kshs.6,389,254,776 as detailed in table 5 below.

Table 6: Revenue Projections by Source

GFS CODING	REVENUE SOURCES	BASELINE	PRINTED ESTIMATE	TARGET ESTIMATE	PROJECTIONS	
		2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
9910201	Unspent Balances	1,154,682,640	1,058,469,505	0	0	0
9910201	Equitable share	4,810,800,000	4,905,750,000	5,135,340,000	5,648,874,000	6,213,761,400
Various	Own Source Revenue	187,324,098	250,000,000	206,056,508	226,662,159	249,328,374
		6,152,806,738	6,214,219,505	5,341,396,508	5,875,536,159	6,463,089,774
ADDITIONAL TRANSFERS FROM NATIONAL GOVERNMENT						
1330301	Development of youth polytechnics Grant	67,068,298	60,409,894	66,450,883	73,095,972	80,405,569
1330404	Compensation user fee forgone	13,175,221	13,175,221	14,492,743	15,942,017	17,536,219
3111504	Roads maintenance levy fund	136,557,732	146,215,617	160,837,179	176,920,897	194,612,986
	TOTAL	216,801,251	219,800,732	241,780,805	265,958,886	292,554,774
CAPITAL GRANTS FROM DEVELOPMENT PARTNERS						
1320101	World Bank Loan for National and Rural inclusive growth project	161,791,811	198,509,110	218,360,021	240,196,023	264,215,625
1320101	Kenya Urban Support Programme (KUSP UDG)	82,041,681	114,705,300	126,175,830	138,793,413	152,672,754
1320101	GOK Covid-19 Grant	0	59,702,000	65,672,200	72,239,420	79,463,362
1320101	World Bank grant (THSUC)	14,054,627	278,847,760	306,732,536	337,405,790	371,146,369
1320101	World Bank grant (KDSP) level 1	30,000,000	45,000,000	49,500,000	54,450,000	59,895,000
1540701	DANIDA	19,570,000	19,570,000	21,527,000	23,679,700	26,047,670
1320101	Agricultural Sector Development Support Programme II	16,463,524	13,125,036	18,109,876	19,920,864	21,912,950
	TOTAL	323,921,643	729,459,206	806,077,463	886,685,210	975,353,731
TOTAL	GRAND TOTAL	6,693,529,632	7,163,479,443	6,389,254,776	7,028,180,254	7,730,998,279

Source: County Treasury

The above estimates were made on assumption that the current development partners would continue supporting the county progressively. Thus, the resource envelop of the county would be financed through exchequer, grants and locally collected revenues.

Local revenue projections 2021/2022

The County Government intends to collect a total of Ksh.206,507,731 internally as indicated below. The revenue streams performance in the 2019/2020 financial year was used to make the revenue projections.

Table 7: Summary Of Projected County Local Revenue 2021/2022

Department/Stream	1st quarter	2nd quarter	3rd quarter	4th quarter	Actual Receipt 2019/2020	PROJECTIONS		
						2021/2022	2022/2023	2023/2024
Department of Finance, ICT & Economic Planning								
Market Dues	2,715,970	2,250,200	1,683,160	33,260	6,682,590	7,350,849	8,085,934	8,894,527
Penalt./Fines/Storage Chgs	11,900	613,379	1,745,544	590,610	2,961,433	3,257,576	3,583,334	3,941,667
Periodic Stickers	165,000	2,590,300	3,658,900	125,500	6,539,700	7,193,670	7,913,037	8,704,341
Daily Parking Fee	3,766,850	2,275,650	714,850	403,600	7,160,950	7,877,045	8,664,750	9,531,224
Motor Bike Stickers	73,000	38,400	38,100	-	149,500	164,450	180,895	198,985
Matatu Park &Reg. Fee	140,000	0	273,950	161,150	575,100	632,610	695,871	765,458
Imprest Surenders	0	226,569	113,505	-	340,074	374,081	411,490	452,638
Sub Totals	6,872,720	7,994,498	8,228,009	1,314,120	24,409,347	26,850,282	29,535,310	32,488,841
Department of Youth, Culture, Sports & Social Services								
Liquor Appl/Lice. Fee	13,000.00	0	1264000	92000	1,369,000	1,505,900	1,656,490	1,822,139
Sub Totals	13,000.00	0	1264000	92000	1,369,000	1,505,900	1,656,490	1,822,139
Department of Lands, Housing, physical planning & Urban Development								
Dev.Plan Approval Fee	89,752	396,400	500,000	636,600	1,622,752	1,785,027	1,963,530	2,159,882.91
Physical Plan Approvals	898,220	794,380	601,646	586,321	2,880,567	3,168,624	3,485,486	3,834,034.68
Land Survey Fees	60,000	82,500	100,300	29,730	272,530	299,783	329,761	362,737.43
Land Rates	3,193,712	73,315	10,049,430	481,680	13,798,137	15,177,951	16,695,746	18,365,320.35
Mkt/ Kiosk Rent	53,200	28,000	165,702	95,000	341,902	376,092	413,701	455,071.56
Plot Rent	64,247	44,350	381,765	529,925	108,597	119,457	131,402	144,542.61
Isilated plot rent	20,200	640	279,860	92,300	20,840	22,924	25,216	27,738.04
Sub Totals	4,379,331	1,419,585	12,078,703	2,451,556	19,045,325	20,949,858	23,044,843	25,349,328

Department/Stream	1st quarter	2nd quarter	3rd quarter	4th quarter	Actual Receipt 2019/2020	PROJECTIONS		
						2021/2022	2022/2023	2023/2024
Department of Transport, Roads & Public Works								
Hire of Machines & Equipments	4,000	-	0	0	4,000	4,400	4,840	5,324
Other works Services	0	139,000	203,000	113,500	455,500	501,050	551,155	606,271
Sub Totals	4,000	139,000	203,000	113,500	459,500	505,450	555,995	611,595
Department of Trade, Tourism & Cooperatives								
SBPs Application Fee	32,300	5,500	4,115,800	107,000	4,260,600	4,686,660	5,155,326	5,670,859
SBPs	249,520	62,700	7,567,010	4,114,190	11,993,420	13,192,762	14,512,038	15,963,242
Weights & Measures	126,210	122,790	48,200	46,790	343,990	378,389	416,228	457,851
Sub Totals	408,030	190,990	11,731,010	4,267,980	16,598,010	18,257,811	20,083,592	22,091,951
Department of Health Services								
Medical Services Health	17,224,645	11,860,036	36,684,082	39,614,331	105,383,094	115,921,403	127,513,544	140,264,898
Public Services Health	322,232	584,561	1,032,830	585,800	2,525,423	2,777,965	3,055,762	3,361,338
Sub Totals	17,546,877	12,444,597	37,716,912	40,200,131	107,908,517	118,699,369	130,569,306	143,626,236
Department of Agriculture, Livestock & Fisheries								
Veterinary Services	615,180	463,250	395,752	315,030	1,789,212	1,968,133	2,164,947	2,381,441
Cattle Fees	27,400	207,950	276,450	2,400	514,200	565,620	622,182	684,400
Cesses	2,334,200	1,647,100	1,475,000	1,353,150	6,809,450	7,490,395	8,239,435	9,063,378
Slaughter Fee	1,320	600	8,400	2,200	12,520	13,772	15,149	16,664
Cattle Move	5,450	73,600	68,650	100	147,800	162,580	178,838	196,722
Sub Totals	2,983,550	2,392,500	2,224,252	1,672,880	9,273,182	10,200,500	11,220,550	12,342,605
Department of Water, Environment, Mines & Natural Resources								
Water	-	1,170	2,550	-	3,720	4,092	4,501	4,951
Adverts/Promotional fees	2,000	31,450	1,724,450	5,215,745	6,973,645	7,671,010	8,438,110	9,281,921
Sub Totals	2,000	32,620	1,727,000	5,215,745	6,977,365	7,675,102	8,442,612	9,286,873
Total	32,209,508	24,613,79	75,172,88	55,327,912	187,324,09	206,507,7	227,158,504	

Department/Stream	1st quarter	2nd quarter	3rd quarter	4th quarter	Actual Receipt 2019/2020	PROJECTIONS		
						2021/2022	2022/2023	2023/2024
		0	6		8	31		249,874,355

Source: County treasury 2020

4.5 EXPENDITURE FORECASTS

In the next MTEF period, County total expenditures for FY 2021/2022 are expected to be Ksh. 6,389,254,776. The County wage bill is currently stands at 49%, which is above the recommended rate of 35%. The ongoing reforms in the human resources management are expected to stabilize the wage bill. Further the CEC Finance should then institute measures to avert this trend by committing the responsibility statement to the County Assembly. In 2021/2022, the overall development and recurrent expenditures are projected to Kshs. 1,395,621,982 and Kshs. 4,993,632,794 respectively. This translates to 22% and 78% development and recurrent expenditures respectively.

Table 8: Expenditure Projections for the Period 2021/2022-2022/2023

Department	Details	Printed Estimates	Baseline Expenditures	Target Estimate	Projections	
		2019/2020	2019/2020	2021/2022	2022/2023	2023/2024
County Assembly	Recurrent	616,107,510	616,084,405	616,107,510	677,718,261	745,490,087
	Development	97,000,000	83,321,794	87,487,884	96,236,672	105,860,340
	Sub-total	713,107,510	679,406,199	703,595,394	773,954,933	851,350,427
Executive	Recurrent	486,528,687	482,340,366	486,528,687	535,181,556	588,699,711
	Development	0	0	0	0	0
	Sub-total	486,528,687	482,340,366	486,528,687	535,181,556	588,699,711
Finance and Economic Planning	Recurrent	651,359,815	595,815,504	625,606,279	688,166,907	756,983,598
	Development	27,257,817	22,796,320	23,936,136	26,329,750	28,962,725
	Sub-total	678,617,632	618,611,824	649,542,415	714,496,657	785,946,322
Agriculture Livestock and Fisheries	Recurrent	167,805,323	166,672,010	175,005,611	192,506,172	211,756,789
	Development	483,445,147	258,178,534	271,087,461	298,196,207	328,015,828
	Sub-total	651,250,470	424,850,544	446,093,071	490,702,378	539,772,616
Environment Water Energy & Mineral Resources	Recurrent	87,106,870	81,734,294	85,821,009	94,403,110	103,843,421
	Development	128,036,597	67,327,308	70,693,673	77,763,040	85,539,344
	Sub-total	215,143,467	149,061,602	156,514,682	172,166,150	189,382,765
Education and	Recurrent	648,642,285	579,397,403	608,367,273	669,204,000	736,124,400

Vocational Training	Development	81,170,130	75,863,745	79,656,932	87,622,625	96,384,888
	Sub-total	729,812,415	655,261,148	688,024,205	756,826,626	832,509,288
Health Services	Recurrent	1,724,388,861	1,652,071,790	1,733,777,270	1,907,154,997	2,097,870,497
	Development	167,136,481	150,654,313	158,187,029	174,005,732	191,406,305
	Sub-total	1,891,525,342	1,802,726,103	1,891,964,299	2,081,160,729	2,289,276,802
Lands Housing and Physical Planning	Recurrent	69,618,131	67,446,500	70,818,825	77,900,708	85,690,778
	Development	177,709,129	151,329,847	158,896,339	174,785,973	192,264,570
	Sub-total	247,327,260	218,776,347	229,715,164	252,686,680	277,955,348
Roads Transport and Public Works	Recurrent	90,040,819	87,709,530	92,095,007	101,304,508	111,434,958
	Development	460,114,885	344,688,831	361,923,273	398,115,600	437,927,160
	Sub-total	550,155,704	432,398,261	454,018,279	499,420,107	549,362,118
Trade, Tourism and Cooperative development	Recurrent	47,137,690	45,954,206	48,251,916	53,077,108	58,384,818
	Development	39,759,239	15,273,038	16,036,690	17,640,359	19,404,395
	Sub-total	86,896,929	61,227,244	64,288,606	70,717,467	77,789,213
Gender Youth and Social services	Recurrent	50,194,199	48,897,479	51,342,353	56,476,588	62,124,247
	Development	69,719,879	68,483,373	71,907,542	79,098,296	87,008,126
	Sub-total	119,914,078	117,380,852	123,249,895	135,574,885	149,132,373
Public Service Board	Recurrent	52,646,929	49,464,009	51,937,209	57,130,930	62,844,023
	Development	0	0	0	0	0
	Sub-total	52,646,929	49,464,019	51,937,209	57,130,930	62,844,023
Public Service Management	Recurrent	287,900,739	286,394,025	300,713,726	330,785,099	363,863,608
	Development	0	0	0	0	0
	Sub-total	287,900,739	286,394,033	300,713,726	330,785,099	363,863,608
Nyamira Municipality	Recurrent	66,000,000	45,009,637	47,260,119	51,986,131	57,184,744
	Development	225,149,600	91,246,689	95,809,023	105,389,925	115,928,918
	Sub-total	291,149,600	64,543,792	143,069,142	157,376,056	173,113,662
County Totals	Recurrent	5,045,477,858	4,804,991,176	4,993,632,794	5,492,996,073	6,042,295,681
	Development	1,956,498,904	1,237,451,158	1,395,621,982	1,535,184,180	1,688,702,598
	Totals	7,001,976,762	6,042,442,334	6,389,254,776	7,028,180,254	7,730,998,279

Table 9: Programme Expenditure Projections for the period 2021/2022-2023/2024

Vote Head	Vote Name	Program	Sub Program	Description	Printed Estimate	Actual Payments	Target Estimate	Projections	
					2019/2020	2019/2020	2021/2022	2022/2023	2023/2024
5261	County Assembly	101005261	101015260	General administration and support services	239,167,445	235,090,901	246,845,446	271,529,991	298,682,990
		701005261	701045260	Policy and planning services	87,257,183	87,090,507	91,445,032	100,589,535	110,648,489
		708005261	708015260	Committees management services	94,454,086	94,410,529	99,131,056	109,044,162	119,948,578
		709005261	709025260	Representation and infrastructural development	292,228,796	253,498,914	266,173,860	292,791,246	322,070,371
				Sub-Total	713,107,510	675,744,066	703,595,394	773,954,933	851,350,427
5162	Executive	701005262	701015260	General administration support services	281,131,032	258,004,261	268,489,474	295,338,421	324,872,264
		701005262	701025260	Policy development and support services	205,397,655	205,356,394	218,039,214	239,843,135	263,827,449
				Sub-Total	486,528,687	484,385,766	486,528,688	535,181,557	588,699,712
5263	Finance, ICT and Economic Planning	504005263	504015260	Information and communication services	2,700,000	1,699,300	1,784,265	1,962,692	2,158,961
		504005263	504025260	ICT infrastructural services	25,576,617	24,085,080	25,289,334	27,818,267	30,600,094
		701005263	701015260	General administration support services	348,090,923	326,995,150	343,344,908	377,679,399	415,447,339
		701005263	701025260	Policy development and support services	11,591,550	11,587,540	12,166,917	13,383,609	14,721,970
		701005263	701035260	Supply chain management	18,785,600	18,781,640	19,720,722	21,692,794	23,862,074
		702005263	702015260	Economic planning and coordination	70,884,640	39,920,000	41,916,000	46,107,600	50,718,360
		702005263	702025260	Budget formulation and management	173,393,000	171,090,950	179,645,498	197,610,048	217,371,053
		704005263	704025260	Audit services	12,071,280	10,490,660	11,015,193	12,116,712	13,328,384
		705005263	705025260	Internal Resource mobilization	15,524,022	13,961,504	14,659,579	16,125,537	17,738,091
				Sub-Total	678,617,632	619,418,024	649,542,416	714,496,658	785,946,323
5264	Agriculture, Livestock and Fisheries	101005264	101015260	General administration and support services	156,077,209	155,082,030	162,836,131	179,119,744	197,031,719
		101005264	101025260	Policy and planning	8,546,114	8,444,510	8,866,736	9,753,410	10,728,751

		102005264	102015260	Crop development services	416,939,866	212,190,569	222,800,097	245,080,107	269,588,117
		102005264	102025260	Agribusiness	44,156,331	31,699,627	33,284,608	36,613,069	40,274,376
		103005264	103015260	Aquaculture promotion	3,372,000	3,242,484	3,404,608	3,745,069	4,119,576
		104005264	104015260	Livestock products value	20,258,950	12,780,325	13,419,341	14,761,275	16,237,403
		104005264	104025260	Animal health diseases	1,900,000	1,411,000	1,481,550	1,629,705	1,792,676
				Sub-Total	651,250,470	428,085,543	446,093,071	490,702,378	539,772,616
5265	Water, Environment, mining and Natural Resources	1.001E+09	1001015260	General administration and support services	57,111,604	56,645,493	59,477,767	65,425,544	71,968,098
		1.001E+09	1001025260	Policy and planning	3,818,670	3,667,750	3,851,138	4,236,252	4,659,877
		1.002E+09	1002035260	Other energy sources promotion	47,903,100	36,725,478	38,561,752	42,417,927	46,659,720
		1.003E+09	1003015260	Major towns water services	2,980,000	372,000	390,600	429,660	472,626
		1.003E+09	1003025260	Rural water services	80,696,097	33,620,929	35,301,976	38,832,174	42,715,391
		1.004E+09	1004015260	Pollution and waste management	7,483,996	5,318,056	5,583,959	6,142,355	6,756,590
		1.004E+09	1004025260	Agroforestry promotion	15,150,000	12,711,896	13,347,491	14,682,240	16,150,464
				Sub-Total	215,143,467	149,881,001	156,514,682	172,166,150	189,382,765
5266	Education and vocational Training	501005266	501015260	General administration	42,157,493	41,117,953	43,173,851	47,491,236	52,240,360
		501005266	501025260	Planning policy	2,879,265	2,641,550	2,773,628	3,050,991	3,356,090
		502005266	502015260	ECDE and CCC management services	356,882,275	351,280,963	368,845,011	405,729,512	446,302,463
		503005266	503015260	Vocational management services	327,893,382	260,220,682	273,231,716	300,554,888	330,610,376
				Sub-Total	729,812,415	655,686,948	688,024,205	756,826,626	832,509,288
5267	Health Services	401000000	401019999	Health Promotion	425,022,327	422,251,750	443,364,337	487,700,771	536,470,848
		401000000	401059999	Communicable Disease Control	162,021,613	114,032,613	119,734,243	131,707,667	144,878,434
		401005267	401015260	Administration support services	177,301,155	168,531,985	176,958,584	194,654,442	214,119,887
		402005267	402015260	Medical services	1,088,525,247	1,066,958,208	1,119,408,010	1,231,348,811	1,354,483,692
		402005267	402025260	Facility infrastructural services	38,655,000	30,951,547	32,499,125	35,749,038	39,323,941
				Sub-Total	1,891,525,342	1,803,966,303	1,891,964,299	2,081,160,729	2,289,276,802
5268	Lands, Housing and Urban Development	101005268	101015260	General administration and support services	66,045,731	64,019,600	67,220,580	73,942,638	81,336,902
		101005268	101025260	Policy and planning	3,572,400	3,517,500	3,693,375	4,062,713	4,468,984

		105005268	105015260	Lands and physical planning	19,441,632	4,944,074	5,191,278	5,710,406	6,281,446
		105005268	105025260	Surveying services	5,915,000	5,859,500	6,152,475	6,767,723	7,444,495
		106005268	106015260	Town Management and co-ordination services	127,730,329	127,719,036	134,104,988	147,515,487	162,267,035
		107005268	107015260	Housing improvements	24,622,168	12,716,636	13,352,468	14,687,715	16,156,486
				Sub-Total	247,327,260	219,546,947	229,715,164	252,686,680	277,955,348
5270	Roads, Infrastructure and Public Works	201005270	201055260	Administration and support services	87,829,966	86,701,893	91,036,987	100,140,686	110,154,754
		201005270	201065260	Policy and planning	2,210,853	1,641,837	1,723,929	1,896,322	2,085,954
		202005270	202025260	Construction of roads and bridges	142,502,698	118,810,479	124,751,003	137,226,103	150,948,714
		202005270	202035260	Rehabilitation and maintenance of Roads	317,612,187	225,244,152	236,506,360	260,156,996	286,172,696
				Sub-Total	550,155,704	433,946,461	454,018,279	499,420,107	549,362,118
5271	Trade, Co-operative and Tourism Development	301005271	301015260	General administration and support services	33,458,944	32,762,540	34,400,667	37,840,734	41,624,807
		301005271	301025260	Policy and planning services	2,507,706	2,399,674	2,519,657	2,771,623	3,048,785
		302005271	302015260	Cooperative promotion	8,575,807	7,281,770	7,645,859	8,410,445	9,251,489
		302005271	302025260	Trade promotion	40,909,447	17,387,563	18,256,941	20,082,635	22,090,899
		303005271	303015260	Tourism promotion and management	1,445,025	1,395,697	1,465,482	1,612,030	1,773,233
				Sub-Total	86,896,929	61,259,244	64,288,606	70,717,467	77,789,213
5272	Gender, Youths and Sports Development	701005272	701015260	General administration support services	42,192,130	41,414,330	43,485,046	47,833,551	52,616,906
5272		701005272	701025260	Policy development and support services	3,066,000	2,835,100	2,976,855	3,274,541	3,601,995
5272		902005272	902015260	Community Development	56,713,224	56,611,573	60,492,151	66,541,366	73,195,503
5272		902005272	902035260	Cultural promotion heritage	17,942,724	16,519,850	16,295,843	17,925,427	19,717,970
				Grand Total	119,914,078	117,380,851	123,249,895	135,574,885	149,132,373
5273	Public Service Board	1.001E+09	1001015260	General administration and support services	45,828,733	44,037,579	46,239,458	50,863,404	55,949,744
		1.001E+09	1001025260	Policy and planning	6,818,196	5,426,430	5,697,752	6,267,527	6,894,280
				Sub-Total	52,646,929	49,464,019	51,937,209	57,130,930	62,844,023

5274	Public Service Management	101005274	101015260	General administration and support services	270,909,971	270,403,273	283,923,437	312,315,781	343,547,359
		101005274	101025260	Policy and planning	7,084,300	6,767,160	7,105,518	7,816,070	8,597,677
		701005274	701075260	Communication services	1,167,000	1,117,202	1,173,062	1,290,368	1,419,405
		710005274	710015260	Field coordination and administration	2,167,500	1,949,434	2,046,906	2,251,597	2,476,756
		710005274	710025260	Public Participation and Civic Education	600,000	574,008	602,708	662,979	729,277
		710005274	710035260	Human resource management	3,896,000	3,595,248	3,775,010	4,152,511	4,567,762
		710005274	710045260	Human resource development	2,075,968	1,987,700	2,087,085	2,295,794	2,525,373
				Sub-Total	287,900,739	286,394,033	300,713,726	330,785,099	363,863,608
5275	Nyamira Municipality	101005275	101015260	General administration and support services	291,149,600	136,256,326	143,069,142	157,376,056	173,113,662
				Sub-Total	291,149,600	64,993,791	143,069,142	157,376,056	173,113,662
				Total Budget	7,001,976,762	6,042,442,334	6,389,254,776	7,028,180,254	7,730,998,279

Source:

County

treasury

2020

The expenditure framework for the 2020/2021 was made with focus on the anticipated recurrent and development grants from the national government and other development partners, where the grants for the current financial year have been projected with 5% increment.

The recurrent expenditures have been projected with 5% increment from the current financial year.

Flagship, ongoing projects and other priority areas including:

- The eighty-bed amenity wing and doctor's plaza
- Construction of county headquarters
- Construction of H.E. The Governor's and Deputy Governor's residence
- Construction of Hon. Speaker's residence
- Completion of County Assembly office blocks and parking slots
- Completion of Manga, Nyamaiya and other stadiums across the county
- Drainage management and garbage collection
- Spatial Development Planning and municipality operations
- Interventions in road networking and infrastructural development
- ECDE and Youth Polytechnic infrastructural development and management
- Development and management of market

4.6 CONCLUSION AND WAY FORWARD

The 2019 CBROP has been prepared at a time when it is becoming more difficult to match financial resources to the needs of the people due to low revenues both from the National Government and locally generated. The decisions made in this MTEF period 2019/2020 – 2021/2022 has largely relied on the lessons learnt in budget execution in 2018/2019. One of the lessons learnt is that expenditure on personnel emoluments is high and unsustainable in the long run. Also, it has become very clear that the absorption of development funds has been very low thus affecting the pace of development. Finally, local revenue is still low thus negatively impacting on the budget implementation.

Measures should be put in place to tame the rising cost of personnel emoluments to bring it closer to the 35 percent of total revenue as stipulated under the fiscal responsibility principles set out in the Public Finance Management Act 2012. The absorption of development funds has been low due to slow procurement process. To address this challenge, it is recommended that procurement process for development projects should begin in the first quarter and be concluded in time to give ample time for project implementation.

The County Integrated Development Plan (CIDP 2018-2022), the Annual Development Plan 2020/2021 and the sectoral strategic plans should continue to guide the priorities in resource allocation. Reference will be made to the sector ceiling outlined herein while drafting sector budget proposals for FY 2020/2021. The next County Fiscal Strategy Paper due in February 2019 further review the baseline expenditure ceilings proposed in this CBROP. The County Government should also continue to pursue prudent fiscal policy through reorienting expenditure towards priority programmes of the County Government