



**COUNTY GOVERNMENT OF MOMBASA
COUNTY TREASURY**

MEDIUM TERM

FISCAL STRATEGY PAPER

©February 2020

Foreword

The 2020 Mombasa 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 (FY) 2020/2021 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 2019/2020; highlights of the recent economic developments and economic outlook; broad strategic priorities and policies for FY 2020/2021 as indicated in the Medium-Term Fiscal Framework and as outlined in the Mombasa County Integrated Development Plan (CIDP) 2018-2022.

This is the seventh Fiscal Strategy Paper since the advent of the County Governments and the third one to implement the CIDP 2018-2022.

The County priorities and goals outlined herein are based on the County Integrated Development Plan and the inputs from the public participation fora with focus on: The key County proposed priority areas are; Revamping of quality and affordable health services, Streamlined waste management services, Increased accessibility to safe potable water and sustained food security, Provision of inclusive Quality Education, Gender empowerment, Youth & Sports development, Land management and affordable Housing Services and Infrastructure development.

This strategy will also compliment the National Government's BIG FOUR development agenda, the Mombasa Vision 2035 and all other development blueprints. The critical programmes to be implemented are expected to stimulate the County's socio-economic development and revamp the economy.

MS. MARYAM MBARUK
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE AND ECONOMIC PLANNING

Acknowledgement

The Mombasa County Fiscal Strategy Paper 2020/2021 has been prepared in compliance with the provisions of the Public Finance Management Act, 2012. It outlines the current state of the economy, provides macro-fiscal outlook over the medium term and specifies the set strategic priorities and policy goals together with a summary of Government spending plans, as a basis of the FY 2020/21 budget.

This Strategy Paper sets out broad strategic priorities and policy goals that will guide the Mombasa County Government in preparing its budget for the Financial Year 2020/2021 and over the medium term is expected to improve the public's understanding of Kenya's public finances and guide public debate on economic and development matters.

The preparation of this fiscal strategy paper continues to be a collaborative effort from an array of expertise of professionals and key stakeholders in the County. We are grateful for their inputs. We are also grateful for those who provided inputs during the various public participation fora conducted in the County, in addition to comments from the Commission for Revenue Allocation and other stakeholders.

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

We are particularly grateful to Ms. Jane Githui (Director Budget & Economic Planning), Mr. Affan Mohamed (Director Revenue) and Mr. Omar Mahmoud (Head of Monitoring and Evaluation) for working tirelessly and for their unwavering dedication, commitment and industry in the development of this document.

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CHIEF OFFICER

FINANCE AND ECONOMIC PLANNING

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Abbreviations and Acronyms

ADP	Annual Development Plan
CAPEX	Capital Expenditure
CBEF	County Budget and Economic Forum
CIDP	County Integrated Development Plan
CFSP	County Fiscal Strategy Paper
CGM	County Government of Mombasa
COB	Controller of Budget
ECDE	Early Childhood Development
EPZ	Economic Processing Zone
FDI	Foreign Direct Investments
FY	Financial Year
GCP	Gross County Product
G-Pay	Government pay System
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NMTs	Non-Motorized Transport
OSR	Own Source of Revenue
PFM	Public Finance Management
SEZ	Special Economic Zone

Executive Summary

The fiscal strategy of the County Government of Mombasa for the year 2020/2021 is set out in this paper. The CFSP is prepared in accordance to PFM Act section 117 which states that, the County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper (CFSP) for approval and then shall submit the approved Fiscal Strategy Paper to the County Assembly, by the 28th February of each year. The contents of the CFSP are largely informed by the PFM Act section 117(2) which provides for the aligning of the CFSP with the national objectives in the Budget Policy Statement.

The fiscal framework is guided by various principles which are in line with the medium term expenditure framework, the County Integrated Development Plan (CIDP) 2018-2022 which is aligned to the National Government's development agenda of the Kenya Vision 2030 that is currently being implemented through the Third Medium Term Plan (MTP III) which will augment economic transformation by complimenting key programs under "The Big Four" planned for job creation and shared prosperity.

The focus will be on boosting manufacturing activities, improving food and nutrition security, achieving a universal health coverage and supporting construction of decent and affordable housing for Kenyans. In addition, priority will be given to development enablers such as macroeconomic stability, business environment infrastructure, security, social sector investments, and public sector reforms.

The County will initiate a revamped revenue strategy that will ensure increased and efficient own source revenue mobilization and collection which will result to a balanced budget with an overall objective of being self-reliant in budget financing. The County will purpose to ensure that the budget expenditures are consistent with the agreed county sectoral priorities with an increased allocation to capital expenditures while ensuring resources for operation and maintenance of capital stock are adequately provided for while at the same time providing sufficient fiscal space for infrastructural and social programmes necessary to implement the Strategy and the CIDP 2018-2022 in the long term.

The critical programmes to be implemented are expected to accelerate economic activities and improve socio-economic welfare and economic growth. To achieve this, the Government endeavors to prioritize expenditure in provision of safe potable water, quality health services, modernized education institutions, improved infrastructure, sanitation and waste management, social protection as well as youth and gender empowerment. The overall objective of this is to realize sustainable, shared and equitable growth that would in return lead to accelerated job creation and improved livelihoods for the citizenry.

The fiscal strategy Paper serves as the basis for the preparation of the annual estimates of revenue and expenditure for the County of Mombasa Budget 2020/21.

Legal Context

The Mombasa County Fiscal Strategy Paper is prepared in accordance with Section 117 of the Public Finance Management Act, 2012. It states that;

- (1) The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.
- (2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- (3) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.
- (4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

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

(a) The Commission on Revenue Allocation;

(b) The public;

(c) Any interested persons or groups; and

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

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

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

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

Fiscal Responsibility Principle

In line with the Constitution, the new Public Finance Management (PFM) Act, 2012, sets out the responsibility principles to ensure prudence and transparency in the management of public resources.

The PFM law (Section 15) states that:

1. Over the medium term, a minimum of 30 percent of the national budget shall be allocated to development expenditure
2. The national government's expenditure on wages and benefits for public officers shall not exceed a percentage of the national government revenue as prescribed by the regulations.
3. Over the medium term, the national government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure
4. Public debt and obligations shall be maintained at a sustainable level as approved by Parliament and county assembly.
5. Fiscal risks shall be managed prudently.
6. 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.

CFSP Development Process Overview

In accordance with Section 117 of the Public Finance Management Act, 2012 various stakeholders were consulted in the preparation of the Mombasa County Fiscal Strategy Paper 2020. In January 2020 sector (Departmental) hearings were held and their respective submissions on their key priority areas captured. The Sub counties and the ward administrators have been very instrumental in ensuring full representation of the citizenry in mobilization of the residents during the public participation process.

Prior to the Public participation fora there was an invite in the local dailies (Nation and the Star Newspapers) on 16th January 2020 to sensitize the public on the oncoming County Fiscal Strategy Paper consultative fora;

DATE	SUB COUNTY	VENUE	Time
Wednesday, 29th January 2020	Jomvu	Miritini Railways Grounds	9:00 am - 12 noon
	Kisauni	Bush Mwembeni (Shanzu)	9:00 am - 12 noon
	Changamwe	Chaani Social Hall	9:00 am - 12 noon
Thursday, 30th January 2020	Nyali	Frere Town CDF Hall	9:00 am - 12 noon
	Mvita	Tononoka Social Hall	9:00 am - 12 noon
	Likoni	Likoni Social Hall	9:00 am - 12 noon

The residents, stakeholders and the civil societies among others presented their memorandums and gave their critical contributions on the key priority areas as captured in the 2020 Mombasa County fiscal strategy paper.

A draft fiscal strategy paper was compiled and circulated to the Executive committee members for their input and adoption before onward transmission to the County Assembly for approval.

Objective

The objective of the 2020/2021 County Fiscal Strategy Paper is to lay down the frame work for the preparation of the County budget. It is a requirement under section 117 of the Public Finance Management Act, 2012 that each County Treasury shall prepare and submit to the County Executive Committee the Fiscal Strategy Paper for approval, and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the 28th February of each year.

This Fiscal Strategy Paper contains the following:

- The principles that will guide the 2020/2021 budgetary process;
- The broad fiscal parameters for the 2020/2021 budget and the key strategies and policies for management of revenues and expenditures;
- The broad strategic priorities and policy goals that will guide the preparation of the budget over the medium term;
- A discussion of risks to the budget parameters and Budget Strategies;
- The medium-term outlook for county government revenues and expenditures;
- A discussion of how the Budget Strategies relates to the County priorities as drawn from the County Integrated Development Plan (CIDP) 2018-2022; and
- A framework for the preparation of departmental budget estimates and the development of detailed budget policies

Outline of the 2020/2021 Fiscal Strategy Paper

The Fiscal Strategy Paper is presented in four Chapters. The introduction presented in Chapter One, presents the recent Economic Developments and Medium-term Outlook which gives an overview of the global, national, regional and county economic development outlook.

Chapter two outlines the Mombasa County Plan for unlocking economic potential by harnessing “The Big Four.”

In chapter three the paper describes the Fiscal Policy and Budget Framework with;

Chapter four presenting the Medium-term Expenditure Framework for the 2020/21-2022/23 financial years.

CHAPTER ONE

1.0 RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK

1.1: Overview

1. The Kenyan economy remains resilient and grew by an average of 5.5 percent in the first three quarters of 2019, mostly supported by strong performance in the services sector. Growth momentum is expected to pick up to 5.6 percent in 2019, 6.1 percent in 2020 and further to 7.0 percent over the medium term supported by a strong rebound in the agricultural output, steady recovery in industrial activities, robust performance in the services sector, and investments in strategic areas under the “Big Four” Plan.
2. The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate to support exports. At 5.8 percent in December 2019, year-on-year overall inflation remained stable and within the 5 (+/-2.5) percent target largely due to lower food prices following favorable weather conditions. Inflation is expected to remain within target in 2020, largely due to lower energy prices and expected stability in food prices.
3. The foreign exchange market remains stable supported by the narrowing of the current account deficit. The current account deficit is estimated at 4.3 percent of GDP in 2019 down from 5.0 percent in 2018. The narrowing deficit reflects strong growth in diaspora remittances and tourism receipts, higher tea and horticultural exports, slower growth in imports due to lower food imports and the decline in international oil prices.

1.2: Recent Economic Development and Outlook

Global and Regional Economic Developments

4. Global growth is projected to pick up to 3.4 percent in 2020 from an estimated 3.0 percent growth in 2019. The projected pick up is on account of recoveries in stressed emerging markets and macroeconomic policy support in major economies.
5. Among emerging markets and developing economies, growth is expected to pick up to 4.6 percent in 2020 from an estimated 3.9 percent in 2019 reflecting recoveries in stressed economies such as Turkey, Argentina and Iran as well pickup in growth for Brazil, Mexico, India, Russia and Saudi Arabia which recorded significant slowdowns in 2019 relative to 2018.
6. Growth prospects for sub-Saharan Africa continue to strengthen. Growth is projected to improve to 3.6 percent in 2020 from 3.2 percent in 2018 and 2019, supported by higher

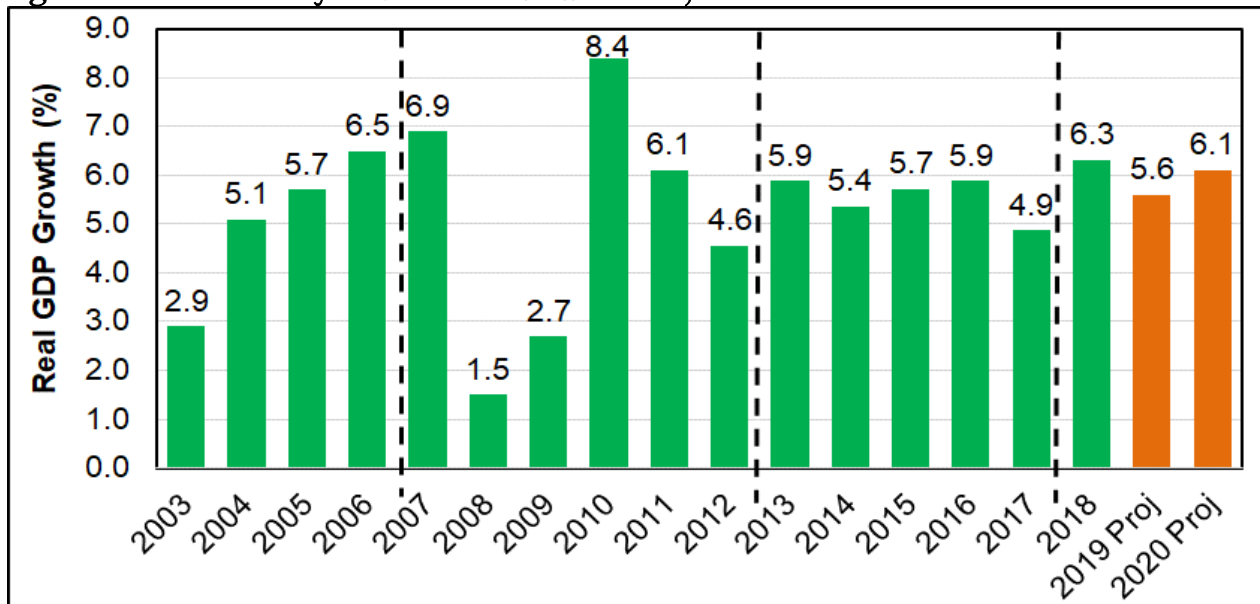
commodity prices, improved capital market access and contained fiscal imbalances in many countries.

- Growth in the East African Community (EAC) region is estimated to improve to 6.0 percent in 2020 from 5.6 percent in 2019 mostly supported by the stable macroeconomic environment, rebound in agricultural activities on the backdrop of favorable weather conditions, ongoing infrastructure investments, and strong private consumption.

Domestic Economic Developments

- Kenya’s economic growth has remained strong and resilient even under emerging global challenges, supported by strong public and private sector investment and appropriate economic and financial policies. The broad-based economic growth has averaged 5.7 percent for the last six years (2013 to 2018) outperforming the average growth rate of 4.7 percent in the period 2008 to 2012 and 5.4 percent in the period 2003 to 2007. Growth is estimated at 5.6 percent in 2019 and projected to recover to 6.1 percent in 2020.

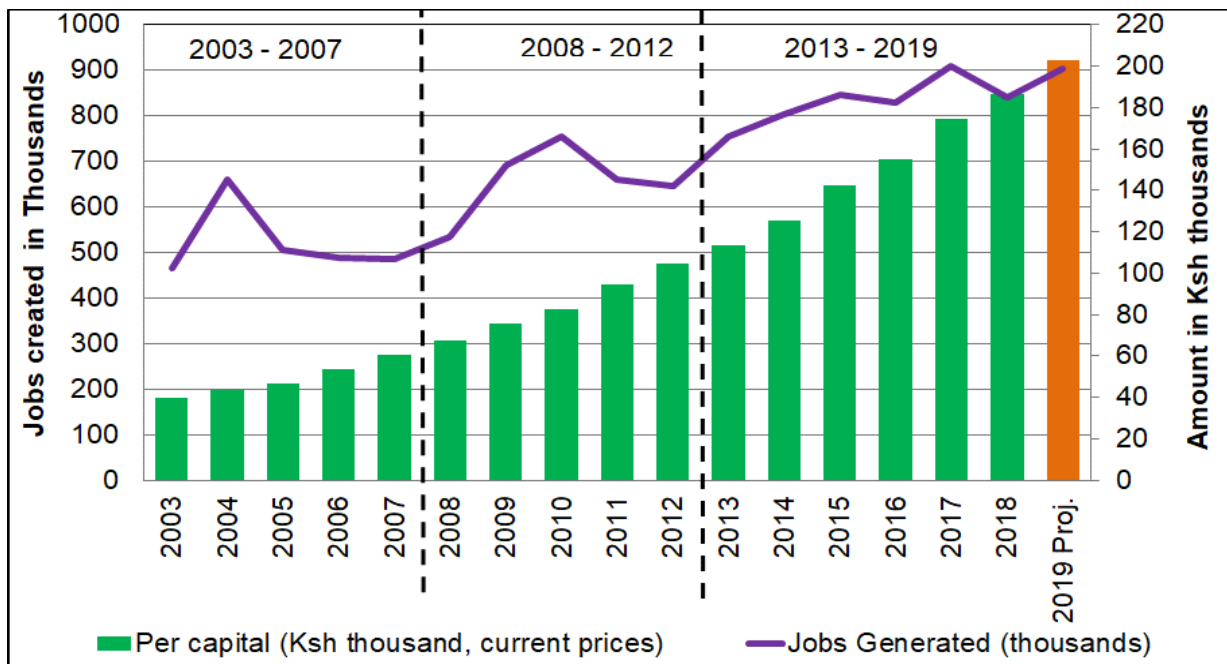
Figure 1: Trends in Kenya’s Economic Growth Rates, Percent



Source: Kenya National Bureau of Statistics, 2020

- Per capita income rose from Ksh 113,539 in 2013 to an estimated Ksh 202,859 in 2019, a 79 percent increase. This enabled generation of around 831,000 new jobs per year in the period 2013 - 2018 up from 656,500 new jobs per year in the period 2008 -2012

Figure 2: Trends in Per Capita Income and Job Created (2003 - 2019)



Source: Kenya National Bureau of Statistics, 2020

10. In the third quarter of 2019, the economy grew by 5.1 percent compared to a growth of 6.4 percent in a similar quarter in 2018, mainly supported by strong performance in the services sub-sector such as information and communication, transportation and storage, and accommodation and restaurant.
11. The agriculture sector recorded a decreased growth of 3.2 percent in the third quarter of 2019 compared to a growth of 6.9 percent in a similar quarter of 2018, as a result of delayed long rains. Consequently, the sector’s contribution to GDP growth declined to 0.6 percent in the third quarter of 2019 compared to 1.3 percent in the same period in 2018.
12. Services remained the main source of growth and expanded by 5.7 percent in the third quarter of 2019 compared to a growth of 6.5 percent in the same quarter of 2018. The service sector was supported by improved growth in accommodation and restaurant (9.0 percent), transport and storage (7.1 percent) and financial and insurance (5.6 percent). Growth of activities in information and communication (8.4 percent) and real estate (4.9 percent) also remained vibrant.
13. The services sector contributed 3.0 percentage points to real GDP growth in the third quarter of 2019 largely supported by Transport and storage (0.5 percentage points), wholesale and retail trade (0.4 percentage points) and Real estate (0.4 percentage points). The industry sector accounted for 0.9 percentage points to growth in the third quarter of 2018, largely driven by the construction and manufacturing sectors which contributed 0.4 percentage points and 0.3 percentage points, respectively.

14. The performance of industry declined to 4.5 percent in the third quarter of 2019 compared to 5.8 percent in the same quarter in 2018 following subdued activities in the manufacturing, electricity and water supply and construction sectors. The slowdown in the manufacturing sector was attributed to the fall in agro-processing activities, a reflection of declining agricultural production.
15. Growth in the electricity and water supply remained vibrant, driven by increased use of less input intensive sources of energy such as hydro generated electricity supported by sufficient rainfall, wind power and geothermal power generation coupled with growth of thermal generation.
16. The industry sector accounted for 0.8 percentage points of growth in the third quarter of 2019, largely driven by construction and manufacturing sectors with a contribution of 0.4 and 0.3 percentage points respectively.

Inflation Rate

17. Year-on-year overall inflation remained low, stable and within the Government target range of 5+/-2.5 percent in December 2019 at 5.8 percent up from 5.7 percent in December 2018 reflecting higher food prices.
18. Core inflation (Non-Food-Non-Fuel) remained below 5.0 percent in the period under review reflecting subdued demand pressures in the economy. Fuel inflation declined from 6.9 percent in December 2018 to 2.5 percent in December 2019 on account of declining energy prices.
19. The delay in the onset of rains resulted in lower agricultural activities and raised food inflation from March 2019. Food inflation increased from 2.6 percent in December 2018 to 9.3 percent in December 2019 reflecting rising prices of key food items.
20. The contribution of core inflation to overall inflation has been low and stable reflecting muted demand pressures in the economy on account of prudent monetary policies. The major driver of overall inflation from December 2018 to March 2019 was fuel inflation. However, beginning March 2019 food inflation has been the major driver of inflation
21. Kenya's rate of inflation compares favorably with the rest of Sub-Saharan African countries and its peers such as Nigeria and Ghana whose inflation rates were 11.9 percent and 8.2 percent, respectively in November 2019.

Kenya Shilling Exchange Rate

22. The Kenya Shilling has been relatively stable supported by continued narrowing of the current account deficit and adequate foreign reserve buffer. The Shilling appreciated against the US Dollar and the Euro exchanging at an average of Ksh 101.4 and Ksh 112.7 in December 2019 from Ksh 102.3 and Ksh 116.4 in December 2018, respectively.

However, against the Sterling Pound, the Shilling weakened exchanging at an average of Ksh 133.0 in December 2019 compared to Ksh 129.7 in December 2018.

23. The Kenya Shilling has continued to display relatively less volatility, compared to most Sub-Saharan currencies. This stability reflects strong inflows from tea and horticulture exports, resilient diaspora remittances and improved receipts from services particularly tourism.

Interest Rates

24. Interest rates were low and stable for the period 2008 to 2011 due to ample liquidity in the money market. However, interest rates increased in 2012 following tight monetary policy stance in order to ease inflationary pressures. Interest rates remained stable and low in the period 2013 to October 2019, except from June to December 2015 when world currencies were under pressure.

25. During the period, the Central Bank Rate (CBR) was adjusted appropriately to anchor inflation expectations. The Central Bank Rate was reduced to 8.5 percent on 25th November 2019 from 9.0 percent in August 2018 as there was room for easing monetary policy stance to support economic activity.

26. The interbank rate declined to 5.9 percent in December 2019 from 8.2 percent in December 2018 due to enhanced liquidity in the money market. The interest rates for government securities have been declining indicating that the implementation of government domestic borrowing program supported market stability. The 91-day Treasury bills rate declined to 7.2 percent in December 2019 compared to 7.3 percent in December 2018. The 182-day Treasury bills rate declined to 8.2 percent from 8.4 percent while 364-day increased to 9.8 percent from 9.7 percent.

1.3: Fiscal Performance

27. Budget execution started on a slow note in the first half of the FY 2019/20 due to cash flow constraints that hampered the implementation of the set priority projects and programs in the county with the only major expenditure being on personnel emolument.

28. There was an excruciating delay in the disbursement of exchequer issues due to the slowdown was due to the prolonged time taken by the National assembly to pass the proposed County Allocation of Revenue Bill in the revised Division of Revenue Bill, 2019.

29. The county embarked on rationalization of the budget so as to realign its expenditure to the set priorities in order to regain momentum with the ultimate goal of achieving the set objectives within the financial year.

1.4: Revenue Performance

30. In the first half of the current financial year 2019/2020, as at 30th December 2019 the actual revenue attained was Ksh 3,785,170,258 which is 28.0 % of the total estimated budget of Ksh 13,679,368,038. The National Government transfers was Ksh 2,685,029,951 and local revenue of Ksh 1,100,140,307.
31. Comparatively the same period in the 2018/2019 FY the revenues realized was Ksh. 4,423,891,623 which was 32.5% of the total estimated budget of Ksh. 13,591,771,891. The National Government transfers was Ksh. 3,418,692,116 and local revenue collected was of Ksh 1,005,199,507 half, there is an improvement of Ksh 247,642,405 which translates to a 6.0 % increment.
32. In the 2018/19 FY, the County realized Kshs 3,704,597,554 being 78 percent of the budgeted local revenue of Kshs. 4,741,939,084. The total revenue collected was Kshs 13,402,818,973 being 93 percent of the total budgeted revenue of Kshs. 14,456,495,575 of which Kshs 9,714,556,492 was exchequer issues and Kshs 988,988,577 transfers from other National Government entities including budgeted grants and donor funding. Equitable National share amounted to Kshs 8,226,800,000 which was 100 percent of the County allocation.
33. The County received Donor Funding from DANIDA of Kshs. 27,337,500, Health Conditional Grants of Kshs. 388,439,309, Road Maintenance Levy Grant of Kshs. 255,997,699, World Bank-KDSP Level II, Kshs. 259,416,946, Transforming Health Systems for Universal Care Project (World Bank-IDA), Kshs. 27,473,711 and a Grant of Kshs. 6,937,481 for Agriculture Sector Support Program II.
34. The property income revenue stream was the highest realizing over one billion followed by administrative fees at seven hundred million.

1.5: Expenditure Performance

35. Total expenditure for the first half of the FY 2019/20 amounted to Ksh 3,555,203,426 which was a 26 percent of the total budget and a decrease in expenditure compared to the same period in the last financial year 2018/19 which was Ksh 4,800,227,479.
36. Recurrent expenditure amounted to Ksh 2,750,640,539 which comprises of Ksh 1,909,496,659 for compensation of employees, Ksh 472,312,425 on use of goods and services, Ksh 238,905,957 as transfers to other Government Entities, Ksh 17,453,344 for other grants and transfer and Ksh 578,960,075 on other recurrent payments.
37. Development expenditure for the first half of the current financial year amounted to Ksh 338,074,965 in the second quarter. The underperformance in development expenditure reflects was due to lack of disbursement of funds to undertake the same.

1.6: 2018/19 FY Fiscal Policy

38. The County realized Kshs 3,704,597,554 being 78 percent of the budgeted local revenue of Kshs. 4,741,939,084. The total revenue collected was Kshs 13,402,818,973 being 93 percent of the total budgeted revenue of Kshs. 14,456,495,575 of which Kshs 9,714,556,492 was exchequer issues and Kshs 988,988,577 transfers from other National Government entities including budgeted grants and donor funding. Equitable National share amounted to Kshs 8,226,800,000 which was 100 percent of the County allocation.
39. Total expenditure amounted to Ksh 13,402,818,973 against a target of Ksh 14,456,495,575 representing an under spending of Ksh 1,053,676,601. (or 7 percent deviation from the revised budget). The shortfall was attributed to lower absorption in both recurrent and development expenditures due to unrealized revenues
40. The County hit the highest in budget implementation at 93 percent which was a 2 percent increase from the previous financial year's budget implementation.
41. Reflecting the above performance in revenue and expenditure, the County had a balanced budget both in expenditure and revenue with an absorption rate of 93 percent of the overall budget. There was an overall fiscal balance of approximately Ksh 1 billion. This is the Cashbook balance and may differ from the bank balance due to reconciliation items that is un-credited receipts and un-cleared real time gross settlements (RTGS) and cheques.
42. The County had a fiscal deficit of Kshs. 1.0 Billion to finance which was attributed to unrealized revenue.
43. The County Government continues to put up stringent measures that ensures that the budget deficit is reduced and adjustments will be made to fiscal aggregates to reflect revisions in the macroeconomic projections as well as revenue performance for the last two quarters of FY 2019/20;
44. Taking into account the slower pace of execution of the budget by County Departments, The reasons for the deviations, as explained above, from the financial objectives include: lower than projected revenue collection; under-spending in both recurrent and development; under-reporting on donor funding by Departments thus the base line ceilings for spending agencies will be adjusted and then firmed up in the next CFSP 2020.
45. While we expect the economy to remain resilient, our projections remain cautious. We expect Revenue growth to be 10 percent in 2020/21; representing a steady 20 percent revision upwards from the 10 percent projected in the CFSP 2019.
46. The under-spending in both recurrent and development budget for the FY 2018/19 additionally has implications on the base used to project expenditures in the FY 2020/21 and the medium term. Appropriate revisions have been undertaken in the context of this

CFSP, taking into account the budget outturn for the FY 2018/19. The County Treasury will work closely with the implementing Departments to fast track absorption.

47. In addition, the county will continue venturing in public private partnerships with potential local and foreign investors and other development partners to assist in development of the county.
48. The county also has intentions to initiate a catalyst fund geared towards the support of the various economic stimulus projects earmarked in the county to cater for projects facilitation, consultancy expenses and transaction costs to ensure acquisition of finances for the onset of the said projects.
49. Notably is the fact that Departments have been taking measures to ensure that they prioritize projects and programs that they are able to implement in the short term which has increased the overall Departmental absorption rate and this trend to a greater extent should be maintained if not improved further.

1.5: Economic Outlook

50. The County Government will continue to pursue prudent fiscal policy to ensure stability. In addition, our fiscal policy objective will provide an avenue to support economic activity while allowing for sustainable management of public finances. As such, the CG has committed to a monthly repayment of the pending bills with an intention of offsetting all the pending bills in the shortest period possible and ensuring expenditure is strictly done guided by availability of funds going forth.
51. Fiscal policy will continue to support County development economic activities while providing a platform for the implementation of the CIDP within a context of sustainable public financing. This process will be strengthened in the FY 2020/21 by encouraging more private-sector engagement in order to build concrete public private Partnership in pursuit of new economic opportunities.
52. With respect to revenue, the CG will maintain a strong revenue effort at 20 percent of Revenue Growth over the medium term. Measures to achieve this effort include upgrading of the county revenue automated systems, interdepartmental concerted efforts towards revenue collection, implementation of the finance act 2019 with a rejuvenated enforcement mechanism. In addition, the CG will rationalize existing fees and charges incentives, expand the income base and remove exemptions as envisaged in the Constitution.
53. On the expenditure side, the CG will continue with rationalization of expenditure to improve efficiency and reduce wastage. Expenditure management will be strengthened with continued implementation of the Integrated Financial Management Information System (IFMIS) across all the departments.

54. The county will continue redirecting expenditure towards those priority programmes as identified in public consultative forums. The critical programmes to be implemented are expected to accelerate economic activities and socio-economic welfare.

1.6: Risks to the Economic Outlook

55. Other than the frequent late disbursement of exchequer issues, the main challenges that continue to be experienced relate to unrealized projected local revenue collection, bloated wage bill and huge pending bills some of which are statutory deductions that accrue huge interests.

56. The high wage bill continues to be a major challenge in the implementation of the budget. Currently in the 2019/20 financial year the personnel emoluments stand at 36% of the overall county budget which is 1% way above the statutory requirement of 35%. Despite the fact that the percentage in personnel emoluments seems to have reduced from 39% in the 2018/2019 FY, there is a continuous increase in absolute figures throughout the FYs. The recruitment of key essential staff and the frequent salary increment for various cadres of staff continues to increase the already bloated wage bill. The various collective bargaining agreements (CBAs) to increase salaries and benefits of various officers also continues to threaten the already bloated wage bill.

57. The County's major departmental restructuring in terms of personnel and functions continues to affect the Outlook.

58. Non timely disbursement of funds by the national government continues to be a challenge as this leads to delay in execution of planned activities of the County thus compromising service delivery.

59. Looking ahead, due to revenue shortfalls, the ever-increasing pending bills and a high wage bill, continues to pose a threat of a budget deficit. Systems are being put in place to improve local revenue performance, following revenue collection reforms and moderation in recurrent expenditure, so as to increase the revenue bases and the fiscal position in the medium term.

60. The Government will monitor the above risks and take appropriate measures to safeguard macroeconomic stability including preparation of supplementary budgets to regularize and align any emerging issues.

61. The 2020 Mombasa 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 (FY) 2020/2021 and the Medium Term. The paper covers the following broad areas: review of the fiscal performance of FY 2018/19, the fiscal performance of first half of the FY 2019/2020; highlights of the recent economic developments and economic outlook; broad strategic priorities and policies for FY 2020/2021 as outlined in

the Medium Term Fiscal Framework and in the Mombasa County Integrated Development Plan (CIDP) 2018-2022.

62. The county will continue reorienting expenditure towards those priority programmes outlined in County's Integrated Development Plan 2018-2022 and as identified in public consultative forums. The strategy will thus implement the priority programmes/ projects as entailed in the draft CIDP 2018-2022. The critical programmes to be implemented are expected to stimulate the County's socio-economic development. The key County proposed priority areas are;

- Revamping of quality and affordable health services
- Streamlined waste management services
- Increased accessibility to safe potable water and sustained food security
- Provision of inclusive Quality Education, Gender empowerment, Youth & Sports development
- Land management and affordable Housing Services
- Infrastructure development

63. The fiscal framework for the financial year 2020/21 entails a deliberate effort to continue exercising prudence in public expenditure management with the principal goal of containing fiscal risks, gradually lowering the fiscal deficit, and adopting austerity measures to deter increase of recurrent expenditures in favor of productive capital spending. To achieve this, the Government endeavors to prioritize expenditure in provision of safe potable water, quality health services, modernized education institutions, improved infrastructure, sanitation and waste management, social protection as well as youth and gender empowerment. The overall objective of this is to realize sustainable, shared and equitable growth that would in return lead to accelerated job creation and improved livelihoods for the citizenry.

CHAPTER TWO

2.0: THE COUNTY'S PLAN ON UNLOCKING ECONOMIC POTENTIAL BY HARNESSING "THE BIG FOUR"

2.1: Introduction

64. The 2020 CFSP is the third to be prepared to implement the County Integrated Development Plan 2018-2022. The Strategy reaffirms the priority policies and strategies outlined in the CIDP, the County Vision 2035 which are aligned with "The Big Four" Plan and as prioritized in the Third Medium Term Plan of the Vision 2030.

65. In this regard, the County Government continues to take decisive steps to harness the implementation of various policies and programmes within the key priorities in the CFSP 2020 as outlined below.

- Revamping of quality and affordable health services
- Streamlined waste management services
- Increased accessibility to safe potable water and sustained food security
- Provision of inclusive Quality Education, Gender empowerment, Youth & Sports development
- Land management and affordable Housing Services
- Infrastructure development

66. The actualization of the key priority areas will complement each of the four pillars and is expected to accelerate and sustain inclusive growth, create opportunities for decent jobs, reduce poverty and income inequality and ensure that we create a healthy and food secure society in which every Kenyan is guaranteed of affordable and decent housing and provide a better future for the Mombasa Citizenry and all Kenyans at large.

2.1.1: County Priority areas

67. The fiscal framework for the financial year 2020/21 entails a deliberate effort to continue exercising prudence in public expenditure management with the principal goal of containing fiscal risks, gradually lowering the fiscal deficit, and adopting austerity measures to deter increase of recurrent expenditures in favor of productive capital spending. To achieve this, the Government endeavors to prioritize expenditure in provision of safe potable water, quality health services, modernized education institutions, improved infrastructure, sanitation and waste management, social protection as well as youth and gender empowerment.

68. The overall objective is to realize sustainable, shared and equitable growth that would in return lead to accelerated job creation and improved livelihoods for the citizenry.

69. **Revamping of quality and affordable health services:** In order to achieve the Universal Health care, the County Government will strive to ensure that its citizens have access to the best possible affordable and quality health services by continually investing in the sector.
70. The County Government has a social protection strategy in place which prioritizes Universal Health Care thus ultimately reducing the out of pocket expenditure on health by advocating the enrolment of the citizens into the National Health Insurance fund. The county hosts Coast General Teaching and Referral Hospital which is the largest referral facility serving the entire coastal region and offers specialized health services.
71. The County Government with various stakeholders has pumped in massive resources to ensure seamless and state of the art delivery of services in the referral facility and also continues to upgrade and equip lower level hospitals including the Tudor and Port Reitz level four hospitals and the other six additional level four hospitals that were recently operationalized.
72. The department of health is also committed to improve access to affordable and quality health services in Mombasa County through customization, adoption and implementation of health policy, health legislations and regulations. This will be achieved through the County referral services, procurement of essential commodities, capacity building of health care providers and technical support to all health facilities in the county.
73. **Increased accessibility to safe potable water and sustained food security:** Water in the County is managed by the Mombasa Water and Sewerage Company (MOWASCO). The main water supply for the county is from Mzima Springs in Taita Taveta County, Marere in Kwale County, Sabaki/Baricho in Kilifi County and also Tiwi Boreholes in Kwale County.
74. The projected water demand for the County is 186,000 cubic meters per day while the current supply is at 42,000 cubic meters. The available supply can only meet about 25% of the demand and thus there is need for concerted efforts to address the water deficit. Plans are underway to establish water desalination plants that will address the shortfall. Additionally, most residents rely on borehole water that contains a high percentage of faecal contamination and not safe for domestic use.
75. The county also sources its water from 452 shallow wells spread across the entire county, three permanent springs, four water pans found in the rural areas of the county and a number of boreholes operated by private investors, NGOs and local CBO's. These sources are complemented by the pipe water system that is sourced from Mzima springs, Marere, Sabaki/Baricho and Tiwi Boreholes.
76. The piping system is currently under rehabilitation by the Coast Water Services Board with the support of the Water and Sanitation Development Project (WSDP) by the World Bank

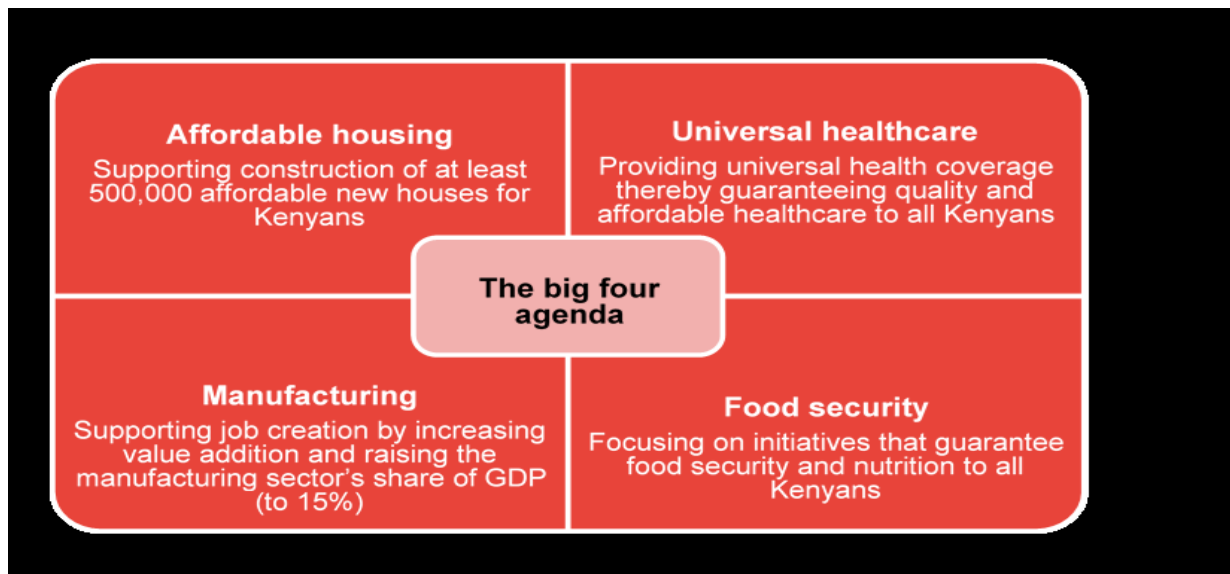
while plans are at an advanced stage to set up a water desalination plant in the County to address the water shortage issues.

77. Food security is a major component of the big four agenda and the County Government has aligned its plans and strategies to ensure that all her citizens are food secure. The County Government has a dedicated department that addresses all matters food security and harnessing the blue economy.
78. **Infrastructure development:** As the county positions its self to becoming a preferred destination for investors both local and foreign and improve the quality of life for its citizens we intend to continuously invest heavily on infrastructure development. This is a powerful tool for stimulating economic growth and providing an enabling environment for investment and delivery of services. It is an enabler that ensures amongst others a vibrant 24 hours economy and also a preferred worldwide tourist destination.
79. Infrastructure development will also enhance and help diversify the County's economy and ensure that we have several options that will assist in revamping our ailing economy. This will be achieved by ensuring our economy attracts several investors. Amongst the main interventions is improvement of our roads, drainage, non-motorized transport, beautification and face-lifting of the County.
80. The County will endeavor to support and ensure a conducive business environment by improving the trading infrastructure including the rehabilitation of the existing markets and setting up new ones at strategic locations within the county.
81. On improving the sanitation services in the County; efforts are being put in place to ensure that sanitation coverage is increased. Some of the efforts being put in place include the community strategy where the Department of Health continues to support the community units manned by community health workers to try and address sanitation, hygiene and health issues as well as stepping up the water and sanitation programme compliance in the county.
82. **Streamlined Waste Management Services:** Green economy has become a global phenomenal; Unstructured waste disposal in the county is the leading cause of environmental degradation due to lack of an efficient and effective solid waste management systems. The county has witnessed a proliferation of illegal dumpsites with piles of uncollected garbage littering most estates of the county.
83. In addition, only 17 per cent of the County is connected to the sanitation and sewerage system of the former City Council of Mombasa at Kipevu Sewerage plant. Thus, a large amount of untreated sewage is being disposed off into the Indian Ocean while solid waste is disposed at the Mwakirunge Dumpsites. However, the County Government is currently

embarking on solid waste management whereby it decommissioned the Kibarani dumpsite and efforts are in place to commission landfills that adhere to environmental safeguards.

84. Proper disposal of solid and liquid waste will ensure that liquid waste is not disposed into the ocean untreated and minimize incidences where people burn solid wastes as a way of disposal.
85. **Provision of inclusive Quality Education, Gender empowerment, Youth & Sports development:** The county aims to nature a globally competitive workforce to drive economic growth and spur job creation. The County is relatively well-endowed with education facilities though inadequate as demonstrated by a literacy rate of 57 per cent.
86. Due to incidences of underperformance of most children who sit for KCPE and KCSE every year, it is critical that those who do not manage entry into high school or tertiary institutions be assisted to gain skills in artisanry. The County Government through the Department of Education offers vocational training sponsorship to School leavers, dropouts and youth between the ages of 16 - 25 yrs.
87. The County continues to improve and develop new Sports facilities amongst others a state-of-the-art Stadium, levelling of football pitches at the ward level and also empowerment of Women, Youth and Persons living with disabilities through training, nurturing of talents and provision of business funds through a revolving fund.
88. **Land management and affordable Housing Services:** The County is the smallest in land mass within the Country. However, land being a vital factor of production in the County's economy we have to prudently utilize and manage it.
89. The County strives to facilitate attainment of high quality of life for its residents through planning, land administration and provision of decent, adequate and affordable housing. The County will continue to work closely with the National Government in Planning and issuance of titles in the medium term and also repossession of all grabbed public land.
90. In this regard, the County will take part in surveying, planning and land mapping to ensure investors and the residents are able to benefit from land as a factor of production. The County also has a mega program on Social Housing Units which entails Construction of 3,000 social housing units in 10 County Estates.

Figure 3: The County “Big Four” Plan



91. The County Government has plans to complement the implementation of the “Big Four” as outlined in the County’s key policy documents amongst them the County Integrated Development Plan 2018-2022, the Mombasa Vision 2035, the Mombasa Social Protection Strategy 2018 and others.
92. **Affordable Housing:** Poorly planned suburbs contribute to thrive in crime and drug abuse and makes it harder to provide essential services in certain areas. The unplanned mushrooming of suburbs within Mombasa County also imposes challenges in environmental solid waste management as well as proper drainage of storm water due to the unprecedented change in climate seen in irregular and abnormally heavy rains. Besides, the availability of affordable and decent housing is a growing challenge. The limited land must also be put into optimum use through proper planning and management.
93. Mombasa County intends to implement various strategies to mitigate this persistent challenge; Upgrade informal settlements using low cost building materials and construction techniques in 7 informal settlements, Support the development of housing schemes for low and middle class urban dwellers, Establishment of more commercial areas for retail trade, Create a county housing development fund, Develop guidelines for green buildings and energy efficient work places, Establish green and recreational areas especially for children and youth, Stop the proliferation of informal settlements, Address historical land injustices, consolidate and reserve selected pieces of land for future needs.
94. Furthermore, affordable housing has remained a challenge not only in Mombasa County but also globally as well as nationally. In this regard it’s the eleventh Sustainable Development Goal which is about making cities inclusive, safe, resilient, and sustainable. According to UN Habitat, the key target of Goal Eleven was to ensure that all people have

access to adequate, safe and affordable housing. Creating a housing market that accommodates people with low-income is a priority for Kenya's policy makers which Mombasa County has adopted. In Urban environments like Mombasa, low income earners stay in housing built informally or inadequately, below any minimum building standards, made of inappropriate building materials that do not create permanent housing conditions. This reaffirms the poverty condition of these vulnerable groups, and makes sustainable development seem like a challenging goal.

95. Consequently, to address this concern, the County proposes the construction of 3,000 low cost housing units in 10 County Estates so as to increase access levels to decent housing by low income earners from 4% to 10%. This investment in affordable housing is mainly to address distributional gaps. It will guarantee that disadvantaged segments of the society have access to affordable decent housing, and the department will work with established CT programs in ensuring that the neediest populations benefit from the settlement.
96. **Universal Health Coverage (UHC):** Majority of the Mombasa residents particularly those who are not formerly employed rely on public healthcare system. The people of Mombasa have had challenges in accessing good public health care services due to challenges related to poor infrastructure, limited medical personnel and requisite drugs.
97. To address these challenges we endeavor to do the following; Strengthen primary health infrastructure by among other things modernizing the public hospitals and health centers, upgrade existing infrastructure and adopting latest medical technology Ensure uninterrupted supply of affordable lifesaving and essential medicines and equipment in all public health facilities, Establish a health insurance scheme for high risk populations such as the elderly and women in informal settlements as well as developing a public health education programme to sensitize communities and end preventable communicable diseases
98. In achieving Universal Health Coverage, the County's main focus is to advocate and sensitize the citizenry to enroll in the national health insurance scheme as this reduces the out of pocket expenditure in health leaving them with income for improving their standards of living. In Mombasa County, the Demographic Health Survey indicates that the coverage of NHIF is 31.8% (2015) against a national average of 26.7%.
99. To address this gap, the county, through its social protection strategy, commits to invest in enrolling all Community Health Workers with NHIF, and to pursue and promote innovative Community Based Health Financing Models targeting young mothers - as an effort to improve coverage of health insurance amongst the general population from the current 26.7% to 60% by end of 2022. The plan will involve linkage with other Social Assistance initiatives including national level programs in order to influence the inclusion of Health Insurance cover within the Social Assistance package of care.

100. **Food and Nutrition Security:** Mombasa County through the Department of Agriculture, Livestock, Fisheries and Cooperative Development will prioritize the three fundamental components of food security; availability, access and utilization. Being a purely urban county, the dynamics of food security differs compared to rural contexts and across urban socio-economic groups. Access to food in urban areas is dependent on cash exchange, with some exceptions where some urban food production (like fishing) contributes directly to household intake. Reliance on purchased food is the leading factor in household food (in) security of poor urban populations, yet many lack a fixed income.
101. There is therefore a great potential for vulnerable households to use urban agriculture as a means of supplementary income and for direct household consumption. The department will also support community groups participating in urban farming and fishing, and will equally promote the planting of 100,000 fruit trees that will also promote environment conservation and mitigate climate change effects.
102. Increasing fish production is one of the strategies that the Government is employing to attain food and nutrition security. Significant progress has been made in this area. Fish production has more than doubled only six months after the launch of the Kenya Coast Guard Service at the Liwatoni Fishing Complex. In addition, the Government has committed financial resources towards the development of designated ports in the coast to facilitate landing by deep sea fishing vessels. Some of these fish landing sites under construction include Kichwa cha Kati and Ngomeni in Kilifi County, Gazi, Kibuyuni, and Vanga in Kwale, and two markets in Mombasa and Malindi.
103. To enhance income levels of farmers, the Government is promoting agriculture through structured trading by negotiating market access of their produce in international markets and restructuring the Kenya National Trading Corporation to better receive and manage farm produce. This will help reduce post-harvest losses and improve post-harvest handling of agricultural produce. In addition, the Government will continue to promote local produce abroad to deepen markets and further explore marine and aquaculture resources in view of the new global blue economy model.
104. **County's Contribution to the Growth of National GDP through manufacturing:** The county Government will continue to support job creation by encouraging manufacturing industries to set up shop within the county through the improvement of the existing infrastructure and setting up of special economic zones. The County will additionally work with industry players to support innovation across the entire value chain – whether in buying new solutions, building their own, or partnering with others to innovate.

105. On the blue economy, Kenya successfully hosted the Sustainable Blue Economy Conference in November 2018 which Mombasa County actively took part in and hosted the pre-conference which reflects the County's commitment to revamp the blue economy. Successful hosting of this Conference paved way for investment in the blue economy within Mombasa County which is strategically located in the coastline thus it's expected to create thousands of marine related jobs and support efforts to realize food and nutrition security in addition to enhancing environmental sustainability.
106. Mombasa County is determined to create a business environment that encourages investment and put the economy of Mombasa on the path of growth. Besides the county borders the Indian Ocean with a rich biodiversity of marine fishes which if exploited can guarantee an annual fish catch of over 5,000 metric tons per year.
107. Amongst the many strategies we can use to boost the economy of Mombasa and ensure a higher contribution in the growth of the National GDP are; Relaxing regulations, changing the tax system including reduction in selected taxes and levies to better support entrepreneurs and encourage investment; Modernization of Marikiti and Sega markets in Majengo and better coordination of informal traders such as introduction of weekly market concept in CBD; Promote procurement of local products, services and expertise; Develop Business Information and Incubation centres in all sub-counties to support young Entrepreneurs; Construct a modern fish market equipped with adequate cooling facilities; Support value addition for fish and fisheries products, and improve access to markets; Promote sustainable fishing practices in collaboration with relevant stakeholders; Promote deep sea fishing by initiating a Mombasa County Fishing Fleet in collaboration with the Kenya Fisheries Service (KeFS) and the Kenya Marine and Fisheries Research Institute (KMFRI) and Promotion of mariculture.
108. Furthermore, the County will provide opportunities for women and people living with disabilities for engagement in income generating activities and establishment of a County Trust Fund to cater for gender & disability support; Increased financial accountability for all county infrastructural projects and awarding of contracts based on competent work experience; Exercise zero tolerance on corruption among public servants. The implementation of these strategies will greatly improve the business environment and ultimately reigniting and boosting the Mombasa economy.
109. To support the blue economy, the Government created the Kenya Coast Guard Service which the County fully support and compliment to guard Kenya's territorial waters against illegal fishing at the exclusive economic zone and from criminals. The Kenya Coast Guard Service is also tasked with enforcing maritime security and safety, pollution, and sanitation

measures, and prosecution of offenders. Boosted security is expected to encourage fishing in the deep sea.

110. Additionally, the County Government has purchased deep sea fishing vessels that are geared towards expending fishing and conserve the marine life within the Coast line.

2.3: County Economic and Fiscal Overview

111. This County Fiscal Strategy Paper 2020/21 is prepared at a time when the Kenyan economy remains resilient and grew by an average of 5.5 percent in the first three quarters of 2019, mostly supported by strong performance in the services sector.

112. Growth momentum was expected to pick up to 5.6 percent in 2019, 6.1 percent in 2020 and further to 7.0 percent over the medium term supported by a strong rebound in the agricultural output, steady recovery in industrial activities, robust performance in the services sector, and investments in strategic areas under the “Big Four” Plan.

113. In the third quarter of 2019, the economy grew by 5.1 percent compared to a growth of 6.4 percent in a similar quarter in 2018, mainly supported by strong performance in the services sub-sector such as information and communication, transportation and storage, and accommodation and restaurant.

114. Amongst the 47 counties Mombasa contributes 4.7% to the Country’s GDP which ranks it fourth and has a Growth County Product (GCP) of 7% above the country’s average of 5.6%.

115. In the first six months of the financial year, revenues collection has adopted a steady momentum and is comparatively higher to the same period in the last financial year.

116. In the third quarter we expect a rapid increment in the local revenue collection as some of the major revenue streams have continually shown an increment in collection over the past years this can be attributed to the fact that there is a set deadline of the third quarter before accruing penalties.

117. Mombasa County faces a unique distributional challenge in real GCP per capita due to dynamics in real economic activities as well as evolution of population size including internal migration and floating population coupled with the fact that it is deemed entirely an urban county with bare minimal agricultural activities which ultimately has an implication on public service delivery, including a rise in expenditure to deliver essential services.

118. The county continues to heavily invest in infrastructure through expansion of roads, rehabilitation of non-motorized transport (NMTs), unclogging and laying out of major sewer lines, installation and maintenance of street lights and high mast lights and opening up of access roads so as to ease the movement of goods and people within the county.

119. Efforts are also in place to put up and rehabilitate trading centers and markets, revamping and equipping the cess barriers with the ultimate collective objective of creating an enabling environment conducive for a 24-hour economy.
120. The youth in the County constitutes almost a half of the population and to address their myriad of issues and the persistent perennial problem of unemployment, the County has initiated a youth economic and empowerment revolving fund in addition to rehabilitating social halls and playing fields to pave way for talent tapping. Furthermore, the County has deliberately injected funds for talents development and skills upgrading through bursaries.
121. Blue economy being an avenue that has been recognized internationally as a sector that can not only alleviate hunger but improve the standards of living of the citizens, in this regard the County Government is in the forefront to harness and exploit its resources through purchasing of deep sea fishing vessels and equipment so as to significantly expand fishing and improve productivity .
122. In addition to the above measures, the County Government will continue to complement the development of industrial infrastructure by setting aside a catalyst fund to support the promulgation of the mega Vision 2030 projects such as the Export Processing Zones (EPZs), Special Economic Zones (SEZs) and industrial parks within the county and more specifically the establishment of the Dongo Kundu SEZs.

2.4: Fiscal Performance and Emerging Challenges

123. The Mombasa County Assembly approved the Supplementary 2019/2020 budget with expenditure amounting to Ksh. 14,667,203,072, comprising of recurrent expenditure of Ksh. 9,357,919,376, and development expenditure of Ksh. 5,309,283,696. This budget was to be financed by Ksh. 5,000,000,000, from local revenue sources and total exchequer issues of Ksh. 9,667,203,072, including Ksh. 7,057,950,000, from national equitable share, Ksh. 388,439,306, conditional Grant for Level Five Hospital, Ksh. 37,921,806, Transforming Health Systems for Universal Care Project (World Bank-IDA), Ksh. 24,562,500, DANIDA grant, Ksh. 23,385,934, CA-User Fees Forgone, CA-Fuel levy fund Grant Ksh. 200,344,594, Conditional Allocation for Rehabilitation of Youth Polytechnics Ksh. 25,473,298, Agriculture Sector Development Support Program II, Ksh. 16,374,963, Kenya Devolution Support Program Ksh. 342,750,671 and World Bank Development Project of Ksh. 1,550,000,000.
124. Fiscal outcome for the first half of the financial year was at 32 percent which was attributed to shortfall of revenue amid rising expenditure pressures. Expenditure pressures relate to the rising wage bill resulting from personnel emoluments. Currently the wage bill is amounting to Ksh. 5.3 Billion which is 36 percent of the budget taking up a substantial

amount of the county revenue. The county has put in place austerity measures to ensure that the wage bill is sustainable by halting recruitment and promotions as the bloating wage bill poses a big risk to the stability of the budget for 2020/2021 and in the mid term if the situation is not contained.

125. Budget implementation continues to be a challenge due to frequent breakdown of the Integrated Financial Management Information (IFMIS) to the main server at the National Treasury. There is therefore an urgent need to address the challenge of connectivity and the corresponding bandwidth to increase the transaction speed. The inadequate human capacity and infrastructure to operationalize the system more efficiently also needs redress.

126. Unrealized local revenues, inadequate equitable share due to unfavorable formula parameters, delayed exchequer releases, and tedious procurement bureaucracies continues to hamper budget implementation.

Budget Out-turn, July – December 2019

127. In the first half of the current financial year 2019/2020, as at 30th December 2019 the actual revenue attained was Ksh 3,785,170,258 which is 28.0 % of the total estimated budget of Ksh 13,679,368,038. The National Government transfers was Ksh 2,685,029,951 and local revenue of Ksh 1,100,140,307.

Table 1: Local Revenue realized within five financial years

MONTH	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
JULY	104,030,972	138,888,662	78,327,409	128,948,779	91,417,758
AUGUST	93,759,799	121,870,568	138,978,980	79,974,633	131,852,605
SEPTEMBER	95,400,916	123,410,370	134,037,320	98,958,707	75,372,653
OCTOBER	116,757,916	115,703,161	160,474,776	91,999,794	195,706,353
NOVEMBER	102,318,612	122,057,894	183,999,072	90,326,887	147,841,146
DECEMBER	191,916,082	115,254,598	151,828,812	88,025,962	363,008,810
JANUARY	336,767,628	337,339,057	321,392,757	218,656,932	437,327,591
FEBRUARY	346,773,579	200,260,788	303,286,028	202,052,628	423,072,353
MARCH	413,101,785	308,215,252	469,422,317	677,958,599	745,066,240
APRIL	211,331,816	612,075,951	365,071,728	677,126,092	472,840,320
MAY	143,751,841	376,582,733	328,912,588	254,091,979	208,729,502
JUNE	335,744,384	371,871,652	530,509,174	551,010,104	412,062,041
TOTAL	2,491,655,330	2,943,530,686	3,166,240,961	3,168,013,709	3,704,297,372

Source: County Treasury

Figure 4: Local Revenue Trend Analysis from Year 2014/2015 to 2018/2019

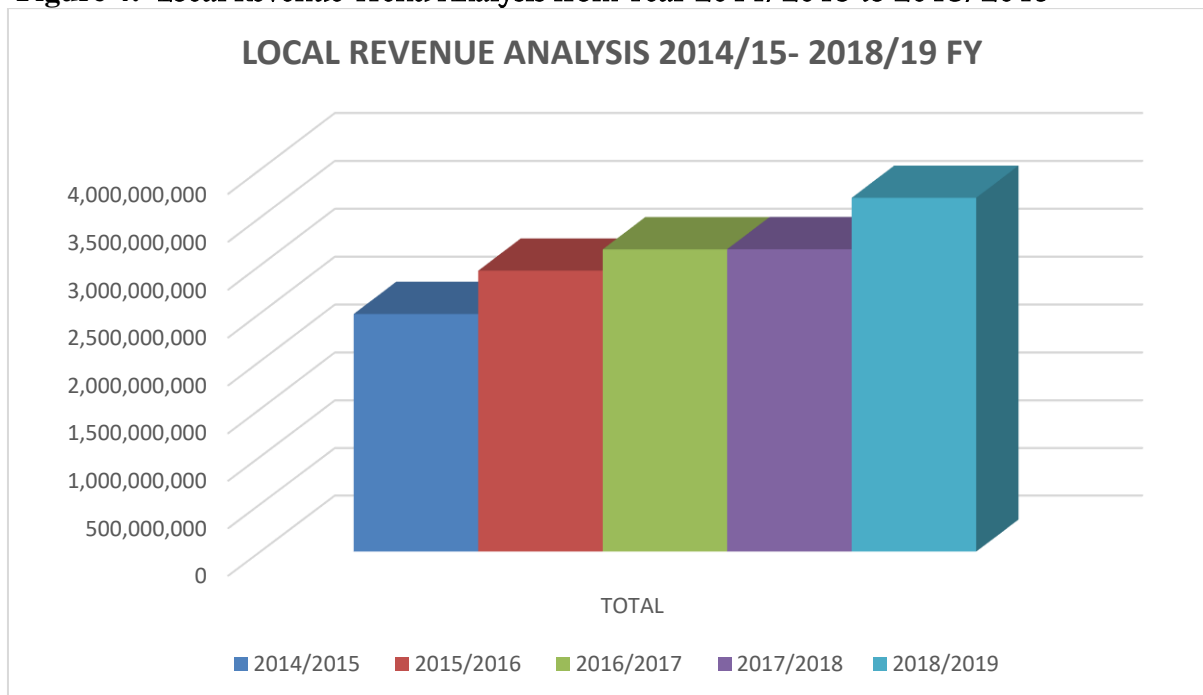


Table 2: Monthly Excchequer Issues Over Five Financial Years

MONTH	EXCHEQUER ISSUES 2014-2015	EXCHEQUER ISSUES 2015-2016	EXCHEQUER ISSUES 2016-2017	EXCHEQUER ISSUES 2017-2018	EXCHEQUER ISSUES 2018-2019
JULY	0	0	0	597,970,752	0
AUGUST	586,876,135	448,064,387	1,037,748,641	0	430,761,965
SEPTEMBER	429,125,363	0	501,676,603	473,286,618	587,699,500
OCTOBER	0	957,032,726	518,083,015	0	741,181,901
NOVEMBER	360,893,811	517,858,857	558,883,251	996,790,289	875,741,969
DECEMBER	402,257,434	517,237,435	501,676,603	843,101,778	822,680,000
JANUARY	404,421,512	450,078,941	478,282,890	866,001,087	944,297,016
FEBRUARY	0	448,064,387	15,105,000	683,706,112	794,895,339
MARCH	882,750,497	12,399,574	577,456,833	712,190,289	0
APRIL	403,373,486	500,043,327	525,787,311	78,786,439	1,515,161,166
MAY	851,962,570	955,030,610	1,111,343,905	824,219,384	54,151,120
JUNE	427,029,311	933,956,255	538,706,387	2,786,366,845	2,449,218,601
TOTAL	4,748,690,119	5,739,766,499	6,364,750,439	8,862,419,593	9,215,788,577

Figure 5: Monthly Exchequer Issues Over Five Financial Years

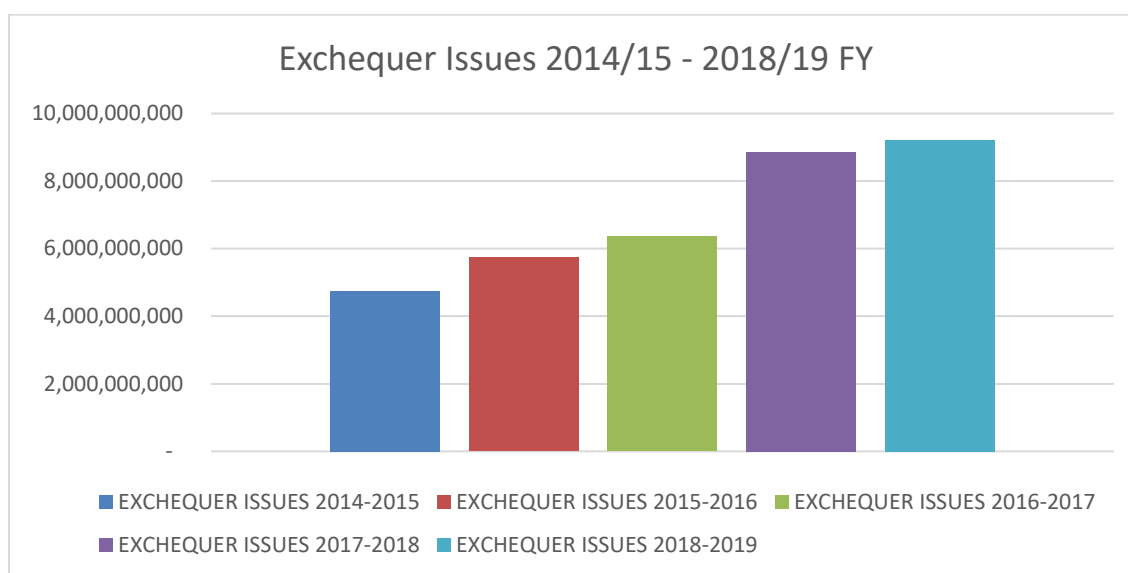


Table 3: Summary of Revenue Analysis FY-2018/2019

Revenue Item	Annual Budgeted	Total Receipt	Percentage
Equitable share	8,226,800,000	8,226,800,000	100
GRANTS			
Kenya Devolution Support Project 17-18 - IDA(WB)-KDSP LEVEL 1	49,809,062	0	0
Kenya Devolution Support Project 18-19 - IDA(WB)-KDSP LEVEL 1	53,333,725	0	0
Kenya Devolution Support Project- IDA(WB)-KDSP LEVEL II	0	259,416,946	0
CA-Fuel levy fund	216,604,479	255,997,699	118.2
Agriculture Sector Support Program II	30,697,405	6,937,481	22.6
Conditional Allocation for Rehabilitation of Youth Polytechnics	39,895,000	0	0
CA-User Fees Forgone	23,385,934	23,385,934	100
Level 5 H	388,439,306	388,439,309	100
DANIDA 17-18	8,254,082	0	0
DANIDA-UHDSP	27,337,500	27,337,500	100
Transforming Health Systems for Universal Care Project (World Bank-IDA)	50,000,000	27,473,711	54.9
Universal Health Care	-	27,357,500	100
Water & Sanitation Development Program – World Bank Fund	600,000,000	0	0
Total Grants	1,487,756,492	988,988,577	66
Total Exchequer Issues	9,714,556,492	9,215,788,577	95

Source: County Treasury

2.5: Development and Recurrent Expenditures

128. The Expenditure for the first half in the 2019/20 FY Recurrent expenditure amounted to Ksh 2,750,640,539 which comprises of Ksh 1,909,496,659 for compensation of employees, Ksh 472,312,425 on use of goods and services, Ksh 238,905,957 as transfers to other Government Entities, Ksh 17,453,344 for other grants and transfer and Ksh 578,960,075 on other recurrent payments and Ksh. 338,074,965 spent on Acquisition of Assets.

Table 4: Overview of the County's Receipts and Expenditures Performance as at 30th December 2019

1 st Half 2019-2020	
RECEIPTS	Ksh
Exchequer releases	2,685,029,951
Transfers from National Government Entities & Grants	0
Other Receipts (Local Revenue)	1,100,140,307
Total Receipts	3,785,170,258
PAYMENTS	Ksh
Compensation of Employees	1,909,496,659
Use of goods and services	472,312,425
Transfers to Other Government Entities	238,905,957
Other grants and transfers	17,453,344
Acquisition of Assets	338,074,965
Other Payments	578,960,075
TOTAL PAYMENTS	3,555,203,426
SURPLUS/DEFICIT	229,966,833

Source: County Treasury

Table 5: First Half Departmental Recurrent Expenditure FY 2019/2020

S/NO	DEPARTMENTS- RECURRENT	Approved Budget FY 2019/2020	Supplementary Budget 2019/2020	Total Recurrent Expenditure 2019/2020	%age
3011	County Executive	363,392,288	332,398,137	49,711,005	13.7%
3012	County Assembly	658,054,009	718,609,109	238,905,957	34.9%
3013	Public Service Board	118,831,959	76,054,525	15,505,333	13.0%
3014	Finance & Economic Planning	979,521,955	1,647,874,111	551,028,379	56.3%
3015	Energy, Environment & Waste Management	514,132,378	443,494,813	162,367,193	31.6%
3016	Education, Information Technology & MV 2035	541,519,644	580,999,729	96,423,086	17.8%
3017	Health Services	2,813,835,534	2,624,764,085	1,288,394,509	45.8%
3018	Water, Sanitation & Natural Resources	121,221,632	98,960,370	9,662,940	8.0%
3019	Youth, Gender, Sports and Cultural Affairs	270,276,893	243,702,715	35,576,347	13.2%
3020	Trade, Tourism & Investment	465,952,264	394,152,084	112,782,140	24.2%
3021	Lands, Housing and Physical Planning	220,154,262	263,834,618	39,869,205	18.1%
3022	Transport & Infrastructure	435,222,886	452,096,655	132,665,509	29.0%
3023	Agriculture, Fisheries, Livestock and Co-operatives	222,020,925	188,512,719	44,832,728	20.2%
3026	Devolution and Public Service Administration	1,015,434,944	1,292,465,707	339,878,791	33.5%
	TOTAL	8,739,571,572	9,357,919,376	2,878,697,167	35.5%

Table 6: First Half Departmental Development Expenditure FY 2019/2020

S/NO	DEPARTMENTS- DEVELOPMENT	Approved Budget FY 2019/2020	Supplementary Budget 2019/2020	Total Development Expenditure 2019/2020	%age
3011	County Executive	15,098,932	0	0	0.0%
3012	County Assembly	25,773,748	25,773,748	0	0.0%
3013	Public Service Board	11,637,280	10,405,000	0	0.0%
3014	Finance & Economic Planning	749,954,639	714,524,728	128,688,642	17.2%
3015	Energy, Environment & Waste Management	428,372,081	317,157,865	2,952,351	0.7%
3016	Education, Information Technology & MV 2035	220,329,356	221,911,211	2,287,736	1.0%
3017	Health Services	231,641,776	223,305,108	0	0.0%
3018	Water, Sanitation & Natural Resources	1,550,000,000	1,550,000,000	0	0.0%
3019	Youth, Gender, Sports and Cultural Affairs	375,595,266	401,993,124	0	0.0%
3020	Trade, Tourism & Investment	151,056,936	71,058,268	3,634,700	2.4%
3021	Lands, Housing and Physical Planning	211,329,963	259,065,323	29,070,003	13.8%
3022	Transport & Infrastructure	657,445,281	1,302,820,100	262,107,098	41.3%
3023	Agriculture, Fisheries, Livestock and Co-operatives	211,015,626	175,723,639	5,709,465	2.7%
3026	Devolution and Public Service Administration	100,545,582	35,545,582	3,150,307	3.1%
	TOTAL	4,939,796,466	5,309,283,696	437,600,301	8.9%

Table 7: First Half Departmental Total Expenditure FY 2019/2020

S/NO	DEPARTMENTS- TOTAL	Approved Budget FY 2019/2020	Supplementary Budget 2019/2020	Total Expenditure 2019/2020	%age
3011	County Executive	378,491,220	332,398,137	49,711,005	13%
3012	County Assembly	683,827,757	744,382,857	238,905,957	35%
3013	Public Service Board	130,469,239	86,459,525	15,505,333	12%
3014	Finance & Economic Planning	1,729,476,594	2,362,398,839	679,717,021	39%
3015	Energy, Environment & Waste Management	942,504,459	760,652,678	165,319,544	18%
3016	Education, Information Technology & MV 2035	761,849,000	802,910,940	98,710,822	13%
3017	Health Services	3,045,477,310	2,848,069,193	1,288,394,509	42%
3018	Water, Sanitation & Natural Resources	1,671,221,632	1,648,960,370	9,662,940	1%
3019	Youth, Gender, Sports and Cultural Affairs	645,872,159	645,695,839	35,576,347	6%
3020	Trade, Tourism & Investment	617,009,199	465,210,351	116,416,840	19%
3021	Lands, Housing and Physical Planning	431,484,225	522,899,941	68,939,208	16%
3022	Transport & Infrastructure	1,092,668,167	1,754,916,755	394,772,607	36%
3023	Agriculture, Fisheries, Livestock and Co-operatives	433,036,551	364,236,358	50,542,194	12%
3026	Devolution and Public Service Administration	1,115,980,526	1,328,011,289	343,029,098	31%
	TOTAL	13,679,368,038	14,667,203,072	3,555,203,426	35

Table 8: Departmental Percentage Recurrent Expenditure FY 2018/2019

S/NO	DEPARTMENTS	Original Budget FY 2018/2019	Final Budget FY 2018/2019	TOTAL	%age
3011	The Executive	382,877,200	392,849,560	359,522,059	91.8%
3012	County Assembly	610,986,278	707,114,950	682,989,659	96.6%
3013	Public Service Board	131,749,530	97,279,232	77,902,220	80.1%
3014	Finance and Economic Planning	1,107,521,980	2,203,652,095	2,165,655,494	98.3%
3015	Energy, Environment and Waste Management	510,208,594	571,430,649	528,341,544	92.5%
3016	Education, Information Technology and Mv 2035	578,507,296	477,019,476	397,535,735	86.1%
3017	Health	2,683,387,579	2,469,804,767	3,101,738,503	127.2%
3018	Water, Environment and Natural Resources	137,635,994	69,278,191	52,726,209	76.6%
3019	Youth, Gender, Sports and Cultural Affairs	230,297,579	203,328,519	187,973,874	92.4%
3020	Trade, Tourism and Investments	405,456,909	483,853,642	386,526,788	79.9%
3021	County Planning, Land and Housing	226,404,844	150,702,589	127,393,238	84.5%
3022	Transport, Infrastructure and Public Works	468,593,286	452,155,443	428,257,872	94.7%
3023	Agriculture, Fisheries, Livestock and Co-Operatives	232,703,389	208,839,379	192,386,271	92.1%
3026	Devolution and Public Service Administration	919,794,396	1,625,206,337	1,565,043,995	98.0%
REC	TOTAL	8,626,124,854	10,112,514,829	10,253,993,461	102.2%

Source: County Treasury

Table 9: Departmental percentage Development Expenditure FY 2018/2019

S/NO	DEPARTMENTS	Original Budget FY 2018/2019	Final Budget FY 2018/2019	TOTAL	%age
3011	County Executive	84,424,673	8,913,030	7,306,594	82.0%
3012	County Assembly	45,773,748	-	-	-
3013	Public Service Board	21,637,280	4,514,200	4,280,707	94.8%
3014	Finance & Economic Planning	302,447,782	572,184,023	559,378,197	97.8%
3015	Energy, Environment & Waste Management	410,372,081	257,525,112	209,644,412	81.4%
3016	Education, Information Technology & MV 2035	244,499,756	97,242,233	54,126,040	55.7%
3017	Health Services	240,255,554	116,559,248	100,776,236	86.5%
3018	Water, Sanitation & Natural Resources	767,050,100	600,000,000	15,562,353	2.6%
3019	Youth, Gender, Sports and Cultural Affairs	1,269,841,602	147,479,603	92,455,232	62.7%
3020	Trade, Tourism & Investment	95,631,669	146,516,150	99,941,671	68.2%
3021	Lands, Housing and Physical Planning	221,201,888	244,153,682	184,373,277	75.5%
3022	Transport & Infrastructure	837,855,896	1,915,739,350	1,589,465,194	83.0%
3023	Agriculture, Fisheries, Livestock and Co-operatives	266,591,948	172,552,337	132,803,363	77.0%
3024	Devolution & Public Service Administration	158,063,060	60,601,778	56,381,853	93.0%
Dev	TOTAL	4,965,647,037	4,343,980,746	3,106,495,130	71.5%

Source: County Treasury

Table 10: Departmental Percentage Total Expenditure FY 2018/2019

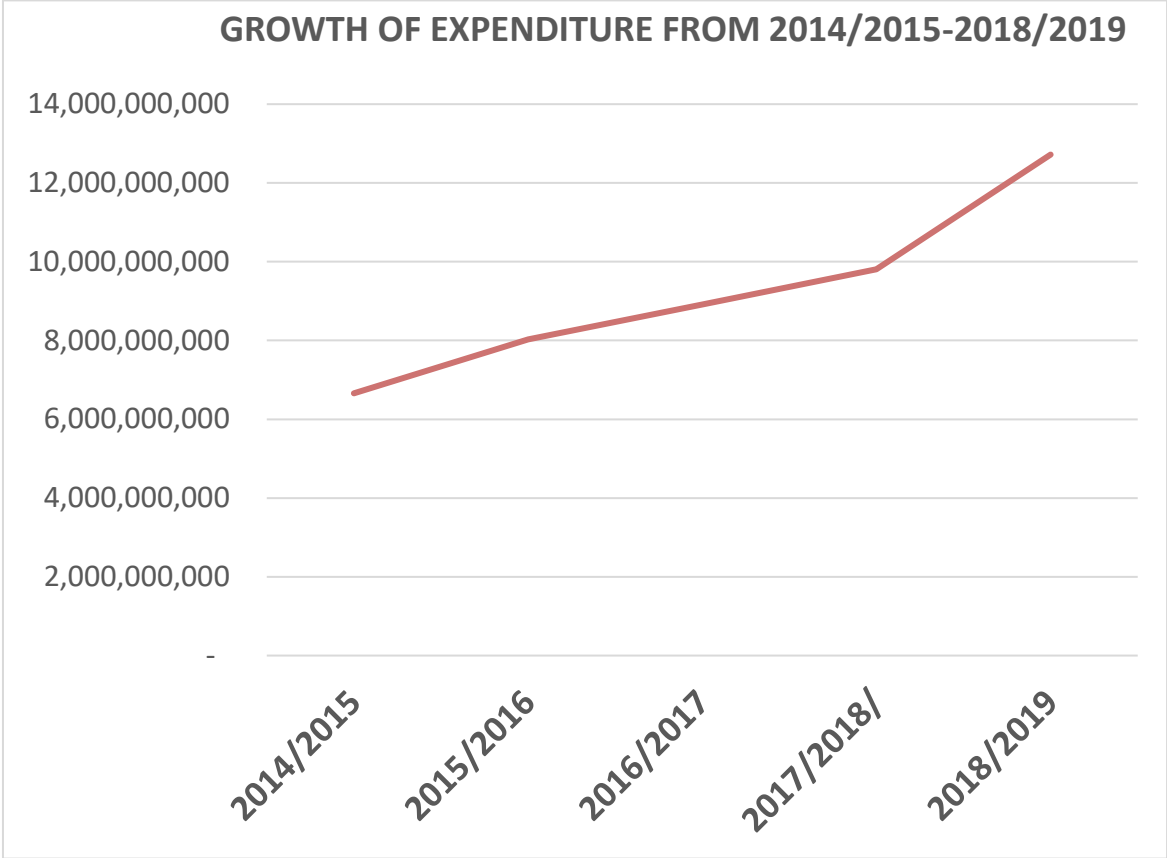
	DEPARTMENTS	Approved Budget FY 2018/2019	Supplementary Budget FY 2018/2019	Total Expenditure	%age
3011	County Executive	467,301,873	401,762,590	366,828,652	92%
3012	County Assembly	656,760,026	707,114,950	682,989,659	97%
3013	Public Service Board	153,386,810	101,793,432	82,182,927	81%
3014	Finance & Economic Planning	1,409,969,762	2,775,836,119	2,725,033,692	98%
3015	Energy, Environment & Waste Management	920,580,675	828,955,761	737,985,956	89%
3016	Education, Information Technology & MV 2035	823,007,052	574,261,709	451,661,776	79%
3017	Health Services	2,923,643,133	2,586,364,015	3,202,514,740	125%
3018	Water, Sanitation & Natural Resources	904,686,094	669,278,191	68,288,562	10%
3019	Youth, Gender, Sports and Cultural Affairs	1,500,139,181	350,808,122	280,429,106	80%
3020	Trade, Tourism & Investment	501,088,578	630,369,792	486,468,460	77%
3021	Lands, Housing and Physical Planning	447,606,732	394,856,271	311,766,515	79%
3022	Transport & Infrastructure	1,306,449,182	2,367,894,793	2,017,723,065	85%
3023	Agriculture, Fisheries, Livestock and Co-operatives	499,295,337	381,391,716	325,189,634	85%
3026	Devolution and Public Service Administration	1,077,857,456	1,685,808,115	1,621,225,848	96%
	TOTAL	13,591,771,891	14,456,495,576	13,360,488,591	93%

Table 11: Growth of Executive Expenditure from 2014/15-2018/19

GROWTH OF EXPENDITURE FROM 2014/2015-2018/2019						
S NO.	DEPARTMENTS	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
3011	County Executive	929,699,966	775,487,598	289,680,017	305,472,424	366,828,652
3013	Public Service Board	55,377,190	42,201,643	47,783,171	69,337,345	682,989,659
3014	Finance & Economic Planning	1,819,878,254	1,777,993,324	2,276,991,615	2,270,755,715	82,182,927
3015	Environment, Waste Management and Energy	63,501,521	111,733,374	70,677,866	504,702,480	2,725,033,692
3016	Education, Information Technology & MV 2035	307,844,255	457,102,717	1,033,070,417	469,161,316	737,985,956
3017	Health Services	1,396,970,317	2,285,276,810	2,532,325,353	2,500,178,693	451,661,776
3018	Water, Sanitation & Natural Resources	612,064,144	492,269,532	73,447,595	95,072,297	3,202,514,740
3019	Youth, Gender, Sports & Cultural Affairs	138,261,355	189,016,828	369,715,814	323,768,818	68,288,562
3020	Trade, Tourism & Investment	330,004,554	289,892,019	186,241,760	212,092,539	280,429,106
3021	Lands, Housing & Physical Planning	144,036,335	323,902,738	185,971,683	276,249,787	486,468,460
3022	Transport & Infrastructure & Public Works	701,982,041	1,175,521,171	1,731,846,854	1,871,526,082	311,766,515
3023	Agriculture, Fisheries, Livestock & Cooperatives	158,579,193	110,007,203	116,645,971	194,126,312	2,017,723,065
3026	Devolution & Public Service Administration				712,108,321	325,189,634

Total	6,658,199,125	8,030,404,957	8,914,398,116	9,804,552,129	12,677,498,932
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Figure 6: Growth of Expenditure from 2014/15-2018/19



2.6: Sustaining Inclusive Growth

129. The County will continue mobilizing significant resources and providing an appropriate environment for businesses to thrive, sustaining inclusive growth by continually building transparent, responsive, accountable, efficient and effective government structures.
130. In addition, the County Government will continue providing leadership and coordination in county development planning, policy formulation and management, designing effective, efficient and secure systems of collecting revenue, to prudently mobilize and manage resources while ensuring compliance with policies, standards, procedures and applicable financial and procurement laws and regulations. These will be complimented by measures to address socio-economic inequities and improving the county's human capital.
131. To ensure planned and sustainable growth the County Government will continue to synergize its efforts in implementing the socio-economic priority programmes as articulated in the County's Integrated Development Plan 2018-2022 and all other relevant policy documents.

2.7: Risks to the Outlook

132. The risk to the outlook for Mombasa County 2020/2021 budget and the medium-term emanates from both external and domestic quotas. The economy remains vulnerable to both domestic and external shocks. For prudent management of risks, the PFM Act, 2012 requires the preparation of a "Statement of Fiscal Risks".
133. The "Statement of Specific Fiscal Risks" outlines County's exposure to fiscal risks that are associated with macroeconomic assumptions used for fiscal projections, public debt dynamics, operations of state corporations, contingent liabilities, vulnerabilities of the financial sector, as well as risks posed by nature.
134. The Government remains committed to fiscal consolidation in order to ensure the long-term sustainability of public finances. Nevertheless, the Government will monitor the risks and take appropriate measures to safeguard macroeconomic and microeconomic stability.
135. Looking ahead, due to revenue shortfalls, the ever-increasing pending bills and a high wage bill, continues to pose a threat of a budget deficit. Systems are being put in place to improve local revenue performance following revenue collection reforms and moderation in recurrent expenditure, so as to increase the revenue bases and the fiscal position in the medium term.

136. In the medium term, due to unrealized revenues, the ever-increasing pending bills and a high wage bill, continues to pose a threat of a budget deficit. Systems, controls and structures are being put in place to improve local revenue performance. Prudence in recurrent expenditure will be highly embraced so as to increase the revenue bases and the fiscal position in the medium term.
137. The Government will monitor the above risks and take appropriate measures to safeguard macroeconomic stability including preparation of supplementary budgets to regularize and align any emerging issues.

2.8: Response to Overview of the County's Performance for FY 2020/2021

The following strategies will continue to be implemented to increase the revenue for the County in order to ensure that the planned budget is realized.

138. **Enforcement of the Finance Acts and Regulations:** The County Government will ensure that fees and charges are collected according to the Finance Act 2019.
139. **Expanding the Revenue base:** So as to increase the revenue base the County shall identify the unexploited revenue streams as mandated in the Public Finance Management Act.
140. **Upgrading of the automated revenue collection system:** The County will continuously upgrade the revenue collection systems so as to be at par with the current environment dynamics.
141. **Business processes reengineering:** To ensure an effective and efficient revenue collection, the County Government shall embark on a vigorous exercise of fine tuning all the revenue collection processes.
142. **Decentralization of revenue collection at the sub counties and ward levels:** This will ensure that there is maximum revenue collection realized from all corners. Plugging the revenue leakages by training the collectors and ensuring that all the revenue collected are deposited to the nearest commercial bank before the closure of the business. The revenue collectors will also be frequently rotated to new stations to avoid familiarity.
143. **Adequate supervision and enforcement of revenue** collection points to enhance accountability and seal corruption loopholes.

CHAPTER THREE

3.0: FISCAL POLICY AND BUDGET FRAMEWORK

3.1: Overview

144. The Mombasa County 2020 Medium-Term Fiscal Framework aims at supporting rapid and inclusive economic growth and development, reducing vulnerabilities, operating a balanced budget, ensuring effective delivery of services and supporting sustainable economic growth in the County. This policy underscores the need to shift more public resources from Recurrent Expenditure to Capital Expenditure in order to enhance economic growth. Precisely, the 2020/21 Fiscal Strategy Paper highlights the following:

- The county shall expand its revenue base with a view to ensuring we enhance local revenue collection and achieve greater efficiency in terms of cost savings in recurrent expenditure to ensure priority is given to the development projects.
- Maintaining a lean workforce will assist in checking the wage bill. This will create fiscal space for spending on the key county priorities especially in the social sectors and other development programmes. This will further provide adequate room for future countercyclical fiscal policy in the event of a shock.
- Fiscal consolidation while ensuring that county resources are adequate to promote growth. The County Government is committed to a reduction in the recurrent expenditure to devote more resources to development. At least thirty percent of the total county revenue shall be used in the implementation of development projects.
- In addition, the county will continue venturing in public private partnerships with potential local and foreign investors and other development partners to assist in development of the county.

3.1.1: Fiscal Policy Framework

145. Fiscal policy will support the County development economic activities while providing platform for the implementation of the CIDP 2018-2022 and all other policy documents within a context of sustainable public financing. In the medium term, the County Government has reoriented expenditure towards priority programmes in Health, Youth, Gender and Sports, Education, Transport and Water Infrastructure and Lands under the medium-term expenditure framework (MTEF). This process will be

strengthened in the FY 2020/21 by encouraging more private-sector engagement in order to build concrete public private Partnership in pursuit of new economic opportunities.

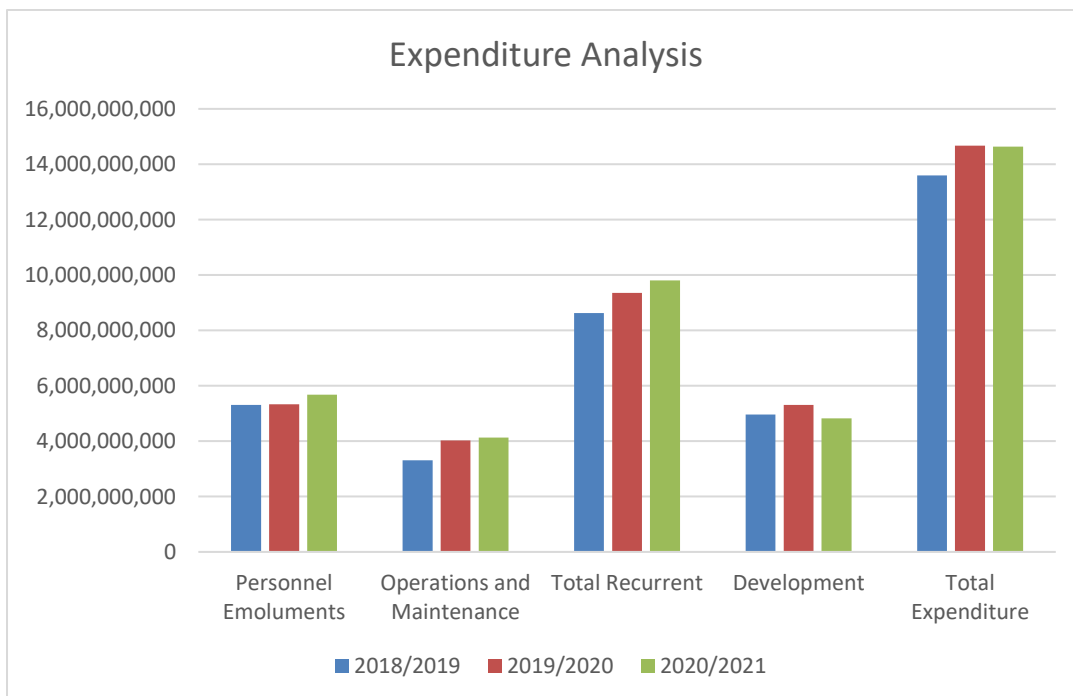
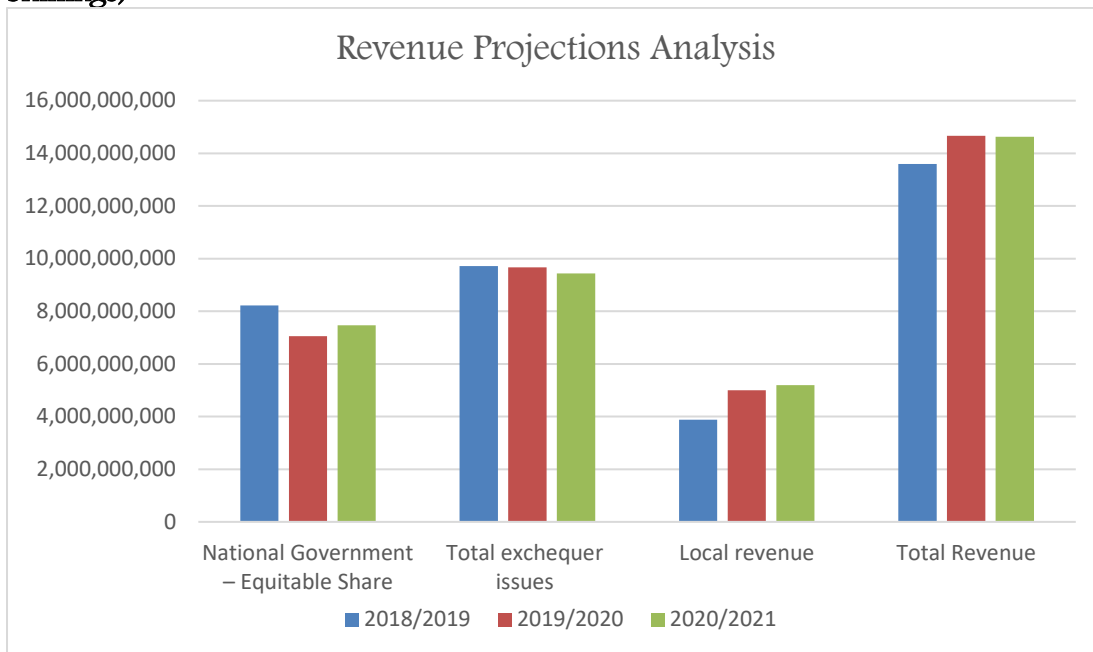
146. The county will continue reorienting expenditure towards those priority programmes as identified in public consultative forums. The critical programmes to be implemented are expected to accelerate economic activities and socio-economic development. The expected share of development funds of the total expenditure will be 33%. Recurrent expenditure takes huge chunk of the budget; this is largely attributed to the county wage bill totaling Ksh. 5,676,694,110 which is 39% of the total budget.

Table 12: County Government Fiscal Projections 2018/19- 2020/21

Item	2018/2019	2019/2020	2020/2021
Revenue/Grants			
National Government – Equitable Share	8,226,800,000	7,057,950,000	7,468,300,000
Conditional allocation – Level 5 Hospital	388,439,306	388,439,306	388,439,306
Transforming Health Systems for Universal Care Project (World Bank-IDA)	50,000,000	37,921,806	-
Leasing of medical equipment	-	-	-
DANIDA – Health care support services	31,591,582	24,562,500	27,337,500
Conditional Grant-compensation For User Fees Forgone	23,385,934	23,385,934	23,385,934
Conditional Grant-Road Maintenance Fuel Levy	216,604,479	200,344,594	221,681,742
Conditional Grant-Other Loans and Grants	-	-	1,292,389,448
Kenya Devolution Support Program	103,142,787	342,750,671	-
Agriculture Sector Development Support Program II	30,697,405	16,374,963	-
Conditional Allocation for development of Youth Polytechnics	39,895,000	25,473,298	18,906,170
World Bank Development Project - WSDP	600,000,000	1,550,000,000	-
Total exchequer issues	9,714,556,493	9,667,203,072	9,440,440,100
Local revenue	3,877,215,398	5,000,000,000	5,194,139,587
Total Revenue	13,591,771,891	14,667,203,072	14,634,579,687
Expenditure			
Personnel Emoluments	5,311,999,788	5,327,034,178	5,676,694,110
Operations and Maintenance	3,314,125,066	4,030,885,198	4,132,543,997
Total Recurrent	8,626,124,854	9,357,919,376	9,809,238,107
Development	4,965,647,037	5,309,283,696	4,825,341,580
Total Expenditure	13,591,771,891	14,667,203,072	14,634,579,687

Source: County Treasury

Figure 7: County Government Fiscal projections 2018/19- 2020/21 (In Millions of Shillings)



Source: County Treasury

3.1.2: Fiscal Responsibility Principles

147. The County Government recognizes that the fiscal stance it takes today will have implications into the future. The principle of sharing the burdens and benefits of resources between the present and future generation implies that we have to make prudent policy decisions today so that we can build a strong foundation for our future generations. The County Government will ensure strict adherence to Section 107 of the Public Finance Management (PFM) Act of 2012 which outlines the fiscal responsibility principles.
148. In compliance with Fiscal responsibility principles, the County Government will progressively provide for a minimum basic standard of economic and social rights to its citizens within available resources.
149. To ensure economic sustainability, increase in government spending will be matched with a corresponding increase in tax revenue yield through efficient collection, widening of revenue bases, and reasonable fees and charges. It is therefore imperative to reform and modernize the fees and charges to ensure stability of revenue effort, while at the same time continuing to restructure expenditure systems to ensure efficiency and create fiscal space required to fund the priority expenditures on sustainable basis.

3.1.3: Fiscal Structural Reforms

150. Underpinning the fiscal program are measures to increase the proportion of local revenue with the objective of fully financing the County's budget in the long term.
151. For effective and efficient management of financial resources, the County will continue to eliminate leakages and enhance revenue collection as well as rationalize expenditure. This will be achieved through continued measures to simplify licenses and fees levies, improve compliance and automation of revenue collection system in order to eliminate leakages and to widen revenue base.
152. On the expenditure side, the County Government will continue to enhance prudent financial management; to improve efficiency and reduce wastage in accordance to section 107 of the PFM Act of 2012.
153. The County Government will institute measures to contain the bloated wage bill so as to divert resources for development initiatives. These would include continued payroll cleansing and staff rationalization.
154. The County Government will also enhance capacity of the County Government staff so as to encourage proper and transparent use of resources and enhance service delivery.

3.2: Mombasa County 2019/2020 Budget Framework

155. Prioritization of resource allocation is based on the ADP 2019 which spells out programmes to achieve County priorities identified during the County-wide budget consultative meetings. The County Government will promote budget transparency, accountability and effective financial management of resources based on clearly set priorities to ensure that budgets are directly linked to plans.

3.2.1: Revenue Projections

156. The Mombasa County 2019/2020 financial year budget targets total revenue amounting to 14.7 billion; Total exchequer issues of Ksh 9.7 billion; including equitable share of Ksh 7.1 billion, Conditional grants Ksh 2.6 billion and county own source revenue of Ksh 5.0 billion. This performance will be underpinned by the on-going reforms in revenue administration. The revenue department will institute measures to expand the revenue base and curb revenue leakages.

3.2.2: Expenditure Forecasts

157. The County Government's expenditure for the FY 2019/20 will be guided by the Annual Development Plan (2018) which outlines the proposed projects that will be implemented in the FY 2019/2020 in the realization of the CIDP 2018-2022. The total government expenditure is projected to be Ksh.14.7 Billion.

3.2.3: Recurrent Expenditure

158. In the 2019/20 financial year the total recurrent expenditure is estimated to be Ksh. 9.4 Billion Compared to FY 2018/19 at Ksh. 10.2 Billion. This is attributed to an increase in personnel emoluments and an increase in operations and maintenance cost which is key for enhanced public service delivery. The recurrent expenditure ceilings for County departments are determined by the funding allocation for goods and services in the previous year budget as the baseline.

3.2.4: Development Expenditure

159. The County Government endeavors to allocate adequate resources towards development outlays to spur and implement priority programs/projects as outlined in this strategy paper. The County development expenditure for financial year 2019/20 is projected at Ksh 5.3 Billion.

3.2.5: Fiscal Balance

160. The county government will adopt a balanced budget for FY 2019/20. Any forthcoming deficit the county government will take prudent measures to reduce appropriations or increase revenues with minimal effects on public service delivery.

161. In the short term the County will thrive to stick its expenditure and commitments based on the actual cash flow. In the medium term, balanced budget will be supported with relevant legislative frameworks by embracing Public Private Partnership (PPP) to enable the County Government implement critical programmes that will accelerate socio-economic development thus providing budget support.

3.2.6: Summary

162. The County fiscal policy 2020, aims at increasing own source revenue as well as prudently managing expenditures. The created fiscal space will avail resources to scale up investments in the county's priority areas of Water, Food Security, Health, waste management, Gender empowerment, Youth and Sports development, Education, infrastructure, Lands and housing services as captured in the CFSP 2020.

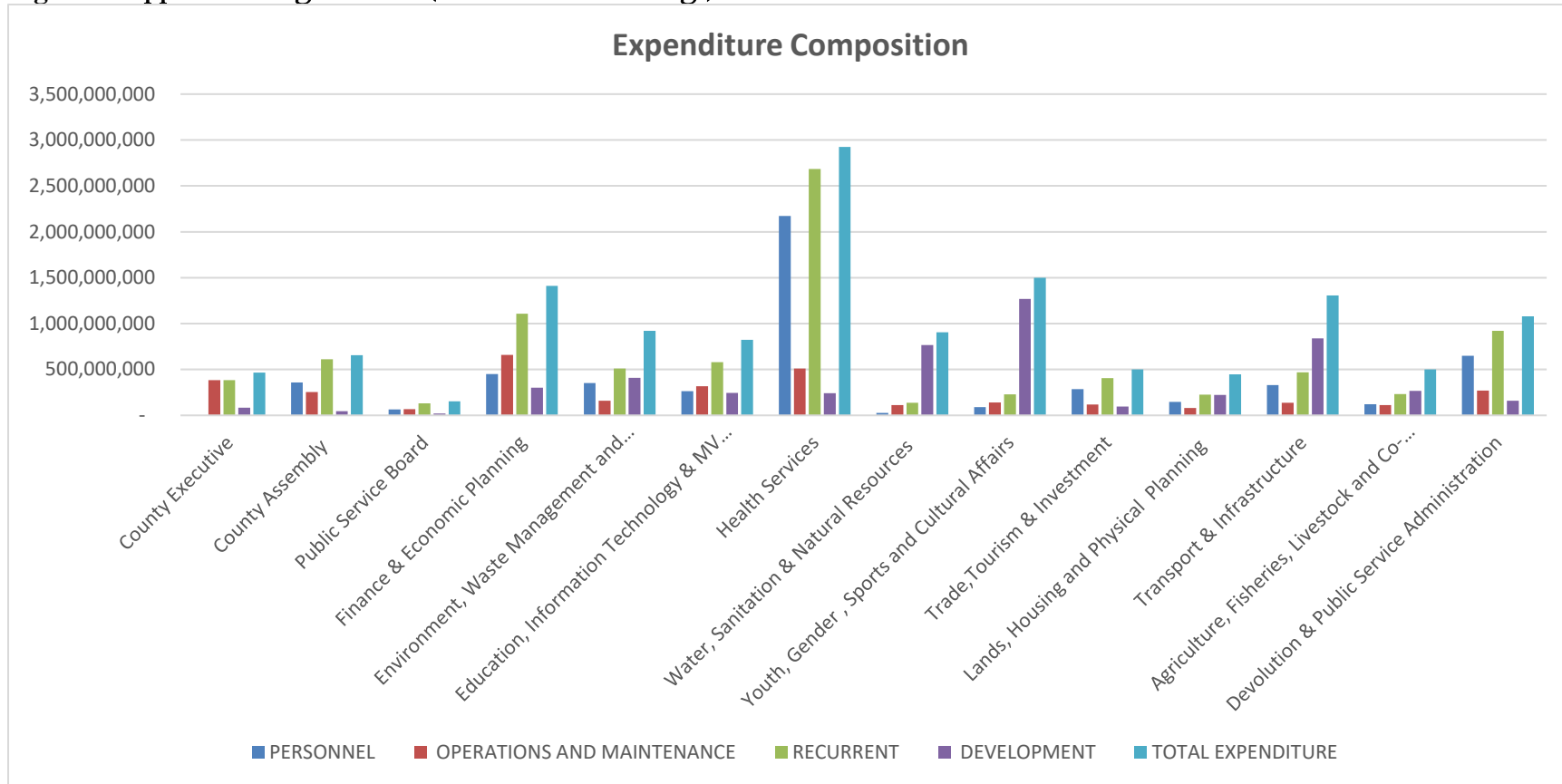
Table 13, below shows the spending composition Per Department resulting from the FY 2019/2020 Budget,

Table 13: Approved Budget 2019/20

DEPARTMENTS	CONSOLIDATED REVENUE	PERSONNEL	OPERATIONS AND MAINTENANCE	RECURRENT	DEVELOPMENT	TOTAL EXPENDITURE	PERCENTAGE
County Executive		-	363,392,288	363,392,288	15,098,932	378,491,220	2.8
County Assembly		329,368,374	328,685,635	658,054,009	25,773,748	683,827,757	5.0
Public Service Board		38,421,344	80,410,615	118,831,959	11,637,280	130,469,239	1.0
Finance & Economic Planning	13,679,368,038	500,272,172	479,249,783	979,521,955	749,954,639	1,729,476,594	12.6
Environment, Solid Waste Management and Energy		304,766,040	209,366,338	514,132,378	428,372,081	942,504,459	6.9
Education, Information Technology & MV 2035		225,871,424	315,648,220	541,519,644	220,329,356	761,849,000	5.6
Health Services		2,233,536,597	580,298,937	2,813,835,534	231,641,776	3,045,477,310	22.3
Water, Sanitation & Natural Resources		15,523,401	105,698,231	121,221,632	1,550,000,000	1,671,221,632	12.2
Youth, Gender, Sports and Cultural Affairs		84,486,978	185,789,915	270,276,893	375,595,266	645,872,159	4.7
Trade, Tourism & Investment		271,886,949	194,065,315	465,952,263	151,056,936	617,009,199	4.5
Lands, Housing and Physical Planning		92,401,764	127,752,498	220,154,262	211,329,963	431,484,225	3.2
Transport, Infrastructure & Public Works		257,938,393	177,284,493	435,222,886	657,445,281	1,092,668,167	8.0
Agriculture, Fisheries, Livestock and Co-operatives		111,092,983	110,927,942	222,020,926	211,015,626	433,036,552	3.2
Devolution & Public Service Administration		597,518,282	417,916,662	1,015,434,944	100,545,582	1,115,980,526	8.2
TOTAL		5,063,084,701	3,676,486,872	8,739,571,573	4,939,796,466	13,679,368,038	100.0
SURPLUS / (DEFICIT)	0	37	27	64	36		
REVENUE SOURCES							
Local Revenue	3,452,759,072						
Exchequer Issues	10,226,608,966						
TOTAL REVENUE	13,679,368,038						

Source: County Treasury

Figure 8: Approved Budget 2019/ (In Millions of Shillings)



Source: County Treasury

CHAPTER FOUR

4.0: MEDIUM TERM EXPENDITURE FRAMEWORK 2020/21-2022/23

4.1: Resource Envelope

163. The Constitution of Kenya 2010 stipulates that County Governments should have reliable, stable and predictable own sources of revenue. Mombasa County has two main sources of funding. Revenue from local sources and the exchequer issues from the National Government as provided under Article 201 of the Constitution. The resource envelope available for allocation among the spending units is based on the medium-term fiscal framework outlined in Chapter Three.

164. The Mombasa County 2020/2021 financial year budget targets total revenue amounting to 14.6 billion; Total exchequer issues of Ksh 9.4 billion; including equitable share of Ksh 7.5 billion, Conditional grants Ksh 1.9 billion and county own source revenue of Ksh 5.2 billion. Locally mobilized revenue will finance about 36 percent of the budget in FY 2020/21.

4.1.1: Spending Priorities

165. The County Government's expenditure for the FY 2020/21 will be guided by the Annual Development Plan (2019) which outlines the proposed projects that will be implemented in the FY 2020/2021 in the realization of the CIDP 2018-2022. The total government expenditure is projected to be Ksh.14.6 Billion.

4.1.2: The Fiscal Strategy FY 2020/21 & the Economic Objectives of the County Government

166. This outlines County Government's spending plans and the manner in which this expenditure will be funded in the FY 2020/2021. The fiscal strategy of the Government is guided by contemporary events which have impacted on the economy, the ADP 2019 and the realities of the FY 2019/2020 actual revenue collections and expenditures. In this view, the 2020/2021 fiscal strategy paper has been designed to continue addressing these specific challenges by focusing on the following objectives:

- To improve the efficiency and quality of CAPEX spending by promoting Public Private Partnership;
- To place greater focus on critical infrastructure development as a means of promoting long-term economic growth;
- Continued application of a fiscal stimulus in the medium term to kick-start the economy, taking into consideration the current revenue constraints and its impact on the fiscal deficit;

- Rationalizing the outlay on recurrent expenditure through the identification of cost-saving measures;
- Pegging commitments and expenditure on the actual cash flow;
- Coming up with sustainable personnel policy to address the bloated wage bill;
- Boosting revenue receipts, identifying and plugging revenue leakages through automation.

Table 14: Projected FY 2020/2021 Revenues and Expenditure

REVENUE/EXPENDITURE PROJECTIONS	2020/2021 (KSHS.)
National Government Equitable Share	7,468,300,000
Conditional Grants	1,944,802,600
Total Exchequer Issues	9,413,102,600
County Local Sources	5,221,477,087
Total Revenue	14,634,579,687
Expenditure	
Personnel	5,676,694,110
Operations Repair and Maintenance	4,132,543,997
Capital Expenditure	4,825,341,580
Total Expenditure	14,634,579,687
Surplus/ (Deficit)	0

Table 15: Projected FY 2019/2020 -2021/2022 Revenues and Expenditure

REVENUE/EXPENDITURE PROJECTIONS	ACTUAL 2018/2019 (KSHS.)	BUDGET 2019/2020 (KSHS.)	PROJECTED 2020/2021 (KSHS.)
Revenues			
National Government Equitable Share	8,226,800,000	7,057,950,000	7,468,300,000
Conditional Grants	988,988,577	2,609,253,072	1,944,802,600
Total Exchequer Issues	9,215,788,577	9,667,203,072	9,413,102,600
County Local Sources	3,704,297,372	5,000,000,000	5,221,477,087
Total Revenue	12,920,085,949	14,667,203,072	14,634,579,687
Expenditures			
Personnel	5,186,989,426	5,332,034,178	5,676,694,110
Operations Repair and Maintenance	5,067,004,037	4,025,885,198	4,132,543,997
Capital Expenditure	3,106,495,129	5,309,283,696	4,825,341,580
Total Expenditure	13,360,288,592	14,667,203,072	14,634,579,687
Surplus/ (Deficit)	0	0	0

Source: County Treasury

Table 16: FY 2020/21 DEPARTMENTAL CEILINGS

DEPARTMENTS	CONSOLIDATED REVENUE	PERSONNEL	OPERATIONS AND MAINTENANCE	RECURRENT	DEVELOPMENT	TOTAL EXPENDITURE	PERCENTAGE
County Executive		0	353,392,288	353,392,288	34,424,673	387,816,961	2.7
County Assembly		368,322,979	289,731,030	658,054,009	25,773,748	683,827,757	4.7
Public Service Board		63,967,274	57,410,615	121,377,889	11,637,280	133,015,169	0.9
Finance & Economic Planning	14,634,579,687	659,888,095	519,942,764	1,179,830,859	640,537,693	1,820,368,552	12.4
Environment, Solid Waste Management and Energy		341,856,186	270,650,963	612,507,149	568,372,081	1,180,879,230	8.1
Education, Information Technology & MV 2035		268,344,299	392,814,046	661,158,345	350,329,356	1,011,487,701	6.9
Health Services		2,383,380,832	777,010,272	3,160,391,104	351,641,776	3,512,032,880	24.0
Water, Sanitation & Natural Resources		31,369,213	97,492,220	128,861,433	309,225,704	438,087,137	3.0
Youth, Gender, Sports and Cultural Affairs		103,827,415	326,551,627	430,379,042	685,595,266	1,115,974,308	7.6
Trade, Tourism & Investment		285,811,605	173,063,580	458,875,185	251,056,936	709,932,121	4.9
Lands, Housing and Physical Planning		119,934,480	226,841,952	346,776,432	301,329,963	728,106,395	5.0
Transport, Infrastructure & Public Works		364,773,459	193,775,279	558,548,738	773,855,896	1,252,404,634	8.6
Agriculture, Fisheries, Livestock and Co-operatives		129,426,841	153,503,382	282,930,223	271,015,626	553,945,849	3.8
Devolution & Public Service Administration		555,791,432	300,363,979	856,155,411	250,545,582	1,106,700,993	7.6
TOTAL		5,676,694,110	4,132,543,997	9,809,238,107	4,825,341,580	14,634,579,687	100.0
SURPLUS/ (DEFICIT)	0						
REVENUE SOURCES							
Local Revenue	5,221,477,087						
Exchequer Issues	9,413,102,600						
TOTAL REVENUE	14,634,579,687						

4.1.3: Baseline ceilings

167. The baseline estimates reflect the current spending levels in sector programmes. In the recurrent expenditure category, non-discretionary expenditures take first charge and includes payment of statutory obligations such as interest payments, compensation of employees covering all county staff, staff medical scheme and gratuity.
168. Development expenditures are shared out on the basis of the County Annual Development Plan 2019, priorities as outlined in the CFSP as well as other strategic interventions geared towards sustainable economic growth. The following guidelines are used:
169. **On-going projects:** emphasis is given to completion of on-going projects and in particular infrastructure projects and other projects with high impact on poverty reduction and equity, employment and wealth creation especially in the social sectors.
170. **Strategic policy interventions:** priority is also given to policy interventions covering the entire county, social equity and environmental conservation.

4.1.4: Finalization of spending plans

171. As indicated earlier, the finalization of the preparation of the detailed budgets continues to entail thorough scrutiny to curtail spending on non-productive areas and ensure resources are directed to priority programmes. The County Government will utilize resources to accommodate key county strategic priorities with sound business plans. Specifically, the following will receive priority:

Table 17: Priority Areas of Consideration for Additional Resources

	Priority Areas of Consideration for Additional Resources
1.	Intervention identified during the county stakeholder's consultation for 2020/21 MTEF.
2.	Strategic interventions with emphasis in provision of safe potable water, quality health services, modernized education institutions, improved infrastructure, sanitation and waste management, social protection as well as youth and gender empowerment as well as policy interventions covering the entire county to enhance social equity.
3.	Specific consideration to job creation for the youth based on sound initiatives identified within and outside the normal budget preparation as well as disability and gender mainstreaming.
4.	Completion of ongoing programs and projects.

Table 18: Summary of Recurrent Expenditure Medium Term Costs and Ceiling 2018/19- 2022/23

DEPARTMENTS	Actual Expenditure 2018/2019	Budget 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
RECURRENT	A	B	C	D= C*0.05	E= D*0.075
County Executive	359,522,059	332,398,137	353,392,288	371,061,902	398,891,545
County Assembly	682,989,659	718,609,109	658,054,009	690,956,709	742,778,463
Public Service Board	77,902,220	76,054,525	121,377,889	127,446,783	137,005,292
Finance & Economic Planning	2,165,655,494	1,647,874,111	1,179,830,859	1,238,822,402	1,331,734,082
Environment, Solid Waste Management and Energy	528,341,544	443,494,813	612,507,149	643,132,506	691,367,444
Education, Information Technology & MV 2035	397,535,735	580,999,729	661,158,345	694,216,262	746,282,482
Health Services	3,101,738,503	2,624,764,085	3,160,391,104	3,318,410,659	3,567,291,459
Water, Sanitation & Natural Resources	52,726,209	98,960,370	128,861,433	135,304,505	145,452,342
Youth, Gender, Sports and Cultural Affairs	187,973,874	243,702,715	430,379,042	451,897,994	485,790,344
Trade, Tourism & Investment	386,526,788	394,152,084	458,875,185	481,818,944	517,955,365
Lands, Housing and Physical Planning	127,393,238	263,834,618	426,776,432	448,115,254	481,723,898
Transport, Infrastructure & Public Works	428,257,872	452,096,655	478,548,738	502,476,175	540,161,888
Agriculture, Fisheries, Livestock and Co-operatives	192,386,271	188,512,719	282,930,223	297,076,734	319,357,489
Devolution & Public Service Administration	1,565,043,995	1,292,465,707	856,155,411	898,963,182	966,385,420
TOTAL	10,253,993,461	9,357,919,376	9,809,238,107	10,299,700,012	11,072,177,513
DEVELOPMENT	Actual Expenditure 2018/2019	Budget 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
	A	B	C	D= C*0.05	E= D*0.075
County Executive	7,306,594	0	34,424,673	36,145,907	38,856,850
County Assembly	0	25,773,748	25,773,748	27,062,435	29,092,118
Public Service Board	4,280,707	10,405,000	11,637,280	12,219,144	13,135,580
Finance & Economic Planning	559,378,197	714,524,728	640,537,693	672,564,578	723,006,921
Environment, Solid Waste Management and Energy	209,644,412	317,157,865	568,372,081	596,790,685	641,549,986
Education, Information Technology & MV 2035	54,126,040	221,911,211	350,329,356	367,845,824	395,434,261
Health Services	100,776,236	223,305,108	351,641,776	369,223,865	396,915,655

DEPARTMENTS	Actual Expenditure 2018/2019	Budget 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
Water, Sanitation & Natural Resources	15,562,353	1,550,000,000	309,225,704	324,686,989	349,038,513
Youth, Gender, Sports and Cultural Affairs	92,455,232	401,993,124	685,595,266	719,875,029	773,865,656
Trade, Tourism & Investment	99,941,671	71,058,268	251,056,936	263,609,783	283,380,517
Lands, Housing and Physical Planning	184,373,277	259,065,323	301,329,963	316,396,461	340,126,196
Transport, Infrastructure & Public Works	1,589,465,194	1,302,820,100	773,855,896	812,548,691	873,489,843
Agriculture, Fisheries, Livestock and Co-operatives	132,803,363	175,723,639	271,015,626	284,566,407	305,908,888
Devolution & Public Service Administration	56,381,853	35,545,582	250,545,582	263,072,861	282,803,326
TOTAL	3,106,495,129	5,309,283,696	4,825,341,580	5,066,608,659	5,446,604,308
TOTAL	Actual Expenditure 2018/2019	Budget 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
	A	B	C	D= C*0.25	E= D*0.25
County Executive	366,828,652	332,398,137	387,816,961	407,207,809	437,748,395
County Assembly	682,989,659	744,382,857	683,827,757	718,019,145	771,870,581
Public Service Board	82,182,927	86,459,525	133,015,169	139,665,927	150,140,872
Finance & Economic Planning	2,725,033,692	2,362,398,839	1,820,368,552	1,911,386,980	2,054,741,003
Environment, Solid Waste Management and Energy	737,985,956	760,652,678	1,180,879,230	1,239,923,192	1,332,917,431
Education, Information Technology & MV 2035	451,661,776	802,910,940	1,011,487,701	1,062,062,086	1,141,716,743
Health Services	3,202,514,740	2,848,069,193	3,512,032,880	3,687,634,524	3,964,207,113
Water, Sanitation & Natural Resources	68,288,562	1,648,960,370	438,087,137	459,991,494	494,490,856
Youth, Gender, Sports and Cultural Affairs	280,429,106	645,695,839	1,115,974,308	1,171,773,023	1,259,656,000
Trade, Tourism & Investment	486,468,460	465,210,351	709,932,121	745,428,727	801,335,882
Lands, Housing and Physical Planning	311,766,515	522,899,941	728,106,395	764,511,715	821,850,093
Transport, Infrastructure & Public Works	2,017,723,065	1,754,916,755	1,252,404,634	1,315,024,866	1,413,651,731
Agriculture, Fisheries, Livestock and Co-operatives	325,189,634	364,236,358	553,945,849	581,643,141	625,266,377
Devolution & Public Service Administration	1,621,225,848	1,328,011,289	1,106,700,993	1,162,036,043	1,249,188,746
TOTAL	13,360,288,592	14,667,203,072	14,634,579,687	15,366,308,671	16,518,781,822

Source: County Treasury

4.2: Details of Departmental Priorities

172. The medium-term expenditure framework for 2020/21 - 2022/2023 ensures continuity in resource allocation is based on prioritized programmes aligned to the ADP 2019 and strategic policy initiatives of the county government to accelerate growth, employment creation and poverty reduction. The recent achievements and key priority targets for each sector are based on the various Departmental reports.

4.2.1: County Assembly

173. The functions of the County Assembly include enacting county laws and oversees all the affairs of the county including receiving and approving the development plans and policies of the county. It also oversees the development and management of the county infrastructure and institutions; and is responsible for approval of the county budgets and expenditures. Due to the crucial role of this sub-sector, it has been allocated Ksh 683,827,757 in FY 2020/2021. The County Assembly budget consists of 4.7 % of the total county budget.

4.2.2: County Executive

174. Under Article 179 (3) (b), of the Constitution, provides for the number of Executive Committee members in the County Government. Each respective County Executive Committee Member provides policy direction in their respective departments. The Executive Committee Member is therefore responsible for: Implementing county legislation; Implementing within the county, national legislation to the extent that the legislation so requires; Managing and coordinating the functions of the county administration and its departments; and performing any other functions conferred to it by the Constitution or national legislation; Preparing legislation for consideration by the County Assembly; Providing regular reports to the County Assembly for deliberation and decision-making; and Preparing County budgets and plans. The operations under this sub-sector consists of the Governor, Deputy Governor's office, the County Secretary, communication unit, cabinet affairs and the County Attorney's office.

175. This sub-sector requires considerable funding to oversee the implementation of the Kenyan Constitution, Vision 2030, and the County's Vision 2035, CIDP, the CFSP through provision of leadership and policies in governing of the county. It has the task of supervising the County Government department.

176. The department has been allocated Ksh. 387,816,961 in the FY 2020/2021. The budget consists of 2.7% of the total county budget.

4.2.3: Public Service Board

146. The County Public Service Board is established under an Act of Parliament as provided for under Article 235(1) of the Constitution of Kenya, 2010. The Article provides for a County Public Service Board in each county with control over the County Public Service. It also ensures that the county has adequate and competent personnel. The department has been allocated Ksh. 133,015,169 in the FY 2020/2021. The budget consists of 0.9 % of the total county budget.

4.2.4: Department of Finance & Economic Planning

147. The key role of the Department is to ensure optimal collection, distribution and utilization of the scarce resources, provide leadership and policy direction in the governance of the County, coordination and supervision of County Financial and Economic affairs, promote sound public financial and economic management for socio-economic development, promote macroeconomic stability, planning and budgetary process, monitoring and evaluation of departmental development performance.

148. The department targets to maintain a database of all county assets, continue tracking all development projects and programmes; risk management strategies, prepare quarterly briefs or reports on development; enhance revenue collection; pending bills management, source for development partners and ensure that funds in the county are prudently utilized to achieve the county objectives and the realization of the vision 2030, implementation of the medium term plan III, the Mombasa Vision 2035 and the big four agenda.

149. Due to the crucial role of the department, it has been allocated Ksh 1,820,368,552 in the FY 2020/2021. The budget consists of 12.4% of the total county budget. Most of the allocations has been set aside for servicing pending bills accrued from all the county departments.

4.2.5: Department of Trade, Tourism & Investment

150. The Department significantly contributes towards generation of income and employment through tourism and trade development thus promoting self-employment, improving trading environment and attracting more investors and tourists in the County.

151. The tourism unit is committed towards developing a working strategy on the promotion, branding and marketing of Mombasa as an ideal experiential destination for both tourism and investment destination of choice.

152. The department has been allocated Ksh 709,932,121 in the FY 2020/2021. The budget consists of 4.9% of the total county budget.

4.2.6: Department of Education, Information Technology & MV 2035

153. In the financial year 2020/21 and over the medium term the department intends to carry out the following programmes; To provide quality and accessible basic education through renovation and equipping of ECD centers, continued recruitment of ECD teachers and care givers as well as strengthening the capacity of the city Polytechnics and vocational institutions. This Department also hosts the Information, Communication and Technology function which is a very key component towards the realization of the County's priority and improved service delivery.
154. The department will also continue carrying out the following programmes: completion of the ongoing ECD Centers, School Feeding Program and milk fortification, vocation and technical training, establishment and equipping of the Maktaba Centers and Operationalizing of the Elimu Development Corporation and Elimu Fund to source funds for Education.
155. Due to the crucial role of the department, it has been allocated Ksh 1,011,487,701 in FY 2020/2021. The budget consists of 6.9 % of the total county budget.

4.2.7: Department of Health Services

156. The department is committed to improving access to quality health services in the county through promotion and provision of integrated and high-quality curative, preventive and rehabilitative services that are equitable, responsive, accessible and universal health care for all.
157. In the medium term, the department will continue investing in service delivery, health workforce, health infrastructure, health products and technologies, health information, health financing and leadership governance. The resources allocated will be used to implement projects aimed at achieving accessibility, affordability of health services, and reduction of health inequalities and optimal utilization of health services.
158. Due to the crucial role of the department, it has been allocated Ksh 3,512,032,880 in FY 2020/2021. The budget consists of 24% of the total county budget.

4.2.8: Department of Water, Sanitation & Natural Resources

159. The Department of Water and Natural Resources have the following priority programmes: Management and conservation of natural resources; resource recovery; Provision of technical assistance and improvement of staff capacity to implement devolved functions; Promoting the integration of climate change adaptation and mitigation measures in county's projects/activities; Increase water supply and sewerage coverage; Reduce non-revenue water to acceptable global levels;

Rehabilitate/Expand the existing dilapidated water/sanitation systems; and Improve management of water and sanitation services.

160. In the financial year 2020/2021 and over the medium term, Water and Sewerage services through increased Water Supply, Sanitation and Sewerage coverage, Rehabilitation /Expansion of the existing Water, Sanitation and sewerage network and ensuring compliance with the policies, standards, regulations and laws. The Department will continue ensuring natural resources are protected; their use promoted and conserved hence proper management of natural resources for economic growth.

161. Due to the crucial role of the department, it has been allocated Ksh 438,087,137 in FY 2020/2021. The budget consists of 3.0% of the total county budget.

4.2.9: Department of Youth, Gender, Sports and Cultural Affairs

162. The department's mission is to formulate, mainstream and implement responsive programmes through coordinated strategies for sustainable and balanced socio-economic development of the County and empowerment of vulnerable in the county, marginalized groups and ensuring gender mainstreaming.

163. In the 2020/21, The Department will continue: To empower the youth with livelihood skills; Youth Empowerment , Economic Empowerment & Revolving Fund, To harness the full potential of our cultural heritage; To promote sports development in the county; To support women and persons living with disability with start-up kits and Provide and maintain public entertainment and recreational facilities.

164. The County continues to improve and develop new Sports facilities amongst others a state-of-the-art Stadium, levelling of football pitches at the ward level and also empowerment of Women, Youth and Persons living with disabilities through training, nurturing of talents and provision of business funds through a revolving fund.

165. Due to the crucial role of the department, it has been allocated Ksh 1,115,974,308 in FY 2020/2021. The budget consists of 7.6% of the total county budget.

4.2.10: Department of Environment, Solid Waste Management and Energy

166. The Department's priorities and strategies are: Promoting of green energy power generation plants (Organizing initiatives forums for green energy) generation and utilization; County carbon credit initiative program, Environmental conservation and protection, Develop effective and efficient waste collection system, Environmental governance compliance and enforcement, Renewable energy generation and Control of air and noise pollution.

167. The Department has developed strategies geared towards proper disposal of solid and

liquid waste that will ensure that liquid waste is not disposed into the ocean untreated and minimize incidences where people burn solid wastes as a way of disposal.

168. Due to the key role of the department, it has been allocated Ksh 1,180,879,230 in FY 2020/2021. The budget consists of 8.1% of the total county budget.

4.2.11: Department of Lands, Housing and Physical Planning

169. The department is in charge of management of land use and ownership; Physical Planning, provision of adequate, clean, affordable and quality housing.

170. In the financial year 2020/2021 and over the medium term, the objectives of the department are; to continue ensuring proper management of land use and ownership, optimal use of land for development, promoting the provision of adequate and affordable housing. The proposed priority programmes to be undertaken to achieve these objectives include; Promoting sustainable use of land and its resources through land use planning and provision of secure land tenure and management.

171. The Department will also promote development of adequate, affordable quality housing through developing and implementing county housing unit, provision of affordable and quality housing units, refurbishment of county residential houses and maintenance of offices and promotion of appropriate building technology.

172. Due to the vital role the department plays, in the FY 2020/2021 budget, it has been allocated Ksh. 728,106,395. This constitutes 5.0 % of the total budget.

4.2.12: Department of Transport, Infrastructure & Public Works

173. The Department of Transport and Infrastructure will continue to focus on road infrastructure improvement through maintaining the already existing road networks and also opening up new access roads so as to restore confidence of residents and making the cost of doing business favorable. Transport infrastructure development will also help revamp the tourism sector and foster social integration in the County.

174. The County is embarking on expanding on the following priority programmes: Construction of missing links on major roads in order to make transport affordable and faster for economic efficiency; construction of access roads; construction and maintenance of storm water drains; construction and maintenance of street lights which is geared towards promoting a vibrant 24 hour economy; and to enhance security within the County and construction and maintenance of public buildings.

175. Due to the enabling role of the department, it has been allocated Ksh 1,252,404,634 in FY 2020/2021. The budget consists of 8.6% of the total county budget.

4.2.13: Department of Agriculture, Fisheries, Livestock and Co-operatives

176. The overall objective of the Department is continued improvement of livelihoods of the people of Mombasa County through promotion of competitive and sustainable agriculture, livestock, and fisheries enterprises for development, cooperative development and cooperative marketing and value addition.
177. In the financial year 2020/2021 and over the medium term, the department will continue undertaking the following; provision of efficient and effective agricultural, livestock and fisheries services in Mombasa County; improving food security and; promoting affordable agricultural land use and efficiency in farm operations through crop management; the veterinary services will continue preventing and controlling spread of disease from within and other counties; safeguarding human health; providing animal health and extension and welfare services; Improved livelihood for the households in income generation activities through cooperative marketing and value addition.
178. The Department's priorities are: Increased crop production and productivity through dissemination of better farming practices and protection of farming area; Increased market access for livestock products through marketing initiatives and establishment of processing and value addition facility and Enhancing sustainable Fisheries Supply.
179. The Department will also enhance productivity of livestock and livestock produce through effective extension services and ensure sustainable use of fisheries resources for better livelihoods for fisher folk and food security of the county.
180. The department has been allocated Ksh 553,945,849 in FY 2020/2021. The budget consists of 3.8% of the total county budget.

4.2.14: Department of Devolution & Public Service Administration

181. The Department of Devolution and Public Service Administration is in charge of public service management, sub county administration and devolution. The key objectives include: coordination, supervision and management of County functions; inter-departmental relations at the Sub County and Ward levels; achieve efficient public service management to improve service delivery and; Improve established channels of communication between citizens and the County Government.
182. To enhance coordination of Government programs for efficient and effective service delivery and enhance teamwork within the Government departments, the Department has been allocated Ksh 1,106,700,993 in FY 2019/2020. The budget consists of 7.6% of the total county budget.

DETAILED REVENUE ANALYSIS

Annex 1: TOTAL EXCHEQUER ISSUES 2018-19

Revenue Item	Annual Budgeted	Total Receipt	Percentage
Equitable share	8,226,800,000	8,226,800,000	100
GRANTS			
Kenya Devolution Support Project 17-18 - IDA(WB)-KSDP LEVEL 1	49,809,062	0	0
Kenya Devolution Support Project 18-19 - IDA(WB)-KSDP LEVEL 1	53,333,725	0	0
Kenya Devolution Support Project- IDA(WB)-KSDP LEVEL II	0	259,416,946	0
CA-Fuel levy fund	216,604,479	255,997,699	118.2
Agriculture Sector Support Program II	30,697,405	6,937,481	22.6
Conditional Allocation for Rehabilitation of Youth Polytechnics	39,895,000	0	0
CA-User Fees Forgone	23,385,934	23,385,934	100
Level 5 H	388,439,306	388,439,309	100
DANIDA 17-18	8,254,082	0	0
DANIDA-UHDSP	27,337,500	27,337,500	100
Transforming Health Systems for Universal Care Project (World Bank-IDA)	50,000,000	27,473,711	54.9
Universal Health Care	-	27,357,500	100
Water & Sanitation Development Program – World Bank Fund	600,000,000	0	0
Total Grants	1,487,756,492	988,988,577	66
Total Exchequer Issues	9,714,556,492	9,215,788,577	95

Annex 2: TOTAL LOCAL REVENUE COLLECTED 18-19

MONTHLY DETAILED REVENUE ANALYSIS			
REVENUE.	ANNUAL BUDGETED	GRAND TOTALS.	% Collection
	2018-2019	2018-2019	
	KSHS.	KSHS.	
COUNTY PLANNING, LAND AND HOUSING			
Land Rates Penalties	14,778,551	10,261,394	69.4%
Land Rates Other Years	1,484,682,766	1,052,395,898	70.9%
Administration Cost	28,127	19,530	69.4%
Other Property Income	1,499,489,444	1,062,676,822	70.9%
COUNTY EXECUTIVE	0		
Document Search Fee	299,275	222,700	74.4%
Sales of County's Minutes / Bylaws	1,440	1,000	69.4%
COUNTY EXECUTIVE	0		
Valuation & Survey Fees	3,802,152	3,130,000	82.3%
Plot Transfer Fee	847,419	608,800	71.8%
Consent to Sublease	221,072	153,500	69.4%
Technical Division	21,469	14,907	69.4%

MONTHLY DETAILED REVENUE ANALYSIS			
REVENUE.	ANNUAL BUDGETED	GRAND TOTALS.	
	2018-2019	2018-2019	
	KSHS.	KSHS.	% Collection
Beacon Search pointing Fee	43,206	30,000	69.4%
Survey Fee	1,119,610	796,144	71.1%
Subdivision & Consolidation Fees	7,843,378	6,259,500	79.8%
Change of User	2,678,789	1,900,000	70.9%
Impounding charges	118,911	82,565	69.4%
Dog Licenses	61,929	43,000	69.4%
Storage Fee	420,909	381,500	90.6%
Debts Clearance Certificate Fee	28,436	15,000	52.8%
Refund of Over Payment	703,849	488,713	69.4%
Consent to Charge Fee/Property certification Fee (Use as collateral)	144,741	100,500	69.4%
Imprest	499,653	348,981	69.8%
Other Property Charges	4,169,981	2,947,900	70.7%
Sand, Gravel, and Ballast Extraction Fees	664,739,351	516,052,704	77.6%
Incidental Charges	46,087	38,000	82.5%
Tender Documents Sale	8,641	6,000	69.4%
Hotel Levy	38,537,307	32,781,256	85.1%
Social Hall Hire	1,861,182	1,394,300	74.9%
Hire of County Grounds	460,867	390,000	84.6%
Sewer Connection Charge	7,201	5,000	69.4%
County Vehicles Hire	535,693	371,955	69.4%
Fire Inspection Fees	22,813,054	17,198,000	75.4%
Fire-Fighting Services	10,921,104	9,203,500	84.3%
Land Scape Scheme	35,003,645	24,304,560	69.4%
Buildings Plan Preparation Fee	3,144,005	2,261,920	71.9%
Buildings Plan Approval Fee	90,739,814	73,100,381	80.6%
Demolition of Structures	1,154,327	846,500	73.3%
Receipts from Administrative Fees and Charges	892,998,496	695,478,786	77.9%
TRADE ENERGY AND INDUSTRY	0		
Business Permits, Current Year	663,974,944	515,554,408	77.6%
Business Permits Late Payment Penalties, Current Year	0	0	
Business Permits, Other Years (Including Penalties)	53,080,473	1,329,600	2.5%
Business Subletting / Transfer Fee	0	0	
Business Permits / Cesses	717,055,417	516,884,008	72.1%
COUNTY PLANNING, LAND AND HOUSING	0		
Plot Transfer Fee	0	13,600	100.0%
Document Search Fee	4,321	3,000	69.4%
Allottees Documents	38,096	26,452	69.4%
Instalment Fee (HDD Scheme)	158,555	110,092	69.4%
Annual Ground Rent (HDD Scheme)	3,203,084	2,297,904	71.7%

MONTHLY DETAILED REVENUE ANALYSIS			
REVENUE.	ANNUAL BUDGETED	GRAND TOTALS.	
	2018-2019	2018-2019	
	KSHS.	KSHS.	% Collection
Plots Charges (HDD Scheme)	17,759,922	12,696,354	71.5%
Survey Fee	27,004	18,750	69.4%
Plot Rents	21,190,982	15,166,152	71.6%
03020205 Mackinnon Market	0		
Market Stalls Rent	3,218,939	2,235,050	69.4%
03020305 Makupa Market	0		
Market Stalls Rent	1,689,754	1,173,270	69.4%
03020405 Mombasa Wholesale market	0		
Market Entrance / Gate Fee	15,276,632	11,574,243	75.8%
Market Stalls Rent (Rental store w/s mkt)	13,293,093	11,380,135	85.6%
Off loading	3,018,744	2,319,848	76.8%
Hawking Fee	26,831,352	19,993,940	74.5%
03020505 Magongo Market	0		
Market Stalls Rent	1,163,041	807,550	69.4%
03020605 Likoni Open Air Market	0		
Market Stalls Rent	299,275	207,800	69.4%
03020705 Port Tudor, Kongowea & Likoni Market	0		
Market Stalls Rent	189,604	131,650	69.4%
03020805 Sega Market	0		
Market Stalls Rent	1,888,690	1,311,400	69.4%
03020905 Chaani Open Air Market	0		
Market Stalls Rent	1,456,627	1,011,400	69.4%
03021005 Mikindani Market	0		
Market Stalls Rent	384,680	267,100	69.4%
03021105 Mwembe Tayari Market	0		
Market Stalls Rent	1,664,673	1,155,855	69.4%
03021205 Kisauni Retail Stall Market	0		
Market Stalls Rent	4,195,437	2,913,075	69.4%
Sales of Market Establishments	74,570,539	56,482,316	75.7%
TRANSPORT, ROADS AND INFRASTRUCTURE	0		
Drainage Certificate Charges	98,654	68,500	69.4%
Road Cutting Application Fees	103,119	71,600	69.4%
Other Vehicles Enclosed Park Fees (Cars, lorries, etc.)	1,440	1,200	
Street Parking Fee	192,689,232	188,356,529	97.8%
Towing Fee.	169,596	117,758	69.4%
TLB Matatu Levy	236,995,094	180,738,810	76.3%
Right of Way / Way Leave Fee (KPLN, Telkom, etc.)	116,025,925	80,763,570	69.6%
Vehicle Parking Fees	546,083,062	450,117,967	82.4%

MONTHLY DETAILED REVENUE ANALYSIS			
REVENUE.	ANNUAL BUDGETED	GRAND TOTALS.	
	2018-2019	2018-2019	
	KSHS.	KSHS.	% Collection
COUNTY PLANNING, LAND AND HOUSING	0		
Housing Estates Monthly Rent	62,109,103	66,662,709	107.3%
Housing	62,109,103	66,662,709	107.3%
WATER, ENVIRONMENT AND NATURAL RESOURCES	0		
Sign Boards & Advertisement Fee	133,997,983	102,929,330	76.8%
County Vehicle Hire	645,358	459,500	
Horticulture Consultation Fee	306,044	239,200	78.2%
Livestock Certificates	674,611	521,922	77.4%
Livestock Permits	5,185	4,100	79.1%
Slaughter Licenses	12,962	10,000	77.1%
Vaccination (Dogs, Horses, Camels)	4,321	3,000	69.4%
Dog Licenses	249,156	182,000	73.0%
Cooperative Audit Charges	757,363	555,900	73.4%
Cemeteries Charges	1,254,710	924,700	73.7%
07031405 Refuse Disposal (Nguu Tatu)	0	0	
Garbage Dumping Fee	5,932,941	4,498,000	75.8%
Refuse Collection Fee	243,395	169,000	
Environment and Conservancy Administration	144,084,029	110,496,652	76.7%
COUNTY EDUCATION	0		
Inspection Schools for Registration	3,557,316	3,200,000	90.0%
Other Education Related Fees	3,557,316	3,200,000	90.0%
COUNTY HEALTH	0		
Sundry Income	189,420,361	197,337,284	104.2%
07021305 Kongowea Health Centre	0		
Premises Inspection Fees	566,411,054	510,030,111	90.0%
07023405 Maunguja Clinic	0		
Other Health and Sanitation Revenues	755,831,415	707,367,395	93.6%
COUNTY EXECUTIVE	0		
Court Fines	21,042,017	16,940,777	80.5%
Cash Bail	3,927,263	3,102,870	79.0%
Fines Penalties and Forfeitures	24,969,280	20,043,647	80.3%
COUNTY OWN REVENUE	4,741,939,084	3,704,597,554	78.1%

Annex II: EXPENDITURE PER PROGRAM 2018/2019

3011 THE EXECUTIVE		Original Budget FY 2018/2019	Final Budget FY 2018/2019	TOTAL	% AGE
Governor's Affairs & Advisory Services	RECURRENT	130,229,663	172,587,736	156,954,474	91%
	DEVELOPMENT	30,170,000	1,459,400	711,207	49%
211-Executive Services	RECURRENT	0	0	0	
	DEVELOPMENT	0	0	0	
Cabinet Affairs, Policy Research and Legal Services	RECURRENT	112,090,800	102,554,728	97,671,882	95%
	DEVELOPMENT	37,226,053	7,453,630	6,595,387	88%
MV 2035 & E-Government	RECURRENT	29,000,000	22,813,832	20,703,332	91%
	DEVELOPMENT	4,678,620	0	0	
214-Headquarters-Decentralized Units and Service Centres	RECURRENT	0	0	0	
	DEVELOPMENT	0	0	0	
Deputy Governor's Affairs & External Relations	RECURRENT	91,256,737	83,102,264	74,606,663	90%
	DEVELOPMENT	8,150,000	0	0	
Strategic Delivery Unit	RECURRENT	20,300,000	11,791,000	10,625,707	90%
	DEVELOPMENT	4,200,000	0	0	
Total		467,301,873	401,762,590	367,868,652	91.6%
3013 COUNTY PUBLIC SERVICE BOARD					
Administration Unit	RECURRENT	131,749,530	97,279,232	77,902,220	80%
	DEVELOPMENT	21,637,280	4,514,200	4,280,707	95%
Total		153,386,810	101,793,432	82,182,927	80.7%
3014 FINANCE AND ECONOMIC PLANNING					
Administration Unit	RECURRENT	957,847,084	1,666,166,484	1,698,642,795	102%
	DEVELOPMENT	279,447,782	562,143,499	550,421,851	98%
Accounting Unit	RECURRENT	72,100,000	222,778,874	190,056,489	85%
	DEVELOPMENT	7,000,000	7,134,974	6,743,846	95%
Planning and Monitoring Unit	RECURRENT	77,574,896	314,706,737	276,919,426	88%
	DEVELOPMENT	16,000,000	2,905,550	2,212,500	76%
Total		1,409,969,762	2,775,836,118	2,724,996,907	98.2%
3015 ENVIRONMENT SOLID WASTE MANAGEMENT & ENERGY					
Administration, Planning and Support Services	RECURRENT	367,494,604	393,217,051	387,438,485	99%
	DEVELOPMENT	21,000,000	75,121,072	56,399,513	75%
Waste Management	RECURRENT	112,394,028	154,217,158	130,977,459	85%
	DEVELOPMENT	341,000,000	126,025,786	103,487,012	82%
Environmental Compliance and Monitoring	RECURRENT	9,400,000	6,693,900	4,586,652	69%
	DEVELOPMENT	40,000,000	26,000,000	24,655,172	95%
Climate Change	RECURRENT	9,050,000	1,492,450	905,398	61%
	DEVELOPMENT	4,372,081	26,471,954	25,102,715	95%
Energy	RECURRENT	11,869,962	15,810,090	4,433,550	28%
	DEVELOPMENT	4,000,000	3,906,300	0	0%
Total		920,580,675	828,955,761	737,985,956	89.0%
3016 Education, Information Technology & MV 2035					
General Administration, Planning and Support Services	RECURRENT	307,972,134	301,993,217	292,468,018	97%
	DEVELOPMENT	18,500,000	5,091,496	0	0%

Education headquarters	RECURRENT	58,145,000	13,096,354	12,084,583	92%
	DEVELOPMENT	95,249,751	19,165,693	17,239,245	90%
Elimu Fund & EDC	RECURRENT	169,050,162	132,114,161	84,670,184	64%
	DEVELOPMENT	950,005	0	0	
Child Care	RECURRENT	14,690,000	4,160,390	3,643,751	88%
	DEVELOPMENT	113,000,000	19,883,724	24,633,991	124%
Information Technology Headquarters	RECURRENT	28,650,000	25,655,354	17,694,418	69%
	DEVELOPMENT	16,800,000	240,000	227,586	95%
Total		823,007,052	521,400,389	452,661,776	86.8%
3017 HEALTH SERVICES					
Administration Unit	RECURRENT	2,376,108,796	2,324,156,500	3,009,985,847	130%
	DEVELOPMENT	77,302,574	106,052,698	91,527,340	86%
Curative/Clinical Health Services	RECURRENT	186,372,289	105,757,375	103,305,806	98%
	DEVELOPMENT	92,418,000	3,506,550	2,869,325	82%
Preventive and Promotive Services Unit	RECURRENT	102,964,524	36,121,482	25,263,083	70%
	DEVELOPMENT	64,086,200	7,000,000	6,379,571	91%
Special Programs	RECURRENT	17,941,970	3,769,410	3,138,708	83%
	DEVELOPMENT	6,448,780	0	0	
Total		2,923,643,133	2,586,364,015	3,242,469,680	125.4%
3018 Water, Sanitation & Natural Resources					
Administration unit	RECURRENT	53,835,994	29,278,191	23,073,209	79%
	DEVELOPMENT	9,810,000	28,409,997	10,000,000	35%
Sanitation/Sewerage Services Headquarters	RECURRENT	0	0	0	
	DEVELOPMENT	312,620,000	273,006,453	5,562,353	2%
Water Supply Headquarters	RECURRENT	80,000,000	40,000,000	30,000,000	75%
	DEVELOPMENT	437,939,900	298,583,550	0	0%
Natural Resources	RECURRENT	3,800,000	0	0	
	DEVELOPMENT	6,680,200	0	0	
Total		904,686,094	669,278,191	68,635,562	10.3%
3019 Youth, Gender, Sports and Cultural Affairs					
Administration Unit	RECURRENT	137,662,579	120,429,213	119,230,200	99%
	DEVELOPMENT	18,500,000	29,803,216	25,069,073	84%
Youth Empowerment	RECURRENT	34,950,000	49,755,952	44,945,866	90%
	DEVELOPMENT	16,341,602	0	0	
Gender Affairs and Disability Mainstreaming	RECURRENT	15,400,000	5,651,400	5,142,166	91%
	DEVELOPMENT	20,000,000	10,798,100	0	0%
Sports development	RECURRENT	17,830,000	11,801,083	9,994,837	85%
	DEVELOPMENT	1,180,000,000	98,931,002	67,386,160	68%
Cultural Affairs	RECURRENT	13,455,000	8,397,096	4,563,305	54%
	DEVELOPMENT	30,000,000	7,947,285	0	0%
Public Recreation and Entertainment	RECURRENT	11,000,000	7,293,775	4,097,500	56%
	DEVELOPMENT	5,000,000	0	0	
Total		1,500,139,181	350,808,122	280,429,106	79.9%
3020 Trade, Tourism & Investment					
Administration Unit	RECURRENT	310,795,733	277,308,482	258,524,802	93%
	DEVELOPMENT	13,000,000	0	0	
Trade Development	RECURRENT	19,100,000	77,362,825	42,384,977	55%

	DEVELOPMENT	60,000,000	128,433,950	85,118,697	66%
Development of Tourism	RECURRENT	40,500,000	70,405,802	52,021,360	74%
	DEVELOPMENT	15,000,000	2,450,700	0	0%
Ease of Doing Business-Headquarters	RECURRENT	12,800,000	9,537,358	4,680,163	49%
	DEVELOPMENT	0	0	0	
Investment Promotion and Products Headquarters	RECURRENT	22,261,176	49,239,175	29,140,713	59%
	DEVELOPMENT	7,631,669	15,631,500	14,822,974	95%
Development of County Industrial Parks	RECURRENT	0	0	0	
	DEVELOPMENT	0	0	0	
Total		501,088,578	630,369,792	486,693,687	77.2%
3021 Lands, Housing and Physical Planning					
Administration Unit	RECURRENT	214,039,844	144,641,589	126,155,231	87%
	DEVELOPMENT	44,201,888	26,110,000	9,479,203	36%
Land Management Unit	RECURRENT	5,075,000	2,476,500	1,094,304	44%
	DEVELOPMENT	27,000,000	23,713,000	11,209,253	47%
Housing Development Unit	RECURRENT	7,290,000	3,584,500	143,703	4%
	DEVELOPMENT	150,000,000	194,330,682	163,684,821	84%
Total		447,606,732	394,856,271	311,766,515	79.0%
3022 TRANSPORT, INFRASTRUCTURE & PUBLIC WORKS					
Administration Unit	RECURRENT	346,835,324	284,633,329	278,040,982	98%
	DEVELOPMENT	10,000,000	2,619,735	2,484,231	95%
Road and Transport Unit	RECURRENT	12,550,000	3,434,800	3,042,938	89%
	DEVELOPMENT	277,101,291	1,813,005,488	1,510,380,510	83%
Works Unit	RECURRENT	15,150,000	8,221,400	6,252,553	76%
	DEVELOPMENT	52,500,000	11,661,845	2,659,397	23%
Transport Planning, Management and Safety	RECURRENT	48,257,962	95,507,709	89,884,474	94%
	DEVELOPMENT	404,754,605	61,592,282	50,234,159	82%
Mechanical Services	RECURRENT	33,100,000	55,431,271	46,620,476	84%
	DEVELOPMENT	25,500,000	0	0	
Safety, Risk Management and Rescue Services	RECURRENT	12,700,000	4,926,934	4,416,449	90%
	DEVELOPMENT	68,000,000	26,860,000	23,706,897	88%
Total		1,306,449,182	2,367,894,793	2,017,723,065	85.2%
3023 Agriculture, Fisheries, Livestock and Co-operatives					
Administration Unit-Headquarters	RECURRENT	166,722,537	155,726,402	152,110,439	98%
	DEVELOPMENT	29,041,948	0	0	
Crop Management Unit	RECURRENT	18,270,000	13,725,581	12,971,330	95%
	DEVELOPMENT	55,000,000	19,791,630	10,689,928	54%
Livestock Unit	RECURRENT	12,097,331	8,657,500	6,035,450	70%
	DEVELOPMENT	22,050,000	15,860,200	14,379,761	91%
Fisheries Unit-Headquarters	RECURRENT	13,113,521	15,495,812	13,332,835	86%
	DEVELOPMENT	136,000,000	130,283,039	107,733,674	83%
Veterinary Services	RECURRENT	14,700,000	10,501,956	6,722,844	64%
	DEVELOPMENT	24,000,000	0	0	
Cooperatives	RECURRENT	7,800,000	4,732,128	1,213,372	26%
	DEVELOPMENT	500,000	0	0	

Total		499,295,337	374,774,248	325,189,634	86.8%
3026 Devolution & Public Service Administration					
Administration	RECURRENT	733,814,396	1,399,229,793	1,356,762,918	97%
	DEVELOPMENT	11,063,060	37,988,478	36,895,020	97%
Devolution and public service administration	RECURRENT	74,860,000	134,155,372	132,687,266	99%
	DEVELOPMENT	1,000,000	0	0	
Public Service Reforms and Delivery	RECURRENT	18,400,000	24,105,265	21,562,240	89%
	DEVELOPMENT	0	0	0	
Compliance and Enforcement	RECURRENT	25,660,000	38,057,612	34,836,650	92%
	DEVELOPMENT	16,000,000	11,517,530	9,974,743	87%
County Administration and decentralized services	RECURRENT	67,060,000	29,658,295	18,994,920	64%
	DEVELOPMENT	130,000,000	11,095,770	9,512,090	86%
Total		1,077,857,456	1,685,808,115	1,621,225,848	96.2%
3010-MOMBASA COUNTY EXECUTIVE	#REF!	12,935,011,865	13,689,901,837	12,719,829,314	92.9%
3012 COUNTY ASSEMBLY		656,760,026	707,114,950	682,989,659	96.6%
MOMBASA COUNTY CONSOLIDATED		13,591,771,891	14,397,016,787	13,402,818,973	93.1%