

# COUNTY GOVERNMENT OF KITUI



COUNTY BUDGET CO-ORDINATOR  
KITUI COUNTY  
08 OCT 2021  
**RECEIVED**  
OFFICE OF THE CONTROLLER OF BUDGET

COUNTY ASSEMBLY OF KITUI  
RECEIVED  
08 OCT 2021  
COPY  
IP/PO BOX 694, KITUI

## THE COUNTY TREASURY

Department of Economic Planning

OFFICE OF THE CONTROLLER  
OF BUDGET  
**REGISTRY**  
12 OCT 2021  
**COPY**  
TIME:.....1:28:25.....  
P. O. Box 35616 - 00100, NAIROBI

## County Budget Review and Outlook Paper

SEPTEMBER, 2021

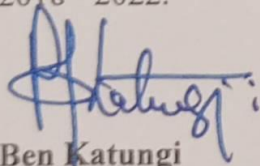
## FOREWORD

The County Budget Review and Outlook Paper (CBROP), is prepared in accordance with Public Finance Management Act, 2012. It is the eighth to be prepared by the County Government of Kitui under the devolved governance structure. The outlook presents the actual fiscal performance of the FY 2020/2021 and projection of the 2021/22 FY hence making comparative analysis to the budget appropriations. The paper highlight the recent key economic development for the period under review for both the National and County Government. The report further provides an updated Medium Term Expenditure Framework (MTEF) financial forecasts and states how these projections deviated from estimates contained in the last County Fiscal Strategy Paper (CFSP) and actual budget for 2020/21 financial year (FY).

The paper also shows how the actual performance at the local and national level in 2020/21 FY affected the County's compliance with the fiscal responsibility principles and financial objectives as detailed in CFSP 2021. The County Government in collaboration with the National Government is implementing strategies and reforms geared towards accelerated economic growth and realization of the five pillars and the big four agenda. The County has adopted program based budget which is executed through the Integrated Financial Management Information System (IFMIS), the system prescribed in law for public institutions to ensure prudent and accountable use of public resources.

Under the leadership of Honourable Charity Kaluki Ngilu, the county administration is making significant impact on addressing challenges faced by the residents of Kitui County residence through the implementation of the five pillars (Food and Water; Health Care, Education and Youth Development, Women Empowerment and Wealth Creation). Implementation of the five pillars in 2020/21 FY proved to bear fruits through successful Myanda irrigation project, water infrastructure and piping, artificial, full operationalization of textile industry, reforms instituted in the health sector to lay ground for the Universal Health Coverage and skills development among others.

The outlook gives a clear comparison of own revenue generation, grants and loans; and equitable share from the national government and other development partners hence gives appropriate recommendations on the changes in revenue. The County Government is committed and will continue to improve the welfare of the residents through implementation of life changing programs as outlined in the County Integrated Development Plan (CIDP) 2018 - 2022.



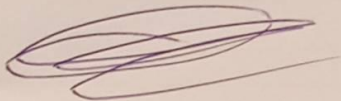
**Ben Katungi**  
CECM, County Treasury  
County Government of Kitui.

## ACKNOWLEDGEMENT

The preparation of CBROP 2021 was collaborative, with stakeholders drawn from all sectors, departments and agencies of County Government of Kitui. The process was led by technical team from the department of Economic Planning and was accomplished through the commitment, dedication, sacrifice and determination of all the members of staff of the County Government.

I acknowledge the valuable leadership and support of Her Excellency the Governor Charity Ngilu and extend my gratitude to the County Budget and Economic Forum (CBEF) for their professional support in the preparation of this paper and appreciate the role played by all Chief Officers and departmental staff for providing the necessary information towards preparation of this document.

I may not mention everybody, but do acknowledge all those individuals who directly or indirectly contributed to the success of development and production of this paper.



**Enoch Nguthu**  
**Chief Officer – Economic Planning**  
**County Government of Kitui**

## Table of Contents

FOREWORD.....	Error! Bookmark not defined.
ACKNOWLEDGEMENT.....	Error! Bookmark not defined.
EXECUTIVE SUMMARY .....	ix
I. INTRODUCTION.....	1
Objective of the County Budget Review and Outlook Paper (CBROP) 2021 .....	1
II. REVIEW OF FISCAL PERFORMANCE IN FY 2020/21 .....	2
A. Overview .....	2
B. 2020/21 Fiscal Performance.....	2
C. Implications of FY 2020/21 fiscal performance on fiscal responsibility principles and financial objectives contained in the 2020 CFSP.....	14
III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK .....	16
Macroeconomic stability (Inflation, Interest rates, Exchange rates).....	18
County Economic Outlook.....	25
Risks to Economic Outlook .....	26
IV. RESOURCE ALLOCATION FRAMEWORK.....	28
Adjustments to 2021/22 Budget .....	28
Medium Term Expenditure Framework.....	28
Budget Framework 2020/2021 .....	29
V. CONCLUSION AND WAY FORWARD.....	32
ANNEXURES.....	34
I. EXPENDITURE ANALYSIS BY PROJECT/PROGRAMME.....	34
3711: Office of the Governor ((Development) .....	34
3712: Public Service Management and Administration.....	35
3719: Ministry of Agriculture, Water & Livestock Development (Development).....	35
3715: Ministry of Basic Education, ICT & Youth Development (Development).....	38
3715: Ministry of Lands, Infrastructure Housing & Urban Development (Development).....	41
3716: Ministry of Health and Sanitation (Development).....	46
3717: Ministry of Trade, Investment & Cooperatives (Development).....	49
3719; Ministry of Environment and Natural Resources.....	50
3720; Ministry of Tourism, Sports and Culture.....	59
3721 County Treasury.....	60
3723 County Assembly .....	61
3724: Kitui Municipality (Development).....	62
3725: Mwingi Town Administration .....	64

## List of Tables

Table 1: Revenue and Expenditure Summary for 2019/20 -2020/21FY .....	2
Table 2: Schedule of Disbursement of Equitable Share 2020/2021.....	4
Table 3: Grants performance in FY 2020/21 .....	4
Table 4: Grants Performance in FY 2020/21 .....	4
Table 5: Own Source Revenue Generated by Ministry for the Period ending 30th June 2021 .....	5
Table 6: Own Source Revenue Generated by Revenue Streams for the period ending 30 <sup>th</sup> June, 2021.6	
Table 7: Budget Absorption rate against the FY 2020/21 budget.....	10
Table 8: Recurrent expenditure in the FY 2020/21.....	10
Table 9 (a): FY 2020/21 Expenditure by Entity .....	11
Table 10: Ministry/ Spending Entity Expenditure for the Period Ending 30th June 2021 (Kshs).....	13
Table 11: CFSP Allocation Versus Budget Allocation for FY 2020/21 .....	14
Table 12: Revenue Projections 2016/17 – 2021/22 & Estimates for 2022/23 to 2023/24 FY.....	30
Table 13: MTEF Actuals 2020/2021-2021/2022 FY & Projection up to 2023/2024 FY .....	32

## List of Figures

Figure 1: Pie Chart of Budgeted Revenue by Source .....	8
Figure 2: Bar graph of budgeted vs Actual Revenue by Source .....	8
Figure 3: Annual Growth rate projections, percent.....	17
Figure 4: Inflation Rate, Percent.....	19
Figure 5: Kenya Shillings Exchange Rate .....	20
Figure 6: Commercial Bank Rates, Percent .....	21

## ABBREVIATIONS

ADP	Annual Development Plan
AI	Artificial Insemination
ASDSP	Agricultural Sector Development Support Program
ATC	Agricultural Training Centre
BQ	Bills of Quantities
CBROP	County Budget Review and Outlook Paper
CCTV	Closed Circuit Television
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CLIDP	Community Level Infrastructure Development Projects
COFOG	Classification of Functions of Government
COVID 19	Corona Virus Disease
DANIDA	Danish International Development Agency
ECDE	Early Childhood Development Education
FAO	Food and Agriculture Organization
FY	Financial Year
GDP	Gross Domestic Product
ICT	Information Communication Technology
ICU	Intensive Care Unit
IFMIS	Integrated Financial Management Information System
KCEF	Kitui County Empowerment Fund
KCRH	Kitui County Referral Hospital
KDSP	Kenya Devolution Support Programme
KICOTEC	Kitui County Textile Centre
KICOYDEC	Kitui County Youth Development Centre
KSHS	Kenya Shilling
LAN	Local Area Network
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NARGIP	National Agricultural and Rural Inclusive Growth Project
NBU	Newborn Unit
NHIF	National Health Insurance Fund
O&M	Operation and Maintenance
OPD	Out Patient Department
PE	Personnel Emolument
PFMA	Public Finance Management Act
PO	Producer Organizations
SCH	School
SEKU	South Eastern Kenya University
THSUC	Transforming Health Systems for Universal Health Care

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

The County Budget Review and Outlook Paper is published in accordance with Section 118 of the Public Finance Management Act, 2012. The law states that:

1. A County Treasury shall –
  - a) prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and
  - b) Submit the paper to the County Executive Committee by 30<sup>th</sup> September of that year.
2. In preparing the county Budget Review and Outlook Paper, the County Treasury shall specify –
  - a) details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
  - b) updated economic and financial forecasts with sufficient information to show changes from the most recent County Fiscal Strategy Paper;
  - c) information on –
    - i. any changes in the forecasts compared with the County Fiscal Strategy Paper;
    - ii. how actual financial performance for the previous financial year may have affected compliance with fiscal responsibility principle, or the financial objective in the County Fiscal Strategy Paper for that year; and
  - d) Reasons for the deviations from the financial objectives in the County Fiscal Strategy Paper together with proposal to address the deviations and estimated time for doing so.
3. The County Executive Committee shall consider the County Budget Review Paper with a view to approving it, with or without amendments, within fourteen day after its submission.
4. Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall –
  - a) Arrange for the Paper to be laid before the County Assembly; and
  - b) As soon as practicable after having done so, publish and publicise the Paper.

## **Fiscal Responsibility Principles for the County Governments**

In line with the Constitution, the Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM Act, 2012, (Section 107) states that:

- 1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.
- 2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles- (a) the county government's recurrent expenditure shall not exceed the county government's total revenue; (b) over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure; (c) the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly; (d) over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure; (e) the county debt shall be maintained at a sustainable level as approved by county assembly; (f) the fiscal risks shall be managed prudently; and (g) a reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.
- 3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.
- 4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.
- 5) The regulations may add to the list of fiscal responsibility principles set out in subsection (2).



## **EXECUTIVE SUMMARY**

The core purpose of the 2021 CBROP is to provide a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles. These are set out in the last County Fiscal Strategy Paper (CFSP) which provides the basis for the revision of the current budget in the context of supplementary estimates and informs the choice of broad fiscal parameters underpinning the next budget and medium term expenditure framework.

Analysis of the 2020/21 FY fiscal performance shows an increase in absorption rate of development funds from 84% to 88.8%. There was decline in the performance in revenue collection owing to adverse effects of COVID 19 Pandemic regulation and weak enforcement mechanism.

A review of the recent economic developments and outlook both at the National and County levels reveals that the Kenyan economy has staggered from the previous year's leading to a decrease in revenue collection. The departments need to rationalise their budget to align resources availability to needs, allocating funds to high impact projects. The County Treasury has automated its revenue collection to improve revenue collection. The County Government managed to collect Kshs. 326 million from its internal sources reflecting a 20.1% decline from 2019/20 FY performance whereby Kshs. 408 million was collected. The decrease was majorly attributed to the adverse effects of COVID 19 pandemic.

On the expenditure side, the County Government continued to rationalize expenditures to improve efficiency and reduce wastage. In the medium term, expenditure management is expected to improve given the various budget rationalisation reforms undertaken and as a result of tightening of the fiscal framework to create room for more productive expenditures.

Global growth in 2021 is projected at 6.0 percent from a contraction of 3.2 percent in 2020. However, economic prospects vary across countries with the emerging markets and developing economies expected to pick up slowly compared to advanced economies given different country policy responses to the COVID 19 pandemic.

# **I. INTRODUCTION**

## **Objective of the County Budget Review and Outlook Paper (CBROP) 2021**

1. The main objective of the 2021 CBROP is to review the fiscal performance for 2020/21 FY and how this impacts the financial objectives and fiscal responsibility principles set out in the last County Fiscal Strategy Paper 2020/21 released in February 2020. The paper further outlines the expenditure and revenue in 2020/21 FY providing budgeting bases in the current financial year of 2021/22 and medium term expenditure.

2. The CBROP, like the CFSP links policy, planning and the budgeting through reviewing the performance of the government in line with the budget and the laid down policies as tied to the broad priorities. These policies include the Kenya Vision 2030 and its Medium Term Plans I, II & III (MTP I, II & III), the County Integrated Development Plan (CIDP (2018-2022)) and all other national and county policies relevant to planning.

3. The report rolls out the implementation of the development projects initiated in 2020/21 financial year, and continues to address the five pillar manifesto priority areas of CIDP 2018-2022. These pillars are

Pillar I: Food and Water.

Pillar II: Health Care.

Pillar III: Education and Youth Empowerment.

Pillar IV: Women Empowerment.

Pillar V: Wealth Creation.

4. The rest of the paper is organised as follows: Section II provides a review of the fiscal performance in FY 2020/21 and its implications on the financial objectives set out in 2020/2021. This is followed by brief highlights of the recent economic developments and updated revenue and expenditure in section III. Section IV provides the resources allocation framework, while Section V gives the development projects implemented in 2020/2021 FY.

## II. REVIEW OF FISCAL PERFORMANCE IN FY 2020/21

### A. Overview

5. The fiscal performance shows an increase in absorption rate from 84% to 88.8% absorption, and revenue side where revenue collection reduced by 20.1 % from Kshs. 408 million in 2019/20 FY to Kshs. 326 million in 2020/21FY.

6. The revenue target for the 2020/2021 FY was not attained due to the impact Covid 19 Pandemic regulations had on key revenue streams, the banned sand and charcoal transportation further reduced the revenue receipts. Additionally, delays in operationalization of the liquor licensing Act led to lower than expected revenues. The revenue of the year deviated by 45.5% of the target amount.

### B. 2020/21 Fiscal Performance

7. The table below presents the fiscal performance for the FY 2019/20 and FY 2020/21 together with the deviations from the original budget estimates of FY 2020/21.

**Table 1: Revenue and Expenditure Summary for 2019/20 -2020/21FY**

	2019/20		2020/21		Deviations
	Actual	Targets	Actual	Target	(%)
<b>A. TOTAL REVENUE AND GRANT</b>					
<b>1. Revenue</b>	<b>9,764,845,396</b>	<b>9,956,560,232</b>	<b>10,735,384,612</b>	<b>10,526,673,973</b>	<b>2</b>
Equitable Share	8,830,350,000	8,830,350,000	8,830,350,000	8,830,350,000	-
Other Revenues	<b>934,495,396</b>	<b>1,126,210,232</b>	<b>1,905,034,612</b>	<b>1,696,323,973</b>	<b>12</b>
Locally Generated Revenue	408,285,164	600,000,000	326,450,311	600,000,000	(46)
Unspent Balances b/fwd.	526,210,232	526,210,232	1,578,584,301	1,096,323,973	44
<b>2. Grants</b>					
Kenya Urban Support Program (KUSP)	166,203,043	363,132,592	126,367,908	333,514,064	(62)
Compensation for user Fees Forgone	22,499,906	22,499,906	22,499,906	22,499,906	-
Road Maintenance Fuel Levy	250,655,344	280,638,858	264,131,437	343,981,921	(23)
Grants from World Bank Kenya devolution support program(KDSP)	30,000,000	30,140,998	45,000,000	70,841,398	(36)
HSSF/HSPS - (DANIDA/IDA)	35,792,500	26,062,500	25,110,000	25,542,200	(2)
Urban Institutional Grant (KUSP)	8,800,000	50,000,000	0	0	-
World Bank loan for Transforming Health Systems for Universal Care Project	103,785,962	146,059,341	36,872,242	43,906,649	(16)
FAO Support Vaccination Program		4,337,271	0	0	-
Agriculture Sector Development Support Programme (ASDSP)	19,410,807	36,633,313	12,329,648	27,151,151	(55)

	2019/20		2020/21		Deviations
	Actual	Targets	Actual	Target	(%)
World Bank loan for National Agricultural and Rural Inclusive Growth Project	268,608,366	384,709,261	190,631,819	277,878,927	(31)
Conditional Allocation for Development of Youth Polytechnics	72,588,298	72,882,525	92,149,894	167,820,430	(45)
Pro Poor		1,592,166			-
GoK Conditional Grant - Covid Fund	488,788,000	420,000,000			-
<b>Total Grants</b>	<b>1,467,132,226</b>	<b>1,838,688,731</b>	<b>815,092,853</b>	<b>1,313,136,646</b>	<b>(38)</b>
<b>Total</b>	<b>11,231,977,622</b>	<b>11,795,248,963</b>	<b>11,550,477,465</b>	<b>11,839,810,619</b>	<b>(2)</b>
<b>1. Recurrent</b>	<b>7,064,243,419</b>	<b>7,404,757,790</b>	<b>7,055,913,318</b>	<b>7,434,460,682</b>	<b>(5)</b>
Salaries and Wages	4,278,690,780	4,360,436,559	4,313,786,270	4,347,426,348	(1)
O&M/Others	2,785,552,639	3,044,321,231	2,742,127,048	3,087,034,334	(11)
<b>2. Development</b>	<b>2,845,927,207</b>	<b>4,390,491,173</b>	<b>3,452,085,579</b>	<b>4,405,349,935</b>	<b>(22)</b>
<b>Total</b>	<b>9,910,170,626</b>	<b>11,795,248,963</b>	<b>10,507,998,897</b>	<b>11,839,810,618</b>	<b>(11)</b>
<b>C. SURPLUS/(DEFICIT)</b>	<b>1,321,806,996</b>		<b>1,042,478,568</b>		

Source: County Treasury

## Notes

- i. **Equitable share:** This is the amount of funds the county government expected to receive from the national government, as shared out using the Commission on Revenue Allocation formula, which was disbursed in full for the period.

## Revenue

### a. Equitable Share and Grants

The total disbursement to the county revenue fund account during the financial year 2020/2021 was Kshs 8,830,350,000, representing 100% of the total equitable share the county expected to receive from National Treasury. This represents a similar amount disbursed from previous financial year of 2019/20 FY.

Over the same period, the county expected to receive grants totalling to Kshs 1,313,136,646 from both the National Treasury and International donors (World Bank, United Nations Development Fund and DANIDA) as outlined in Table 2. A total of Kshs 815,092,853 was received from grants, representing 62.1 % of the total grants. The received grants were budgeted for inclusive of revote from FY 2019/20.

Table 2 shows schedule of disbursement of Equitable share under the review period.

**Table 2: Schedule of Disbursement of Equitable Share 2020/2021**

Month	Date received	Amount
July & August	13/10/2020	1,457,007,750.00
September	25/11/2020	750,579,750.00
October	22/12/2020	706,428,000.00
November	19/01/2021	750,579,750.00
December	10/2/2021	706,428,000.00
January	25/03/2021	750,579,750.00
February	27/4/2021	750,579,750.00
March	26/5/2021	706,428,000.00
April	23/6/2021	794,731,500.00
May	30/6/2021	706,428,000.00
June	5/7/2021	750,579,750.00
<b>TOTAL</b>		<b>8,830,350,000.00</b>

*Source: County Treasury*

In addition, the County Government received grants totalling to Kshs. 815,092,854 during the period under review. The breakdown for the grants was as follows: -

**Table 3: Grants performance in FY 2020/21**

Source	Date received	Amount
Compensation for User Fees Forgone	23/6/2021	22,499,906
Road Maintenance Fuel Levy	26/5/2021	264,131,437
Grants from World Bank (KDSP)	9/2/2021	45,000,000
World Bank (Universal Health)	1/7/2021	36,872,242
World Bank (Agriculture - Rural Growth)	22/12/2020	190,631,819
HSSP/HSPS - (DANIDA/IDA)	5/07/21	25,110,000
Development of Youth Polytechnics	23/6/2021	92,149,894
Kenya Urban Support Project - World Bank	25/5/2021	34,317,490
	8/7/2021	92,050,418
ASDSP	21/5/2021	12,329,648
<b>Total</b>		<b>815,092,854</b>

*Source: County Treasury*

**Table 4: Grants Performance in FY 2020/21**

Source	Amount Approved in CARA	Grant Revote from FY 2019/20	Cummulative Grant Amount FY 2020/21	Expenditure in the FY 2020/21	Outstanding Bal.
Compensation for User Fees Forgone	22,499,906	-	22,499,906	22,499,906	-
Road Maintenance Fuel Levy	264,131,438	79,850,483	343,981,921	264,131,437	1
Grants from World Bank (KDSP)	45,000,000	25,841,398	70,841,398	45,000,000	-
World Bank (Universal Health)	38,320,000	5,586,649	43,906,649	36,872,242	1,447,758
World Bank (Agriculture - Rural Growth)	199,218,200	78,660,727	277,878,927	190,631,819	8,586,381
HSSP/HSPS - (DANIDA/IDA)	25,110,000	432,200	25,542,200	25,110,000	-
Development of Youth Polytechnics	92,149,894	75,670,536	167,820,430	92,149,894	-

Source	Amount Approved in CARA	Grant Revote from FY 2019/20	Cummulative Grant Amount FY 2020/21	Expenditure in the FY 2020/21	Outstanding Bal.
Kenya Urban Support Project - World Bank	129,030,313	204,483,751	333,514,064	126,367,908	2,662,405
ASDSP	15,428,645	11,722,506	27,151,151	12,329,648	3,098,997
<b>Total</b>	<b>830,888,396</b>	<b>482,248,250</b>	<b>1,313,136,646</b>	<b>815,092,854</b>	<b>15,795,542</b>

*Source: County Treasury*

The County has received grants amounting to Kshs. 815,092,853 for the period under review registering a deficit of Kshs. 15,795,542.

### Own Source Revenue Generated

8. The total revenue generated by the county over the period was Kshs, 326,450,311 down from Kshs 408,285,164 collected during FY 2019/2020 amounting to a 20.1% decline. The table 6 shows performance of revenue collection per ministry in the period under review. The collections fell short by 45.5% owing to adverse effects of covid 19 pandemic protocols that regulated movement leading to supply shortfall and shrunk income for most businesses.

**Table 5: Own Source Revenue Generated by Ministry for the Period ending 30th June 2021**

County Ministry/ Entity	Targeted Amount	Actual Collection	Variance (%)
Office of the Governor	20,740,724	11,970,550	(42.28)
Ministry of Agriculture Water and Livestock Development	68,390,165	11,152,488	(83.69)
Ministry of Basic Education, ICT and Youth Development	44,057,093	5,395,440	(87.75)
Ministry of Lands, Infrastructure, Housing and Urban Development	57,981,115	40,536,210	(30.09)
Ministry of Health and Sanitation	152,505,324	111,901,160	(26.62)
Ministry of Trade, Cooperatives and Investments	86,095,748	1,284,195	(98.51)
Ministry of Environment and Natural Resources	17,283,937	1,505,065	(91.29)
Ministry of Tourism, Sports and Culture	1,694,503	26,000	(98.47)
The County Treasury	84,725,180	83,755,939	(1.14)
Mwingi Town Administration	23,045,249	21,137,774	(8.28)
Kitui Municipality	43,480,962	37,785,490	(13.10)
<b>Subtotal</b>	<b>600,000,000</b>	<b>326,450,311</b>	<b>(45.59)</b>

*Source: County Treasury*

County Treasury performed well in the collection of revenue with a -1.14 margin against the target. Mwingi Town Administration was the second best performing entity while Ministry of Basic Education, ICT & Youth Development underperformed since KICOYDEC was just launched during the review and the nature of their activity could not warrant for increased revenue since marketing is still underway and reduced income caused by the adverse effects

of covid 19 pandemic affected the manufacturing industry both at the county and national level significantly. Table 6 gives reasons for underperformance or over performance of each revenue stream.

**Table 6: Own Source Revenue Generated by Revenue Streams for the period ending 30<sup>th</sup> June, 2021**

No	Revenue Stream	Annual Targeted Revenue (Kshs)	Actual Revenue	VARIANCE	REMARKS
1	Receipts from Sale of Agricultural Goods	1,016,702	1,585,238.00	(568,536.00)	Target achieved
2	Engineering and Works Levy	36,801,229	3,079,424.00	33,721,805.00	Public participation being done to encourage farmers to use county machines
3	Ploughing	4,744,610	1,486,840.00	3,257,770.00	Public participation being done to encourage farmers to use county tractors
4	Training/Learning Centre Fee	4,744,610	2,137,226.00	2,607,384.00	Marketing of ATC products and conference facility being done to increase revenue
5	Hides and Skins Fee	3,389	1,000.00	2,389.00	uplifting of slaughter house being done to improve collection
6	Slaughter Houses Inspection Fee	948,921	35,300.00	913,621.00	uplifting of slaughter house being done to improve collection
7	Meat Inspection/Veterinary Services	3,202,369	2,300,515.00	901,854.00	Inspection and enforcement not done due to Covid 19
8	Certificate to Transport/Move ment permits	2,694,504	515,195.00	2,179,309.00	Inspection and enforcement not done due to Covid 19
9	Dispatch note & Flayer License	677,802	10,250.00	667,552.00	Inspection and enforcement not done due to Covid 19
10	Sale of products from Kitui foods Corporation	13,556,029	1,500.00	13,554,529.00	More marketing being done and fair pricing to compete with other suppliers in the market
11	Sand approval fee, pollution & penalties	17,283,937.00	144,200.00	17,139,737.00	It's a penalty charge which is applicable once an offence has been committed
12	Ministry of Health and public health	152,505,324.00	105,045,742.00	47,459,582.00	Target will be met once NHIF and other insurances pay their dues amounting to 77,840,763
13	Ministry of Tourism, Sports and culture	1,694,503.00	26,000.00	1,668,503.00	Marketing and renovation of Nzambani Rock and other tourist attraction sites to increase revenue

No	Revenue Stream	Annual Targeted Revenue (Kshs)	Actual Revenue	VARIANCE	REMARKS
14	Land rates	40,832,738.00	28,677,704.00	12,155,034.00	Currently issuing demand notices to increase collection. Waiver was also granted during the year under review
15	Penalties & penalties	2,433,307.00	1,201,953.00	1,231,354.00	waiver given on penalties due to CORONA VIRUS leading to under collection
16	Land Administration Fees	17,148,377.00	11,858,506.00	5,289,871.00	Reforms being done in Ministry of Lands with the aim of raising revenue
18	Alcoholic Drinks License	20,062,923.00	11,966,050.00	8,096,873.00	Collection affected by COVID 19 due to closure of bars and restaurant
19	Impounding Charges	677,801.00	4,500.00	673,301.00	It's a penalty charge which is applicable once an offence has been committed
20	Sale of Goods eg cabros, interlocking bricks	44,057,093.00	5,395,440.00	38,661,653.00	More marketing being done to encourage members of public to purchase cabros and bricks from the County
21	Weights and measures	1,216,029.00	502,995.00	713,034.00	Enforcement and inspection was not done due to COVID 19
22	Other county investments- Crusher	65,223,477.00	779,200.00	64,444,277.00	More marketing being done to increase collection
23	Dividends from KICOTEC	17,622,838.00	-	17,622,838.00	With passing of corporation bill more marketing being done.
24	Single Business Permits	61,562,671.00	67,811,995.00	(6,249,324.00)	Target achieved
25	Sale of Shoes and Furniture	2,033,404.00	2,000.00	2,031,404.00	Marketing and production to be done to increase collection
26	House and Stalls Rents	4,134,589.00	2,580,457.00	1,554,132.00	Renovation of houses to fit market rates
27	Market Fees	25,485,335.00	16,297,960.00	9,187,375.00	COVID 19 affected collection due to closure of markets
28	Cess	9,624,780.00	10,180,651.00	(555,871.00)	Target achieved
29	Sign Board & Advertising	13,352,688.00	20,371,750.00	(7,019,062.00)	Target achieved
30	Transportation Fees	13,556,029.00	16,275,410.00	(2,719,381.00)	Target achieved



No	Revenue Stream	Annual Targeted Revenue (Kshs)	Actual Revenue	VARIANCE	REMARKS
31	Slaughter Fees	3,050,107.00	2,354,100.00	696,007.00	Renovation of slaughter house to increase collection
32	Burial Fees	1,033,647.00	15,420.00	1,018,227.00	Its a service function
33	Parking fees	16,936,902.00	13,759,590.00	3,177,312.00	demarcation of parking slots to increase collection ongoing/Collection affected by COVID 19
34	Receipts from administrative fee and charges	69,136.00	-	69,136.00	Collection affected by COVID 19
35	Sale & search of assets	12,200.00	46,200.00	(34,000.00)	Collection affected by COVID 19
	<b>TOTAL OWN SOURCE REVENUE</b>	<b>600,000,000.00</b>	<b>326,450,311.00</b>	<b>273,549,689.00</b>	

Source: County Treasury

Figure 1: Pie Chart of Budgeted Revenue by Source

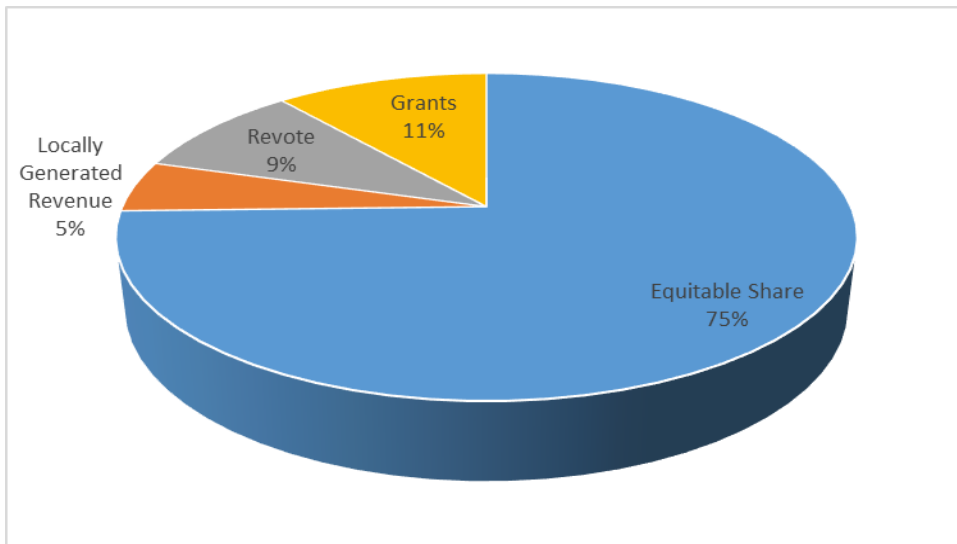
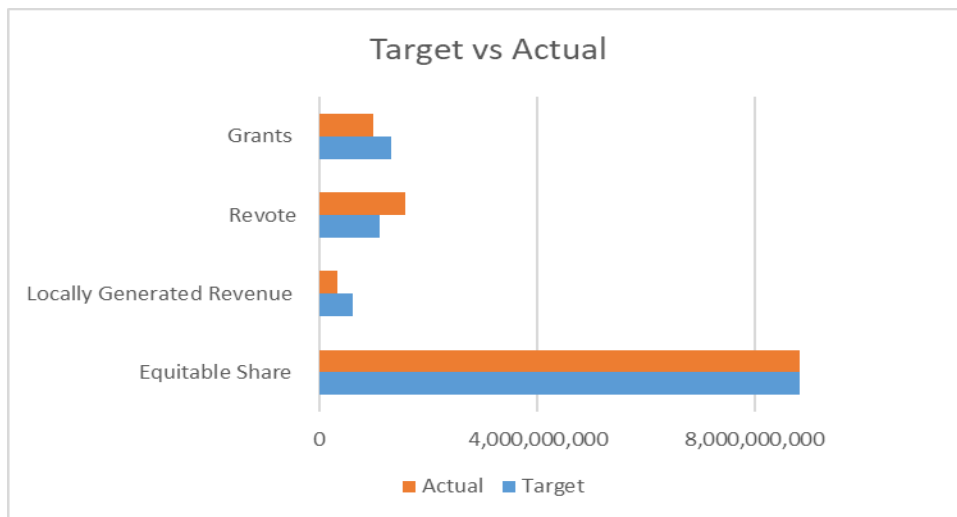


Figure 2: Bar graph of budgeted vs Actual Revenue by Source



## Expenditure

9. The approved budget for the county was Kshs. 11,839,810,619 comprising of 63 % recurrent (7,434,460,682) and 37 % development ( Kshs 4,405,349,937). This represents 7% above the minimum PFM Act 2012 recommended ceiling for funds allocation to development expenditure.

10. Total expenditure for the year ending 30th June 2021 amounted to Kshs 10,507,998,897; representing gross absorption of 88.8%, up from 84% in 2019/20 FY. of this expenditure, recurrent expenditure was Kshs 7,055,913,318 (67.1%) while development expenditure amounted to Kshs 3,452,085,579 (32.9%).

11. Analysis of recurrent expenditure shows that Personnel Emoluments (PE) and Operations and Maintenance (O&M) accounted for 41% and 26.1% respectively of the total expenditure, compared to 36.9% and 25.8% in the previous financial year. This reveals a slightly upward trend for PE and O&M expenses, explained by recruitment of health workers to fill in existing gaps in the sector.

12. Personnel emoluments was above the set ceilings but the county government is working towards harmonising the findings of human resource audit conducted in FY 2017/18 by amicably reducing recruitments in the forthcoming years as well as maximize the available workforce for efficient service delivery. Development expenditure was above the minimum threshold leading to an excellent absorption within the review period.

13. The overall expenditure significantly increased from Kshs 9,910,170,626 in the financial year 2019/20 to Kshs 10,507,998,897 in 2020/21 FY. The proportion of actual development expenditure to the total expenditure increased from 29 % in 2019/20 to 32.9 % in 2020/2021 FY. However, recurrent expenditure reduced from 71% to 67% in 2020/2021 financial year.

14. Within the financial year 2020/2021, the actual expenditure on the recurrent budget realised the highest level of utilisation at 94.9% down from 95 % in the previous year. Development budget expenditure was 78.4 % in 2019/20 up from 65% in 2019/20. The utilisation rate in both development and recurrent expenditures resulted to the overall absorption rate rising to 88.8%.

15. Table 10 presents analysis of the total expenditure by county spending entities giving the overall absorption rate. Amounts in brackets indicate the deviation from the planned target expenditures.

16. The amount of Kshs 1,331,811,722 indicated in table 6 as not having been absorbed includes funds budgeted as local revenue but never realised of Kshs. 273,549,689 and an additional amount of Kshs 15,795,542 that were grants not received amongst other monies whose release and absorption was affected by the adverse effects of Covid 19 pandemic.

17. The development expenditure for the period 2020/2021 FY was Kshs 3,452,085,579 (32.9%), compared to Kshs 2,845,927,207 (29) spent in the 2019/20 financial year. This represents a 3.9% increase spent in the financial year 2020/21 above the amount absorbed on development budget in the previous year.

18. The level of absorption rate in the ministries was due to failed implementation of development projects due to adverse effects of Covid 19 pandemic. This affected implementation of development projects significantly during the review period. This was mainly due to the Covid 19 protocols that restricted movement of goods and services within the period.

**Table 7: Budget Absorption rate against the FY 2020/21 budget**

County Ministry	Total Budget Estimates	Actual expenditure	% Absorption rate
Office of the Governor	1,749,028,748	1,469,983,054	84.1
Public Service Management and Administration	391,690,154	391,425,756	99.9
Agriculture, Water & Livestock Development	1,493,206,120	1,271,813,113	85.2
Basic Education, ICT & Youth Development	811,623,576	638,336,972	78.7
Lands, Infrastructure, Housing & Urban Development	985,456,903	919,449,292	93.3
Health & Sanitation	3,380,100,403	3,238,795,425	95.8
Trade, Cooperatives & Investment	630,712,821	526,771,474	83.5
Environment & Natural Resources	215,154,902	182,802,422	85.0
Tourism, Sports & Culture	196,222,652	176,425,565	89.9
County Treasury	584,791,567	519,609,496	88.9
County Public Service Board	31,907,646	27,492,684	86.2
County Assembly Service Board	881,002,159	785,345,473	89.1
Kitui Municipality	393,743,599	276,561,889	70.2
Mwingi Town Administration	95,169,369	83,186,282	87.4
<b>TOTALS</b>	<b>11,839,810,619</b>	<b>10,507,998,897</b>	<b>88.8</b>

*Source: County Treasury*

**Table 8: Recurrent expenditure in the FY 2020/21**

Spending Entity	Recurrent Budget	Total Recurrent Expenditure	Variance
Office of the Governor	653,757,037	614,557,740	-39,199,297
Public Service Management and Administration	399,370,743	391,275,506	-8,095,237
Agriculture, Water & Livestock Development	423,898,025	400,639,649	-23,258,376

Spending Entity	Recurrent Budget	Total Recurrent Expenditure	Variance
Basic Education, ICT, & Youth Development	484,679,556	474,668,524	-10,011,032
Lands, Infrastructure, Housing, & Urban Development	234,275,824	226,838,783	-7,437,041
Health and Sanitation	3,145,891,396	3,040,297,828	-105,593,568
Trade, Cooperatives and Investments	365,332,607	276,672,887	-88,659,720
Environment & Natural Resources	94,976,514	85,788,298	-9,188,216
Tourism, Sports and Culture	107,516,250	101,809,421	-5,706,829
The County Treasury	496,478,509	483,042,987	-13,435,522
County Public Service Board	28,650,646	27,492,684	-1,157,962
County Assembly	836,025,472	776,545,704	-59,479,768
Kitui Municipality	98,161,050	94,049,614	-4,111,436
Mwingi Town Administration	65,447,053	62,233,693	-3,213,360
<b>Total</b>	<b>7,434,460,682</b>	<b>7,055,913,318</b>	<b>-378,547,364</b>

*Source: County Treasury*

**Table 9: Development Expenditure in the FY 2020/21**

Spending Entity	Development Budget	Total Development Expenditure	Variance
Office of the Governor	1,104,803,869	855,425,314	-249,378,555
Public Service Management and Administration	319,411	150,250	-169,161
Agriculture, Water & Livestock Development	984,398,536	871,173,464	-113,225,072
Basic Education, ICT, & Youth Development	327,615,173	163,668,448	-163,946,725
Lands, Infrastructure, Housing, & Urban Development	811,185,528	692,610,509	-118,575,019
Health and Sanitation	233,758,479	198,497,597	-35,260,882
Trade, Cooperatives and Investments	297,380,214	250,098,587	-47,281,627
Environment & Natural Resources	110,983,506	97,014,124	-13,969,382
Tourism, Sports and Culture	93,087,940	74,616,144	-18,471,796
The County Treasury	75,862,531	36,566,509	-39,296,022
County Public Service Board	0	0	0
County Assembly	44,976,687	8,799,769	-36,176,918
Kitui Municipality	291,255,747	182,512,275	-108,743,472
Mwingi Town Administration	29,722,316	20,952,589	-8,769,727
<b>Total</b>	<b>4,405,349,937</b>	<b>3,452,085,579</b>	<b>--953,264,358</b>

*Source: County Treasury*

**Table 9 (a): FY 2020/21 Expenditure by Entity**

Spending Entity	Personnel Emoluments	%	Operations and Maintenance	%	Development	%	Grand Total
Office of the Governor	152,462,354	10.37	462,095,386	31.44	855,425,314	58.19	1,469,983,054
Public Service Management and Administration	299,999,989	76.64	91,275,517	23.32	150,250	0.04	391,425,756

Spending Entity	Personnel Emoluments	%	Operations and Maintenance	%	Development	%	Grand Total
Agriculture, Water & Livestock Development	306,283,228	24.08	94,356,421	7.42	871,173,464	68.50	1,271,813,113
Basic Education, ICT, & Youth Development	142,920,800	22.39	331,747,724	51.97	163,668,448	25.64	638,336,972
Lands, Infrastructure, Housing, & Urban Development	169,128,860	18.39	57,709,923	6.28	692,610,509	75.33	919,449,292
Health and Sanitation	2,267,505,275	70.01	772,792,553	23.86	198,497,597	6.13	3,238,795,425
Trade, Cooperatives and Investments	40,978,490	7.78	235,694,397	44.74	250,098,587	47.48	526,771,474
Environment & Natural Resources	35,466,618	19.40	50,321,680	27.53	97,014,124	53.07	182,802,422
Tourism, Sports and Culture	75,479,194	42.78	26,330,227	14.92	74,616,144	42.29	176,425,565
The County Treasury	331,068,224	63.71	151,974,763	29.25	36,566,509	7.04	519,609,496
County Public Service Board	16,745,701	60.91	10,746,983	39.09			27,492,684
County Assembly	411,177,523	52.36	365,368,181	46.52	8,799,769	1.12	785,345,473
Kitui Municipality	30,000,000	10.85	64,049,614	23.16	182,512,275	65.99	276,561,889
Mwingi Town Administration	34,570,014	41.56	27,663,679	33.26	20,952,589	25.19	83,186,282
<b>Total</b>	<b>4,313,786,270</b>	<b>41.05</b>	<b>2,742,127,048</b>	<b>26.10</b>	<b>3,452,085,579</b>	<b>32.85</b>	<b>10,507,998,897</b>

*Source: County Treasury*

**Table 10: Ministry/ Spending Entity Expenditure for the Period Ending 30th June 2021 (Kshs)**

Spending Entity	Jun – 21		Variance	%	Jun – 21		Variance	%	Jun – 21		Variance	% of total exp to budget
	Recurrent				Development				Total			
	Actual	Target			Actual	Target			Actual	Target		
Office of the Governor	614,557,740	653,757,037	39,199,297	6	855,425,314	1,104,803,869	249,378,555	23	1,469,983,054	1,758,560,906	288,577,852	83.6
Administration & Coordination of County Affairs	391,275,506	399,370,743	8,095,237	2	150,250	319,411	169,161	53	391,425,756	399,690,154	8,264,398	97.9
Agriculture, Water & Livestock Development	400,639,649	423,898,025	23,258,376	5	871,173,464	984,398,536	113,225,072	12	1,271,813,113	1,408,296,561	136,483,448	90.3
Basic Education, ICT, & Youth Development	474,668,524	484,679,556	10,011,032	2	163,668,448	327,615,173	163,946,725	50	638,336,972	812,294,729	173,957,757	78.6
Lands, Infrastructure, Housing, & Urban Development	226,838,783	234,275,824	7,437,041	3	692,610,509	811,185,528	118,575,019	15	919,449,292	1,045,461,352	126,012,060	87.9
Health and Sanitation	3,040,297,828	3,145,891,396	105,593,568	3	198,497,597	233,758,479	35,260,882	15	3,238,795,425	3,379,649,875	140,854,450	95.8
Trade, Cooperatives and Investments	276,672,887	365,332,607	88,659,720	24	250,098,587	297,380,214	47,281,627	16	526,771,474	662,712,821	135,941,347	79.5
Environment & Natural Resources	85,788,298	94,976,514	9,188,216	10	97,014,124	110,983,506	13,969,382	13	182,802,422	205,960,020	23,157,598	88.8
Tourism, Sports and Culture	101,809,421	107,516,250	5,706,829	5	74,616,144	93,087,940	18,471,796	20	176,425,565	200,604,190	24,178,625	87.9
The County Treasury	483,042,987	496,478,509	13,435,522	3	36,566,509	75,862,531	39,296,022	52	519,609,496	572,341,040	52,731,544	90.8
County Public Service Board	27,492,684	28,650,646	1,157,962	4	0	0	0		27,492,684	28,650,646	1,157,962	96.0
County Assembly	776,545,704	836,025,472	59,479,768	7	8,799,769	44,976,687	36,176,918	80	785,345,473	881,002,159	95,656,686	89.1
Kitui Municipality	94,049,614	98,161,050	4,111,436	4	182,512,275	291,255,747	108,743,472	37	276,561,889	389,416,797	112,854,908	71.0
Mwingi Town Administration	62,233,693	65,447,053	3,213,360	5	20,952,589	29,722,316	8,769,727	30	83,186,282	95,169,369	11,983,087	87.4
<b>TOTAL</b>	<b>7,055,913,318</b>	<b>7,434,460,682</b>	<b>378,547,364</b>		<b>3,452,085,579</b>	<b>4,405,349,937</b>	<b>953,264,358</b>		<b>10,507,998,897</b>	<b>11,839,810,619</b>	<b>1,331,811,722</b>	<b>88.8</b>

*Source: County Treasury*

**C. Implications of FY 2020/21 fiscal performance on fiscal responsibility principles and financial objectives contained in the 2020 CFSP.**

19. The performance of FY 2020/2021 did not affect the financial objectives set out in the 2020 CFSP and the budget for FY 2020/21 in any fundamental way. However:

- i. Due to underperformance in revenue and realisation that some grants expected from the National Treasury will not be received, actual re-vote did not include this amount;
- ii. The decelerated absorption rate recorded in 2020/21 FY is likely to inform the reallocation of funds during supplementary budget. However, this will have to be done within the broader priorities set out in the CFSP 2020 and all other medium-term policies; and
- iii. Funds not spend in the previous year (ie 2020/21 FY) whether recurrent or development are reallocated to development in current year (2021/22 FY).

20. Deviations from CFSP arose from changes brought about by increase in revenue sources. The equitable share for the financial year declined from 8,898,400,000 to 8,830,350,000 whereas total grants increased from 702M to 1.313B. In addition, there were balances brought forward from FY 2019/20 amounting to 1.096B. These necessitated ministerial alignments amongst other emerging issues geared towards improving service delivery. This changes were reflected in the preceding supplementary budgets undertaken within the review period.

**Table 11: CFSP Allocation Versus Budget Allocation for FY 2020/21**

Vote	Spending Entity	Budget Allocation 2020/21	CFSP Estimates 2020/21	Variance
3711	Office of the Governor	1,758,560,906	1,162,960,395	595,600,511
3712	Ministry of Public Service Management and Administration	399,690,154	372,781,915	26,908,239
3713	Ministry of Agriculture, Water and Livestock Development	1,408,296,561	1,462,281,316	-53,984,755
3714	Ministry of Basic Education, ICT & Youth Development	812,294,729	580,422,466	231,872,263
3715	Ministry of Lands, Infrastructure, Housing & Urban Development	1,045,461,352	793,869,452	251,591,900
3716	Ministry of Health & Sanitation	3,379,649,875	3,232,029,040	147,620,835
3717	Ministry of Trade, Cooperatives and Investments	662,712,821	450,937,678	211,775,143

<b>Vote</b>	<b>Spending Entity</b>	<b>Budget Allocation 2020/21</b>	<b>CFSP Estimates 2020/21</b>	<b>Variance</b>
3719	Ministry of Environment and Natural Resources	205,960,020	181,535,051	24,424,969
3720	Ministry of Tourism, Sports & Culture	200,604,190	182,786,500	17,817,690
3721	The County Treasury	572,341,040	385,980,356	186,360,684
3722	County Public Service Board	28,650,646	35,617,550	-6,966,904
3723	County Assembly	881,002,159	861,552,450	19,449,709
3724	Kitui Municipality	389,416,797	291,215,300	98,201,497
3725	Mwingi Town Administration	95,169,369	106,784,890	-11,615,521
	<b>Total Voted Expenditure (Kshs)</b>	<b>11,839,810,619</b>	<b>10,100,754,359</b>	<b>1,739,056,260</b>

*Source: County Treasury*

21. During the 2020/2021 FY, the world and the country experienced inactivity due to the COVID 19 pandemic while the county received inadequate rainfall hence resulting to poor crop harvest and development of livestock across the county. Due to this effect, the County ministry of Agriculture, Water and Livestock Development had introduced the Myanda irrigation projects in-order to boost the food security

22. County's local revenue projections will remain as set out in CFSP 2021, since the assumptions have not changed. Revenue collection from devolved functions is still performing below forecasts, mainly due to operational, COVID 19 pandemic and other setup challenges. There is need to review all the revenue streams for each county ministry/ entity and assess its potential to ensure realised revenue does not vary much to forecasts.

23. The county economy is based on the Agriculture sector, several measures to boost the food security were put in place during the period under review. This measures included the drilling of boreholes, construction and desilting of earth dams to increase the availability of water, pest and vector control, bee keeping and honey production and the Myanda irrigation project and fruit value chain promotion.



### **III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK**

#### **A. Recent Economic Developments**

##### *Global Economic Performance*

24. This CBROP has been prepared against a background of a projected global economic recovery amidst uncertainty relating to new COVID-19 mutations particularly the Delta variant that could require broader reinstatement of containment measures. Global growth in 2021 is projected at 6.0 percent from a contraction of 3.2 percent in 2020 (WEO July 2021). However, economic prospects vary across countries with the emerging markets and developing economies expected to pick up slowly compared to advanced economies given different country policy responses to the pandemic. The projected recovery in advanced economies particularly the United States, reflects the anticipated legislation of additional fiscal support in the half of 2021 and broader vaccinations coverage across the group.
25. Economic growth in the sub-Saharan Africa region is projected at 3.4 percent from a contraction of 1.8 percent in 2020 due to improved export and commodity prices, and the rollout of vaccination programs. This growth will also be supported by a recovery in both private consumption and investment as economies re-open. However, the recent increase in infection rates in the Sub-Saharan Africa are expected to weigh down the region's recovery in 2022

##### *Domestic Economic Performance*

###### *GDP Growth*

26. In 2020, the Kenyan economy was adversely affected by the outbreak of COVID-19 pandemic and the swift containment measures which disrupted economic activities. Additionally, Kenya faced two other shocks: the invasion of swarms of desert locusts that damaged crops and floods following the above normal rainfall in May 2020. As a result, economic slowed down in FY 2020/21.
27. In the first three quarters of 2020 the economy contracted by an average of 0.4 percent compared to an average growth of 5.3 percent over the same period in 2019. The decline was largely characterized by contractions in the services sector especially Accommodation and Restaurant (45.1 percent), Education (31.2 percent), Wholesale and Retail trade (1.3 percent) Transport and Storage (0.9 percent) subsectors. However, the performance in the third quarter of 2020, albeit constrained, was relatively better compared to the second quarter of 2020 due to partial easing of COVID-19 containment measures.
28. The overall performance of the economy during the first three quarters of 2020 was cushioned from deeper slump by improved growth in Mining and Quarrying activities (12.6 percent) Construction (8.6 percent); Health Services (7.3 percent) and Agriculture, Forestry and Fishing activities (6.4 percent). Other sectors of the economy that supported growth in the first three quarters of 2020 are Information and Communication (7.5 percent); Financial and Insurance activities (5.3 percent); Real Estate Activities (4.0 percent) and Electricity and Water supply (3.3 percent).
29. The Agriculture sector recorded an improved growth at an average of 6.4 percent in the first three quarters of 2020 compared to a growth of 3.6 percent in the corresponding

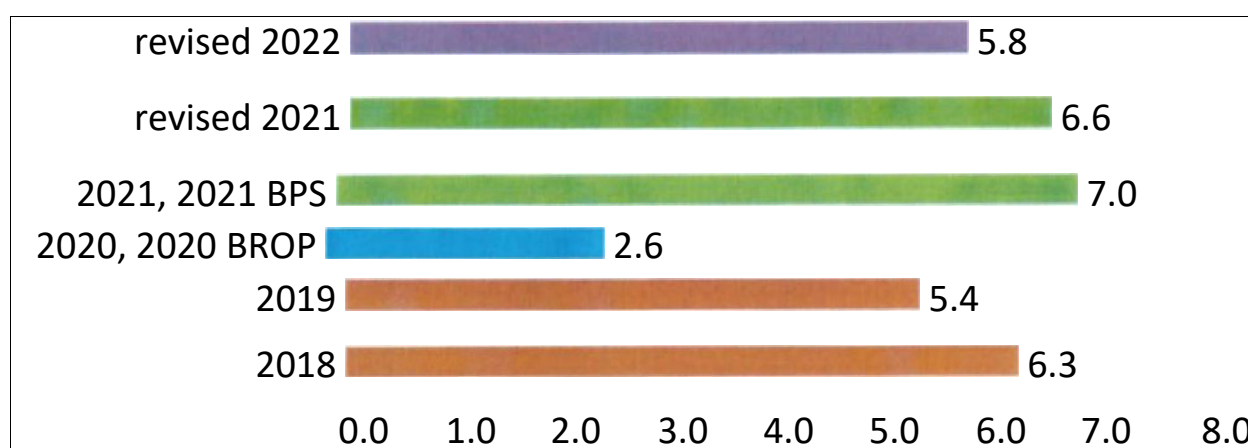
period of 2019. The sector's performance was supported by a notable increase in tea production, exports of fruits and sugarcane production. The Service and Industry sectors were adversely affected by the COVID-19 pandemic. As a result, the sectors contracted by an average of 2.1 percent in the first three quarters of 2020 down from an average growth of 6.1 percent in a similar period in 2019.

30. Economic indicators by sector for the fourth quarter of 2020 point to strong recovery. Agriculture sector is expected to have performed well following favorable weather conditions which prevailed during the fourth quarter of 2020, resulting in improved production of key crops. Industrial activity is also expected to have recovered as reflected in the economic indicators of the following sectors; Construction (cement consumption), Manufacturing (cement production); and electricity and Water supply (electricity generation). However, performance of some Service sectors (Accommodation and Restaurant and, Transport and Storage) are likely to remain subdued due to the COVID-19 containment measures which prevailed during the quarter under review.

31. Leading indicators point to a relatively strong recovery in the first quarter of 2021, supported by strong performance of Agriculture, Construction, Information and Communication, Real Estate, and Finance and Insurance sectors. The enhanced COVID-19 containment measures implemented in five counties (Nairobi, Kiambu, Machakos, Kajiado and Nakuru) between March 26 and May 1, and the western lake basin region between June 18 and July 30 are expected to have had a moderate impact on output in the second and third quarters as businesses in most sectors were in operation.

32. Similar to the global economy, Kenya's economy is projected to rebound in 2021 to 6.6 Percent from the earlier projection of 7.0 percent in the 2021 BPS. The downward revision was due to the impact of containment measures between March and July period as a result of the third wave of the COVID-19 pandemic (**Figure 3**).

**Figure 3: Annual Growth rate projections, percent**



*Source of Data: The National Treasury*

33. The recovery in 2021 reflects the lower base of 2 service sectors were adversely affected by the closure of the economy thereby recording negative growths. The outlook in 2021 will be reinforced by the prevailing stable macroeconomic environment and the ongoing implementation of the strategic priorities of the Government under the "Big Four"

Agenda, Economic Recovery Strategy and other priority programmes as outlined in the Third Medium Term of Vision 2030. Weather conditions are expected to be favourable supporting agricultural output. As a result, export goods will expand as global demand normalizes.

**a) County level**

34. In the period 2020/2021 FY, the National government had several planned projects/programmes at County level which have great impacts in the Kitui County economy. The two main projects are road construction and Mega dam construction.

35. The government rolled out the Kibwezi-Mutomom-Kitui Road which is a project under the Lamu Port Southern Sudan Ethiopia Transport (LAPSSET) will have great impact on the economic growth of Kitui County. The interconnectivity of the road is expected to improve trade between Kitui County and other counties in the coastal region and Mount Kenya region. The project has covered 170 km of tarmac road constructed from Kibwezi-Mutomom-Kitui by FY 2020/21.

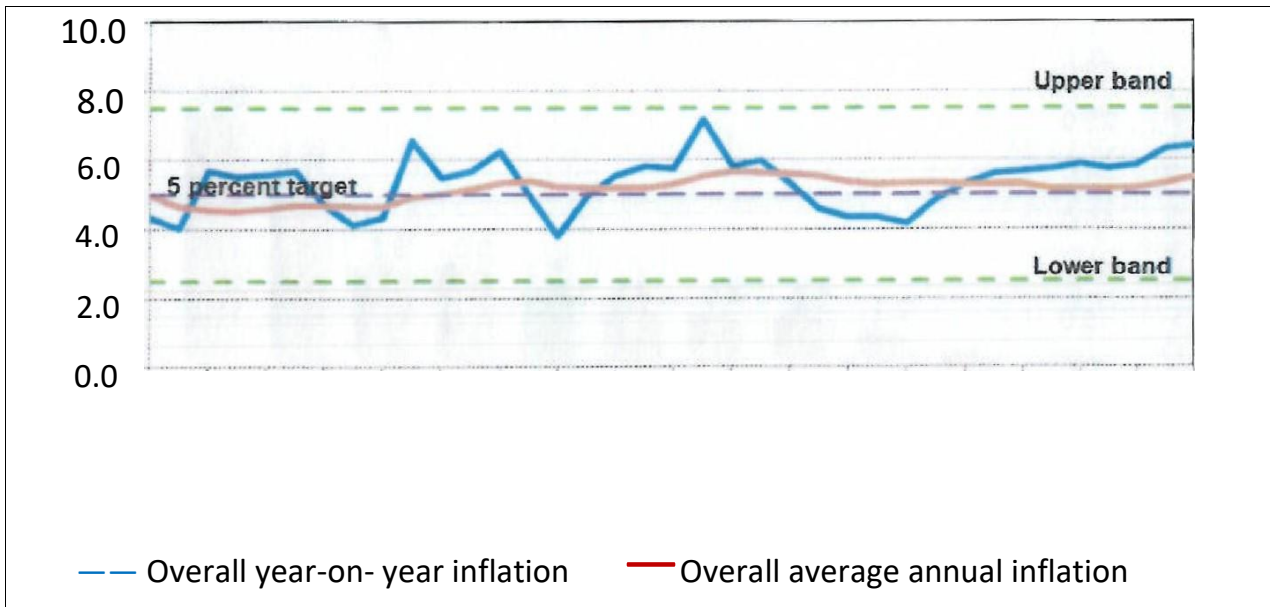
36. To improve the food production and availability of clean water, the government started construction of Mega dam (Thwake Dam) along the Athi-river. The project will enable the residence of Kitui County specifically in Kitui rural and Kitui south to access the water for domestic and agricultural use. In addition, the projects have created job opportunities for the youth in areas along the dam.

**Macroeconomic stability (Inflation, Interest rates, Exchange rates)**

**Inflation Rate**

56. Year-on-year overall inflation has remained low, stable and within the policy target range of 5+1-2.5 percent since end 2017. The year-on-year inflation rate increased in July 2021 but remained within the target range at 6.4 percent from 4.4 percent in July 2020, mainly on account of higher food fuel price (**figure 4**).

**Figure 4: Inflation Rate, Percent**



*Source of Data: Kenya National Bureau of Statistics*

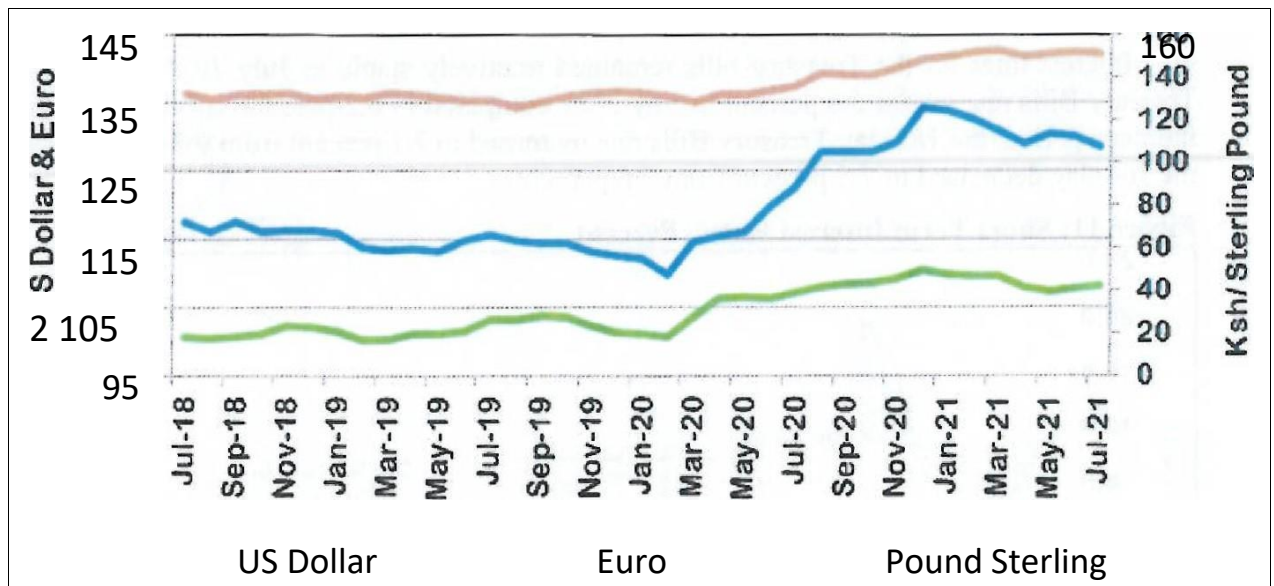
57. The contribution of core inflation to overall inflation has been low and stable, consistent with the muted demand pressures in the economy on account of prudent monetary policies. The contribution of core inflation to overall inflation rose marginally to 1.0 percentage points in July 2021 from 0.6 percentage points in June 2020, reflecting a pick-up in economic activity (Figure

58. Food inflation remained the main driver of overall inflation in July 2021, contributing 3.5 percentage points, an increase, compared to a contribution of 2.4 percentage points in July 2020. The increase is on account of a rise in prices of key food items particularly tomatoes, white bread, cabbages, spinach, *sukumawiki* and cooking oil. Fuel inflation contributed 1.9 percentage points to overall inflation in July 2021 compared to 1.2 percentage points in July 2020 following a pickup in international oil prices. Fuel inflation in July 2021 is reflected in higher electricity costs and increased fares attributed to a rise in petrol prices,

59. Kenya's rate of inflation compares favourably with the rest of Sub-Saharan Africa countries. In July 2021, Kenya recorded a lower inflation rate than Ghana, Burundi, Nigeria, Zambia and Ethiopia.

60. The foreign exchange market has largely remained stable but partly affected by tight global financial conditions attributed to uncertainty with regard to the COVID-19 pandemic. In this regard, the Kenya Shilling to the US Dollar exchanged at Ksh 108.1 in July 2021 compared to Ksh 107.3 in July 2020 (Figure 5).

**Figure 5: Kenya Shillings Exchange Rate**



**Source of Data: Central Bank of Kenya.**

61. In comparison to most Sub-Saharan African countries, the Kenya Shilling has remained relatively stable weakening by 1.3 percent against the US Dollar. This depreciation of the Kenya Shilling was lower than the Rwandan Franc, Nigerian Naira, Mauritius Rupee and Burundi Franc, the stability in the Kenyan Shilling was supported by increased remittances, adequate foreign exchange reserves and favourable horticultural exports (fruits, vegetables and cut flowers).

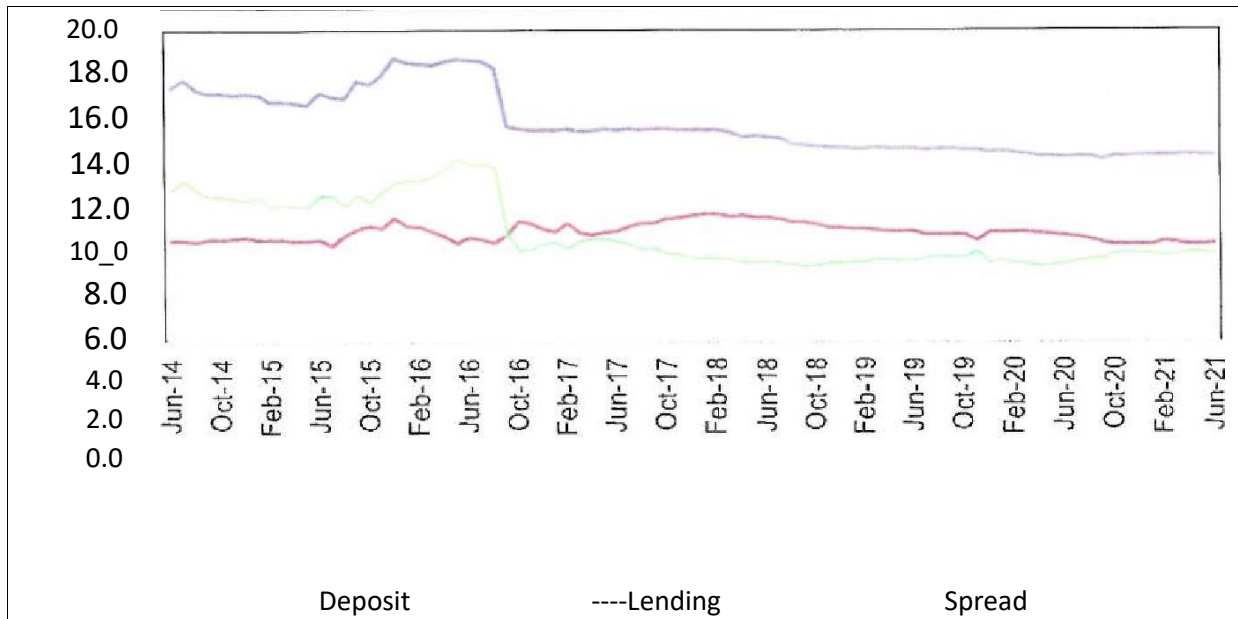
**Interest Rates**

62. Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.0 percent in July 2021 to signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprises distressed by COVID-19 pandemic. The money market was relatively liquid in July 2021 supported by government payments, which offset tax remittances. As such, the interbank rate remained low but increased slightly to 3.3 percent in July 2021 from 2.1 percent in July 2020.

63. Interest rates on the Treasury bills remained relatively stable in July 2021. The 91 - day Treasury Bills rate was at 6.6 percent in July 2021 compared to 6.2 percent in July 2020. Over the same period, the 182-day Treasury Bills rate increased to 7.1 percent from 6.7 percent while the 364-day decreased to 7.5 percent from 7.6 percent,

64. The improved liquidity in the money market has resulted in stable commercial bank rates. The average lending rate remained stable at 12.0 percent in June 2021 compared to 11.9 percent in June 2020 while the average deposit rates declined from 6.9 percent to 6.4 percent over the same period. This led to a marginal increase in the average interest rate spread by 0.4 percentage points over the review period (**Figure 6**).

**Figure 6: Commercial Bank Rates, Percent**



Source of Data: Central Bank of Kenya

### **Money and Credit**

68. Broad money supply, M3, grew by 6.3 percent in the year to June 2021 compared to a growth of 9.1 percent in June 2020. The growth in M3 was attributed to an increase in the Net Domestic Assets particularly improvement in net credit flows to the government and the private sector.

69. Net Foreign Assets (NFA) of the banking system in the year to June 2021 contracted by 12.0 percent, compared to a contraction of 5.7 percent in the year to June 2020. The contraction in NFA was reflected in the decline in the foreign currency reserves by the Central Bank. The NFA of commercial banks also declined during the review period as a result of a decrease in the deposits abroad.

70. Meanwhile, Net Domestic Assets (NDA) increased to register a growth of 11.7 percent in the year to June 2021 from a growth of 14.5 percent over a similar period in 2020. This was largely due to an improvement in net credit flows to both Government and the private sectors. The increased net lending to Government was on account of Government Spending resulting in lower deposit holding at the Central Bank of Kenya. However, net credit flows to public sectors declined during the review period.

### **Private Sector Credit**

71. Private sector credit grew by 7.7 percent in the 12 months to June 2021 compared to a growth of 7.6 percent in the year to June 2020 (Figure 13). Strong credit growth was mainly observed in manufacturing (8.1 percent) consumer durables (23.4 percent); transport and communication (11.8 percent). The number of loan applications picked up in June reflecting improved demand with increased economic activities. The Credit Guarantee

Scheme for the vulnerable Micro, Small and Medium Enterprises (MSMEs), that was launched in October 2020, continues to de-risk lending by commercial banks and is critical to increasing credit to this sector.

### ***External Sector Developments***

72. The overall balance of payments position improved to a surplus of USD 1,970.0 million (2.0 percent of GDP) in the year to May 2021 from a surplus of USD 210.5 million (0.2 percent of GDP) in the year to May 2020 (Figure 14). This was mainly due to reduced payments on imports, and improved export earnings despite lower receipts from services. The capital account also improved during the review period.

73. The current account deficit was at USD 5,361.8 million (5.4 percent of GDP) in the year to May 2021 from USD 5,137.5 million (5.2 percent of GDP) in the year to May 2020. The current account balance was supported by an improvement in the merchandise account balance, the net primary income balance and the net secondary income balance.

74. The balance in the merchandise account improved by USD 425.9 million to a deficit of USD 9,265.8 million in the year to May 2021 on account of a decline in imports and an increase in exports. In the year to May 2021, exports grew by 5.5 percent primarily driven by increased receipts from exports of horticulture and manufactured goods. On the other hand, the value of imports declined by 0.5 percent in the year to May 2021 mainly reflecting relatively lower international oil prices. Although oil prices increased from a low level in April 2020 due to a COVID-19 demand shock, they remained below the pre-COVID levels.

75. Net receipts on the services accounts declined by USD 1,303.7 million to a deficit of USD 146.2 million in the year to May 2021 compared to the surplus of USD 1,157.5 million in a similar period in 2020 mainly on account of lower receipts from transport and travel services. The balance on the primary account narrowed by USD 392.9 million to a deficit of USD 1,346.9 million in the year to May 2021 from a deficit of USD 1,739.8 million in a similar period in 2020, reflecting lower reinvestment related outflows. Secondary income inflows remained resilient by USD 260.5 million during the review period supported by remittances.

76. The capital account balance improved to a surplus of USD 251.2 million in the year to May 2021 a growth of 55.7 percent, compared to a surplus of USD 161.3 million over the same period in 2020. Net financial inflows were at USD 3,503.6 million in May 2021 compared to USD 2,192.4 million in May 2020. The net financial inflows were mainly in the form of other investments net inflows which stood at USD 4,716.5 million in May 2021. Direct investments, portfolio investments and financial investments recorded net financial outflows during the same period.

### ***Foreign Exchange Reserves***

77. The banking system's foreign exchange holdings remained strong at USD 12,745.4 million in May 2021 from USD 13,805.7 million in May 2020. The official foreign exchange reserves held by the Central Bank was at USD 7,871.6 million (4.8 months of import cover) in May 2021 compared with USD 9,738.3 million (5.9 months of import cover) in May 2020.

cover) in May 2020. This fulfils the requirement to maintain reserves at minimum of 4.0 months of import cover to provide adequate buffer against short term shocks in the foreign exchange market, Commercial banks holdings increased to USD 4,873.8 million in May 2021 from USD 4,067.3 million in May 2020.

### **Capital Markets Development -**

78. Activity in the capital markets increased in July 2021 compared to July 2020, with equity share prices increasing as shown by the NSE 20 Share Index. The NSE 20 Share Index stood at 1,974 points by end of July 2021, an increase compared to 1,804 points by end July 2020. Market capitalization also increased to Ksh. 2,766 billion from Ksh. 2,034 billion over the same period indicating increased trading activities.

### **Medium Term Fiscal Framework**

79. In the medium term, the county government will ensure effective fiscal policy with an aim of improving the revenue collection and controlling the county expenditure. The county ministries will be required to set-up realistic targets with clear explanation of the revenue sources, challenges and measures to mitigate the challenges in the medium term.

80. The county government will adhere to the debt management policies under the PFM Act 2012 which gives borrowing guidelines of the counties hence there is no plans to finance the budget deficit through a loan. However, the county government will raise more funds through donors and grants for the development purposes. Very high level of planning will be adopted to reduce the chances of contingent liabilities.

81. The county government in the fiscal years, the Socio-economic growth of the Kitui residence is expected to improve over the medium term due to investments in strategic areas under the “Five Pillars” Plan that aim to increase the level of food security and water, health care, Education and Youth Empowerment, Women Empowerment and Wealth Creation. These pillars will support the business environment, create jobs and ultimately promote broad based inclusive growth within the County.

82. The county will partner with private organizations, Non-Governmental organizations to form Public-Private partnership in implementing major projects in infrastructure such as electricity connection, solar power generation, water supply, sewer system management, ICT projects, affordable housing scheme and other infrastructure projects.

83. In procurement, the county will follow the procurement Act which give guidelines on the procurement process. The county government embrace e-procurement since every ministry has prepared the Annual Procurement Plans to guide the procurement in the current fiscal year 2020/2021. The county has also trained more personnel to address procurement capacity gaps and fast-track the process.

84. Since 2013, the county has never achieved 100% revenue collection across all the ministries. To address the low achievement in revenue collection, the County Treasury will put in place Revenue Enhancement Plan which will ensure high revenue turnover in the 2020/2021 FY. Other strategies in the plan may include the automation of revenue collection across the county which is currently ongoing.



### ***Global Growth Outlook***

85. The global economic recovery continues to strengthen, largely supported by gradual reopening of economies, relaxation of COVID-19 restrictions particularly in the major economies, ongoing deployment of vaccines, and strong policy measures. Nevertheless, the outlook for global growth remains highly uncertain, due to the resurgence of infections, the reintroduction of containment measures, and the uneven pace of vaccinations across the globe. As such, global growth is projected to grow at 6.0 percent in 2021, moderating to 4.9 percent in 2022 from the contraction of 3.2 percent in 2020 .

86. Global growth is expected to moderate to 3.4 percent over the medium term reflecting projected damage to supply potential and forces that preceded the pandemic, including slower labour force growth due to aging population in advanced economies and some emerging market economies. The emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significantly

87. The Sub-Saharan African region has not been spared the negative effects of the pandemic with the region estimated to have contracted by 1.8 percent in 2020. Consistent with forecast in other regions, economic growth in the region is expected to recover to 3.4 percent in 2021 and 4.1 percent in 2022 supported by improved exports and commodity prices along with a recovery in both private consumption and investment. However, per capita input is not expected to return to 2019 levels until after 2022.

### ***National Growth Outlook***

88. Like the rest of the world, the domestic economy was not spared from the adverse impact of the Pandemic in FY 2020/21. As such economic growth is estimated to have slowed down in FY 2020/21. However, growth is expected to rebound to 6.2 percent in FY 2021/22 and above 6.0 percent over the medium

89. This outlook will reinforce by prevailing stable macroeconomic environment and the ongoing implementation of strategic priorities of the Government under the "Big Four" Agenda and Economic Recovery Strategy. Weather conditions are expected to be favorable supporting agricultural output. As a result, export of goods and services will expand as global demand normalizes. This factors will push up consumer demand and increase both public and private sector investment reinforcing the projected growth. The economic growth projections over the medium term are aligned to those of the Third Medium Term Plan (2018-2022) of the Vision 2030

### ***Monetary Policy Outlook***

90. The main objective of monetary policy, over the medium term will be to maintain price stability with overall inflation expected to remain within the target range. The Central Bank of Kenya Will: continue to monitor developments in the money and foreign exchange market and take appropriate measures in the event of adverse shocks.

### ***Fiscal Policy Outlook***

91. Fiscal policy over the medium-term aims at enhancing revenue mobilization, expenditure rationalization and strengthening management of public debt to minimize cost and risks of the portfolio, while accessing external concessional funding to finance

development projects. This is geared towards economic recovery to support sustained, rapid and inclusive economic growth, safeguard livelihoods and continue the fiscal consolidation programme to create fiscal space for the implementation of the "Big Four" Agenda.

### **County Economic Outlook**

92. Kitui County's economy has slightly decelerated in the 2020/2021 FY as compared to 2019/2020 FY. This has been due to the Covid 19 pandemic that has led to closure of small and medium enterprises due to shortage of supply and high cost of doing business resulting from restriction measures. The local revenue under the period decreased by 20.1% in relation to the previous 2019/2020 FY.

93. With an aim of wealth creation and Youth empowerment, the county established a Textile center (garment factory) at Syongila in Kitui Township ward. The Kitui County Textile Centre (KICOTEC) which was awarded a tender by the National Government to produce uniforms to all chiefs across the country. The factory has continuously produced school uniforms to secondary and primary schools, special group's uniforms. The Textile Centre was tasked to manufacture masks and protective gears in aid of curbing the Covid 19 pandemic. Due its operational, the factory has created job opportunities to 350 youths and additional revenue to the county.

94. The establishment of Kitui County Youth Development Centre (KICOYDEC) has since created jobs for a number of youth and supported greatly the wealth creation pillar by reducing the cost of producing and purchasing bricks, cabs within the county

95. In 2020/2021 FY, the county empowered the farmers in bee keeping and honey production which involved training, purchase and distribution of the bee hives. This ensured the modern methods of bee keeping with increase the honey production and quality hence value chain addition on the honey.

96. Within the same period 2020/2021 FY, the county promoted the high value horticultural crops programmes in the *Myanda* irrigation project which aimed to increase the food security. The projects involved supply of assorted seeds, fungicides and the insecticides to the selected areas. This promoted the crop value chain, creates wealth and job opportunities.

97. Within the same period, operationalization of farm tractor ploughing services was conducted across the county with an aim of improving the food productivity. The long and short rains of year was below normal hence affected the productivity of green grams and other crops.

98. In the 2020/2021 FY, to provide the county residence with clean water for domestic use and agriculture, the county constructed/ desilting of earth dams/ pan and rock catchments, water pipelines extensions and drilling and equipping of boreholes. These promoted the production of food and development of the livestock across the county. The boreholes were installed with solar powered pumps which reduces the cost of operation.

99. In the 2020/21 FY, the county government provided subsidies to WSPs to KITWASCO & KIMWASCO who supply water to Kitui town and Mwingi town respectively. These promoted the provision of clean water to residence of the two towns.

100. For any economy to grow, road infrastructure is a key enabler hence the county graded, constructed and repaired roads across the county. The road project included bush clearing and construction of drifts. As a result, there smooth movement of persons and goods across the county.

### **Risks to Economic Outlook**

101. There are risks to this macroeconomic outlook emanating from domestic as well external sources. On the domestic front, the emergence of new COVID-19 variants that may require broader reinstatement of containment measures, in the country and its trading partners could lead to renewed disruptions to trade and tourism. Other risks relate to lower agricultural output due to potential adverse weather conditions and continued desert locust infestation in the country, which could potentially reduce production of food crops and animal feeds, Additionally, increased public expenditure pressures, particularly wage and other recurrent expenditures would put a strain to the fiscal space.

102. The upside risk to the domestic economy relate to faster than projected rebound in economic activities that would result in higher Government revenues providing fiscal space that would support faster reduction in fiscal deficit and debt accumulation. Additionally, potential lower oil prices in the international market would result in improved terms of trade.

103. On the external side, risks will depend on how the world responds to the crisis, including whether the new COVID-19 strains are responsive to vaccines. Additionally, growth would be weaker than projected if logistical hurdles in procuring and distributing vaccines especially in emerging market and developing economies will be slow. The delays would allow the new variants to spread, with possibly higher risks of infections among the vaccinated populations. World economies will be shaped by policies taken to limit persistent economic disruptions; the evolution of financial conditions and commodity prices especially oil in the international market; and, the adjustment capacity of the economies.

104. On the upside, better global cooperation on vaccines could help prevent renewed waves of infections and the emergence of new variants, end the health crisis sooner than assumed, and allow for faster normalization of activity, particularly among emerging markets and developing economies. The Kenyan Government continues the domestic and external environment and will take appropriate measures to safeguard the economy against the adverse effects were the risks to materialize.

105. The revenue collection target for the 2020/2021 FY, only 54% was achieved hence resulted to low service delivery due to the amounts which were not received. To address the challenge, the county government shall set up realistic revenue targets which clear explanation of the revenue sources across the ministries. This will include full automation of revenue collection, deployment of revenue clerks and enforcement officers to achieve the set target.

106. The national as well as the county are dependent on the rain fed agriculture. Erratic weather pattern that is so characteristic in our county derailed the county development agenda with substantial resources channelled to emergency relief services and other associated expenditures. This unpredictable weather patterns pose real threat to our forecast given that Kitui is food deficient and hunger results in emergency reallocation of resources which are unprecedented.

107. In revenue collection, resistance of revenue payments in some areas and more gaps in the revenue collection resulted to low revenue turnout across the ministries. To address the issues, most of the revenue avenues are fully automated, staff training and public awareness on the benefits of the optimum revenue collection within the county.

## **IV. RESOURCE ALLOCATION FRAMEWORK**

### **Adjustments to 2021/22 Budget**

108. The National economic outlook for the 2020/21 FY on macroeconomic suggest that 2021/22 FY budget may be significantly affected by the declining economic growth due to Covid 19 pandemic, increasing public debt, instability in foreign exchange on major currencies, inflation and instability in interest rates. The national government has made milestones in exportation of crude oil and ensuring tax compliance which will act as additional revenue to the National budget.

109. In the county level, though the level of absorption of 88.8% in 2020/2021 reflects an increase from previous year's budget, a strategy is being drafted to ensure that steady performance is supported while rolling over to 2021/22 financial year and aim on 90%+ budget absorption.

110. The project implementation status by the ministries clearly indicates the need for the departments to maximise the available resources on need based planning which will ensure the key projects are implemented. These project will have great impact on socio-economic lifestyle of Kitui residence. These will ensure non-priority projects are allocated the least resources and the resources allocated to development may not, by any way be allocated to recurrent expense in the upcoming supplementary budget.

111. In order to achieve the revenue target, set out in the 2021/22 budget, the revenue department of the County Treasury will continue to implement the automation of revenue to improve revenue collection. The supervision of revenue collection is essential to seal off all possible revenue leakages and loss through non-collection.

112. The County Government continued to rationalize expenditures to improve efficiency and reduce wastage of the resources'. Within the medium term, the ministries will have measures on expenditure control in order to regulate any increase in pending bills. Finally, the PFM Act, 2012 is expected to guide and accelerate reforms in expenditure management system necessary for the efficient utilisation of resources hence debt management.

### **Medium Term Expenditure Framework**

113. In the 2021/2022 FY, the MTEF budgeting will consider allocation of the resources to key priority sectors in order to offer service delivery according to public participation conducted for CFSP 2021/22 FY. The prioritized projects are lifted from the broad priorities in ADP for 2021/22 FY and the CIDP 2018-2022 and other national planning documents.

114. According to the organization of the County ministries with guidelines from the Classification of Functions of Governments (COFOG) and the national level, the following key ministries have been allocated much funds to drive the key pillars.

- i The Ministry of Agriculture, Water and Irrigation drives the key economic pillar of water and food security. The ministry has been allocated Kshs. 1.385B presenting 11. % of the total budget.
- ii The Ministry of health and Sanitation which drives the pillar number two of health care has been allocated Kshs.3.6B presenting 29% of the total budget. The Ministry has the highest budget allocation for the 2021/22 FY.

- iii The Ministry of Basic Education, ICT and Youth Development give the third pillar of education and youth empowerment has been allocated Kshs. 0.75B presenting 6% of the total budget.
- iv The County Treasury has been allocated Kshs. 0.7B presenting 6% of the total budget. The Ministry has also a responsibility of ensuring sound financial systems and revenue collection among the ministries.
- v The Ministry of Trade, Cooperatives and Investment drives the fifth pillar of wealth creation has been allocated Ksh 0.42B presenting 3% of the total budget.

115. In order to achieve the five pillar, the county government has ensured key enablers are hosted in other key ministries.

- i The County Ministry of Infrastructure, Housing, Transport and Public Works has been allocated Kshs. 0.95B presenting 8% of the total budget. The Ministry ensure smooth and passable road network to ease movement of person and goods.
- ii To achieve any production, energy and good climatic condition is very key. Ministry of Environment Tourism & Natural Resources has been allocated Kshs. 0.266B presenting 2% of the total budget. Positive climatic changes boost the food security and conservation available vegetation cover and distribution of electricity.
- iii Other priority sectors include Gender, Sports and Culture which promotes the interest of special groups. In the 2021/22 FY, the Ministry has been allocated Kshs. 0.199B presenting 2% of the total budget.
- iv The county assembly which ensures legislation and oversight of the county government operation has been allocated Kshs. 1,007B presenting 8% of the overall budget. Finally, the Office of the Governor which drives the Pro-poor programmes and the CLIDP project has been allocated Kshs. Kshs.1.79B presenting 14% of the overall budget.

### **Budget Framework 2020/2021**

116. The 2021/22 FY budget framework is based on the MTEF and fiscal policies as outlined in this 2020/21 FY outlook paper. Instability of the key macroeconomic variable such as interest rates, inflation and exchange rates having been affected by the economic inactivity of Covid 19 Pandemic will affect the Countries GDP hence decreased recovery of the economy. However, the variables are expected to remain stable throughout the financial year as Covid 19 case load curve is envisaged to flatten in the second quarter.

117. At the county level, the county is expecting productive rain season in the upcoming short and long rains which will ensure sufficient food production across the county. The county government will distribute certified seeds to the farmers.

118. The counties own revenue is projected to be Kshs. 850M over the medium term plan from a target of Kshs. 600M in 2020/21 FY.

**Table 12: Revenue Projections 2016/17 – 2021/22 & Estimates for 2022/23 to 2023/24 FY**

S/No	Source	Actual Revenue 2016/17	Actual revenue 2017/18	Actual Revenue 2018/19	Actual Revenue 2019/20	Actual Revenue 2020/21	Revenue Estimates 2021/22	Projected Estimates	
		(Kshs)	(Kshs)	Kshs	Kshs	Kshs	Kshs	2022/23 (Kshs)	2023/24 (Kshs)
1	Equitable share	7,841,480,359	8,652,300,000	8,729,200,000	8,830,350,000	8,830,350,000	10,393,970,413	11,433,367,454	12,576,704,200
2	<b>Grants</b>								
	Free Maternal Healthcare	70,080,000			-				
	Compensation for User Fees Forgone	23,144,996	23,144,997	22,499,906	22,499,906	22,499,906		-	-
	Road Maintenance Fuel Levy	120,484,292	309,636,150	287,290,294	250,655,344	264,131,437		-	-
	Grants from World Bank (KDSP)	-	53,665,066		30,000,000	45,000,000	112,815,048	121,840,252	131,587,472
	World Bank (Universal Health)		47,013,831	67,082,450	103,785,962	36,872,242	14,548,168	15,712,021	16,968,983
	World Bank (Agriculture - Rural Growth)	-	50,609,855	50,078,476	268,608,366	190,631,819	283,089,026	305,736,148	330,195,040
	World Bank (Emergency Locust Response Project (ELRP))						38,964,000	42,081,120	45,447,610
	HSSP/HSPS - (DANIDA/IDA)	150,020,244	32,522,346	29,008,126	35,792,500	25,110,000	19,564,875	21,130,065	22,820,470
	UNFPA (9th Country Programme Implementation)						7,386,704		
	Development of Youth Polytechnics	-	67,576,636	44,141,075	72,588,298	92,149,894		-	-
	Other GOK Grants (Doctors & Nurses Allowance)	88,992,000		-	-			-	-
	Kenya Urban Support Project - World Bank			232,374,200	166,203,043	126,367,908		-	-
	Kenya Urban Support Project (UIG)- World Bank			41,200,000	8,800,000			-	-
	ASDSP			8,946,484	19,410,807	12,329,648	28,857,290	31,165,873	33,659,143
	GoK Conditional Grant - Covid Fund				488,788,000			-	-
	<b>Subtotal</b>	<b>452,721,532</b>	<b>584,168,881</b>	<b>782,621,011</b>	<b>1,467,132,226</b>	<b>815,092,853</b>	<b>505,225,111</b>	<b>537,665,480</b>	<b>580,678,718</b>
		<b>8,294,201,891</b>	<b>9,236,468,881</b>	<b>9,511,821,011</b>	<b>10,297,482,226</b>	<b>9,645,442,853</b>	<b>10,899,195,524</b>	<b>11,971,032,934</b>	<b>13,157,382,918</b>
3	<b>Own Revenue</b>								
	<b>County Ministries/Entity</b>								
	Office of the Governor	16,392,240	17,002,350		-	-		-	-
	Ministry of Public Service Management and Administration	-		9,876,970	12,048,730	11,970,550	41,670,000	43,753,500	45,941,175

S/No	Source	Actual Revenue 2016/17	Actual revenue 2017/18	Actual Revenue 2018/19	Actual Revenue 2019/20	Actual Revenue 2020/21	Revenue Estimates 2021/22	Projected Estimates	
		(Kshs)	(Kshs)	Kshs	Kshs	Kshs	Kshs	2022/23 (Kshs)	2023/24 (Kshs)
	The County Treasury	106,022,233	91,863,116	126,941,699	62,542,260	83,755,939	84,505,000	88,730,250	93,166,763
	Ministry of Health and Sanitation	72,740,757	106,553,358	176,097,641	181,897,534	111,901,160	368,353,582	386,771,261	406,109,824
	Ministry of Basic Education, ICT and Youth Development		-	-		5,395,440	30,788,000	32,327,400	33,943,770
	Ministry of Trade, Cooperatives and Investments	425,671	428,707	1,046,812	44,752,398	1,284,195	58,597,823	61,527,714	64,604,100
	Ministry of Infrastructure, Housing, Transport and Public Works	24,958,150	26,196,850	26,925,512	18,417,352	40,536,210	7,294,000	7,658,700	8,041,635
	Ministry of Gender, Sports and Culture	-	1,095,150	132,500	138,000	26,000	1,300,000	1,365,000	1,433,250
	Ministry of Agriculture, Water and Irrigation	17,167,612	12,989,871	16,418,764	29,343,230	11,152,488	41,556,029	43,633,830	45,815,522
	Ministry of Environment, Tourism and Natural Resources	6,785,460	5,060,700	850,900	2,183,100	1,505,065	19,300,000	20,265,000	21,278,250
	Kitui Municipality	45,252,270	48,923,181	57,387,816	36,591,889	37,785,490	39,639,566	41,621,545	43,702,622
	Mwingi Town Administration	25,602,970	25,009,194	27,966,066	20,370,670	21,137,774	24,210,000	25,420,500	26,691,525
	Ministry of Livestock, Apiculture and Fisheries Development						8,111,000	8,516,550	8,942,378
	Ministry of Lands and Physical Planning						124,675,000	130,908,750	137,454,188
	<b>Subtotal</b>	<b>315,347,363</b>	<b>335,122,477</b>	<b>443,644,680</b>	<b>408,285,163</b>	<b>326,450,311</b>	<b>850,000,000</b>	<b>892,500,000</b>	<b>937,125,000</b>
	<b>TOTAL</b>	<b>8,609,549,254</b>	<b>9,571,591,358</b>	<b>9,955,465,691</b>	<b>10,705,767,389</b>	<b>9,971,893,164</b>	<b>11,749,195,524</b>	<b>12,863,532,934</b>	<b>14,094,507,918</b>
	% of Equitable Share	91	90	88	82	89	88	89	89
	% of Own Resources	4	4	4	4	3	7	7	7
	% of Grants	5	6	8	14	8	4	4	4
		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
	<b>Revote from previous budget</b>	<b>1,843,914,081</b>	<b>1,319,665,314</b>	<b>880,167,531</b>	<b>526,210,232</b>	<b>1,578,584,301</b>	<b>750,579,751</b>	-	-
	<b>Total Resource Envelope</b>	<b>10,453,463,335</b>	<b>10,891,256,672</b>	<b>10,835,633,222</b>	<b>11,231,977,621</b>	<b>11,550,477,465</b>	<b>12,499,775,275</b>	<b>12,863,532,934</b>	<b>14,094,507,918</b>

*Source: County Treasury*



## V. CONCLUSION AND WAY FORWARD

119. In the table 13 below, the CBROP presents the MTEF for 2020/21 FY to 2023/24 FY factoring in the challenges faced by county government in receiving the equitable share for the 2020/21 FY. The MTEF for the financial years presents the actual values and projection of 2021/22 FY obtained by moderating the revenue projections and control of expenditure based on the laid policies. The financial policies therefore are consistent with fiscal responsibilities outlined in the PFM law.

120. County government should consider allocating funds to sector projects on need based prioritization hence much impact to the society. The projects and programmes which takes shortest time possible (One quarter) to implement at a very cost effective way. Therefore, the allocation is not based on any policy shift, but program rationalisation to ensure maximum benefit with least resource allocation.

121. In this regards, the financial policies outlined in this CBROP 2021 will ensure smooth resource allocation on the ward prioritized projects which will promote the five pillars of food and water, healthcare, women and youth empowerment; and wealth creation.

122. The policies will be highlighted in the next County Fiscal Strategy Paper for 2022/23 FY which will be released by February 2022.

**Table 13: MTEF Actuals 2020/2021-2021/2022 FY & Projection up to 2023/2024 FY**

No.	Sector/ County Ministry		2020/21 Actuals	2021/22 Estimates	Projections 8% (Development) Projections 10% (Recurrent)	
					2022/23	2023/24
1	Office of the Governor	<b>SUB-TOTAL</b>	<b>1,469,983,054</b>	<b>1,796,881,967</b>	<b>1,953,976,973</b>	<b>2,124,974,023</b>
		Rec. Gross	614,557,740	667,222,395	733,944,635	807,339,098
		Dev. Gross	855,425,314	1,129,659,572	1,220,032,338	1,317,634,925
2	Ministry of Administration and Coordination Affairs	<b>SUB-TOTAL</b>	<b>391,425,756</b>	<b>542,905,844</b>	<b>596,956,429</b>	<b>656,392,871</b>
		Rec. Gross	391,275,506	530,905,844	583,996,429	642,396,071
		Dev. Gross	150,250	12,000,000	12,960,000	13,996,800
3	Ministry of Agriculture, Water & Irrigation	<b>SUB-TOTAL</b>	<b>1,271,813,113</b>	<b>1,385,368,195</b>	<b>1,505,926,581</b>	<b>1,637,102,531</b>
		Rec. Gross	400,639,649	486,446,540	535,091,193	588,600,313
		Dev. Gross	871,173,464	898,921,655	970,835,387	1,048,502,218
4	Ministry of Basic Education, ICT & Youth Development	<b>SUB-TOTAL</b>	<b>638,336,972</b>	<b>756,457,050</b>	<b>827,979,153</b>	<b>906,323,578</b>
		Rec. Gross	474,668,524	550,276,932	605,304,625	665,835,087
		Dev. Gross	163,668,448	206,180,118	222,674,528	240,488,490
5	Ministry of Infrastructure, Housing, Transport and Public Works	<b>SUB-TOTAL</b>	<b>919,449,292</b>	<b>953,339,246</b>	<b>1,035,215,954</b>	<b>1,124,203,756</b>
		Rec. Gross	226,838,783	280,478,422	308,526,264	339,378,890
		Dev. Gross	692,610,509	672,860,824	726,689,690	784,824,865
6	Ministry of Health & Sanitation	<b>SUB-TOTAL</b>	<b>3,238,795,425</b>	<b>3,659,074,318</b>	<b>4,021,733,162</b>	<b>4,420,398,003</b>
		Rec. Gross	3,040,297,828	3,496,644,934	3,846,309,427	4,230,940,370
		Dev. Gross	198,497,597	162,429,384	175,423,734	189,457,633
7	Ministry of Trade, Co-operatives & Investment	<b>SUB-TOTAL</b>	<b>526,771,474</b>	<b>426,422,006</b>	<b>464,244,961</b>	<b>505,464,671</b>
		Rec. Gross	276,672,887	185,459,706	204,005,677	224,406,244
		Dev. Gross	250,098,587	240,962,300	260,239,284	281,058,427

No.	Sector/ County Ministry		2020/21 Actuals	2021/22 Estimates	Projections 8% (Development) Projections 10% (Recurrent)	
					2022/23	2023/24
8	Ministry of Environment, Tourism & Natural Resources	<b>SUB-TOTAL</b>	<b>182,802,422</b>	<b>266,110,362</b>	<b>290,116,658</b>	<b>316,315,204</b>
		Rec. Gross	85,788,298	135,873,337	149,460,671	164,406,738
		Dev. Gross	97,014,124	130,237,025	140,655,987	151,908,466
9	Ministry of Gender, Sports & Culture	<b>SUB-TOTAL</b>	<b>176,425,565</b>	<b>199,186,734</b>	<b>217,211,669</b>	<b>236,887,597</b>
		Rec. Gross	101,809,421	104,499,778	114,949,756	126,444,732
		Dev. Gross	74,616,144	94,686,956	102,261,912	110,442,865
10	The County Treasury	<b>SUB-TOTAL</b>	<b>519,609,496</b>	<b>767,570,305</b>	<b>841,596,674</b>	<b>922,807,228</b>
		Rec. Gross	483,042,987	631,037,261	694,140,987	763,555,086
		Dev. Gross	36,566,509	136,533,044	147,455,687	159,252,142
11	County Public Service Board	<b>SUB-TOTAL</b>	<b>27,492,684</b>	<b>37,989,707</b>	<b>41,788,678</b>	<b>45,967,546</b>
		Rec. Gross	27,492,684	37,989,707	41,788,678	45,967,546
		Dev. Gross	0	0	0	0
12	County Assembly	<b>SUB-TOTAL</b>	<b>785,345,473</b>	<b>1,007,399,062</b>	<b>1,106,723,312</b>	<b>1,215,866,734</b>
		Rec. Gross	776,545,704	936,616,229	1,030,277,852	1,133,305,637
		Dev. Gross	8,799,769	70,782,833	76,445,460	82,561,096
13	Kitui Municipality	<b>SUB-TOTAL</b>	<b>276,561,889</b>	<b>305,669,631</b>	<b>332,497,649</b>	<b>361,709,352</b>
		Rec. Gross	94,049,614	118,722,336	130,594,570	143,654,027
		Dev. Gross	182,512,275	186,947,295	201,903,079	218,055,325
14	Mwingi Town Administration	<b>SUB-TOTAL</b>	<b>83,186,282</b>	<b>113,284,137</b>	<b>123,740,497</b>	<b>135,172,729</b>
		Rec. Gross	62,233,693	69,681,477	76,649,625	84,314,587
		Dev. Gross	20,952,589	43,602,660	47,090,872	50,858,142
15	Ministry of Livestock, Apiculture and Fisheries Development	<b>SUB-TOTAL</b>	<b>0</b>	<b>130,459,448</b>	<b>142,445,773</b>	<b>155,545,960</b>
		Rec. Gross		77,478,432	85,226,275	93,748,903
		Dev. Gross		52,981,016	57,219,498	61,797,058
16	Ministry of Lands and Physical Planning	<b>SUB-TOTAL</b>	<b>0</b>	<b>151,657,262</b>	<b>165,574,776</b>	<b>180,784,185</b>
		Rec. Gross		89,246,650	98,171,315	107,988,447
		Dev. Gross		62,410,612	67,403,461	72,795,738
	<b>TOTALS</b>	<b>TOTAL</b>	<b>10,507,998,897</b>	<b>12,499,775,276</b>	<b>13,667,728,897</b>	<b>14,945,915,969</b>
		<b>Rec. Gross</b>	<b>7,055,913,318</b>	<b>8,398,579,980</b>	<b>9,238,437,978</b>	<b>10,162,281,776</b>
		<b>Dev. Gross</b>	<b>3,452,085,579</b>	<b>4,101,195,296</b>	<b>4,429,290,919</b>	<b>4,783,634,193</b>

Source: County Treasury

## ANNEXURES

### I. EXPENDITURE ANALYSIS BY PROJECT/PROGRAMME

#### 3711: Office of the Governor ((Development)

No.	Project/Programme	Budget(2020-2021) (Kshs)	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to safeguard against such risk in future
1.	Community Level Infrastructure Development Programme (CLIDP)	1,078,278,784	818,812,608	76	In spite of late approvals of the county governments' budget, the absorption rate was commendable with an outstanding balance of KES. 216,943,449 and total commitments of KES 42,538,727. The balance was as a result of the savings made from the difference between the budgeted sum and the contract sum	The budget estimates will continue being informed by the market surveys to increase the absorption rate.
2.	Pro-Poor Support Programme (Fees support and infrastructural support)	58,969,477	50,797,045	86	The absorption rate was commendable with an outstanding balance of KES.8,172,432. The balance was as a result of the savings made from the difference between the budgeted sum and the contract sum for the infrastructural projects.	Budget estimates to continue being informed by the credible market surveys for increased absorption rate.

No.	Project/Programme	Budget(2020-2021) (Kshs)	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to safeguard against such risk in future
3.	Governor's administration Block (Completion works)	8,809,235	7,154,298	81	The absorption rate was commendable with a balance of KES.7 and outstanding commitments of KES. 1,638,930.	Budget estimates will continue being informed by the market surveys.

### 3712: Public Service Management and Administration

S/NO.	Project/programme	Budget 2020/21 FY	Expenditure	Absorption Rate %	Explanation for the level of absorption	Measures to safeguard such risk in the future
1	Construction of Offices	319,411	150,250	47	The amount was balance brought forward from FY 2019/20 and wasn't enough to finish pending buildings. No extra amount was budgeted for construction of offices	There is need to budget for more funds to finish pending buildings

### 3713: Ministry of Agriculture, Water & Livestock Development (Development)

S/ No.	Project/Programme Location of the project	Budget (Kshs)	Expenditure (Kshs)	Absorption Rate (%)	Explanation for level of absorption	Measures to safeguard against such risk in the future
1	Myanda Irrigation programme (County wide)	14,334,945	13,895,452	96.9	Timely procurement and distribution of inputs	N/A

2	NARIGP (Mwingi North-4 wards; Mwingi Central-4 wards; Kitui Rural-4 wards; Kitui Central-4 wards; Kitui East-4 wards)	290,395,987	254,860,333	87.76	Beneficiary mobilization	N/A
3	Subsidized tractor ploughing (County wide)	10,000,000	8,653,008	86.53	Frequent breakdown of tractors	Ensure tractors are timely repaired
4	Building institutional capacity of Agriculture Training Centre (Kitui HQs)	2,340,634	2,340,629	99	Timely procurement of the services	N/A
5	Kitui Foods (Kitui HQs)	12,840,058	9,515,948	74.11	Delayed procurement	Timely procurement
6	ASDSP II (County wide)	57,861,117	18,211,032	31.47		
<b>Sub Total</b>		<b>387,772,741</b>	<b>307,476,402</b>	<b>79.29</b>		

## Water Department

S/ No.	Project/Programme Location of the project	Budget (Kshs)	Expenditure (Kshs)	Absorption Rate (%)	Explanation for level of absorption	Measures to safeguard against such risk in the future
1	Drilling & equipping of <b>20 No.</b> new boreholes (county-wide)	80,000,000	88,851,682	111%	14No. boreholes drilled and 10No. boreholes equipped but also delayed by rigs breakdowns	Timely servicing of drilling rigs and support trucks
2	Construction of <b>15 No.</b> Pipeline extensions (county-wide)	70,000,000	63,735,844	91%	New pipelines constructed and others rehabilitated	Maintain this allocation for 70kms of pipeline extensions every year
3	Construction/desilting of <b>15No.</b> earth dams/pans & rock catchments (county-wide)	100,000,000	33,260,407	33%	Funds transferred to payment of electricity bills for WSPs	Allocate enough funding for WSPs subsidies

S/ No.	Project/Programme Location of the project	Budget (Kshs)	Expenditure (Kshs)	Absorption Rate (%)	Explanation for level of absorption	Measures to safeguard against such risk in the future
4	Construction of <b>10No.</b> Sump well water supplies (county-wide)	84,975,316	92,050,924	108%	Estimated costing for the sump wells differed from the engineer's estimates	Timely surveys & designs to capture the actual costs
5	Borehole hybridization programme (Conversion to solar power) (county-wide)	20,000,000	6,817,079	34%	3No. boreholes converted from Genset power to solar power	Timely surveys & designs to capture the actual costs
6	Repairs & maintenance of <b>60No.</b> water supply schemes (county-wide)	34,240,153	15,775,256	46%	Suppliers awarded tenders for supply of repair items delayed works	Strict follow-up on suppliers and early procurement
7	Subsidies for Water Service Providers (KITWASCO & KIMWASCO) (Kitui & Mwingi towns and surrounding areas)	54,063,399	133,613,395	247%	Electricity bills for the companies too high	Increase allocation for this unit and the companies to pay some % of the bills
8	Supply and installation of Bulk & Plastic storage water tanks (county-wide)	10,000,000	18,058,603	181%	Plastic storage tanks supplied to needy institutions for water harvesting both during rains and during water trucking. Most areas facing severe drought	Increase allocation for this line to ensure every institution is supplied with storage tanks
9	Feasibility studies (county-wide)	3,490,670	4,289,562	123%	All surveys & designs done	Increase allocation for this line due to high number of surveys and designs
	<b>Sub Total</b>	<b>376,769,538</b>	<b>456,452,752</b>	<b>108</b>		

## Livestock Department

S/ N	Project/Programme Location of the project	Budget (Kshs)	Expenditure (Kshs)	Absorption Rate (%)	Explanation for level of absorption	Measures to safeguard against such risk in the future
1	Purchase of assorted vaccines for livestock disease control	13,641,676	13,630,000	99.91	<ul style="list-style-type: none"> <li>There were disease outbreaks in livestock and the vaccines were utilized</li> </ul>	N/A
2	Purchase of assorted semen, liquid nitrogen and accessories	2,550,000	2,550,000	100	<ul style="list-style-type: none"> <li>This was an ongoing activity and hence the inputs were utilized.</li> </ul>	N/A
	<b>Sub Total</b>	<b>16,191,676</b>	<b>16,180,000</b>	<b>99.9</b>		

## 3714: Ministry of Basic Education, ICT & Youth Development (Development)

No.	Project/ Programme (including Location)	Budget (2020-2021) KShs	Expenditure KShs	Absorption Rate (%)	Explanation for the level of absorption	Measures to safeguard against such risk in the future
<b><u>BASIC EDUCATION DEPARTMENT</u></b>						
1	ECDE Classrooms in all Wards	45,922,888.3	2,077,111.70	4.5%	Late disbursement of funds affected implementation	Early Disbursements of budgetary allocations
2	ECDE Teaching/ Learning Materials in all Wards	14,804,642.55	195,357.45	1.3%	Late disbursement of funds affected implementation	Early Disbursements of budgetary allocations
3	ECDE Furniture in all Wards	4,271,800	728,200	17%	Late disbursement of funds affected	Early Disbursements of budgetary allocations

No.	Project/ Programme (including Location)	Budget (2020-2021) KShs	Expenditure KShs	Absorption Rate (%)	Explanation for the level of absorption	Measures to safeguard against such risk in the future
					implementation	
<b><u>YOUTH DEVELOPMENT</u></b>						
	Youth Skills Training in Kitui Central and Kitui Rural Wards	42,346,133	42,346,133	100%	Completed albeit on-going  (Flagship Project)	N / A

### **TRAINING AND SKILL DEVELOPMENT DEPARTMENT**

S/N O	PROJECT NAME	BUDGET (2020-2021) KShs	EXPENDITURE (KShs)	ABSORPTION RATE (%)	EXPLANATION FOR THE LEVEL OF ABSORPTION	MEASURE TO SAFEGUARD AGAINST SUCH RISK IN THE FUTURE
1	Construction of a Twin Workshop at Mutwaathi VTC	4,955,100.00	-	0%	Lack of Funds as per the budgetary projections	Timely Disbursement of Funds
4	Renovation Works at Mulango VTC	2,989,202.40	-	0%	Lack of Funds as per the budgetary projections	Timely Disbursement of Funds
5	Construction of a Twin Workshop at Kawala VTC	4,943,975.00	2,599,570.00	53%	Late disbursement of funds	Timely Disbursement of Funds
6	Construction of a Twin Workshop at Kathungu VTC	4,763,239.00	-	0%	Lack of Funds as per the budgetary projections	Timely Disbursement of Funds
7	Construction of a 2 Door pit latrine and 1 Bathroom at Ithiani VTC	539,127.00	539,127.00	100%	Timely disbursement of funds	N / A
8	Construction of a Twin Workshop at Katwala VTC	4,763,661.00	-	0%	Lack of Funds as per the budgetary projections	Timely Disbursement of Funds
9	Renovation Workshop at Kathivo VTC	1,001,377.00	-	0%	Lack of Funds as per the budgetary projections	Timely Disbursement of Funds
10	Chainlink Fencing and Gate at	1,960,660.00	1,960,660.00	100%	Timely disbursement of	N / A



<b>S/N O</b>	<b>PROJECT NAME</b>	<b>BUDGET (2020- 2021) KShs</b>	<b>EXPENDITURE (KShs)</b>	<b>ABSORPTI ON RATE (%)</b>	<b>EXPLANATION FOR THE LEVEL OF ABSORPTION</b>	<b>MEASURE TO SAFEGUARD AGAINST SUCH RISK IN THE FUTURE</b>
	Musengo VTC				funds	
11	Renovation of Offices and Toilets at Kanyonyoo precast centre	238,990.00	-	0%	Lack of Funds as per the budgetary projections	Timely Disbursement of Funds
12	Completion of a Twin workshop at Mwingi Baptist VTC	1,895,500.00	1,895,500.00	100%	Timely disbursement of funds	N / A
13	Chainlink Fencing and Gate at Kisayani VTC	1,829,050.00	1,829,050.00	100%	Timely disbursement of funds	N / A
14	Completion of a Twin workshop at Mavia VTC	3,782,028.00	-	0%	Lack of Funds as per the budgetary projections	Timely Disbursement of Funds
15	Construction of a Twin Workshop at Kinakoni VTC	4,955,100.00	-	0%	Lack of Funds as per the budgetary projections	Timely Disbursement of Funds
16	Construction of a Twin Workshop at Tyaa Kamuthale VTC	4,955,100.05	-	0%	Lack of Funds as per the budgetary projections	Timely Disbursement of Funds
17	Chainlink Fencing and Gate at Kaivisi VTC	1,520,020.00	-	0%	Lack of Funds as per the budgetary projections	Timely Disbursement of Funds
18	Chainlink Fencing and Gate at Ngomeni VTC	1,951,081.00	-	0%	Lack of Funds as per the budgetary projections	Timely Disbursement of Funds
19	Completion of Workshops at Mulango VTC	7,978,548.60	7,978,548.60	100%	Timely disbursement of funds	N / A

**3715: Ministry of Lands, Infrastructure Housing & Urban Development (Development)**

S/ N	Project Name	Planned Cost (Ksh)	Actual Cost (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Drift Construction On Tseikuru Jnct-Mama Maria Academy - Ngongoni Road	14,905,288.29	14,904,452.85	100	Timely procurement of the project	Timely release of funds and execution of the project
2.	Youth Polytechnic-Kathombangii-Kwa Mauta-Slaughter road-New Apostolic with drift and culvert	10,906,425.60	5,048,958.00	50	Contractors delay in completing works/Late procurement of additional Savings and re-tendered projects	contractor's sensitization on their contractual obligations and consequences for not performing them.
3.	Improvement ngemini-kiio-wanzua- kentraco road	11,248,641.06	11,248,064.35		Timely procurement of the project	Timely release of funds and execution of the project
4.	Maintenance Of Maseki Shopping Centre-Matuu-Kyeni-Kauma Primary Road	13,402,850.04	13,402,850.04	100	Timely procurement of the project	Timely release of funds and execution of the project
5.	Proposed Tulia-Mbuini-Kakeani-Kalambya	18,500,000.00	15,319,022.00	83	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
6.	Kwa Mukwa-Vinda (Joins Vinda-Kiviu Road)	15,910,000.00	13,169,466.09	83	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
7.	Improvement of Kwa Pius (Along Syongila-Machakos Road B62)-Ngiluni Primary-Ithiani Dispensary (C415)	19,990,000.00	0	0	The contractor submitted invoice for payment towards the end of the financial year, hence could not successfully be processed	Fast-track implementation of the activities so that payments could be processed early enough
8.	Improvement Of Mwanyani-Kanzau-Kamandio Road	16,300,000.00	10,714,177.60	66	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.

S/ N	Project Name	Planned Cost (Ksh)	Actual Cost (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
9.	Athi - Kisiiyo - Mukuanima Ranch	18,200,000.00	0	0	The contractor submitted invoice payment towards the end of the financial year, hence could not successfully be processed	Fast-track implementation of the activities so that payments could be processed early enough
10.	Yongela jct - Kisayani - Mutomo Jct	17,800,000.00	16,585,525.99	93	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
11.	Maskalini -Matundu-Thua River-Kasangu-Nduluni Market Road	16,780,364.58	16,776,478.19	100	Timely procurement of the project	Timely release of funds and execution of the project
12.	Makutano Mwa Mbaya-Mui River - Kanguli Primary School(Kithumulani)	9,672,777.18	9,670,405.31	100	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
13.	Inyuu - Ngungi-Kasunguni	19,580,600.00	16,480,807.20	84	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
14.	Endau - Kamuusa Dispensary – Koi	13,827,673.32	13,825,237.86	100	Timely procurement of the project	Timely release of funds and execution of the project
15.	Kisasi - Mbusyani Road	18,300,000.00	17,293,973.25	95	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
16.	Kwa Ngelu-Mwaani-Kamweu-Thwake dam	17,400,000.00	6,091,763.47	35	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
17.	Nzambani-Kwa Muluvi-Kilonzo Market	3,566,000.00	-	0	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing

S/ N	Project Name	Planned Cost (Ksh)	Actual Cost (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
						them.
18.	Kasiluni-Kaumu Road		-	0	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
19.	Kwa Masesi-Emali-Ngoleni Road	4,610,000.00	-	0	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
20.	Upgrade To Bitumen Standards Of Kanyangi Market Roads	22,100,105.40	3,274,970.00	15	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
21.	Upgrade To Bitumen Standards Of Zombe Market Roads	23,450,000.00	-	0	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
22.	Maintenance of Kalavati-Enziu Road	2,391,900.00	-	0	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
23.	Maintenance of Nzaaya-Nгаа Road	1,818,926.40	-	0	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
24.	Muna drift construction	4,980,000.00	-	0	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.

S/ N	Project Name	Planned Cost (Ksh)	Actual Cost (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
25.	Improvement of Tseikuru-Kora Junction Road	2,739,000.00	-	0	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
26.	Maintenance / Refurbishment of Residential Houses for Staff	897,000.00	897,000.00	100	Timely procurement of the project	Timely release of funds and execution of the project
27.	Formulation of guiding policies on elevation of Mutomo, Kabati, Zombe and Kyuso to town.	1,999,740.00	1,999,740.00	100	Timely procurement of the project	Timely release of funds and execution of the project
28.	Renovation of toilets and lab at the LIHUD Cos office	449,442.00	449,442.00	100	Timely procurement of the project	Timely release of funds and execution of the project
29.	Renovation of boardroom at LIHUD Cos Office-electrical works	1,530,504.00	1,530,504.00	100	Timely procurement of the project	Timely release of funds and execution of the project
30.	Renovation and air conditioning of CECM LIHUD office block	2,997,500.00	2,997,500.00	100	Timely procurement of the project	Timely release of funds and execution of the project
31	The installation of county truck parking bay along the Kitui Mutomo road	30,000,000.00	0	0	no enough resources to allocate project	county to partner with more donors and increase revenue collection
32.	Acquisition of Suitable site for Disposal of Asbestos and fencing of the site	20,000,000.00	0	0	no enough resources to allocate project	county to partner with more donors and increase revenue collection
33.	Policy on alternative building technology within the county	2,500,000.00	0	0	no enough resources to allocate project	county to partner with more donors and increase revenue collection

S/ N	Project Name	Planned Cost (Ksh)	Actual Cost (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
34.	Installation of basic urban infrastructure in informal areas within Kitui and Mwingi	20,000,000.00	0	0	no enough resources to allocate project	county to partner with more donors and increase revenue collection
35.	Policy on social housing program within the county of Kitui	2,500,000.00	0	0	no enough resources to allocate project	county to partner with more donors and increase revenue collection
36.	Affordable Housing program	30,000,000.00	0	0	no enough resources to allocate project	county to partner with more donors and increase revenue collection
37.	Facelifts of all government owned kiosks within the municipals.	5,000,000.00	0	0	no enough resources to allocate project	county to partner with more donors and increase revenue collection
38.	Formulate a Risk framework policy for the county urban areas.	2,500,000.00	0	0	no enough resources to allocate project	county to partner with more donors and increase revenue collection
39.	Draft Supplementary Valuation Roll	5,000,000.00	0	0	no enough resources to allocate project	county to partner with more donors and increase revenue collection
40.	Refurbishment of Lihud field office blocks	10.00M	0	0	no enough resources to allocate project	county to partner with more donors and increase revenue collection
41.	Construction of new Lihud office blocks	10.70m	0	0	no enough resources to allocate project	county to partner with more donors and increase revenue collection
42.	Completion of stalled LIHUD field office block	5.00M	0	0	no enough resources to allocate project	county to partner with more donors and increase revenue collection

## Physical Planning Department

No.	Project/programme(Include Location)	Budget (2020/20221) KSHs.)	Expenditure (KSHs.)	Absorption rate (%)	Explanation for the level of absorption	Measure to safeguard against such risks in the future
1.	Land adjudication and titling (Nzala ranch) Nguutani ward	8,382,600.00	8,382,600.00	100%	Timely release of funds	N/A

### 3716: Ministry of Health and Sanitation (Development)

S/No.	Project/Programme	Location	Budget	Expenditure	Absorption Rate	Explanation for the level of absorption	Measures to safeguard against such risk in the future
1.	Proposed Renovation of CHMT offices at KCRH	KCRH	1,056,390	1,056,390	100	Complete	No risk encountered
2.	Proposed renovation works at old OPD building	KCRH	2,999,400	2,427,720	80.94	Project ongoing. The amount paid is only for the works complete	No risk encountered
3.	Proposed of recovery Room at Mutomo Hosp.	Mutomo	1,818,627	1,813,040	99.69	Complete	No risk encountered
4.	Proposed construction of ADM.block and Laboratory at Mutomo H/Centre	Mutomo	4,888,070	3,796,400	77.67	Project ongoing. The amount paid is only for the works complete	No risk encountered
5.	Proposed construction of Laboratory, store and pharmacy at Chuluni H/Centre	Chuluni	4,990,570	4,973,227	99.65	Complete	No risk encountered
6.	Proposed drainage for Ikutha Hosp.	Ikutha	4,840,375	4,820,320	99.59	Complete	No risk encountered

S/No.	Project/Programme	Location	Budget	Expenditure	Absorption Rate	Explanation for the level of absorption	Measures to safeguard against such risk in the future
7.	Proposed 3 phase Electrical power connection at Ikanga SCH	Ikanga	846,780	846,684	99.99	Complete	No risk encountered
8.	Procurement 50KVA Voltage stabilizer for Nuu SCH	Nuu	1,792,200	1,782,060	99.43	Complete	No risk encountered
9.	Procurement of patient monitors KCRH	KCRH	1,600,075	0	0	Contract not awarded	Re-advertising of the tender for conducive prices
10.	Supply, Installation, Testing and Commissioning of voltage stabilizer for KCRH	KCRH	4,013,600	0	0	The project is incomplete, hence not invoiced	Promote receivership of projects
11.	Proposed X-Ray Dept. at Kanyangi H/Centre	Kanyangi	4,761,350	4,761,350	100	Complete	No risk encountered
12.	Proposed construction Laundry Room at Katulani Hosp.	Katulani	923,170	800,280	86.69	Project ongoing. The amount paid is only for the works complete	No risk encountered
13.	Proposed Landscaping at new outpatient block at KCRH	KCRH	4,772,234	3,563,496	74.67	Project ongoing. The amount paid is only for the works complete	No risk encountered
14.	Proposed construction of ADM.block and laboratory at Kwa Vonza H/Centre	Kwa Vonza	4,888,070	0	0	The project is incomplete, hence not invoiced	No risk encountered
15.	Proposed construction Doctors Room at KCHR	KCRH	1,877,180	1,539,620	0	Project Complete. The amount paid is only for the works complete	Ensure procurement plans and the cash flow are in tandem to ensure prompt payment upon completion of works
16.	Proposed construction of Gate sentry House Mutomo H/Centre	Mutomo	1,150,000	1,141,600	99.27	Complete	No risk encountered



S/No.	Project/Programme	Location	Budget	Expenditure	Absorption Rate	Explanation for the level of absorption	Measures to safeguard against such risk in the future
17.	Proposed construction of X-Ray Dept. at Kwa Vonza H/Centre	Kwa Vonza	4,761,350	4,741,777	99.59	Complete	No risk encountered
18.	Proposed construction of X-Ray Dept. at Mutomo H/Centre	Mutomo	4,761,350	4,726,872	99.28	Complete	No risk encountered
19.	Proposed construction X-Ray Dept at Tseikuru Hosp.	Tseikuru	4,761,350	2,840,000	59.65	Project ongoing. The amount paid is only for the works complete	No risk encountered
20.	Proposed Extension OPD at Katulani SCH,	Katulani	1,629,280	0	0	Funds were directed to payment of pending bills hence contract on the project was not awarded	Factoring in of actual pending bills amount in the budget to avoid diversion of funds
21.	Proposed X-Ray room at Kauwi SCH	Kauwi	3,500,000	0	0	Funds were directed to payment of pending bills hence contract on the project was not awarded	Factoring in of actual pending bills amount in the budget to avoid diversion of funds
22.	Proposed Electrification at Kwa Vonzo H/Centre	Kwa Vonza	500,000	0	0	Funds were directed to payment of pending bills hence contract on the project was not awarded	Factoring in of actual pending bills amount in the budget to avoid diversion of funds
23.	proposed construction of Drug store at KCRH	KCRH	4,800,000	0	0	Funds were directed to payment of pending bills hence contract on the project was not awarded	Factoring in of actual pending bills amount in the budget to avoid diversion of funds

S/No.	Project/Programme	Location	Budget	Expenditure	Absorption Rate	Explanation for the level of absorption	Measures to safeguard against such risk in the future
24.	Proposed Completion of maternity and theatre at Kyuso and KCRH	Kyuso, KCRH	4,350,000	0	0	Funds were directed to payment of pending bills hence contract on the project was not awarded	Factoring in of actual pending bills amount in the budget to avoid diversion of funds

### 3717: Ministry of Trade, Investment & Cooperatives (Development)

S/No	Project/ Programme (Include location)	Budget(2020-2021)	Expenditure(Ksh)	Absorption Rate (%)	Explanation for the level of Absorption	Measures to Safeguard such risk in the future
1.	Kitui County Textile Centre (Kitui central, Kitui south and Mwingi Central)	44,331,000	42,174,345	95.14%	It is a multiyear project  Being a flagship projects;  - The bills of quantities were prepared on time, and - Procurement undertaken with time in mind.	N/a
2.	Establishment of leather factory (Township ward)					
3.	Construction and renovation of Pit latrine at market centers(County wide- 40 wards)	199,886,872	198,122,959	99.12%	- The bills of quantities were done on time and procurement undertaken with time in mind - Projects implementers	N/a
4.	Construction and renovation of market sheds (County Wide-40 Wards)					

S/No	Project/ Programme (Include location)	Budget(2020-2021)	Expenditure(Ksh)	Absorption Rate (%)	Explanation for the level of Absorption	Measures to Safeguard such risk in the future
5.	Installation of street lights bat market centers (County Wide- 40 wards)				were sensitized to speed completion	
6.	Construction of boda boda shed(County Wide- 40 wards)					
7.	Fencing of market sheds (Kitui south)					
8.	Establishment of ballast crusher plant (Kitui Rural -Yatta/ Kwa Vonza)	53,162,342	53,040,792	99.77%	- Being a flagship project, the processes were fastracted	N/a
9.	Purchase of livestock trucks (County wide - 40 wards)	64,000,000	64,000,000	100%	- Being a flagship project, the processes were fastracted	N/a
10.	County empowerment funds (County wide-40 wards)	180,000,000	4,040,588	2.24%	- Delay in policy approval	Early initiation of policy formulation process

### 3719; Ministry of Environment and Natural Resources

S/N	Programme/Project Name	Location/Ward	Budget 2020/2021 (Kshs)	Expenditure (Kshs)	Absorption (%)	Explanation for Level of Absorption	Measure to Safeguard against such risk in the future
1	Procurement of solar security light project at Kitui East Sub - County, Zombe Mwitika Ward	Zombe/Mwitika	916,657.00	916,657.00	100%	Target Achieved	N/A

S/N	Programme/Project Name	Location/Ward	Budget 2020/2021 (Kshs)	Expenditure (Kshs)	Absorption (%)	Explanation for Level of Absorption	Measure to Safeguard against such risk in the future
	3No.						
2	Installation of (3) three solar security lights in Kitui West at Mutonguni Ward	Mutonguni	913,000.00	0	0%	Contactors delays in project implementation	Project management and evaluation tools to fast track implementation
3	Procurement of solar security lights project at Matinyani Kitui West 3No.	Matinyani	914,988.20	914,988.20	100%	Target Achieved	N/A
4	Installation of (3) three solar security lights in Kitui Central at Kyangwithya West Ward	Kyangwithya West	917,300.00	0	0%	Contactors delays in project implementation	Project management and evaluation tools to fast track implementation
5	Installation of (3) three solar security lights in Mwingi Central at Nuu Ward and Installation of (3) three solar security lights in Mwingi West at Kiomo/Kyethani Ward	Nuu & Kiomo/Kyethani	1,774,879.00	0	0%	Contactors delays in project implementation	Project management and evaluation tools to fast track implementation
6	Installation of (3) three solar security lights in Kitui East at Chuluni Ward	Chuluni	917,350.00	0	0%	Contactors delays in project implementation	Project management and evaluation tools to fast track implementation

S/N	Programme/Project Name	Location/Ward	Budget 2020/2021 (Kshs)	Expenditure (Kshs)	Absorption (%)	Explanation for Level of Absorption	Measure to Safeguard against such risk in the future
7	Installation of (3) three solar security lights in Kitui Central at Miambani Ward	Miambani	911,683.00	0	0%	Contactors delays in project implementation	Project management and evaluation tools to fast track implementation
9	Installation of (3) three solar security lights in in Kitui South at Mutomo/Kibwea Ward	Mutomo/Kibwea	914,330.55	914,330.55	100%	Target Achieved	N/A
9	Procurement of solar security lights at Mwingi North Sub County Tseikuru Ward - 3No	Tseikuru	914,000.00	0	0%	Contactors delays in project implementation	Project management and evaluation tools to fast track implementation
10	Installation of (3) three solar security lights in Kitui Rural at Kwa Vonza/Yatta Ward	Kwa Vonza/Yatta	917,275.80	0	0%	Contactors delays in project implementation	Project management and evaluation tools to fast track implementation
11	Installation of (3) three solar security lights in Mwingi Central Mui Ward	Mui	916,419.00	916,419.00	100%	Target Achieved	N/A
12	Installation of (3) three solar security lights in Mwingi West at Kyome/Thaana Ward	Kyome/Thaana	915,411.60	0	0%	Contactors delays in project implementation	Project management and evaluation tools to fast track implementation

S/N	Programme/Project Name	Location/Ward	Budget 2020/2021 (Kshs)	Expenditure (Kshs)	Absorption (%)	Explanation for Level of Absorption	Measure to Safeguard against such risk in the future
13	Installation of (3) three solar security lights in Mwingi Central at Nguni Ward	Nguni	915,229.00	915,229.00	100%	Target Achieved	N/A
14	Installation of (3) three solar security lights in Mwingi West at Nguutani Ward and Installation of (3) three solar security lights in Kitui West at Kithumula/Kwa Mutonga Ward	Nguutani & Kithumula/Kwa Mutonga	1,834,900.00	0	0%	Contactors delays in project implementation	Project management and evaluation tools to fast track implementation
15	Installation of (3) three solar security lights at Kauwi and three solar security lights at Kyangwithya East Ward	Kauwi & Kyangwithya East	1,833,195.00	1,833,195.00	100%	Target Achieved	N/A
16	Installation of (3) three solar security lights in Kitui South at Mutha Ward	Mutha	917,140.00	0	0%	Contactors delays in project implementation	Project management and evaluation tools to fast track implementation
17	Procurement of solar security lights project at Kitui East Sub County - Mutitu/Kaliku Ward	Mutitu/Kaliku	915,000.00	0	0%	Contactors delays in project implementation	Project management and evaluation tools to fast track implementation

S/N	Programme/Project Name	Location/Ward	Budget 2020/2021 (Kshs)	Expenditure (Kshs)	Absorption (%)	Explanation for Level of Absorption	Measure to Safeguard against such risk in the future
18	Procurement of solar security lights repair works at Kwa Mutonga/Kithumula & 20Kauwi Wards	Kwa Mutonga/Kithumula & Kauwi	2,128,436.00	0	0%	Contactors delays in project implementation	Project management and evaluation tools to fast track implementation
19	Procurement of solar security lights project at Waita Ward - 3No. & Mwingi Central Ward - 3No	Waita	1,827,602.00	0	0%	Contactors delays in project implementation	Project management and evaluation tools to fast track implementation
20	Installation of (3) three solar security lights in Mwingi North at Tharaka Ward	Tharaka	916,776.00	916,776.00	100%	Target Achieved	N/A
21	Installation of (3) three solar security lights at Mumoni ward and three solar security lights at Kyuso Ward	Mumoni & Kyuso	1,834,950.00	1,834,950.00	100%	Target Achieved	N/A
22	Installation of (3) three solar security lights in Mwingi North at Ngomeni Ward	Ngomeni	917,490.00	917,490.00	100%	Target Achieved	N/A
23	Installation of (3) three solar security lights in Mwingi Central at	Kivou	914,931.00	914,931.00	0%	Insufficient funds disbursed by the	Exchequer to release funds in time

S/N	Programme/Project Name	Location/Ward	Budget 2020/2021 (Kshs)	Expenditure (Kshs)	Absorption (%)	Explanation for Level of Absorption	Measure to Safeguard against such risk in the future
	Kivou Ward					exchequer	
24	Installation of (3) three solar security lights in Mwingi West at Migwani Ward	Migwani	915,943.00	915,943.00	100%	Target Achieved	N/A
25	Installation of (3) three solar security lights in Kitui Central at Mulango Ward and Installation of (3) three solar security lights in Kitui East at Voo/Kyamatu Ward and (3) three solar security lights at Endau/Malalani Ward	Mulango, Voo/Kyamatu & Endau/Malalani	2,750,328.00	2,750,328.00	100%	Target Achieved	N/A
26	Installation of (3) three solar security lights in Kitui Rural at Kisasi Ward and (3) three solar security lights in Kitui Rural at Mbitini Ward	Kisasi & Mbitini	1,833,885.20	1,833,885.20	100%	Target Achieved	N/A
27	Installation of (3) three solar security lights in Kitui Rural at Kanyangi Ward	Kanyangi	916,372.00	916,372.00	100%	Target Achieved	N/A



S/N	Programme/Project Name	Location/Ward	Budget 2020/2021 (Kshs)	Expenditure (Kshs)	Absorption (%)	Explanation for Level of Absorption	Measure to Safeguard against such risk in the future
28	Installation of (3) three solar security lights in Kitui East at Nzambani Ward and (3) three solar security lights in Kitui South at Ikanga/Kyatune Ward	Nzambani & Ikanga/Kyatune	1,834,950.00	1,834,950.00	100%	Target Achieved	N/A
29	Installation of (3) three solar security lights in Kitui South at Kanziko/Simisi Ward and (3) three solar security lights in Kitui South at Athi Ward	Kanziko/Simisi & Athi	1,821,000.00	0	0%	Insufficient funds disbursed by the exchequer	Exchequer to release funds in time
30	Installation of (3) three solar security lights in Kitui South at Ikutha/Kasaala Ward	Ikutha/Kasaala	899,992.24	899,992.24	100%	Target Achieved	N/A
31	Procurement of Consultancy services for surveying the access to modern energy cooking stoves designs, plans & technologies in Kitui County	Kitui County	2,807,200.00	2,807,200.00	100%	Proper planning and diligent supervision	N/A
32	Installation of solar at	Tseikuru	692,008.40	692,008.40	100%	Proper planning and diligent	N/A

S/N	Programme/Project Name	Location/Ward	Budget 2020/2021 (Kshs)	Expenditure (Kshs)	Absorption (%)	Explanation for Level of Absorption	Measure to Safeguard against such risk in the future
	Kaningo in MNR					supervision	
33	Making of cutline at SKNR	Mutha/Kanziku	1,799,401	0	0%	Community instigated hurdles to executing the project	Political influence interfered causing delay in the project implementation.
34	Civil works for beach formation at kalundu Eco park	Township/Kyangwithya West	3,900,000	3,900,000	100%	Adequate and professional planning and collaboration	N/A
35	Water channels at the sand beach of kalundu Eco park	Township/Kyangwithya West	1,935,280.00	1,935,280.00	100%	Proper budgeting and foresight on procurement process	N/A
36	Completion Construction of Rangers camp at Kanyonyoo wildlife conservancy	Yatta/Kwa Vonza	1,770,590.00	1,770,590.00	100%	Proper planning and supervision	N/A
37	Power installation at Kalundu Eco park	Township/Kyangwithya West	1,200,000.00	0	0%	Delays by Kenya Power and departmental realignment that made budget unavailable for commitment	Discussions held with Kenya power and power already dropped at the gate. Underground cabling and flood light installation planned for this financial year

S/N	Programme/Project Name	Location/Ward	Budget 2020/2021 (Kshs)	Expenditure (Kshs)	Absorption (%)	Explanation for Level of Absorption	Measure to Safeguard against such risk in the future
38	Completion Construction of snake house phase 1 at Mutomo reptile park	Mutomo/Kibwea	1,800,000	1,800,000	100%	Proper planning and supervision	N/A
39	Consultancy Services for Mapping and Development of Tourism Web Portal <a href="http://www.tourism.kitui.go.ke">www.tourism.kitui.go.ke</a>	County Wide	1,998,000.00	1,998,000.00	100%	Resounding field work and mapping escapades by the department staff	N/A
40	Rangers and community training on Mitigating HWC around SKNR	Ikutha/Mutha/Kanziku	998,899.00	998,899.00	100%	Proper sensitization and stakeholder engagement within SKNR protected area	N/A
41	Contractual works for Landscaping and Bush clearing at Kalundu Ecopark	Township/Kyangwithya West	2,195,330.00	2,195,330.00	100%	Timely planning	N/A
42	Procurement of Consultancy services for forestry database development	Kitui County	1,767,840.00	1,767,840.00	100%	Proper planning and diligent supervision	N/A

S/N	Programme/Project Name	Location/Ward	Budget 2020/2021 (Kshs)	Expenditure (Kshs)	Absorption (%)	Explanation for Level of Absorption	Measure to Safeguard against such risk in the future
43	Procurement of consultancy services for strategic environmental assessment on desert locust invasion, management and control in Kitui County	Kitui County	1,035,000.00	1,035,000.00	100%	Proper planning and diligent supervision	N/A

### 3720; Ministry of Tourism, Sports and Culture

S/N	Project /Programme	Location (Ward)	Budget (2020-2021)	Expenditure(Kshs)	Absorption Rate (%)	Explanation for the level Absorption.	Measure to safeguard against such risk in the future.
1	Sports Development and Management of sports facilities -Kaling'a Primary school playground	Zombe/Mwitika	3,961,330	3,961,330	100	Prompt coordination between departments enabled a conducive environment for 100% absorption	No risk encountered
2	Sports Development and Management of sports facilities -Thokoa Primary School Playground	Kyome/Thaana	2,154,377	2,154,377	100	Prompt coordination between departments enabled a conducive environment for 100% absorption	No risk encountered
3	Sports Training and competitions -Football Coaches Training	County wide	1,199,400	1,199,400	100	Prompt coordination between departments enabled a conducive environment for 100% absorption	No risk encountered
4	Sports Training and	County wide	1,199,768	1,199,768	100	Prompt coordination	No risk

S/N	Project /Programme	Location (Ward)	Budget (2020-2021)	Expenditure(Kshs)	Absorption Rate (%)	Explanation for the level Absorption.	Measure to safeguard against such risk in the future.
	competitions -Chess Coaches Training					between departments enabled a conducive environment for 100% absorption	encountered
5	Sports Training and competitions -Procurement of Indoor Games Equipment.	County Wide	823,960	823,960	100	Prompt coordination between departments enabled a conducive environment for 100% absorption	No risk encountered
6	Conservation of Heritage -Procurement of material for proposed ceiling, entrance for gate and cabro paving for Lower Eastern Heritage.	Tseikuru	3,075,630	3,075,630	100	Prompt coordination between departments enabled a conducive environment for 100% absorption	No risk encountered
7	Conservation of Heritage -Recording of performing artists in MP3 format	Countywide	1,351,585	660,000	49		Strict adherence to work-plans

### 3721 County Treasury

No.	Project/ Programme (Include location)	Budget (2020-2021) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Kenya Devolution Support Programme (KDSP) - County Wide	70,841,398	32,628,500	46.06	Late disbursement of funds	Liaise with donors to release funds according to the procurement plan and cash flow

No.	Project/ Programme (Include location)	Budget (2020-2021) Kshs	Expenditure (Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
2.	Construction and Civil Works - IFMIS Engineering (Kitui Central)	5,000,000	3,938,009	78.76	Untimely release of funds	Clarify item on procurement plan to enhance easy flow of activity vis a vis funds availability
		<b>75,841,398</b>	<b>36,566,509</b>	<b>48.21</b>		

### 3723 County Assembly

No.	Project/ Programme	Budget (2020-2021) Kshs	Expenditure ((Kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Speakers Residence- Within Kitui town	25,526,978	-	0%	Still sourcing for land	Government to provide land
2	Office Block- Assembly Premises	9,345,725	-	0%	Procurement process on going	Move with speed to implement the project
3	Lift for the Debating Chamber	10,103,984	-	0%	Replaced with other projects	Project has been abandoned

**3724: Kitui Municipality (Development)**

No.	Project /Programme (Include Location)	Budget (2020-2021) Kshs.	Expenditure (Kshs.)	Absorption Rate(%)	Explanation for the level of Absorption	Measure to safeguard against such risk in future
1	Repair and maintenance of storm water drains and manhole covers at various streets in kitui town-Township	538,213.65	535,960	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
2	Renovations to main stage public toilets in kitui town-Township	1,692,498	1,687,748	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
3	Construction of on-street parking lots along syokimau-winlow house-Township	4,999,413	4,998,702	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
4	Rehabilitation of kitui law court walkway-Township	1,710,478	1,709,731	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
5	Installation of an automatic change-over switch and other related works at kitui municipality office block-Township	1,883,318	1,883,300	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
6	Repair of drainage line near blizz hospital in kitui town-Township	384,259.69	384,164	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
7	Landscaping at kitui municipality offices	551,440	545,070	99	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation

No.	Project /Programme (Include Location)	Budget (2020-2021) Kshs.	Expenditure (Kshs.)	Absorption Rate(%)	Explanation for the level of Absorption	Measure to safeguard against such risk in future
8	Construction pit latrine at kalundu market stockyard-Township	1,608,630	1,608,410	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
9	Proposed renovations at kunda kindu stage public toilets-Township	2,522,478	2,516,412	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
10	Cabro works at the main buspark entrance, at the exit and barrier gates posts in kitui town-Township	2,268,327.80	2,265,480	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
11	Pothole patching in all kitui town roads-Township	2,995,576.40	2,920,000	97	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
12	Renovation of cess points at syongila junction and at kiembeni market-Township	325,350	324,550	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
13	Installation of chainlink fencing and gate at kalundu market-Township	3,982,790.40	3,982,500	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
14	Construction of Kithomboani Modern Market in Kitui Town(Kenya Urban Support Program-KUSP)-Township	351,585,554.50	161,082,845.90	46	Multi-year project	Proper planning, timely funds disbursement, effective project supervision, monitoring and evaluation



No.	Project /Programme (Include Location)	Budget (2020-2021) Kshs.	Expenditure (Kshs.)	Absorption Rate(%)	Explanation for the level of Absorption	Measure to safeguard against such risk in future
15	Consultancy service for the design review and construction supervision of Kithomboani Modern Market(KUSP)-Township	24,948,120	12,700,000	51	Multi-year project	Proper planning, timely funds disbursement, effective project supervision, monitoring and evaluation
16	Proposed Kaveta to Ginnery(B7) Road Improvement and drainage works-KUSP-Township	110,475,870.52	70,572,019	64	project still ongoing	Proper planning, timely funds disbursement, effective project supervision, monitoring and evaluation

### 3725: Mwingi Town Administration

No.	Project/ Programme	Budget (2020-2021) KES	Expenditure (KES)2020_21	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Proposed Installation Of Solar Energy Street Lights Behind Mwingi Police Station: 1 Pole And A Lamp.	315,369.83	311,258.00	98.70	Timely procurement of the project	Timely release of funds and execution of the project
2	Procure Proposed Refurbishment Of Ablution Block At Mwingi Town Administration Office	450,528.33	444,665.00	98.70	Timely procurement of the project	Timely release of funds and execution of the project
3	Proposed Installation Of Solar Energy Street Lights At Kiberity Apartments: 1no. Pole And A Lamp.	315,369.83	310,116.00	98.33	Timely procurement of the project	Timely release of funds and execution of the project
4	Proposed Ablution Block At Mwingi Town Old Market	1,171,373.65	1,170,450.00	99.92	Timely procurement of the project	Timely release of funds and execution of the project

No.	Project/ Programme	Budget (2020-2021) KES	Expenditure (KES)2020_21	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
5	Proposed Construction Of Tank Bases and Rain Water Goods	901,056.66	869,869.02	96.54	Timely procurement of the project	Timely release of funds and execution of the project
6	Proposed Erection Of 25m electric Powered High Mast At Human Rights Area In Mwingi Town.	3,758,117.14	3,574,500.00	95.11	Timely procurement of the project	Timely release of funds and execution of the project
7	Proposed Improvement Of Drainage Works And Slab At Kiberiti Apartments To Methodist Church Road.	901,057.00	844,364.00	93.71	Timely procurement of the project	Timely release of funds and execution of the project
8	Proposed Improvement Of Drainage Works, Culvert And Concrete Slab At Mwingi Secondary To Kathonzweni Road.	2,201,057.00	2,023,736.00	91.94	Timely procurement of the project	Timely release of funds and execution of the project
9	Proposed Improvement Of drainage Works From Musila Garden To Delu Watch Road In Mwingi Town.	1,351,584.98	1,297,206.00	95.98	Timely procurement of the project	Timely release of funds and execution of the project
10	Proposed Erection Of 25m Electric Powered High Mast At Musila Garden Area In Mwingi Town.	3,726,321.00	3,575,250.00	95.95	Timely procurement of the project	Timely release of funds and execution of the project
11	Proposed Improvement of Drainage Works from Equity Bank to Target Supermarket Entrance	901,056.66	881,716.00	97.85	Timely procurement of the project	Timely release of funds and execution of the project
12	Proposed Improvement of Equity-Target cabro works phase-1	5,000,000.00	4,875,340.00	97.51	Timely procurement of the project	Timely release of funds and execution of the project