

# FINANAREPUBLIC OF KENYA



---

## COUNTY GOVERNMENT OF BOMET

**Vision:** *A Prosperous and Competitive County offering High Quality Services to its Citizens*

### THE COUNTY TREASURY

---

### MEDIUM TERM COUNTY FISCAL STRATEGY PAPER 2018

---

**©County Fiscal Strategy Paper (CFSP) 2018**

To obtain a copy of this document, please contact

The County Treasury

Bomet County Headquarters

P.O. Box 19-20400

Bomet

Email: [treasury@bomet.go.ke](mailto:treasury@bomet.go.ke)

This document is also available on the internet at: [www.bomet.go.ke](http://www.bomet.go.ke)

## **Foreword**

This County Fiscal Strategy Paper (CFSP) 2018 sets out the County Executive's priority programs and sub programmes to be implemented under the Medium Term Expenditure Framework (MTEF). As provided by legislation, the CFSP takes into account national policies and priorities as espoused by the national Budget Policy Statement (BPS).

The 2018 Budget Policy Statement (BPS), sets out priority programs and reforms to be implemented over the next five years (2018 – 2022). The programs and policies herein reflect the concerns of Kenyans and are anchored under the Medium Term Plan III of the Kenya Vision 2030. These priority programs will build on the achievements realized under the Economic Transformation Agenda, which has been under implementation since 2014.

The expenditure priorities in the sector ceilings in this BPS have been realigned to “The Big Four” Plan. In this regard, the targeted expenditures will prioritize employment creation, youth empowerment, supporting manufacturing activities, enhancing health coverage, improving food security and enhancing living conditions through affordable housing. The allocations to other critical sectors such as education, infrastructure, energy and social protection will remain protected so as to achieve the targeted objectives.

The ongoing prudent expenditure management and implementation of savings measures continue to improve the county government’s fiscal position. The government continues to demonstrate its ability to control spending on operations and maintenance and the development of infrastructure continues to impact the budget.

The CFSP provides that the government county priorities should be built on the national priorities, which addresses the challenges hindering the County from achieving its full potential. The county priorities will endeavor to accelerate growth of the county’s economy and the standard of living of the citizens.

Hon. Andrew sigei

**CEC MEMBER FOR FINANCE AND ECONOMIC PLANNING**

## **Acknowledgement**

The County Fiscal Strategy Paper (CFSP) 2018 is the fifth to be prepared under the Public Finance Management Act (PFMA) 2012. It outlines the broad strategic issues and fiscal framework together with summary of government revenues and spending, as a basis for 2018/19 budget and in the medium term expenditure framework. It is expected that this document will create and improve the understanding of the public finances and inform and guide public debate on the county development matters.

Our sincere gratitude goes to H.E. the Governor and the Deputy Governor for the overall direction in the process of developing this strategy paper. Special thanks go to the County Executive Committee Members, Chief Officers, Directors and the technical team of Budget Officers for their input in developing the departmental priorities and programmes for 2018/19. The preparation of the 2018 CFSP has been collaborative. We are grateful to all the departments for the information and data used to produce the strategy paper. We are also grateful for the comments received from the stakeholders on the 2016/17 County Budget Review and Outlook Paper (C-BROP) which provided input to the CFSP 2018. We are particularly grateful for the views received from stakeholders during public participation.

Since it would not be possible to list everybody individually, I would like to take this opportunity to thank all those who participated in one way or the other in the preparation process.

MILCAH RONO

**CHIEF OFFICER, ECONOMIC PLANNING**

## Table of Contents

1.0 The Overview .....	1
1.1 Introduction .....	1
1.1.1. County Treasury .....	1
1.1.2. Rationale for FSP.....	2
1.1.3. Role of other ministries/departments.....	2
1.1.4. Role of other stakeholders .....	3
1.1.4.1 Commission on Revenue Allocation (CRA) .....	3
1.1.4.2 The Members of the Public .....	3
1.1.4.3 Other interested persons or groups .....	3
1.2. Legal Framework for FSP .....	3
1.2.1. Legal basis for the preparation of the County Fiscal Strategy Paper .....	3
1.2.2. Fiscal Responsibility Management.....	4
1.2.3. Conclusion .....	5
1.3. Outline of the FSP .....	6
2.0 ECONOMIC ENVIRONMENT AND OUTLOOK .....	8
2.1. Global Environment .....	8
2.1.1. Growth and prospects of global economy.....	8
2.2. National Economic Situation.....	8
2.3 Likely Impact on the County Economy.....	9
2.4. County Economic Performance and Prospects.....	10
3.0 FISCAL AND BUDGET FRAMEWORK .....	24
3.1. Overview .....	24
3.2. Fiscal Performance .....	24
3.3 2018/19 Budget Framework .....	27
3.4 Meeting the Fiscal Responsibility Principles .....	30
3.5 Summary.....	30
4.0 MEDIUM TERM EXPENDITURE FRAMEWORK.....	31

4.1. Resource Envelope .....	31
4.2. Spending Priorities .....	31
4.3. Baseline Budget Ceilings.....	32
4.4. Ministerial Priorities and Budget Estimates .....	35
4.4.1. Introduction .....	35
4.5 Priorities of Ministries and Department .....	35
5.0 CONCLUSIONS .....	55

## **List of Tables**

Table 1	Sources of Tax Revenue
Table 2	Budget Summary (2016/17- 2019/20)
Table 3	Budget Ceilings (Ksh. Millions)
Table 4	Total Expenditure Ceilings

## **CHAPTER ONE:**

### **1.0 The Overview**

#### **1.1 Introduction**

Kenya has continued to implement the two-tier system of government comprising of national and county governments as stipulated in the Constitution of Kenya, 2010. The county governments are responsible for spearheading development in their respective areas of jurisdiction. They are to achieve this through a participatory process that links planning and budgeting as provided for in Section 102 of the County Government Act, 2012.

##### **1.1.1. County Treasury**

Bomet County treasury is established in accordance with Section 103 of the Public Finance Management (PFM) Act, 2012. It is responsible for managing the public finances and economic affairs of the County. Its specific functions and powers include:

- Develop and implement financial and economic policies;
- Prepare and coordinate the implementation of annual budget, including estimates of revenue and expenditures;
- Mobilize resources to finance county functions;
- Manage the public debt;
- Prepare annual appropriation accounts;
- Custody of county assets;
- Ensure accounts are managed and controlled in accordance with prescribed standards; and,
- Report to the County Assembly on the execution of the county budget.

In order to achieve these responsibilities, the executive member for finance is empowered by legislation to issue regulations governing county financial management, including the budget making process. One of the important aspects of budget preparation is the requirement by Section 117 of the PFM Act that before 28<sup>th</sup> February of each financial year, each County Treasury shall submit a County Fiscal Strategy Paper (CFSP) to the County Assembly. The Paper is expected to be aligned to the national policies and objectives outlined in the Budget Policy Statement.



### **1.1.2. Rationale for FSP**

The FSP outlines the macroeconomic performance of the county which informs and guides the formulation of budget, tax and revenue policies. The main result of the FSP process is an estimate of resources that will be available to finance county recurrent and development expenditures. In addition, the FSP will establish the ceilings for the county budget, including those of departments. The ceilings shall be estimated for a three-year budget cycle and once approved shall be binding for the next two years.

The information on the county's economic position which informs the process includes the current and a two year forecasts of economic performance of the county in general and at the sector level; the cost of living; and the rate of investments. The assumptions underpinning the forecasts should be discussed sufficiently.

The county budget, including three year forecasts, shall include:

- i. Revenues classified by main categories;
- ii. Expenditures by economic and functional classifications;
- iii. Capital expenditures;
- iv. Deficit/surplus position; and
- v. Level of public debt and guaranteed debt.

Analysis and explanations of any policy changes should be provided and may include: revenue policy and any change in charges which may have an impact on revenues; deficit and debt policy; and expenditure policy. The expenditure policy will include expenditure priorities, consolidated budgets and budget ceilings. An explanation of adherence of the fiscal strategy to the fiscal responsibility principles will be given. A risk analysis of issues which may have material effect on the fiscal and economic forecasts will be provided.

Finally, the Paper will outline the county's spending plans for the next financial year and estimates for the following three years and actual estimates for the current year. The plan will include details of expenditure priorities; detailed budget expenditures by budget line; and, priority investments by spending authority.

### **1.1.3. Role of other ministries/departments**

The role of county departments during the process has been to identify and develop priorities and programs and estimate of expenditures and revenues. The departments will take the lead in implementation of these activities since they have responsibility for the outcomes.

#### **1.1.4. Role of other stakeholders**

In compliance with the constitutional requirements on public participation, stakeholders were consulted before the document was finalized. The PFM Act (s. 107(5)) requires that the following stakeholders to be consulted and that their views be taken into account. These stakeholders include:

##### **1.1.4.1 Commission on Revenue Allocation (CRA)**

Among the constitutional functions of CRA is to provide advice by way of recommendations on the financing of activities of county governments and financial management by the counties. Some of the matters CRA is expected to consider and provide advice on revenue enhancing measures and sources and adherence to fiscal responsibility principles. It is in these respects that CRA is an important stakeholder in the budget process in the counties.

##### **1.1.4.2 The Members of the Public**

The members of the public were invited to participate in public consultations on the County Fiscal Strategy Paper. Public participations forums were held in the five sub counties.

##### **1.1.4.3 Other interested persons or groups**

Members of the County Budget and Economic Forum (CBEF) were invited to the consultations as one of their roles in the provision of a means for consultations by the county government on development of the strategy paper. The member's represents the business community, NGO's including CBO's, youth, women and other marginalized and disadvantaged groups.

#### **1.2. Legal Framework for FSP**

##### **1.2.1. Legal basis for the preparation of the County Fiscal Strategy Paper**

The County Fiscal Strategy Paper is published in accordance with section 117 of the Public Finance and Management Act, 2012. The law states that.

- (1) The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28<sup>th</sup> February of each year.
- (2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- (3) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its

budget for the coming financial year and over the medium term.

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

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

- (a) The Commission on Revenue Allocation;
- (b) Public;
- (c) Interested persons or groups; and
- (d) Forum that is established by legislation.

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

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

The PFM (county) Regulations 2015 provide further guidelines on the development of the CFSP. It goes into details regarding the contents of the FSP and covers the purpose of the strategy, contents of the macroeconomic framework, and contents of the fiscal framework. This CFSP has followed the guidelines of the regulations.

### **1.2.2. Fiscal Responsibility Management**

These principles apply to both levels of government, but in practice the application of the principles will differ in some cases. The review of the principles here places emphasis on how they apply to the county government.

- i. **Recurrent expenditure should not exceed total revenue:** the application of this principle will differ between national and county governments. At the national level recurrent expenditure can take up all the total revenue. This is why development is usually funded through local borrowing or external loans or grants. County Governments on the other hand are supposed to operate on a balanced budget.
- ii. **In the medium term a minimum of 30% of the budget shall be allocated to development expenditure:** in light of this principle it means that 70% or less of the budget will be allocated to recurrent expenditure.
- iii. **Wages shall not exceed a percentage of total revenues prescribed by regulations:** Section 25 (1) (a ) (b) The PFM (County) Regulations 2015 states that the County Executive Committee Member with the approval of the County Assembly shall set a limit on the

county government's expenditure on wages and benefits for its public officers pursuant to section 107(2) of the Act; the limit set under paragraph (a) above, shall not exceed thirty five (35) percent of the county government's total revenue;

- i. **In the medium term, borrowing shall be undertaken only for the purpose of financing development expenditure:** as discussed, in the short term is not possible for the county as modalities for borrowing are not yet in place. This includes legislation and regulations governing borrowing by the county and a clear policy on the terms and conditions for guarantees by the national government.
- ii. **Short term borrowing shall be for purpose of cash flow management and shall not exceed 5% of the most recent audited revenue:** The Public Finance Management regulations gives principles for cash management which includes using short term borrowing when it is necessary. The County treasury may for purposes of cash flow management borrow up to 5% of the audited revenues from the Central Bank of Kenya.
- iii. **Debt shall be maintained at a sustainable level approved by the assembly:** A debt policy providing for debt sustainability will be developed and presented to the assembly for approval.
- iv. **Fiscal risks to be maintained prudently:** the budget projections do not provide for deficits hence the risks are minimized.
- v. **Tax rates and tax bases shall be predictable:** taxation has been a thorny issue and is being addressed comprehensively through extensive stakeholder consultations. It is expected that the next finance bill will provide for tax rates which meet the best practices in tax policy and predictable tax bases.

### **1.2.3. Conclusion**

In conclusion, the FSP has a legal foundation and requires the contribution not only of the Treasury, which initiates the process, but also those of other stakeholders particularly the public. The role of county departments in the process is to identify and allocate resources to priorities. As departments develop spending plans it is important that they adhere to the required fiscal responsibility principles. Thus the plans must be within ceilings set by the County Treasury.

### **1.3.Outline of the FSP**

#### **Economic Environment and Outlook**

Section 2 outlines the economic environment in which the 2018/19 County MTEF budget is prepared. An overview of global and national economic outlook and their implication on the county economy is also provided. Further, a review of the economic performance and prospects of the county is also provided.

Since the county economy is dominated by agriculture, higher growth especially in the Euro-Zone which is the major destination of county product such as tea and horticulture will have positive effects on the county economy. The same applies with good performance of the national economy.

Analysis of the county economy is faced by lack of macroeconomic data and other data necessary for economic development planning. The county will in the medium term work with the national government and other stakeholders, such as institutions of higher learning and development partners, to address the problem. Technical assistance will be sought and local capacity will be built on to develop and implement a macroeconomic model to generate county data.

#### **Fiscal and Budget Framework**

Section 3 outlines the fiscal performance of the county, including the sources of revenue and projections into the medium term. It is evident that the county has a narrow tax base and thus the county will depend on national revenue allocations into the foreseeable future.

The section provides proposals for fiscal reform which are administrative and legal in nature. Administrative reforms are geared towards improvement of tax administration while legal reforms are to provide the powers to the county to raise revenues assigned by the constitution.

In the fiscal year 2018/19 and the medium term the county will run a balanced budget. This implies that there will be low or no fiscal risks in the county budget thus the county is likely to meet all the fiscal responsibility principles.

#### **Medium Term Expenditure Framework**

The resource envelope for the county and spending projections for 2018/19 are provided in section 4. Sector priorities are given in detail to illustrate the importance of taking into account

budget constraints in priority setting. Over 30 percent of the budget is allocated to development expenditure and the sectors with the largest allocations are health, roads, water, and agriculture.

### **Summary**

The FSP has been prepared to provide information and to explain to the public county the development priorities for 2018/19 and the medium-term and how the priorities are to be funded. The paper provides details of major public investments the county proposes to undertake to realize the objectives of CIDP and Kenya Vision 2030. These investments will be funded through county resources, but for many of them the required funds are beyond the means of the county and therefore will require external support either from the national government or development partners while others may be implemented through Public Private Partnerships (PPPs).

## **CHAPTER TWO:**

### **2.0 ECONOMIC ENVIRONMENT AND OUTLOOK**

#### **2.1. Global Environment**

##### **2.1.1. Growth and prospects of global economy**

The World Bank forecasts global economic growth to edge up to 3.1 percent in 2018 after a much stronger-than-expected 2017, as the recovery in investment, manufacturing, and trade continues. Growth in advanced economies is expected to moderate slightly to 2.2 percent in 2018, as central banks gradually remove their post-crisis accommodation and the upturn in investment growth stabilizes. Growth in emerging market and developing economies as a whole is projected to strengthen to 4.5 percent in 2018, as activity in commodity exporters continues to recover amid firming prices.

The positive global outlook reflects recovery in investment, trade, and industrial production, coupled with strengthening business and consumer confidence. Similarly, growth in sub-Saharan Africa is projected to pick up, albeit with variations across the region. At the sub-region, the East African Community economies continue to record relatively higher economic growth supported by stable macroeconomic environment, on-going infrastructure investments and strong private consumption. On the domestic front, our economy has remained resilient, with growth supported by a stable macroeconomic environment, resilient domestic demand and ongoing public infrastructural investments.

#### **2.2. National Economic Situation**

Kenya's economic growth prospects for the FY 2018/19 and over the medium term takes into account the global and Sub-Saharan Africa growth recoveries. The growth projection takes into account the strategic objectives of the Government as outlined in the third MTP of Vision 2030. Real GDP is projected to expand by 5.3 percent in FY 2017/2018, 5.9 percent in FY 2018/2019, 6.3 percent in FY 2019/2020 and 6.9 percent by FY 2021/22. This growth will be supported mainly by the implementation of "the Big Four" Plan, sustained investment in infrastructure, strong agricultural production due to improved weather conditions, buoyant services sector, continued recovery in tourism, increased investor and consumer confidence, and macroeconomic stability.

Real GDP growth was a robust 5.8% in 2016, driven mainly by services (which accounted for 66% of growth) and industry (which accounted for 19% of growth). Agriculture accounted for 15% of growth, the lowest in recent years. Growth in services was driven by real estate (which grew 12%) and transport and storage (which grew 10%), and growth in industry was driven by construction (which grew 8.2%) and manufacturing (which grew 6.2%). Real GDP growth declined to an estimated 5% in 2017, due to subdued credit growth caused by caps on commercial banks' lending rates, drought, and the prolonged political impasse over the presidential election. The half-year estimates show that the economy remained fairly resilient, growing 4.8%. Services accounted for 82% of that growth, and industry accounted for 17%; agriculture's poor performance continued. The economy is projected to rebound to GDP growth of 5.6% in 2018 and 6.2% in 2019.

Overall macroeconomic fundamentals were stable in 2016. Authorities pursued prudent monetary, fiscal, and exchange rate policies. The central bank retained the policy rate at 10% to anchor inflation at the single-digit level (6.3%). Fiscal policy was expansionary and focused on financing infrastructure mega-projects. Higher government spending, coupled with weaker revenue mobilization, increased the budget deficit to 8% and the public debt-to GDP ratio to 54%. The December 2016 International Monetary Fund (IMF)–World Bank Debt Sustainability Analysis put the country at low risk of debt stress. The balance of payments deficit improved slightly to 0.6% of GDP for the year ending June 2017, from 1.7% for the year ending June 2016, on the back of improved current, capital, and financial account balances. This progress increased foreign exchange reserves 0.8%, to a new high of \$7.8 billion at end June 2016. The increase in foreign reserves, as well as the precautionary arrangement with the IMF amounting to \$1.5 billion, contributed to exchange rate stability. Economic performance in 2017 was mixed. The drought and the presidential election crisis likely affected macroeconomic performance. Inflation increased to an estimated 8.8%; the budget deficit remained high, at an estimated 7.8% of GDP; and the current account deficit increased to a 5.9% of GDP. The economy is projected to be stronger from 2018 onward.

### **2.3 Likely Impact on the County Economy**

Prices of staple foods have been escalating, the price of export commodities have been declining, the volume and value of exports have been on the decline, the tourism industry has been hard hit and remittances have also declined to an all-time low. Kenya's balance of trade, terms of trade and the current account have not been spared either. Bomet County being a tea grower region is likely to be affected by declining commodity prices.



The financial sector strengthening is essential as it could encourage investments in the county hence improving county economy. Economic growth remains the most important driver of poverty reduction.

The growth of major trading partners may also directly and positively affect the county economy if that affords them to invest directly in the county. Europe and USA are the major consumers of some of the products produced in the county, namely tea, flowers and coffee. Following improved economic performances in these countries, there is bound to be an increased demand of the county products in the long run. The good economic prospects in EAC and the COMESA market will help propel the growth of Kenya's economy and hence the development of the county economies.

Kenya's economy is estimated to have expanded from the demand side, growth was mainly driven by an increase in private final consumption and a rapid growth in capital investment. From the supply side, the major drivers of the economy were agriculture, forestry and fishing; construction; wholesale and retail trade; education; and finance and insurance. However, accommodation and food services (hotels and restaurants) sector contracted for the second year in a row. During the year, the main macroeconomic indicators remained relatively stable.

An expanding national economy will lead to higher revenues and ultimately higher allocations to the County Governments to finance development and provision of social services. Higher growth also raises household incomes thus generally raising demand for goods and services. More importantly good macroeconomic policies are vital for improving the livelihood of all Kenyans, especially the poor. Low inflation and interest rates are key to higher overall economic growth and improved social welfare, while stable exchange rates will promote exports. This underscores the critical priority of pursuing growth-enhancing policies to eliminate extreme poverty and boost shared prosperity.

#### **2.4. County Economic Performance and Prospects**

The economy of the county is dominated by agriculture and most households earn their livelihood from the sector. The main products of the sector are tea, maize, milk, Irish potatoes, vegetables, fruits and meat products. These products are exposed to the vagaries of the weather and international markets. The industrial sector is very small and limited to agro-processing mainly of tea and milk. Review of the global and national economic performance indicates good prospects for growth which bodes well for the county as demand for its products is likely to rise. However, the county can only benefit from these prospects if its products are competitive. Other challenges that should be addressed are the declining world prices of tea and emerging crop

diseases such as maize lethal necrosis disease. The recent decline in the prices of tea is a result of glut and decline in demand for tea in traditional markets, in particular North Africa, Middle East, Iran, Afghanistan and Pakistan. This will be addressed through diversification of markets and value addition, including marketing of Kenyan tea as specialty. The county in this respect will work with the Tea Board of Kenya, Fisheries and Food Authority and KALRO.

## **2.5. County Development Status**

Devolution effectively commenced in March 2013 with the election of the County Governments. In the Fiscal Year (FY) 2013/14 total budget of Kshs. 1.6 trillion was the first budget to implement the devolution process, from which an amount of Kshs. 210 billion was set aside for the 47 Counties. The County Government has made key milestones in implementing the devolution process including the preparation of County budgets, County Sector Plans and County Integrated Development Plans (CIDPs), the establishment of various County departments and the recruitment of public service personnel to propel the county economic growth and development. The main challenges to the implementation of the devolution process to date include large budget deficits, as the funding requirements in the CIDPs exceed the transfers received from the central government. The deficits might be mitigated by raising local taxes, to which the Counties are entitled to by the constitution.

This section provides a summary of development activities and initiative undertaken by the County over the last financial year.

### **2.5.1 Office of the Governor, Administration, ICT and Public service**

#### **i. Executive**

Medical cover of staff and state officers, the Government have signed an agreement with the National Hospital and Insurance Fund (NHIF) and it is in process of its implementation.

The office plans to continue collaborating with the National Government administration on security matters, peace building and mobilization of the community including enhancing County Policing Authority to enable them discharge their duties effectively. Other areas of collaboration with the National Government are technical assistance in such areas like performance contracting, resource utilization and audit.

#### **ii. Administration, ICT and Public Service**

In the last financial year, the department made significant achievements in its endeavor to put in place the county administration structures down to the ward level as envisaged in the Constitution of Kenya, 2010.

During the financial years 2016-17 and 2017-18, we managed to complete new Governor's office and lounge in which upon occupancy, other departments will be able to be accommodated in the current Governor's office. We have also put up three Sub-County offices and completed two and 17 ward offices at various stages of completion in which we expect to complete ten of them within the FY of 2018-19.

Among completed offices are the procurement office, the executive office housing Departments of Agriculture, Livestock and Co-operatives and Youth, Gender, Culture and Social and the departmental office block currently housing Department of Trade, Investment, Industry, Tourism and Energy at the county headquarters and this has eased the pressure on office space while finishing works of the new governor's is at advanced stage and is expected to complete before end of the calendar year of 2017.

Through partnership with National Campaign against Drug Abuse (NACADA) together with our Bomet County Alcohol and Beverage Control Agency (BOCABCA) we managed to sign an agreement for construction of a Rehabilitation Centre at Cheptalal sub county hospital at cost of Ksh. 9 Million to be funded by NACADA.

To facilitate service delivery, we managed to purchase nine Isuzu Double cabins for various departments to enhance service delivery and implementation of the Government projects.

In the year 2017/2018, the ICT department made significant achievements in its endeavor to put in place the county administration structures down to the grassroots as envisaged in the Constitution of Kenya, 2010.

The ICT department has installed CCTV at Administration building as part of the Security policy. It also supports and upgrading of the Network (Wireless and LAN) which installation in all the departments is being continuously carried out with new needs identified and addressed. New LAN has been set up in New Procurement for new buildings including Executive and Administration buildings is underway. The department supports the implementation of Revenue Automation that is currently ongoing.

The office plans to continue collaborating with the county administration of the National Government on security matters, peace building and mobilization of the community including enhancing County Policing Authority to enable them discharge their duties effectively. Other areas of collaboration with the National Government are technical assistance in such areas like performance contracting, resource utilization and audit.

### **2.5.2 Department of Finance**

Revenue Automation; the first phase of revenue automation has been covered which is unstructured revenue stream. We expect to complete the second phase by the end of the next financial year the last remaining stream; seasonal and structured streams.

IFMIS compliance for financial year 2017/2018 IFMIS is at 80%, we are yet to roll out IFMIS to departments and sub counties through the help of department of ITI which will ensure infrastructure (Hardware and peripherals) is in place.

### **2.5.3 Trade, Energy, Tourism, Industry and Investment**

#### **Trade division**

The Trade Division is charged with the responsibility of nurturing the growth of the wholesale and retail trade, promotion of fair trading practices, training of small business traders through consultancies, branding of products from the County and indeed the County itself. The division also manages a loans scheme for small traders and linking produce from the County to national and international markets.

- i. **Joint Loans Board.** In the period under review, the Ministry of Trade, Industry and Cooperatives wrote to counties on the discontinuation of disbursement of Joint Loans Boards (JLB) funds following actions that the Ministry was undertaking to fully devolve the management and administration of the Joint Loans Board Scheme. However the ministry advised counties to continue receiving and realizing what had already been disbursed. Cash at bank as at 1<sup>st</sup> January 2018 was Kshs 3,306,624.04 and the defaulter's

position as at 1<sup>st</sup> January 2018 stood at Kshs 4,176,564.00. A total of 180 loan applicants had been received for loan consideration.

- ii. **Small and Medium Enterprises (SMEs) Census.** The division had planned to carry out a census on Small and Medium Enterprises (SMEs) in the month of December 2017 with the objective of ascertaining the number of SMEs, classification of the various businesses and identifying training and investment gaps. A total of 2000 SMEs were to be trained on entrepreneurial and business management skills. In addition the division had also planned to create market linkages to external markets through Export Promotion Council for at least 15 SMEs after the census. The exercise was however postponed to February 2018.
- iii. **Mini Exhibition.** The Export Promotion Council (EPC) as a state agency mandated to undertake the promotion of exports organized a mini exhibition for Enterprises in Textiles, Apparels & Accessories under the EPC Product Development and Promotion Programme for 2017/2018. Bomet County was represented by one enterprise – Jojaben Enterprises who exhibited on accessories
- iv. **Weights and measures.** In the period 2016/2017 the section carried out verification of over 1000 machines. In addition the section has also prepared a schedule for the dates and stamping stations for the period 2018.

### **Energy division**

The Energy division has the dual mandate of ensuring the County has reliable and affordable power through generation of power and equitable power reticulation across the County. Promotion of alternative sources of energy is a critical component of the energy objectives.

- i. **Electrical Installation Upgrade.** The Energy division undertook an upgrade of electrical wiring of one Constituency Industrial Development Centre (CIDC) in Bomet Town to facilitate usage of lathe machine by the Jua Kali Association. The machine was donated by Micro and Small Enterprises Authority (MSEA).
- ii. **Flood lights Installation .**The division undertook installation of 21 No. floodlights in the following market Centres; Singorwet Shopping Centre, Bondet Shopping Centre Sotit Shopping Centre, Kaptebengwet Shopping Centre, Satiet Shopping Centre, Store Shopping Centre, Kimunchul Shopping Centre, Merigi Shopping Centre among others.

The installation is at various stages. The total cost for the installation is projected to cost Ksh 3.8 M (Three million, eight hundred thousand)

- iii. **Green Energy Policy.** In the period under review the division developed a Draft on Bomet County Green Energy policy in collaboration with stakeholders with support from Consumer Unity Trust Society (CUTS) International. The society has also supported sensitization workshops to promote the uptake of renewable energy options in the county in line with Sustainable Energy for All objectives. The Sustainable Energy for All solutions include adoption of initiatives on improved stoves, solar PV, biogas digesters, and briquettes. A validation workshop involving Renewable Energy Working Group has been planned in the month of March 2018.
- iv. **Matching Funds Initiative.** In order to accelerate electricity reticulation in rural areas, the division has set aside Ksh. 8M (Eight million shillings) towards matching funds with Rural Electrification Authority (REA). The authority will contribute a similar amount of Ksh.8M (Eight million shillings) resulting in a kitty of Ksh.16 M (Sixteen million shillings) to fund projects which will be prioritize by the County Government of Bomet.
- v. **Completion of Somorio Mini Hydro Power Plant Project.** In the period under review, the County Government of Bomet and officials of Iria Maina Cooperative Society held meetings on the need to complete the remaining works of the hydropower plant project. It was noted that the Society do not have funds for the acquisition of step up and step down transformers towards the completion of the project. It was agreed that the initial memorandum of Understanding between the County Government of Bomet and Iria Maina Cooperative Society was going to be revised in order to incorporate a partnership arrangement in terms of shareholding. It was agreed that this be concluded in the month of February 2018.

### **Industry Division**

The division undertook to carry out two programmes in the period under review namely;

- a) Industrial development and support.
- b) Development of Strategic Framework for Jua Kali /SME Sector.

**Industrial Development and Support:** Under Industrial development and support programme, the division had undertaken to construct one Jua Kali shed in each of the 25 wards. However, 11

Jua Kali sheds were prioritized in the period under review and are at various stages of completion. Additional activities under the programme were:

**i) Transport of Lathe machine**

The division facilitated the transport of the lathe machine and initiated the requisition of accompanying accessories. The machine will be installed at the Constituency Industrial Development Center (CIDC) in Bomet Town.

**ii) Repainting of CIDC offices**

The sub sector made a request to the Department of Public Works to initiate the drawing of the bill of quantities for the repainting of the CIDC offices before the commissioning of the lathe machine.

**iii) Land acquisition for the development of Industrial Park**

The Export Processing Zone (EPZ) wrote to the County Government of Bomet seeking for allocation /acquisition of at least 50 (fifty) acres to develop an industrial park in the County. The department of TETII wrote to the Department of Lands, Housing and Urban Development to initiate the process of land acquisition. Already an expression of interest has been send out to potential land owners.

**iv) Support to value addition incubation initiatives.** In the period under review the division assessed the viability of promoting value addition incubation initiatives which were initiated in the year 2015 through payment of rent to Kenya Industrial Estates sheds. It was realized that most of the enterprises supported were able to break even and meet their operational costs. It was therefore decided that the division discontinue payment of rent with effect from the month of March 2018.

**(v)Development of Strategic Framework for Jua Kali /SME Sector.:** A Memorandum of Understanding was entered into by the County Government of Bomet and Kalomba Consulting Systems in the year 2015 to carry out a baseline survey on the existing, collapsed and cottage industries to be initiated in the county. The firm has developed a draft business and technology incubation policy framework for Jua kali industry.

The projects identified for improvement include:

- i) Siwot Vocational Training Institute.
- ii) Tupcho Nutri-business cooperative.
- iii) Ndaraweta Potato crips plant
- iv) Mulot mini-abattoir/ Slaughter house.
- v) Kitoben Energy Centre.

## **Tourism Division**

- i) Tourism Development.** In the period under review, the division undertook the beaconing of Kipsegon Ecosystem. The exercise has been completed. The division is working closely with Kenya Wildlife Service on establishment of an animal sanctuary at Kipsegon. Plans are also on the way to develop and promote other tourism niche products which include, nature based tourism, sports tourism and business conferencing. The division has also initiated the development of a tourism circuit connecting Narok, Nakuru, Kericho and Nyamira Counties.
- ii) Tourism Promotion.** The division is planning for Miss Tourism beauty pageant competitions after communication from Miss Tourism Kenya who are the franchise holders on the preparations and road map for the 2018 edition. The division has planned for sub county auditions in the month of March 2018, County Grand finale in April 2018 and National Grand Finale in June 2018. The division has also developed strategies to market Bomet County as a tourist destination through annual marathon and cultural events.
- iii) Tourism and Wildlife Committee Meeting.** In the month of January 2018, The Council of Governors through the Tourism and Wildlife Committee organized a 3 day workshop to deliberate on issues affecting the tourism sector which included joint coordination framework, regional tourism boards, standardization, safety and security, county tourism product development, management of taxes and levies and marketing.

## **Investment Division**

The Department of TETII has organized for Bomet Investment Conference due to take place between May and June 2018. A committee planning for the Conference has been constituted and a road map drawn.

### **2.5.4 Department of Social Services**

Programmes to empower women were conducted in all the sub-counties in areas of table banking, poultry keeping, beading and basketry. A total of 3000 women were taken through basic skills training in small scale farming and small scale businesses.

The social protection program in which 14600 elderly persons and 500 persons with severe disability benefitted were discontinued in July 2016. PWDs were provided with assistive devices such as wheel chairs.



The department went into partnership with Kenya Society for the Blind which contributed so much in support of visually impaired people and in the prevention of blindness. This will go a long way to ensure persons who are visually impaired access professional support they require.

Nine Special Needs Institutions (SNIs) where school going children with various forms of disabilities were supported with foodstuff and sanitary materials. The SNIs include: Kipn'gosos school for the mentally challenged, Korara Primary School for visually impaired, Tegat special unit, Korara Secondary school, St kizito school for the deaf, Kapkesosio school for the blind, Kiriba special unit, Bomet Hostel, Ndanai small home.

The following 10 Charitable Children Institutions (CCIs) in Bomet were also supported through donation of food stuff and sanitary materials to improve the welfare of the children. These homes include: Umoja home, Kenduiwa home, Chongenwo home, Laura home, AIC Baby home Mogogosiek, Davila home, Kitoben home, St Augustine home and Saseta small home.

Cultural days and competitions were conducted across the county. A total of 65 groups participated in the competitions that led to winner in three categories being facilitated to participate in national competitions. The events resulted in increased awareness on culture and appreciation of the same. Youth and sports previously domiciled in the Department of Education was moved to Social Services, and placed under a directorate. The achievements so far include:

- ❖ The IAAF stadium has been constructed and is at 70% to completion according to NCA evaluation
- ❖ An acre of land purchased for Tegat high altitude athletics training camp, and Fencing ongoing
- ❖ Talent search programme has been successful evidenced by the teams which have progressed from county league through branch league, division 2 and are now at the division 1 Leagues; also the talent search program in athletics has succeeded evidenced by the four athletes who were awarded for good performance at international level with three currently proceeding to international competitions in Australia and Algeria.
- ❖ 21 football teams are receiving support for the Division 1, Division 2 and branch league.
- ❖ A data capture of at least 5000 youth is also ongoing.
- ❖ Trainings are ongoing in all the wards estimated to train 5000 youth across the county.
- ❖ 5 career talks were supported in December 2017 across the county reaching.

## **2.5.5 Department of Education and Vocational Training**

### **i. Early Childhood Development and Education**

Recruitment and Management of 926 ECD Assistants, Supervision and capacity building of 2,119 ECD Assistants, Sensitization of 2,119 ECDE assistants on assessment of ECDE children transiting to class one using Kenya School Readiness Assessment Tool (KESRAT), Increased enrolment from 43,123 to 51,144 children in public ECD centers and private canter from 4,200 to 12,981, Construction of 154 new ECD classrooms which are at different levels of completions, Expansion of 37 new ECDE Centres, Expansion of Day secondary schools to a total of 98 this has increased access and transition rate, Provision of furniture to Day secondary schools and VTI- 4,000 sets, Supported infrastructure in secondary and primary schools, Supported secondary schools to acquire 6 School buses, Community mobilization and capacity building of ECDE parents & BOM, Support of primary schools projects in partnership with REDCROSS through Bomet Integrated Programme (BIDP), Enhancement of health and nutrition component in ECDE( Deworming Programme, Vitamin A Supplements), Supported infrastructure development in special schools and integrated programs in Kiriba Day Secondary, St. Kizito, Korara, Kapkesosio, Supported community library at Kobeiyon, Staffing of education officers up to the ward level.

## **ii. Bursaries**

Disbursement of Secondary School bursaries to 14,000 students and Support of 460 bright needy students

## **iii. Vocational Training Centres**

Expansion of VTCs from 17 to 30, Increased enrollment from 1,771- 2,400 trainees, Management and supervision of 261 VTC staff, 1,200 youths graduated from VTCs with improved skills tailored to employability and development, Partnership with Techno serve (STRYDE) in training, capacity building and provision of startup capital to trainees, Partnership with CAPYE in training of instructors for short courses, Capacity building of 30 VTC Managers, Accountants, instructors and BOM members.

## **2.5.6 Medical Services and Public Health**

### **a) Longisa County Referral Hospital:**

The hospital has had major development activities all geared to providing affordable quality services to clients seeking health care. The major developments include establishment of renal unit with functional dialysis machines, a complete oxygen plant concentrator with oxygen piped to the relevant areas of the hospital, an intensive care unit and functional refrigerated mortuary.

A medical store has been established for buffer stock. This ensures that there are constant supplies of medical commodities even when placement of orders from KEMSA is in progress.

There has been concerted effort to recruit specialized health care staff to provide the specialized services. Currently, the hospital has five consultants i.e. family physician, a pediatrician, general surgeon, obstetrician and orthopedic, one critical care nurse and two renal nurses on board.

**b) County Health Referral System**

To support an effective referral system at the county health system, the County government of Bomet has outsourced six ambulance services from Red Cross which have greatly provided emergency services. The ambulances have been deployed to each sub-county with one coordinator based at the Longisa hospital, the county referral hospital. The ambulance staff are fully trained to carry out ambulance activities on a 24 hr. basis. The referral system at the county of bomet has improved and clients requiring such services are picked from the nearest health facility. An average 200 clients are referred within and outside the county referral health facilities on monthly basis

**c) Other County Health facilities**

The existing health facilities have been refurbished and are fully functional. The sub-county rehabilitated include Cheptalal and Sigor. Other health centres that have been done a facelift include Koiwa, Ndanai, Bomet and Kapkoros among others. In the MTEF 17/18 several health facilities that are undergoing construction and renovation that have been earmarked for completion and operationalization forty new dispensaries have been established and provided with basic equipment in the previous years. These are currently operational thus reducing the distance that clients seeking health care have to cover to get treatment.

**d) Medical and non-pharmaceutical -supplies**

The county government identified WHO certified pharmaceutical supplier i.e. KEMSA and MEDS, where the health facilities receive their supplies. The two biggest supply chain institutions in Kenya are established in their logistics and operations and effectively delivers all the orders directly to the health facilities as requested.

A county medical store based at Longisa hospital is complete and operational. It holds buffer stocks of medical supplies which supports any needed supplies by the county health facilities.

**e) Public Health**

Public health sector has the mandate of ensuring prevention and health promotion of communicable and non-communicable strategies are in place and implemented. Major activities undertaken include; Malaria control, jigger campaigns promotion of hand washing in schools and training of community health workers and nutritional monitoring for under-fives and others

### **2.5.7 Water, Sanitation and Environment**

Nine (9 No.) existing water supply schemes ( Bomet Water Supply, Sergutiet, Kamureito, Longisa, Itare, Sigor water Supply, Olbutyo, Ndanai and Sotik) were augmented/rehabilitated to improve production capacity and increase the water No. of water connections. Ten (10 No.) operational community-based water projects (Kaposirir, mogombet, kapcheluch, Yaganek, Tegat Borehole, Itembe Borehole, Kaptebengwet, Cheptalal, Sogoet and Kapkesosio Borehole) were supported to improve on their production and service coverage areas. Nine (9 No.) community based on-going water projects (Nyangombe, Marinyin, Segutiet, Kipngosos, Kaporuso/Chepkitwal, Chemaner-Njerian, Memobo, Kapset/Kimulot and Chepchabas) were supported and they are various stages of completion.

Chebaraa, Nogirwet and Kicheka irrigation schemes pipeline extension was implemented.

Seventeen (17 No.) springs (Rotik (Ndanai/Abosi), Kiptenden (Ndanai/Abosi), Kecheiyat (Silibwet Township), Kiptenden (Embomos), Saseta (Mogogosiek), Togomda (Nyangores), Litiik (Nyangores), Chebutich Sosur (Nyangores), Kipiriche (Nyangores), Chebirir (Chemaner), Sinendoik (Embomos), Rotinwek (Kapletundo), Chebilbait (Kapletundo), Tebeswet (Merigi), Kalabuu (Chemagel), Tilimiet (Kapletundo) and Laalet (Silibwet Township) were protected across the county.

Geo-hydrological surveys were done in twenty five (25 No.) sites out of which 13 No. were drilled and 5 No. which had sustainable production were equipped and 2 No. (Kapkesosio and Cheptalal) are operational. Five No. water boozers were acquired to supplement water supply to communities and institutions not yet covered by water supply networks. One hundred and sixty one (161 No.) plastic water tanks were installed in strategic places for communities and another two hundred and twelve (212 No.) distributed to institutions for water harvesting and storage and to access clean water supplied by water boozers during dry periods.

## **Sanitation**

Sewerage treatment plant constructed in Bomet town to serve a population of 7,000 and it is operational. The network coverage is being expanded to cover more parts of the town.

## **Environment**

Stakeholders meetings done, awareness created & public participation enhanced, over 80,000 trees planted along major highways, within catchment areas and gazetted forests and fencing done. 350,000 tree seeds distributed to community tree nurseries, Sensitized community on protection of environment- 7 No. prohibitory sign posts erected in major pollution hotspots Afforestation & reforestation realized and natural resources – forest cover now stands at 12%.

### **2.5.8 Department of Agribusiness, Cooperatives and Marketing**

The department of agriculture had the following achievements: Greenhouses established in Chemaner, Mogogosiek, Kapletundo ,Gorgor,Nogirwet and Chebaraa irrigation schemes, farmers were supplied with 460 drip kits for small scale irrigations, The county supported 10 farmer groups to bulk Kenspot varieties of sweet potatoes, The county supported all the sub counties through multipurpose cooperatives to acquire tractors complete with mowing and baling machines,

Food stores constructions were started at Chepchabas, Boito, Embomos and Longisa wards. To be completed, Coffee nurseries were started at Mutarakwa and Longisa wards, Purchase of tissue banana seedlings for farmers done in all sub counties, Establishment of 30 multipurpose cooperatives which has Over 100 million Kenya shillings is revolving in our multipurpose cooperative society with membership of over 32,000 KAMUA, a musician cooperative was funded Ksh, 3 million support acquisition of musical instruments, Korokwony milling cooperative society was registered 2010. It was operationalized with the County support of 18M in the year 2015, May to carry out the business of processing and selling maize flour. This mill plant has the capacity of processing 555 x 90 kg bags of white maize per day. supported by county seconded staff from cooperatives department, Dairy cooperatives supported in establishing milk bulking sites with cooling equipment, which includes cooling tanks, milk pasteurizers and dispensers,

Construction of Bomet Poultry processing plant is at the final stage, Ksh 6.8M has been allocated to complete and equip the plant by June 2018,Construction of coffee processing plant in Oldabach in Mutarakwa ward is almost complete 95%.Ksh 2.5M has been budgeted to complete and equip the plant, The directorate has linked farmers to European markets through

Mbogatu Export Company especially bullet Chilies and goose berries, The county managed to cumulatively support 19 dairy farmer's cooperatives to construct cooling plants to the tune of Kshs 104 M. So far 9 of the cooling plants are complete and operational. The dairy milk cooling plants were supported with amount of Kshs 3.4M to dairy cooperatives for advances on milk payments,

The department managed to empower farmers to establish pastures by subsidizing acquisition of boma rhodes seeds which has seen a notable increase in acreage under pasture and, hence, milk production. 2,545 acres of improved pasture were established, the department started subsidized A.I services in July 2015. Genomic tested semen and sexed semen were also introduced in 2017 at Kshs. 400 and Kshs 3000 respectively, A total of 106 have received the support in repairs and purchase of acaricides. There have been reduced cases of tick-borne diseases hence reduced mortality and especially in young stock and old stock after the government assisted in renovation and provision of accuracies to some dips, We have vaccinated over 326,286 animals against priority notifiable Foot & Mouth Disease (FMD) 117,253, Anthrax and Black quarter (BQ) 218,819, Lumpy Skin Disease (LSD) 31,136 and Rabies 12,065, To enhance trade in livestock/ livestock products and to ensure hygiene and safety in food from animal origin meant for human consumption the county government during the period repaired/ renovated a total of 10 slaughter houses.

#### **2.5.9 Roads, Public Works and Transport**

The department has made remarkable progress in road and bridge construction, management, maintenance and its rehabilitation. In the financial year 2013/2014, 2014/2015, 2015/2016 and 2016/2017, the Department managed to gravel 174km, 334.5km, 320.5km and 102km respectively. The Department also managed to construct 6 motorized bridges namely Koroma, Blue Gum, Reberwet, Saunet and Kapnaeni. The County has so far tendered a total of 405.2Km in the Fy 2017/2018. Out of which 246km are ward roads funded by county development fund while as 159.2Km are inter-ward roads funded by Road Maintenance Fuel Levy fund.

#### **2.5.10 Lands Housing and Urban Planning**

The department made remarkable achievements as follows; Completion of Bomet and Sotik markets, Construction of 5 public toilets in Mulot, Kapset, Kimulot, Longisa and Sigor; 1<sup>ST</sup> and 2<sup>ND</sup> phase of Bomet sewerage and treatment works is complete; Installation of Street lighting in Bomet and Sub County Headquarters; Land Bank for expansion of markets and Public utilities; Renovation of government offices and Housing units and Expanded solid waste management system.

## **CHAPTER THREE:**

### **3.0 FISCAL AND BUDGET FRAMEWORK**

This section highlights the projections for county revenue, recurrent expenditure and development expenditure. It also describes the overall deficit and its financing, the underlying risks, structural measures and strategic interventions.

#### **3.1. Overview**

The 2018/19 Medium-Term Fiscal and Budget Framework will guide the development of the county Medium Term Expenditure Framework (MTEF) that is compliant with the Public Finance Management Act (PFM) of 2012 and other relevant legislations. Fiscal reforms to be implemented in the period will emphasize the development of institutions and mechanisms to promote efficient revenue mobilization, while ensuring social equity and a conducive environment for doing business. The reforms will also promote prudent expenditure, while ensuring resources are directed to county priorities.

The institutional reforms and development of mechanisms to drive the fiscal framework will be underpinned by legislation to guarantee policy certainty. Priority in this respect will be enactment of revenue legislation and the strengthening of the revenue functions in the County Treasury.

#### **3.2. Fiscal Performance**

##### **i. Fiscal policy**

The tax base for the county is narrow as it is mainly a rural county with underdeveloped resource base. National revenue allocations will therefore form a large share of total revenues for some time to come. This share is estimated to increase by 14.5% from Kshs. 6.2 billion in the year 2017/2018 to 7.1 billion in the fiscal year 2018/2019 respectively.

As shown in Table 1 below, the main sources of revenue are Property rates, single business permits revenue from Longisa Hospital, Embomos Tea Farm and rates from multinationals. Revenue from other sources are largely fees and incomes and need to be separated to clarify revenue from charges for services, licenses and investment incomes. Fiscal reforms carried out in 2018/2019 including automation of revenue system and enactment of Bomet County Finance

Act, 2018 will help increase revenue and reduce leakages. The local revenue is projected to increase to Kshs 279 million in the medium.

### Local revenue projections for the financial 2017-18 to 2021-2022

**Table 1: Sources of Revenues**

	REVENUE SOURCES	SUPPLEMENTARY PROJECTION 2017/2018	2018/19	2019/20	2020/21
1	Property Rates	10,940,335	13,034,369	14,337,805	15,771,586
2	Business Permits	38,998,650	45,898,515	50,488,367	55,537,203
3	Cess Collections	4,805,550	6,286,105	6,914,716	7,606,187
4	Markets & Slaughter	14,412,793	18,854,072	20,739,480	22,813,427
5	Rental Income	2,538,689	2,792,558	3,071,814	3,378,995
6	Parking Charges	14,347,431	17,782,174	19,560,392	21,516,431
7	Others	9,531,680	10,484,848	11,533,333	12,686,666
8	Longisa County Hospital	47,561,850	52,318,035	57,549,839	63,304,822
9	Sigor Sub-County Hospital	1,925,860	2,118,446	2,330,291	2,563,320
10	Cheptalal Hospital	899,690	989,659	1,088,625	1,197,487
11	Embomos Tea Farm	19,478,981	21,426,879	23,569,567	25,926,524
12	James Finlays (K)	9,507,467	10,458,214	11,504,035	12,654,439
13	Unilever Tea (LR)	12,679,943	13,947,937	15,342,731	16,877,004
14	Williamson Tea Kenya (LR)	3,302,206	3,632,427	3,995,669	4,395,236
15	Kipsigis Highlands	1,584,000	1,742,400	1,916,640	2,108,304



16	Sotik Tea (LR)	3,959,650	4,355,615	4,791,177	5,270,294
17	Ndanai Dispensary	755,600	831,160	914,276	1,005,704
18	Miscellaneous Receipts	2,980,790	4,290,483	4,719,531	5,191,484
	<b>Total Revenue</b>	<b>200,211,165</b>	<b>231,243,896</b>	<b>254,368,285</b>	<b>279,805,114</b>

*Source: County Treasury (2018)*

## ii. Fiscal Policy Reforms

Inappropriate tax systems threaten budget stability which leads to inefficient public services and slow economic growth. The county through the enactment of Finance Act, 2016 has established systems to attain sound economic policies. The county government has reformed the tax regime to increase the tax effort without necessarily imposing undue burden on the taxpayers.

On tax modernization, the county has procured revenue automation system to promote efficiency of revenue administration and to reduce leakage of revenues. Connectivity will be extended to sub-county revenue offices through installation of a WAN system. A county rating act will be passed to provide for the levying of rates and trade licensing act will be enacted to provide for levying of licenses, fees and charges. The county will also undertake consultations on the role of Kenya Tea Growers Association in the collection of tea CESS. The county is now receiving benefits on tea levies previously collected by Tea Board of Kenya and now collected by the Tea Directorate of the Agriculture, Fisheries and Food Authority.

In the meantime, to maintain certainty revenues will be collected on a calendar year basis. The county has been zoned into three areas for the purpose of promoting equity. Bomet town is classified as zone A, Sotik town as zone B and other areas as zone C, with the level of taxation to be charged in each zone on descending order. This classification will apply mostly to payment of rates, SBP, market fees and parking fees. In the financial year 2018/2019, the county government is likely to surpass the revenue target since the valuation roll will be done.

In the medium term the Treasury will maintain the 2018/19 disciplined expenditure management and implementation of savings measures on operations and maintenance which continues to improve the County's fiscal position. The County government has also maintained close partnership with various development partners to mobilize resources for better service delivery.

### **3.3 2018/19 Budget Framework**

Table 2 provides a summary of the 2018/19 budget and the medium term budget estimates. As a result of expected higher national revenue allocations, total revenue for 2018/19 will be higher than the 2017/18 budget by about Kshs 875 million which is equivalent to 14% increase in the county total allocations. The increase is majorly attributed to increase in National equitable share by 13% as well as increase in loans and grants by approximately Kshs 400 million

**Table 2: Budget Summary 2017/18-2020/21 (Kshs.)**

	2017/18	2018/2019	2019/20	2020/21
<b>Total Cash Inflows</b>	<b>6,241,908,699</b>	<b>7,116,909,002</b>	<b>7,828,599,902</b>	<b>8,611,459,892</b>
National Allocations	5,254,800,000	5,934,600,000.00	6,528,060,000	7,180,866,000
Own Revenues	200,211,165	210,221,723	231,243,895	254,368,285
Commitments c/f	279,352,703	-		
HSSF-Danida	13,589,799	-		
CA- Other Loans and grants	34,476,134	434,246,074	477,670,681	525,437,750
CA- Fuel Levy Fund	200,546,244	156,252,849	171,878,134	189,065,947
Climat Smart	0	117,000,000	128,700,000	141,570,000
CA-User Fees foregone	16,713,356	16,713,356.00	18,384,692	20,223,161
CA- Leasing of Medical Equipment	95,744,681	200,000,000	220,000,000	242,000,000
CA- Development of Youth polytechnics	45,149,112	47,875,000	52,662,500	57,928,750
CA - KDSP (level 1 + FY2016/17 allocation)	41,921,669			
World Bank	59,403,836			
<b>Total Expenditure</b>	<b>6,241,908,699</b>	<b>7,116,909,002</b>	<b>7,828,599,902</b>	<b>8,611,459,892</b>

<b>Personal emoluments</b>	<b>2,387,699,903</b>	<b>2,302,407,731</b>	<b>2,532,648,504</b>	<b>2,785,913,355</b>
<b>Operation &amp; maintenance</b>	<b>1901615674</b>	<b>1,901,553,333</b>	<b>2,091,708,666</b>	<b>2,300,879,533</b>
<b>Development</b>	<b>1952593122</b>	<b>2,912,947,938</b>	<b>3,204,242,732</b>	<b>3,524,667,005</b>
<b>Personal emoluments</b>	38%	32%	32%	32%
<b>Operation &amp; maintenance</b>	30%	27%	27%	27%
<b>Development</b>	31%	41%	41%	41%

*Source: County Treasury (2018)*

### **Expenditure Forecasts<sup>1</sup>**

<sup>1</sup> Tables 4-6 in the Annex show expenditure estimates by ministry/department.

The balanced budget policy followed by the county implies that total expenditures shall be equal to total revenues in 2018/19 and possibly into the medium term. The financial constraints will be relaxed once other sources of funding the budget, such as borrowing and grants, are available. In the year 2018/19, departments will consider resource mobilization option to fund projects the current revenue cannot meet.

### **Recurrent Expenditure**

Recurrent expenditure is projected to rise slowly into the medium term. This growth is driven by staff establishment of the county. Staff analysis has been continuous since the establishment of the county government and once completed the results will be used to review budget requirements of personnel emoluments as more recruitments and redeployments are made. Table 2 shows that the recurrent expenditure will be maintained at 59% in the financial year 2018/19 and over the medium term. This means that the County will have sufficient funds for development expenditure

### **Development Expenditure**

A deliberate effort has been made to allocate substantial resources to development. However, the allocations for 2018/19 will rise marginally from Kshs. 1.9billion in 2017/18 to Kshs. 2.9b billion. The percentage allocation for development expenditure is expected to be maintained at 41% in the medium term. This means that the county is expected to do major developments as envisaged in the County Integrated Development plan 2018-2022.

### **Deficits and Financing**

Currently, the county does not have any public debt and does not plan to engage in deficit financing in the medium term and in any case before the mechanism and process for national guarantee is agreed at the intergovernmental level. It is also necessary that a bill governing approval of loan guarantees is passed by the County Assembly.

The county will, however, as need arises and with the authority of the County Assembly engage in short term borrowing for cash management purposes and shall comply with other requirements of the PFM Act on the matter. Although it has not budgeted for any grants from the national or donor agencies, the county may apply for such grants when the opportunity

arises. Any receipt of grants from a development partner will be treated in accordance with the law.

### **3.4 Meeting the Fiscal Responsibility Principles**

The structure of budget financing almost ensures that fiscal responsibility principles will be complied by the county. With little room for borrowing and the largest share of total revenues coming from revenue allocations from the National Government, recurrent expenditures are about 59% in 2018/19 and the County Government will strive to reduce the percentage over the medium term despite the increasing costs of operations. This also means that the share of the budget allocated to development expenditure is over 30% over the medium term as required by law.

The principles also require that wages should not exceed a limit prescribed by regulations. The PFM regulations provide a limit on wages of 35 percent of total revenues. The county government strives to achieve this in the medium term. The current wages are at 38% and is expected to reduce significantly to 32% in the financial year 2018/2019 and in the Medium term.

### **3.5 Summary**

Fiscal policy of the county in the medium term aims to increase own revenue efforts to supplement national revenue allocations. It will ensure tax measures support the growth of business enterprises. The policy proposes administrative and legal reforms to support the achievement of these objectives. Enactment of the proposed legislation will provide clear administrative structures and regulations for effective implementation of fiscal policies.

In the 2018/19 budget and medium term the policy is to maintain a balanced budget. Though this may constrain economic development of the county, it will provide space for measures to promote prudent management of resources to be put in place. In the meantime, the county will work out guidelines for equitable borrowing guarantees with the national government, including appropriate protocols for engagement with the development partners.

## **CHAPTER FOUR**

### **4.0 MEDIUM TERM EXPENDITURE FRAMEWORK**

#### **4.1. Resource Envelope**

The resource envelope available for allocation among the ministries/departments is based on the revenue projections provided in chapter 3. In the absence of borrowing this is limited to national revenue allocations and locally mobilized resources.

Overall national revenue allocations will account for 91 percent total budget resources, with local revenues accounting for 3.9 percent and donor funding accounting for 0.5% and Conditional Allocations accounting for the remaining 4 percent. Given the revenue constraints at the national level the county will continue to identify other revenue sources through resource mobilization to meet development expenditure needs.

#### **4.2. Spending Priorities**

County priorities are provided by the CIDP 2018-2022 and are summarized in subsection 4.4 below. As the requirements necessary to finance all the priorities cannot be accommodated by the budget, Sectors/departments have had to allocate available resources to priorities which contribute to increased service delivery, higher productivity and food security.

Health will receive the largest allocation of the County Budget due to construction of a new model fully equipped and functional maternal, newborn and child health unit annexed to Longisa County referral hospital. The sector will also undertake construction, rehabilitations, equipping and staffing of health institutions in the entire county. This is important to improve the quality of life of county residents which in turn will contribute to productivity of the county economy in the long term. More resources will be directed to preventive services to reduce the cost of health care.

Roads and related infrastructure will receive sufficient allocations to ensure all roads are up to motorable level. This will enable most areas to access markets at reduced costs and facilitate easy movement within the county by residents.

The water sector will also get increased allocations to ensure there is sufficient water supply for household consumption and to promote agricultural productivity by increasing availability of water for livestock and small scale irrigation.

Agriculture sector will also receive increased allocations to support improvement in food security, availability of inputs, value addition and affordable credit. This will promote higher productivity in the sector and increased household incomes.

Other areas receiving increased allocations are social protection and education. Educations will receive additional resources to hire more ECD assistants and tutors, renovate ECD and VCT centers and build new ones.

Sectors where allocations need to be reviewed are energy and tourism. As additional resources are mobilized more should be allocated to them as they are currently underfunded. Resource requirements by the health and education sectors are large and should be managed by putting emphasis on efficient delivery of services and ensuring a phased recruitment of new staff.

Resource constraints also require that some of the priority projects are promoted to investors for PPPs. The best candidates for this are the water supply schemes, wind and energy power generation, low cost housing and the development of tourist sites and hotels.

#### **4.3. Baseline Budget Ceilings**

The baseline indicates allocation of resources to the different sectors of the county. As already noted Medical Services and Roads Maintenance receive the largest share (over 30 percent) of the allocations signifying the importance the county attaches to development and delivery of services in these sectors.

The allocations to county headquarters and the Treasury are for administrative purposes. The recurrent allocations to the County Assembly are informed by the advice from the Commission on Revenue Allocation as per the PFM Act 2012 section 107. The County Government also aims at maintaining allocations to personnel emoluments at 32% in the medium term.

**Table 3: Budget Ceilings (Kshs Millions)**

SECTOR	APPROVED CEILLINGS	PROJECTION	
	2018/2019	2019/2020	2020/2021

<b>COUNTY EXECUTIVES</b>	<b>530,709,969</b>	<b>583,780,966</b>	<b>642,159,062</b>
Personal emoluments	220,414,568	242,456,025	266,701,627
Operation & maintenance	310,295,401	341,324,941	375,457,435
<b>PUBLIC SERVICE BOARD</b>	<b>59,723,921</b>	<b>65,696,313</b>	<b>72,265,944</b>
Personal emoluments	36,538,520	40,192,372	44,211,609
Operation & maintenance	23,185,401	25,503,941	28,054,335
<b>ADMINISTRATION</b>	<b>450,153,703</b>	<b>495,169,073</b>	<b>544,685,981</b>
Personal emoluments	168,442,133	185,286,346	203,814,981
Operation & maintenance	110,742,170	121,816,387	133,998,026
Development	170,969,400	188,066,340	206,872,974
<b>ICT</b>	<b>58,199,220</b>	<b>64,019,142</b>	<b>70,421,056</b>
Personal emoluments	13,538,220	14,892,042	16,381,246
Operation & maintenance	34,661,000	38,127,100	41,939,810
Development	10,000,000	11,000,000	12,100,000
<b>FINANCE AND ECONOMIC PLANNING</b>	<b>401,423,995</b>	<b>441,566,395</b>	<b>485,723,034</b>
Personal emoluments	165,460,088	182,006,097	200,206,706
Operation & maintenance	215,493,372	237,042,709	260,746,980
Development	20,470,535	22,517,589	24,769,347
<b>LANDS AND URBAN PLANNING</b>	<b>288,212,017</b>	<b>317,033,219</b>	<b>348,736,541</b>
Personal emoluments	120,177,559	132,195,315	145,414,846
Operation & maintenance	13,309,041	14,639,945	16,103,940
Development	154,725,417	190,197,959	209,217,755
<b>YOUTH, SPORTS, GENDER AND CULTURE</b>	<b>252,941,964</b>	<b>278,236,160</b>	<b>306,059,776</b>
Personal emoluments	48,879,564	53,767,520	59,144,272
Operation & maintenance	95,662,400	105,228,640	115,751,504
Development	108,400,000	139,240,000	153,164,000
<b>MEDICAL SERVICES AND PUBLIC HEALTH</b>	<b>1,464,348,401</b>	<b>1,610,783,241</b>	<b>1,771,861,565</b>
Personal emoluments	580,224,711	638,247,182	702,071,900
Operation & maintenance	473,364,541	520,700,995	572,771,095
Development	410,759,149	471,835,064	519,018,570
<b>AGRICULTURE, LIVESTOCK AND COOPERATIVES</b>	<b>532,480,900</b>	<b>585,728,990</b>	<b>644,301,889</b>
Personal emoluments	176,653,977	194,319,375	213,751,312



Operation & maintenance	51,430,544	56,573,598	62,230,958
Development	304,396,379	354,836,017	390,319,619
<b>WATER, SANITATION AND ENVIRONMENT</b>	<b>488,945,716</b>	<b>537,840,288</b>	<b>591,624,316</b>
Personal emoluments	48,442,797	53,287,077	58,615,784
Operation & maintenance	89,541,448	98,495,593	108,345,152
Development	350,961,471	386,057,618	424,663,380
<b>EDUCATION AND VOCATIONAL TRAINING</b>	<b>618,254,227</b>	<b>680,079,650</b>	<b>748,087,615</b>
Personal emoluments	331,420,151	364,562,166	401,018,383
Operation & maintenance	66,803,329	73,483,662	80,832,028
Development	220,030,747	242,033,822	266,237,204
<b>ROADS, PUBLIC WORKS AND TRANSPORT</b>	<b>823,657,005</b>	<b>906,022,706</b>	<b>996,624,976</b>
Personal emoluments	54,485,272	59,933,799	65,927,179
Operation & maintenance	96,817,423	106,499,165	117,149,082
Development	672,354,310	789,589,741	868,548,715
<b>TRADE, ENERGY, TOURISM AND INDUSTRY</b>	<b>280,894,567</b>	<b>308,984,024</b>	<b>339,882,426</b>
Personal emoluments	57,213,037	62,934,341	69,227,775
Operation & maintenance	33,801,000	37,181,100	40,899,210
Development	189,880,530	208,868,583	229,755,441
<b>COUNTY ASSEMBLY</b>	<b>866,963,397</b>	<b>953,659,737</b>	<b>1,049,025,710</b>
Personal emoluments	280,517,134	308,568,847	339,425,732
Operation & maintenance	286,446,263	315,090,889	346,599,978
Development	300,000,000	150,000,000	165,000,000
<b>TOTAL</b>	<b>7,116,909,002</b>	<b>7,828,599,902</b>	<b>8,611,459,892</b>
<b>Personal emoluments</b>	<b>2,302,407,731</b>	<b>2,532,648,504</b>	<b>2,785,913,355</b>
<b>Operation &amp; maintenance</b>	<b>1,901,553,333</b>	<b>2,091,708,666</b>	<b>2,300,879,533</b>
<b>Development</b>	<b>2,912,947,938</b>	<b>3,204,242,732</b>	<b>3,524,667,005</b>
<b>Personal emoluments</b>	32%	32%	32%
<b>Operation &amp; maintenance</b>	27%	27%	27%
<b>Development</b>	41%	41%	41%

*Source: County Treasury (2018)*

The ceilings will provide the basis of budget preparation for FY 2018/19. The only areas that can be reviewed are expenditure by programmes and personnel emoluments.

## **4.4. Ministerial Priorities and Budget Estimates**

### **4.4.1. Introduction**

Allocation of budgetary resources to county departments is based on their priorities which have been identified in the County Integrated Development Plan. The Plan was produced after intensive stakeholder consultations and therefore reflects the expectations of the people of the county with regard to county development and service delivery. However, departments have had to prioritize the citizens' needs according to available financial resources. This is important to point out so as to sensitize the public and public servants of the budget constraints and the need for prudent management of public resources. The citizens were also engaged during the preparation of this document.

### **4.5 Priorities of Ministries and Department**

Summaries of the priorities of each department are outlined in this part. Where necessary resource requirements and budget allocations are provided to illustrate the budget constraints the county government faces and the need for prudence in the utilization of resources. In the case of public investments, where there is wide divergence between resource requirements and budget allocations, the county government will look for investors as co-investors under PPPs or seek budget support from the national government or development partners.

#### **4.5.1 Office of the Governor, Administration, ICT and Public service**

The Office of the Governor provides overall coordination of all the departments in the County for the effective and efficient implementation of programs. It provides shared support services to other departments and coordinates development and implementation of policies and programmes, including Kenya Vision 2030 and sustainable development goals (SDGs).

##### **Key Mandate**

The Department of Administration, ICT and Public Service is mandated to provide overall coordination of departments in the County Government to achieve efficiency and effectiveness in every government programme, project and initiative. It provides shared support services to other departments and coordinates development, ensuring they are not only aligned to the Governor's manifesto but also to the County Integrated Development Plan (CIDP).

**Vision:** To be the leading department in provision of quality and efficient services to the public and other stakeholders.

**Mission:** To create a conducive environment for the effective and efficient delivery of services and management of resources, implementation and coordination of government programmes and activities.

## **Departmental Programmes and its Objectives**

**Programme 1:** Administration, Planning and Support Services,

**Objective :** To enhance service delivery and provide conducive working environment for staff which includes ensuring proper planning and support service to other County department.

**Programme 2:** Intergovernmental and Liaison Services,

**Objective:** To improved intergovernmental relations with the National Government and other counties as clearly indicated in the Constitution and County Government Act, 2012.

**Programme 3:** infrastructure development and equipment,

**Objectives:** This will provide a conducive working environment for the staff. The department also intends to equip the Disaster Management Unit with modern fire engines and acquire motor vehicles to be used by the departments given that the existing ones are aging.

**Programme 4:** Information Communication Technology (ICT) services

**Objective:** To develop efficient and effective ICT infrastructure for seamless service delivery

### **Challenges**

The department has faced a number challenges in fulfilling its mandate. They include: Inadequate office space; inadequate means of transport; political interference; under developed ICT infrastructure in the sub county, ward and health facilities and lack of enterprise resource planner (ERP) systems that automates various processes and functions in the county; and high (and at times unrealistic) expectations from the public.

### **Priorities for Financial Year 2018-19**

- Five (5) new ward offices at a cost of Ksh.8 Million each
- Ten ongoing Ward offices at various stages at a cost of Ksh. 3 Million each
- Purchase one water bowser to support the Disaster management unit at a cost of about Ksh. 9 Million
- Two New Sub county offices each at a cost of Ksh.8 Million
- One ongoing sub county offices at a cost of Ksh. 5 Million each
- Construction of official Governors residential house at Ksh. 50M
- Establish one fire station at a cost of Kshs. 10 Million
- Completion of TETII offices at a cost of 4 million
- Purchase of fire engine (pending bill) amounting Ksh. 25M

- Purchase of five motor vehicles at a cost of Ksh.4.2 Million each – Total: 21M
- Equip and furnish New Governor’s office at a cost of Kshs. 20 Million
- LAN installation in completed and ongoing ward offices (10) and sub county health facilities (5) at a cost of Ksh. 2 M each – Total: 30M
- Enhancement of internet connectivity at a cost of Ksh. 4M
- Enhancement of E-government services through Setting up and Equipping Ward Digital/ICT Centres (5 in number) each at a cost of 2M and procurement of public service delivery systems at a cost 5M – Total: 15M

#### **4.5.2 Finance and Economic Planning**

This sector comprises of Finance, Economic Planning, Supply Chain Management, Revenue and Audit sections. The sector main goal is to mobilize and prudently manage financial resources and to strengthen policy formulation, economic planning and monitoring and evaluation of projects and programmes.

##### **Sector goals**

- Ensuring equity distribution of the available resources and with emphasis on programmes and projects that have high impact on reducing poverty;
- Implementing procurement procedures and regulations taking into account youth and gender considerations;
- Proper planning and allocation of resources, promote policies that encourage entrepreneurship and job creation to stimulate sustainable economic growth; and
- Strengthening partnership and resource mobilization strategies to address resource limitation.

##### **Vision:**

To be a leader in Prudent Financial Management.

##### **Mission:**

To effectively coordinate county government financial operations for rapid and sustainable development.

##### **Program Objectives/overall Outcome**

**Programme 1:** General Administration, Planning and Support Services

Objectives: To co-ordinate and provide efficient administrative services

**Programme 2:** Planning Services

Objectives: To improve policy formulation and planning

Outcome: Improved development planning

**Programme 3: Monitoring and Evaluation Services**

Objectives: To improve tracking of results

**Programme 4: Resource Mobilization**

Objectives: To increase resource base

Outcome: Enhanced implementation of projects and programmes

**Programme 5: Public Financial Management**

Objectives: To strengthen financial Management

Outcome: Prudency in financial management

**Programme 6: Budget preparation and management**

Objectives: To prepare timely, realistic and accurate budget

Outcome: Equitable resource allocation and implementation of the budget

**Challenges**

Despite the achievement the department also has been facing the following challenges;

- Inadequate Financial Resources,
- Delay in disbursements of funds from the National Treasury
- Inadequate monitoring and evaluation of projects.
- Delays in budget approvals.
- Inadequate statistical information

**Spending Priorities 2018/2019**

- Automation of Level 4 hospitals (Longisa, Cheptalal and Sigor Hospitals)
- Automation of other revenue streams.
- Capacity Building
- Setting up of a Monitoring and evaluation dashboard
- Policy formulation, coordination, planning and implementation
- Statistical information
- Timely preparation of budget documents
- Resource Mobilization
- Proper accounting and financial reporting

**4.5.3 Land, Housing and Urban Development**

The Department of Land, Housing and Urban Development is responsible for land use planning and policy formulation pertaining the sub-sector, housing development and human settlement,

and urban development. This is expected to promote proper land use, effective management and orderly development of urban and rural markets infrastructure as well as ensuring safety, security in urban settlements (towns and markets), planned and adequate housing for sustainable and socio-economic development in the County.

### **Vision**

A leading Agency in land administration, housing and urban management for sustainable development of the County

### **Mission:**

To improve livelihoods through efficient urban development, coordination, land administration by promoting adequate and accessible housing and urban facilities for all County Citizen

### **Programme Objectives**

- Establish land use development controls
- Developed waste management infrastructure in all major urban areas
- Increase and maintain staff houses
- Develop Integrated Land Information/Management System (LIS)
- Acquire strategic land banks
- Develop and maintain public amenities

### **Programme1: Land Policy and Planning**

Objective: To formulate effective land policies and urban governance through public participation

### **Programme 2: Housing Development and Human Settlement**

Objective: To Construct 1000 Units of Low Cost Housing (LCH) and Rehabilitation of government houses and Offices

### **Programme 3: Promote urban planning and development.**

Objective: To Promote Urban mobility and transport.

### **Challenges**

- Insufficient allocation of funds for development programmes
- Inadequate skilled manpower and facilitation of project technical team to project sites
- Lack of clear policies and guidelines
- Inadequate public land for development
- Poor infrastructure development
- Lack of sewerage systems
- Poor traffic management and control

- Unplanned development in urban centres
- Inadequate habitable, quality and affordable housing for County Government employees and the public
- High cost of acquisition of land
- Outdated cultural norm on land succession process

#### **Spending Priorities 2018/2019**

- Organized business centres at low cost
- Increase the public toilet coverage in market centres
- Improve road network in all the urban and market centres
- Proper management of transport system (bus parks) in all the sub-counties
- Improved solid waste management disposal
- Survey and beacon of all encroached public lands
- Acquire ownership of PIs and purchased lands
- Planning of all major urban centres within the county
- Ensure Land use policy, land control policy is in place
- Complete and operationalise the county spatial plan
- Complete repairs and renovation of existing government houses
- Establishment of 1000 low cost housing units through partnership i.e. National Housing Corporation
- Establishment of low-cost housing demonstration sites and building materials
- Establishment of valuation role
- Establish operational Municipal and town committees
- Finalize the with the policies as follows;
  - a. Development control policy
  - b. Land use policy
  - c. Solid waste management policy
  - d. Housing policy
  - e. Traffic management policy
- Establishment of urban inspectorate division
- Strengthened disaster preparedness and response (county committee)
- Management of storm water in build-up areas
- Expansion of market shades

- Establishment of land information management system
- Establishment of a customer care desk
- Establishment of county courts
- Review of county boundaries
- Establishment of parking bay for long distance truck
- Establishment of industrial/business park

#### **4.5.4 Education and Vocational Training**

The department has two sub sectors. These are Early Childhood Development & Education and Vocational Training Centres. The vision, mission, programs, achievements and challenges are as follows:

**Vision;** leading provider of quality, equitable, empowering and ethical educational services and training.

**Mission;** Nurturing every learners potential and skills within the county

#### **Program Objectives/overall Outcome**

**1. Programme1:** General Administrative Services, Planning and Support Services

**Objective:** To formulate policies and prepare plans for effective and efficient service delivery and enhancement of access, retention and transition in ECD and VTC.

**2. Programme2:** Early Childhood Development and Education.

**Objective:** Provide Quality Education and increased access to ECDE services

**3. Programme3:** Technical, Vocational Education and Training

**Objective:** Provide Quality skilled training and increased access to VTC services

#### **Challenges**

Delay in development and revision of national policies and guidelines in line with the current governance structures, e.g. Code of Conduct and professional progression path for the VTC Instructors, harmonized schemes and terms conditions of service for ECD Assistants, etc.

The resources have not followed the functions ceded to the counties as per schedule IV of the Constitution. E.g. Funds for the construction of VTCs workshops, classrooms and hostels by the National Government have not been forthcoming.

Understaffed ECD and VTC Centers as a result of delay in disbursement of funds by National Government.

Most training tools and equipment in ECDs and VTCs are either inadequate, broken down or obsolete.



Increasing institutional disasters that require County assistance e.g. Public Schools sunk toilets, fire inferno in learning institutions, wind effects ripping off the learning institutions rooftops, etc.

### **Spending Priority Areas in 2018/2019**

- Finalizing, approval by County CEC and implementation of departmental policy guidelines and plans, e.g. implementation of standardized scheme of service and career progression plan and code of conduct for ECD assistants and VTC instructors/ staff.
- Construction and completion of ECD classrooms, toilets
- Provision of furniture in ECDE centres
- Provision of teaching /learning materials in ECDE and VTCs
- Establishment of school feeding programme
- Construction and completion of VTC workshops, hostels administration blocks, sanitary facilities and classrooms.
- Capacity building to facilitate efficient and effective service delivery for the entire staff.
- Develop demand driven vocational and technical training programmes, skills and competences (in-training, apprenticeships, entrepreneurship)

### **4.5.5 Department of Trade, Energy, Tourism, Industry and Investment**

The mandate of the department derived from the organization of the departments is: “To formulate, review and support policies, strategies, plans and programs that promote and ensure expansion and diversification of trade, investment’s, energy, tourism, environmentally sustainable industrialization, appropriate technology to generate wealth for poverty eradication and benefit the county socially and economically.”

**Vision:** A dynamic industrial and globally competitive county that thrives as a destination of choice for trade, tourism, investment and industrial development.

**Mission:** To facilitate creation of a conducive environment for sustainable trade, investment, tourism and a vibrant industrial base.

#### **i. Sector/sub-sector goal**

To contribute to enhance economic growth and transform Bomet into an economic power house in the South Rift Region and beyond through trade, energy, industry and enterprise development, promotion of investment and tourism while protecting consumers by ensuring fair trade practices.

### **Sector Programmes and Objectives**

### **P .1: Trade development**

**Objective:** To promote growth and development of the trade sector

### **P.2 Energy Development**

**Objective:** To increase access to affordable, reliable and modern energy sources

### **P.3. Tourism Development and promotion**

**Objective:** To develop and promote tourism for increased economic growth

### **P.4 .Industrial development and Promotion**

**Objective:** Promote vibrant industrial activities

### **Challenges faced during the implementation of the budget for 2016/2017- 2017/2018**

- Inadequate budgetary allocation
- Acquisition of transformers to facilitate completion of Somorio Mini hydropower plant managed by Iria Maina Cooperative Society
- Lack of a departmental vehicle to facilitate monitoring of field projects
- Failure to disburse the Joint Loans Board funds following advice from the Ministry of Trade, Industrialization and Cooperatives on discontinuation until the scheme is fully devolved.
- Lack of public land for the construction of Jua Kali Sheds and shoe shiner sheds in some of the wards

### **Spending Priorities 2018/2019**

#### **Trade development**

- Development of markets/Market stalls, boda boda shades, shoe shiner sheds,
- Management of markets for efficient operations,
- Promote retail and wholesale trade,
- Establish products for export,
- Establish County Enterprise Fund Programme,
- Form Producer Business Groups( PBGs),
- Training of MSMEs and
- Strengthen regional economic block,

#### **Energy**

- Electricity reticulation,
- Promoting uptake of renewable energy options, ,
- Feasibility studies on hydropower generation in identified sites

#### **Tourism**

- Identify, develop and promote tourism niche products in the county
- Develop a tourism circuit to link Narok, Kericho, Nakuru and Nyamira Counties

#### Industry

- Developing a strategic framework,
- Establishment of industrial parks/zones,
- Construction of industrial infrastructure,
- Provision of equipment and tools,
- Establishment of financing schemes;
- Improve micro enterprise regulatory framework

#### Investments

- To enhance investment promotions
- Branding, marketing and public relations programme
- Investment conferences, trade fairs and exhibitions

#### Fair trade and consumer protection

- Promotion of fair trade practices in the county

#### Enterprise development

- Sustainable businesses in the county
- Develop entrepreneurship skills

### **4.5.6 Water, Sanitation and Environment**

The Department of Water Services is responsible for the development of water supply infrastructure in the County. It aims to achieve expansion of water coverage and scaling up water storage to improve water security.

**Vision:** Sustainable development and management of the county's environment, water and natural resources.

**Mission:** To develop, conserve, utilize, protect and sustainably manage water, environment and natural resources for improved livelihoods for the people of Bomet County.

#### **Programme objectives and outcomes**

**Programme 1:** Policy, planning and general administrative services

Objective: Provide specific guidelines in implementation of strategies to achieve the sector's mission

Outcome: Enabling environment for effective service delivery

**Programme 2:** Infrastructure development

**Objective:** Provision of water supply (for domestic and irrigation) and sanitation infrastructure

**Outcome:** Increased supply of clean, safe and reliable water for domestic and industrial use, irrigation and access to sanitation infrastructure

**Programme 3:** Environmental Conservation and natural resources management

**Objectives:** To manage threats to environment quality and integrity and conserve, manage and ensure sustainably used county's natural ecosystems

**Outcome:** Clean and healthy environment for Bomet residents

**Challenges**

- Inadequate funding and disbursement constraints
- Old and dilapidated infrastructure
- Climate change leading to prolonged droughts and floods
- High cost of water infrastructure development
- Planting eucalyptus trees along the river banks and wetlands contributing to diminishing river flows
- Poor land use practices

**Spending Priorities 2018/2019**

- Development of enabling policies, strategies and plans
- Development of domestic water supply infrastructure
- Development of irrigation infrastructure
- Development of sanitation infrastructure
- Soil and water conservation
- Riparian protection
- Promotion of forestry
- Solid waste management
- Environmental education and awareness creation

**4.5.7 Agribusiness, Co-operatives and Marketing**

The department derives its mandate from the Fourth schedule of the Constitution of Kenya , 2010 as functions devolved to the County to include, amongst others, Agriculture, including— Crop and Animal husbandry; Livestock sale yards; County abattoirs; plants and animal disease control; fisheries; Veterinary services - Animal control and welfare, including— licensing of

dogs; and facilities for the accommodation, care and burial of animals (excluding regulation of the profession); Cooperative societies; Value addition and Markets.

The department is composed of five directorates, namely; Crop development, management & Agricultural engineering services, Livestock & fisheries development, Veterinary services, Cooperatives development and Marketing

**Vision:** To be the leading player in transformation of the County Agricultural sector into an innovative, food secure, commercially oriented and competitive industry in a sustainable environment.

**Mission:** To facilitate the transformation of the County Agricultural sector into an innovative, food secure, commercially oriented and competitive industry while ensuring sustainable management of environment and natural resources.

**Mandate:** To provide market linkages for agricultural produce and services through farmer producer co-operatives.

#### **Programme Objectives and Overall Outcome**

##### **Programme Name: 1 Administration, planning and support services**

###### **Objectives:**

To ensure that competent staff are engaged, trained, remunerated and facilitated so as to result in increased efficiency and effectiveness in service delivery.

##### **Programme Name: 2 Crop Development and Management**

###### **Objectives:**

To increase crops production and productivity resulting in improved agricultural productivity, food security and farm incomes

##### **Programme Name: 3 Agribusiness development and marketing**

###### **Objectives:**

To improve access to affordable credit through cooperatives, agricultural production, enhance value addition and accessibility to agricultural markets.

##### **Programme Name 4. Livestock Development & Veterinary Services.**

###### **Objectives:**

To enhance livestock production, health, welfare and livestock and fisheries products' quality, improve on disease, vector and pest control program resulting in increased livestock productivity, livestock genetics and improved access to markets for livestock and livestock products.

##### **Programme Name: P5.Agricultural Training Centres & Embomos Tea**

**Objectives:**

To provide quality training services to framers and other stakeholders on modern farming technologies and increase agricultural productivity

**The challenges facing the department include;**

- Inadequate financial resources
- Unfavorable climatic changes,
- Low productivity of farm produce,
- Unpredictable market dynamics,
- Inadequate marketing infrastructure
- Emerging crop and animal pests and diseases (Tuta absoluta and MLND).
- Low staff to farmer ratio.
- Inadequate staff transport services- Not enough vehicles
- Inadequate financial resources
- Unfavorable climatic changes,
- Low productivity of farm produce,
- Unpredictable market dynamics,
- Low staff to farmer ratio.
- Inadequate staff transport services- Not enough vehicles
- Limited financial resources
- Inconsistent crop production due to climate change leading erratic supply to the market
- Stringent quality standards and regulations on exports markets
- There is shortage of both technical staff.
- There is no moving motor vehicle.
- Shortage of refrigerators, cool boxes, automatic syringes.
- Require daily subsistence allowances for inseminators.
- Under reporting by private veterinary providers.

**Spending Priorities 2018/2019**

- Cash crop development
- Food and nutrition Security
- Horticulture development
- Agricultural Engineering Services
- Agricultural Extension and Information Management services

- Develop legal and institutional framework for enterprise funds
- Cooperatives societies development
- Promote hub development and value addition
- Marketing development
- Marketing Services and linkages
- Livestock production and Development
- Fisheries Development
- Animal Disease, vector and pest control
- Animal breeding services
- Animal Health extension service
- Veterinary Public Health
- Development of Satellite ATCs and Bomet Tea Farm(Embomos)

#### **4.5.8 Youth Sports Gender Culture and Social Services**

The sector comprises of, Gender & Children services, Culture & Library services, Youth and Sports. Key functions of the sector include: Support the less fortunate children, Enhance social protection programmes, Enhance skills for Youth, Women and Vulnerable groups across the County, Promote culture, performing arts and sports talent and Promote reading culture through setting up of libraries.

**Vision:** “To be a model of efficiency in the management of County social services and provision of quality services to youth, women, children and vulnerable groups for sustainable livelihoods.”

**Mission:** “To raise standards of living among the youth, women, children and vulnerable groups through socio-economic development.”

#### **Program Objectives/overall Outcome**

##### **Programme 1 – Policy Development and Administrative Services**

Objective: To create an enabling environment that supports programmes implementation

##### **Programme 2: Social Development Services**

Objective: Improved involvement of disadvantaged groups in development and social protection

##### **Programme 3: Sports development**

Objective: To promote and develop sporting activities and facilities

##### **Programme 4: Youth Empowerment**

Objective: To provide sustainable support and improved livelihoods of young people.

##### **Name of Programme 5: Culture and library services**

Objective: To promote an informed, enlightened and culturally rich community.

### **Challenges**

High poverty levels and inadequate social security for poor and vulnerable groups continue to pose a big challenge. Overwhelming expectations by the community amidst inadequacy of resources resulting in hopelessness demonstrated continuous visits to the office by members of the public.

Youth programs were not coordinated well because of the changes to where the department was domiciled, moving from education to social services. Also, there was an insufficient policy framework to implement youth programmes, with the youth policy lying in draft form since 2014. There was also no legally recognized youth leadership structure and no clear financial support for the same.

The department faces a challenge of mobility since there is no vehicle for operations. This results in delays when attending to the public demands and general administration of projects.

IFMIS system which supports procurement and spending in the department is often faced with fluctuation and technical hiccups thus slows down implementation of programmes.

### **Spending Priorities 2018/2019**

Policy development and administrative services

- Four policies to be developed
- Staff training
- Acquisition of departmental vehicle

Support for vulnerable groups

- 10 institutions for special needs to be supported
- 10 charitable children institutions
- Health cover for vulnerable persons
- Procurement of assistive devices and tools of trade for PWDs
- Needs assessment for groups to be supported

Gender mainstreaming

- Skills training for PWDs and women groups

Youth Empowerment

- Train 4000 young people in the county
- Take 2500 young people into a youth volunteering and internship programme



- Engage 1600 youth in an economic stimulus programme
- Have 750 young participating in a youth leadership structure
- Procure 25 motorcycles to support youth coordinators
- Capture 10,000 youth in a youth database
- Award 25 youth through governors youth award scheme

#### Sports development

- Procure a van to support mobility of sportsmen
- Facilitate the Kicosca games.
- Organize a county league competition
- Completion of the IAAF stadium
- Construction of Tegat sports academy
- Completion of Silibwet Dais
- Support 120 sports teams up to national/international levels

#### Cultural knowledge and preservation

- Build and equip libraries
- Promote the preservation of culture. Bomet County has a rich background of Kipsigis Cultural practices, artifacts, dances, music, and knowledge that need to be preserved and promoted.
- Promote cultural diversity through cultural festivals and exhibitions; documentation and preservation of cultural heritage; formation of cultural association; and promotion of cultural talent identification and training in the county.

#### **4.5.9 Roads and Public Works**

The department of Roads, Transport & Public Works is mandated to construct, maintain, manage and rehabilitate roads, buildings and bridges within the County. It is also charged Improving efficiency and effectiveness of infrastructure at all levels of planning and construction through a well-coordinated Transport sector

##### **Vision;**

To realize high quality, accessible, sustainable and efficient county infrastructure and other public works.

##### **Mission;**

To professionally provide quality, safe and adequate county infrastructure and other public works for socio-economic development.

The County Government of Biomet recognizes the importance of infrastructure in enhancing socio- economic development. It creates employment for the youth and development of local contractors. It also helps in wealth creation through opening up of villages and remote areas so that farm produce can reach markets in time. Construction of motorized bridges and foot bridges enables interaction of people all over the county thereby. The roads traverse rich and expansive agricultural lands that produce tea, coffee, milk and flowers and vast natural forests with rare species of plants and animals that provide potential investment in tourism industry.

The Department has five programmes namely:

**Programme 1- Policy Planning and General Administration services**

**Objective-**

To achieve a well-coordinated Road and Transport sector

**Programme 2 - Construction & maintenance of Roads**

**Objective-**

- To construct, develop, maintain and rehabilitate county road network

**Programme 4 – Development and Maintenance of other Public works**

**Sub Programme 4.1 – Construction & maintenance of Bridges**

- Objective- To improve connectivity through development of bridges

**Sub Programme 4.2 – Construction & maintenance of Foot Bridges**

- Objective- To improve connectivity through development of foot bridges

**Sub Programme 4.3 – Construction and equipping of material testing lab**

- Objective- To achieve quality infrastructure

**Sub Programme 4.4-Consultancy Services for construction works**

- Objective- To achieve quality infrastructure through designs and project documentation.

**Sub Programme 4.5-Workflow automation**

- Objective- To ensure timely implementation of projects through Project monitoring systems

**Programme 5 - : County Transport Infrastructure**

**Sub Programme 5.1- Acquisition of Fleet management system**

- **Objective-** To provide efficient county fleet management and support

**Sub Programme 5.1- Construction of County Filling station**

- **Objective-** To provide Uninterrupted supply of fuel at Reduced costs

**Sub Programme 5.1- Equipping of Mechanical Garage**

- **Objective-**To achieve an Equipped Mechanical Garage

### **Sub Programme 5.1- Road safety campaigns**

- **Objective-** To reduce the no. of road accidents

#### **Challenges facing the department**

In the financial years 2013-2017 the mode of implementation was by use of *force account (use of hire of equipment and leasing of quarries)*, this system had lots of challenges and hence the new team in place have set out and agreed to use *full contract* for implementation of road works. Some of the challenges that come with force account are as follows:

- Material testing which is a basic requirement for gravel roads in most situations was also left out.
- Poor coordination between the national and county Government on matters of road jurisdictions
- Most roads were constructed without culverts and other drainage structures hence could not withstand the rainy season
- Incomplete public structures like bridges
- The mode of implementation was by use of force account (Use of Hire of Equipment and leasing of quarries). The system had a lot of challenges and hence the need to adapt full contract for implementation of the works.

#### **Spending Priorities 2018/2019**

- 1. Policy Planning and General administration services**
- 2. Construction & maintenance of Roads**
  - ✓ Upgrading to Bitumen standards of roads (20Km)
  - ✓ Construction and maintenance of ward roads (300Km)
- 3. Development and Maintenance of other Public works**
  - ✓ Construction & maintenance of Bridges
  - ✓ Construction & maintenance of Foot Bridges
  - ✓ Construction and equipping of material testing lab
  - ✓ Consultancy Services for construction works
  - ✓ Workflow automation
- 4. Development of County Transport Infrastructure**
  - ✓ Acquisition of Fleet management system
  - ✓ Construction of County Filling station
  - ✓ Equipping of Mechanical Garage

- ✓ Road safety campaigns

#### **4.5.10 Medical Services and Public Health**

**The department is composed of two sub-sectors;** Medical Services Public Health and Sanitation **with** the mandate of provision of curative, preventive, promotive and rehabilitative services to Bomet residents. This will in the long-term improve quality of life thus contribute to productivity of the county economy. **Major improvements have been done in this sector in the year 2016/2017** within the priority areas of development. The sector still face numerous challenges, which include inadequate infrastructure, inadequate equipment and shortage of qualified and specialized health personnel leading to unsatisfactory service delivery.

**Vision:** An efficient and high quality health care system that is accessible, equitable and affordable for every Bomet residents and others.

**Mission:** To promote and participate in the provision of integrated and high quality promotive, preventive, curative and rehabilitative health care services to Bomet residents and beyond.

#### **Programs and objectives**

**Programme P 1:** Administration, planning and support services

**Objectives:** To establish a fully functional health system at all levels

**Outcome:** Strengthened administration, management and coordination

**Programme 2:** Curative services

**Objectives:** To facilitate the provision of accessible quality health service and to establish a fully functional health system at all levels

**Outcome:** Enhanced accessibility to quality health services

**Programme 3:** Preventive and promotive services

**Objectives:** To establish a functional PHC system and institute mechanisms for disease burden reduction

**Outcome:** Improved Primary Health Care (PHC) system

**Programme 4:** Reproductive health services

**Objectives:** To enhance access to reproductive health services

**Outcome:** Enhanced reproductive health services

**Programme 5:** Health Infrastructure

**Objectives:** To establish a fully functional health system at all levels

**Outcome:** Effective and accessible health service delivery

**Challenges**

- ✓ Ineffective management of health services
- ✓ Limited policy formulation, review of existing and implementation of health policies
- ✓ Limited health information systems management
- ✓ Limited access to affordable quality health services
- ✓ Incomplete infrastructural projects across the county
- ✓ Inadequate medical equipment for new and old health facilities
- ✓ Inconsistent supply of Pharmaceutical and non-pharmaceutical commodities and technologies
- ✓ Limited Preventive and promotive health services
- ✓ Shortages in human resources for health both in numbers and specialized skills
- ✓ Inadequate reproductive health services

### **Spending Priorities for 2018/19**

- Strengthen health administration, Policy, Planning and Support services through supporting development and domestication of existing health bills policies, effective coordination of health care services and addressing gaps that exist in human resources for health
- Enhance curative services through introduction of new, specialized medical services, in all county health systems, provision of consistent supply of pharmaceutical and non-pharmaceutical and technologies
- Improve preventive and promotive health services through functional primary health care systems, and effective implementation and coordination of all preventive programs
- Enhancement of access to reproductive health services through provision of intergrated approach to reproductive health services for instance cancers, reproductive health and maternal child health care services
- Strengthening of health Infrastructure through completion of on-going health facilities, upgrading, renovations, equipping and operationalization of the health facilities which takes into consideration of the governor's manifesto for health sector.
- Flagship/Transformative Project which will involve planning, design and construction of a new model fully equipped and functional maternal, newborn and child health unit annexed to County referral hospital

## CHAPTER FIVE

### 5.0 CONCLUSIONS

In developing this CFSP county departments have had the opportunity to be involved in a collective budget making process. This Fiscal Strategy Paper will inform the 2018/19 budget estimates which will begin as soon as the Treasury receives comments on the document from the County Assembly. The estimates per Programme may be reviewed during the preparation of 2018/2018 budget estimates on condition the departments comply to the ceilings presented.

Several challenges were identified which require attention in the short to medium term. These include:

**Lack of data:** this especially true for macroeconomic data required for developing indicators on the performance of the county. The county will work with the national government, development partners and institutions of higher learning to address the problem.

**Financial constraint:** The county government is in the first stages of implementing the revenue automation aimed at improving revenue collection. Three pieces of revenue legislation which are before the county assembly once enacted will provide an appropriate framework and powers for revenue collection.

**Overreliance on national revenue allocations:** this imposes constraints the county budget especially the funding of public investments. It is expected that appropriate regulations governing guarantees will be agreed between county governments and the national government to enable the counties to supplement national revenue allocations with borrowing. The county will also develop a resource mobilization strategy to provide guidelines on borrowing and engagement with donors. It is also recognized for the county to succeed in its development endeavors it will have to collaborate with other stakeholders. The main areas of collaboration will be: PPPs with the private sector to finance investments; capacity building especially with the national government and development partners; and technology transfer

## ANNEXURE I

**Table 4: Total Expenditure Ceilings**

SECTOR	APPROVED CEILLINGS	PROJECTION	
	2018/2019	2019/2020	2020/2021
<b>COUNTY EXECUTIVES</b>	<b>530,709,969</b>	<b>583,780,966</b>	<b>642,159,062</b>
Personal emoluments	220,414,568	242,456,025	266,701,627
Operation & maintenance	310,295,401	341,324,941	375,457,435
<b>PUBLIC SERVICE BOARD</b>	<b>59,723,921</b>	<b>65,696,313</b>	<b>72,265,944</b>
Personal emoluments	36,538,520	40,192,372	44,211,609
Operation & maintenance	23,185,401	25,503,941	28,054,335
<b>ADMINISTRATION</b>	<b>450,153,703</b>	<b>495,169,073</b>	<b>544,685,981</b>
Personal emoluments	168,442,133	185,286,346	203,814,981
Operation & maintenance	110,742,170	121,816,387	133,998,026
Development	170,969,400	188,066,340	206,872,974
<b>ICT</b>	<b>58,199,220</b>	<b>64,019,142</b>	<b>70,421,056</b>
Personal emoluments	13,538,220	14,892,042	16,381,246
Operation & maintenance	34,661,000	38,127,100	41,939,810
Development	10,000,000	11,000,000	12,100,000
<b>FINANCE AND ECONOMIC PLANNING</b>	<b>401,423,995</b>	<b>441,566,395</b>	<b>485,723,034</b>
Personal emoluments	165,460,088	182,006,097	200,206,706
Operation & maintenance	215,493,372	237,042,709	260,746,980
Development	20,470,535	22,517,589	24,769,347
<b>LANDS AND URBAN PLANNING</b>	<b>288,212,017</b>	<b>317,033,219</b>	<b>348,736,541</b>
Personal emoluments	120,177,559	132,195,315	145,414,846
Operation & maintenance	13,309,041	14,639,945	16,103,940
Development	154,725,417	190,197,959	209,217,755
<b>YOUTH, SPORTS, GENDER AND CULTURE</b>	<b>252,941,964</b>	<b>278,236,160</b>	<b>306,059,776</b>
Personal emoluments	48,879,564	53,767,520	59,144,272
Operation & maintenance	95,662,400	105,228,640	115,751,504
Development	108,400,000	139,240,000	153,164,000
<b>MEDICAL SERVICES AND PUBLIC HEALTH</b>	<b>1,464,348,401</b>	<b>1,610,783,241</b>	<b>1,771,861,565</b>

SECTOR	APPROVED CEILLINGS	PROJECTION	
	2018/2019	2019/2020	2020/2021
Personal emoluments	580,224,711	638,247,182	702,071,900
Operation & maintenance	473,364,541	520,700,995	572,771,095
Development	410,759,149	471,835,064	519,018,570
<b>AGRICULTURE, LIVESTOCK AND COOPERATIVES</b>	<b>532,480,900</b>	<b>585,728,990</b>	<b>644,301,889</b>
Personal emoluments	176,653,977	194,319,375	213,751,312
Operation & maintenance	51,430,544	56,573,598	62,230,958
Development	304,396,379	354,836,017	390,319,619
<b>WATER, SANITATION AND ENVIRONMENT</b>	<b>488,945,716</b>	<b>537,840,288</b>	<b>591,624,316</b>
Personal emoluments	48,442,797	53,287,077	58,615,784
Operation & maintenance	89,541,448	98,495,593	108,345,152
Development	350,961,471	386,057,618	424,663,380
<b>EDUCATION AND VOCATIONAL TRAINING</b>	<b>618,254,227</b>	<b>680,079,650</b>	<b>748,087,615</b>
Personal emoluments	331,420,151	364,562,166	401,018,383
Operation & maintenance	66,803,329	73,483,662	80,832,028
Development	220,030,747	242,033,822	266,237,204
<b>ROADS, PUBLIC WORKS AND TRANSPORT</b>	<b>823,657,005</b>	<b>906,022,706</b>	<b>996,624,976</b>
Personal emoluments	54,485,272	59,933,799	65,927,179
Operation & maintenance	96,817,423	106,499,165	117,149,082
Development	672,354,310	789,589,741	868,548,715
<b>TRADE, ENERGY, TOURISM AND INDUSTRY</b>	<b>280,894,567</b>	<b>308,984,024</b>	<b>339,882,426</b>
Personal emoluments	57,213,037	62,934,341	69,227,775
Operation & maintenance	33,801,000	37,181,100	40,899,210
Development	189,880,530	208,868,583	229,755,441
<b>COUNTY ASSEMBLY</b>	<b>866,963,397</b>	<b>953,659,737</b>	<b>1,049,025,710</b>
Personal emoluments	280,517,134	308,568,847	339,425,732
Operation & maintenance	286,446,263	315,090,889	346,599,978
Development	300,000,000	150,000,000	165,000,000
<b>TOTAL</b>	<b>7,116,909,002</b>	<b>7,828,599,902</b>	<b>8,611,459,892</b>



SECTOR	APPROVED CEILLINGS	PROJECTION	
	2018/2019	2019/2020	2020/2021
Personal emoluments	2,302,407,731	2,532,648,504	2,785,913,355
Operation & maintenance	1,901,553,333	2,091,708,666	2,300,879,533
Development	2,912,947,938	3,204,242,732	3,524,667,005
Personal emoluments	32%	32%	32%
Operation & maintenance	27%	27%	27%
Development	41%	41%	41%

## **ANNEXURE II**

### **County Programmes**

#### **1. Administration and County Executives**

- Programme 1 – Executive Services
- Programme 2 – Administrative Services
- Programme 3 - ICT Development

#### **2. Finance and Economic Planning**

Programme 1 –Policy and Administrative Services

- Programme 1 – Financial management service
- Programme 2 – Monitoring and Evaluation Services
- Programme 3 – Planning Services
- Programme 4 – Budget preparation
- Programme 5 - Resource mobilization

#### **3. Lands, Urban planning and Housing**

- Programme 1 – Policy, Planning and General Administrative Services
- Programme 2 –Housing Development and Human Settlement
- Programme 3 – Urban Development

#### **4. Youth, Sports, Gender and Culture**

- Programme 1 – Policy Development and Administrative Services
- Programme 2 – Social Protection and services
- Programme 3 – Youth empowerment and sports Development
- Programme 4 - Culture, Music and Library Services

#### **5. Medical services and Public health**

- Programme 1 – Policy development
- Programme 2 - Preventive services
- Programme 3 - Curative services
- Programme 4 - Reproductive health services
- Programme 5 - Health Infrastructure

## **6. Agriculture, Cooperatives and Marketing**

- Programme 1 - Crop Development and Management
- Programme 2 - Agribusiness Development and Marketing
- Programme 3 – Livestock Development and Management
- Programme 4 – Agricultural Training Centre

## **7. Water, Sanitation and Environment**

- Programme 1 - Policy planning and administrative services
- Programme 2 - Water supply infrastructure
- Programme 3 - Environmental Conservation and natural resources management

## **8. Education, Youths and Vocational Training**

- Programme 1 – Policy planning and administrative services
- Programme 2 – Early childhood and development and education
- Programme 3 – Vocational training institutes

## **9. Trade, Energy, Tourism and Industry**

- Programme 2 – Capacity Building
- Programme 3 – Trade Development
- Programme 4 – Tourism Development
- Programme 5 – Energy Development
- Programme 6 – Industry Development

## **10. Roads & Public Works**

- Programme 1 – Policy Planning and General Administration services
- Programme 2 – Construction & maintenance of Roads
- Programme 3 - Development and Maintenance of other Public works
- Programme 4 - County Transport Infrastructure

## **11. County Assembly**

- Programme 1 – General Administrative Services
- Programme 2 – Legislative Services