REPUBLIC OF KENYA

COUNTY GOVERNMENT OF BOMET

Vision: *To be a Prosperous and Competitive County offering High Quality Services to its Citizens*

THE COUNTY TREASURY

MEDIUM TERM COUNTY FISCAL STRATEGY PAPER

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

This document is also available on the internet at: www.bomet.go.ke

Legal basis for the publication of 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 28th February of each year.

(2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.

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

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

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

(a) the Commission on Revenue Allocation;

(b) the public;

(c) any interested persons or groups; and

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

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

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

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

Fiscal Responsibility Principles for the County Government

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

(1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.

(2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles—

(a) the county government's recurrent expenditure shall not exceed the county government's total revenue;

(b) over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;

(c) the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;

(d) over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;

(e) the county debt shall be maintained at a sustainable level as approved by county assembly;

(f) the fiscal risks shall be managed prudently; and

(g) a reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

(3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.

(4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.

(5) The regulations may add to the list of fiscal responsibility principles set out in subsection (2).

Foreword

This County Fiscal Strategy Paper (CFSP) 2016 is the third to be prepared since the inception of County Government of Bomet and it sets out the administration's priority programs 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 Budget Policy Statement (BPS) for the FY 2016/17 re-emphasizes the transformative economic agenda and structural reforms that have so far been implemented over the last two years. The economic transformation agenda includes: (i) creating a conducive business environment for job creation; (ii) investing in sectoral transformation to ensure broad based and sustainable economic growth, and in particular agricultural transformation to ensure food security; (iii) investing in infrastructure in areas such as transport, logistics, energy and water; (iv) investing in quality and accessible health care services and quality education as well as strengthening the social safety net to reduce the burden on the households and promote shared and equitable growth; and (v) further consolidate gains made in devolution in order to provide better service delivery and enhanced economic development

The Ongoing disciplined expenditure management and implementation of 2015/16 FY savings measures continue to improve the county government's fiscal position. Operation and maintenance, personal emolument and development expenditure are maintained at 14%, 35% and 51% respectively for the Financial Year 2015/16. The government continues to demonstrate its ability to control spending on operations and and development of infrastructure continues to impact the budget.

The CFSP provides that county priorities build on the national priorities, which address the challenges which continue to hold back 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. DR. PETER KIPLANGAT KOROS

CEC MEMBER FOR FINANCE AND ECONOMIC PLANNING

Acknowledgement

The County Fiscal Strategy Paper (CFSP) 2016 is the third 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 2016/17 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. Special thanks go to the County Executive Committee Members, Chief Officers, and Directors for their input in developing the departmental priorities and programmes for 2016/17.

A technical team of Budget Officers led by Head of Budget Ms. Joyce Kemei spent a significant amount of time putting together this strategy paper. Another team of economists from the division of Economic Planning led by Mr. Linus Ng'eno also played a key role in the process of developing the strategy paper. I appreciate the contribution of these two teams and all other members of staff of the Treasury who participated in the process.

The preparation of the 2016 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 2015/16 County Budget Review and Outlook Paper (C-BROP) which provided input to the CFSP 2016. We are particularly grateful for the views received from stakeholders during public participation.

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

MR. R.K. MUTAI

CHIEF OFFICER, ECONOMIC PLANNING

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CHAPTER ONE
THE OVERVIEW

1.1. Introduction

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:

i. Develop and implement financial and economic policies;
ii. Prepare and coordinate the implementation of annual budget, including estimates of revenue and expenditures;
iii. Mobilize resources to finance county functions;
iv. Manage the public debt;
v. Prepare annual appropriation accounts;
vi. Custody of county assets;
vii. Ensure accounts are managed and controlled in accordance with prescribed standards; and,
viii. 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 28th February of each financial year, each County Treasury shall submit a County Fiscal Strategy Paper (FSP) 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 other words, 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 in sufficient detail.

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 taxes 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 plans 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 programmes 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 this document was finalized. The PFM Act (s. 107(5)) requires that the following stakeholders must be consulted and that their views should be taken into account.

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 public

The public were invited to participate in public consultations on the Paper. Special interest groups were also invited to represent Bomet and

Sotik towns because of their concerns for tax policies and the business climate in the county.

1.1.4.3 Other interested persons or groups

Members of the County Budget and Economic Forum (CBEF) were invited to the consultations, although their role in the process is mainly to review and approve the paper. The members represent the business community, NGOs including CBOs, youth, women and other marginalized and disadvantaged groups.

1.2. Legal Framework for FSP

1.2.1. Legal basis of FSP

Other than the requirement that the FSP must be submitted to the county assembly by 28th February, the PFM Act (S. 117) sets two other timelines; (1) that the county assembly must consider the FSP within 14 days of submission by the County Treasury and (2) the Treasury must publish and publicize the Paper within 7 days of submission to the assembly. As required under the law, the Treasury shall consider the views of the assembly on the FSP when finalizing the annual budget of the county.

The PFM regulations provide further guidelines on the development of the FSP. 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 FSP 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 even all the total revenue. This is why development is usually funded through local borrowing or external loans or grants. This is not possible for the counties because access to local borrowing and external resources is constraint by law.

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:** as discussed above neither the national nor county regulations have been passed, however the draft national regulations proposes a ratio of 35 percent. This translates to about 50% of recurrent expenditure meaning that the remaining resources will be allocated to allowances and operation and maintenance. This percentage will suffice for this financial year, but actual target will be agreed through public participation in the process of discussing draft county PFM regulations to be developed by the county executive for finance.

iv. **In the medium term borrowing shall be undertaken only for the purpose of financing development expenditure:** as discussed this 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.

v. **Short term borrowing shall be for purpose of cash flow management and shall not exceed 5% of the most recent audited revenue:** any such borrowing will mostly be in the form of bank overdrafts, but regulations should be enacted to provide for the terms and conditions under which the county departments can overdraw their accounts in the banks. Arrangements similar to those available to the national government should be considered and provided for by legislation.

vi. **Debt shall be maintained at a sustainable level approved by the assembly:** the county does not intend to finance any of its activities through debt in the short term. However, a debt policy providing for debt sustainability will be developed and presented to the assembly for approval in the FY 2016/17.

vii. **Fiscal risks to be maintained prudently:** the budget projections do not provide for deficits hence the risks are minimized.

viii. **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

The main message of this section is that 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 ministries in the process is to identify and allocate resources to priorities. As ministries 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 Treasury.

1.3. Outline of the FSP

Economic Environment and Outlook

Section 2 outlines the economic environment in which the 2016/17 county MTEF budget is prepared. An overview of global and national economic outlook and their implication on the county economy is also provided. This is followed by a review of the economic performance and prospects of the county.

The main message is that growth prospects of the world economy, and particularly the Euro-Zone and the US, has picked up following the 2008 global recession. Since the county economy is dominated by agriculture, higher growth especially in the Euro-Zone which 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 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 build 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 to improve tax administration while legal reforms are to provide the powers to the county to raise revenues assigned by the constitution.

In the fiscal year 2016/17 and the medium term the county will run a balanced budget. This implies that there will be low or no fiscal risks and 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 2016/17 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 50 percent of the budget is allocated to development expenditure and the sectors with the largest allocations are health, roads, water, agriculture and social protection.

Conclusions

Section 5 of FSP concludes.

Summary

The FSP has been prepared to provide information and to explain to the public county priorities for 2016/17 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 PPPs.

CHAPTER TWO
ECONOMIC ENVIRONMENT AND OUTLOOK

2.1. Global Environment

2.1.1. Growth and prospects of global economy

The global economy's performance in the last two years indicate that in the year 2014 and 2015 the global economy grew by 3.4% and 3.1% respectively. It is projected that in the year 2016, the world economy will grow by 3.6%. Global activity is projected to gather some pace in 2016. In advanced economies, the modest recovery that started in 2014 is projected to strengthen further. In emerging market and developing economies, the outlook is projected to improve and their economies are expected to grow by 4.6% in 2016. These countries include Russia, China and India; China and India have become Kenya's major trading partners. The emerging markets and developing countries are projected to experience positive growth going forward. The others are the countries of the EAC and COMESA regional blocs which are Kenya's main export markets. The growth rates of EAC and COMESA the major destination of Kenya's exports were 6.3% in 2013 and 6.7% in 2014 and it grew by 6.6% in 2015 and is estimated to improve in 2016.

2.2. National Situation

The national economy has not done well in the long term growth targets. It was projected under the First MTP 2008-2012 that real GDP would steadily grow from 4.5% in 2008 to 10% in 2012. However, at no time has the actual growth rates come close to the projections. It was projected that the economy will increase from 4.4% in 2012 to 5.1% in 2013 and thereafter rise to 5.8% in 2014 and 6.4% and 6.8% in 2015 and 2016 respectively. However, the actual growth of the economy in the year 2014 was 5.3% and it was expected to grow by 6% in year 2015. The growth in 2015 was spurred by lower oil prices and the government's sustained investment in the development of the infrastructure such as the standard gauge railway and energy projects. The average annual inflation in 2015 stood at 6.9% and it fell within the anticipate target. The growth in private sector credit was 36% and business services, trade and transport and communication, building and construction expanded with respective contribution of 31.7, 19.3, 10.2 and 7.3 per cent thus pointing to an improved growth environment of the economy. Other important indicators which point to positive prospects for the economy include an average lending rate of 16%, current account deficit of 7.2% of the GDP compared to the earlier position of 10.2% in 2014 and a stabilized exchange rate.

2.3 Likely Impact on the County Economy

The performance of the economies of Kenya's trading partners affects the county economy directly through demand for goods and services produced in the county and indirectly through increased investments in the national economy. 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.

According to the economic survey report for 2015, Kenya's economy is estimated to have expanded by 5.3 per cent in 2014, compared to a growth of 5.7 per cent in 2013. A number of factors influenced the country's economic performance during the review period. From the demand side, government and private final consumption increased by 2.7 per cent and 5.5 per cent, respectively. The demand side was mainly driven by a resilient private final consumption and a robust growth in fixed assets. Investment in fixed assets expanded rapidly on account of a vibrant growth in real estate sector, the on-going mega infrastructure projects and increased investments in air transport equipment. There was an increase of 7.0 per cent in exports of goods and services. However, imports of goods and services expanded more rapidly resulting to a widening of the current account deficit. 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 with respective contributions of 14.5, 11.1, 9.8, 9.7 and 9.1 per cent to the growth. An expanding national economy will lead to higher revenues and ultimately higher allocations to the country 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

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.

2.4.2. 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 is the first budget to implement the devolution process, from which an amount of Kshs. 210bn was set aside for the 47 Counties. This amount has been distributed to the Counties on the basis of a revenue sharing formula, which takes into account their heterogeneity.

The County government of Bomet has made key milestones in implementing the devolution process including the preparation of County budgets, County Sector Plans and County Integrated Development Plans 2013-17 (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.

i. Office of the Governor and Administration

In the last financial year, the department made significant achievements in its endeavour to put in place County administration structures as envisaged in the Constitution of Kenya 2010 and County Government Act 2012. Construction of administration offices at the headquarters, two Sub-County offices and nine ward offices are underway. This department has ensured that staff establishment has been reviewed and adequate staff recruited to ensure service delivery.

ii. Department of Finance and Economic Planning

The connectivity of IFMIS has been completed at the County Treasury headquarters and is fully in operation. However, roll-out is on-going in various departments and sub-county levels. The division of Economic Planning has completed the development of CIDP which is guiding budget-making and developmental projects and programmes. A strategic investment plan has also been completed and launched to guide investments in the County and sector strategic plans. Successful implementation of projects and programmes requires an effective monitoring and evaluation framework. The division has developed M&E policy, framework and guideline. County indicator handbook is in a draft form and will be guiding M&E officers and departmental staff to measure achievements of projects' and programmes' objectives and goals.

Department of ICT, Training and Industry

During the FY 2015/16, the ICT department has installed CCTV at Administration building as part of the Security policy. Support and upgrade of Network (Wireless and LAN) installed in all the departments is been continuously carried out with new needs identified and addressed. New LAN has been set up in New Procurement Building and both New Executive and Administration buildings underway. The department supports the implementation of Revenue Automation which is currently ongoing. The division has allocated Ksh. 20.7M in FY 2016/17 for development of ICT infrastructure.

The ICT department is faced with a challenge of inadequate budgetary allocation especially for ICT Infrastructure development, which is basement for installation, or development of any system. The implementation of ICT roadmap (2015-2020) is capital intensive and the department will seek to work with other partners in 2016/17 FY to operationalize that.

The Capacity Building Centre carries out training for the county public service. It also facilitates civic education and public participation based on function No. 14 of the Fourth Schedule of the Constitution of Kenya 2010;

"Ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level. The Centre provides training, counseling, mentorship, accommodation, conferencing, catering and related hospitality services and has allocated ksh. 6.2M for the exercise in 2016/17 FY.

Under Trade, orderly development and growth of trade will be promoted through formulation and implementation trade policies.

iii. Department of Social Services

Under the older persons cash transfer programme, over 15,000 old persons in the county benefits in the social protection programme. An estimated 2.5 percent of persons live with disability in Bomet County has been supported. Children with special needs were supported through donations. The department facilitated registration of about 800 PWDs with the National Council for Persons with Disability (NCPWD) to ensure they get identification cards which allow them to get assistance such as tax exemption and others.

The County provided support to about 7 charitable children institutions. Additionally, capacity building was conducted to begin building community based child protection system.

iv. Department of Education and Vocational Training

The department has refurbished ECD centres and recruited 931 ECD Assistants. The department has also developed educational infrastructure through construction of classrooms, pit latrines, water storage tanks, dormitories and laboratories and co-curricular activities support and supporting the needy children through bursaries. The department also supports infrastructure expansion of Vocational Training Institutes within the County and also provides tuition support in these institutes.

v. Department of Medical Services

The assessment of physical infrastructure indicates a total number of 113 health facilities in the County comprising of five hospitals, 14 health centres, and 94 dispensaries. The services are managed by a workforce of 9 doctors and 247 nurses giving a doctor/population ratio of 1:108,257 and a nurses/population ratio of 1:3,945.

The County has upgraded Longisa level 4 hospital to a County Referral Hospital with the following functional units: oxygen plant, ICU unit, dialysis unit, automated laundry system, revamped morgue facility and drug store. Development of an eye unit is on-going and re-branding of the hospital is underway. Referral services to the facility has been possible through state of art ambulances, one for each sub-county and one for Longisa Hospital leased from Red Cross Society of Kenya. Sub county hospitals (Sigor, Koiwa, Kapkoros, Cheptalal and Sotik) have been upgraded through infrastructural development and improved service delivery through increased funding by the county. All these hospitals have functional maternities.

The health status at the County are; under five mortality rate is 82/1,000 and infant mortality rate is 54/1,000 births per year. About 10% of infants have low birth weight whereas 10% of children are exclusively breastfed up to 6 months of age. Antenatal clients make 4 visits to the clinic before childbirth. About 26.9 percent (54,164) have access to skilled birth attendants. Access to family planning services stands at 37 per cent while contraceptive acceptance is at 40 per cent. Only 7.4 % (14, 095) know at least one modern of family planning. Infant's immunization coverage at the county is at 83% and has been improving due to increased outreach by the health personnel and health facilities.

vi. Department of Public Health and Environment

The department is committed to increasing tree cover by planting trees in hospitals and schools. Rehabilitation of water pans by removing invasive species and planting of indigenous tree seedlings has been successful in all the sub counties. Public awareness creation on protection of water catchment areas were done through road show, where public were educated on river bank protection especially effects of encroachment and cultivation of river bank, planting of undesired tree species such as Eucalyptus species on river bank and also benefits of soil and water conservation measures and good farming practises.

vii. Department of Water Services

The County government has made strides in expansion of water distribution. The main objective of the department of water is development of water supply for domestic and industrial purposes by upgrading and expanding the existing water supply schemes to increase water production and extend areas of coverage.

The department offered technical and financial support to more than 37 community based water projects in reviving stalled projects, upgrading and expansion and construction of treatment plants. These projects included Mogombet, Kaposirir, Sergutiet, Segutiet, Kaptien, Kapset, Kaptebengwet and Tegat water projects. Other activities included borehole drilling in under- and un-served areas The other activities were geared towards developing, rehabilitating and protecting water points such as springs and dams especially in under- and un-served areas. This was aimed at increasing access to water and serving as strategic water storages.

viii. Department of Land, Housing and Urban Development

A number of Parcels of lands have been surveyed, most of which have been beaconed while others have been defined by surveyed marks as per the Survey Act waiting for construction of beacons. Some have also been identified waiting for funds to be purchased.

The division of housing has undertaken various renovations which included the Red Cross office in Bomet town, the Town Administrator's office, and renovation of SOTK/HOU/HG 6 in Sotik town also the construction of doctor's house in Sotik has been completed.

Beautification exercise in Bomet Town has been on-going since July 2014 by designing and planting of ornamental plants along the road reserves within Bomet Town.
There has been routine stripping, grubbing of storm water drains and clean up exercise. Dust bins for Sotik and Bomet towns have also been purchased. The department undertook repair and replacement of existing street lights in Bomet town.
The Department has so far approved ten (10) building plans in this financial year. Reconnaissance survey and mapping has been done for Kembu, Sigor and Silibwet market centers. Preparation of PDP plan for Boito Physically challenged and Bomet sewerage treatment plant is complete. Preparation of a Layout Plan for Bomet Agricultural Training Centre, Sotik and Ndanai Health Centre is underway.
The Department has identified danger zones /environmentally fragile zones in Bomet town and according to the report it's clear that fire safety has not been addressed and poses a risk especially now that we do not have fire stations and engines within the county. The Department has also inspected occupational buildings in Bomet Town specifically hotels and found that most hotels are at risk since they do not comply with Occupational, Safety and Health (OSH) Act 2007.

ix. Department of Agribusiness, Cooperatives and Marketing

Since the inception of the County Government, the Directorate of Livestock and Fisheries Development has implemented a number of projects and programmes as follows: Seven cooperative societies have been supplied with cooling tanks and accessories whereas nine cooperatives have been kitted with stand by generators of between 15kva to 30kva and another cooperative received a cooling tank from a SDCP a development partner; 14 cooperatives have been kitted and are offering subsidized inseminations to their members in which 2,867 inseminations have been done since May 2014.

The Directorate of Co-operative, Marketing and Value Chain has developed cooperative management and development bill which is expected to guide the management and development of cooperatives and implementation of the Enterprise development fund once it is enacted. Other policies that have been developed include group lending policy and LPO/LSO financing policy. Support to cooperatives includes registration and revival of cooperatives, training on leadership and governance and development of operational manuals. The department is task to ensure that SACCO and cooperative societies submit books for approval, conduct audits and SGMs and AGMs. This is meant to improve credit access, financial inclusion and literacy. Revolving fund and LPO/LSO financing have been disbursed to groups through ward multipurpose cooperative societies. The County Government has been involved in the development of business hubs by facilitating the construction of cooling plants, acquisition of cooling tanks and its accessories.

The Directorate of Agriculture undertaken the following has projects and programmes food crop development program purchased 1400 bags of certified seeds from ADC Molo and distributed to farmers; horticultural crop development through their initiatives have acquire 7,000 assorted fruits seedlings which include TC bananas, avocadoes and mangoes and also constructed Mogogosiek Fresh produce modern market; the Directorate through extension and training program presided over World food day which attracted 500 farmers at Kembu ward and Tea Field Day at Chebango; Under food security initiative five food stores are currently under construction with one being constructed per sub-county, more than 400 farmers have been sensitized and given subsidized fertilizers and other received certified bean seeds; renovation of tea collection centers is ongoing under the supervision of the cash crop development program and the County have invested in the dry region in agricultural production through irrigation projects example Nogirwet Irrigation Scheme where ten farmers have been supported with drip irrigation kits and water melon seedlings

x. Roads and Public Works

Roads which transverse sub-counties and those which connect wards have been categorized as flagship county roads. A total 307km of these roads have been proposed for tarmacking, but due to financial constraints, they have been prioritized for heavy grading, gravelling, bush clearing and culvert cleaning in the first year of CIDP implementation as the county Government sources for more funds.

Other County roads have also been prioritised for heavy grading, gravelling, bush clearing and culvert cleaning in the second to fifth year of CIDP implementation. A total of 1853km of ward roads will be done with an estimated cost of Kenya Shillings 1.8 billion. A number of motorized and foot bridges and box culverts will be constructed both to improve interconnection between areas separated by streams, brooks and rivers. Minor roads were not prioritised for maintenance due to financial limitations as priority has been to increase connectivity in major roads. So far a total of 703KM of roads have been graded, 456KM of which have been improved to gravel status since September 2013 when development funds were released.

CHAPTER THREE

FISCAL AND BUDGET FRAMEWORK

3.1. Overview

The 2016/17 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 legislation. 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 8.5% from Kshs. 4.7 billion in the year 2015/2016 to 5.1 billion in the fiscal year 2016/2017 respectively.

As shown in Table 1, the main sources of revenue are rates and single business permits. Revenues from other sources are largely fees and incomes and need to be separated to clarify revenue from charges for services, licenses and investment incomes. Revenues from water are utilized for operations and maintenance by the water company. Fiscal reforms carried out in 2015/2016 including automation of revenue system and enactment of Finance Act 2015 will help increase revenue and reduce leakages.

Table 1: Sources of Revenues

Own Revenue by Source	2015/2016	2016/2017	2017/2018	2018/2019
Rates[1]	97,549,815	107,304,797	118,035,276	129,838,804
Single Business Permits (SBP)	49,476,215	54,423,837	59,866,220	65,852,842
Cess[2]	4,967,682	5,464,450	6,010,895	6,611,985
Fees[3]	81,793,013	89,972,314	98,969,546	108,866,500
Water[4]	-	-	-	-
Markets & Slaughter Hses[5]	17,473,131	19,220,444	21,142,489	23,256,737
Rental Income[6]	4,455,120	4,900,632	5,390,695	5,929,765
Others[7]	79,285,024	87,213,526	95,934,879	105,528,367
Total	335,000,000	368,500,000	405,350,000	445,885,000

[1] Rates: land rates/rent, clearance fees, survey fees, building plan approvals.
[2] Cess: produce cess, Kenya Tea Growers Association (KTGA) and quarry cess.
[3] Fees: parking fees, impounding, hospital charges (Longisa and Sigor).
[4] Water: Revenue from Bomet water company.
[5] Markets & Slaughter Hse: market dues, sales promotion, slaughter fee, vet services, movement permits
[6] Rental Income: House Rent, Hire of Tractor, Stall rent
[7] Others: Multi Nationals, Public Health Fee, Embomos tea farm,Public toilets, other charges, group registration under social services.

Source: County Treasury

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 bill 2015 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 will also consult on the benefits to the county from tea levies on made tea previously collected by Tea Board of Kenya and now collected by the Tea Directorate of the Agriculture, Fisheries and Food Authority. These consultations are aimed at ensuring that the county is getting a fair share of money from the collections from these two alternative sources of revenue.

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 medium term the Treasury will maintain the 2015/16 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 2016/17 Budget Framework

Table 2 provides a summary of the 2016/17 budget and the medium term budget estimates. As a result of expected higher national revenue allocations, total revenue for 2016/17 will be higher than the 2015/16 budget by about Kshs 444 million.

Table 2: Budget Summary 2016/17-2018/19 (Kshs.)

Budget Item	Approved Budget	Budget Estimates	Projections	
	2015/16	2016/17	2017/18	2018/19
Total Cash Inflows	**5,358,459,750**	**5,803,113,108**	**6,383,424,419**	**7,021,766,861**
National Allocations	4,706,893,298	5,170,521,981	5,687,574,179	6,256,331,597
Own Revenues	335,000,000	368,500,000	405,350,000	445,885,000
Commitments c/f	26,745,025	-	-	-
HSSF-Danida	14,950,000	14,950,000	16,445,000	18,089,500
Refund from the National Govt (Salaries)	44,000,000	-	-	-
CA- Fuel Levy Fund	59,793,197	78,035,696	85,839,266	94,423,192
CA- Maternal Health Care	58,452,800	58,480,000	64,328,000	70,760,800
CA-User Fees foregone	16,880,750	16,880,750	18,568,825	20,425,708
CA- Leasing of Medical Equipment	95,744,680	95,744,681	105,319,149	115,851,064
		-	-	-
Total Expenditure	**5,358,459,750**	**5,803,113,108**	**6,383,424,419**	**7,021,766,861**
· Personell Emoluments	1,892,199,057	2,048,045,874	2,252,850,461	2,478,135,508
Operations & Maintenance	752,289,714	779,118,685	857,030,554	942,733,609
· Development	2,713,970,979	2,975,948,549	3,273,543,404	3,600,897,744
Deficit/Surplus	**-**	**-**	**-**	**-**
Total Expenditure	**2015/16**	**2016/17**	**2017/18**	**2018/19**
· Personell Emoluments	35%	35%	35%	35%
Operations & Maintenance	14%	13%	13%	13%
· Development	51%	51%	51%	51%

Source: County Treasury

Revenue projections

The main source of revenue for the county will be the national allocation which is projected to rise to about Kshs 5.17 billion in 2016/17. Tax base revenue mobilized within the county is projected to rise marginally from Kshs 335 million in 2015/16 to about Kshs 368 million in 2016/17. Like 2015/16 the county expects to mobilize resources from private partnerships in 2016/17 and the medium term.

Expenditure Forecasts[1]

The balanced budget policy followed by the county implies that total expenditures shall be equal to total revenues in 2016/17 and possibly into the medium term. The financial constrain will be relaxed once other sources of funding the budget, such as borrowing and grants, are available. In the year 2016/17, 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 personnel emoluments as more recruitments and redeployments are made.

Development Expenditure

A deliberate effort has been made to allocate substantial resources to development. However, the allocations for 2016/17 will rise marginally from Kshs. 2.714 million in 2015/16 to Kshs. 2.976 million. Allocations are thereafter expected to increase consistently in the medium term.

[1] Tables 4-6 in the Annex show expenditure estimates by ministry/department.

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 50% in 2015/16 and the County Government will strive to maintain 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 50% over the medium term.

The principles also require that wages should not exceed a limit prescribed by regulations. Although there are no national or county regulations providing for the limit, the budget projections show that wages are 35 percent of total revenues.

Issues of debt sustainability and fiscal risks will not arise in the medium term as the county does not plan to finance the budget through debt. While the county may, where necessary, resort to short term borrowing for cash flow management purposes this will pose little or no fiscal risks.

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 2016/17 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

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 89 percent total budget resources, with local revenues accounting for 6.4 percent and donor funding accounting for 0.2% and Conditional Allocations accounting for the remaining 4.2 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 and are summarized in subsection 4.4 below. As the requirements necessary to finance all the priorities cannot be accommodated by the budget, ministries/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 share due to rehabilitations of health institutions and infrastructure. 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 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 Water Services 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.

Table 3: Budget Ceilings (Kshs Millions)

Spending Units	Approved Budget	BUDGET ESTIMATES	BUDGET ESTIMATES	BUDGET ESTIMATES	Projections	
	2015/2016	RECURRENT +PE	DEVELOPMENT	2016/17	2017/18	2018/19
OFFICE OF THE GOVERNOR, ADMINISTRATION AND PUBLIC SERVICE						
COUNTY EXECUTIVES	371,005,984	401,091,982		**401,091,982**	441,201,180	485,321,298
ADMINISTRATION	436,187,694	369,909,923	102,881,706	**472,791,629**	520,070,792	572,077,871
FINANCE AND ECONOMIC PLANNING	342,394,804	310,591,818	16,027,631	**326,619,450**	359,281,395	395,209,534
PUBLIC HEALTH & ENVIRONMENT	113,809,592	95,594,011	22,581,706	**118,175,717**	129,993,288	142,992,617
SOCIAL SERVICES	487,296,903	42,895,905	486,115,854	**529,011,759**	581,912,934	640,104,228
MEDICAL SERVICES	948,579,468	498,701,325	537,721,255	**1,036,422,580**	1,140,064,838	1,254,071,322
LANDS, HOUSING AND URBAN PLANNING	195,073,882	65,067,523	142,498,912	**207,566,436**	228,323,079	251,155,387
AGRI-BUSINESS, COOPERTIVES& MARKETING	359,121,537	163,859,239	224,159,617	**388,018,856**	426,820,742	469,502,816
WATER SERVICES	595,743,710	40,157,268	608,145,979	**648,303,246**	713,133,571	784,446,928
EDUCATION AND VOCATIONAL TRAININGS	446,844,375	176,306,272	308,207,706	**484,513,978**	532,965,376	586,261,913
ROADS AND PUBLIC WORKS	479,475,478	94,687,420	425,720,771	**520,408,191**	572,449,010	629,693,911
ICT, TRAINING AND INDUSTRY	83,557,344	45,392,538	82,505,706	**127,898,244**	140,688,068	154,756,875
COUNTY ASSEMBLY	499,368,979	522,909,336	19,381,706	**542,291,042**	596,520,146	656,172,161
TOTAL	**5,358,459,750**	**2,827,164,559**	**2,975,948,549**	**5,803,113,108**	**6,383,424,419**	**7,021,766,861**

Source: County Treasury

The ceilings will provide the basis of budget preparation for 2015/16. The only areas that can be reviewed is 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.

4.4.2. 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 are 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.

4.4.2.1 Office of the Governor and Administration

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).

However, the office faces a number challenges in realizing its planned objectives; the main ones being absence of policies and legislation governing the functions assigned to the county; inadequate offices space; inadequate information and communication systems; and inadequate means of transport for the purpose of service delivery. In order to address these challenges, a number of strategies and key priority areas for the FY 2016/17 have been formulated. Priority will be given to completion of the ongoing construction of offices at the Headquarters, Ward offices, Sub County offices and Zonal offices, construction of service centre and policy development. The office will coordinate departments to develop policies and related legislation and train staff at a cost of Kshs. 30M. Citizen centres will also be constructed to promote sharing of information and improved service delivery. The office plans to collaborate with the county administration of the National Government on security matters, peace building and mobilization of the community. So far, Enforcement Officers have been recruited and additionally, BOCADA, Disaster and Complaints directorates have been established. Other areas of collaboration with the National Government are technical assistance in such areas like performance contracting, resource utilization and audit.

4.4.2.2 Finance and Economic Planning

The County Treasury derives its mandate from Section 104 of the Public Finance Management Act, 2012. The Treasury is mandated with the responsibility of monitoring, evaluating and overseeing the management of public finances and economic affairs of the county government.

The Treasury faces a number of challenges in its endeavor to improve service delivery: inadequate financial resources to fund projects and programmes, deficient connectivity by Orange service provider to IFMIS server in Nairobi which slows down the processing of payments, limited extent of use of Enterprise Resource Planning (ERP) system, inadequate skills to operate the IFMIS and financial management.

In the FY 2016/17, the department will priotise the following strategies and projects: mobilization of resources from development partners as well as through Private public partnerships, improving of connectivity to IFMIS server in Nairobi and rolling out to the sub-counties, automation of revenue collection in level 4 hospitals (Longisa, Sigor and Cheptalal) and Embomos Tea Farm, training of staff on IFMIS and financial management. Other key priorities will be development of monitoring and evaluation system and conduct of a baseline survey. Effort will be made to allocate 1% of the development budget to Monitoring and evaluation of programmes and projects..

4.4.2.3 Public Health and Environment

Background for programmes, achievements and challenges

The Department is structured into two directorates namely: Public Health & Nutrition and Environment & Natural Resources. The department has undertaken sustainable conservation and management of environment and natural resources by planting over 8,500 trees in major devolved institution, rehabilitated water pans areas by removing invasive species, carried out environmental education and awareness to the community, afforested water catchment areas and hilltops, empowered of youth and women through direct involvement in environmental implementation and trees nurseries establishment, establishment of Community Led Total Sanitation (CLTS) programs to improve access to sanitation, increased number of people using pit latrines from 65% to 75% (a total of 8 villages has been triggered) and formation of two diabetes group (Siongiroi and Silibwet) and breast feeding groups.

Despite the above achievements, the department faces challenges in budget implementation including underfunding for projects and programmes, loss of biodiversity due to conversion of virgin lands and wetlands into farms, farming on hilltops and hill slopes, car washing resulting in point source pollution in the river systems, encroachment along the river banks and wetlands especially growing of eucalyptus trees, deforestation due to high demand for forest products and human settlements, poor disposal of non-

biodegradable materials such as polythene bags, plastics and e-wastes, quarrying activities particularly in Koiwa, Kyogong and other areas and understaffing.
In addressing the challenges relevant policies, legislation and regulation are being worked on to provide a clear avenue of dealing with environmental issues and the department is currently sourcing for funds from donors, recruiting more staff and capacity building.

The key priority areas for 2016/17 include; formulation of policies to guide and regulate department's functions, preventive and promotive health services,
sanitation, HIV/AIDS and TB control, Malaria control, Communicable and non-communicable diseases, Vermin and vector control, Nutrition intervention and natural resources conservation.

4.4.2.4 Education and Vocational Training

The department of Education and Vocational Training has two sub sectors these are Early Childhood Education and Vocational Training Centres.

Achievements

ECD and Education; Management , supervision and capacity building of 926 ECD assistants, Increased enrolment from 43,123 to 54,326 children, Construction of 154 new ECD classrooms, Expansion of Day secondary schools to a total of 98 this has increase access and transition rate, Provision of Furniture to our Day secondary schools and VTI- 4,000 sets worth 16 Million, Supported infrastructure in secondary and primary schools at a cost of 48 Million, Supported secondary schools to acquire 6 school buses, Supported communities to purchase land for ECD and VTI, Supported infrastructure development in special schools and integrated programs for example Kiriba Day Secondary, St. Kizito, Korara And Kapkesosio, Supported county Mock Exams- 1 Million and Supported community library – 1.5 Million- Kobeiyon

Bursaries; Disbursement of public Day bursaries- Over 50 Million and Supported 102 Bright Needy Students with 13 Million
VTI; Construction of new workshops at the cost of Ksh.9 Million which has increase enrollment from 1771trainees to 2200 trainees, Management and supervision of 164 VTC staff and 500 youth graduated and their results were very good.

In 2016/17, the Key priority areas targeted to address these problems relate largely to improving ECDE, Vocational training and Policy planning and administration. Several key investments related to the sector will be made by the county. Construction of Early Childhood Education Centres and Vocational training centres and equipping them to the standard will require a huge investment. This may require donor support or a form Private Public Participation (PPP).

4.4.2.5 ICT Training & Industry

The ministry is responsible for development of ICT, trade, energy, tourism and industry besides capacity building in the county.
During the FY 2015/16, the ICT department has installed CCTV at Administration building as part of the Security policy. Support and upgrade of Network (Wireless and LAN) installed in all the departments is been continuously carried out with new needs identified and addressed. New LAN has been set up in New Procurement Building and both New Executive and Administration buildings underway. The department supports the implementation of Revenue Automation which is currently ongoing. The division has allocated Ksh. 20.7M in FY 2016/17 for development of ICT infrastructure.
The ICT department is faced with a challenge of inadequate budgetary allocation especially for ICT Infrastructure development, which is basement for installation, or development of any system. The implementation of ICT roadmap (2015-2020) is capital intensive and the department will seek to work with other partners in 2016/17 FY to operationalize that.

The Capacity Building Centre carries out training for the county public service. It also facilitates civic education and public participation based on function No. 14 of the Fourth Schedule of the Constitution of Kenya 2010; "Ensuring and coordinating the participation of communities and locations in governance at the local level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in governance at the local level. The Centre provides training, counseling, mentorship, accommodation, conferencing, catering and related hospitality services and has allocated ksh. 6.2M for the exercise in 2016/17 FY

Under Trade, orderly development and growth of trade will be promoted through formulation and implementation trade policies. The ministry plans to increase coverage of electricity to over 90% of the county by end of 2017 and promote use of affordable renewable energy. It is also responsible for ensuring sustainable development of tourism. The ministry promotes and facilitates industrial development by providing incentives necessary for the establishment of industries and by enactment of investment-friendly legislation.

The challenge facing the department is that most priority projects are capital intensive and require large financial outlays. This is especially true for projects in the energy sector which require feasibility studies to determine their viability. The mapping of energy and other natural resources is yet to be carried out in most of areas. The staffing and technical knowhow in the ministry remains a challenge.

Some of the mitigation measure to taken to address the challenges are initiation of a public private partnerships (PPPs) in the sector; mapping of resource potentials in the county by undertaking surveys; feasibility studies in the energy sector to determine viable power generation projects; improving capacity and optimal staffing levels in the departments; and, the development of the County Industrial Policy.

The priority sector in trade includes; developing the County trade development policy, promotion of retail and wholesale trade, development of micro and small business, fair trade practices and consumer protection, and private sector development. The sector has been allocated 15 million

In tourism the sector tourist circuits will be continuously mapped and marketing activities will be enhanced to promote Bomet County as a tourist destination. Annual Miss Tourism contents will be carried out

An industrial park will be established in Sotik town to promote industrial development in the county. Local and foreign investors will be encouraged through construction of jua kali sheds and operationalization of Constituency Industrial Development Centers (CIDC). The unit has a budget of Kshs 17.5M

Areas of co-operation with the national government include but not limited to: trade financing through Bomet Trade Development Joint Loans Board; equipping and operationalization of the CIDC; registration of patents and product certification; connection and supply electricity within the County jointly with REA and KPLC. The department will also work closely with the Kenya Investment Authority (KIA), on matters relating with investment.

4.4.2.6 Water Services

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.

Spending Priorities 2016/2017

Policy, planning and administrative services which involves development of County water policy, water bill and water master plan and Mara River Basin (Mara Day Celebration)

Development of water supply infrastructure which entails Upgrading of existing water supply schemes for expansion of supply coverage, Implementation of BIDP program, Development, rehabilitation & protection of water points and community sensitization, Mapping of water resources to create database for water resource development planning

Achievements

The Department has already collaborated with National Water Conservation and Pipeline Corporation (NWC&PC). In addition, the Department will seek support for grants dispensed through Water Service Trust Fund (WSTF). Already, WSTF has committed to fund the extension of 8.8 Km Siongiroi-Chebunyo trunk main line at a cost of Kshs 18 million in the financial year 2015/2016. The Department is also in discussion with the State Department of Water in the Ministry of Environment, Water and Natural Resources with regard to supporting large scale water works such as dams and pans construction and rehabilitation. Further, the Department, through the County Government, has entered into partnership with the Kenya Red Cross Society (KRCS) to implement a program dubbed "*Bomet County Integrated Development Project*" (BIDP) targeting access to water, health and nutrition and food security.

The sector will also engage other partners such as NGOs and trans-boundary and international institutions. Among the NGOs which have expressed interest in partnerships include USAID/DAI/DIG, WWF and World Vision Kenya; while amongst the trans-boundary institutions interested is the Mara River Basing programme/Nile Equatorial Lakes Subsidiary Programme of the Nile Basin Initiative.

Challenges

The development of infrastructure for delivery of water requires huge investment that the County Government is unable to meet. Secondly, the declining of water resources due to climate change and environmental degradation, among others, adversely affects provision of adequate water supply. In addition, the existing water supply schemes cannot meet the growing demand for water across the county, hence the need for their upgrading and development of new ones. In order to address these challenges, the Department will prioritize implementation of a two key programmes, which will require budgetary allocation amounting to Kshs 602.3 million in 2016/2017 financial year.

Development of water supply for domestic and commercial purposes is one key programme that has been prioritized. The main objective of this programme is to upgrade and expand the existing water supply schemes to increase water production and extend areas of supply coverage. The major schemes targeted include Itare (serving Konoin and Sotik sub-counties), Sotik (serving Chemagel ward), Bomet (Bomet town and parts of Nyangores ward), Sergutiet (Chesoen and parts of Singorwet Wards), Sigor (Sigor, Chebunyo and parts of Kipreres), Longisa (Longisa and Kipreres), Olbutyo (Kongasis, Siongiroi, Chebunyo and parts of Mutarakwa and Ndanai/Abosi), Gelegele (Gelegele and its environs), Ndanai (Ndanai area), Kamureito (Kipsonoi ward) and Yaganek (Yaganek and Kaplong areas). To improve water quality, treatment plants will be constructed in Water supply schemes such as Kamureito, Yaganek, Ndanai and Gelegele. In addition, new projects that were initiated in the financial year 2013/2014 and 2014/2015 and will be completed and expanded. These include Amalo (Chemaner, Kembu and parts of Longisa), Aonet (Singorwet and parts of Merigi wards), Kipngosos (Rongena and Manaret), Tinet (Kembu), Ny'ang'ombe (Embomos) and Sogoet (Ndaraweta). The Department will offer technical and financial support to more than 37 community based water projects. The support will include reviving stalled projects, upgrading and expansion and construction of treatment plants. These projects include Mogombet, Kaposirir, Kapkelei, Segutiet, Chebang'ang', Kaptien, Kapset, Kaptebengwet and Tegat water projects. Other activities in the programme include borehole drilling in under- and un-served areas. Water supply development programme has been allocated Kshs. 326.3 million in the 2016/2017 financial year.

Another priority area is geared towards developing, rehabilitating and protecting water points such as springs and dams especially in under- and un-served areas. This is aimed at increasing access to water and will also serve as strategic water storages. This sub-programme has been allocated Kshs 50 million in 2016/2017 financial year.

Another priority area is mapping of water resources to create database for water resource development planning and in particular, exploitation of underground water resources. This sub-programme requires Kshs 3 million in the year 2016/2017.

Finally, implementation of BIDP projects (upgrading of Sigor and Sergutiet water supplies) has also been given priority. The Department has set aside Kshs 100 million in the year 2016/2017 for implementation of this program. With the launch of the water company in November, 2014, the County Government committed herself to subsidies electricity costs and company staff salaries. In the 2016/17 financial year, it is estimated that this subsidy to Bomet Water Company will total Kshs. 120 million.

4.4.2.7 Agribusiness, Co-operatives and Marketing

The department is composed of seven directorates, namely: Agricultural engineering services, Crop development & management, Livestock & fisheries development, Veterinary services, Cooperatives development, Value addition, and Marketing

Objectives; to coordinate policy development**,** facilitation of all functions and activities under the agribusiness department, to promote modern irrigation infrastructure and farming mechanization technologies**,** To enhance dissemination of agricultural information and farm inputs to the farming communities for improved Agricultural productivity, food security, and farm incomes**,** to increase livestock production and productivity, and improve livestock products and by products to enhance food security and incomes in the County**,** to control and manage livestock diseases, vectors, and pests, increase livestock productivity, enhance quality of livestock and livestock products, facilitate trade in livestock and livestock products, upgrade animal breeds and promote animal welfare, to build strong cooperatives, through strengthening corporate governance and enhance access to affordable Finances and to establish agro-processing units to add value to agricultural produce, source for markets for the produce and negotiate contracts for marketing of produce.

The Agricultural sector is critical to economic growth, employment creation, and poverty reduction should be allocated 10% of the total budget as per Maputo declaration;

The challenges facing the sector include unfavorable climatic changes, inadequate warning systems, Low productivity, Marketing dynamics, inadequate marketing infrastructure and emerging crops diseases.

Over the 2016/2017 MTEF, the sector aims to address the above challenges by raising agricultural productivity through exploiting irrigation potential, commercialization through structured marketing, enacting of favorable legal and policy framework, strengthening of multipurpose cooperatives to facilitate access to financial resources, land development and promotion of sustainable management of agribusiness. For Fiscal year 2016/2017, KShs 388,081,856 Million is budgeted for implementing programs for the entire sector, representing **6.69%** of the total County allocation. It is projected to be increased in the subsequent period under the MTEF. For programme coordination, policy and legal framework development including establishment of boards, agencies and task forces, an allocation amounting to Kshs 10M will be put aside under the office of the Chief Officer.
Key priority areas include; Value addition and Marketing, Agricultural engineering services, Crop development and management, Livestock & Fisheries development and management, Veterinary services**,** Cooperative development and management**,** Policy and legal framework development, programme coordination and establishment of boards, agencies and task forces

4.4.2.8 Lands, 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. This is in line with the Vision and Mission of the sub-sector as expounded by the CIDP (2013 – 2017). The functions of the sub-sector include: policy formulation, maintenance of records on land tenure and security; development and management of urban infrastructure, including proper sanitation and waste disposal/ management; facilitate access to adequate and affordable housing; and ensuring security of public properties. Under the County Integrated Development plan (2013-2017) and other planning Documents in the County, the Department of Lands, Housing and Urban Development's, has prioritized three

Priority Areas; Construction of Pre-fabricated Modern Kiosks/stalls, Development of Spatial Plan – 2016 – 2026, Development of Inter-Regional Bus Terminus Hub, Development of Land Information Management System and GIS Laboratory, Grading of urban centers stages and service lanes, Acquisition of land for development – Land Banks, Construction of Public Toilets, Construction of *Boda*[2] Sheds, Construction of Shoe Shiners sheds, Development of Low Cost Housing, Documentation of records for acquired public land, Undertaking of Physical Plans and Surveying, Promotion of hygiene and sanitation activities – clean ups and enforcement activities, Promote PPP programmes – construction of The Mall and one-stop-station on land issues/transfers/purchase/court cases/land disputes and resolution and Establishment of emergency and safety facilities

4.4.2.9. Social Services

The main objective of the department is to promote socio-economic development through appropriate policies, programmes and projects that enhance sustainable growth. To have a Society where the vulnerable enjoy equal rights, opportunities and high quality of life

The ministry is responsible

- To raise standards of living of children and vulnerable groups through socio-economic development.
- Advocating for Gender equality and equity through affirmative action measures.
- Social protection for the vulnerable groups: elderly persons, protection of children and orphans, and people with disabilities.
- Promotion and preservation of cultural heritage

- Facilitate and coordinate the county social development services including gender, culture, welfare of children and social welfare of the vulnerable population. Objective is to ensure there is Gender, youth and PWD mainstreaming into development;
- Implement safety net programme,
- Supports community groups and structure including and institutions such as charitable children's institutions and special schools.
- Build capacity for youth women and PWDs on entrepreneurship and life skills and will establish a revolving fund to support disadvantaged and marginalized groups.
- The department is to serve and protect needy and vulnerable groups to strengthen and preserve family values, encourage personal responsibility, and foster independence in social - economic growth.
- 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.

Challenges

- There are no cultural centres, museums, archives, digitalized documentation system. Cultural practitioners lack capacity and registration of their work. Undocumented cultural artefacts, practices and knowledge.
- Mobility. The department has no vehicle to enable the teams to conduct field visits regularly.
- There exists a community library albeit very in poor conditions and limited equipment and services.
- Increased number of children in need of care and protection,
- Inadequate social services facilities/infrastructure vis-a-vis high demand for support services,

- Gender inequality and disparity at all levels,

High poverty levels and inadequate Social security for poor and vulnerable groups

4.4.2.10 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.

The County Government of Bomet 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 three programmes namely:

- Construction, management and Rehabilitation of roads
- Construction and rehabilitation of bridges and culverts
- Fleet management

Achievements of The Department:

The department has made remarkable progress in road construction, management and rehabilitation, fleet management, building of bridges. Below is the summary of the achievements since 2013.

FINANCIAL YEAR	**2013/2014**	**2014/2015**	**2015/2016**	**2016/2017**
ROADS	174 km	334.5km	155.8 km (as at Dec 2015)	435km
BRIDGES		7		

Challenges facing the department

- Unfavourable weather conditions, e.g. the recent elnino rains that led to stalling of projects
- Underfunding- funds allocated to the department are not sufficient enough to sustain the demand.
- Frequent breakdown of government heavy equipment slows down projects progress.
- High cost of building materials
- Long procurement procedures

These challenges will be addressed by planning well in order to ensure that projects are completed before heavy rains begin. Furthermore, the long procurement procedures can be minimized by customizing the existing procurement rules for contractors to minimize the bureaucracies without compromising the requirements of the Public Procurement and Disposal Act. The problem of frequent breakdown of equipment can be addressed by having a reliable supplier of genuine spare parts, disposal of unserviceable equipment and acquiring modern ones.

There are about 7000 kilometres of county road network, out of which 2158 kilometers have been identified and earmarked for construction, rehabilitation and maintenance with an estimated cost of Kenya Shillings 3.1 billion during implementation period of County Integrated Development Plan (2013-2017).

However, the roads which transverse sub-counties and those which connect wards have been categorized as flagship county roads. A total 307km of these roads have been proposed for tarmacking, but due to financial constraints, they have been prioritized for heavy grading, gravelling, bush clearing and culvert cleaning in the first year of CIDP implementation as the county Government sources for more funds.

Other County roads have also been prioritized for heavy grading, gravelling, bush clearing and culvert cleaning and installation in the second to fifth year of CIDP implementation. A total of 1853km of ward roads will be done with an estimated cost of Kenya Shillings 1.8 billion. A number of motorized and foot bridges and box culverts will be constructed both to improve interconnection between areas separated by streams, brooks and rivers. Minor roads were not prioritized for maintenance due to financial limitations as priority has been to increase connectivity in major roads. So far a total of 356KM of roads have been graded, 232KM of which have been improved to gravel status since September 2013 when development funds were released. It is a legal requirement that construction and maintenance of the county roads, public buildings and bridges should meet the standards and specifications of the national Government. In this respect the ministry has been collaborating with relevant national Government departments. The department of roads has been relating with Kenya Institute of Buildings and Highway Technology, Kisii Branch on material testing. There are ongoing engagements with Kenya National Highways Authority, Kenya Urban Roads Authority and Kenya Rural Roads Authority (KeRRA). KeRRA has been engaged in the mapping of county roads.

4.4.2.11 Medical Services

The mandate of the sector is the provision of curative, preventive 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 improvement was done in this sector in the year 2015/2016 within the priority areas of development. The sector still faces numerous challenges, which include inadequate infrastructure, inadequate equipment and shortage of qualified personnel leading to unsatisfactory service delivery.
In the medium term, the County Government will seek to address these challenges through continued investment in training of health professionals, provision of medical services, health and infrastructure and improvement in the working conditions of medical practitioners. In the 2016/17 MTEF the estimated allocation for the sector is Ksh.1.036bn. This represents 19% of the total allocation and is expected to increase within the MTEF. In the 2016/17 MTEF, the government will roll out of the following programmes; upgrade and equip health care facilities, improve health centers and dispensaries, establish functional pharmacies in all the health facilities,

upgrade Longisa hospital to level 5 to meet the standard of a referral and implement a medical scheme.

Spending priorities

Policy, planning and administration

The process of developing competitive human resource incentives to support, motivation and retention of key medical staff in the county is currently at the draft level. The policy will guide on how key staff would be motivated and retained. Shortages of medical personnel are currently being resolved through recruitment and this includes incorporating retired technical staff to support some of the facilities. Other health policy documents like health care financing and local health committee policy will be reviewed and published. The department has planned in the year to establish an efficient health information system, first at Longisa hospital and phased out to the 5 sub-county hospitals (Ndanai, Koiwa, Tegat, Sigor and Kapkoros.

Curative Health Services

An inventory of county medical equipment will be carried out to establish their current status. The result will inform on the areas to improvement or equipped. Also, procurement and management of commodities will be strengthen through establishment for functional commodity security whose mandate is to forecast on the re-order levels and overall oversight on management of medical commodities in the health facilities.

Ambulance referral system has greatly improved and is providing excellent services to Bomet residence. The existing gap is on training on life support and improvement on information system to ensure data on referral is recorded and establishing communication referral offices at Longisa and sub-county hospitals for efficiency.

Preventative and Promotive healthcare Services

The medical department will carry out a fraction on preventive and promotive health services since it shares the mandate with Public health and Environment department. The medical department has the role in managing non-communicable diseases which include cancer screening for early diagnosis and establishing cancer registry to ensure records are captured. Also, mothers and children who receive family planning, antenatal care and growth monitoring are factored as a priority area.

Infrastructure

Longisa Hospital is currently being upgraded to a level 5 referral hospital with specialized health providers for cancer, bone-surgery, ophthalmic and ENT services. This will serve clients from the region. A Cancer Medical Centre will be established in order to provide early diagnosis and treatment. This will also reduce referrals and cost of treatment of cancer for Bomet residents. Other 5 sub-county hospitals i.e Ndanai, Koiwa, Tegat, Sigor and Kapkoros will be upgrade to meet level 4 standards

4.5 Summary

The budget ceilings have been set taking into account county priorities, but with binding constraints on the resource envelope the ministries have been forced to make tough decisions in allocating available resources across their programmes. The Treasury will work with the ministries to ensure resources are availed to them when required.

As all programs and projects developed through the CIDP cannot be fully funded, ministries will develop viable public investments for additional funding under PPPs or with the support of the national government or development partners. These projects will be incorporated in the budget once agreements for support have been signed.

CHAPTER FIVE: CONCLUSIONS

Conclusion

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 2016/17 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 2016/2017 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 endeavours 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.

ANNEXTURES

Table 4: Total Expenditure Ceilings

Budget Item	Budget	Ceilings		
	2015/16	2016/17	2017/18	2018/19
Office of the Governor & County Executives	**371**	**401.08**	**441.188**	**485.3068**
• PE	187.8	202.6	222.8	245.1
• O&M	183.2	198.5	218.4	240.2
• Development	0	0.0	0.0	0.0
Administration	**436.2**	**472.8**	**520.08**	**572.088**
• PE	262.6	284.5	313.0	344.3
• O&M	78.6	85.4	93.9	103.3
• Development	95	102.9	113.2	124.5
Finance,ICT & Economic Planning	**342.4**	**326.61**	**359.271**	**395.1981**
• PE	168.7	158.7	174.5	192.0
• O&M	144	152.0	167.2	183.9
• Development	29.7	16.0	17.6	19.3
Environment and Natural resources	**113.8**	**118.26**	**130.086**	**143.0946**
• PE	85	89.6	98.5	108.4
• O&M	6.8	6.1	6.7	7.4
• Development	22	22.6	24.9	27.3
Social Services	**487.3**	**529.0**	**581.9**	**640.1**
• PE	38.6	38.5	42.4	46.6
• O&M	5.3	4.3	4.8	5.2
• Development	443.4	486.1	534.8	588.2
Medical Services	**948.6**	**1036.4**	**1140.1**	**1254.1**
• PE	448.8	489.8	538.7	592.6
• O&M	9.5	9.0	9.8	10.8
• Development	490.3	537.7	591.5	650.7
Lands, Housing and Urban Planning	**195.1**	**207.6**	**228.3**	**251.2**
• PE	57.3	59.1	65.0	71.5
• O&M	6.8	6.0	6.6	7.2
• Development	131	142.5	156.8	172.4
Agribusiness, Co-operatives and Marketing	**359.2**	**388**	**426.8**	**469.48**
• PE	145.4	156.0	171.6	188.8
• O&M	8.5	7.8	8.5	9.4
• Development	205.3	224.2	246.7	271.3
Water Services	**595.6**	**648.3**	**713.2**	**784.5**
• PE	36.7	36.5	40.1	44.1

Budget Item	Budget	Ceilings		
	2015/16	2016/17	2017/18	2018/19
• O&M	4.6	3.8	4.1	4.5
• Development	554.3	608.1	668.9	735.8
Education, Youth,Sports and Vocational Training	**446.9**	**484.5**	**532.9**	**586.2**
• PE	160.6	172.7	190.0	209.0
• O&M	4.6	3.6	3.9	4.3
• Development	281.7	308.2	339.0	372.9
Roads and Public Works	**479.5**	**520.43**	**572.473**	**629.7**
• PE	54.8	56.4	62.0	68.2
• O&M	36.2	38.4	42.3	46.5
• Development	388.5	425.7	468.2	515.0
Trade,Energy,Tourism & Industry	**83.5**	**127.9**	**140.6**	**154.7**
• PE	9.7	28.7	31.5	34.7
• O&M	11	16.7	18.4	20.2
• Development	62.8	82.5	90.7	99.8
County Assembly	**499.4**	**542.2**	**596.4**	**656.1**
• PE	275.1	275.09	302.599	332.8
• O&M	214.3	247.73	272.503	299.7
• Development	10	19.4	21.34	23.4
Total Recurrent				
• Total PE	1931.1	2048.07	2252.877	2478.1
• Total O&M	713.4	779.1	857.043	942.7
• Development	2,714.00	2,975.90	3,273.49	3,600.84
Grand Total	**5,358.50**	**5,803.10**	**6,383.41**	**7,021.75**

Table 5: Total Recurrent Expenditure

Recurrent	Budget	Estimates	Projections	
	2015/16	2016/17	2017/18	2018/19
OFFICE OF THE GOVERNOR, ADMINISTRATION AND PUBLIC SERVICE				-
COUNTY EXECUTIVES	371,005,984	401,091,982	441,201,180	485,321,298
ADMINISTRATION	341,187,694	369,909,923	406,900,915	447,591,006
FINANCE AND ECONOMIC PLANNING	312,716,690	310,591,818	341,651,000	375,816,100
PUBLIC HEALTH & ENVIRONMENT	91,809,592	95,594,011	105,153,412	115,668,753
SOCIAL SERVICES	43,902,223	42,895,905	47,185,495	51,904,045
MEDICAL SERVICES	458,270,787	498,701,325	548,571,458	603,428,603
LANDS, HOUSING AND URBAN PLANNING	64,058,240	65,067,523	71,574,276	78,731,703
AGRI-BUSINESS, COOPERTIVES& MARKETING	153,868,891	163,859,239	180,245,163	198,269,680
WATER SERVICES	41,412,553	40,157,268	44,172,994	48,590,294
EDUCATION AND VOCATIONAL TRAININGS	165,184,375	176,306,272	193,936,899	213,330,589
ROADS AND PUBLIC WORKS	90,985,419	94,687,420	104,156,162	114,571,778
ICT, TRAINING AND INDUSTRY	20,717,344	45,392,538	49,931,791	54,924,971
COUNTY ASSEMBLY	489,368,979	522,909,336	575,200,270	632,720,297
Recurrent Total	**2,644,488,772**	**2,827,164,559**	**3,109,881,015**	**3,420,869,117**

Table 6: Development Expenditure

TOTAL PROGRAMMES	Budget	Estimates	Projections	
	2015/16	2016/17	2017/18	2018/2019
ADMINISTRATION	95,000,000	102,881,706	113,169,877	124,486,864
FINANCE AND ECONOMIC PLANNING	29,678,114	16,027,631	17,630,395	19,393,434
PUBLIC HEALTH & ENVIRONMENT	22,000,000	22,581,706	24,839,877	27,323,864
SOCIAL SERVICES	443,394,680	486,115,854	534,727,439	588,200,183
MEDICAL SERVICES	490,308,681	537,721,255	591,493,380	650,642,718
LANDS, HOUSING AND URBAN PLANNING	131,015,642	142,498,912	156,748,803	172,423,684
AGRI-BUSINESS, COOPERTIVES& MARKETING	205,252,646	224,159,617	246,575,578	271,233,136
WATER SERVICES	554,331,157	608,145,979	668,960,577	735,856,634
EDUCATION AND VOCATIONAL TRAININGS	281,660,000	308,207,706	339,028,477	372,931,324
ROADS AND PUBLIC WORKS	388,490,059	425,720,771	468,292,848	515,122,133
ICT, TRAINING AND INDUSTRY	62,840,000	82,505,706	90,756,277	99,831,904
COUNTY ASSEMBLY	10,000,000	19,381,706	21,319,877	23,451,864
Development/Total Budget	2,713,970,979	2,975,948,549	3,273,543,404	3,600,897,744
Personnel Emoluments	1,892,199,057	2,048,045,874	2,252,850,461	2,478,135,508
Recurrent Expenditure	752,289,714	779,118,685	857,030,554	942,733,609
TOTALS	**5,358,459,750**	**5,803,113,108**	**6,383,424,419**	**7,021,766,860**

Table 7: Development Budget Allocation by Programme

	Budget	Estimates	Projections	
	2015/16	2016/17	2017/18	2018/19
ADMINISTRATION & EXECUTIVE SERVICES				
• Programme 1	-	-	-	-
• Programme 2	95.00	102.90	113.19	124.51
FINANCE ICT AND ECONOMIC PLANNING				
• Programme 1	15.00	10.00	11.00	12.10
• Programme 2	-	6.00	6.60	7.26
• Programme 3	10.70	-	12.00	13.00
PUBLIC HEALTH & ENVIRONMENT				
• Programme 1	-	-	-	-
• Programme 2	14.00	13.80	15.18	16.70
• Programme 3	8.00	8.80	9.68	10.65
SOCIAL SERVICES				
• Programme 1	0.20	0.22	0.24	0.27
• Programme 2	5.00	5.50	6.05	6.66
• Programme 3	309.60	340.36	374.40	411.84
• Programme 4	128.70	139.97	153.97	169.36
MEDICAL SERVICES				
• Programme 1	-	-	-	-
• Programme 2	490.30	537.73	591.50	650.65
LANDS, HOUSING AND URBAN PLANNING				
• Programme 1	19.10	21.01	23.11	25.42
• Programme 2	103.00	111.70	122.87	135.16
• Programme 3	8.90	9.79	10.77	11.85
AGRI-BUSINESS, COOPERTIVES& MARKETING				
• Programme 1	41.00	45.20	49.72	54.69
• Programme 2	44.00	48.40	53.24	58.56
• Programme 3	108.30	117.53	129.28	142.21
• Programme 4	11.90	13.09	14.40	15.84
WATER SERVICES				
• Programme 1	0.50	0.30	0.33	0.36
• Programme 2	553.80	607.82	668.60	735.46
EDUCATION, SPORTS AND VOCATIONAL TRAININGS				
• Programme 1	20.70	22.77	25.05	27.55
• Programme 2	228.70	249.97	274.97	302.46
• Programme 3	32.20	35.42	38.96	42.86
ROADS AND PUBLIC WORKS				

	Budget	Estimates	Projections	
	2015/16	2016/17	2017/18	2018/19
• Programme 1	334.30	366.13	402.74	443.02
• Programme 2	44.00	48.50	53.35	58.69
• Programme 3	10.10	11.11	12.22	13.44
ICT, TRAINING AND INDUSTRY				
• Programme 1		18.70	20.57	22.63
• Programme 2	-	5.60	18.76	20.64
• Programme 3	6.00	13.00	14.30	16.43
• Programme 4	7.00	10.00	11.00	12.10
• Programme 5	19.90	9.70	10.67	11.74
• Programme 6	29.80	25.50	28.05	30.86
COUNTY ASSEMBLY				
• Programme 1	10.00	19.40	21.34	23.47
• Programme 2				
• Programme 3				
	2,709.70	**2,975.92**	**3,298.11**	**3,628.42**

1. **Administration and County Executives**

- Programme 1 – Executive Services
- Programme 2 – Administrative Services

2. **Finance, ICT and Economic Planning**

- Programme 1 – Financial management service
- Programme 2 Planning and monitoring
- Programme 3 Administrative services

3. **Environment and Natural Resources**

- Programme 1 – Policy, Planning and General Administrative Services
- Programme 2 – Preventive and Promotive services
- Programme 3 – Environment Management and Protection

4. Social Services

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

5. Medical Services

- Programme 1 – Policy development
- Programme 2 - Curative services

6. Land, Housing & Urban planning

- Programme 1 – Land Planning and Policy Development
- Programme 2 – Urban Infrastructure Development
- Programme 3 – Housing Development

7. Agri Business, 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 Centres

8. Water Services

- Programme 1 - Policy planning and administrative services
- Programme 2 - Water supply infrastructure

9. 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

10. ICT, Training and Industry

- Programme 1 - ICT Development
- Programme 2 – Capacity Building
- Programme 3 – Trade Development
- Programme 4 – Tourism Development
- Programme 5 – Energy Development
- Programme 6 – Industry Development

11. Roads & Public Works

- Programme 1 – Roads Construction and Maintenance
- Programme 2 – Bridges and Culverts
- Programme 3 - Vehicle maintenance and fleet management

12. County Assembly

- Programme 1 – General Administrative Services
- Programme 2 – Legislative Services
- Programme 3 – Oversight Services