SAMBURU COUNTY GOVERNMENT

MEDIUM TERM

COUNTY FISCAL STRATEGY PAPER

FEBRUARY 2018

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Foreword

The 2018 County Fiscal Strategy Paper is prepared being the first as part of actualizing our the County Integrated Development Plan (2018-2022) and the third Medium Term Plan period (2018-22) of the Vision 2030. The County Fiscal Strategy Paper is the County's Government's strategy document for the budget, and provides the link between the Government's overall policies (as identified in the CIDP) and implemented through the annual budget. An important objective of the paper to re-emphasize the priorities and immediate concerns of the citizenry. It highlights how the county government will respond to these needs taking into account challenges of both the fiscal and macroeconomic conditions.

The paper highlights the outcome of the previous financial year and also realigns itself to the broad national objectives as outlined by the national treasury in the Budget Policy Statement (BPS). It also contains vital information on: macroeconomic policy and plans; overall fiscal strategy, such as revenue projections; the overall resource envelope for the medium-term; overall priority interventions and proposed sectoral expenditure as outlined in the Medium term Expenditure Framework.

The county priorities as outlined in the budget circular still remain and therefore, this CFSP will emphasize on:

a) Investing in agricultural transformation to ensure food security.
b) Investing in quality and accessible health care services and quality education.
c) Investing in infrastructure such as water and roads .
d) Effective and efficient service delivery

The unveiling of this fiscal strategy paper with a budget estimate of Ksh 5.4 Billion for the fiscal year 2018/2019 is a clear demonstration of our commitment to the realization of our county vision of "A county with high quality of life." I call upon all our stakeholders to continue supporting us on the basis of mutual respect, cooperation and consultation.

Jonathan K. Leisen.

CECM -Finance ,Economic Planning &ICT

Acknowledgement

The County Fiscal Strategy Paper 2018/2019 is a result of contribution and concerted efforts of many people. The paper is informed by the Public Finance Management Act 2012 Section 117 (1) which stipulates that the County Treasury should prepare the Fiscal Strategy Paper for the County. In addition the Public Finance Management regulation of 2015 from 25 to 28 further lays emphasis on the importance and composition of the County Fiscal Strategy. This Strategy Paper sets out broad strategic priorities and policy goals that will guide the County Government in preparing its budget for coming Financial Year 2018/2019 and over the medium term.

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

Immense appreciation goes to the Executive Member for Finance , Economic Planning and ICT for the good will and guidance provided during the entire period of preparation of this document. A core team in the County Treasury spent substantial amount of time putting together this document. We are particularly grateful to them for their tireless efforts in ensuring that this document was produced in time and is of high quality.

Daniel N. Lenolkirna

Chief Officer-Finance , Economic Planning and ICT

Legal Basis

Legal Basis for the Publication of the CFSP.

The county fiscal strategy paper is prepared in accordance with Section 117 of the PFMA. The law states that:

The County Treasury shall prepare and submit to the County Executive Committee the CFSP for approval and the County Treasury shall submit the approved CFSP to the County Assembly, by the 28th February of each year.

(2) The County Treasury shall align its CFSP with the national objectives in the BPS.

(3) In preparing the CFSP, 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 CFSP 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 CFSP, the County Treasury shall seek and take into account the views of —

(a) the CRA;

(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 CFSP to the county assembly, the county assembly shall consider and may adopt it with or without amendments.

(7) The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal for the financial year 2018/19.

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

Fiscal Responsibility

Fiscal Responsibility Principles in the PFM Law

In line with the Constitution, the PFM, sets out the fiscal responsibility principles to ensure prudency and transparency in the management of public resources. The PFM law (Section 107) states that:

(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.

Abbreviations and Acronyms

ADP	Annual Development Plan
BPS	Budget Policy Statement
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CFSP	County Fiscal Strategy Paper
CRA	Commission on Revenue Allocation
CIDP	County Integrated Development Plan
EAC	East Africa Community
ECD	Early Childhood Development
EIU	Economic Intelligence Unit
FY	Financial Year
GDP	Gross Domestic Product
ICT	Information,Communication and Technology
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
KSH	Kenya Shillings
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
PBB	Programme Based Budget
PFMA	Public financial Management Act 2012
SNR	Samburu National Reserve
SWG	Sector Working Group

CHAPTER ONE: OVERVIEW

1. Introduction:

1. The 2018 County Fiscal Strategy Paper identifies the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for Financial Year (FY) 2018/2019 and the Medium Term. The paper covers the following broad areas: review of the fiscal performance of FY 2016/17, the fiscal performance of first half of the FY 2017/2018; highlights of the recent economic developments and economic outlook; broad strategic priorities and policies for FY 2018/2019 as indicated in the Annual Development Plan and the Medium Term Fiscal Framework as outlined in the County Integrated Development Plan (CIDP) 2018-2022.

Details of development priorities have been articulated in the County Integrated Development Plan (2018-2022) and this Fiscal Strategy Paper outlines economic policies and structural reforms as well as sector-based expenditure programmes that the county government intends to implement in the medium term in order to achieve the broad goal of the County government's development agenda. The proposed fiscal framework ensures continued fiscal discipline and provides support for sustained growth, broad-based development and employment growth that benefits all.

2. Outline of the 2018 County Fiscal Strategy Paper

Section II outlines the economic context in which the 2018/19 MTEF budget is prepared. It provides an overview of the recent economic developments and the macroeconomic outlook covering the global and domestic scene . A description of budget implementation for the first six months of the year (July to December), including revenue and expenditure performance.

Section III outlines the fiscal framework that is supportive of growth over the medium-term, while continuing to provide adequate resources to facilitate the policy priorities of the county Government. An overview of the expected revenue

and expenditure totals for the coming year, based on an assessment of the economy and any other factors, such as changes in national transfers, which will affect the county, is analyzed.

Section IV presents the spending priorities for the county in the medium term.

Section V presents the resource envelope and spending priorities for the proposed 2018/19 MTEF Budget and the Medium Term. Sector achievements and priorities are also reviewed for the 2017/18 MTEF period. Ceilings (or limits) on the amount of money each sector (agriculture, tourism, etc.) will get in the upcoming budget and narrative explaining these are given.

Section VI: Conclusion of the document.

CHAPTER TWO: RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK

3. Overview of Recent Economic Performance

This chapter highlights the recent economic situation in the two levels of government, national and Samburu County. It also identifies the relationship between the county and the national economy while recommending various fiscal measures to be employed in the prudent use of the county's resources. Various risks and challenges in the medium term have also been identified.

4. Kenya Economic Review

The International Monetary Fund (IMF) has cut Kenya's economic growth forecast for the second time, pointing to the country's hard times. In its World Economic Outlook, October 2017, the IMF expects the economy to grow by five per cent in 2017, slightly lower than their projected growth of 5.3 per cent in April. And it might not get any better going forward. According to the Bretton Woods institution, in 2018, the economy will still grow at five per cent, a far-cry from the double-digit growth that the country expects in order to attain Vision 2030. Vision 2030 is a long-term development blue-print aiming to transform Kenya into an industrialized, middle-income country in 12 years. The economy grew by 5.8 per cent in 2016 compared to 5.6 per cent in 2015. It is the second time that the IMF revised down Kenya's growth. In January, the IMF projected that the country's real gross domestic product, or the total value of goods and services produced in a year, would expand by six per cent. This is not surprising as Kenya's economy has in recent times been buffeted by headwinds;

a) The ongoing drought which has led to crop failure, dying herds of livestock, and increased food insecurity. Further, with hydropower being the cheapest source of energy in Kenya, poor rains increase energy costs, their effects spilling over to other sectors. The rise of in food and energy prices drove inflation to a five-year high of 10.3% in March.

b) Kenya faces a marked slowdown in credit growth to the private sector. At 4.3%, this remains well below the ten-year average of 19% and is weighing on private investment and household consumption.

c) As a net oil importer, the rise in global oil prices compared to the lows of 2016 has a dampening effect on economic activity. However, in the medium term, economic growth is projected to rebound to 5.8% in 2018 and 6.1% in 2019, consistent with Kenya's underlying growth potential.

5. Political Context

Corruption is a major impediment to doing business in Kenya with allegations of misappropriation of public funds on the rise. The 2016 Corruption Perception Index released by Transparency International (TI) ranked Kenya among the most corrupt countries at 145 out of 176 countries. The The Economic Intelligence Unit (EIU) expects a boost in accountability especially at the county Government level following implementation of stronger checks and balances. Kenya faces insecurity threats most notably from Al-Shabaab: the Somalia-based Islamist group. Even though terrorist attacks within the country have reduced drastically, there are still sporadic attacks. In January this year, Al-Shabaab militants attacked Kenyan soldiers deployed with AMISOM at a Kenyan military base in Kulbiyow, near the Kenyan border with Somalia. The EIU notes that security risks will not necessarily improve after the 2017 election. According to the EIU, Kenya's foreign policy will be driven by economic interests; especially the maintenance of close relations with donors and the advancement of regional integration of the East African Community (EAC) between 2016 and 2020.

6 Economic Environment -The EIU predicts real Gross Domestic Product (GDP) to grow at 5.5% in 2017 down from an estimated 5.8% in 2016 due to a combination of domestic and international constraints. Domestic constraints include the forthcoming elections which might inhibit investments. International constraints include disruptive geopolitical events such as the United Kingdom's impending exit from the EU and Trump's presidency, which are likely to translate to reduced foreign investments to emerging economies. According to the EIU, growth will remain robust between 2017 and 2021, averaging 5.8% as a result of sustained expansion in consumer services, urbanization, EAC integration, structural reforms and investment in infrastructure. The US Department of State notes that Kenya is a favored business hub for oil and gas exploration, manufacturing and transport. Kenya ranked 92 out of 189 economies in the 2017 Ease of Doing Business report

released by the World Bank. On 20 March 2017, the Central Bank of Kenya (CBK) retained the Central Bank Rate (CBR) rate at 10% so as to anchor prevailing uncertainties such as rising inflation and the impact of the interest rate caps on the effectiveness of monetary policy. The Banking (Amendment) Act, 2016, that came into force in September 2016, capped interest rates charged by lending institutions to 4% above the prevailing CBR set by the CBK. The Act also set the minimum interest rate granted on a deposit held in an interest earning account in Kenya to at least 70% of the base rate. The EIU expects this Act to limit lending to the private sector by banks.

7.GDP -According to the EIU, investment in infrastructure, strong household consumption, closer integration with EAC and recovery in tourism numbers led to the increase in the country's GDP from 5.6% in 2015 to 5.8% in 2016. The EIU expects the country's GDP growth to decline to 5.5% in 2017 largely due to a slowdown in investments as the country heads towards the general elections. Reduced lending to the private sector, the result of the enactment of the Banking (Amendment) Act that caps lending rates, will also contribute to a decline in GDP. According to the Business Monitor Intelligence (BMI), private consumption will drive the country's economic growth going forward. Private consumption will account for an estimated 81.4% of GDP over the coming decade.

8.Inflation -The Kenya National Bureau of Statistics (KNBS) reported that inflation increased from 7.0% in January 2017 to 9.0% in February 2017 on account of rising food and electricity prices. Inflation averaged 6.3% in 2016 due to subdued oil prices, lower electricity tariffs (due to increased reliance on drought resistant geothermal power) and low food prices due to improved rainfall. The EIU forecasts inflation to average 5.1% between 2017 and 2020 due to prudent monetary policy and efficiency gains arising from regulatory reform and investment in infrastructure. The EIU reported that drought remains a potential risk to inflation and demand pressures will prevent a rapid decline in inflation.

9. Interest Rates -The Banking (Amendment) Act, 2016 which came into force on 14 September 2016 set the maximum interest rate chargeable for a credit facility in Kenya at no more than 4% above the base rate (i.e. the CBR) published by CBK. In

addition, the Act also set the minimum interest rate granted on a deposit held in an interest earning account in Kenya to at least 70% of the base rate.

The implementation of this Act led to the growth in the average savings rates given by commercial banks by 262% between August 2016 and October 2016 and a decrease in the average lending rates offered by commercial banks by 23% in the same period. However, the interest rate capping appears not to have had the desired effect as lending to the private sector has declined. The President is on record saying that the Government is looking at ways of addressing this unintended consequence of the law.

10. Exchange Rates- According to the KNBS, the Kenya Shilling (KES) strengthened by 0.1%, 16.7% and 3.1% against the United States Dollar (USD), the Great British Pound (GBP) and the Euro (EUR) respectively between December 2015 and December 2016. The International Monetary Fund (IMF) attributes this to an increase in foreign-currency denominated capital inflows, increase in conference tourism receipts and the vote by Great Britain to exit from the European Union which destabilized Western economies. The EIU reports that the KES will remain vulnerable to global development such as further rises in US rates and uncertainties surrounding the state of the Chinese economy. The EIU predicts the KES to weaken from an estimated average of 106.5 against the US dollar in 2017 to a possible average of 120.5 in 2021.

11. Development Challenges

But while the medium- to long-term outlook appears favorable, Kenya's economy remains vulnerable to downside risks. These include potential for fiscal slippages, a more prolonged drought in 2017, and external risks from a weaker than expected growth amongst Kenya's trading partners, as well as uncertainties related to US interest rate hikes and the resultant stronger dollar.

"Going forward, prudent macroeconomic policies will help safeguard Kenya's robust economic performance, in particular fiscal consolidation consistent with the Medium Term Fiscal Framework," said Allen Dennis, Senior Economist and Lead Author of the KEU. "Fiscal consolidation needs to be implemented in such a way so as not to compromise the development spending needed to unlock the country's

productive capacity. This will require adjustments on recurrent spending and improvements on domestic resource mobilization."

County Economy

12. County Assembly

The main achievements in the current financial year include;

a) Commencement of construction of ultra -modern block for county assembly;
b) Implementation of staff performance appraisal;
c) Operationalization of transport policy, training policy and internship policy;
d) Creation of training committee to guide in training;
e) Procurement of fire extinguishers for county Assembly;
f) Vetting of CECs to various departments for the second term of the county governme;t.
g) Successful swearing in of the 28 members of county Assembly including the speaker;
h) Training of two staffs in the senior management course at Kenya School of Government and one trained in Strategic Management course;
i) Conducting induction course for the new and old members of county Assembly and training them on house procedures and processes;
j) Establishment of new standing orders for the Country Assembly Members;
k) Approval of first 2017/18 supplementary budget by the house.

13. County Executive

SPECIAL PROGRAMMES

a) Relief Food Supplies –**2,280** metric tonnes of cereals and **216** metric tonnes of vegetable oil;
b) Peace Meetings – Cross border with Laikipia Ranchers, Kilepoi,Nkumee Elmaalo ;
c) Capacity building Workshop on Humanitarian supply Chain Management and Disaster Risk Management;
d) Short rains assessment in the month of October;
e) Disaster Risk Management Policy development – ongoing.

ADMINISTRATION

a) Establishment of the Village Council;
b) Monthly meetings with the Council and Village Administrators;
c) Induction of Village Administrators supported by United Nation Decelopment Programme.
d) Construction of sub County Offices

COUNTY PUBLIC SERVICE BOARD

a) Construction of the County Public Service Board Office Block.

LEGAL

a) Settling Court cases;
b) Policies and Acts.

HUMAN RESOURCE

a) Staff Medical Insurance.

COMMUNICATIONS

a) Documentary on County Activities – On going.

14. Finance, Economic Planning & ICT

The County Treasury's achievements during the 1st half of the year 2017/18 includes; Development and installation of GIS software, Installation of antivirus,fire wall & passwords, completion of annual development plans, preparation of county budget review and outlook paper (C-BROP), preparation of PBB, preparation of financial statement on time and the 2nd generation County Integrated Development Plan (CIDP) is at its advanced stage.

15. Agriculture, Livestock Development, Veterinary Services & Fisheries

a) Agricultural Projects

a) Provision of assorted certified crop seeds (69 tonnes) for long rains at procurement stage (tender advertised) ;
b) Construction of Lulu and Arsim Irrigation Schemes Phase II advertised;
c) Supply of machinery spare parts and tractors parts ongoing at last stage of procurement;
d) Provision of water tanks for small scale farmers-LPO issued;

e) Fertilizers procured at the last stage of procurement (70% completion);

f) Water pumps and drip kits- LPO issued.

b) Livestock Production Projects

a) Provision of 2000kg of certified pasture seeds for range reseeding and pasture production and conservation. Tender advertised;

b) Provision of 250 community breeding camels (Somali breed) for food security initiatives and increased camel production. Tender advertised ;

c) Construction of Nomotio Abattoir Meat Processing Project for value addition initiatives in the livestock sub-sector. The project is at advanced stage of submitting the EIA report awaiting the signing of the contract between the County Governor and the European Union.

c) Veterinary Services Projects

a) Completion of County Veterinary Laboratory in progress;

b) Rehabilitation of the Maralal Slaughter House ongoing;

c) Livestock vaccinations ongoing;

d) Proposed rehabilitation of Achers Post at initiation stage;

e) Rehabilitation of cattle Dips.

d) Fisheries Projects

a) Procurement of the construction works for fish bulking and demonstration pond ongoing;

b) Procurement of fingerlings ongoing.

16. Water, Environment, Natural Resources & Energy

During the financial year 2017/2018, we were able to construct wamba dumpsite, which is nearing its completion and an on-going work of Archer's post dumpsite construction as well as undertaking environmental sanitation in major towns and livestock markets to help ease solid waste management. Capacity building of Natural Resource Management (NRM) institutions such as Charcoal producers, sand harvesters and Water Resource User Associations (WRUA's) were also undertaken in Marti, Lodungokwe, Wamba, Archers post, and around Nyiro mountain.

The department was also able procure grass seeds and undertake rehabilitation work of about 100 Acres in Ngilai area of Wamba North. Sustainable land management approaches of reducing soil erosion through construction of gulleys and other soil conservation structures were undertaken in Wamba, Opiroi and South areas. The department also undertaken community sensitization meetings and/or workshops on participatory range management, grazing planning, mineral prospecting and mining activities in various parts of the county.

The water subsector have achieved the following in the current financial year;

1) Underground water exploration (Hydro- geological survey, Drilling and equipping of potential boreholes sites;
2) Pipeline extension and rehabilitation of existing Water supply;
3) Desilting of various water pans;
4) Construction of various check dams;
5) Capacity Building of water users Association to enhance projects sustainability and proper management.

On – going water works status which spilled over from 2016/2017 FY to 2017/2018.

SAMBURU CENTRAL:

NO.	SITE	PUMP INSTALLATION	FABRICATION OF SUPPORT SOLAR STUCTURE	SOLAR MODULES INSTALLATION	ELECTRICAL INSTALLATION
1	Angata-Elerai Nursery School	√	√	√	√
2	Kaoo Community Borehole	√	√	√	√
3	Lorukoti Primary	√	√	√	√
4	Lagorate-Lorian Community Borehole	√	√	√	√
5	Garma	√	√	√	√
6	Ngamata Community Borehole		√		
7	Nkeju Emuny Community Borehole	√	√		
8	Ngari Borehole	√	√		

Source: County Water 2017

SAMBURU EAST:

NO.	SITE	PUMP INSTALLATION	FABRICATION OF SUPPORT SOLAR STUCTURE	SOLAR MODULES INSTALLATION	ELECTRICAL INSTALLATION
1	Naisunyai Borehole	√	√		
2	Loijok Borehole	√	√		
3	Sasaab Borehole	√	√		
4	Losesia Borehole	√	√		
5	Sereolipi Borehole	√	√		
6	Ntabaasi Borehole	√	√		
7	Lempaute Borehole				
8	Pareu Borehole	√	√		

Source: County Water 2017

Key

√-Done

Other water projects for pipeline extension are on the documentation and procurement stage.

17. Education and Vocational Training

The department has achieved the following in the current financial year;

SAMBURU CENTRAL

ward	Classrooms	Toilets	Fence	Office/Kitchen
Maralal	2	3	1	0
Suguta	0	4	3	0
Lodokejek	1	2	4	1
Poro	2	3	1	0
Loosuk	4	1	1	1
Total	**9**	**13**	**10**	**2**

Source: County Education 2017

SAMBURU NORTH

ward	Classrooms	Toilets	Fence	Office/Kitchen
Elbarta	1	2	1	0
Nachola	0	2	1	0
Ndooto	4	2	1	1

Nyiro	4	2	1	0
Angat Nanyekie	0	2	1	0
Baawa	3	2	1	0
Total	**12**	**12**	**6**	**1**

Source: County Education 2017

SAMBURU EAST

ward	Classrooms	Toilets	Fence	Office/Kitchen
Wamba East	4	2	1	0
Wamba West	2	2	1	1
Wamba North	0	2	1	0
Waso	1	2	1	0
Total	**7**	**8**	**4**	**1**
Grand Total	**28**	**33**	**20**	**4**

Source: County Education 2017

Polytechnic world bank grants

Samburu East	8M
Samburu North	8M
Samburu Central	9M

18. Medical Services, Public Health & Sanitation

Introduction

Samburu County has 96 facilities providing different KEPH services. Three tier 3 facilities, 93 tier facilities and 30 community units.

The current projected population for 2017 based on the 2009 population census is **283,237**. This represents a population density of 13 persons per sq Km occupying **56,460** households. Children under five years constitute 18.93% (53,440), of the population; Women of Reproductive Age (WRA) 21.19% (59,820) while the elderly 4.42% (12,478). The county growth rate is at 3%.

Referral Services

The County has 14 Ambulances for emergency referral services. In Samburu central we have ambulance located in Maralal County Referral Hospital, Loosuk Health

Centre, Kisima Health Centre, Suguta Health Centre and Barsaloi Dispensary. In Samburu East the ambulance is located in Wamba Health Centre, Seriolipi Health Centre, Lodung'okwe Health centre, Swari Health Centre. In Samburu North the ambulance is located at Baragoi Sub County Hospital, Nachola Dispensary and South Horr Health Centre.

Organization of community services

The County envisage to improve the linkages between the community and the facility, to improve the demand of health services. The County has a total number of 32 community units though 30 units are functional and 2 units are non - functional. The units were established by partners (IMC – International Medical Corps, Amref, Anglicord, feed the Children and UzaziUsalama).

TB CASE FINDING JULY TO DECEMBER 2017

	Samburu Central	**Samburu East**	**Samburu North**	**Samburu county**	
2017	177	71	34	282	
OUTCOME OF TREATMENT JULY TO DECEMBER 2017					
	cured	**TSR**	**Died**	**LTFU**	**TOTAL**
Samburu Central	69	179	6	9	190
Samburu East	13	49	5	6	60
Samburu North	11	37	1	4	42
Samburu county	93	265	12	15	292
	32%	**90%**	**4%**	**5%**	

Source: County Health 2017

The following tenders have been flouted for the following projects;

a) Construction of incinerator at Baragoi sub County Hospital;
b) Construction of dispensary at Bendera and Lengarde;
c) Construction of Maternity ward at Nachola;
d) Construction of staff house at Lolmolog Dispensary.

Challenges

1. Staff shortage (Staffing norms are not yet met);
2. Strike by health staff affected the delivery of health services;
3. Ambulance breakages with delays in servicing;
4. Inadequate funds to support health information dissemination;
5. Inadequate support for facility in charges meeting;
6. Communication barriers- lack of good network coverage.

19. Lands, Housing, Physical Planning & Urban Development

TITLE DEEDS ISSUED (10)

a) Ngutuk Ongiron;
b) Sessia ;
c) Lossesia ;
d) Ltirimin ;
e) Ngilai West;
f) Ngilai Central ;
g) Serolipi;
h) Lpus;
i) Nonkeek ;
j) Opiroi .

NEW ADJUDICATION SECTIONS COMPLETED (5)

a) Ngilai West;
b) Ngilai Central ;
c) Serolipi;
d) Nairimirimo;
e) Nachola/Kalamodang .

TOWNS/AREAS PLANNED (2)

a) Part Development Plan for Laikipia University Maralal Campus (600 acres) – allotment issued;
b) Milimani;
c) Shabaa .

URBAN PLOTS SURVEYED AND LEASE CERTIFICATES ISSUED (350)

a) Maralal Town.

20. Roads, Transport & Public Works

ROADS DIRECTORATE

a) Construction of uncl road loikurkur-lolgese-nkutoto arus-angata rongai-suguta marmar

b) Improvement of uncl road lodungokwe-westgate jxn –kiltamany

PUBLIC WORKS DIRECTORATE

c) Drainage works at wamba
d) Drainage works at tuum

21. Tourism, Trade, Enterprise Development & Cooperatives

TOURISM SUB-SECTOR

e) Completion of construction of Malaso Eco-Tourist Hotel, Staff Houses and Shades;
f) Completion of construction of Maralal Safari Lodge Staff Houses
g) 80 % Completion of construction of Samburu National Reserve administration block;
h) Support through purchase of new land cruisers to Namnyak and Westgate Conservancies;
i) Funding Community awareness program in SNR;
j) Conducting monitoring and evaluation program &training phase 2 in all the newly established community conservation areas;
k) Continuous funding and support of operational activities of the six(6) newly established conservancies.(Baragoi,Nyiro,Ndoto,Kirisia-Nkoteiya,Ltungai-Malaso & Losesia);
l) Purchase and distribution of VHF radios , handsets and base radios to all the newly established conservancies;
m) Purchase of full set military uniforms for conservancy scouts;
n) Support of Grevy Zebra Rally financially and having members of staff volunteering in the 2 day census;
o) Participation in World Travel Market-London 2017.Besides meeting with clients and distribution of brochures, Compact Disks and giveaways that market Samburu as a tourist destination,roadshows were organized where presentations were made to target markets;

p) The department organized and participated in Maralal International Camel Derby 28th edition event which attracted both local and international participation.

TRADE AND INVESTMENT SUB-SECTOR

a) Disbursement of loans amounting to kshs. 22,750,000 to youths,PWDs and women groups across the county;
b) Loan recoveries on defaulters amounting to kshs. 6,000,000 was recovered;
c) Verification of weight and measures equipment county wide;
d) Capacity building and trainings of youth and women groups,where 4,000 entrepreneurs benefited;
e) Public participation of trade and licensing bills;
f) Link of SMEs with other partners e.g export promotion council e.t.c.;
g) Participation in Jua Kali/Nguvu Kazi Expo in Bujumbura,Burundi;
h) Participation in Ken Invest Expo in KICC,Nairobi.

CO-OPERATIVES DEVELOPMENT SUB-SECTOR

a) Nyiro-Ndoto beekeepers pre co-operatives education;
b) Registration of Nyiro-Ndoto cooperative;
c) Co-operative leaders training;
d) Facilitation of Beadwork and Samburu beekeepers cooperative to attend EPC mini exhibition of products;
e) Development of business plan for Samburu Dairy Co-operative.

22. Culture, Social Services, Gender, Sports & Youth Affairs

The achievements are;

a) Constructin of Social Halls: Lolmolog (central) Angata Nanyekie(north) Women Bandas Sere Olipi(east) ;
b) Construction of Stadiums: Maralal, Wamba & Baragoi and various playgrounds ;
c) Trainings: women leaders 3 (one per sub county);
d) Exposure tours: 4 (four trips) Nguronit, Narok, Nanyuki & Lake Turkana;

e) Disabled assistance: Wheel chairs, calipers & crutches totals; 500;
f) Internationa Days eg Yare Camel derby, International womens days, Zero tolerance for FGM etc.
g) Participated in the 28th edition of Maralal International Camel Derby.
h) Participated in the 2018 Cross country championships

Emerging Challenges

Over the medium term, the county anticipates to encounter the following risks and challenges in implementing its development agenda:

(a) Insecurity threats. Ethnic conflicts and terrorism in the country poses a threat to develoment and tourism industry.

(b) Country's financial shocks. the economy is exposed to risks including any occurrence of adverse weather conditions and public expenditure pressures especially recurrent expenditures.

(c) Shortfall in Local revenue. Unreliable weather conditions pose a major risk to the county economy and the county's projected revenue since cess revenue will be affected.

Review of Fiscal Performance in 2017/18

23. County revenue

The total revenue budgeted was ksh 251,234,866 in local revenue. The collection for first quarter was ksh 117,263,334 as shown below (Table 1). The revenue collected is further analyzed by departments as shown in Table 2. Local revenue collection forms part of the total revenue for the county and its adequacy is important to funding of development projects.

24. Total County Expenditure

There has been a lot of public attention on county government spending. The County Government always aim to shift more public resources from recurrent to capital investment so as to promote sustainable and inclusive growth. The budgeted expenditure for the f/y 2017-18 amounted to ksh **4,832,646,332** . The budget for reccurent was ksh **3,379,297,851** and development ksh **1,453,348,481 .**

The expenditure for the first half was ksh **1,795,884,254** of which recurent was ksh **1,504,461,015** and development was ksh **291,423,239** as shown in Table 3 .

The expenditure can further be categorized into three major economic classification (as shown Table 4) namely ;

a) Personnel emolument is composed of basic staff salaries and all allowances.

b) Operation and maintenance include expenditure incurred in running the offices such as payment of bills, maintenance of vehicles, maintenance of buildings, fueling of vehicles, travelling cost and purchase of working tools such as stationeries, computer and accessories and any other cost incurred in running the offices.

c) Development expenditure involves costs incurred in payment of capital projects.

Majority of the development projects in budget will be implemented in the second half and absorption rate is expected to improve . Personnel emoluments, operation and maintenance expenditure are expected to remain relatively the same. This requires the departments to be more cautious on spending and cut on unnecessary cost while at the same time fast tracking implementation of projects to ensure that they are completed within the time frame set in contract agreement.

CHAPTER THREE: FISCAL POLICIES AND BUDGET FRAMEWORK

25. Overview

This chapter provides the county's fiscal policy, how the county will observe the fiscal responsibility principles and the fiscal reforms the county will implement to improve its fiscal performance. The chapter also outlines the county budget framework for 2018/2019 and the first half year fiscal performance for 2017/2018.

26. Continuing with Prudent fiscal policy

The fiscal policy stance over the medium term aims at supporting rapid and inclusive economic growth. The fiscal policy underpinning the FY 2018/19 budget and MTEF will sustain the revenue projections in line with revenue mobilization trends in order to maintain fiscal predictability. In an effort to boost local revenue, the county Government is going to undertake a combination of policy and administrative reforms to bolster revenue yields going forward. These efforts will reverse the revenue losses experienced in the recent past where ordinary revenues have been declining. The County's policy will be to continue with the fiscal balance through a balanced budget which will ensure the level of expenditure continues to sustain growth. The County Treasury will continue to tighten the fiscal policy to avoid fiscal deficit.

27. Fiscal Strategy Paper's obligation to observe Fiscal Responsibility Principles

In line with Public Finance Management (PFM) Act, 2012, and in keeping with the prudence and transparent management of public resources, the Government has adhered to the fiscal responsibility principles as set out in the statutes as follows:

a) *Balanced Budgets are mandatory*: The County Government's expenditure have not exceeded its total revenue hence no deficit in our budget in the current year.
b) *Over the medium term, a minimum of 30% of the County Budget shall be allocated to development expenditure*. The County Government's development budget allocation over the medium term is above 30 percent, the minimum set out in law. In FY 2017/18 the County Government allocated 30.07% to development. Similarly, delays in disbursement by National

government snow balled to delays in procurement by County departments; hence uptake of development funds is low.

c) *Limit county wage bill to thirty five percent of the government's total revenue*: The County expenditure on wages and benefits for its public officers in 2017/18 was 35.05 % which exceeded 35% of the County Government's total as prescribed in the regulations.

d) *Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure*. It is a prudent fiscal policy for a government to procure external financing only for development projects. Although the County Government envisages maintaining a balanced budget, it will seek to adhere to borrowing guidelines as set out in the PFM regulations, if need arises.

e) *Public debt and obligations shall be maintained at a sustainable level as approved by National Assembly (NA) and County Assembly (CA)*. The County Government borrowing level is set in the Medium Term Debt Strategy approved by the County Assembly. The sustainability of debt is guided by PFM Act section 107 (2) (e) and section 107 (4). As per section 107 (2) (e) the county debt shall be maintained at sustainable level as approved by county assembly. Section 107 (4) further states that 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 resolution of the county assembly. Over the medium term the Samburu County Government will continue to maintain a balanced budget where total revenue equal total expenditure. Nevertheless, if need arises, the County will adhere to laid out laws by the County Assembly, using guidelines passed by the National Parliament and senate.

f) *Fiscal risks shall be managed prudently*. The County Government also takes into account the fiscal risks arising from contingent liabilities, liquidity risk arising from failure to actualize local revenue targets. The County government continues to put measures in place to enhance revenue collection, majorly through widening of revenue base.

g) *Predictable taxes*: A reasonable degree of predictability to the level of tax rates and tax bases is maintained and there are no major changes in our Finance Acts over the years. The same stability is expected in the future.

28. For the County to achieve the above fiscal responsibilities the following controls will be exercised;

Executive Control: This will be exercised through the County Treasury in conjunction with other departments. The county treasury will manage, supervise, control and direct all matters related to financial affairs. The accounting officers in each department will ensure accuracy, propriety and accountability in expenditures.

Legislative (County Assembly) control: The Authority of raising revenue and their appropriation is provided by the County Assembly. The County Executive will work closely with the county assembly to ensure legitimacy of collection of taxes and appropriation of the same.

The Controller of budget: the office of the controller of budget will oversee the implementation of county budgets by authorizing withdrawals from the county revenue fund.

The Auditor General : The office of the Auditor general will be involved in auditing the accuracy of all accounts, the propriety of the expenditure and the appropriateness of all county public finance matters.

In collaborating with the office the county treasury will ensure efficiency, effectiveness and guard against unauthorized expenditure.

29. Fiscal structural reforms

The County has great potential to improve its revenue collection and administration. This will be achieved by improving efficiency in collection, enforcement of revenue collection guidelines and employing new methods to enhance revenues.

The improvement in County revenue collection and administration will be informed by the need to reduce the cost of revenue collection through offering more innovative and efficient procedures. The focus of the county government will be to sustain the ongoing reforms in revenue collection and administration. To achieve this, the county will leverage on the following:

(a) Legislation

The County government will enact the required legislation to anchor its revenue administration process. These will include legislation on property rates, County revenue administration and trade licenses among others. There will be adequate public participation in the public finance management to increase the compliance of rate payers while at the same time reducing the incidences of litigation against the County.

(b) Computerization and Automation

The County plans to computerize and automate all the activities related to revenue administration in the near future.

(c) Leverage and maximize on the role of auditing (internal and external).

This will ensure compliance as well as evaluate effectiveness of internal controls in revenue administration. It will involve regular audits with dedicated follow up on auditor's recommendations.

Budget Framework

The County's 2018/19 budget framework is set against the background of the medium-term fiscal framework and the strategic objectives as outlined in the County Integrated Development Plan.

30. Revenue projections;

The projected resources accruing from the national government for the financial year 2018/2019 will be Ksh **4,427,400,000** as equitable share. Additionally it's projected that revenue from local collections will amount to ksh **230,031,228**. This will include monies collected from issue of single business permits, SNR, payment for land rate, facility improvement fund, and agricultural machinery services among others. The County will also get conditional grants from the national government. In total, the county's projected resource envelope for 2017/18 will be KSh **5,409,808,517**

The locally mobilized resources will account for 4.25 % of the 2018/2019 budget, while external resources will account for 95.75% of the total expected revenues. Table 5 indicates the projected revenue by source for the period under consideration.

31. Expenditure Forecasts

Based on the county's fiscal policy and in compliance with the fiscal responsibility principles outlined above, the county's expenditure for the budget in 2018/2019 is projected as follows:

a. Recurrent Expenditure.

Recurrent expenditure is projected to be at 67.5 % of total expenditure. This will however be spent to support capital expenditure in line with the programme based budgeting framework. This will go a long way in supporting robust economic growth in the County while ensuring prudence and caution in the application of resources.

b. Development Expenditure

Development expenditure in 2018/2019 and the medium term are projected at 32.5% of total expenditure. The projection is based on the assumption that there will be high absorption capacities for the spending departments for development funds and that there will be continued implementation of the county government's development projects as outlined in the CIDP (2018-2022).

CHAPTER FOUR : STRATEGIC PRIORITIES

32. Overview

The broad key priority areas for resources allocation will be handled by the different departments to address the theme of the budget. One of the mandates of the sector working groups is to prioritise the programs in line with the CIDP and their respective strategic plan.

33. Priority Areas

To afford appropriate focus, there are 3 strategic thrust areas identified that should stimulate the entire service delivery impetus in the county. These are: Food Security, Education and Health care.

Food Security

Goal	Priority Programmes and Activities (2018-2022)
Livelihoods Strengthened (Agro-pastoralist)	• Increased food crop production thru o Agricultural mechanization o Increased acreage o Drought resistant crops
Building Resilience	• Improved livestock breeds • Camel distribution • Irrigation schemes
Access to Water	• Access to adequate clean water increased to within 5km radius • Sustainable management and use of water catchments

Education

Goal	Priority Programmes and Activities (2018-2022)
Pre-schools	• Fully equipped complete modern ECD centers in every village • Improved enrollment, retention and transition to primary • Continue with ECD Feeding program
Enhanced Secondary & Tertiary Education	• Bursary Schemes • Scholarship programs • Internships and Placements • Promote youth empowerment in entrepreneurship

Health Care

Goal	Priority Programmes and Activities (2018-2022)
Universal Healthcare	• NHIF cover for all by 2022 • 100% Immunization
Health Infrastructure	• 15 Hospitals (one hospital in every ward) • Augmented by existing dispensaries
Human Resource	• Increase nurses and other medical professionals to WHO standards at sub-county level hospitals • Capacity building programs for existing staff. • Enhance service delivery through optimally motivated personnel

From the above, Annual Development Plan and the SWG the broad priorities to be handled by the different departments are detailed below;

34. County Assembly

a) To perform its legislative,oversight and representation role to the best of its ability to the people of the county.

35. County Executive

a) Administration and Coordination of County Affairs;
b) Effective Public Communication;
c) Construction of Sub county/Wards offices;
d) Civic Education and Awareness campaigns on major County Policies and Legislations;
e) Train on disaster risk awareness and early warning information sharing platforms;
f) Strengthen the governance of Disaster risk management ;
g) Response to all disasters through the established mechanism;
h) Approval of Revised schemes of services and Succession management;
i) Upgrading/promotion / Acting/ temporary Appointments of officers;
j) Implement an effective employee performance appraisal and reward mechanism ;

36 Finance, Economic Planning & ICT

a) Extension of Automation -Interactive website development (with financial component) ;
b) Global Position system operationalization;
c) Risk based audits; Institutional risk management policy framework rolled out;
d) Audit committee training manual and regulations;
e) Monitoring & Evaluation planning / framework;
f) Annual performance reviews;
g) Strengthening line department progress reporting;
h) Monitoring and evaluation of local resources collected;
i) Revenue Enhancement Plan developed (R.E.P) ;
j) Accounting systems and financial regulations reviewed and developed;
k) Development of Asset management system;
l) Stakeholders involvement in budget Making Process;
m) Increased budgetary resources allocated towards development budget;
n) Training on e-Procurement to suppliers special/disadvantaged groups accessing procurement.

37 Agriculture, Livestock Development, Veterinary Services & Fisheries

a) Development of Community Grazing Management Policy 2018;
b) Development of County Fisheries Policy 2018 and Fisheries Strategic Plan 2018-2022;
c) Enhance capacity of Farmers through Establishment of Pastoral Field Schools;
d) Improved Livestock Breed;
e) Support beekeeping groups;
f) Support Poultry farmers groups;
g) Refurbish Nomotio LIC;
h) Provide agricultural and Veterinary Extension Services;
i) Improvement of fodder;
j) Disease Control & Management;

k) Hides and Skins Improvement;

l) Construction of new livestock sale yards;

m) Support Smallholders- Dairy farmers;

n) Provision of maintenance of tractors and implements;

o) Provision of certified crop seeds and fertilizers;

p) Construction of cereal stores;

q) Support Agriculture Machinery Services (AMS) with Fuel, Lubricants Spare parts;

r) Construction of Irrigation Schemes;

s) Expansion and maintenance of the various fish ponds;

t) Purchase of fishing gears;

u) Construction of 1 fish Bulking/Multiplication ponds.

38. Water, Environment, Natural Resources & Energy

a) Environment strategic plan developed, service delivery improvements, documents and information, equipment and assets maintained, employee productivity enhanced, staff skills and competences developed;

a) Development of department's strategic plan, Service delivery charter and signing of performance contract;

b) Procure refuse track for Kisima;

c) Construction of dumpsites in selected towns;

d) Improve sanitation in towns and markets;

e) Public awareness on environmental sanitation enhanced;

f) Annual environment events celebrated;

g) Training of Environment Clubs and Groups;

h) Rehabilitation of severely degraded rangeland;

i) 80 Ha of commercial woodlots established;

j) 500,000 seedlings raised and supplied to public institutions and planted in degraded sites;

k) Five (5) Non timber forest products developed for value addition;

l) Soil erosion (especially gulley erosion) controlled;

m) Natural Resource Inventory undertaken and resource map established;

n) Identification of new Quarry activities in the county;

o) Degraded water catchment areas identified and rehabilitated;

p) Protection of wetlands and springs

q) Formation and training of Water Resource Users Association (WRUAS);

r) Rehabilitation of water supplies across the county;

s) Construction of sand dams and wells for Baragoi/Suguta water supply;

t) Construction of storm water management;

u) Maralal sewerage system completion.

39. Education and Vocational Training

a) Equipping of the Constructed ECDE classrooms;

b) Supply of ECDE food stuff ;

c) Construction of 20 fencing store/office;

d) Supply of ECDE 500 leaning materials;

e) Construction of 20 toilets;

f) Provision of water tanks;

g) Training of ECDE teachers;

h) Construction of workshop and provision of tools;

i) Supply of play materials and construction play ground.

40. Medical Services, Public Health & Sanitation

a) Health Promotion at community level and disese surveillance;

b) Conduct outreaches and Support supervision;

c) Put up litter bins in major shopping centres;

d) Expansion of health facilities;

e) Establishment of ambulance command centre;

f) Purchase of spare parts for Kenya Expanded Program on Immunization ;

g) Capacity building of health workers;

h) Build Health Facilities (Dispensaries);

i) Train and recruitment of additional health workers;

j) Build Sub County filing area and referral hospital;

k) Build warehouse for storage of equipment and registers;

l) Develop Monitoring &Evaluation indicators on HIV Testing and Counselling/Nutrition/Maternal and Child Health, dispensary charts on wall.

41. Lands, Housing, Physical Planning & Urban Development

a) Extension of Cadastral survey to Five(5) towns;

b) Three (3) new adjudication sections;

c) Five(5) local physical development plans;

d) Two(2) integrated Strategic Urban Development Plans.

42. Roads, Transport & Public Works

a) Completion of the Construction of Seiya Bridge;

b) Gravelling and drainage of roads of various rural roads across all wards;

c) Improvement of Various Roads across all wards;

d) Opening of new roads Bridges, drifts and Culverts in Maralal Town;

e) Installation of street lights at;

1. Wamba town(7m)
2. Baragoi Town (6m)
3. Archer's post (3.5m)
4. Suguta mar mar (3m)

f) Kisima (1.5m)

g) Drainage Structures at ;

1) Angata-werikoi
2) Nkare-Narok-Kitobor
3) Lkanto

4) Nagoroworo-Lekiji

43. Tourism, Trade, Enterprise Development & Cooperatives

a) Establish campsites and eco lodges in various sites which will increase tourist numbers and also create emplyoment;
b) Hosting miss tourism and cultural events to market tourism in the county ;
c) Undertake tourism promotion and marketing locally and internationally;
d) Operationalize a tourist information and research centre at SNR;
e) Update department's website and operationalize it to enhance information flow on tourism trade and cooperative;
f) Review of leases for various lodges;
g) Community sensitisation meetings, workshops and exposure tours of communities around SNR;
h) Construction of conservancy headquarters;
i) Beaconing of SNR boundary and corridor;
j) Support to conservancies neighbouring SNR i.e. Kalama and Westgate through revenue sharing;
k) Acquisition of security and communication equipment;
l) Construction of new cattle holding bays to contain illegal grazing livestock;
m) Fencing of Maralal sanctuary and resource mapping;
n) Identification of Prospective Cooperatives;
o) Pre-cooperative education to the prospective cooperatives;
p) Training and Exposure tours for Cooperative Societies Managements, members and staff;
q) Submission of Cooperatives Societies Books for Auditing;
r) Carry out investigations and enquiries on cooperative societies activities;
s) Identification of markets for Cooperatives products;
t) Identification of Cooperatives to be supported financial wise;
u) Improve market infrastructure in all major towns across the county;
v) Inspection/verification of weighing and measuring instruments and pre-packed goods;

w) Hold County investment forums with all the departments and other stakeholders;
x) Conduct resource endowment mapping feasibility study and promote investment opportunities in the county with involvement of a consultant;
y) Allocate funds to the joints loan board scheme.

44. Culture, Social Services, Gender, Sports & Youth Affairs

a) construction of the Cultural information centre equipping with ethnographic collection;
b) Women empowerment and Girls mentorship;
c) Annual Samburu cultural festivals;
d) Supports groups with disability and rehabilitation centers for people living with disability;
e) Support to rescue centers for girls;
f) Construction and equipping of the County library with relevant literatures;
g) Securing of the perimeter fence and beutifying of Green park;
h) Construction and equipping of social halls;
i) Identification, documentation and protection of cultural sites and monuments;
j) Improvement of existing cultural manyattas;
k) Support to cultural groups and artists;
l) Drug and substance control;
m) Construction of high altitude sport Centre phase 3;
n) Development of sport centers and Supply of sport attires;
o) Talent, nurturing and development;
p) Participation in Sports and sports awards;
q) Hold a county league for all sports disciplines and award of sports men and women;
r) Promotion of sports for the disabled;
s) Formulation of sports and youth policy;
t) Hold cross country and athletics championships;
u) Capacity building of coaches,referees and sports administrators;
v) Construction of Maralal,Wamba,ArchersPost and Baragoi stadium;

w) Construction of playgrounds;
x) Participate in the Maralal International Camel Derby;
y) Participate in Kenya Inter-Counties Sports and Cultural Association KICOSCA and Kenya Youth Inter-Counties Sports Association games;
z) Hold talent shows across the county.

CHAPTER FIVE: MEDIUM TERM EXPENDITURE FRAMEWORK

Resource Envelope

45. In accordance with the provisions of the constitution and PFMA on enhancing openness and accountability in public finances, the County Government will facilitate full participation of the people in the budget making process as well as observe fairness in allocation of resources.

The sectoral allocation for the 2018/19 financial year and the medium term are influenced by the necessity to finance projects that directly support economic growth and reduce poverty. Attention will be given to projects that improve the quality of life of the residents in the county. The allocations are informed by the county goals and peoples aspirations as captured in the CIDP 2018-2022.

Spending Priorities

46. The County Key focus in the FY 2018/19 Medium Term Budget will be guided by the County's medium term, strategic plan and the Annual sectoral reports as prepared by the SWG. Respective sector reports have been prepared with keen inputs from the Public participation. As the County deepens the adoption of PBB the focus will be on revision of the departmental programmes to align them with core County mandate. This is expected to eliminate non-core expenditures and eliminate overlap and or duplication of activities across sectors.

In adherence with the Provisions of Constitution and the PFMA on enhancing openness and accountability in public finances, the County Government will facilitate full participation of the people in the budget making process.

Departmental Ceilings and criteria for resource allocation

47. The PFM Act, 2012 and the PFM (County Regulations), 2015 set out fiscal responsibilities principles that guide the Medium Term Expenditure Framework (MTEF) for the County. The guiding principles that are considered in the allocation of the available resources include:

a) The requirement that the County public debt shall never exceed twenty (20) percent of the County government's total revenue at any one time. The county will not be incurring any debt;

b) The County Government wages shall be contained at thirty five (35) percent of the County government's total revenue in the medium term;
c) The approved expenditures of a County assembly will be as per senate's recommendations;
d) The County government actual expenditure on development shall be at least thirty percent.

48. Going forward the FY 2018/19 Medium Term Budget will be guided by the baseline estimates reflected in the current sector spending levels in the sector programmes. The recurrent expenditure includes compensation to employees, use of goods and services and maintenance. This represents 67.5% of total expenditure while the development costs are estimated to be 30.5% of the budget.
Revenues from local sources are expected to finance 4.25% of the County Government's expenditures while the balance will be financed by transfers from National Government and development partners.

The detailled sector ceillings are in table 6.

Risk Management

49 Kenya's recent growth performance remains robust and the outlook is positive.The economy remains vulnerable to shocks, reflecting less favourable global financial market conditions, as well as continued security threats and potential extreme weather events. To this end, maintaining fiscal stability is critical for safeguarding against these adverse shocks and ensuring that growth is sustained despite challenging circumstances.

At the County level, the risk to the outlook for the year 2018/19 and Medium-Term include vulnerable threats of tribal/boundary conflicts . This may pose investor confidence challenges as well as risk in the operationalization of the policies and programs planned in the medium term.

Natural calamities will also pose the greatest risk to the county's development agenda and revenue collection. The most common disasters hazards include disease outbreaks for livestlock , conflicts, and drought. These

calamities could delay programs or lead to collapse of projects.Without proper contingency plans, funds meant for other programs can be redirected to mitigate against the effects of disasters.

Timely release of funds by the national government will be another challenge since revenue cash flow from the national government is unpredictable. The release of the equitable share from the national government has been irregular and thus affecting commencement and completion of projects and compromising service delivery.

Other risks that will impact on the county's economy include;

a) Growing wage bill that may put pressure and shrink the development expenditure;
b) Low absorption by the spending units which may lead to projects variation and cost overrun;
c) liquidity risk arising from failure to actualize local revenue targets

CHAPTER SIX – CONCLUSION

50. The fiscal framework presented in this paper ensures a sustainable financing while allowing continued spending on priority programmes. Achievement of the set objectives calls for greater transparency, effectiveness, efficiency and economy in public financial management in order to ensure fiscal discipline. In future, while addressing the development needs of the people of Samburu, emphasis shall be on the priorities as laid out in the CIDP for both short term and Medium Term expenditure/planning framework.

Further, emphasis shall be accorded to areas considered as priority by the residents of Samburu as fronted through public forums, recommendations and memoranda.

Annexes

Table 1:First half Revenue 2017-18

MONTH	EXCHEQUER	LOCAL REVENUE	DONOR ,USER FEE &MATERNITY	TOTAL
JULY		18,964,682		18,964,682
AUGUST	266,364,000	25,974,402	30,357,377	322,695,779
SEPTEMBER	266,364,000	20,571,006	10,256,191	297,191,197
OCTOBER	342,468,000	17,241,446		359,709,446
NOVEMBER	361,494,000	20,396,112		381,890,112
DECEMBER	380,520,000	14,112,813		394,632,813
TOTAL	1,617,210,000	117,260,461	40,613,568	1,775,084,029

Source: County Treasury

Table 2: Local Revenue Analysis by departments (31-12-2017)

Department	Budget	Own	External	Total	%
Treasury	4,057,541,672	1,835,453	1,617,210,000	1,619,045,453	39.90
Agriculture	52,739,232	4,508,040		4,508,040	8.55
Environment	116,198,198	1,165,050		1,165,050	1.00
Education	25,356,891			-	-
Health	240,275,681	7,282,445	40,613,568	47,896,013	19.93
Land	27,846,000	2,056,856		2,056,856	7.39
Works	179,280,018	3,142,700		3,142,700	1.75
Trade	124,689,240	97,272,790		97,272,790	78.01
Culture	8,719,400			-	-
Totals	4,832,646,332	117,263,334	1,657,823,568	1,775,086,902	36.73

Source: County Treasury 2017

Table 3: Comparison of Budget Estimates and Actual Expenditure.(31-12-2017)

DEPARTMENT	RECURRENT (Ksh).	Actual (Ksh)	DEVELOPMENT (Ksh.)	Actual (Ksh)	TOTAL(Ksh)	Total -Actual (Ksh)
County Assembly	544,035,585	146,496,727	60,000,000	0	604,035,585	146,496,727
County Executive	463,533,164	309,402,591	35,998,775	8,000,000	499,531,939	317,402,591
Finance, Economic Planning & ICT	505,796,303	272,487,376	20,027,452	2,549,000	525,823,755	275,036,376
Agriculture, Livestock Development, Veterinary Services & Fish	210,380,394	79,956,985	184,841,903	15,935,320	395,222,297	95,892,305
Water, Environment, Natural Resources & Energy	149,035,062	68,563,922	259,412,722	1,850,000	408,447,784	70,413,922
Education and Vocational Training	320,140,551	173,117,945	140,948,296	30,303,635	461,088,847	203,421,580
Medical Services, Public Health & Sanitation	788,707,509	293,124,244	183,935,391	24,263,235	972,642,900	317,387,479
Lands, Housing, Physical Planning & Urban Development	78,445,827	28,854,488	62,360,547	7,453,150	140,806,374	36,307,638
Roads, Transport & Public Works	83,921,956	45,905,043	348,210,440	149,965,805	432,132,396	195,870,848
Tourism, Trade, Enterprise Development & Cooperatives	154,060,009	64,568,959	136,297,915	51,103,094	290,357,924	115,672,053
Culture, Social Services, Gender, Sports & Youth Affairs	81,241,492	21,982,735	21,315,040	0	102,556,532	21,982,735
TOTAL	**3,379,297,851**	**1,504,461,015**	**1,453,348,481**	**291,423,239**	**4,832,646,332**	**1,795,884,254**
Percentages	70	84	30	16		

Source: County Treasury 2017

Table 4:Economic Classification of Expenditure (31-12-2017)

Description	Budget Estimates 2017/2018	Total Expenditure 2017/2018	% of Budget Absorption
Personnel Emoluments	1,683,762,641	953,133,422	57
Operational & Maintenance	1,695,535,210	551,327,592	33
Development Expenditure	1,453,348,481	291,423,239	20
TOTAL	**4,832,646,332**	**1,795,884,253**	**37**

Source: County Treasury 2017

Table 5: Revenue Estimates for the period

	ITEMS	Approved Estimate 2017/18	Projection 2018/19	Projection 2019/20	Projection 2020/21	Projection 2021/22
	COUNTY GENERATED REVENUE					
1130104	Land Rates	27,846,000	15,000,000	15,750,000	16,537,500	17,364,375
1420328	Single Business Permits	20,169,240	20,000,000	21,000,000	22,050,000	23,152,500
1110104	Total Cess Receipts	35,255,220	20,000,000	21,000,000	22,050,000	23,152,500
1420327	Game Parks/Nature Reserves Fees	126,520,000	150,000,000	157,500,000	165,375,000	173,643,750
1420405	Markets and Slaughter House Fees	5,716,620	8,000,000	8,400,000	8,820,000	9,261,000
1420404	Vehicle Parking Receipts/Transport	3,344,796	1,436,628	1,508,459	1,583,882	1,663,076
1110104	Wheat Cess	792,792	700,000	735,000	771,750	810,338
1140509	Prospecting Licenses	198,198	275,000	288,750	303,188	318,347
1420601	Tender Application Fees		552,145	579,752	608,740	639,177
1140501	Liquor License	8,719,400	4,000,000	4,200,000	4,410,000	4,630,500
	Various Health Departments Fees	9,128,000	6,386,920	6,706,266	7,041,579	7,393,658
	Agricultural Machinery Services	10,974,600	1,580,536	1,659,563	1,742,541	1,829,668
	Approval of plans and supervision	2,570,000	1,000,000	1,050,000	1,102,500	1,157,625
	Insurance Recoveries		1,100,000	1,155,000	1,212,750	1,273,388
	SUB-TOTAL LOCAL SOURCES	**251,234,866**	**230,031,228**	**241,532,790**	**253,609,429**	**266,289,901**
	SUMMARY					
	Revenue from Local Sources	**251,234,866**	**230,031,228**	**241,532,790**	**253,609,429**	**266,289,901**
	Revenue transfer from national government	3,805,200,000	4,427,400,000	4,517,041,000	4,758,919,973	5,127,260,379
	Road Maintenance Fuel Levy	151,365,222	116,569,586	116,569,586	116,569,586	116,569,586
	Conditional allocation(loans and grants)	35,998,283	138,861,064	138,861,064	138,861,064	138,861,064
	Kenya Devolution Support Program (KDSP)	36,731,596	24,638,639	24,638,639	24,638,639	24,638,639
	DANIDA (Health support funds)	10,256,191	10,256,191	10,256,191	10,256,191	10,256,191
	Additional funding for health support sector		-	-	-	-
	World bank loan for National agricultural and rural inclusive growth project	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
	EU Grant for instrument for devolution advice and support (Abattoir Construction)	66,000,000	66,000,000	66,000,000	66,000,000	66,000,000
	Conditional Allocation for Development of Youth Polytechnics*	25,356,891	20,905,000	20,905,000	20,905,000	20,905,000
	World Bank Loan to Supplement financing of County Health facilities	53,125,000	53,125,000	53,125,000	53,125,000	53,125,000
	World Bank Loan for transforming health systems for universal care project	66,786,231	66,786,231	66,786,231	66,786,231	66,786,231
	Conditional Grant-Compensation for User Fee Foregone	5,235,578	5,235,578	5,235,578	5,235,578	5,235,578
	Conditional Grant-Leasing of Medical Equipment	95,744,681	200,000,000	200,000,000	200,000,000	200,000,000
	Brought forward revenue	179,611,793				
	GRAND TOTAL	**4,832,646,332**	**5,409,808,517**	**5,510,951,079**	**5,764,906,692**	**6,145,927,569**

Source: County Treasury 2017

Table 6:MTEF Sector Ceilings 2018/2019

		Total Expenditure, Ksh Million in FY			%SHARE OF TOTAL EXPENDITURE						
		Approved Budget 2017/18	CBROP Ceilings 2018/19	CFSP Ceilings 2018/19	Approved 2017/18	CBROP Ceilings 2018/19	CFSP Ceilings 2018/19	Basic share	**Loans,grant and development partners**		
County Assembly	**SUB-TOTAL**	604,035,585	550,197,008	554,006,348	0.12	11.99	10.24	554,006,348			
	Rec. Gross	544,035,585		454,006,348	0.11			454,006,348			
	Dev. Gross	60,000,000		100,000,000	0.01			100,000,000			
County Executive	**SUB-TOTAL**	499,531,939	475,040,340	510,991,953	0.10	10.35	9.45	510,991,953			
	Rec. Gross	463,533,164		470,991,953	0.10			470,991,953			
	Dev. Gross	35,998,775		40,000,000	0.01			40,000,000			
Finance, Economic Planning & ICT	**SUB-TOTAL**	525,823,754	435,724,890	669,057,942	0.11	9.50	12.37	505,558,239			
	Rec. Gross	505,796,302		609,057,942	0.10			445,558,239		24,638,639	
	Dev. Gross	20,027,452		60,000,000	0.00			60,000,000			
Agriculture, Livestock Development, Veterinary Services & Fisheries	**SUB-TOTAL**	395,222,297	312,190,417	465,413,503	0.08	6.80	8.60	349,413,503			
	Rec. Gross	210,380,394		251,965,230	0.04			201,965,230		50,000,000	
	Dev. Gross	184,841,903		213,448,273	0.04			147,448,273		66,000,000	
Water, Environment, Natural Resources & Energy	**SUB-TOTAL**	408,447,784	432,602,539	515,073,696	0.08	9.43	9.52	515,073,696			
	Rec. Gross	149,035,062		225,073,696	0.03			225,073,696			
	Dev. Gross	259,412,722		290,000,000	0.05			290,000,000			
Education and Vocational Training	**SUB-TOTAL**	461,088,847	494,051,204	514,771,422	0.10	10.77	9.52	493,866,422			
	Rec. Gross	320,140,551		372,666,023	0.07			372,666,023			

	Dev. Gross	140,948,296		142,105,399	0.03			121,200,399	20,905,000		
Medical Services, Public Health & Sanitation	**SUB-TOTAL**	972,642,900	825,780,137	1,123,140,427	0.20	18.00	20.76	787,737,427			
	Rec. Gross	788,707,509		842,562,406	0.16			707,159,406	5,235,578	53,125,000	66,786,231
	Dev. Gross	183,935,391		280,578,021	0.04			80,578,021	200,000,000		
Lands, Housing, Physical Planning & Urban Development	**SUB-TOTAL**	140,806,374	177,765,230	165,308,013	0.03	3.87	3.06	165,308,013			
	Rec. Gross	78,445,827		75,308,013	0.02			75,308,013			
	Dev. Gross	62,360,547		90,000,000	0.01			90,000,000			
Roads,Transport & Public Works	**SUB-TOTAL**	432,132,396	418,737,470	432,309,682	0.09	9.13	7.99	315,740,096			
	Rec. Gross	83,921,956		100,565,098	0.02			100,565,098			
	Dev. Gross	348,210,440		331,744,584	0.07			215,174,998	116,569,586		
Tourism, Trade, Enterprise Development & Cooperatives	**SUB-TOTAL**	290,357,924	335,950,373	321,743,679	0.06	7.32	5.95	321,743,679			
	Rec. Gross	154,060,009		160,897,647	0.03			160,897,647			
	Dev. Gross	136,297,915		160,846,032	0.03			160,846,032			
Culture, Social Services, Gender, Sports & Youth Affairs	**SUB-TOTAL**	102,556,532	130,499,361	137,991,852	0.02	2.84	2.55	137,991,852			
	Rec. Gross	81,241,492		87,991,852	0.02			87,991,852			
	Dev. Gross	21,315,040		50,000,000	0.00			50,000,000			
TOTAL		4,832,646,332	4,588,538,969	5,409,808,517	1.00	100.00	100	4,657,431,228	342,710,164	193,763,639	66,786,231
TOTAL REC. GROSS		3,379,297,851		3,651,086,208	0.70		67.49012	3,302,183,505			
TOTAL DEV. GROSS		1,453,348,481		1,758,722,309	0.30		32.50988	1,355,247,723			

Source: County Treasury 2017

Equitable Share	**4,427,400,000**
Compensation for user fees foregone	**5,235,578**
Rehabilitation of Village Polytechnics	**20,905,000**
Free Maternal Healthcare	
Road Maintenance Levy Fund	**116,569,586**
Leasing of Medical Equipment	**200,000,000**
Loans & Grants	**409,667,125**
Total Allocations	**5,179,777,289**
SUB-TOTAL LOCAL SOURCES	**230,031,228**
Total	**5,409,808,517**

Shareable revenue

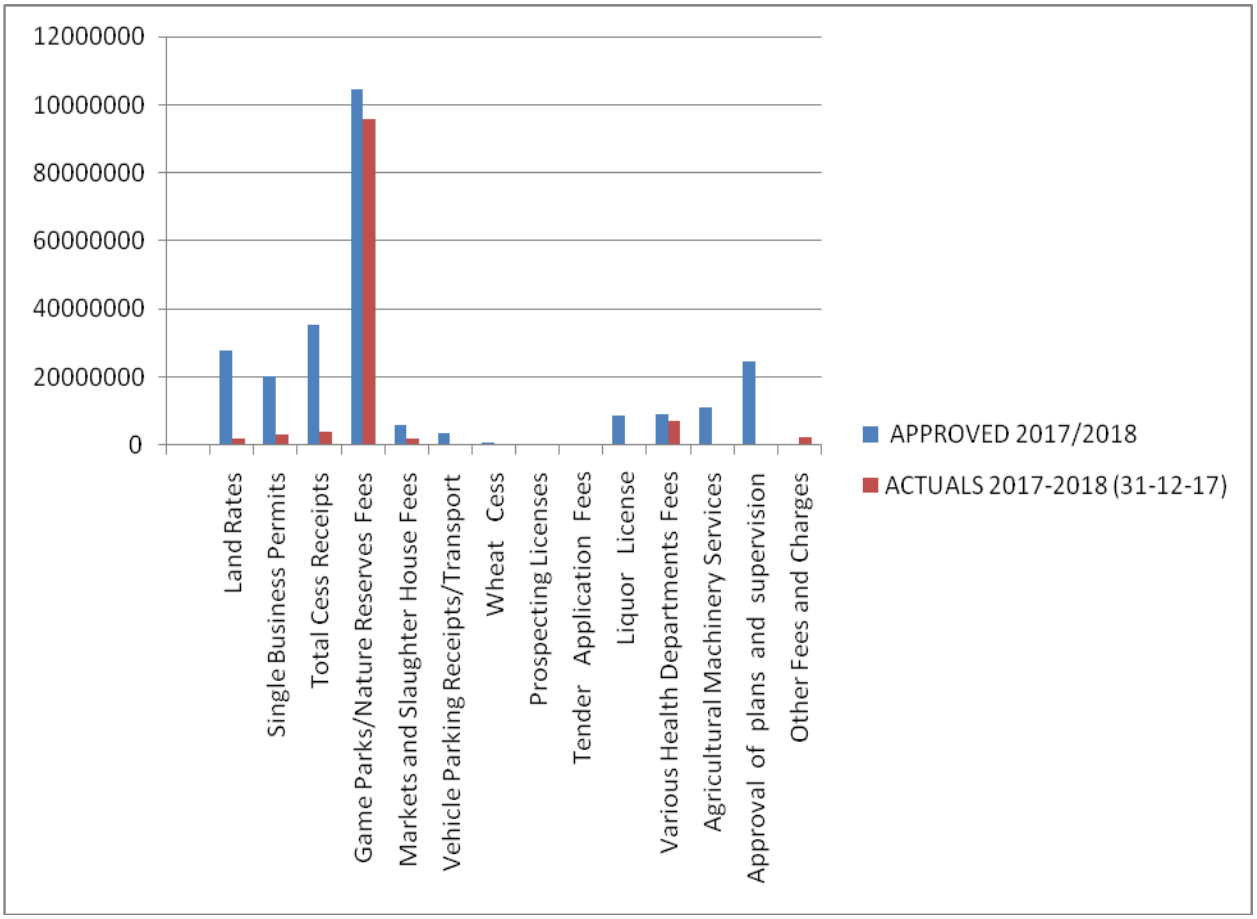
4,427,400,000

230,031,228

4,657,431,228

Figure 1: Half Year Local Revenue 2017-18

Bar Graph



Source: County Treasury 2017