



COUNTY GOVERNMENT OF BUNGOMA

COUNTY FISCAL STRATEGY PAPER, 2019

SUPPORTING “THE BIG FOUR” PLAN FOR JOB CREATION
AND SHARED PROSPERITY

February, 2019

KENYA 
VISION 2030
Towards a Globally Competitive and Prosperous Kenya

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**ALL INQUIRIES ABOUT THIS COUNTY FISCAL STRATEGY PAPER 2019 SHOULD
BE ADDRESSED TO: CHIEF OFFICER, FINANCE AND ECONOMIC PLANNING**

LEGAL BASIS FOR FORMULATION OF THE FISCAL STRATEGY PAPER

Section 117 (1) of the Public Finance Management Act, 2012 states that 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.

In the document, adherence to the fiscal responsibility principles demonstrates prudent and transparent management of public resources in line with the Constitution and the Public Finance Management (PFM) Act, 2012.

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FOREWORD

The 2019 County Fiscal Strategy Paper (CFSP) is prepared against a background of a steady national economy which remains resilient and is projected to grow by 6.0 percent in 2018 from 4.9 percent in 2017. Further, our macroeconomic performance remains broadly stable with overall inflation within target, short term interest rates remaining low and stable as well as a stable exchange rate of the Kenya Shilling to other currencies.

This CFSP comes at early stages of the Third Medium Term Plan (MTP III) of the Kenya Vision 2030 as well as the County Integrated Development Plan (CIDP II) both covering the period 2018-2022 and builds on the gains made in key sectors of the economy during the Second Medium Term Plan (MTP II) and CIDP I. In this regard, the policy goals, priority programs and fiscal framework are aligned to support achievement of the objectives of MTP III and ultimately the Vision 2030.

The CIDP II prioritizes investment in areas with the greatest multiplier effect on the county economy; which are:-

- Promoting all-inclusive growth and employment opportunities
- Investing for socio-economic transformation
- Increasing Households incomes and promoting equity
- Enhancing the availability and equity of gainful employment
- Improving the stock and quality of economic infrastructure
- Increasing access to quality social services
- Promoting science, technology, innovation to enhance competitiveness
- Enhancing human capital development
- Strengthening good governance and security
- Promoting a sustainable population
- Promoting sustainable access and use of the environment and natural resources

The CFSP outlines measures to finance the annual budget as well as strategies to ensure economy of inputs, efficiency of outputs and effectiveness of outcomes. Robust results tracking approaches will be pursued in the medium term to assure project relevance and enhance impact and sustainability of our development agenda.

Certainly, we will augment economic transformation by implementing key programs under 'The Big Four' Plan for job creation and shared prosperity. The focus will be on boosting the manufacturing activities, improving food and nutrition security, achieving universal health coverage and supporting construction of decent and affordable housing for Kenyans. In addition, priority will be given to development enablers such as macroeconomic stability, business environment infrastructure, security, social sector investments, and public sector reforms.

ESTHER WAMALWA
CECM- FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENT

The completion of this strategy paper was as a result of collective effort by various County Government Departments and Agencies (CDAs) who provided valuable information. We are grateful for their contribution. We are also grateful for the excellent inputs of the public during the consultation fora which contributed to the preparation of this document

A dedicated team in the County Treasury spent substantial amount of time putting together this CFSP. We are particularly grateful to them for their tireless efforts and dedication.

Once again special thanks to all county sectors led by the County Committee Executive members for guiding the formulation of sectoral submissions which formed the basis of this strategy.

CHRISPINUS BARASA
CHIEF OFFICER - FINANCE AND ECONOMIC PLANNING

ACRONYMS AND ABBREVIATIONS

BOPA	Budget Outlook Review Paper
BRICS	Brazil, Russia, India, China and South Africa
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CFSP	County Fiscal Strategy Paper
CG	County Government
CIDP	County Integrated Development Plan
CRR	Cash Reserve Ratio
EFT	Electronic Funds Transfer
GDP	Gross Domestic Product
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
MDAs	Ministries, Departments, Agencies
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NG	National Government
NSE	Nairobi Stock Exchange
OMO	Open Market Operations
PBB	Performance Based Budgeting
PFMA	Public Finance Management Act, 2012
PPP	Public Private Partnership
SACCOs	Savings and Credit Cooperative Society
TFP	Total Factor Productivity

EXECUTIVE SUMMARY

This County Fiscal Strategy Paper contains information on:

- Broad strategies, priorities and policy goals to be pursued by the County Government in the medium term;
- County outlook on revenues and expenditure projections.

The paper gives a summary of county achievements for the last 2 Financial years, while giving a forecast of what the county will prioritise in the next 3 years.

2019/20 Budget Summary

The budget for FY 2019/20 is divided into Development Allocation of Kshs. 4,740,990,305 representing 36% percent and Recurrent allocation is at Kshs. 8,358,743,107 representing 64% percent.

Economic classification takes the form of ;

- Non-discretionary expenditures; this takes first charge and includes payment of statutory obligations such as salaries, pension and others. These expenditures are projected to account for about 41 per cent of the Budget.
- Operations – make up 28 percent of the FY 2019/20 budget
- Maintenance - Departments are allocated funds for basic maintenance. This accounts for 0.8 per cent of the budget

Development expenditure; as already indicated, it is 30 per cent of the total budget. Development expenditures are shared out on the basis of the sector plans and priorities and other strategic county considerations.

The budget is distributed between the County Executive and County Assembly as follows;

County Government Arm	Allocation	Projection	
		2019/20	2020/21
County Executive (Governor)	405,388,803	425,658,243	446,941,155
County CDAs	11,657,556,129	12,240,433,935	12,852,455,632
County Assembly	1,036,788,480	1,088,627,904	1,143,059,299
Totals	13,099,733,412	13,754,720,083	14,442,456,087

The indicative ceiling for FY 2019/20 is Kshs. 13,099,733,412. The indicative ceilings for County Ministries, Departments and Agencies are as detailed herein;

Department	Details	Allocation FY 2019/20	Projections	
			2020/21	2021/22
Agriculture, Livestock, Fisheries, Irrigation and cooperative development	Recurrent	422,876,656	444,020,489	466,221,513
	Development	526,539,180	552,866,139	580,509,446
	Sub Total	949,415,836	996,886,628	1,046,730,959
Education and vocational training	Recurrent	1,161,412,203	1,219,482,813	1,280,456,954
	Development	399,422,145	419,393,252	440,362,915
	Sub Total	1,560,834,348	1,638,876,065	1,720,819,869
Health and Sanitation	Recurrent	2,737,770,123	2,874,658,629	3,018,391,561
	Development	346,558,628	363,886,559	382,080,887
	Sub Total	3,084,328,751	3,238,545,189	3,400,472,448
Public Administration	Recurrent	457,609,284	480,489,748	504,514,236
	Development	42,347,638	44,465,020	46,688,271
	Sub Total	499,956,922	524,954,768	551,202,507
Office of the County Secretary, Sub County Administration	Recurrent	139,953,112	146,950,768	154,298,306
	Development	80,329,756	84,346,244	88,563,556
	Sub Total	220,282,868	231,297,011	242,861,862
Roads and Public works	Recurrent	171,682,613	180,266,744	189,280,081
	Development	1,638,423,675	1,720,344,859	1,806,362,102
	Sub Total	1,810,106,288	1,900,611,602	1,995,642,183
Trade, Energy and Industrialization	Recurrent	45,179,297	47,438,262	49,810,175
	Development	231,062,998	242,616,148	254,746,955
	Sub Total	276,242,295	290,054,410	304,557,130
Lands, Urban and Physical planning	Recurrent	116,254,690	122,067,425	128,170,796
	Development	467,956,438	491,354,260	515,921,973
	Sub Total	584,211,128	613,421,684	644,092,769
Housing	Recurrent	24,080,174	25,284,183	26,548,392
	Development	26,069,766	27,373,254	28,741,917
	Sub Total	50,149,940	52,657,437	55,290,309
Tourism and Environment	Recurrent	100,233,383	105,245,052	110,507,305
	Development	20,782,073	21,821,177	22,912,235
	Sub Total	121,015,456	127,066,229	133,419,540
Water and Natural Resources	Recurrent	50,183,376	52,692,545	55,327,172
	Development	492,342,264	516,959,377	542,807,346
	Sub Total	542,525,640	569,651,922	598,134,518
Gender and Culture, Youth and Sports	Recurrent	111,462,043	117,035,145	122,886,902
	Development	159,016,248	166,967,060	175,315,413
	Sub Total	270,478,291	284,002,206	298,202,316
	Recurrent	1,567,491,287	1,645,865,851	1,728,159,144

Department	Details	Allocation FY	Projections	
		2019/20	2020/21	2021/22
Finance and Economic planning	Development	75,099,459	78,854,432	82,797,154
	Sub Total	1,642,590,746	1,724,720,283	1,810,956,297
Office of the Governor	Recurrent	369,166,306	387,624,621	407,005,852
	Development	-	-	-
	Sub Total	369,166,306	387,624,621	407,005,852
Office of the Deputy Governor	Recurrent	36,222,497	38,033,622	39,935,303
	Development	-	-	-
	Sub Total	36,222,497	38,033,622	39,935,303
County Public Service Board	Recurrent	45,417,620	47,688,501	50,072,926
	Development	-	-	-
	Sub Total	45,417,620	47,688,501	50,072,926
County Assembly	Recurrent	801,748,443	841,835,865	883,927,658
	Development	235,040,037	246,792,039	259,131,641
	Sub Total	1,036,788,480	1,088,627,904	1,143,059,299
Grand Total	Recurrent	8,358,743,107	8,776,680,262	9,215,514,275
	Development	4,740,990,305	4,978,039,820	5,226,941,811
	Total	13,099,733,412	13,754,720,083	14,442,456,087

Projections for FY 2020/21 and FY 2021/22 is at 5%. Revenue is projected to grow by 5% annually.

To achieve the outputs and outcomes documented in various county plans and policy documents, the County will continue to restrict growth in recurrent spending while doubling its effort in domestic resource mobilization. A raft of tax policy measures will be implemented through the tax amendment law and the Finance Act 2018 whose revenue yield is estimated to grow by 10%. In addition, the modernized and automated revenue collection and management system will help remove administrative bottlenecks, improve compliance and boost revenue collection, thereby supporting our fiscal consolidation efforts.

Further, the establishment of County Service Delivery Unit (SDU) will enhance efficiency in identification and implementation of priority social and investment projects. This takes into account the County's efforts to increase efficiency, effectiveness, transparency, and accountability of public spending. In particular, the implementation of Public Investment Management (PIM) regulations under the Public Finance Act will streamline the initiation, execution and delivery of public investment projects. It will also curtail runaway projects costs, eliminate duplications and improve working synergy among implementation actors for timely delivery of development projects.

County Departments and Agencies will be rated by results achieved based on their work plans and budgets and as reflected in Performance Contracts signed between His Excellency, the Governor and County Executive Committee Members and cascaded downwards to other officers.

As part of financing strategy, the County shall prepare a resource mobilization strategy to tap into various modalities available both locally and internationally including

financial support (FS), Technical Assistance (TA), Structured Learning (SL) and Systems Roll Out (SRO). In addition, the has prepared the County Medium Term Debt Strategy (CMDS) with the aim of;

- i. Supporting the government's strategy in implementing the FY2019/20 budget and over the medium term by ensuring that the government's financial requirement and payment obligations are met at the lowest cost with prudent degree of risk in line with PFM Act, 2012.
- ii. Underscore the County Government's commitment to developing and designing a strategy that is evidence based and feasible in ensuring that public debt levels remains sustainable and supports broad-based and inclusive growth.
- iii.** Serve as a strategy of financing the fiscal deficit of the County Government over the Medium Term

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I. INTRODUCTION

Overview

1. Section 117 (1) of the Public Finance Management Act, 2012 states that 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. This CFSP underlines the importance of continued pursuit of high and sustainable economic growth, employment creation and poverty reduction objectives. On the fiscal front, it takes cognizance of the reality that available resources are scarce and that there is need to focus on County priority programmes that have high impact on stated national and county objectives, but within a framework of a stable macroeconomic environment.
3. It emphasizes the need to strengthen planning and budgeting based on the Medium Term Expenditure Framework and Programme-Based Budgeting (PBB), which seeks to focus on result-based approach as per the priorities articulated by the County Government. The PBB links funds appropriated by the County Assembly to distinct deliverables and outcomes.
4. The County will continue to pursue broad strategic priorities and policy goals aimed at radiating a sustainable development agenda that is geared towards addressing differential poverty, accelerate productivity and the social well-being of the people.
5. Key achievement realized in the various sectors over the last two years include: improved quality of transport infrastructure; expanded educational infrastructure thereby enabling higher student enrollment and transition rates at both ECDE and Vocational Training Institutes; expansive provision of electricity to urban and rural communities; improved health services and greater reach through the National Health Insurance Fund (NHIF); improved agricultural production emanating from among other things, better accessibility and reduced cost of farm inputs; made significant steps towards supporting growth of the dairy sector; and strengthened the sports and tourism sectors with significant resources earmarked for modernization of Masinde Muliro Stadium.
6. The policy measures outlined in this CFSP seek to further bolster growth in all sectors and foster economy-wide efficiencies for sustainable and inclusive growth.
7. The CFSP 2017 details the County Budget Framework which includes deliberate efforts to achieve a balance between recurrent and development expenditure while conforming to the fiscal responsibility principles of the PFMA, 2012.

8. The County Fiscal Strategy Paper contains information on:

- Broad strategies, priorities and policy goals to be pursued by the County Government (CG) in the medium term;
- County outlook on revenues and expenditure projections.

II. RECENT ECONOMIC DEVELOPMENTS AND MEDIUM TERM OUTLOOK

Overview

9. Economic activities picked up in 2018, after the slowdown in 2017, reflecting improved rains, better business sentiment and easing of political uncertainty. The economy grew by 5.8 percent, 6.2 percent and 6.0 percent in the first, second and third quarters of 2018 respectively, up from 4.7 percent in similar quarters in 2017. Growth for the first three quarters of 2018 averaged 6.0 percent and is projected to grow by 6.0 percent in 2018 up from 4.9 percent in 2017. This growth is supported by a strong rebound in agricultural output, steadily recovering industrial activity, and robust performance in the services sector.

10. The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate to support exports. Month-on-month overall inflation remained stable and within target at 5.7 percent in December 2018 from 5.6 percent in November 2018, largely on account of low food prices following favourable weather conditions and a decline in energy prices due to lower prices of electricity and diesel. However, overall inflation increased from 4.5 percent in December 2017 to 5.7 percent in December 2018 on account of an increase in international oil prices.

11. The foreign exchange market remains stable supported by a continued narrowing in the current account deficit. The current account deficit is expected to narrow to 5.2 percent of GDP in 2018 from 6.3 percent in 2017, with strong performance of agricultural exports particularly tea and horticulture, increased diaspora remittances, strong receipts from tourism, and lower imports of food and Standard Gauge Railway (SGR) related equipment relative to 2017.

12. Over the medium term, economic growth is expected to rise gradually to 7.0 percent per annum due to investments in strategic areas under the “Big Four” Plan that aim to increase job creation through the manufacturing sector, ensure food security and improved nutrition, achieve universal health coverage and provide affordable houses to Kenyans. These efforts will support the business environment, create jobs and ultimately promote broad based inclusive growth.

13. Kenya continues to be ranked favorably in the ease of doing business and as a top investment destination. In the 2019 World Bank’s Doing Business Report, Kenya was ranked position 61 in 2018 moving 19 places from position 80 in 2017.

14. Global and Regional Economic Developments

15. Global growth is projected to remain steady and grow by 3.7 percent in 2018 and 2019 (Table 1). The leveling-off is driven by the recently announced trade measures, including the tariffs imposed on \$200 billion of US imports from China, closure of output gaps in advanced economies, moderation in trade and investment, and a gradual tightening of financing conditions due to ongoing withdrawal of accommodative monetary policy in advanced economies. Global growth optimism is constrained by rising trade tensions likely to have a negative impact on confidence, asset prices, global trade and investments.

Table 1: Global Economic Growth, Percent

REGION/COUNTRY	Actual	Estimated	Projected
	2017	2018	2019
World	3.7	3.7	3.7
Advanced Economies	2.3	2.4	2.1
Of which: USA	2.2	2.9	2.5
Emerging and Developing Economies	4.7	4.7	4.7
Of which: China	6.9	6.6	6.2
India	6.7	7.3	7.4
Sub-Saharan Africa	2.7	3.1	3.8
Of which: South Africa	1.3	0.8	1.4
Nigeria	0.8	1.9	2.3
EAC-5	5.3	5.9	6.3
Of which: Kenya	4.9	6.0*	6.2*

EAC-5: Burundi, Kenya, Rwanda, Tanzania and Uganda

Source: October 2018 WEO; *Projections by the National Treasury

16. In advanced economies, growth is expected to pick up to 2.4 percent in 2018 up from 2.3 percent in 2017 mainly supported by strong fiscal stimulus in the USA. This growth is however constrained by a slowdown in economic growth in the Euro area and the United Kingdom due to declining global trade and industrial production. Growth is projected to ease to 2.1 percent in 2019 reflecting consequence of the trade war.

17. Among emerging markets and developing economies, growth is expected to stabilize at 4.7 percent in 2018 and 2019 reflecting offsetting developments as growth moderates to a sustainable pace in China, while it improves in India reflecting increased domestic demand.

Higher oil prices have also lifted growth among fuel-exporting economies in sub-Saharan Africa and the Middle East.

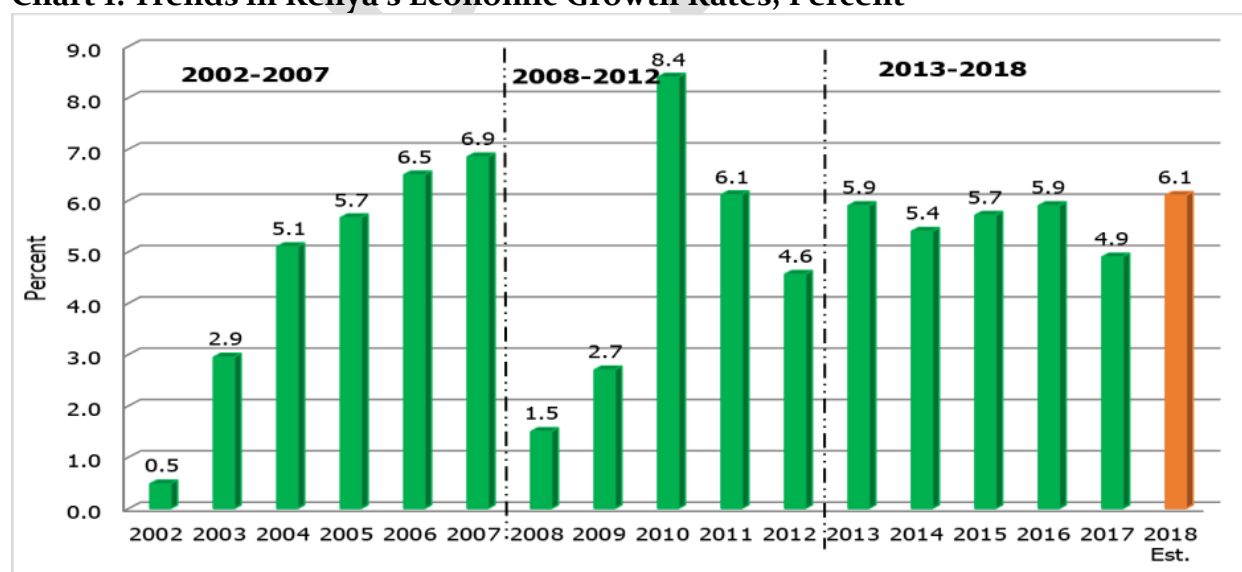
18. Growth prospects for sub-Saharan Africa continue to strengthen. Growth is expected to improve from 2.7 percent in 2017 to 3.1 percent in 2018 and further to 3.8 percent in 2019, supported by a stronger global growth, higher commodity prices, improved capital market access and contained fiscal imbalances in many countries. However, downside risks may arise from uncertainties in the run up to the 2019 general elections in South Africa.

19. Growth in the East African Community (EAC) region is estimated to rise to 5.9 percent in 2018 from 5.3 percent in 2017. This growth is driven by a rebound in agricultural activity on the backdrop of favourable weather conditions and a pickup in private sector credit growth. In 2019, economic growth is projected to increase to 6.3 percent supported by a stable macroeconomic environment, ongoing infrastructure investments, and strong private consumption.

Domestic Economic Developments

20. Kenya’s economic growth has remained strong and resilient even under emerging global challenges, supported by strong public and private sector investment and appropriate economic and financial policies. The broad-based economic growth has averaged 5.6 percent for the last five years outperforming the average growth rate of 4.7 percent in the period 2008 to 2012 and 4.6 percent in the period 2002 to 2007(Chart 1).

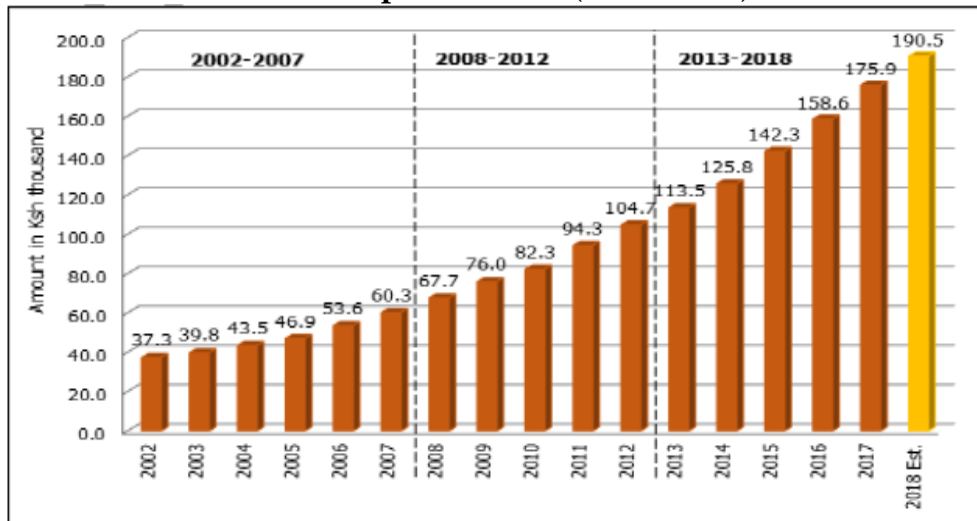
Chart 1: Trends in Kenya’s Economic Growth Rates, Percent



Source of Data: KNBS

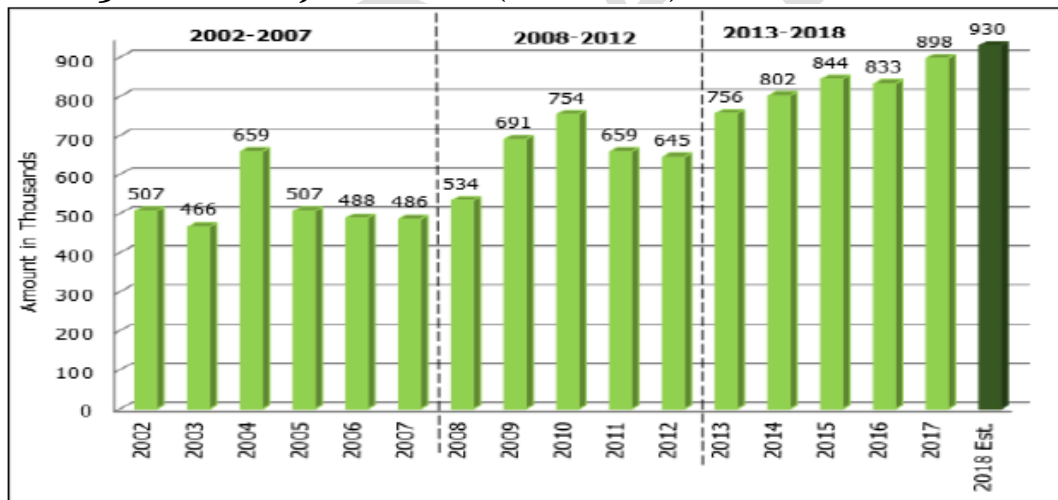
21. The value of goods and services produced raised Per Capita Income from Ksh 113,539 in 2013 to an estimated Ksh 190,521 in 2018, a 67.8 percent increase. This enabled generation of around 840,000 new jobs per year in the period 2013-2018 up from 656,500 new jobs per year in the period 2008-2012 (Chart 2 and 3)

Chart 2: Trends in Per Capita Income (2002 - 2018)



Source: KNBS

Chart 3: Number of Jobs created (2002 - 2018)



22. The rebound in economic activity in 2018 is a reflection of improved rains, better business sentiment and easing of political uncertainty. The economy grew by 6.0 percent in the third quarter of 2018 and 6.2 percent in the second quarter of 2018 up from 5.8 percent in the first quarter of 2018, averaging 6.0 percent in the first three quarters of 2018. Growth is projected at 6.0 percent in 2018 up from 4.9 percent in 2017, which is in line with the 2018 Budget Review and Outlook Paper (BROP) projection (Table 2).

Table 2: Sectoral Real GDP Growth Rates, Percent

	2013	2014	2015	2016	2017	2018Q1	2018Q2	2018Q3
Primary sector	5.0	4.8	5.6	4.9	1.8	5.3	5.3	5.4
Of which: Agriculture	5.4	4.4	5.3	4.7	1.6	5.3	5.4	5.2
Mining	-4.2	14.9	12.3	9.5	6.1	4.5	3.5	8.5
Industry	5.9	5.6	7.0	5.5	3.4	4.1	4.8	5.1
Of which: Manufacturing	5.6	2.5	3.6	2.7	0.2	2.3	3.1	3.2
Electricity and Water supply	6.6	6.1	8.5	8.3	5.6	5.1	8.6	8.5
Construction	6.1	13.1	13.8	9.8	8.6	7.2	6.1	6.8
Services	5.4	6.3	6.4	6.5	6.2	6.4	6.7	5.9
Of which: Wholesale and Retail trade	8.4	6.9	5.9	3.4	5.8	6.2	7.7	6.8
Accommodation and Restaurant	-4.6	-16.7	-1.3	13.3	14.7	13.5	15.7	16.0
Transport and Storage	1.3	5.5	8.0	7.8	7.4	7.1	7.8	5.4
Information and Communication	12.5	14.5	7.4	9.7	11.0	12.0	12.6	9.1
Financial and Insurance	8.2	8.3	9.4	6.7	3.1	2.6	2.3	2.6
Real estate	4.1	5.6	7.2	8.8	6.1	6.8	6.6	5.8
GDP Growth	5.9	5.4	5.7	5.9	4.9	5.8	6.2	6.0
Of which: Non agricultural GDP	5.4	6.1	6.4	6.4	5.9	6.0	6.3	5.8

23. In the third quarter of 2018, the economy grew by 6.0 percent compared to a growth of 4.7 percent in a similar quarter in 2017, mainly supported by improved weather conditions which led to increased agricultural production and agro processing activity in the manufacturing sector. In addition, this growth was supported by pickup in activities of accommodation and food services, electricity and water supply and construction sectors.

24. Agriculture sector recovered and recorded growth of 5.2 percent in the third quarter of 2018 compared to a growth of 3.7 percent in a similar quarter of 2017, supported by improved weather conditions. This enabled the agriculture sector to contribute 1.0 percentage points to GDP growth in the third quarter of 2018 compared to 0.7 percentage points in the same period in 2017. The current recovery in the agriculture sector is broad-based and reflected in the expansion of output of key food and cash crops such as tea, coffee and fruits (Chart 1.2a and 1.2b).

25. The Non-agricultural sector (service and industry) remained vibrant and grew by 5.8 percent in the third quarter of 2018 up from a growth of 5.1 percent in a similar quarter in 2017. It has the largest percentage points to real GDP growth at 4.0 percentage points mainly supported by the service sector.

26. Services remained the main source of growth and expanded by 5.9 percent in the third quarter of 2018 compared to a growth of 5.6 percent in the same quarter in 2017. The service sector was supported by improved growth in accommodation and restaurant (16.0 percent), wholesale and retail trade (6.8 percent), transport and storage (5.4 percent) and financial and insurance (2.6 percent). Growth of activities in information and communication (9.1

percent) and real estate (5.8 percent) remained vibrant despite the slowdown relative to the same quarter in 2017.

27. Services contributed 3.1 percentage points to real GDP growth in the third quarter of 2018 largely supported by wholesale and retail trade (0.6 percentage points), Real Estate (0.5 percentage points) and Transport and storage (0.4 percentage points).

28. The performance of Industry improved to a growth of 5.1 percent in the third quarter of 2018 compared to a growth of 2.3 percent in the same quarter in 2017 following increased activities in the manufacturing, construction and electricity and water supply sectors. The recovery of the manufacturing sector was attributable to agro-processing activities that benefitted substantially from increased agricultural production.

29. Growth in the Electricity and Water supply remained vibrant driven by increased use of less input intensive sources of energy such as hydro generated electricity supported by sufficient rainfall and geothermal power generation coupled with a slowdown in growth of thermal generation.

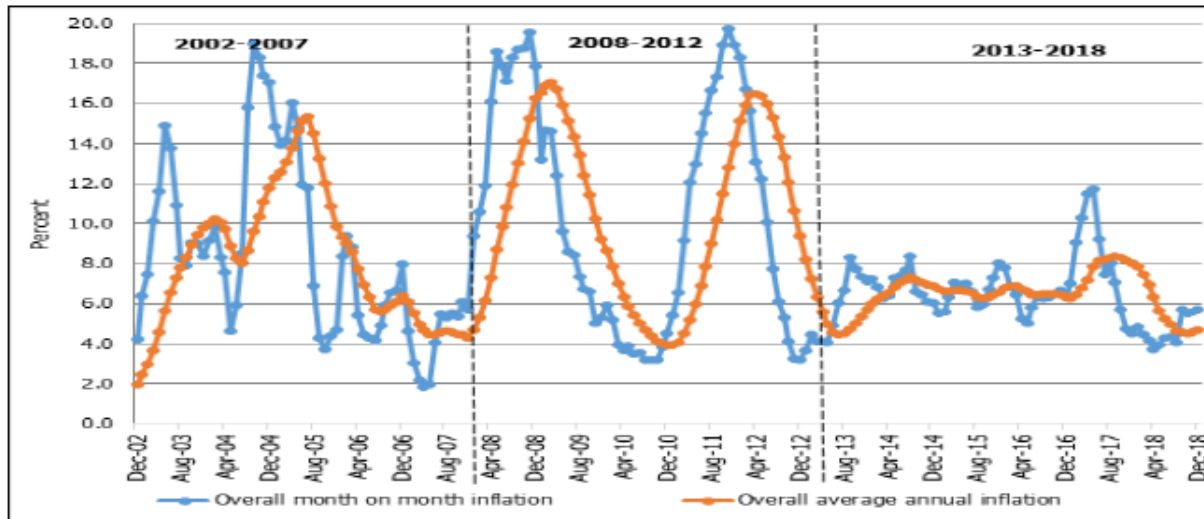
30. The industry sector accounted for 0.9 percentage points to growth in the third quarter of 2018, largely driven by the construction and manufacturing sectors which contributed 0.4 percentage points and 0.3 percentage points, respectively.

Inflation Rate

31. Inflation has been low, stable and within the Government target range of 5+/-2.5 percent in the period 2013 to 2018 (averaging 6.4 percent) as a result of prudent monetary and fiscal policies (Chart 4). The inflationary pressure witnessed in 2017 due to drought that affected food prices eased in 2018 supported by improved weather conditions that resulted in lower food prices.

32. Month-on-month overall inflation remained stable and within target at 5.7 percent in December 2018 from 5.6 percent in November 2018, owing to a decline in food prices particularly maize, onions and tomatoes following improved weather conditions and a decline in energy prices following lower costs in prices of electricity and diesel. However, overall Inflation increased from 4.5 percent in December 2017 to 5.7 percent in December 2018 on account of an increase in international oil prices.

Chart 4: Inflation Rate

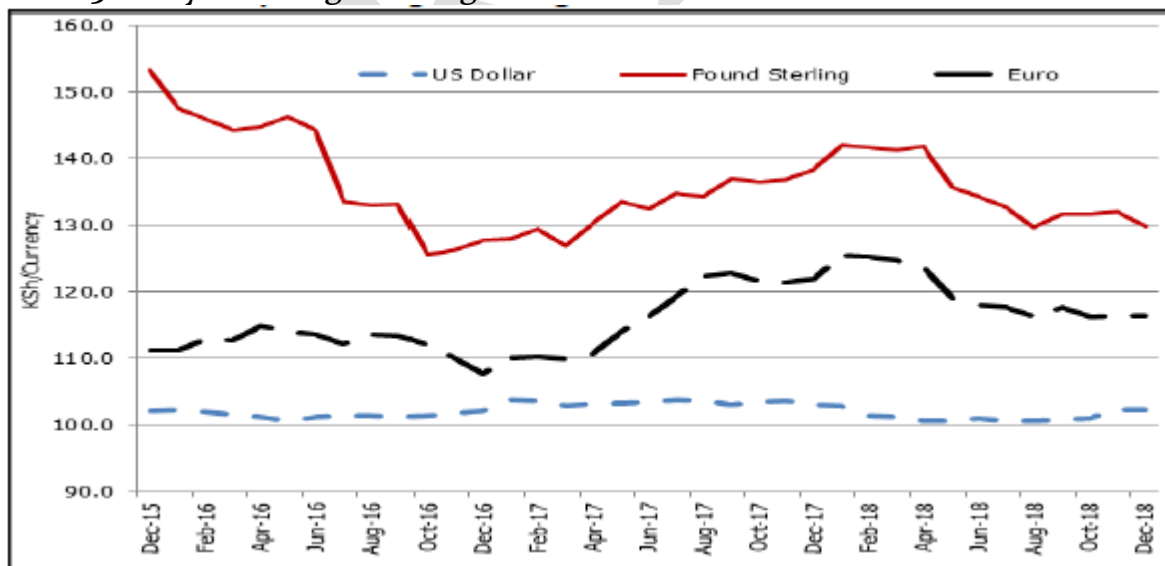


Source: KNBS

Kenya Shilling Exchange Rate

33. The Kenya Shilling exchange rate remained broadly stable and competitive against major international currencies. Against the dollar, the exchange rate has been relatively less volatile exchanging at Ksh 102.3 in December 2018 from Ksh 103.1 in December 2017. Against the Euro and the Sterling pound, the Shilling also strengthened to Ksh 116.4 and Ksh 129.7 in December 2018 from Ksh 122.0 and Ksh 138.2 in December 2017, respectively (Chart 5).

Chart 5: Kenya Shilling Exchange Rate

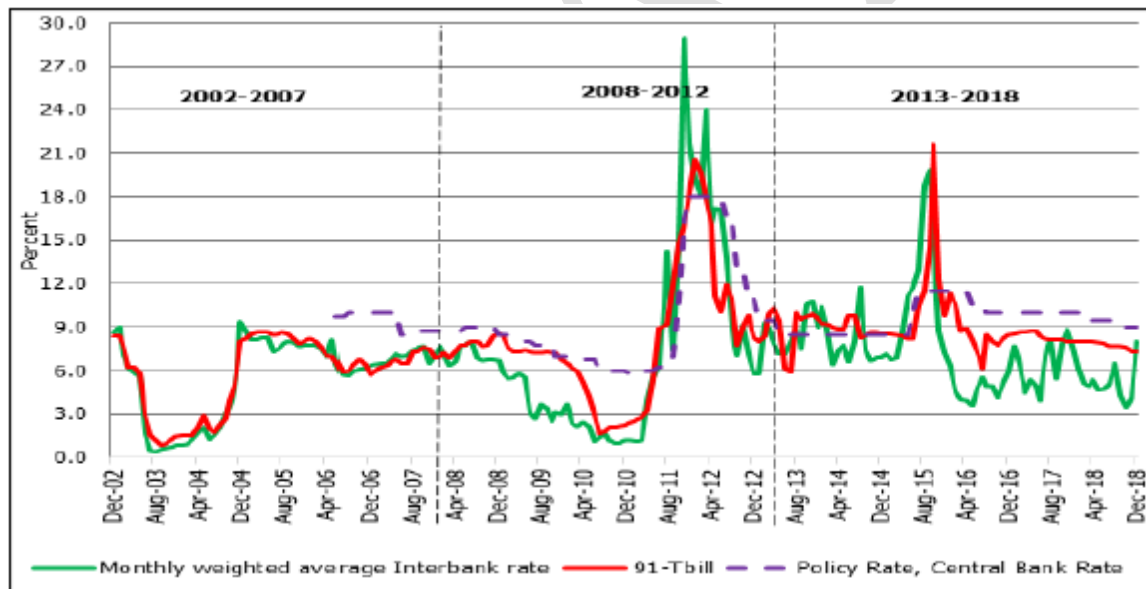


Interest Rates

34. Interest rates have been low and stable for the period 2002 to 2011 due to ample liquidity in the money market. However, interest rates increased in 2012 following tight monetary policy stance in order to ease inflationary pressures. Interest rates remained stable and low in the period 2013-2018 except June – December 2015 when world currencies were under pressure. During the period, the policy rate (Central Bank Rate) was adjusted appropriately to anchor inflation expectations (Chart 6). The Central Bank Rate was reduced to 9.0 percent on 30th July 2018 from 9.5 percent in March 2018 as there was room for easing monetary policy stance to support economic activity.

35. The interbank rate remained low at 8.1 percent in December 2018 from 7.7 percent in December 2017 due to ample liquidity in the money market. The interest rates for Government securities have been declining indicating that the implementation of Government domestic borrowing program supported market stability. The 91-day Treasury bill rate declined to 7.3 percent in December 2018 compared to 8.0 percent in December 2017 while over the same period, the 182 day and the 364-day Treasury bills declined to 8.4 percent and 9.7 percent from 10.5 percent and 11.1 percent, respectively.

Chart 6: Short-Term Interest Rates



36. Commercial banks’ average interest rates remained stable and compliant with the interest rate capping law that was effected in September 2016. The CBR was reduced to 9.0 percent from 9.5 percent in March 2018 and as a result the lending rate declined to 12.6 percent in October 2018 compared to 13.7 percent in October 2017. The deposit rate also

declined to 7.6 percent from 8.2 percent over the same period. Consequently, the interest spread declined from 5.9 percent in October 2017 to 5.0 percent in October 2018.

Overview of County Sectoral Performance

37. Preliminary outcome for the FY 2017/18 indicate that the cumulative revenue collection including AIA was Kshs 619,395,630. This revenue was Kshs. 246,159,363 below the target of Kshs 865,554,993. The total expenditure amounted to Kshs 8,774,624,423, against a target of Kshs 11,229,708,340. The variance of 21.86% (Kshs. 2,455,083,911) was attributed to lower absorption recorded in both recurrent expenditure (Kshs. 7,210,056,682) and development expenditures (Kshs. 1,564,567,741) by the County Government.

Agriculture

38. Sustained investment in Agricultural intensification and modernization programmes has resulted in desirable outcomes which include; increased productivity per acre (for both crops and livestock), reduced incidences of food insecurity, increased incomes for farming communities and a remarkable decrease in farm input costs per acre. Going forward, the County will implement some components of the National Government “Big Four Agenda” on Food security and improved nutrition.

Education

39. Investments in improving the ECDE and VTC infrastructure has over the years led to an increase in enrolment in vocational training centers translating to more youths acquiring skills for empowered and productive lives. Enrolment of children in ECDE also increased leading to a higher transition rate to primary schools.

Health

40. The Health sector through support from the national government and development partners has invested to strengthen the health service delivery systems, culminating in enhanced accessibility, availability and capacity of health services. In addition, a strong foundation has been laid to support more productive lives and low costs for medical services, as well as a reduction in average distance to nearest health facility.

Transport Infrastructure

41. Through the Road Maintenance fuel Levy Fund (RMLF) and the County Mechanical Transport Fund programme, urban and rural access roads have been opened and expanded, resulting in reduction in transport costs, increase in volume of trade and a reduction in average travel times. In addition, the County has awarded the tender for the conversion of high traffic section of C-33 Mumias-Bungoma road into a dual carriageway between

Sang'alo Junction and Kanduyi. This investment promises to unlock vast economic social and economic opportunities along the corridor and spur the urban renewal of Bungoma.

Trade and Industry

42. The sector holds the key to addressing poverty and generating wealth and jobs for the county population. Over the last five years, the county has invested in improving the business environment by implementing structured taxes, automating revenue systems and providing accessible e-platform services.

Housing

43. Over the last three years, the sector renovated more than 48 county houses, completed the construction of eight two bedroom storey units and formulated housing policy to inform decisions on investment and private sector involvement. The efforts and others including the implementation of the National Government Big Four Agenda on housing will progressively lead to the attainment of outcomes such as lower construction costs, effective utilization of public land, affordable home buyer financing and innovative developer financing using PPP models and approaches such as land swaps.

Sanitation

44. By improving access to decent sanitation facilities in public places, the County has progressively recorded reduced incidences of diarrhea, reduced female psychosocial stress, improved maternal and newborn health, improved menstrual hygiene, improved school attendance and reduced inequalities and discrimination especially for vulnerable populations

Forestry

45. The county has implemented afforestation and re-afforestation programmes, especially in Mt.Elgon to enhance the forest cover and protect water sources.

Water

46. Investments in gravity fed systems through support of the Korea Embassy has greatly reduced the distance taken to fetch water for domestic and agricultural use.

Gender

47. The county has embraced gender based planning and budgeting to ensure that our programmes respond to the needs of Men and Women, Boys and Girls

Culture

48. Measures have been undertaken to preserve and promote our culture including traditional artefacts and creative industries.

49. Overall, economic forecasts for Kenya including a long-term outlook for the next decades, plus medium-term expectations for the next four quarters and short-term market predictions show resilience of the economy.

Fiscal Performance

50. Budget execution started on a slow note in the first quarter of the FY 2018/19 due to budget rationalization to align expenditure priorities to revenues after amendments undertaken in the 1st Supplementary estimates that significantly lowered the expected revenue yields. In addition, expenditure rationalization was effected to reflect lower revenues after the revenue outcome for the FY 2017/18 turned out weaker than anticipated, thereby shrinking the forecasting base for FY 2018/19 as well as the medium term.

51. The exercise to clean-up the development project portfolio triggered by the Presidential directive on inclusion of new projects in the budget also slowed down the uptake of development expenditures in the first quarter. This picked up strongly in the second quarter of FY 2018/19.

52. The expenditure rationalization was to ensure sustainable fiscal position in the FY 2018/19 and the medium term, and reaffirm the County Government's commitment to its fiscal consolidation plan and to prudent fiscal management in general.

Recurrent Expenditure

53. 42% of the recurrent allocation of Kshs 8,052,677,490 has been expended on personnel emoluments, maintenance and operations as at the end of quarter two of FY 2018/19.

Development Expenditure

54. At the end of quarter two of FY 2018/19, 10.88% of development allocation of Kshs 4,956,844,290 had been expended on development programmes with highest absorbing sector being roads.

Revenue Performance

55. Revenue collection for the first five months grew by 13.5 percent compared to the same period in the FY 2017/18. This strong growth is driven in part by a rebound effect, after the poor performance in the previous financial year as well as two months effect of the tax policy measures introduced in the Finance Act 2018. Despite the strong growth, cumulative

ordinary revenue still fell short of the November target by Ksh 27.7 billion. This shortfall however is expected to close in the second half of the financial year as the yields from the full impact of the revenue policy measures take effect and as the roll out of the Revenue Enhancement Initiatives (REI) being put in place by the Kenya Revenue Authority (KRA) is finalized.

56. Bungoma County Government set out in the Budget Estimates (first supplementary) and Appropriations Act 2018/19 to collect ksh. 1,101,000,000 as own source revenue. This includes ksh.745, 168,045 as local revenue and ksh.355,831,955 as AIA from devolved units. A performance of ksh. 619,395,630 was reported for the financial year 2017/18, indicating that 71.56 percent of the annual revenue target of ksh.865,554,993 was achieved.

Local Revenue

57. Local revenue contributed 38.5 percent of the total actual collection for the first half of 2018/19, an improvement from 33.3 percent for the same period last financial year. Moreover, actual collection compared to same period last financial year also improved by 29.4 percent. A monthly collection analysis points out a steady and welcome growth in revenue as indicated in table 3.

Table 3: Monthly collection analysis

MONTH	2018/19	2017/18	VARIANCE
July	16,003,442	14,564,556	1,438,887
August	14,664,641	10,250,246	4,414,395
September	13,481,671	11,071,610	2,410,061
October	16,303,246	12,116,103	4,187,143
November	18,436,631	10,220,470	8,216,161
December	17,761,174	16,465,744	1,295,430
Total	96,650,805	74,688,729	21,962,077

58. An analysis of revenue sources points to a general growth in collection from Single Business permits, Plan Approval and Inspection fees, Slaughter fees and stock auction fees. Enclosed bus park fees (PSV stickers) registered an impressive performance improving by 91 percent compared to 2017/18. Table 4 details the revenue performance by sources.

Table 4: Analysis of revenue by sources

S/No.	Revenue type	First Half 2016/17	First Half 2017/18	First Half 2018/19	2018/19 Half 1 Target
1.	Land Rates	10,410,690	3,045,116	2,922,741	16,611,867
2.	Single Business Permits	8,755,290	6,952,410	7,613,133	12,035,088
3.	Alcohol drinks licences	-	1,203,000	619,700	2,451,941
4.	Parking fees	7,134,561	3,866,790	3,640,220	12,144,059
5.	Plan Approval	4,393,950	3,979,808	5,250,970	9,020,846
6.	Market fees	18,716,682	15,346,824	16,779,530	34,262,933

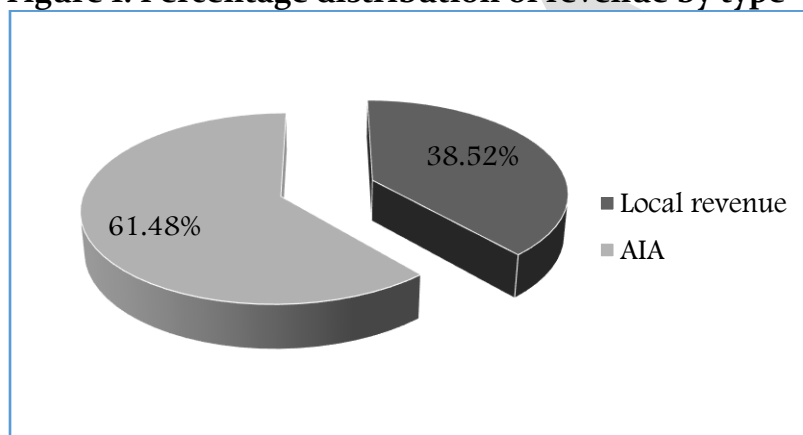
S/No.	Revenue type	First Half 2016/17	First Half 2017/18	First Half 2018/19	2018/19 Half 1 Target
7.	Enclosed Bus Park Fee	18,616,720	13,973,660	26,674,200	32,634,324
8.	Slaughter fee	2,072,980	2,103,730	2,348,710	3,418,203
9.	Cess	25,464,712	5,530,372	8,185,522	29,492,140
10.	Stock Sales	4,549,260	3,254,880	4,696,100	3,597,725
11.	Other revenue sources	16,566,394	15,432,138	17,919,979	36,601,039
Total		116,681,239	74,688,728	96,650,805	192,270,165

59. With the semi-annual target of ksh.192,270,165, the total collection indicated above achieved 50.3 percent. The major setback towards achieving the target being poor cess remittance and low property rates compliance as earlier stated.

Cumulative Performance

60. Ksh.250,884,303 has been reported as collections both from local revenue sources and AIA for the period ending 31st December, 2018. The percentage distribution of local revenue and AIA is shown by figure 1.

Figure 1: Percentage distribution of revenue by type



61. Ksh.224, 524,300 was reported over the same period last financial year. This signifies that total revenue collected over the first half of 2018/19 comparatively increased by 11.7 percent.

62. This collection compared to the first half of 2016/17 however, points out an increase in local revenue of up to Ksh. 42.7 million, with growth between the two periods attributed to collection from devolved units. Table 5 details the cumulative revenue performance for the first half of FY 2018/19

Table 5: Cumulative revenue performance for 1st half FY 2018/19

Revenue Type	2018/19 (as at 31 st December) A	2017/18 (as at 31 st December) B	2016/17 (as at 31 st December) C	Variance (A-B)	Variance (A-C)
Local revenue	96,650,805	74,688,728	116,681,239	21,962,077	(20,030,434)
AIA	154,233,498	149,835,572	91,452,654	4,397,926	62,780,844
Total	250,884,303	224,524,300	208,133,893	26,360,003	42,750,410

Expenditure Performance

63. Total expenditure for the period July-December 2018 amounted to Ksh 3,930,273,512 representing 30.21% of total expenditure for FY 2018/19 (with Recurrent 42% and Dev at 10.88%)

64. Fiscal operations of the County Government during the five months of July-December 2018 resulted in collection of Kshs. 250,884,303 creating an overall deficit of Ksh.119,301,840 against the target of Ksh.370,186,143. This is considered better compared to first half collection of Kshs. 224,524,300 in FY 2017/18. This deficit was financed through budget rationalization.

Table 6: Fiscal Performance

Revenue by Source	2017/18		2018/19 1 st Half(July 2018 – December 2018)			Actual QII	Dev QII
	Projected	Actual Collected/ Received	Annual Projection	Actual Collected/paid (Q1)	Deviation (Q1)		
TOTAL REVENUE	11,229,708,340	9,871,686,183	13,009,521,780	657,834,517	2,594,545,298	3,506,590,543	2,999,163,590
Bal B/F	775,444,282		1,656,461,078		(563,180,886)	13,460,745	164,232,686
Equitable Share	8,758,000,000	8,758,000,000	8,949,000,000	447,450,000	1,789,800,000	2,774,190,000	1,700,310,000
Ordinary revenue	499,668,163	312,478,185	745,168,045	38,952,533	147,339,478	88,532,818	284,051,205
Ministerial and Departmental fees	365,886,830	232,747,855	355,831,956	71,432,039	17,525,950	141,897,878	36,018,100
Grants from National Government							
Conditional Grant: Health- leasing of medical equipment	95,744,681		200,000,000	0	200,000,000	0	200,000,000
Conditional Grant: Education	76,276,625	76,276,625	65,500,000	0	65,500,000	0	65,500,000
Sirisia hospital grant		0	99,999,945	99,999,945	0	99,999,945	0
Conditional Grant: Roads Dpt:(Fuel Levy Fund)	327,025,699	268,856,143	235,619,376	0	235,619,376	0	235,619,376
Other Conditional Grants (user fee foregone	32,837,307	33,282,912	32,837,307	0	32,837,307	0	32,837,307
Other Conditional Grants: Health-universal health	160,000,000	50,609,855	100,000,000	0	100,000,000	0	100,000,000
Other Conditional Grants: Agriculture	50,000,000	50,609,855	140,435,163	0	140,435,163	0	140,435,163
Other Conditional Grants: Finance	54,474,504	54,474,504	58,329,310	0	58,329,310	58,169,557	159,753
Urban Support programme(capacity building)	0	0	40,000,000	0	40,000,000	0	40,000,000

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Revenue by Source	2017/18		2018/19 1 st Half(July 2018 – December 2018)			Actual QII	Dev QII
	Projected	Actual Collected/ Received	Annual Projection	Actual Collected/paid (Q1)	Deviation (Q1)		
Urban Support programme(Development)	0	0	300,977,100	0	300,977,100	300,977,100	0
DANIDA	34,350,249	34,350,249	29,362,500	0	29,362,500	29,362,500	0
TOTAL EXPENDITURE							
Recurrent expenditure	7,746,659,102	7,464,410,420	8,052,677,490	1,399,897,335	6,652,780,155	3,391,086,775	4,661,590,715
Development Expenditure	3,483,049,238	1,310,214,002	4,956,844,290	162,974,244	4,793,870,046	539,186,737	4,417,657,553
Balance/Deficit		2,455,083,912		1,562,871,579		(423,682,969)	

Source: IFMIS printout data

Fiscal Policy

65. Going forward into the medium term, the County Government will continue in its fiscal consolidation path with the overall fiscal deficit being maintained broadly at the levels outlined in the CFSP 2018. This together with budget rationalization initiatives to reduce expenditure on recurrent while expanding development expenditure will put the county on a stable trajectory for sustainable development.

66. To achieve these targets, the Government will continue to restrict growth in recurrent spending while doubling its effort in domestic resource mobilization. In the FY 2018/19, the Government implemented a raft of tax policy measures in through the tax amendment law and the Finance Act 2018 whose revenue yield is estimated at about 0.9 percent of GDP. In addition, the modernized Income Tax Bill currently undergoing legal drafting, will also ease administrative bottlenecks, improve compliance and boost revenue collection, thereby supporting our fiscal consolidation efforts.

67. Further, the establishment of County Service Delivery Unit (SDU) will enhance efficiency in identification and implementation of priority social and investment projects. This takes into account the County's efforts to increase efficiency, effectiveness, transparency, and accountability of public spending.

68. In particular, the implementation of Public Investment Management (PIM) regulations under the Public Finance Act will streamline the initiation, execution and delivery of public investment projects. It will also curtail runaway projects costs, eliminate duplications and improve working synergy among implementation actors for timely delivery of development projects.

69. To mobilize revenues, the County has put in place revenue enhancement measures to boost performance and cushion against further revenue shortfalls by strengthening tax administration and compliance through:

- i. Gazettment of the Finance Act, 2018 as a legal framework for imposition of fees and charges for 2019.
- ii. Aggressive supervision at all revenue collection points
- iii. Introduction of motorbike stickers following the enactment of the Finance Act, 2018.
- iv. Cascading targets to Sub-county Revenue officers, Ward Revenue Officer, Supervisors and ultimately to individual revenue collectors. The same have been adjusted based on trending to be as realistic as possible.
- v. Weekly meetings with revenue staff both at the sub-counties and headquarter to keep track on the targets.
- vi. A list of property rates defaulters has been prepared to pursue litigation.

- vii. Stakeholder meetings targeting market management committees and boda boda to sensitize them on need to comply with remittance of taxes.
- viii. Continuous notification on media and via SMS platform to encourage clients to comply in time.
- ix. First wave of Rapid Results Initiative scheduled for April to June, 2019.

70. Given the expenditure and revenue enhancement measures put in place, fiscal deficit inclusive of grants is projected to increase from Ksh 265,163,149.8 in the FY 2017/18 to Ksh 392,992,002 in FY 2019/20.

DRAFT

Table 7: Fiscal Framework (Ksh million)

	FY 2017/18	2018/19			Projection				
		Budget	Revised	CFSP	Deviation	2019/20	2020/21	2021/22	2022/23
Total Own source Revenue	865,554,993	1,101,000,000	1,101,000,001	908,832,743	(192,167,258)	1,156,050,001	1,213,852,501	1,274,545,126	1,338,272,382
Local Revenue	499,668,163	600,299,331	745,168,045	524,651,571	(220,516,474)	782,426,447	821,547,770	862,625,158	905,756,416
AIA	365,886,830	500,700,669	355,831,956	384,181,172	28,349,216	373,623,554	392,304,731	411,919,968	432,515,966
Total Expenditure	11,229,708,339	11,253,060,757	13,009,521,780	11,638,677,261	(1,370,844,519)	13,099,733,412	13,754,720,083	14,442,456,087	15,164,578,891
Recurrent	7,746,659,102	7,857,651,030	8,052,677,490	7844128918	(208,548,572)	8,358,743,107	8,776,680,262	9,215,514,275	9,676,289,989
Development	3,483,049,238	3,395,409,727	4,956,844,290	3794548343	(1,162,295,947)	4,740,990,305	4,978,039,820	5,226,941,811	5,488,288,902
Transfers	1,022,505,808	1,203,060,756	1,703,572,953	872,244,518	(831,328,435)	1,788,751,600	1,878,189,180	1,972,098,639	2,070,703,571
Contingency Fund	100,000,000	100,000,000	100,000,000	100,000,000	0	105,000,000	110,250,000	115,762,500	121,550,625

Economic Outlook

71. Kenya's economic growth prospects for the FY 2019/20 and over the medium term takes into account the global and sub-Saharan Africa growth prospects, the emerging global challenges and the domestic risks. The projections accommodates the strategic objectives of the Government as outlined in the Third Medium Term Plan (2018-2022) of Vision 2030.

72. Real GDP is projected to expand by 6.1 percent in FY 2018/2019, 6.2 percent in FY 2019/2020, 6.4 percent in FY 2020/21 and 7.0 percent by FY 2022/23 (Table 1.6 and Annex Table 1). This growth will be supported by a pickup in agricultural and manufacturing activities underpinned by improved weather conditions, strong service sector, stable macroeconomic environment, ongoing public infrastructural investments and sustained business and consumer confidence.

73. The outlook, therefore points to a continued coordination of monetary and fiscal policies for overall macroeconomic stability which will support robust growth, lower fiscal deficits, contain inflation within the target range and a gradual improvement in the current account balance.

74. In addition, measures being undertaken by the Government under "The Big Four" Plan to boost the manufacturing sector; enhance food security and nutrition; build affordable housing; and achieve Universal Health Coverage are expected to enhance growth, create jobs and promote inclusive growth.

75. Inflation is currently within the Government's target range largely due to lower food prices and muted demand-driven inflationary pressures. It is expected to remain within target in the medium term mainly due to expected lower food prices reflecting favorable weather conditions, the decline in international oil prices, and the recent downward revision in electricity tariffs. The recent excise tax adjustment on voice calls and internet services is expected to have a marginal impact on inflation. Interest rates are expected to remain low and stable over the medium term supported by improved liquidity conditions, and the proposed fiscal consolidation.

76. The Government policies aims at supporting the fiscal consolidation agenda which will bolster debt sustainability position and give flexibility for counter cyclical fiscal policy interventions whenever appropriate. The programme targets to achieve a fiscal deficit including grants of 3.0 percent of GDP by FY 2022/23 down from the projected 6.3 percent of GDP in FY 2018/19. This is in line with the EAC convergence ceiling of 3.0 percent of GDP.

77. The County Government of Bungoma shall leverage on the stable national economy to forge strategic partnerships with national government and development partners to accelerate the implementation of its flagship projects namely; Masinde Muliro Stadium, Chwele Agro-Processing Business Park, Webuye Industrial Park, Dairy Processing Plant and the Dualing of 6.5 km of C-33 Mumias-Bungoma road (From Sang'alo Junction to Kanduyi). Implementation of these projects are expected to create wealth and jobs for the county labour force, transform the image of the county and enhance our attractiveness as an investment destination.

Debt policy

78. The County shall prepare the County Medium Term Debt Strategy (CMDS) with the aim of;

- i. Supporting the County government's strategy in implementing the FY2019/20 budget and over the medium term by ensuring that the government's financial requirement and payment obligations are met at the lowest cost with prudent degree of risk in line with PFM Act, 2012.
- ii. Underscoring the County Government's commitment to developing and designing a strategy that is evidence based and feasible in ensuring that public debt levels remains sustainable and supports broad-based and inclusive growth.
- iii. Serving as a strategy of financing the fiscal deficit of the County Government over the medium term

Risks to the Economic Outlook

79. This macroeconomic outlook is not without risks. Risks from the global economies relates to: (i) Trade tensions among major advanced economies regarding imposition of tariffs on selected imports by the United States from its main trading partners particularly China, and likely retaliatory measures; (ii) The prolonged uncertainty regarding Brexit negotiations and financial market volatility resulting from uncoordinated and abrupt monetary policy normalization; and (iii) Noneconomic factors such as political uncertainties and geopolitics in the Middle East and some countries in the sub-Saharan Africa region.

80. Domestically, the economy will continue to be exposed to risks arising from adverse weather conditions until the mitigating measures of food security under "The Big Four" Plan are put in place. Additional risks could emanate from public expenditure pressures especially recurrent expenditures.

81. Implementation of CBA for health workers, price volatility for agricultural inputs and enlarging county wage bill are likely to constrain expenditure targets. Further, revenue performance which performed extremely below target in the FY 2017/18 may not increase as quickly to cover the anticipated expenditure increments.

82. In addition, the high expectations from the public for quick fix results will not make the implementation environment any better for the County Government. All identified risks will be monitored and appropriate measures undertaken to safeguard macroeconomic stability.

Objective	Risk	Mitigation
Effective Financial Management and Governance.	Expenditure exceeding the allocated budget.	Monthly expenditure reports and compliance assurance audits are prepared and sent to the Chief Officer.
Effective Corporate Resource Management	Lack of alignment between ICT systems and the business requirements of the department	Conduct training on awareness on existing and new policies and align programs and their ICT requirements.
Effective Integrated planning and reporting	Non-compliance with regulated planning and reporting guidelines as well as misrepresentation of departmental policies and statements.	Planning and reporting schedule to be incorporated into the department's corporate calendar and regular media briefings done only by informed personnel.

Human Resource Management and Development

Objective	Risk	Mitigation
Building a professional and equitable Public Service Cadre	Limitation of the department to mainstream gender and disability in employment as well as build capacity of staff.	Conduct advocacy workshops to support the required transformation and engage the Kenya School of Government to support them in the provision of the required courses.
Building a modernized, effective and efficient Public Service and Administration	Preparedness and cooperation of departments to implement the human resource management module.	Refer to County Executive Committee Member.
Health, safety and positive morale of Public Service and Administration.	Non-implementation of existing Public Service Employee Health and Wellness by departments.	Support departments to implement the Public Service Act.

Civic Education and Public Outreach

Objective	Risk	Mitigation
Sensitize the public on County plans, policies, strategies and actions	Limited funding for broad-based consultations	Strengthen collaboration between the National and County governments and leverage existing capacity and expertise.
Civic Education and Public Outreach policy for the County	Inaccurate and/ or incomplete and/or unavailability of data on civic education providers	Check previous survey reports on civic education providers and/or appoint service provider to conduct market surveys for credible organizations
Management of Discipline and Implementation of Public Outreach Resolutions.	Delayed implementation of the Guidelines on discipline due to its delayed approval by the CECM.	Engage leaders of the civic society and refer to the County Executive Committee for intervention.

Public Sector Information and Communication Technology Management

Objective	Risk	Mitigation
E Government and functioning of SITA	Limited Cooperation of all departments in relation to implementation of the e-government Policy along with timely Public service and Administration quarterly reports.	Involve departments through the entire process. Ensure that there are quarterly reviews held on the submitted reports.
Public Service ICT policies, strategies and Regulations	Lack of cooperation from departments in relation to policy implementation.	Involve departments in the development and implementation.
ICT connection and Validation of Huduma Service Centres	Funding challenges for operational costs of the ongoing connectivity programme	Request departments to allocate budget for connectivity.

Service Delivery and Organization Transformation

Objective	Risk	Mitigation
Service delivery quality improvement	Lack of a Regulation to ensure compliance to implement the service delivery improvement initiatives and frameworks.	Proper consultation and discussions with all stakeholders
Organizational development and transformation	Delays in the approval of the revised legal instruments due to processes of consultation.	Convene periodic follow up meetings with stakeholders departments.
Citizen participation and effective management of complaints.	Un-meaning full Consultations with stakeholders on implementation of the complaints management system may delay the process and buy in.	Utilize the Service Delivery Improvement Forum (SDIF) to enhance citizen engagement programs and initiatives.

Governance, National and International Relations

Objective	Risk	Mitigation
Fight against corruption	Lack of implementation of the Public Sector Integrity Management Framework by departments.	Establishment of the ethics and anti-corruption branch.
Monitoring compliance to public service regulations and policies	Buy in from all relevant stakeholders and use of M&E findings to improve service delivery	Improved Communication Strategy on all M&E Reports & findings
Integrated public administration	Lack of concurrence in County Assembly to the establishment of a Single Public Service as Envisaged in the Draft PAM Bill.	Stakeholder engagements to ensure objectives clearly understood prior to tabling in Parliament.

III: SUPPORTING ATTAINMENT OF THE ‘BIG FOUR’ PLAN FOR JOB CREATION AND SHARED PROSPERITY

Introduction

83. The 2019 MTEF reaffirms the priority policies and strategies outlined in “The Big Four” Plan and as prioritized in the CIDP 2018-2022. In this regard, the County Government has taken decisive steps to harness the implementation of various policies and programmes under each of the four pillars namely: (i) supporting job creation by increasing value addition and raising the manufacturing sector’s share to GDP; (ii) focusing on initiatives that guarantee food security and nutrition to all Kenyans; (iii) providing universal health coverage thereby guaranteeing quality and affordable healthcare to all Kenyans; and (iv) supporting construction of at least five hundred thousand (500,000) affordable new houses to Kenyans.

84. Implementation of the policies and programmes under these four pillars is expected to accelerate and sustain inclusive growth, create opportunities for productive jobs, reduce poverty and income inequality and provide a better future for all Kenyans.

The “Big Four” Agenda

85. New job opportunities that require deeper skills and knowledge will be created under this plan. To meet this demand, the County Government has heavily invested in Vocational Education and Training (VET) in each of the 45 wards. The objective is to enhance the quality of graduates to meet the local industrial needs and become internationally competitive. Already, significant progress has been reported in student enrolment in VTCs. Further, the County Government has budgeted for full equipping and development of model VTCs.

86. To finance “The Big Four” Plan programmes, the County Government will engage the National Government, community members, Civil Society Organization, Professionals, private sector players and development partners.

87. The County Government will continue to customize and implement various policies under the National Government Economic Transformation Agenda. These will be centered on five key pillars namely: (i) creating a conducive business environment; (ii) investing in sectoral transformation; (iii) infrastructure expansion; (iv) investing in quality and accessible social services; and (v) consolidating gains made in devolution. Significant achievements have been realized on all the five pillars.

The Big Four” Plan

Supporting Value Addition and Raising the Share of Manufacturing Sector to GDP

88. The County Government will continue to support job creation by increasing the manufacturing base. Over the next three years, a number of initiatives will be implemented under the various County Departments and Agencies (CDAs). The County will foster innovation across the entire value chain – whether in buying new solutions, building their own, or partnering with others to innovate. Principally, the County will;

- ✓ Invest in cottage industries especially in fresh produce such as peanuts, cashew nuts, ground nuts and palm oil.
- ✓ Provide entrepreneurship training to small-scale traders and practicing business people
- ✓ Reserve spaces for iron mongers and woodworks
- ✓ Invest in dairy processing
- ✓ Invest in special economic zones – the industrial and business parks

Enhancing Food and Nutrition Security to all Kenyans by 2022

89. The County will continue to implement measures in the agricultural sector in order to ensure food and nutrition security. The focus will be on establishing irrigation schemes, increasing access to agricultural inputs, providing agriculture extensive services to various groups and implementing programmes to support smallholder farmers to sustainably produce and market various commodities, and supporting large-scale production of staples.

90. Focus will on improving transport network in high agriculture potential areas, working with KPLC and Energy Regulatory Commission (ERC) to lower electricity tariffs for food producers, reducing cost of licenses for food producers, rewarding model farmers and Leveraging on social media to empower farmers with necessary information on markets, prices, quality of inputs etc

91. Further, the county will work on improving marketing models and linkages between producers – processors – marketers and consumers.

Providing Universal Health Coverage to Guarantee Quality and Affordable Healthcare to All Kenyans

92. The primary goal is to increase access to quality health care and reduce medical costs incurred by people of Bungoma. The county will focus on investing in Primary Health Care (PHC) services, promoting Health Service Readiness, promoting Health services availability, investing in Health Services capacity to serve, work with NHIF to register

vulnerable populations, investing in ICT tools for addressing Health needs of the people and mainstreaming alternative medicines and healthcare in provision of Health Services.

93. Human resources are very crucial to attainment of the Universal Health Coverage. Thus, the County Government is planning to roll-out a scholarship programme of medical courses for local students. Also staff gaps has been addressed with frequent capacity development programmes.

94. To increase specialized treatment, the County Government will continue to avail and improve specialized medical equipment and infrastructure to hospitals and dispensaries. A plan of developing a new level 4 hospital is underway. Partnerships with health stakeholders especially KMTC and Kibabii University for human resources and innovations.

Provision of Affordable and Decent Housing

95. The county aims at domesticating housing Acts and international obligations. The focus will be on; Mapping out areas in need of affordable and decent housing, replacing current low volume ground based housing units with high volume high quality storey buildings, using PPP approaches to implement affordable and decent housing programmes, encouraging private organizations to invest in affordable and decent housing and forming partnerships with housing material and technology developers to lower costs.

96. Finally, the County will provide land space for the construction of 2,000 housing units by the National Government. Organizations and private individuals with expansive land will be encouraged to leverage on these investments to add value to their parcels.

IV. BUDGET FOR FY 2019/20 AND THE MEDIUM TERM

3.1. Fiscal Framework Summary

97. The FY 2019/20 Budget framework will continue with the fiscal consolidation policy to strengthen our debt sustainability position. With the fiscal consolidation strategy, MDAs will have to adopt the culture of doing more with less that is available with a view to promote sustainability and affordability.

98. Sustainability, affordability and strict prioritization are therefore expected to be the norm rather than an exception under this strategy. To achieve this, we need to ensure that:

- Spending is directed towards the most critical needs of the county and is well utilized;
- Programmes and projects are delivered within specified timelines and budgets
- More outputs and outcomes are achieved with existing or lower level of resources; and
- CDAs request for resources are realistic and take into account the resource constraints, in light of the County Government’s fiscal consolidation policy.

99. The fiscal framework for the FY 2019/20 Budget is based on the County Government’s policy priorities and set out in Chapter I and Chapter II.

Revenue Projections

100. In the FY 2019/20 revenue collection including Appropriation-in-Aid (A.i.A) is projected to increase to Ksh 13,099,733,412 up from Ksh 13,009,521,780 in the FY 2018/19. This revenue performance will be underpinned by on-going reforms in tax policy and revenue administration. Ordinary revenues will amount to Ksh 782, 426,447 in FY 2019/20 up from Ksh 745,168,045 in FY 2018/19. The medium term revenue projections are as indicated in table 8.

Table 8: Medium Term Revenue Projections

Type of Revenue	18/19	19/20	20/21	21/22	22/23
(a) Balance B/F- Equitable share	1,255,948,826				
Grants B/F	400,512,252				
(b) Local Revenue	745,168,045	782,426,447	821,547,770	862,625,158	905,756,416
(c) Equitable share	8,949,000,000	10,575,469,675	11,104,243,159	11,659,455,317	12,242,428,082
(d) Conditional grants- Dp	769,104,018	807,559,219	847,937,180	890,334,039	934,850,741

Type of Revenue	18/19	19/20	20/21	21/22	22/23
(e) Conditional grants- NG	533,956,683	560,654,517	588,687,243	618,121,605	649,027,685
(f) Equalization fund		-	-	-	-
(g) Other sources (Specify) AIA	355,831,956	373,623,554	392,304,731	411,919,968	432,515,966
(h) Loans			-	-	-
TOTALS	13,009,521,780	13,099,733,412	13,754,720,083	14,442,456,087	15,164,578,891

Expenditure Projections

101. Overall expenditure for FY 2019/20 are projected at Ksh11, 568,986,046 (11.07 of budget) from the estimated Ksh 8,774,624,423 (78.13% percent of Budget) in the FY 2017/18 revised budget. These expenditures comprise among others, recurrent of Ksh 7,172,771,348 billion (62 percent of Budget) and development of Ksh 4,396,214,697 (38 percent of Budget).

Table 9: Resource Envelope

Revenue source	Revised estimates 2018/19	Estimates for 2019/20
Balance C/F Equitable share	1,255,948,826	
Balance C/F grants	400,512,252	
Equitable share	8,949,000,000	10,575,469,675
Local Revenue/AIA	745,168,045	782,426,447
AIA	355,831,956	373,623,554
Conditional Grants- NG	533,956,683	807,559,219
Conditional Grants (Tentative for FY 2018/19)	769,104,018	560,654,517
Loans	0	0
Grand Total	13,009,521,780	13,099,733,412

Source: CRA, 2018

102. The ceiling for development expenditures (inclusive of conditional transfers to the wards) including foreign financed projects (including net lending) amounts to Ksh 4,740,990,305 in the FY 2019/20 from Ksh 4,956,844,290 in FY 2018/19(-4.35%). The development ceiling for FY 2018/19 is high because of the inclusion of balances carried forward from FY 2017/18. Most of the outlays are expected to support critical infrastructure. Part of the development budget will be funded by project loans and grants from development partners, external borrowing, while the balance will be financed through domestic resources.

103. A contingency of Ksh 100 million is provided for in the FY 2019/20 budget. In addition, Ksh 1,530,000,000 is provided for as County conditional grants to the wards (with

each ward allocated 34,000,000 for development), an increase from the 765 million provided in the FY 2017/18 budget.

Deficit Financing

104. Reflecting the projected expenditures and revenues, the fiscal deficit (excluding grants), is projected at Ksh 1,554,729,675 in the FY 2019/20.

3.2 Budgetary Allocations for the FY 2019/20 and the Medium Term

105. The budgetary allocations to the two arms of the County Government including local revenue is summarized in Table 10.

Table 10: Summary Budget Allocations for the FY 2019/20 - 2021/22

CG Arm	2018/19	2019/20	2020/21	2021/22
County Executive Governor	442,415,998	405,388,803	425,658,243	446,941,155
CDAs	1,131,486,135	1,036,788,480	1,088,627,904	1,143,059,299
County Assembly	11,435,619,647	11,657,556,129	12,240,433,935	12,852,455,632
Totals	13,009,521,780	13,099,733,412	13,754,720,083	14,442,456,087
% share in total expenditure				
County Executive	91%	92%	92%	92%
County Assembly	9%	8%	8%	8%

Key Priorities for the 2019/20 Medium Term Budget

106. The Medium-Term Budget 2019/20 – 2021/22 will further support the ongoing priorities for the achievement of the priorities in the CIDP 2018 – 2022, County Agenda 2040 and the National Government MTP III and the “Big Four” Plan taking into account:

- Responsible management of public resources;
- Building a resilient, more productive and competitive economy;
- Delivering better public services within a tight fiscal environment, and
- The need to deepen governance, anti-corruption and public financial management reforms to guarantee transparency, accountability and efficiency in public spending.

Allocation Baseline Ceilings

107. The baseline estimates reflect the current ministerial spending levels in sector programmes. In the recurrent expenditure category, non-discretionary expenditures take first charge. These include payment of public debts and interest therein, salaries for staff and pensions.

108. Development expenditures have been shared out on the basis of the flagship projects in Vision 2030, “The Big Four” Plan and the third MTP III priorities. The following criteria was used in apportioning capital budget:

- *On-going projects:* emphasis was given to completion of on-going capital projects and in particular infrastructure projects with high impact on poverty reduction, equity and employment creation.
- *Counterpart funds:* priority was also given to adequate allocations for donor counterpart funds which is the portion that the Government must finance in support of the projects financed by development partners.
- *Strategic policy interventions:* further priority was given to policy interventions covering the entire nation, regional integration, social equity and environmental conservation.

Finalization of Spending Plans

109. The finalization of the detailed budgets will entail thorough scrutiny to curtail spending on non-productive areas and ensure resources are directed to priority programmes. Since detailed budgets are scrutinized and the resource envelope firmed up, in the event that additional resources become available, Government will utilize them to accommodate key national strategic priorities. Specifically, the following will receive priority:

- Interventions identified during the stakeholders consultation for the FY 2019/20 budget and over the medium term
- Strategic interventions in the areas of manufacturing, food security enhancing programmes, affordable housing, health coverage and public facilities and other policy interventions to enhance regional integration and social equity; and
- Specific consideration to enhance job creation for the youth based on sound initiatives identified within and outside the normal budget preparation.

3.3 Details of Sector Priorities

110. The medium-term expenditure framework for 2019/20 – 2021/22 ensures resource allocation based on prioritized programmes aligned to the MTP III. It also focuses on strategic policy initiatives of the Jubilee Administration to accelerate growth, employment

creation and poverty reduction. Table 11 provides the projected baseline ceilings for the FY 2019/20 and the medium term, classified by sector.

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Table 11: Medium Term Sector Ceilings, 2019/20 - 2021/22

Department	Economic Classification	Printed Estimates	CFSP Ceiling	Projections		% Share in Total Ministerial Expenditure			
		2018/19	2019/20	2020/21	2021/22	2018/19	2019/20	2020/21	2021/22
Agriculture, Livestock, Fisheries, Irrigation and Co-operative Development	Rec.	461,501,147	422,876,656	444,020,489	466,221,513	3.55	3.23	3.23	3.23
	Dev	574,631,946	526,539,180	552,866,139	580,509,446	4.42	4.02	4.02	4.02
	Sub-Total	1,036,133,093	949,415,836	996,886,628	1,046,730,959	7.96	7.25	7.25	7.25
Education	Rec.	1,048,133,841	1,161,412,203	1,219,482,813	1,280,456,954	8.06	8.87	8.87	8.87
	Dev	491,562,572	399,422,145	419,393,252	440,362,915	3.78	3.05	3.05	3.05
	Sub-Total	1,539,696,413	1,560,834,348	1,638,876,065	1,720,819,869	11.84	11.92	11.92	11.92
Health and Sanitation	Rec.	2,987,831,168	2,737,770,123	2,874,658,629	3,018,391,561	22.97	20.90	20.90	20.90
	Dev	378,212,423	346,558,628	363,886,559	382,080,887	2.91	2.65	2.65	2.65
	Sub-Total	3,366,043,591	3,084,328,751	3,238,545,189	3,400,472,448	25.87	23.54	23.54	23.54
Roads and Public Works	Rec.	187,363,671	171,682,613	180,266,744	189,280,081	1.44	1.31	1.31	1.31
	Dev	1,678,939,428	1,638,423,675	1,720,344,859	1,806,362,102	12.91	12.51	12.51	12.51
	Sub-Total	1,866,303,099	1,810,106,288	1,900,611,602	1,995,642,183	14.35	13.82	13.82	13.82
Trade, Energy and Industrialization	Rec.	49,305,861	45,179,297	47,438,262	49,810,175	0.38	0.34	0.34	0.34
	Dev	252,167,712	231,062,998	242,616,148	254,746,955	1.94	1.76	1.76	1.76

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Department	Economic Classification	Printed Estimates	CFSP Ceiling	Projections		% Share in Total Ministerial Expenditure			
		2018/19	2019/20	2020/21	2021/22	2018/19	2019/20	2020/21	2021/22
	Sub-Total	301,473,573	276,242,295	290,054,410	304,557,130	2.32	2.11	2.11	2.11
Lands, Urban and Physical Planning	Rec.	126,873,101	116,254,690	122,067,425	128,170,796	0.98	0.89	0.89	0.89
	Dev	510,698,403	467,956,438	491,354,260	515,921,973	3.93	3.57	3.57	3.57
	Sub-Total	637,571,504	584,211,128	613,421,684	644,092,769	4.90	4.46	4.46	4.46
Housing	Rec.	26,279,597	24,080,174	25,284,183	26,548,392	0.20	0.18	0.18	0.18
	Dev	28,450,913	26,069,766	27,373,254	28,741,917	0.22	0.20	0.20	0.20
	Sub-Total	54,730,510	50,149,940	52,657,437	55,290,309	0.42	0.38	0.38	0.38
Tourism and Environment	Rec.	109,388,449	100,233,383	105,245,052	110,507,305	0.84	0.77	0.77	0.77
	Dev	22,680,255	20,782,073	21,821,177	22,912,235	0.17	0.16	0.16	0.16
	Sub-Total	132,068,704	121,015,456	127,066,229	133,419,540	1.02	0.92	0.92	0.92
Water and Natural Resources	Rec.	54,766,999	50,183,376	52,692,545	55,327,172	0.42	0.38	0.38	0.38
	Dev	482,744,695	492,342,264	516,959,377	542,807,346	3.71	3.76	3.76	3.76
	Sub-Total	537,511,694	542,525,640	569,651,922	598,134,518	4.13	4.14	4.14	4.14
Gender, Culture, Youths and Sports	Rec.	121,642,706	111,462,043	117,035,145	122,886,902	0.94	0.85	0.85	0.85
	Dev	173,540,393	159,016,248	166,967,060	175,315,413	1.33	1.21	1.21	1.21

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Department	Economic Classification	Printed Estimates	CFSP Ceiling	Projections		% Share in Total Ministerial Expenditure			
		2018/19	2019/20	2020/21	2021/22	2018/19	2019/20	2020/21	2021/22
	Sub-Total	295,183,099	270,478,291	284,002,206	298,202,316	2.27	2.06	2.06	2.06
Finance and Economic Planning	Rec.	969,622,374	1,567,491,287	1,645,865,851	1,728,159,144	7.45	11.97	11.97	11.97
	Dev	27,391,981	75,099,459	78,854,432	82,797,154	0.21	0.57	0.57	0.57
	Sub-Total	997,014,356	1,642,590,746	1,724,720,283	1,810,956,297	7.66	12.54	12.54	12.54
Public Service Management and Administration	Rec.	444,839,292	457,609,284	480,489,748	504,514,236	3.42	3.49	3.49	3.49
	Dev	46,215,565	42,347,638	44,465,020	46,688,271	0.36	0.32	0.32	0.32
	Sub-Total	491,054,857	499,956,922	524,954,768	551,202,507	3.77	3.82	3.82	3.82
Office of the County Secretary	Rec.	98,169,203	139,953,112	146,950,768	154,298,306	0.75	1.07	1.07	1.07
	Dev	33,100,000	80,329,756	84,346,244	88,563,556	0.25	0.61	0.61	0.61
	Sub-Total	131,269,203	220,282,868	231,297,011	242,861,862	1.01	1.68	1.68	1.68
Governor's Office	Rec.	402,885,029	369,166,306	387,624,621	407,005,852	3.10	2.82	2.82	2.82
	Dev	-	-	-	-	-	-	-	-
	Sub-Total	402,885,029	369,166,306	387,624,621	407,005,852	3.10	2.82	2.82	2.82
Deputy Governor's Office	Rec.	39,530,969	36,222,497	38,033,622	39,935,303	0.30	0.28	0.28	0.28

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Department	Economic Classification	Printed Estimates	CFSP Ceiling	Projections		% Share in Total Ministerial Expenditure			
		2018/19	2019/20	2020/21	2021/22	2018/19	2019/20	2020/21	2021/22
	Dev	-	-	-	-	-	-	-	-
	Sub-Total	39,530,969	36,222,497	38,033,622	39,935,303	0.30	0.28	0.28	0.28
County Public Service Board	Rec.	49,565,951	45,417,620	47,688,501	50,072,926	0.38	0.35	0.35	0.35
	Dev	-	-	-	-	-	-	-	-
	Sub-Total	49,565,951	45,417,620	47,688,501	50,072,926	0.38	0.35	0.35	0.35
County Assembly	Rec.	874,978,131	801,748,443	841,835,865	883,927,658	6.73	6.12	6.12	6.12
	Dev	256,508,004	235,040,037	246,792,039	259,131,641	1.97	1.79	1.79	1.79
	Sub-Total	1,131,486,135	1,036,788,480	1,088,627,904	1,143,059,299	8.70	7.91	7.91	7.91
Grand Total	Total Recurrent	8,052,677,490	8,358,743,107	8,776,680,262	9,215,514,275	61.90	63.81	63.81	63.81
	Total Development	4,956,844,290	4,740,990,305	4,978,039,820	5,226,941,811	38.10	36.19	36.19	36.19
	Grand Total	13,009,521,780	13,099,733,412	13,754,720,083	14,442,456,087	100.00	100.00	100.00	100.00

Agriculture, Rural and Urban Development Sector

111. The Sector plays a key role in the development agenda of the country through enhancing food and nutrition security; employment and wealth creation; foreign exchange earnings; security of land tenure and land management. In 2017, it is estimated that the Sector contributed 29.7 percent of the GDP valued about at about Ksh 2.342 trillion through linkages with manufacturing, distribution and other service-related sectors.

Energy, Infrastructure and Information, Communication and Technology Sector

112. The Sector aims to sustain and expand cost-effective public utility infrastructure facilities and services in the areas of energy, maritime, transport, petroleum, ICT in line with the priorities in the Constitution of Kenya and the MTP III. Sustaining and expanding physical infrastructure is geared towards the realization of “The Big Four” Plan.

General Economic and Commerce Affairs Sector

113. The Sector is mandated to promote, co-ordinate and implement integrated socio-economic policies and programmes for a rapidly industrializing economy. During the FY 2015/16 - 2017/18 MTEF, key achievements realized in the Sector included; increased farm earnings from Ksh 23 to Ksh 35 per liter of milk.

Health Sector

114. Health is a shared function between the National Government and County Governments. The Sector is responsible for the provision and coordination of the health services which contributes to the overall productivity and economic development of the country.

115. For the 2015/16-2017/18 MTEF period, the Sector realized the following achievements among others; implemented interventions to control the spread of HIV/AIDS, malaria and tuberculosis in the country which has seen 84 percent of public health facilities been equipped with diagnostic capacity for malaria and an increase in the number of tuberculosis cases notified.

116. During the 2019/20-2021/22 MTEF period, the Sector will prioritize provision of the universal health coverage to all Kenyans.

Education Sector

117. The Sector is committed to the provision of quality education, training, science, technology, research and skills development to all Kenyans, in order to contribute to the building of a just and cohesive society that enjoys inclusive and equitable social-economic development.

118. During the FY 2015/16 - 2017/18 MTEF period, the Sector made several achievements including: increased completion rate at primary level from 82.7 percent in 2015 to 84 percent in 2017 and increased the transition rate from primary to secondary school level from 81.9 percent in 2015 to 88 percent in 2018 January

119. For the FY 2019/20 - 2021/22 MTEF period, the Sector has prioritized several programmes for implementation including: recruitment of additional teachers to support the 100 percent transition policy of the Government;

Public Administration and International Relations Sector

120. The Sector provides overall policy direction and leadership to the country, oversee the human resource function in the public service, coordinate national policy formulation and implementation, resource mobilization, allocation and management, strengthening the devolved system of government, coordinating implementation of youth policy and mainstreaming in national development, implementation of the Kenya foreign policy as well as oversight, monitoring, evaluation and reporting on the use of public resources and service delivery.

121. A total of 32 programmes were implemented within the sector during the MTEF period 2015/16 - 2017/18. Tremendous progress was made in achievement of the sector's set targets. These include the following among others: development of country's medium term development plans; preparation of various statistical publications and reports; operationalization of new embassies; provision of capacity building and technical assistance to county governments, resource mobilisation, allocation and oversight in the public sector; established and operationalized Huduma centres; implementation of performance management systems, continued improvement of civil servants welfare,

122. In the FY 2019/20 and the medium term, the Sector will focus on enhancing advisory on public policy for effective management of public affairs; management and implementation of the devolved system of government to promote harmonious inter- and intra-governmental relations; strengthening management of humanitarian support services;

Social Protection, Culture and Recreation Sector

123. The Sector is mandated to promote sustainable employment, best labour practices, sports, gender equity, empowerment of communities and vulnerable groups, diverse cultures, heritage and arts.

124. During the FY 2015/16 - 2017/18 MTEF period, the key achievements in the Sector included; provision of 74,400 metric tonnes of relief food to 3.5 million food insecure

persons in 23 ASAL Counties; provision of cash transfers to 100,000 households (600,000 beneficiaries) annually under regular Hunger and Safety Net Programme (HSNP); provision of cash transfers to 1,233,000 households annually (833,000 older persons 353,000, orphans and vulnerable children and 47,000 person with severe disabilities) under the Inua Jamii Programme; provision of 2.9 million school girls with sanitary towels to reduce girls absenteeism in schools; trained 2,927 duty bearers and stakeholders in response and prevention of Gender Based Violence.

125. In the 2019/20 – 2021/22 MTEF period, the Sector will implement various initiatives including: carry out 1,700 drought resilience and preparedness projects in ASAL Counties; support 130,000 vulnerable and drought prone households.

126. through cash transfers annually; provide sanitary towels to 11.1 million school going girls to reduce absenteeism in school; host and participate in national, regional and international sports competitions; continue developing and upgrading sports infrastructure (national and regional stadia); empower 7,500 cultural artists/ practitioners; honor 480 heroes and heroines; nurture 3,300 youth in music and dance; establish an Alternative Dispute Resolution (ADR) Mechanism for labour and employment related disputes; and sensitize 303,500 people in prevention and response to Gender Based Violence and FGM.

127. In order to implement the prioritized programmes, the Sector has been allocated Ksh 270,478,291, Ksh 284,002,206 and Ksh 298,202,316 for the FY 2019/2020, FY 2020/2021 and FY 2021/2022, respectively.

Environment Protection, Water and Natural Resources

128. The Sector plays a crucial role in the economy as it contribute immensely to life support systems by providing goods and services that are critical enablers for the realization of the “Big Four” Plan. Investment in this Sector also ensures the delivery of direct and indirect goods and services that are the backbone for the main productive Sectors namely agriculture, tourism, energy and manufacturing.

129. For the 2018/19 to 2020/21 MTEF period, the Sector has prioritized programmes intended to; provide policy and legal framework for efficient and effective management of the environment; sustainably manage and conserve environment and water resources; provide reliable weather and climate information for decision making; sustainably manage and conserve forests and water towers; sustainably conserve and manage Kenya’s wildlife; provide policy and legal framework for efficient and effective management of the natural resources; increase availability of safe and adequate water resources; enhance accessibility of water and sewerage services; enhance utilization of land through irrigation, drainage and

land reclamation; and increase per capita water storage capacity for irrigation and other uses.

130. In order to implement the prioritized programmes, the Sector has been allocated Ksh 121,015,456, Ksh 127,066,229 and Ksh 133,419,540 for the FY 2019/2020, FY 2020/2021 and FY 2021/2022, respectively.

Public Participation/ Sector Hearings and Involvement of Stakeholders

131. The law requires that the input of the public be taken into account before the Budget proposals are firmed up. In this regard, we held Public Hearings for the FY2019/20 Budget between 4th and 6th December 2018. Annex Table 6 provides a summary of policy issues raised during the Public Hearings and the responses. Some of the key issues arising during the Public Hearings included:

**Collaborations with National Government and Development Partners
National Government**

132. The County priority is to benefit from the Development Surge (SD) that emanates from intensification of collaborations and partnerships with the fellow County Governments as well as the National Government (NG) and Development Partners (DP)

133. Consequently, the County will forge and strengthen cooperation and collaboration with the National Government to attract additional support for economic and social infrastructure programmes while also tapping into technical assistance and structured learning support that is offered by National Government Ministries, Departments and Agencies. The Conditional Grants from National Government due to the County Government of Bungoma are as indicated in table 12.

Table 12: National Government Conditional Grants allocations summary

	Conditional grants	Amounts (Kshs.)	
		2018/19	2019/20
1.	Compensation user fees foregone - Health	32,837,307	34,479,172
2.	Leasing medical equipment	200,000,000	210,000,000
3.	Development of Youth Polytechnics	65,500,000	68,775,000
4.	Road Maintenance Fuel Levy	235,619,376	247,400,345
	TOTALS	533,956,683	560,654,517

Conditional Allocations from Development Partners

134. In the last four financial years, the county has been receiving DANIDA conditional grants as Health Sector Support Grant. In 2018/19, the county also received Health Sector

Support conditional grant from World Bank. These conditional grants are expected to continue in the Financial Year 2019/20 Financial Year.

Ss/no.	Conditional grants	Amounts (Kshs.)	
		2018/19	2019/20
1.	Transforming Health Systems for Universal Care Project (THSUCP) - (World Bank)	100,000,000	105,000,000
2.	National Agriculture & Rural Inclusive Growth Project (NARIGP) -World Bank)	140,435,263	147,457,026
3.	Kenya Devolution Support Project KDSP- Level 1 grant (IDA-World Bank)	58,329,310	61,245,776
4.	Kenya Urban Support Project (IDA-World Bank)	300,977,100	316,025,955
5.	Unversal Health Care in Devolved System Programme (DANIDA)	29,362,500	30,830,625
6.	Kenya Devolution Support Project KDSP Level 2 Grant (World Bank)	0	-
7.	Agriculture Sector Support Programme -ASDSP (SWEDEN) Bal 2017/18	22,404,685	23,524,919
8.	Water Tower Protection & Climate Change Mitigation and Adaptation Programme (WaTER) - EU	80,000,000	84,000,000
9.	Kenya Urban Support Project (KUSP)- Urban Institutional Grants (UIG) Bal 2017/18 (World Bank)	41,200,000	43,260,000
	TOTALS	772,708,858	811,344,301

Municipal Management Boards

135. Through support provided by the Kenya Urban Support Programme (KUSP), the County has established Bungoma and Municipal Management Boards. These institutions are essential for efficient and effective management of urban areas and pro-active response to urban issues. In this regard, the county will facilitate the board with necessary logistical support to ensure efficient and effective service delivery.

Service Delivery Unit

136. The county has established a Service Delivery Unit (SDU) within the Office of the Governor to spearhead efforts for continuous improvement of our policy, strategy and compliance environment in the delivery of public goods, services and works. Wastage of resources and limited budget absorption will forthwith be reduced and capacity to deliver quality services enhanced over the medium term

Public Private Partnerships

137. Enhanced development cooperation, networking and collaborations through Public Private Partnerships (PPP) approach will enhance faster development, replicate best development practices and create job opportunities. The county will therefore put in place mechanisms through favorable policies and necessary legislations guided by necessary National Treasury Circulars and conditions.

Disaster Risk Reduction

138. Since Disaster Risk Reduction (DRR) are so closely entwined with sustainable development, it is inevitably a shared function of both the national and the county governments thus both levels of government will initiate the prerequisite mechanisms to mitigate and manage disasters

Resource Sharing Guidelines

139. The resources available are shared in accordance with the following guidelines;

- i. Non-discretionary expenditures; this takes first charge and includes payment of statutory obligations such as salaries, pension and others. These expenditures are projected to account for about 43.22 per cent of the Budget.
- ii. Operations – make up 17.31 percent of the FY 2019/20 budget
- iii. Maintenance - Departments are allocated funds for basic maintenance. This accounts for 0.92 per cent of the budget
- iv. Development expenditure; as already indicated, it is 30 per cent of the total budget. Development expenditures are shared out on the basis of the sector plans and priorities and other strategic county considerations. The following guidelines are used;
 - On-going projects- emphasis is given to completion of on-going projects and in particular infrastructure projects, flagship projects and projects with high impact on poverty reduction and equity, employment and wealth creation.
 - Statutory requirements- priority is also given to programmes that must be funded in accordance with the law such as Ward Loan Schemes, Ward Bursaries and County Trade Loans.
 - Strategic policy interventions- priority is given to policy interventions covering the entire county, regional integration, social equity and environmental conservation.
 - Pending bills- County MDAs will be guided by available resource envelop while also making strategic reductions on programme implementation.

Urban Development Strategy

140. The future prosperity of the county will be supported by viable and sustainable network of urban areas and towns. Over the medium term, the urban management boards/ committees will be empowered through urban plans and budgets to progressively realize the urban development strategy. Focus will be placed on the following urban areas;

Bungoma, Webuye, Kimilili, Sirisia, Malakisi, Tongaren, Lwakhakha, Chwele, Cheptais, Bumula, Brigadier and Kapsokwony.

141. The Bungoma urban growth and development strategy is a long-term aspirational strategy driven through four outcomes namely;

- a) Improved quality of life and development-driven resilience for all.
- b) A resilient, livable, sustainable urban environment – underpinned by infrastructure supportive of a low-carbon economy.
- c) An inclusive, job-intensive, resilient and competitive economy.
- d) A leading metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive.

Urban Development Outcomes	Related Outputs
1. Improved Quality of life and development-driven resilience for all	<ul style="list-style-type: none"> • Reduced poverty and dependency • Food security that is both improved and safe-guarded • Increased literacy, skills and lifelong learning amongst all our citizens • Substantially reduced HIV prevalence and non-communicable diseases-healthy living for all • Safe and secure Bungoma • Improved social inclusivity and enhanced social cohesion
2. A resilient, livable, sustainable urban environment – underpinned by infrastructure supportive of a low-carbon economy	<ul style="list-style-type: none"> • Sustainable and integrated delivery of water, sanitation, energy and waste management • Eco-mobility • Sustainable human settlements • Climate change resilience and environmental protection
3. An inclusive, job-intensive, resilient and competitive economy.	<ul style="list-style-type: none"> • Job-intensive economic growth • Promotion and support to small businesses • Increased competitiveness of the economy • Able to deliver quality services to citizens in an efficient and reliable manner.
4. An urban region that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive region	<ul style="list-style-type: none"> • An active and effective citizen focused region • A responsible, accountable, efficient and productive region • Financially and administratively sustainable and resilient towns and urban areas • Meaningful citizen participation and empowerment in urban governance and decision making

ANNEXES

Annex 1: Total Sector Ceilings for MTEF Period 2018/19-2020/21

Department	Details	Printed Estimates 2018/19	Allocation FY 2019/20	Projections		% share of total budget 2019/20	% share of total allocation		
				2020/21	2021/22	Estimates 2019/20	CBROP Ceiling	2020/21	2021/22
Agriculture, Livestock, Fisheries, Irrigation and cooperative development	Recurrent	461,501,147	422,876,656	444,020,489	466,221,513	3.23	3.80	3.23	3.23
	Development	574,631,946	526,539,180	552,866,139	580,509,446	4.02	3.30	4.02	4.02
	Sub Total	1,036,133,093	949,415,836	996,886,628	1,046,730,959	7.25	7.10	7.25	7.25
Education and vocational training	Recurrent	1,048,133,841	1,161,412,203	1,219,482,813	1,280,456,954	8.87	4.90	8.87	8.87
	Development	491,562,572	399,422,145	419,393,252	440,362,915	3.05	0.20	3.05	3.05
	Sub Total	1,539,696,413	1,560,834,348	1,638,876,065	1,720,819,869	11.92	5.10	11.92	11.92
Health	Recurrent	2,987,831,168	2,737,770,123	2,874,658,629	3,018,391,561	20.90	18.70	20.90	20.90
	Development	378,212,423	346,558,628	363,886,559	382,080,887	2.65	1.30	2.65	2.65
	Sub Total	3,366,043,591	3,084,328,751	3,238,545,189	3,400,472,448	23.54	20.00	23.54	23.54
Roads and Public works	Recurrent	187,363,671	171,682,613	180,266,744	189,280,081	1.31	1.10	1.31	1.31
	Development	1,678,939,428	1,638,423,675	1,720,344,859	1,806,362,102	12.51	18.70	12.51	12.51
	Sub Total	1,866,303,099	1,810,106,288	1,900,611,602	1,995,642,183	13.82	19.80	13.82	13.82
Trade, Energy and Industrialization	Recurrent	49,305,861	45,179,297	47,438,262	49,810,175	0.34	0.50	0.34	0.34
	Development	252,167,712	231,062,998	242,616,148	254,746,955	1.76	1.30	1.76	1.76
	Sub Total	301,473,573	276,242,295	290,054,410	304,557,130	2.11	1.80	2.11	2.11
Lands, Urban and Physical planning	Recurrent	126,873,101	116,254,690	122,067,425	128,170,796	0.89	0.80	0.89	0.89
	Development	510,698,403	467,956,438	491,354,260	515,921,973	3.57	1.80	3.57	3.57
	Sub Total	637,571,504	584,211,128	613,421,684	644,092,769	4.46	2.60	4.46	4.46
Housing	Recurrent	26,279,597	24,080,174	25,284,183	26,548,392	0.18	0.30	0.18	0.18
	Development	28,450,913	26,069,766	27,373,254	28,741,917	0.20	0.40	0.20	0.20
	Sub Total	54,730,510	50,149,940	52,657,437	55,290,309	0.38	0.70	0.38	0.38
	Recurrent	109,388,449	100,233,383	105,245,052	110,507,305	0.77	0.30	0.77	0.77

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Department	Details	Printed Estimates 2018/19	Allocation FY 2019/20	Projections		% share of total budget 2019/20	% share of total allocation		
				2020/21	2021/22	Estimates 2019/20	CBROP Ceiling	2020/21	2021/22
Tourism and Environment	Development	22,680,255	20,782,073	21,821,177	22,912,235	0.16	0.90	0.16	0.16
	Sub Total	132,068,704	121,015,456	127,066,229	133,419,540	0.92	1.20	0.92	0.92
Water and Natural Resources	Recurrent	54,766,999	50,183,376	52,692,545	55,327,172	0.38	0.60	0.38	0.38
	Development	482,744,695	492,342,264	516,959,377	542,807,346	3.76	2.20	3.76	3.76
	Sub Total	537,511,694	542,525,640	569,651,922	598,134,518	4.14	2.80	4.14	4.14
Gender and Culture, Youth and Sports	Recurrent	121,642,706	111,462,043	117,035,145	122,886,902	0.85	0.70	0.85	0.85
	Development	173,540,393	159,016,248	166,967,060	175,315,413	1.21	0.90	1.21	1.21
	Sub Total	295,183,099	270,478,291	284,002,206	298,202,316	2.06	1.60	2.06	2.06
Finance and Economic planning	Recurrent	969,622,374	1,567,491,287	1,645,865,851	1,728,159,144	11.97	8.80	11.97	11.97
	Development	27,391,981	75,099,459	78,854,432	82,797,154	0.57	8.90	0.57	0.57
	Sub Total	997,014,356	1,642,590,746	1,724,720,283	1,810,956,297	12.54	17.70	12.54	12.54
Public Service Management	Recurrent	444,839,292	457,609,284	480,489,748	504,514,236	3.49	3.90	3.49	3.49
	Development	46,215,565	42,347,638	44,465,020	46,688,271	0.32	0.20	0.32	0.32
	Sub Total	491,054,857	499,956,922	524,954,768	551,202,507	3.82	4.10	3.82	3.82
Office of the County Secretary	Recurrent	98,169,203	139,953,112	146,950,768	154,298,306	1.07	0.50	1.07	1.07
	Development	33,100,000	80,329,756	84,346,244	88,563,556	0.61	0.50	0.61	0.61
	Sub Total	131,269,203	220,282,868	231,297,011	242,861,862	1.68	1.00	1.68	1.68
Governor's Office	Recurrent	402,885,029	369,166,306	387,624,621	407,005,852	2.82	3.40	2.82	2.82
	Development	-	-	-	-	0.00	0.00	-	-
	Sub Total	402,885,029	369,166,306	387,624,621	407,005,852	2.82	3.40	2.82	2.82
Office of the Deputy Governor	Recurrent	39,530,969	36,222,497	38,033,622	39,935,303	0.28	0.40	0.28	0.28
	Development	-	-	-	-	0.00	0.00	-	-
	Sub Total	39,530,969	36,222,497	38,033,622	39,935,303	0.28	0.40	0.28	0.28
County Public Service Board	Recurrent	49,565,951	45,417,620	47,688,501	50,072,926	0.35	0.60	0.35	0.35
	Development	-	-	-	-	0.00	0.00	-	-

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Department	Details	Printed Estimates 2018/19	Allocation FY 2019/20	Projections		% share of total budget 2019/20	% share of total allocation		
				2020/21	2021/22		Estimates 2019/20	CBROP Ceiling	2020/21
	Sub Total	49,565,951	45,417,620	47,688,501	50,072,926	0.35	0.60	0.35	0.35
County Assembly	Recurrent	874,978,131	801,748,443	841,835,865	883,927,658	6.12	7.70	6.12	6.12
	Development	256,508,004	235,040,037	246,792,039	259,131,641	1.79	2.20	1.79	1.79
	Sub Total	1,131,486,135	1,036,788,480	1,088,627,904	1,143,059,299	7.91	9.90	7.91	7.91
Grand Total	Recurrent	8,052,677,490	8,358,743,107	8,776,680,262	9,215,514,275	63.81		63.81	63.81
	Development	4,956,844,290	4,740,990,305	4,978,039,820	5,226,941,811	36.19		36.19	36.19
	Total	13,009,521,780	13,099,733,412	13,754,720,083	14,442,456,087	100.00	100.00	100.00	100.00

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Annex 2: Recurrent Ceilings Analysis for MTEF Period 2018/19-2020/21

Department	Economic Classification	2018/19	Requirement	Allocation	Projections		% share of total budget	% projection allocation share	
		Estimates	2019/20	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Agriculture, Livestock, Fisheries, Irrigation and Co-operative Development	Total Recurrent	461,501,147	2,019,922,414	422,876,656	444,020,489	466,221,513	5.06	5.06	5.06
	AIA	24,273,434	24,273,434	24,273,434	24,273,434	24,273,434	0.29	0.28	0.26
	NET	437,227,713	1,995,648,980	398,603,222	419,747,055	441,948,079	4.77	4.78	4.80
	Compensation to Employees	280,230,877	621,953,254	310,976,627	326,525,458	342,851,731	3.72	3.72	3.72
	Maintenance	15,800,800	75,483,560	14,450,000	15,172,500	15,931,125	0.17	0.17	0.17
	Operations	165,469,470	1,322,485,600	97,450,029	102,322,530	107,438,657	1.17	1.17	1.17
Education	Total Recurrent	1,076,641,361	1,164,202,696	1,161,412,203	1,219,482,813	1,280,456,954	13.89	13.89	13.89
	AIA	2,000,000	1,000,000	1,000,000	1,050,000	1,102,500	0.01	0.01	0.01
	NET	1,074,641,361	1,163,202,696	1,160,412,203	1,218,432,813	1,279,354,454	13.88	13.88	13.88
	Compensation to Employees	819,107,864	923,671,661	860,063,257	903,066,420	948,219,741	10.29	10.29	10.29
	Maintenance	640,000	1,302,000	672,000	705,600	740,880	0.01	0.01	0.01
	Operations	256,893,497	239,229,036	300,676,946	315,710,793	331,496,333	3.60	3.60	3.60
Health and Sanitation	Total Recurrent	2,996,892,384	5,981,648,793	2,737,770,123	2,874,658,629	3,018,391,561	32.75	32.75	32.75

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Department	Economic Classification	2018/19	Requirement	Allocation	Projections		% share of total budget	% projection allocation share	
		Estimates	2019/20	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
	AIA	318,731,286	318,731,286	318,731,286	334,667,850	351,401,243	3.81	3.81	3.81
	NET	2,678,161,098	5,662,917,507	2,419,038,837	2,539,990,779	2,666,990,318	28.94	28.94	28.94
	Compensation to Employees	1,952,738,196	2,107,407,484	2,107,407,484	2,212,777,858	2,323,416,751	25.21	25.21	25.21
	Maintenance	629,424	10,141,230	10,141,230	10,648,292	11,180,706	0.12	0.12	0.12
	Grants	378,212,423	2,900,000,000	309,149,280	324,606,744	340,837,081	3.70	3.70	3.70
	Operations	665,312,341	964,100,079	311,072,129	326,625,735	342,957,022	3.72	3.72	3.72
Roads and Public Works	Total Recurrent	162,198,671	178,418,538	171,682,613	180,266,744	189,280,081	2.05	2.05	2.05
	AIA	3,675,000	3,500,000	3,500,000	3,675,000	3,858,750	0.04	0.04	0.04
	NET	158,523,671	174,918,538	168,182,613	176,591,744	185,421,331	2.01	2.01	2.01
	Compensation to Employees	81,993,456	90,192,801	86,787,707	91,127,093	95,683,447	1.04	1.04	1.04
	Maintenance	15,678,072	17,245,879	16,461,976	17,285,074	18,149,328	0.20	0.20	0.20
	Operations	64,527,143	70,979,858	68,432,930	71,854,577	75,447,305	0.82	0.82	0.82
Trade, Energy and Industrialization	Total Recurrent	42,839,855	101,000,000	45,179,297	47,438,262	49,810,175	0.54	0.54	0.54

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Department	Economic Classification	2018/19	Requirement	Allocation	Projections		% share of total budget	% projection allocation share	
		Estimates	2019/20	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
	AIA	-	-	-	-	-	-	-	-
	NET	42,839,855	101,000,000	45,179,297	47,438,262	49,810,175	0.54	0.54	0.54
	Compensation to Employees	21,226,601	31,839,902	22,287,931	23,402,328	24,572,444	0.27	0.27	0.27
	Maintenance	2,441,000	13,661,500	2,563,050	2,691,203	2,825,763	0.03	0.03	0.03
	Operations	19,172,254	55,498,598	20,328,316	21,344,732	22,411,968	0.24	0.24	0.24
	Total Recurrent	126,873,101	215,398,007	116,254,690	122,067,425	128,170,796	1.39	1.39	1.39
Lands, Urban and Physical Planning	AIA	5,997,236	5,997,236	5,997,236	6,297,098	6,611,953	0.07	0.07	0.07
	NET	120,875,865	209,400,771	110,257,454	115,770,327	121,558,843	1.32	1.32	1.32
	Compensation to Employees	32,470,691	64,094,247	34,090,247	35,794,759	37,584,497	0.41	0.41	0.41
	Maintenance	2,148,685	4,000,000	2,256,119	2,368,925	2,487,371	0.03	0.03	0.03
	Operations	92,253,725	147,303,760	79,908,324	83,903,740	88,098,927	0.96	0.96	0.96
	Total Recurrent	26,479,597	55,755,000	24,080,174	25,284,183	26,548,392	0.29	0.29	0.29
Housing	AIA	-	-	-	-	-	-	-	-

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Department	Economic Classification	2018/19	Requirement	Allocation	Projections		% share of total budget	% projection allocation share	
		Estimates	2019/20	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
	NET	26,479,597	55,755,000	24,080,174	25,284,183	26,548,392	0.29	0.29	0.29
	Compensation to Employees	12,938,877	17,950,000	13,585,820	14,265,111	14,978,367	0.16	0.16	0.16
	Maintenance	1,253,290	8,500,000	1,000,000	1,050,000	1,102,500	0.01	0.01	0.01
	Operations	12,287,430	29,305,000	9,494,354	9,969,072	10,467,525	0.11	0.11	0.11
	Total Recurrent	109,388,449	202,594,090	100,233,383	105,245,052	110,507,305	1.20	1.20	1.20
Tourism and Environment	AIA	1,155,000	1,000,000	1,000,000	1,050,000	1,102,500	0.01	0.01	0.01
	NET	108,233,449	201,594,090	99,233,383	104,195,052	109,404,805	1.19	1.19	1.19
	Compensation to Employees	26,040,159	36,040,159	26,040,159	27,342,167	28,709,275	0.31	0.31	0.31
	Maintenance	1,700,000	5,000,000	3,193,225	3,352,886	3,520,531	0.04	0.04	0.04
	Operations	81,648,290	161,553,931	70,999,999	74,549,999	78,277,499	0.85	0.85	0.85
Water and Natural Resources	Total Recurrent	54,766,999	112,085,009	50,183,376	52,692,545	55,327,172	0.60	0.60	0.60
	AIA	-	-	-	-	-	-	-	-
	NET	54,766,999	112,085,009	50,183,376	52,692,545	55,327,172	0.60	0.60	0.60

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Department	Economic Classification	2018/19	Requirement	Allocation	Projections		% share of total budget	% projection allocation share	
		Estimates	2019/20	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
	Compensation to Employees	40,477,628	45,477,628	40,477,628	42,501,509	44,626,585	0.48	0.48	0.48
	Maintenance	2,200,000	5,000,000	3,000,000	3,150,000	3,307,500	0.04	0.04	0.04
	Operations	12,089,371	61,607,381	6,705,748	7,041,035	7,393,087	0.08	0.08	0.08
Gender, Culture, Youths and Sports	Total Recurrent	121,642,706	147,405,958	111,462,043	117,035,145	122,886,902	1.33	1.33	1.33
	AIA	-	-	-	-	-	-	-	-
	NET	121,642,706	147,405,958	111,462,043	117,035,145	122,886,902	1.33	1.33	1.33
	Compensation to Employees	47,357,237	51,355,958	49,725,099	52,211,354	54,821,922	0.59	0.59	0.59
	Maintenance	400,000	550,000	415,000	435,750	457,538	0.00	0.00	0.00
	Operations	73,885,469	95,500,000	61,321,944	64,388,041	67,607,443	0.73	0.73	0.73
Finance and Economic Planning	Total Recurrent	969,622,375	1,626,600,000	1,567,491,287	1,645,865,851	1,728,159,144	18.75	18.75	18.75
	AIA	-	-	-	-	-	-	-	-
	NET	969,622,375	1,626,600,000	1,567,491,287	1,645,865,851	1,728,159,144	18.75	18.75	18.75
	Compensation to Employees	450,075,460	471,979,688	471,979,688	495,578,672	520,357,606	5.65	5.65	5.65

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Department	Economic Classification	2018/19	Requirement	Allocation	Projections		% share of total budget	% projection allocation share	
		Estimates	2019/20	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
	Employer contribution to pension schemes - all county staff		679,019,678	679,019,678	712,970,662	748,619,195	8.12	8.12	8.12
	Maintenance	20,770,000	45,000,000	45,000,000	47,250,000	49,612,500	0.54	0.54	0.54
	Operations	498,776,915	430,600,634	371,491,921	390,066,517	409,569,843	4.44	4.44	4.44
Public Service Management and Administration	Total Recurrent	444,839,292	592,050,068	457,609,284	480,489,748	504,514,236	5.47	5.47	5.47
	AIA	-	-	-	-	-	-	-	-
	NET	444,839,292	592,050,068	457,609,284	480,489,748	504,514,236	5.47	5.47	5.47
	Compensation to Employees	297,726,068	312,612,371	312,612,371	328,242,990	344,655,139	3.74	3.74	3.74
	Maintenance	3,800,000	5,000,000	3,600,000	3,780,000	3,969,000	0.04	0.04	0.04
	Operations	143,313,224	274,437,697	141,396,913	148,466,759	155,890,097	1.69	1.69	1.69
Office of the County Secretary	Total Recurrent	98,169,203	145,629,310	139,953,112	146,950,768	154,298,306	1.67	1.67	1.67
	AIA	-	-	-	-	-	-	-	-
	NET	98,169,203	145,629,310	139,953,112	146,950,768	154,298,306	1.67	1.67	1.67
	Compensation to Employees	-	-	-	-	-	-	-	-

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Department	Economic Classification	2018/19	Requirement	Allocation	Projections		% share of total budget	% projection allocation share	
		Estimates	2019/20	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
	Maintenance	1,380,000	2,400,000	1,200,000	1,260,000	1,323,000	0.01	0.01	0.01
	Operations	96,789,203	143,229,310	138,753,112	145,690,768	152,975,306	1.66	1.66	1.66
Governor's Office	Total Recurrent	402,885,029	470,077,445	369,166,306	387,624,621	407,005,852	4.42	4.42	4.42
	AIA	-	-	-	-	-	-	-	-
	NET	402,885,029	470,077,445	369,166,306	387,624,621	407,005,852	4.42	4.42	4.42
	Compensation to Employees	268,692,805	282,127,445	282,127,445	296,233,817	311,045,508	3.38	3.38	3.38
	Maintenance	7,220,000	9,450,000	6,800,000	7,140,000	7,497,000	0.08	0.08	0.08
	Operations	126,972,224	178,500,000	80,238,861	84,250,804	88,463,344	0.96	0.96	0.96
	Total Recurrent	39,530,969	76,200,000	36,222,497	38,033,622	39,935,303	0.43	0.43	0.43
Deputy Governor's Office	AIA	-	-	-	-	-	-	-	-
	NET	39,530,969	76,200,000	36,222,497	38,033,622	39,935,303	0.43	0.43	0.43
	Compensation to Employees	-	-	-	-	-	-	-	-
	Maintenance	1,941,000	2,500,000	1,800,000	1,890,000	1,984,500	0.02	0.02	0.02

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Department	Economic Classification	2018/19	Requirement	Allocation	Projections		% share of total budget	% projection allocation share	
		Estimates	2019/20	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
	Operations	37,589,969	73,700,000	34,422,497	36,143,622	37,950,803	0.41	0.41	0.41
County Public Service Board	Total Recurrent	49,844,951	85,815,591	45,417,620	47,688,501	50,072,926	0.54	0.54	0.54
	AIA	-	-	-	-	-	-	-	-
	NET	49,844,951	85,815,591	45,417,620	47,688,501	50,072,926	0.54	0.54	0.54
	Compensation to Employees	13,681,749	14,365,836	14,365,836	15,084,128	15,838,334	0.17	0.17	0.17
	Maintenance	1,000,000	2,000,000	1,000,000	1,050,000	1,102,500	0.01	0.01	0.01
	Operations	35,163,202	69,449,755	30,051,784	31,554,373	33,132,092	0.36	0.36	0.36
	Total Recurrent	874,978,131	908,081,615	801,748,443	841,835,865	883,927,658	9.59	9.59	9.59
County Assembly	AIA	-	-	-	-	-	-	-	-
	NET	874,978,131	908,081,615	801,748,443	841,835,865	883,927,658	9.59	9.59	9.59
	Compensation to Employees	333,411,062	350,081,615	350,081,615	367,585,696	385,964,981	4.19	4.19	4.19
	Maintenance	6,900,000	8,000,000	6,500,000	6,825,000	7,166,250	0.08	0.08	0.08
	Operations	534,667,069	550,000,000	445,166,828	467,425,169	490,796,428	5.33	5.33	5.33

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Department	Economic Classification	2018/19	Requirement	Allocation	Projections		% share of total budget	% projection allocation share	
		Estimates	2019/20	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Grand Total	Total Recurrent	8,059,094,220	14,082,884,535	8,358,743,107	8,776,680,262	9,215,514,275	100.00	100.00	100.00
	AIA	355,831,956	384,501,956	384,501,956	403,727,054	423,913,406	4.60	4.60	4.60
	NET	7,703,262,264	13,728,382,579	8,004,241,151	8,405,666,880	8,827,163,896	95.76	95.77	95.79
	Compensation to Employees	4,678,168,730	6,100,169,727	5,661,628,593	5,944,710,022	6,241,945,523	67.73	67.73	67.73
	Maintenance	85,902,271	215,234,169	120,052,600	126,055,230	132,357,991	1.44	1.44	1.44
	Operations	2,916,810,796	4,867,480,639	2,267,912,635	2,381,308,267	2,500,373,680	27.13	27.13	27.13

NB: Salaries for FY 2019/20 is at **Kshs.** 6,100,169,727 This represents -46.6 % of total county budget.

Annex 3: Indicative ceiling of Expenditure by programme for FY 2017/18 – FY 2020/21

Recurrent Allocation

Sub-Programmes	Printed Estimates 2018/19	Sub-Requirements	Allocation	Projected Estimates	
			2019/20	2020/21	2021/22
Agriculture, Livestock, Fisheries, Irrigation and Co-operative Development					
Administrative and support Services	18,870,890	75,483,560	14,450,000	15,172,500	15,931,125
Human Resource Management and Development	310,976,627	621,953,254	310,976,627	326,525,458	342,851,731
Policy, legal and regulatory frameworks	7,760,000	38,800,000	5,600,000	5,880,000	6,174,000
Planning and financial management	6,600,000	33,000,000	5,000,000	5,250,000	5,512,500
Sector Coordination	4,000,000	20,000,000	2,000,000	2,100,000	2,205,000
Agricultural extension services/Agricultural advisory services	14,760,800	73,804,000	9,000,000	9,450,000	9,922,500
Livestock extension services	12,560,890	62,804,450	8,000,000	8,400,000	8,820,000
Fisheries Extension services	5,600,000	28,000,000	4,350,029	4,567,530	4,795,906
Cooperatives Audit services	4,000,000	20,000,000	3,000,000	3,150,000	3,307,500
Cooperative extension services	6,600,000	33,000,000	3,500,000	3,675,000	3,858,750
Leadership and Governance	7,780,000	38,900,000	5,000,000	5,250,000	5,512,500
Sub-county administrative services	31,780,000	63,560,000	27,000,000	28,350,000	29,767,500
Institutional Support	30,123,430	150,617,150	25,000,000	26,250,000	27,562,500
Sub Total	461,412,637	1,259,922,414	422,876,656	444,020,488	466,221,513
Education					

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Salaries and allowance	819,107,864	929,671,660	923,671,660	969,855,243	1,018,348,005
Planning and policy formulation	2,034,906	3,286,650	2,386,650	2,505,983	2,631,282
Monitoring and evaluation	1,677,407	1,671,267	1,277,406	1,341,276	1,408,340
Promotion of Good Governance	1,000,000	3,150,000	2,780,000	2,919,000	3,064,950
Support services	5,650,230	6,432,740	2,060,229	2,163,240	2,271,402
Curriculum implementation and support	2,980,150	6,779,156	3,980,150	4,179,158	4,388,115
Health and Nutrition	9,250,000	9,712,500	6,250,000	6,562,500	6,890,625
Learning materials	4,813,703	5,054,387	4,317,030	4,532,882	4,759,526
Capacity building of staff	900,000	945,000	800,000	840,000	882,000
Capitation for ECDE	-	835,000	645,000	677,250	711,113
Assessment of Curriculum implementation	5,196,030	6,955,832	2,455,030	2,577,782	2,706,671
Tuition support grant	76,000,000	76,000,000	-	-	-
Promotion of Governance	1,500,000	1,753,000	1,200,000	1,260,000	1,323,000
Integration of ICT in Vocational Training	1,500,000	2,675,000	2,300,000	2,415,000	2,535,750
Tools and equipment	2,813,703	3,154,388	2,813,703	2,954,388	3,102,108
Capacity building of staff	900,000	945,000	745,345	782,612	821,743
Education support and Bursary Scheme	190,000,000	400,000,000	53,730,000	56,416,500	59,237,325
Sub Total	1,125,323,991	1,459,021,581	1,011,412,203	1,061,982,813	1,115,081,954

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Health and Sanitation					
Health Administrative and support services	386,503,285	531,216,161	353,900,233	371,595,158.73	390,174,916.67
Leadership and Governance.	26,178,413	38,058,000	23,970,157	25,168,664.57	26,427,097.80
Health Policy	0	7,633,000	0	-	-
Monitoring & Evaluation	0	39,423,000	0	-	-
Planning and budgeting	1,500,000	2,915,000	1,373,469	1,442,142.30	1,514,249.42
Human resource management	1,954,997,043	2,241,546,816	1,790,085,042	1,879,589,293.83	1,973,568,758.52
Research	0	15,000,000	0	-	-
Communicable and Non-communicable disease control	13,829,423	85,990,800	12,662,855	13,295,997.30	13,960,797.17
Disease Survilence and epidemic response	3,000,000	6,360,000	2,746,938	2,884,284.61	3,028,498.84
Community health strategy	3,207,355	235,675,000	2,936,801	3,083,641.55	3,237,823.63
Health promotion	3,414,711.5	74,000,000	3,126,666.61	3,282,999.94	3,447,149.94
Nutrition	0	8,000,000	0	-	-
HIV/AIDS awareness.	1,000,000	15,000,000	915,646	961,428.20	1,009,499.61
Routine medical services.	399,308,429	2,030,154,306	365,625,129	383,906,385.32	403,101,704.58
Blood bank services	0	0	0	-	-
Referral Strategy	12,000,000	146,058,000	10,987,751	11,537,138.44	12,113,995.36
Reproductive, maternal, new-born, child and adolescent health.	182,892,419	301,630,000	167,464,695	175,837,929.73	184,629,826.22
Sanitation administrative services	-	4,293,126	1,974,741	2,073,478	2,177,152

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Totals	2,987,831,168	5,778,660,083	2,737,770,123	2,874,658,629	3,018,391,561
Roads and Public Works					
Training and Development	5,160,000.00	5,676,000.00	5,461,711.11	6,243,600.00	6,867,960.00
Personnel Emoluments	81,993,456.00	90,192,801.60	86,787,707.31	99,212,081.76	109,133,289.94
Provision of utilities	34,754,037.28	38,229,441.01	36,786,145.66	42,052,385.11	46,257,623.62
Urban Roads		-	-	-	-
Sub County Roads		-	-	-	-
Ward Roads	37,772,979.00	41,550,276.90	39,981,608.36	45,705,304.59	50,275,835.05
Drainage works & Bridges		-	-	-	-
Fire fighting	2,518,198.60	2,770,018.46	2,665,440.56	3,047,020.31	3,351,722.34
Public safety and transport operations		-	-	-	-
Building standards		-	-	-	-
Public Works		-	-	-	-
Sub Total	162,198,671	178,418,538	171,682,613	196,260,392	215,886,431
Trade, Energy and Industrialization					
Planning	2,000,000	5,000,000	2,000,000	2,100,000	2,205,000
Formulation of Policies, bills and legal notices	3,000,000	15,000,000	3,000,000	3,150,000	3,307,500
Salaries and Emoluments	21,226,601	30,500,000	22,287,931	23,402,328	24,572,444
Staff Training and Development	5,000,000	10,000,000	6,000,000	6,300,000	6,615,000
General administration	14,183,578	40,500,000	11,891,366	12,485,934	13,110,231
Sub Total	45,410,179	101,000,000	45,179,297	47,438,262	49,810,175

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Lands, Urban, Physical Planning and Housing					
Lands, Urban and Physical Planning					
Compensation to Employees	32,470,711	64,094,247	34,090,247	35,794,759	37,584,497
Administration, planning and support services	33,449,010	45,449,010	40,041,778	45,307,500	47,572,875
Purchase of office Furniture, printers, and other IT Equipment	1,631,633	2,500,000	2,100,000	2,205,000	2,100,000
Human Development and Management	2,100,000	6,500,000	5,565,000	5,843,250	5,565,000
Capacity Development (WB Grant-KUSP)	40,000,000	20,000,000	20,000,000	21,000,000	22,050,000
Research (Land, Urban and Physical planning policy, Development and control bill, physical planning bill, rating bill and outdoor advertisement and signage bill	2,221,747	42,354,750	7,250,000	7,612,500	7,993,125
Pre-feasibility Studies (Re-organization of urban centres)	0	10,500,000	3,007,665	3,158,048	3,007,665
Surveying, Beaconsing, Placement of controls	0	6,000,000	2,100,000	2,205,000	2,100,000

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Commissioning of GIS Lab	0	6,000,000	525,000	551,250	525,000
Creation of GIS Database for Leasehold and Freehold Properties	0	12,000,000	1,575,000	1,653,750	1,575,000
Sub Total	111,873,101	215,398,007	116,254,690	125,331,057	130,073,162
Housing					
Compensation to Employees	12,938,877	17,950,000	13,585,820	14,265,111	14,978,367
Administrative Services	12,287,430	29,305,000	9,494,354	9,969,072	10,467,526
Human Resource Development	1,253,290	8,500,000	1,000,000	1,050,000	1,102,500
Total	26,479,597	55,755,000	24,080,174	25,284,183	26,548,392
Tourism, Environment, Water and Natural Resources					
Tourism and Environment					
Policy and legal framework formulation	-	9,450,000	3,000,000	3,150,000	3,307,500
Salaries	26,040,159	36,040,159	26,040,159	27,342,167	28,709,275
Governance and leadership	-	3,150,000	0	0	0
Staff training and capacity building	1,700,000	9,162,662	4,000,000	4,200,000	4,410,000
Operation and maintenance	80,493,290	134,508,212	67,193,225	70,552,886	74,080,531
Sub total	108,233,449	192,311,033	100,233,384	105,245,053	110,507,306
Water and Natural Resources					
Policy and legal framework formulation	-	9,450,000	1,000,000	1,050,000	1,102,500
Salaries	64,717,787	81,558,099	45,477,628	47,751,509	50,139,085

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Governance and leadership	-	3,150,000	0	0	0
Staff training and capacity building	3,620,000	9,162,662	2,505,748	2,631,035	2,762,587
Operation and maintenance	37,508,212	57,508,212	1,200,000	1,260,000	1,323,000
Sub total	105,845,999	160,828,973	50,183,376	52,692,545	55,327,172
Gender, Culture, Youths and Sports					
Administrative services	49,298,270	61,000,000	61,000,000	64,050,000	67,252,500
Policy formulation and review	2,000,000	10,000,000	6,000,000	6,300,000	6,615,000
planning	4,720,000	8,500,000	4,500,000	4,725,000	4,961,250
Support services	48,112,123	67,355,958	39,962,043	41,961,060	44,059,113
Sub Total	104,130,393	146,855,958	111,462,043	117,036,060	122,887,863
Finance and Economic Planning					
Staff salaries	450,075,460	471,979,688	471,979,688	495,578,672	520,357,606
Administration services	264,546,914	350,000,000	201,491,921	211,566,517	222,144,843
Employer Contribution for staff Pension		679,019,678	679,019,678	712,970,662	748,619,195
County Staff development and training	51,000,000	70,000,000	30,000,000	31,500,000	33,075,000
Participatory Monitoring and Evaluation	8,000,000	15,000,000	4,000,000	4,200,000	4,410,000
Public participation and formulation of the budget	17,000,000	30,000,000	18,000,000	18,900,000	19,845,000
Budget tracking	5,000,000	6,000,000	5,000,000	5,250,000	5,512,500
Printing of Long Term Plan		2,000,000	2,000,000	2,100,000	2,205,000
Printing of CIDP	7,000,000	9,000,000	9,000,000	9,450,000	9,922,500
Strategic plan		4,000,000	2,000,000	2,100,000	2,205,000

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Purchase of Motor vehicle (Budget & Planning Unit, M&E)		12,000,000	12,000,000	12,600,000	13,230,000
Conducting quarterly risk assessment in MDAs		7,000,000	5,000,000	5,250,000	5,512,500
Enforcement of revenue collection	5,000,000	20,000,000	5,000,000	5,250,000	5,512,500
Maintenance of computer, software and Networks-Automation revenue system	12,000,000	45,000,000	12,000,000	12,600,000	13,230,000
Emergency Fund	100,000,000	200,000,000	60,000,000	63,000,000	66,150,000
Regional Bank	10,000,000		10,000,000	10,500,000	11,025,000
Medical Insurance	30,000,000		30,000,000	31,500,000	33,075,000
Coordination of Development Planning.	5,000,000	7,000,000	5,000,000	5,250,000	5,512,500
Documentation and information centres.	5,000,000	7,000,000	6,000,000	6,300,000	6,615,000
Sub Total	969,622,374	1,934,999,366	1,567,491,287	1,645,865,851	1,728,159,144
Public Service Management and Administration					
Employee emoluments	297,726,068	312,612,371	312,612,371	328,242,990	344,655,139
Administrative costs -Legal fees, insurance, rental of M/V, travel costs, utilities, communication, printing, office supplies, fuel, office furniture	66,901,888	92,400,000	32,328,771	33,945,210	35,642,470
Rent for devolved units	3,888,000	12,384,000	3,888,000	4,082,400	4,286,520
Civic education	10,000,000	30,000,000	8,000,000	8,400,000	8,820,000

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Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Uniforms	3,790,900	9,200,000	3,000,000	3,150,000	3,307,500
Contracted Guards and Cleaning Services	41,000,000	82,500,000	28,000,000	29,400,000	30,870,000
Maintenance expenses	3,800,000	5,000,000	3,800,000	3,990,000	4,189,500
Training and development	7,059,000	14,000,000	6,200,000	6,510,000	6,835,500
Sub Total	434,165,856	543,210,068	397,829,142	417,720,599	438,606,629
Devolved Administrative Units					
Sub County and ward administration support activities	10,673,436	20,520,000	9,780,142	10,269,149	10,782,607
Village units administration support services	-	28,320,000	-	-	-
Sub - Total	10,673,436	48,840,000	9,780,142	10,269,149	10,782,607
Office of County Secretary					
Employee emoluments	-	-	-	-	-
Kenya Devolution Support Programme (KDSP) – Plus B/F	74,742,386	58,329,310	58,329,310	61,245,776	64,308,064
Administrative costs -Legal fees, insurance, travel costs, utilities, communication, printing, office supplies, fuel, office furniture	19,937,677	78,200,000	27,723,802	29,109,992	30,565,492
Training and development	2,109,140	6,700,000	2,500,000	2,625,000	2,756,250
Maintenance expenses	1,380,000	2,400,000	1,400,000	1,470,000	1,543,500
Sub- Total	98,169,203	145,629,310	89,953,112	94,450,768	99,173,306
Governor's Office					

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Employee emoluments	268,692,805	282,127,445	282,127,445	296,233,817	311,045,508
Administrative costs -Legal fees, insurance, travel costs, utilities, communication, printing, office supplies, fuel, office furniture, hospitality, committee and boards	102,800,578	144,000,000	58,818,861	61,759,804	64,847,794
Subscription to Council of Governors	10,000,000	10,000,000	10,000,000	10,500,000	11,025,000
Training and development	7,171,646	12,500,000	7,000,000	7,350,000	7,717,500
Maintenance expenses	7,220,000	9,450,000	7,220,000	7,581,000	7,960,050
Prefeasibility/ Research	7,000,000	12,000,000	4,000,000	4,200,000	4,410,000
Sub- Total	402,885,029	470,077,445	369,166,306	387,624,621	407,005,852
Deputy Governor's Office					
Employee emoluments	-	-	-	-	-
Administrative costs -Legal fees, insurance, travel costs, utilities, communication, printing, office supplies, fuel, office furniture, hospitality, committee and boards	32,104,800	62,000,000	28,472,497	29,896,122	31,390,928
Training and development	3,378,200	5,700,000	3,600,000	3,780,000	3,969,000

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Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Maintenance expenses	1,941,000	2,500,000	1,950,000	2,047,500	2,149,875
Prefeasibility/ Research	2,106,969	6,000,000	2,200,000	2,310,000	2,425,500
Sub- Total	39,530,969	76,200,000	36,222,497	38,033,622	39,935,303
County Public Service Board					
Employee emoluments	9,527,152	10,003,510	10,003,510	10,503,686	11,028,870
Honoraria	4,473,106	4,696,761	4,696,761	4,931,599	5,178,179
Utilities Supplies and Services	120,000	240,000	120,000	126,000	132,300
Communication Supplies and Services	300,520	600,000	300,520	315,546	331,323
Domestic Travel and Subsistence, and Other Transportation Costs	7,682,047	8,364,094	6,682,047	7,016,150	7,366,957
Foreign Travel and Subsistence, and other transportation costs	0	0	0	0	0
Printing , Advertising and Information Supplies and Services	4,690,261	9,380,522	4,190,261	4,399,774	4,619,763
Training expenses	4,809,131	8,618,262	4,809,131	5,049,588	5,302,067
Hospitality Supplies and Services	4,488,576	8,977,152	4,488,576	4,713,005	4,948,655
Specialized Materials and Supplies	38,000	365,248	38,000	39,900	41,895
Office and General Supplies and Services	1,520,021	4,820,042	1,392,677	1,462,311	1,535,427

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Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Fuel Oil and Lubricants	1,646,137	3,000,000	1,646,137	1,728,444	1,814,866
Other operating expenses	8,750,000	13,750,000	5,250,000	5,512,500	5,788,125
Routine Maintenance - Vehicles and Other Transport Equipment	600,000	1,200,000	600,000	630,000	661,500
Routine Maintenance - Other Assets	400,000	1,000,000	400,000	420,000	441,000
Purchase of Office Furniture and General Equipment	800,000	10,800,000	800,000	840,000	882,000
Total	49,844,951	85,815,591	45,417,620	47,688,501	50,072,926
County Assembly					
General Administration and Planning, and Support Services	579,567,247	608,545,609	552,126,054	579,732,357	608,718,975
Legislation	40,000,000	42,000,000	42,000,000	44,100,000	46,305,000
Oversight (Committee fact-finding , budget interrogation, expenditure, report writing retreats)	174,783,119	172,876,853	151,202,834	158,762,976	166,701,124
Representation and other outreach services(ward office operationalized and through the various petitions)	80,627,765	84,659,153	56419555	59,240,533	62,202,559
Sub Total	874,978,131	908,081,615	801,748,443	841,835,865	883,927,658

Development Allocation

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Agriculture, Livestock, Fisheries, Irrigation and Co-operative Development					
Crop product value chain development/Food security initiatives	138,149,474	693,600,000	157,149,474	165,006,947	173,257,295
Infrastructural Development	4,000,000	28,000,000	15,000,000	15,750,000	16,537,500
Agricultural extension services/Agricultural advisory services	-	30,000,000	11,000,000	11,550,000	12,127,500
Soil Conservation and Management	-	20,000,000	-	-	-
Agricultural Value Addition and Agro Processing	-	433,000,000	-	-	-
Promotion and Development of Irrigation Technologies	-	7,000,000	2,000,000	2,100,000	2,205,000
Development of Irrigation Infrastructure	-	883,000,000	-	-	-
Agricultural Water Storage and Management	-	45,000,000	6,000,000	6,300,000	6,615,000
Livestock Value Chain Development/Value addition and marketing	197,829,472	73,000,000	82,389,706	86,509,191	90,834,651
Information/Data Management Services	-	15,000,000	-	-	-
Animal Breeding	10,000,000	30,000,000	10,000,000	10,500,000	11,025,000
Food safety and quality control	-	23,000,000	3,500,000	3,675,000	3,858,750
Leather development	-	40,000,000	-	-	-
Aquaculture development	2,000,000	56,000,000	13,000,000	13,650,000	14,332,500

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
/Fisheries Extension service					
Cooperative Societies Infrastructural Support	15,500,000	196,000,000	12,500,000	13,125,000	13,781,250
Cooperative Societies Input Support	5,500,000	79,000,000	18,000,000	18,900,000	19,845,000
Institutional Development				-	-
Chwele Fish Farm	8,525,000		36,000,000	37,800,000	39,690,000
Mabanga Agricultural Training Centre	33,000,000	309,500,000	97,500,000	102,375,000	107,493,750
Mabanga Agricultural Mechanization Centre	7,714,000	321,200,000	57,000,000	59,850,000	62,842,500
National Agricultural and Rural Inclusive Growth Programme	146,914,000	360,000,000		-	-
Agriculture Sector Development Support Programme(ASDSP)	5,500,000	5,500,000	5,500,000	5,775,000	6,063,750
Sub Total	574,631,946	3,722,500,000	526,539,180	552,866,139	580,509,446
Education					
CEF	333,873,575	333,873,575	333,873,575	1,154,110,383	1,211,815,902
Infrastructure Development (Both ECDE and VTC) - donor fund	65,500,000	182,267,125	65,548,570	2,305,714,784	2,421,000,523
Sub Total	399,373,575	516,140,700	399,422,145	4,610,088,292	4,840,592,706
Health and Sanitation					

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Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Purchase of Medical and Dental Equipment	20,000,000	250,000,000	50,000,000	52,500,000	55,125,000
Purchase of Generators	8,000,000	45,000,000	5,000,000	5,250,000	5,512,500
Construction of Non-Residential Buildings (offices, schools, hospitals, etc.)	5,000,000	2,340,000,000	90,934,422	95,481,143.10	100,255,200.30
Refurbishment of Non-Residential Buildings	4,113,601	100,000,000.00	0	0	0
Other infrastructure and civil works	125,000,000	125,000,000	0	0	0
ward based Cef Projects	175,272,653	175,272,653	163,214,858	171,375,600	179,944,380
Sanitation	40,826,224	110,000,000	37,409,348	39,279,815	41,243,806
Sub Total	378,212,423	3,145,272,653	346,558,628	363,886,559	382,080,887
Roads and Public Works					
Urban Roads	20,000,000	875,000,000	339,757,878	1,750,000,000	1,625,000,000
Sub County Roads	455,619,376	1,850,000,000	718,345,229	3,500,000,000	4,300,000,000
Ward Roads	412,431,629	802,000,000	311,412,364	675,000,000	740,000,000
Drainage works & Bridges	86,400,000	238,000,000	92,414,143	262,000,000	208,000,000
Overhead footbridge at Chepkube, Kanduyi and Kibabii	-	100,000,000	0	-	-
Fire fighting	10,000,000	90,000,000	34,946,524	95,000,000	65,000,000
Public safety and transport operations		62,000,000	24,074,272	102,000,000	102,000,000
Building standards		5,000,000.00	1,941,473	-	-
Public Works		40,000,000.00	15,531,788	-	-
Sub Total	984,451,006	3,962,000,000	1,538,423,675	770,000,000	805,000,000
Trade, Energy and Industrialization					

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Business development services	14,000,000	16,000,000	5,000,000	5,250,000	5,512,500
Market Infrastructure Development	45,938,051	185,000,000	44,062,998	46,266,148	48,579,445
Trade and Enterprise Development	8,430,000	110,000,000	5,000,000	5,250,000	5,512,500
Energy Access and Industrial Development	150,000,000	1,263,430,000	140,000,000	147,000,000	154,350,000
Trade loan	25,445,246	34,450,000	5,000,000	5,250,000	5,512,500
Cef	49,179,346	102,550,000	32,000,000	33,600,000	35,280,000
Sub Total	292,992,643	1,711,430,000	231,062,998	242,616,148	254,746,955
Lands, Urban, Physical Planning and Housing					
Lands, Urban and Physical Planning					
Capital Grants to Government Agencies	300,977,100	316,025,955	300,977,100	316,025,955	331,827,253
Acquisition of lands	15,000,000	100,000,000	30,000,000	31,500,000	33,075,000
Procuring and Installation of Real Time Kinematics (RTK)	3,230,000	12,000,000	4,931,612	5,178,193	5,437,103
Processing of tittle deeds	7,500,000	10,500,000	7,500,000	7,875,000	8,268,750
Renovation and Extension of Survey Office	0	20,000,000	15,000,000	15,750,000	16,537,500
Installation of GIS Lab	10,500,000	0	5,000,000	5,250,000	5,512,500
Ward based projects	33,719,673	40,719,673	35,405,657	37,175,940	39,034,737
Securing public land	-	200,000,000	0	0	0
Valuation Roll (Chwele and Kapsokwony)	0	20,000,000	14,142,069	14,849,172	15,591,631

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Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Development/Physical Planning in 10 centres	0	100,000,000	40,000,000	42,000,000	44,100,000
Control of Storm Water in Bungoma town	0	50,000,000	15,000,000	15,750,000	16,537,500
Total	370,926,773	869,245,628	467,956,438	491,354,260	515,921,974
Housing					
Renovation and refurbishment of county residential houses	13,416,977	50,000,000	18,069,766	18,973,254	19,921,917
Security fencing of county residential estates with cedar posts and chain link/Perimeter wall	4,400,000	18,000,000	8,000,000	8,400,000	8,820,000
Construction of county residential houses and affirmative action houses for the needy 2 per ward	-	250,000,000	-	-	-
Valuation of county residential houses	-	-	-	-	-
Construction of county HQ offices	-	200,000,000	-	-	-
Construction and Equipping of Appropriate Building Technologies (ABT) Centers.	-	13,200,000	-	-	-
Total	17,816,977	531,200,000	26,069,766	27,373,254	28,741,917
Tourism, Environment, Water and Natural Resources					
Tourism and Environment					

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Waste collection and disposal services	68,416,148	136,000,000	132,000,000	138,600,000	145,530,000
3 in 1 garbage bins	1,200,000	10,000,000	3,000,000	3,150,000	3,307,500
Dumpsite development and management services	0	50,000,000	3,300,000	3,465,000	3,638,250
Opening and cleaning of drainages and culverts	11,000,000	11,550,000	9,000,000	9,450,000	9,922,500
Recreation and Urban landscaping, beautification services	-	4,508,338	1,000,000	1,050,000	1,102,500
River cleaning and rehabilitation of riparian sites	-	5,250,000	1,832,000	1,923,600	2,019,780
Rural and cultural tourism services		15,750,000	-	0	0
Tourist circuit marketing and management	2,500,000	5,250,000	-	0	0
Tourist product identification and development		10,500,000	2,600,000	2,730,000	2,866,500
Sub Total	83,116,148	248,808,338	152,732,000	160,368,600	168,387,030
Water and Natural Resources					
Water services provision	163,764,229	721,599,428	217,392,337	228,261,954	239,675,052
Infrastructure\ development(CEF)	306,780,466	14,700,000	80,000,000	84,000,000	88,200,000
Monitoring and Evaluation	5,000,000	8,400,000	5,000,000	5,250,000	5,512,500
Climate change and mitigation	7,200,000		8,000,000	8,400,000	8,820,000
Sub Total	482,744,695	744,699,428	310,392,337	325,911,954	342,207,552
Gender, Culture, Youths and Sports					

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Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Women empowerment fund	15,000,000	20,000,000	15,000,000	15,750,000	16,537,500
Youth empowerment fund	15,000,000	20,000,000	15,000,000	15,750,000	16,537,500
Disability empowerment fund	10,000,000	20,000,000	10,000,000	10,500,000	11,025,000
Construction of Masinde Muliro stadium-Kanduyi	83,540,393	175,000,000	119,016,248	124,967,060	131,215,413
Construction of High Altitude training centre	20,000,000	15,000,000	0.00	0.00	0.00
Construction of youth empowerment centres	10,000,000	20,000,000	0.00	0.00	0.00
Construction of multipurpose cultural centre replica of Bomas of Kenya		100,000,000	0.00	0.00	0.00
Sub Total	153,540,393	370,000,000	159,016,248	166,967,060	175,315,413
Finance and Economic Planning					
Construction of office block	27,391,981	120,000,000	75,099,459	78,854,432	82,797,154
Sub Total	27,391,981	120,000,000	75,099,459	78,854,432	82,797,154
Public Service Management and Administration					
Construction of ward admin offices	43,172,867	72,000,000	42,347,638	44,465,020	46,688,271
Construction of sub county admin offices	-	24,000,000	-	-	-
Huduma/ information centres	-	30,000,000	-	-	-
Governor's and deputy governor's official residence	-	70,000,000	-	-	-
Sub- Total	43,172,867	196,000,000	42,347,638	44,465,020	46,688,271

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
County Secretary					
ICT hub	-	100,000,000	-	-	-
Data centre	-	10,000,000	6,329,756	6,646,244	6,978,556
Local Area Network installed in HQ offices	33,100,000	5,000,000	4,000,000	4,200,000	4,410,000
Wide Area Network installed in 9 sub county offices	-	10,000,000	4,000,000	4,200,000	4,410,000
Percentage of offices installed with CCTV in county HQ	-	3,000,000	1,000,000	1,050,000	1,102,500
Installation of big screen	-	5,000,000	2,000,000	2,100,000	2,205,000
Bulk messaging services	-	3,000,000	3,000,000	3,150,000	3,307,500
Biometric system of identification	-	10,000,000	4,000,000	4,200,000	4,410,000
Project management system	-	25,000,000	-	-	-
Bursary management system	-	5,000,000	-	-	-
Hospital management information system	-	20,000,000	-	-	-
Information records management system	-	5,000,000	2,000,000	2,100,000	2,205,000
Human resource information management system	-	5,000,000	2,000,000	2,100,000	2,205,000
Fleet management system	-	25,000,000	2,000,000	2,100,000	2,205,000
Sub Total	33,100,000	231,000,000	30,329,756	31,846,244	33,438,556
County Assembly					
General Infrastructural Development	249,600,029	250,000,000	235,040,037	235,040,037	246,792,039
Sub Total	249,600,029	250,000,000	235,040,037	235,040,037	246,792,039