



COUNTY GOVERNMENT OF KITUI
COUNTY TREASURY

COUNTY FISCAL STRATEGY PAPER
(2018/19)

**RE-DEFINING KITUI COUNTY DEVELOPMENT
PATHWAYS
FOR
ENHANCED SERVICE DELIVERY AND WEALTH
CREATION**

FEBRUARY, 2018

Foreword

This is the Fourth Kitui County Fiscal Strategy Paper (CFSP) under the devolved governance structure and the first under the current administration regime. The purpose of this paper is to build direct linkages between policies, plans and budgets, and present the fiscal framework for the 2018/19 FY budget estimates and over the medium term. The paper, prepared under the theme “*Re-orienting Kitui Development Agenda for job and Wealth Creation*” provides expenditure ceilings for County Departments, units and agencies and detailed guidelines that are aimed at structuring County Government expenditure towards priority areas. These priorities are set on the basis of the county development agenda, sector proposals arising from feedback from the public and other stakeholders, the 2018/19 draft Annual Development Plan as well as the draft County Integrated Development Plan 2018-2022.

The paper is aligned to the national objectives contained in the Budget Policy Statement (BPS) 2018 that sets out the broad strategic priorities and policy goals guiding budget preparation for the next financial year. It is a requirement to subject the proposals to public scrutiny as a way of ensuring transparency and accountability. In this regard, public participation was conducted and the views arising thereof incorporated in the paper. The fiscal data included is indicative and subject to adjustments during the budget preparation if circumstances change. The County Government proposes to allocate more resources to programmes targeted towards addressing water provision challenges, access to affordable and quality health care, youth and women empowerment, employment and wealth creation.

To finance the priorities set out in this paper, the County will maximize its efforts in resource mobilization, partner with development partners and initiate revenue enhancement measures key among which will include automation of revenue. Further, the county will ensure a paradigm shift on use of resources by ensuring prudent use of available resources, improving efficiency and promoting good governance underpinned by sound financial systems and structures.

I am grateful to my Acting Chief Officer, Enock Nguthu and all County Treasury staff for their teamwork and support that has contributed immensely to the timely delivery of the policy paper. Special thanks go to Fidhelis Mwaniki, Paul Kimwele and Victor Mwangi for their commitment and hard work.

I am also grateful to all the Acting Chief Officers for the valuable input they provided in their respective fields and for the cooperation shown during the period of the assignment. I also wish to thank, in a very special way, Dr. Temi M. Mutia, the value chain specialist from the Office of the Governor for providing technical backstopping and quality control.

It is with great humility that I take this opportunity to express my profound gratitude and deepest regards to members of the County Executive Committee and especially Her Excellency the Governor for the visionary leadership that has enabled us chart a clear way forward. It is through her guidance, support and leadership that the County Treasury has been able to produce this budget policy document that lays down the county priorities. It is my strong belief that the document will steer the County to great success on development matters thereby ensuring improved welfare of county residents.

Finally, let me also thank the Commission on Revenue Allocation (CRA) for their feedback, members of the County Budget and Economic Forum (CBEF) for insightful comments and members of the public for the various memoranda received and for turning up in large numbers during the public participation fora. Their support, input and positive criticism have gone a long way in shaping this paper.

To you all, we reiterate our commitment to serving you and promise never to let you down on matters of financial performance, transparency and accountability on county planning and budgetary matters.

Mary Nguli
County Executive Committee Member, County Treasury

Table of Contents

Foreword	i
Abbreviations.....	5
1.0 INTRODUCTION	8
1.1 Overview	8
1.2 Strategic Intent	9
1.3 Value Chain Approach	9
1.3.1 The Ndengu (Green Gram) Revolution.....	11
1.3.2 The Livestock and Poultry Value Chains	11
1.3.3 Textile Value Chain	12
1.3.4 Mango and other fruits Value Chain	12
1.3.5 The Honey Value Chain	13
1.3.6 Ballast Crushing.....	13
1.3.7 Ceramics and Pottery	13
1.3.8 Soap and detergent making.....	14
1.3.9 Milk Processing	14
1.3.10 Furniture Making.....	14
1.3.11 Sand and Charcoal Harvesting	15
1.4 Establishment, Equipping and Continuous Support of a Skills Development Institute	15
1.5 Infrastructure Development	15
1.5.1 Roads.....	15
1.5.2 Energy	16
1.5.3 Water and Irrigation	16
1.6 Land Development	16
1.7 Health & Sanitation.....	17
1.8 Agriculture & Livestock	17
1.9 Education, ICT & Youth Development.....	17
1.10 Trade, Industry, Co-operatives, Investments & Marketing	18
1.11 Environment and Resource Management.....	18
1.12 Tourism	18
1.13 The County Treasury.....	18
1.14 Expenditure Management	19
2.0 RECENT NATIONAL AND COUNTY ECONOMIC DEVELOPMENTS	23
3.0 THE RECENT ECONOMIC DEVELOPMENTS AND MEDIUM TERM OUTLOOK	26
3.1 Overview	26
3.2 Global and Regional Economic Developments Outlook	27
3.3 Domestic Economic Developments	28
3.4 Trends in Kenya's Economic Growth Rates.....	28
4.0 FISCAL POLICY, 2018/19 FY BUDGET AND THE MEDIUM-TERM EXPENDITURE FRAMEWORK.....	34

4.0	FY 2018/19 Budget Framework.....	34
4.1	Revenue Projections.....	34
4.3	Expenditure Projections.....	36
4.4	Recurrent Expenditure Projections.....	37
4.5	Development Expenditure Projections.....	37
4.6	Overall Deficit and Financing.....	37
4.7	Risks to the 2018/19 Budget framework.....	38
4.8	Fiscal Structural Reforms.....	39
5.0	ANNEXURE: DEPARTMENTAL/ SECTOR PRIORITIES.....	44
	Annex 1: Office of the Governor.....	44
	Annex 2: Administration and Coordination of County Affairs.....	47
	Annex 3: County Treasury.....	48
	Annex 4: Ministry of Health and Sanitation.....	49
	Annex 5: Basic Education, ICT and Youth Development.....	51
	Annex 6: Trade, Cooperatives and Investments.....	63
	Annex 7: Lands, Infrastructure, Housing and Urban Development.....	65
	Annex 8: Ministry of Tourism, Sports and Culture.....	67
	Annex 9: Agriculture, Water and Livestock Development.....	72
	Annex 10: Environment and Natural Resources.....	75
	Annex 11: County Public Service Board.....	82
	Annex 12: County Assembly Service Board.....	83
	Annex 13: Kitui Town Administration.....	83
	Annex 14: Mwingi Town Administration.....	86

Abbreviations

ADP	Annual Development Plan
BPS	Budget Policy Statement
CBEF	County Budget and Economic Forum
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy paper
CIDP	County Integrated Development Plan
CLIMS	County Land Management Information System
CLMC	County Land Management Committees
ECDE	Early Childhood Development Education
ECDEC	Early Childhood Development Education Centre
FY	Financial Year
ICT	Information, Communication & Technology
IFMIS	Integrated Financial Management Information System
LH&PP	Land, Housing and Physical Planning
MOU	Memorandum of Understanding
MSMEs	Medium and small micro Enterprises
MTEF	Medium Term Expenditure framework
MTP	Medium Term Plan
PDPs	Partial Development Plans
PFMA	Public Finance Management Act
SACCOs	Saving and Credit Cooperative Societies
WB	World Bank
VTCs	Vocational Training Centers

Fiscal Responsibility Principles for County Governments

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

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

- (a) The county government's recurrent expenditure shall not exceed the county government's total revenue;
- (b) Over the medium term, a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
- (c) The county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;
- (d) Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- (e) The county debt shall be maintained at a sustainable level as approved by county assembly;
- (f) The fiscal risks shall be managed prudently; and
- (g) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

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

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

Legal Basis for the Publication of the County Fiscal Strategy Paper

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

1. The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly, by the 28th February of each year.
2. The County Treasury shall align its County Fiscal Strategy Paper with the National objectives in the Budget Policy Statement.
3. In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the coming financial year and over the Medium term.
4. The County Treasury shall include in its County Fiscal Strategy Paper the Financial outlook with respect to County Government revenues, expenditures and borrowing for the coming financial year and over the medium term.
5. In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of—
 - (a) The Commission on Revenue Allocation;
 - b) The public;
 - (c) Any interested persons or groups; and
 - (d) Any other forum that is established by legislation.
6. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments.
7. The County Treasury shall consider any recommendations made by the County Assembly when finalising the budget proposal for the financial year concerned.
8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly

1.0 INTRODUCTION

1.1 Overview

This County Fiscal Strategy Paper (CFSP), the fourth since devolution, has been prepared taking cognizance of the 2018/2019 economic outlook and the five pillar county development agenda namely; Food and Water; Health, Youth Training and Development; Women Empowerment and Wealth Creation. Further, the paper seeks to give a framework for implementation of programmes and projects prioritized by the county and aligned to the Country's Vision 2030, the 3rd Medium Term Plan, the United Nations Sustainable Development Goals, national government policies and guidelines as communicated through various Circular's, the 2018/ 2019 Budget Policy Statement (BPS), the draft County Integrated Development Plan (CIDP) 2018-2022 and the County's Annual Development Plan for 2018/2019 Financial Year.

Additionally, the policy paper benefited from feedback from members of the public and other interested stakeholders. It will serve as a guide in the preparation of the FY 2018 /2019 budget. It highlights programmes, policies, strategies and activities while at the same time underlining the structural reforms required for actualization of the County's five (5) development Agenda items on whose promise, the Governor was overwhelmingly elected on 8th August, 2017.

Capacity in Public Financial Management (PFM) will be strengthened to improve governance and this will underpin our achievements on the objectives of fiscal discipline and sound financial management. With improvement in management of resources coupled with clarity of vision and strategic planning, the county will be sure to achieve improved service delivery, create more jobs and wealth for better livelihoods of our people. This is particularly important because Kitui County is both food and water insecure and has one of the highest incidences of poverty in the entire Country. This sorry state of affairs has further been aggravated by the adverse weather conditions, which is a common phenomenon in the County. This, coupled with rampant un-employment and under- employment (particularly among the youth and women), and lack of formal cash crop (s), means that the needs and wants of the citizenry far outflank the available resources, thus calling for very prudent fiscal discipline, proper policies and well designed programmes.

Additionally, deliberate efforts will also be undertaken to grow the local revenue base, while at the same time developing new and innovative ways of generating additional revenue. To jumpstart the full realization of the five agenda manifesto, the County Government will aggressively seek the support of development partners, while at the same time identifying projects and activities with the highest potential to generate wealth.

Further, the County Government will seek to fully adopt programme based budgeting with the view to formulating and prioritizing expenditure plans and budgets within the available resource envelop; with public participation being the hallmark of the development of this Fiscal Strategy Paper as well as in the development of the Annual Budget. By so doing, both

ownership and sustainability will be locked in on the programmes and projects identified for implementation.

1.2 Strategic Intent

During the 2018 / 2019 FY, and the years to follow, the County Government of Kitui Strategic Intent is to pay more attention to a couple of projects and activities with the highest potential for high economic and social impact within the shortest time possible. The projects will be in line with the five pillar County development agenda of Food and water, healthcare, youth empowerment, women empowerment and Wealth creation as identified by the public through the various forums held. Key specific areas of focus will be supporting various value chains, the ndengu revolution, livestock value addition, health, agriculture, infrastructure development, education and skills development, youth and women empowerment; and wealth creation.

1.3 Value Chain Approach

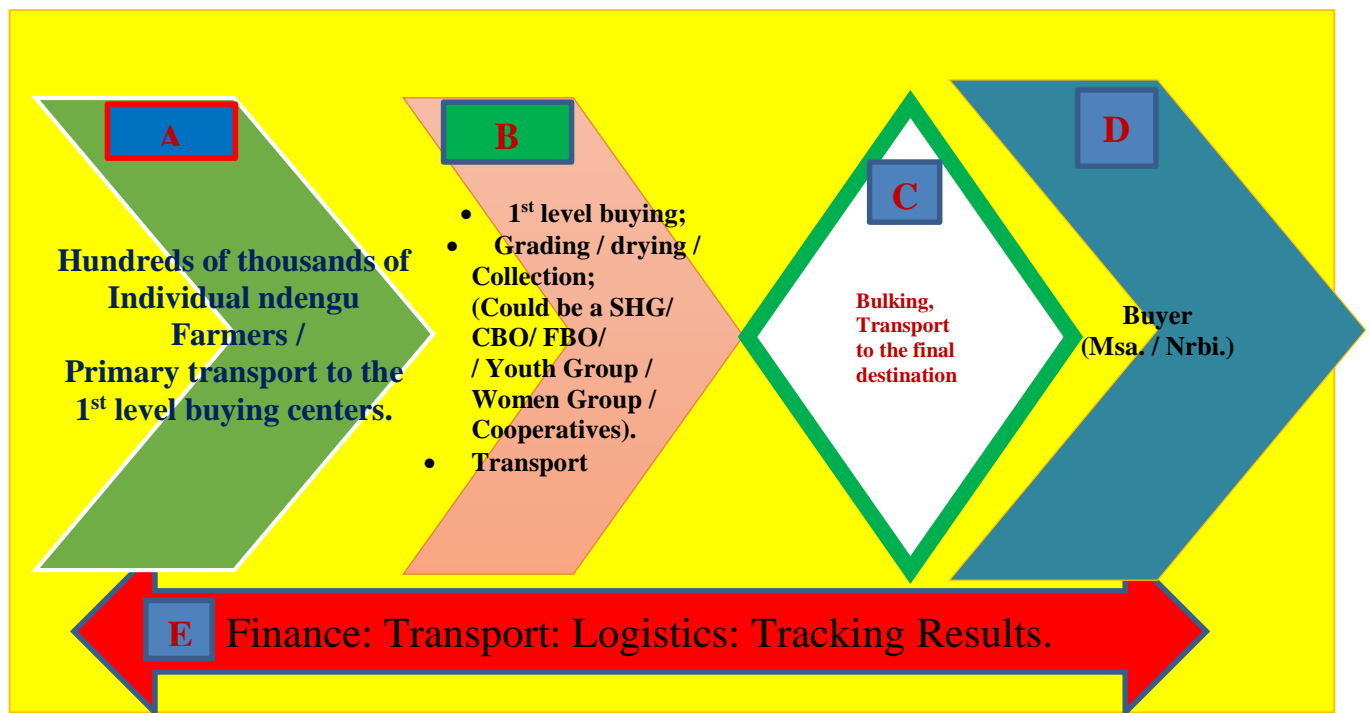
Past Government Practice has been to support Farmers to produce according to the market demand and depending on supply of products and services. The value chain approach will enable the producers to improve the quality of the products and ensure high prices at the end line with minimal cost of production. The County Government will ensure that information and training on value chain is available to the producers.

Previously, for instance, it has been up to the individual farmers to grow their crop (s), store them, look for Markets/ Marketing outlets, and transport them to the market through whatever means they will deem appropriate. This approach has, since time immemorial left the farmer at the mercy of scrupulous middlemen who exploit the farmers without fear or mercy. The farmer toils the most, but gets the least, with all the other players along the value chain smiling all the way to the bank.

Value Chains are about Products, processes and People. During the 2018 / 2019 FY, the County Government plans, through carefully selected Value Chains to directly support the producers, right from operations at the farm level/production (e.g through mechanization of farming activities; planting of certified seeds; timely use of appropriate pesticides; and complete post-harvest management services (transport / logistics related to bulking and to the final market/ marketing outlets; value addition, branding and marketing. The same will apply to all selected value chains.

To achieve this, deliberate efforts are going to be used to directly support organized groups (including faith based organizations, youth groups, women groups) and encourage them to transform themselves into sector focused Co-operatives, with special focus to value addition and access to local, regional and global markets.

Kitui County Sustainable Development Model through Value Chains Approach



The County Government and her people know that they have unique distinctive advantages. The Value Chains so far prioritized include, but are not limited to the following:

- The Ndengu Revolution Value Chain;
- The Livestock and Poultry Value Chain (Viz. Meat, hides and skins);
- The Textile Value Chain;
- The Mango and other fruits Value Chain;
- The Honey Value Chain;
- Ballast Crushing;
- Pottery;
- Soap and Detergent Making;
- Milk Processing;
- Furniture Making;
- Sand and Charcoal Harvesting;

During the FY 2018/ 2019 FY, the County Government plans to invest heavily on capacity development through applied training / learner centered knowledge diffusion with the view to ensuring that, regardless of one's previous academic background, a critical mass of people from kitui acquire practical skills alongside the specific value chains identified above. Through Co-operatives, FSAs, and other credit giving institutions, the County Government plans to ensure that there is affordable credit for our women and youth for wealth and income generation. Specific programmes will be properly designed and targeted to ensure that our people are well facilitated to lift themselves out of poverty.

1.3.1 The Ndengu (Green Gram) Revolution

Green Grams are one of the main drought tolerant pulses which do very well in Kitui County, despite its (County's) adverse weather conditions. The average annual acreage of green grams is 75,068 hectares being cultivated by close to 200,000 households out of a possible total of 250,000, (an impressive 80% of the total population), totally embracing the growing of the green gold of Kitui County. The county green gram production potential is 150,000 hectares capable of producing 900,000 bags of 90 kg worth Kshs. 6.5 billion. This potential in both production and productivity has not been realized hence there is an opportunity in investing in green grams production in the county.

Based on the above facts, the Ndengu Revolution was officially launched on 9th October 2017 with the sole objective of making the crop one of the key vehicles for socio-economic transformation of the Kitui County. During the FY 2018 /2019, the County Government plans to develop a policy and legislative framework to make Ndengu the official cash crop of Kitui County. The strategic plan includes the supply of free seeds, pesticides to the farmer and finding a suitable market that will fetch good returns. The product will be packed and supplied to chain stores in Kitui County, other counties and world-wide.

1.3.2 The Livestock and Poultry Value Chains

Kitui County is endowed with vast savannah lands, very much ideal for cattle and goat rearing. Due to the climate, the livestock produces high quality beef and milk, which has high demand and with low supply. The neighboring Counties of Garissa and Tana River are largely inhabited by pastoralists communities who track their livestock to markets / slaughter houses in Nairobi (especially Dagoreti, Juja), and KMC in Athi River for slaughter.

Serious investments in a modern abattoir would generate a viable value chain with the potential to create several hundreds of jobs, directly and tens of thousands indirectly. Further, leather from the slaughtered livestock, would generate enough raw materials to support a very vibrant cottage industry (employing several tens of thousands of job seekers) through the manufacturing of simple leather products (such as, leather watch straps, leather belts, wallets, balls and even shoes). As a priority measure, through the FY 2018 /2019 budget, the county will sign MoUs with Strategic Partners in the establishment of applied capacity development centers on the production of finished leather products with a centralized quality control and

cutting edge marketing for the finished products, thus giving particularly women and youth both direct and indirect employment.

Similarly, indigenous chicken does extremely well in nearly every part of the County with every household having at least indigenous Chicken. A complete value chain for this will also be developed.

1.3.3 Textile Value Chain

The people of Kitui County entirely rely on clothing (including school uniforms) manufactured from outside the County, resulting to direct and indirect export of wealth and job opportunities worth hundreds of millions of shillings. This sorry state of affairs is no different in many other parts of the Country.

During the FY 2018/2019, the County Plans to initiate and support skills development by training a minimum of 1,000 youths and women on use of various modern machines e.g. badging machines, interlocking machines, hemming etc. The county will ensure that these groups are supported with the necessary machines and capital required for start- up. Special emphasis will also go towards the revival of cotton farming by supporting cotton farmers with certified cotton seeds and the relevant pesticides including provision of necessary support to complete the entire value chain.

1.3.4 Mango and other fruits Value Chain

Kitui is very well endowed with mango and other high value fruits. Despite the fact that there are seven (7) mango / fruit processing factories currently operating at varying levels, their capacity is not sufficient to process current produce resulting to huge losses being suffered by farmers. Notwithstanding the above, the quality of the mangoes is hugely compromised by the fruit fly and other diseases.

During the 2018/2019 financial year, the County Government plans to invest heavily in fruit Husbandry with the view to ensuring that Kitui farmers get value for their money. Other fruits, into which special attention will be put include, but will not be limited to: Guavas; Oranges; Passion Fruits; Avocados, all of which there is a very high demand in the local and international market

1.3.5 The Honey Value Chain

Kitui honey is reputedly known as the testiest in the world, with many honey traders in Nairobi processing and selling honey labeled as Kitui Honey. During the FY2018/2019, deliberate efforts are going to be made, through Cooperatives, to ensure Kitui Honey is processed, bulked, properly branded and marketed resulting to enhanced livelihoods for both traditional and modern bee keepers in the County.

1.3.6 Ballast Crushing

Affordable housing is one of the big Four declared by the National Government during the FY 2018 /2019. Also, the ongoing tarmacking of the Kibwezi – Kitui road requires a lot of ballast, just to mention but a few. These projects provide a huge opportunity for women and youth in the County, and especially those domiciled along the Yatta plateau and especially in Kitui rural and Kitui South and parts of Mwingi North Sub- County (especially the Mumoni area). These areas have a long range of rocks, which can be crushed into ballast, with the potential for enormous direct gains to the people around these areas in particular, and the County in general.

1.3.7 Ceramics and Pottery

Evidence adduced from elsewhere indicates that, there is a direct correlation between the increased incidences of cancer cases in Kenya today and the use of plastic materials (especially utensils). This coupled with the fact that, the middle class in Kenya is on the rise, and not forgetting that rural –urban migration is still a very common phenomena in the Country, provides an excellent opportunity for the production and marketing of good quality ceramics and pottery. Ceramic is a catch-all phrase that includes both pottery and porcelain. Ceramics are made from a mixture of clay, water and various additives that are shaped and fired. Pottery and Porcelain products were first made in China as early as 202 BC to 220AD, hence, the reason as to why today, most ceramic products are simply known as China ware.

The modern day technology for making ceramics and pottery products is fairly straight forward and easy to learn. This coupled with the emerging middle class, and now the cancer menace will see the County Government train its youth and women in ceramic and pottery making starting from the next Financial Year.

1.3.8 Soap and detergent making

Nearly every household, out of the close to 250,000 households, in Kitui County uses soap for bathing and detergents for washing their clothes. Both are surface-active agents, washing compound that mixes with grease and water. Soaps are mostly made from natural materials, while detergents are mainly synthetic, even though some of the ingredients in detergents are also natural.

Notwithstanding the above fact, over 90% of all the soaps and detergents used in the County are manufactured in Nairobi and elsewhere, yet, the technology for making both has existed for well over a century.

During the FY 2018/2019, the County Government plans to train, equip and support youth and Women for own use and for sale especially to learning institutions, health facilities and for export to other Counties and beyond.

1.3.9 Milk Processing

The use of milk as a beverage dates back to around 9,000 BC, when humans started domesticating animals. Modern milk processing in the Western world has been around for over 150 years. In other parts of Kenya, milk processing is very popular in Central Kenya and Counties in the rift valley. Today, there is a critical mass of dairy farmers in Kitui, with enough milk to support a medium sized dairy processing plant.

In the current financial year, the County Government plans to support one dairy Co-operative Society with dairy processing equipment and a motor vehicle for the marketing of the processed products. In the FY 2018/2019 however, these will be scaled up to cover more groups with an aim of establishing a county milk-processing factory.

1.3.10 Furniture Making

Over the last 10 years, many Kenyans and Government offices (Kitui included) have imported cozy looking furniture, mostly from China. Regrettably, none of them have given the buyers value for their money, not to mention potential job opportunities that have been lost in the process.

For this reason, during the FY 2018/2019, the County Government of Kitui has resolved to train, equip, support and profile youths involved in furniture making and the fabrication business, thus enhancing their chances for them to sustainably improve their livelihoods.

1.3.11 *Sand and Charcoal Harvesting*

Sand is a critical resource in the construction Industry the world over, with Charcoal being a ready and cheap source of energy particularly in the urban areas in Kenya. Both sand and charcoal are available in great abundance in Kitui County. Unfortunately, the lion's share of the gains from both primarily benefit the brokers and the final consumers, the majority of whom are from outside the County.

Further, with the amplification of global warming and the negative effects of climate change, both sand harvesting and charcoal burning are slowly turning the woodlands of Kitui into a desert. Based on these facts, the Governor of Kitui banned both sand and charcoal business in the County. Interestingly, this ban was closely followed by a nationwide ban on logging.

During the FY 2018/2019, the County Government plans to put in place stringent measures to protect her environment, including setting aside resources to support reforestation programmes and projects, preservation of water towers, create awareness on environmental matters including encouraging the setting up of environmental clubs in institutions of learning throughout the County.

1.4 *Establishment, Equipping and Continuous Support of a Skills Development Institute*

Kitui County, just like all the other Counties, has a serious deficiency of people with basic practical life skills. These include, but are not limited to: serving in local hotels and restaurants; serving in local butcheries; salon and hair dressing; selling skills / customer relations in clothing and electronic shops; phone repairs; electrical repairs; Business Process Source, call Center operators etc.

During the FY 2018/2019, the County Government plans to introduce and equip a skills focused training institute to exclusively cater for out of school youths who never performed very well in school as well as those who have dropped out of school in the formal training programme. Through short courses, not lasting more than 60 days, the Kitui Skills Development Institute (KSDI) will be solely focused on equipping the learner with necessary skills. These will empower them and increase their employability. Basic entrepreneurship skills will also be taught to those planning to become Entrepreneurs in their own right.

1.5 *Infrastructure Development*

1.5.1 *Roads*

Since Independence, Kitui County has never received its rightful share of infrastructure development. This could partly be attributed to the ignorant thought that, being a vast mass of semi-arid land, ostensibly with no know cash crop, Kitui had nothing to contribute towards

baking of the national cake, and hence did not deserve any investment, particularly roads, hence the sorry state of her road infrastructure. During the FY 2018/ 2019, the County Government plans to turnaround this sector by putting in more resources to improve an estimated 3,000 km of existing road network through a continuous programme of grading, murraming, and tarmacking of various roads.

1.5.2 Energy

Most Kitui residents purely rely on firewood for their energy needs, more particularly in the rural areas, charcoal in urban areas and both in institutions. Going forward, the County Government and its people plan to use green energy like solar lighting and Biogas currently seen as a hindrance to the socio-economic development of the County and transform it into a source of clean solar energy for own use and for sale to the national grid. During the FY 2018/ 2019, the County Government plans to pay special attention on investments on solar energy production, mostly under joint venture arrangements. The programme will ensure easy connectivity of electricity for rural households and institutions.

1.5.3 Water and Irrigation

Kitui County is located in Semi-Arid area where rainfall is usually minimal throughout the year hence rain-fed agriculture faces serious drawback for growing both food and cash crops, with cyclical drought and famine being the norm than the exception. With increasing negative effects of climate change now being a reality in Kitui County, deliberate efforts will be made to tap the vast waters in Tana river, Athi-River and other seasonal rivers while sand dams will be constructed.

During the FY 2018 /2019, deliberate efforts will also be made to lay the ground work for irrigated agriculture. It is projected that, in the initial phase, an estimated 1,000 hectares will be irrigated along the Tana River while another estimated 300 hectares will be irrigated along the Athi River. Additionally, micro irrigation schemes will be developed around dams, riverine areas along seasonal rivers, shallow wells and weirs.

In addition to expanding the water schemes to improve access to clean safe water, special efforts are going to be made to support learning institutions, health facilities in the County with affordable water harvesting techniques and storage tanks, enough to at least, last from one rain season to the next.

1.6 Land Development

Land issues have not been resolved since independence leading to impoverished population due to low development of available land and lack of access to funds from financial institutions arising from absence of proper land titling and defrayal of adjudications.

During the FY 2018/19, the County Government proposes to;

- Put in a programme to fast-track issuance of title deeds and settlement of land adjudications
- Undertake physical planning through proper engineering and design plans of Kwa Vonza, Kyusiani, Kabati, Mutomo, zombe, mwingi town and Kyuso.
- Improve services in Kitui and Mwingi Towns.

1.7 Health & Sanitation

During the FY 2018 /2019, the health Ministry's priority programs and project priority areas will include the rolling out of the proposed County Health Insurance Cover (CHIC) targeting all the citizens of Kitui County. The universal health service will seek to provide both curative and non-curative health services to the people of Kitui. Through this programme, households will pay an annual fee of Kshs. 1,000 to access affordable and quality healthcare in our hospitals and health facilities with the County Government picking up the entire treatment cost.

Adoption of universal health cover for Kitui people will ensure that the disease burden in Kitui County, is significantly reduced, thus releasing focus to more production and wealth creation activities. Towards this end, special emphasis will be put to ensure that all health facilities in the County are functional, well equipped, well stocked with drugs and has the necessary personnel to function optimally. This is obviously no mean task by any standard and so, the County Government is going to pro-actively seek to partner with development partners, with the view to ensuring that, the universal health dream is realized within the shortest time possible.

To complement the above programme, the county will ensure a proper functioning referral system vehicles (including ambulance services), acquisition of necessary medical equipment and proper management, storage, distribution and dispensing of essential drugs and non-pharmaceutical products, while at the same time establishing economic order quantities and lead time for essential drugs and non-pharmaceuticals. The County will ensure automation of health services in all health facilities and undertake massive data collection from households to aid implementation of the Universal Health Care System and other county Programs. Further, the county will finalize construction of an amenity ward to cater for the needs of all people in our society.

Further, the county will scale up the on-going public health outreach services throughout the County; and seek for, support and profile strategic partnerships with all the key stakeholders / players in the health sector. These will include development partners, NGOs, FBOs, the media, among others. The County will also ensure continuous training/capacity development and exposure visits / exchange programmes of staff at all levels.

1.8 Agriculture & Livestock

During FY 2018/19, the County proposes to promote Ndengu Revolution in order to utilize available land and enhance food security and wealth creation of Kitui residents as earlier stated. We plan to purchase certified seeds for farmers in a timely manner to facilitate timely planting, and quality yield for drought and disease resistant crops. We also plan to purchase more tractors to promote productivity and mechanization of farming activities for improved crop production. The county will purchase more water tanks to allow for increased water collection and storage during rainy seasons. The plan and support to livestock farmers and traders has already been alluded to under the value chain approach.

1.9 Education, ICT & Youth Development

Human capitation and skills development is strategic in ensuring that the envisaged growth for Kitui County is achieved. To impel this growth, the Kitui County will promote the number of learners in the ECDE centres and increase the number of ECDE teachers to minimize the teacher-student ratio.

Further, the county will invest on youth training and development of skills by creation and development of youth vocational training centres of excellence e.g Kyuso Youth Polytechnic. It will modernize and equip various polytechnics with learning materials and tutors to impart the critical skills required for job creation. The county will support the community to establish a Faith Based University to build skills and promote training of our youth; and partner with National Industrial Training Authority (NITA) to enhance the capacity of our youth.

1.10 Trade, Industry, Co-operatives, Investments & Marketing

Wealth creation is one of the key pillars of the County Government of Kitui. In addition to promoting the various value chains, the County intends to lower the poverty index in the county through a myriad of projects geared towards wealth creation. To achieve this, the county will establish an investment corporation to facilitate development and wealth creation for the benefit of county residents. It will strengthen Saccos through member's skill development for easy access to credit and other financial facilities, promote branding of Kitui County products and services; increase credit availability and awareness through partnering with Financial Institutions such as micro finance institutions, Financial Services Associations (FSA), Youth and Women empowerment Fund.

Additionally, the County Government Plans to develop the County Co-operatives Bill, whose core objective is to lay a legal framework for the registration of Cooperative Societies at the County level.

1.11 Environment and Resource Management

Environmental sustainability has become a global issue to curb negative climatic conditions. Consequently, Kitui government will ensure establishment of sustainable waste management system through purchase of land for disposal of hazardous waste like asbestos, empower charcoal burners through introduction of sustainable alternative means of livelihood such as making of briquettes and instituting efficiency in burning trees; Invest in technology for maximum utilization of trees; and consolidate a report on available mineral ores in the County.

Sand & charcoal harvesting

1.12 Tourism

In the 2018-2019 FY, the County Government proposes to market Kitui County as a Tourist destination through developing Kalundu Eco-Park as a first class status park in Kenya that meets international standards. In the financial year 2018-2019, the county will promote heritage sites as tourist attraction sites and Nzambani Rock as a Tourism Centre, as well as Ikoo Valley as a tourist attraction site (Bazaar View Point). It will rehabilitate South Kitui National Reserve and establish a Wildlife Conservancy at Kanyonyoo.

Further, the County will establish a reptile park and botanical gardens at Mutomo Plant Hill Sanctuary, support community Ecotourism projects in Mutitu, Mumoni hills and conduct various tourism Promotion and Marketing activities.

1.13 The County Treasury

During the FY 2018 /2019, the Kitui County Treasury's priority focus is mainly going to be to ensure that, all the other departments are properly facilitated for maximum output and outcomes, with the ultimate goal of ensuring that a critical number of Kituians living at the bottom of the pyramid get out of the poverty trap.

To achieve this, the County treasury plans to ensure that a conducive working environment for the County treasury staff, mostly through staff training, capacity development and Quality assurance alongside other processes. Other initiatives are going to include, but will not be limited to the following:

Initiate, support and profile a County statistical data management system; a County wellbeing survey and coordinate tracking of results while at the same time institutionalizing and promoting a culture of accountability, integrity and transparency;

Initiate and support the introduction and operationalization of a cutting edge / technology based revenue management system among other key support services to enhance revenue collection.

Improve on service delivery to enhance customer relation.

1.14 Expenditure Management

During the FY 2018/ 2019, the County Executive will continue to provide prudent financial management systems and controls. Further, timely and authentic information will continuously be availed to the County Assembly and all the other relevant government institutions on expenditure allocations to facilitate their oversight work.

Sound financial reporting coupled with adopted policies on transparency and good governance will ensure that Kitui County resources are prudently allocated and managed.

2.0 RECENT NATIONAL AND COUNTY ECONOMIC DEVELOPMENTS

This Section presents the economic performance and emerging issues likely to affect the outcome of National and County development goals. The economic developments have been affected by the large investment in infrastructure like in road networks and the Standard Gauge Railway which reduced time travel of both goods and persons. Stability of Kenyan shilling in the money markets has ensured constant value of the currency against other major currencies in the stock market. The County's performance is largely pegged on formulation and implementation of prudent policies with an aim to enhance service delivery. The County performance will also depend highly on the country's economic performance which grew by 4.8 percent in 2017 and expected to grow to 6.5 percent in the medium term.

Kenya's economic growth prospects for the FY 2017/18 and the medium term takes into account the global slower growth in demand, particularly investment, which is especially pertinent to generate international trade flows in the form of capital goods and intermediate inputs. The growth profile accommodates the strategic objectives of the Government as outlined in the second Medium Term Plan (MTP) of Vision 2030, considering progress made in implementation of key projects.

The outlook, therefore points to a continued robust growth, lower fiscal deficits, contained inflation within the target range and a gradual improvement in the external current account balance.

The 2017 Budget Policy Statement

The budget policy statement (BPS) is a Government policy document that sets out the broad strategic priorities and policy goals that will guide the national government and the County Governments in preparing their budgets both for the following financial year and over the medium term. 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.

The Key Components of the Budget Policy Statement:

- 1) *An assessment of the current state of the economy including macroeconomic forecasts:* The Kenya Shilling exchange rate has continued to display relatively less volatility compared with the major regional currencies. The stability of the Kenya shilling exchange rate reflects improved export earnings from tea and horticulture, a reduction in the imports of petroleum products due to lower oil prices, resilient Diaspora remittances and improved tourism performance. Inflation rates within the EAC region have remained low due to prudent monetary and fiscal policy management and lower oil and commodity prices. Further, short term interest rates remained to be low due to the improvement of liquidity conditions in the money market. The implementation of the Banking (Amendment) Act, 2015 effective September 14, 2016, that capped interest rates on banks' loans at 4.0 percent above the base rate (currently at 10.0 percent).
- 2) *The financial outlook with respect to Government revenue, expenditures and borrowing for the next financial year and over the medium term:* The Fiscal policy underpinning the FY 2017/18 Budget and MTEF aims at raising revenue from an estimated 20.4 percent of GDP in FY 2016/17 to 20.6 percent of GDP in FY 2017/18 and 21.5 percent of GDP over the medium term while containing growth of total expenditure. Total expenditures and net lending is projected to decrease from 27.8 percent of GDP in FY 2016/17 to 27.6 percent of GDP in FY 2017/18 and 26.4 percent of GDP over the medium term. The overall fiscal deficit inclusive of grants is therefore projected to decrease from 6.9 percent of GDP in FY 2016/17 to 6.4 percent in FY 2017/18 and then decline to 4.0 percent of GDP over the medium term. The National government is required to maintain Public debt and obligations at a sustainable level as approved by Parliament. The Government borrowing level is set in the Medium Term Debt Strategy approved by the National Assembly. The strategy aims at ensuring public debt sustainability and minimizing the level of contingent liabilities. The Government is committed to adherence to this principle at all times. The present value of public sector debt to GDP ratio in 2018 is 48.5 and is projected to be 47.9 in 2019.
- 3) *The proposed expenditure ceilings for the national government, including those of Parliament and the Judiciary and indicative transfers to County Governments:* The budgetary allocations to the three arms of Government as well as sharable revenues to the Counties is summarized as below; (In Ksh Million)

Details	2016/2017	2017/2018	2018/2019	2019/2020
Government	1,628,448.90	1,551,057.10	1,676,069.20	1,735,731.40

Details	2016/2017	2017/2018	2018/2019	2019/2020
Parliament	31,480.00	30,915.00	31,693.50	32,646.10
The Judiciary	17,758.50	18,006.60	19,372.90	20,430.30
The County Government	284,784.60	304,236.20	328,512.10	354,875.80
Total	1,962,472.00	1,904,214.90	2,055,647.70	2,143,683.60

- 4) *The fiscal responsibility principles and financial objectives over the medium term including limits on total annual debt;* In line with the Constitution and the Public Finance Management (PFM) Act of 2012, the principle of sharing the burdens and benefits of the use of resources and public borrowing between the present and future generation implies that we have to make prudent policy decisions today so that we do not impose an unwarranted debt burden on future generations. Further, adherence to the ratio of development to recurrent expenditures of at least 30:70 over the medium term, as set out in the PFM Act is of importance. The National Government will observe strictly regulation 26 (1) (a) of the PFM Act, which requires that the national government's expenditure on the compensation of employees (including benefits and allowances) shall not exceed 35 percent of the national government's equitable share of the revenue. It is expected that county governments will also strictly adhere to this requirement as stipulated in the PFM regulations 25 (1) (b) (County Regulations) and those that are already in breach to take remedial measures as provided in the regulations.
- 5) *Statement of Specific Risks:* They include weaker than expected growth in the global economy, continued low demand in advanced and emerging market economies as well as the low commodity prices that may impact negatively on our exports and tourism activities. Domestically, the economy is exposed to risks including any occurrence of adverse weather conditions, public expenditure pressures especially recurrent expenditures pose a fiscal risk, and potential uncertainties associated general, thereby dampening short-term growth prospects. The national Government will undertake appropriate measures to safeguard macroeconomic stability wherever necessary.

3.0 THE RECENT ECONOMIC DEVELOPMENTS AND MEDIUM TERM OUTLOOK

3.1 Overview

Kenya's economy remained resilient in 2017 despite adverse weather conditions, a prolonged electioneering period as well as subdued credit growth to the private sector which combined to weaken growth in the first half of the year. However, the economy maintained the constant growth due to the establishment key economic long term projects and short term projects.

Economic growth for 2017 is estimated at 4.8 percent from 5.8 percent in 2016. On the positive side, growth in 2017 was supported by the ongoing public infrastructure investments like the LAPSET project, SGR and Energy sector development, improved weather towards end of 2017 which resulted to quality food provision within the county; The recovery in the tourism sector due to the improved security, tourism development and marketing and a stable macroeconomic environment.

The overall month on month inflation declined 4.5 percent in December 2017 from 6.4 percent in December 2016. Due to the fall in the prices of potatoes, kale, oranges and mangoes mainly attributed to favorable climatic conditions at end of 2017 and Government measures on prices of maize, powdered milk and sugar. The inflation of 4.5 percent in December 2017 was within Government's target range.

The foreign exchange market has remained relatively stable supported by resilient tea and horticultural exports, strong diaspora remittances, and a continued recovery in tourism. The 12-month current account deficit stabilized at 7.0 percent of GDP in November and September 2017 and is expected to narrow to below 6.5 percent by December 2017 as the bulk of SGR-related imports are completed, while favorable weather conditions is expected to support food production and agricultural exports.

Over the medium term, growth is projected to increase by more than 7.0 percent due to investments in strategic areas under "The Big Four" Plan, namely: increasing the share of manufacturing sector to GDP; ensuring all citizens enjoy food security and improved nutrition by 2022; expanding universal health coverage; and delivering at least five hundred thousand (500,000) affordable housing units. These efforts will support the business environment, create jobs and ultimately promote broad based inclusive growth.

Kenya is ranked favorably in the ease of doing business and as a top investment destination. In 2017, the World Bank's Doing Business Report, ranked Kenya third in Africa in the ease of doing business after Rwanda and Mauritius, as the country moved up 12 places to position 80. Further, in September 2017, Standard and Poors Global Ratings affirmed its 'B+/B' long- and short-term foreign and local currency sovereign credit ratings on Kenya, with a stable outlook.

3.2 Global and Regional Economic Developments Outlook

The pickup in global activity that started in 2016 gathered pace in the first half of 2017 supported by notable improvements in investment, trade, and industrial production, coupled with strengthening business and consumer confidence. As such global growth is projected to increase to 3.8 percent in 2018 from 3.6 percent in 2017 and 3.2 percent in 2016 primarily driven by improving domestic demand in advanced economies and China and improved performance in other emerging market economies.

In advanced economies, growth is expected to pick up to 2.2 percent in 2017, up from 1.7 percent in 2016 reflecting stronger activity in the United States, Canada, the Euro area, and Japan. However, this growth is expected to slow down to 2.0 percent in 2018 mainly reflecting a slowdown in Japan and the euro area. On the upside, the US economy is projected to expand to 2.3 percent in 2018 up from a projected 2.2 percent in 2017, as a result of supportive financial conditions and strong business and consumer confidence.

Among emerging market and developing economies, higher domestic demand in China and continued recovery in key emerging market economies supported growth in the first half of 2017. Growth in emerging and developing economies is projected to increase from 4.3 percent in 2016 to 4.6 percent in 2017 and 4.9 percent in 2018. The projected growth is driven primarily by the strengthening of growth in commodity exporters; a gradual increase in India's growth rate and a lower but still high trend growth rate in China.

The broad-based slowdown in sub-Saharan Africa is easing and growth is expected to improve from 1.4 percent in 2016 to 2.6 percent in 2017 and further to 3.4 percent in 2018, partly supported by a recovery in growth of larger commodity exporters such as Nigeria and South Africa. In addition, the easing of drought conditions in the Eastern and Southern Africa have contributed to the positive outlook. However, downside risks have increased following policy uncertainties and delays in the implementation of policy adjustments in Nigeria and South Africa. Many of the faster growing economies in sub Saharan African economies continue to be driven by public spending, with debt levels and debt service costs rising.

In the East African Community (EAC) region, economic growth is estimated to stabilize at 5.4 percent in 2016 and 2017, a slowdown from a 6.1 percent growth in 2015. The prolonged effect of drought experienced in 2016 and continued in 2017, dampened agricultural output and GDP growth in Uganda, Tanzania and Rwanda. In addition,

there was a slowdown in credit growth across countries in the region, which further dampened the growth. Further, insecurity and political tensions continued to constrain economic activities in countries such as Burundi, Somalia, and South Sudan. In 2018, economic growth is projected to increase to 5.9 percent supported by a stable macroeconomic environment, ongoing infrastructure investments, and strong private consumption.

3.3 Domestic Economic Developments

The Kenyan economy has significantly improved in 2017 as compared to other East Africa's states due to the solid growth founded on investment in infrastructure-roads and the standard gauge railway (SGR), expansion of the airports to international standards. The other aspect is buoyant manufacturing and vibrant agriculture sector. This is confirmed by rebasing of its GDP in 2016 that placed Kenya in the ninth position in Africa. Sustained investment in mega infrastructural projects within stabilized macroeconomic environment bearing fruits for the country. However, expansionary fiscal policies underlying the physical infrastructure growth agenda may present downside risks associated with variability in some macroeconomic variables such as exchange rates, inflation and interest rates.

Growth of the Kenyan economy remained resilient; broad based and registered strong performance in the past 5 years supported by strong public and private sector investment and appropriate economic and financial policies. The economy, specifically, grew at an average of 5.5 percent per year in the five years (2013 - 2017) outperforming the average growth rate of 4.7 percent in the period 2008 to 2012. The value of goods and services produced therefore raised the per capita income from Ksh 104,700 in 2013 to an estimated Ksh 174,200 in 2017.

The economy generated an average of 817 thousand new jobs per year in the period 2013 - 2017 up from 656.5 thousand jobs per year in the period 2008- 2012, However, uncertainty associated with elections coupled with the effects of adverse weather conditions slowed down the performance of the economy in 2017. As a result, the economy is estimated to grow by 4.8 percent in 2017, which is a slowdown from the estimated growth of 5.1 percent in the 2017 Budget Review and Outlook Paper (BROP).

The Tourism sector which contributes much in Kenya economy improved from 2016 and 2017 due to the reduced number of terrorist attacks mostly in the coastal region. However, many foreign countries have issued travel advisory to its citizens who are travelling to Kenya due to the political climate. Such sectors are very volatile on those incidents likely to disrupt social order.

3.4 Trends in Kenya's Economic Growth Rates

According to data obtained from the Kenya National Bureau of Statistics, in 2017, the economy grew by 4.4 percent in Quarter 3, 5.0 percent in Quarter 2, and 4.7 percent in Quarter 1, largely supported by robust activities in the service sectors particularly; accommodation and restaurant; real estate and information and communication. The growth was somewhat constrained by subdued performances in agriculture forestry and fishing, manufacturing, electricity and financial intermediation sectors.

The resilient strong growth of the economy over the past five years reflects the broad based nature of our economy that has been largely driven by growth in the non-agriculture sectors,

which have remained vibrant growing at 6.7 percent in 2016 from 5.4 percent in 2013 and continues to be the main source of growth.

Additionally, services remain the main source of growth; the sector grew from 5.0 percent in 2012 to 6.8 percent in 2016 supported by favorable performance of ICT, real estate, wholesale and Retail Trade, Transport and Storage and Accommodation and Restaurants. Accommodation and restaurants has been the fastest growing sector. It grew from 3.1 percent in 2012 to 13.3 percent in 2016 supported by the improved security situation that led to removal of travel alerts from major tourist originating countries. The growth of the financial and insurance sector accelerated from 6.0 percent in 2012 to 9.4 percent in 2015 supported by reforms aimed at creating a conducive business environment. However, the sector slowed down to 6.9 percent in 2016 and is estimated at 3.2 percent in 2017 partly due low domestic credit to the private sector and a decline in the growth of interest income.

The industry sector grew from 3.5 percent in 2012 to 7.0 percent in 2015 supported by the construction sector as a result of public infrastructural development. The sector slowed down in 2016 and 2017 following subdued performance of the Manufacturing and Electricity and Water Supply sectors. Meanwhile, growth of the agricultural sector rose from 2.8 percent in 2012 to 5.5 percent in 2015 but contracted to (-1.3) percent in first quarter of 2017 due to the prolonged drought that started in the fourth quarter of 2016. Growth in the sector recovered to 3.1 percent as weather conditions improved.

Inflation Rate

The developing countries in the world are significantly affected by the inflation rates due to high level of corruption and mismanagement of the public funds. In Kenya, Inflation rate has been low, stable and within the Government target range of 5+/-2.5 percent in the period 2013 to 2017 as a result of prudent monetary and fiscal policies by the Central Bank of Kenya (CBK). The rate was averaged at 6.7 percent in the period (2013-2017) compared with 10.6 percent in the period (2008-2012) and 7.4 percent in the period (2002-2007). Inflation during the period 2008 to 2012 was highly volatile following a steep depreciation of the Kenya shilling exchange rate against the major money markets currencies policy responses.

However, inflation increased to above target in the first half of 2017 due to drought that affected food prices and the foreseen electioneering period in August 2017. Inflationary pressures started to ease in the second half of 2017 as the weather situation improved and earlier measures taken by the Government to address the food shortages took effect. These measures included: allowing duty free imports of major food items (maize, wheat, sugar, and milk) and introducing a temporary subsidy on maize meal prices.

As a result of the positive weather change and CBK money policy guidelines, the overall month on month inflation was 4.5 percent in December 2017 from 6.4 percent in December 2016, and was within the Government's target range hence expected to improve in 2018.

Kenya Shilling Exchange Rate

The Kenya Shilling exchange rate remained broadly stable against major international currencies. As at December 2017, the shilling exchange rate against the Dollar was at Ksh

103.1 from Ksh 102.1 in December 2016. Against the Euro and the Sterling pound, the Shilling weakened to Ksh 122.0 and Ksh 138.2 in December 2017 from Ksh 107.7 and Ksh 127.7 in December 2016, respectively. The Kenya Shilling exchange rate as compared to most sub-Saharan African currencies, has continued to display relatively less volatility.

This stability reflected resilient receipts from tea and horticulture despite lower export volumes due to adverse weather conditions in the first quarter of 2017. Additionally, receipts from tourism, coffee exports and Diaspora remittances remained strong. The exchange rate against the US dollar largely affected the importation of machinery and other goods which a catalyst to the growth of the economy. The payments of the Kenyan debts and more loans acquired to fund major development projects in roads, railway, Lamu ports and airports.

Interest Rates

Interest rates remained stable and low in the period 2013-2017 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. The interest rate bill passed by Kenyan Parliament in August 2016 regulated all the financial institution to charge the credit facilities 4% above the CBK lending base rate of 10%.

The interbank rate has remained low at 7.7 percent in December 2017 from 5.9 percent in December 2016 due to ample liquidity in the money market (**Chart 1.6**), while the 91-day Treasury bill rate declined to 8.0 percent from 8.4 percent over the same period. The 182 day and the 364 day Treasury bills averaged 10.6 percent and 11.1 percent in December 2017 from 10.5 percent and 11.0 percent in December 2016, respectively.

Short-Term Interest Rates

According to data from the Central Bank of Kenya, interest rate spread narrowed to 6.0 percent in September 2017 from 6.4 percent in September 2016 with the Commercial banks' average lending interest stabilizing at 14 percent over the same period. Meanwhile, the average commercial banks' deposit rate increased to 7.7 percent in September 2017 from 7.3 percent in September 2016. Comparatively, Kenya has the lowest lending rates among the East African countries.

Money and Credit

Broad money supply grew by 8.4 percent in the year 2016 to November 2017 compared to a growth of 6.2 percent in the year to November 2016. The growth was largely on account of an increase of net domestic credit to the Government and other public sectors. The contribution of net foreign assets declined. Net Foreign Assets (NFA) of the banking system in the year to November 2017 contracted by 1.6 percent from a growth of 26.0 percent over a similar period in 2016. Meanwhile, the Net Domestic Assets (NDA) improved to a growth of 11.0 percent in the year to November 2017 from the growth of 2.1 percent over a similar period in 2016. The pickup in growth in 2017 is due to an improvement in the growth of net domestic credit.

Domestic credit improved to an annual growth of Ksh 246.5 billion (8.4 percent) in the year to November 2017 compared to a growth of Ksh 109.9 billion (3.9 percent) in the year to November 2016. Private sector credit increased to 2.7 percent in November 2017 from 2.0 percent in October 2017 and 1.7 percent in September 2017, reversing the downward trend

witnessed since August 2015. However, this was a slowdown compared to the 4.2 percent growth in November 2016. The real estate, manufacturing, trade, consumer durables and private households have continued on a net basis to receive credit flows from the banking sector since January 2017.

Balance of Payments

The overall balance of payments position improved to a surplus of US\$ 879.7 million (1.2 percent of GDP) in the year to November 2017 from a deficit of US\$ 821.4 million (1.3 percent of GDP) in the year to November 2016 (due to the improvement in the financial account that more than offset the widening current account deficit. The current account balance registered a deficit of US\$ 5,110.1 million (7.0 percent of GDP) in the year to November 2017 from a deficit of US\$ 3,452.5 million (5.4 percent of GDP) in the year to November 2016. This reflects the widening of the trade account balance and the increased payments to foreign investors (due to high interest payments) despite an improvement in the secondary income account balance particularly increased workers' remittances.

Performance of Balance of Payments and its Components

The deficit in the merchandise account widened by US\$ 2,477.7 million to US\$ 10,243 million in the year to November 2017 reflecting increase in payments for import of oil on account of the rebound in international oil prices and the increase in imports of machinery and transport equipment mostly on account of imports of wagons, locomotives and associated equipment related to the Standard Gauge Railway (SGR) project. In addition, net export of goods and services declined generally reflecting lower global demand for exports of manufactured goods; raw materials; chemicals and related products; and miscellaneous manufactured articles.

Flows in the Financial Account increased to US\$ 5,870.6 million in November 2017 compared with US\$ 3,298.5 million in November 2016, with the surplus reflecting higher liabilities compared to assets. The financial inflows were mainly in form of Foreign Direct Investments and other investments which stood at US\$ 360.6 million and US\$ 6,439.6 million, respectively in November 2017. Other investment inflows mainly include foreign financing for Government infrastructure projects.

Foreign Exchange Reserves

The banking system's foreign exchange holding was at US\$ 9,202 million in November 2017 from US\$ 10,327 million in November 2016. The official foreign exchange reserves held by the Central Bank remained strong at US\$ 6,919.5 million (4.6 months of import cover) in November 2017 compared with US\$ 7,872.1 million (5.2 months of import cover) in November 2016 while commercial banks holdings was at US\$ 2,282.8 million in 2017 from US\$ 2,454.6 million in 2016.

Capital Markets

Activities at the stock market picked up in November 2017 from a slowdown in September and October 2017 as the long electioneering period came to an end. The NSE 20 Share Index improved to 3,805 points in November 2017 from 3,730 points in October 2017 while Market Capitalization improved to Ksh 2,562 billion from Ksh 2,346 billion over the same period. However, as of 29th December 2017, activities in the stock market had slowed down reflecting the effects of the holiday season and the profit warning alerts issued by the listed companies which expected decline in profitability on the year ending December 2017. The

NSE Share Index was at 3,712 points and market capitalization at Ksh 2,523 billion with 64 actively trading companies in the floor of NSE.

Fiscal Performance

Implementation of the FY 2017/18 budget is on course although performance is lagging behind targets. In the first five months of the year, revenues collection have consistently lagged behind targets due to the under performance of the main revenue tax heads. On the other hand, there has been elevated expenditures pressures as a result of the adverse spillover effects of the prolonged drought, the repeat of the Presidential Election and salary awards for Universities Staff and Nurses. By end November 2017, the total cumulative revenues including A-I-A collected amounted to Ksh 558.4 billion against a target of Ksh 611.0 billion. The recorded shortfall of Ksh 52.6 billion was as a result of an under performance of the ordinary revenues by Ksh 29.7 billion and the ministerial A-I-A by Ksh 22.9 billion.

The shortfall in ordinary revenue was on account of underperformance in all the broad categories of ordinary revenues except import duty. Total expenditures and net lending amounted to Ksh 720.2 billion against a target of Ksh 824.2 billion falling below target by Ksh 104.0 billion at the end of November 2017. The shortfall was as a result of lower than projected disbursements to County Governments due to the delayed enactment of the County Revenue Allocation Act as well as below target absorption of development expenditures despite the faster spending in the recurrent expenditures by the National Government. Recurrent expenditure amounted to Ksh 510.2 billion against a target of Ksh 494.8 billion, representing above target spending of Ksh 15.4 billion. The faster-spending was mainly recorded in operations and maintenance which accounted for Ksh 35.6 billion and higher than programmed domestic interest payments of Ksh 12.0 billion.

The combined effect of the revenue and expenditure performance at end of November 2017, resulted to an overall fiscal deficit (excluding grants), of Ksh 161.8 billion (equivalent to 1.8 percent of GDP) against a targeted deficit of Ksh 213.3 billion (equivalent to 2.4 percent of GDP). Including grants, the fiscal balance recorded a deficit of Ksh 164.0 billion against a targeted deficit of Ksh 193.1 billion. This deficit was financed through net foreign borrowing amounting to Ksh 49.6 billion and net domestic financing amounting to Ksh 114.4 billion. The FY 2017/18 budget has been reviewed to reflect revenue performance by end November 2017 and to take into account expenditure rationalization necessitated by the accommodation of the emerging priorities and salary and election related expenditure pressures.

In the revised fiscal framework revenues are projected at Ksh 1,643.1 billion or 18.9 percent of GDP from Ksh 1,704.5 billion or 20.6 percent of GDP. Total expenditures and net lending are projected at Ksh 2,323.2 billion or 26.8 percent of GDP. The deficit, inclusive of grants, is therefore projected at Ksh 620.8 billion (equivalent to 7.2 percent of GDP). Borrowing from the domestic market is projected at Ksh 293.8 billion and external borrowing at Ksh. 323.2 billion. The overall impact of these developments is reflected

4.0 FISCAL POLICY, 2018/19 FY BUDGET AND THE MEDIUM-TERM EXPENDITURE FRAMEWORK

The County government is committed to fiscal discipline in order to promote productive sector growth and overall economic growth. In this regard, expenditure management and revenue administration reforms will be implemented to increase efficiency, reduce wastage and mobilize revenues to create fiscal space for funding development programmes within the budget.

4.0 FY 2018/19 Budget Framework

In the FY 2018/19 prioritization of resource allocation will be based on the County Integrated Development Plan (CIDP), Departmental priorities, programmes and development policies of the County Government. The 2018/19 FY budget will institute reforms targeted at consolidating gains, achieving efficiency and productivity of government spending. The CIDP takes into account the development Agenda of the Country by including programmes for the County residents with high impact on their welfare

4.1 Revenue Projections

Going by the allocations of the current FY 2017/18, the County government projects to receive a transfer of about KShs. 9.799 billion from the National Government for the FY 2018/19 constituting an equitable share allocation of KShs. 8.729 billion and conditional grants of KShs 1.07 billion respectively. The allocations are indicative as the actual allocation will be provided in the County Allocation of Revenue Act (CARA), 2017.

The County's revenues have been growing sluggishly over the past financial years, but we expect them to improve further in the FY 2018/19 with the enactment of the relevant laws and automation of revenue. For the 2018/19 FY, the County projects KShs. 0.5 Billion revenues from its own sources. The projected total revenue for the FY 2018/19 is therefore KShs 10.299 Billion comprising of KShs. 0.5 Billion as County's own revenues and KShs. 9.799 Billion as transfers from the National Government.

The County Executive will present to the County Assembly, more detailed structural measures to boost revenue generation through the Finance Bill, 2018, for consideration and enactment as required by the PFM Act, 2012.

Table 1: Revenue Projections 2016/17 – 2019/20

S/ N o	Source	Revenue Estimates 2015/16 (Kshs)	Actual Revenue 2015/16 (Kshs)	Revenue Estimates 2016/17 (Kshs)	Actual Revenue Estimates 2016/17 (Kshs)	Revenue Estimates 2017/18 (Kshs)	Projected Estimates	
							2018/19	2019/20
1	Equitable share	7,267,273,063	7,267,273,063	7,841,480,359	7,841,480,359	8,652,300,000	8,729,200,000	9,427,536,000
2	Grants			-	-	-		-
	Free Maternal Healthcare	63,610,400	50,790,000	54,367,434	70,080,000	-		-
	Compensation for User Fees Forgone	23,606,211	23,606,211	23,144,997	23,144,996	22,499,906	22,499,906	24,299,898
	Road Maintenance Fuel Levy	92,318,534	92,318,534	120,484,293	120,484,292	309,636,150	229,832,234	248,218,813
	Grants from UNDP	20,000,000	-	-	-	-		-
	Grants from World Bank (KDSP)	-	-	34,721,395	0	53,665,066		-
	World Bank (Universal Health)	-	-	-		103,430,429		-
	World Bank (Agriculture - Rural Growth)	-	-	-	-	50,000,000		-
	HSSP/HSPS - (DANIDA/IDA)	83,985,266	83,985,266	208,619,262	150,020,244	20,982,159		-
	Leasing of Medical Equipment						200,000,000	216,000,000
	World Bank loan to Supplement financing of County Health Facilities	-	-	0	0	58,210,000	559,280,082	604,022,489
	Conditional Grant (Others)					58,554,018		-
	Development of Youth Polytechnics	-	-	-	-	67,576,636	58,465,000	63,142,200
	Other GOK Grants (Doctors & Nurses Allowance)	-	-	65,238,000	88,992,000			-
	Subtotal	283,520,411	250,700,011	506,575,381	452,721,532	744,554,364	1,070,077,222	1,155,683,400
		7,550,793,474	7,517,973,074	8,348,055,740	8,294,201,891	9,396,854,364	9,799,277,222	10,583,219,400
3	Own Revenue			-	-	-		-
	County Ministries/Entity			-	-	-		-
	Office of the Governor	128,666,410	19,217,455	135,099,731	16,392,240	101,854,717.03	86,947,452.88	93,903,249
	Ministry of Administration and Coordination	-	-	-	-	-	-	-
	The County Treasury	123,661,974	185,061,443	129,845,073	106,022,233	126,337,326.34	82,654,192.65	89,266,528
	Ministry of Health and Sanitation	131,000,000	109,883,587	167,550,000	72,740,757	121,788,455	89,761,902.75	96,942,855
	Ministry of Basic Education, ICT and Youth Development		-			-	-	-
	Ministry of Trade, Cooperatives and Investments	1,000,000	1,130,475	1,050,000	425,671	1,102,500	1,157,625.00	1,250,235
	Ministry of Land Infrastructure and Urban Development	57,243,581	20,620,263	60,105,760	24,958,150	58,111,048.05	61,016,600.46	65,897,928
	Ministry of Tourism, Sports and Culture	1,200,000	1,133,475	1,260,000	-	1,323,000	1,389,150.00	1,500,282

S/ N o	Source	Revenue Estimates 2015/16 (Kshs)	Actual Revenue 2015/16 (Kshs)	Revenue Estimates 2016/17 (Kshs)	Actual Revenue Estimates 2016/17 (Kshs)	Revenue Estimates 2017/18 (Kshs)	Projected Estimates	
							2018/19	2019/20
	Ministry of Agriculture water and Livestock Development	26,000,000	33,406,650	27,300,000	17,167,612	28,665,000	30,098,250.00	32,506,110
	Ministry of Environment, Energy and Minerals Investment Development	1,000,000	1,317,800	1,050,000	6,785,460	1,102,500	1,157,625.00	1,250,235
	Kitui Town Administration	97,111,415	29,439,954	101,966,986	45,252,270	98,321,951.64	103,238,049.22	111,497,093
	Mwingi Town Administration	41,316,620	14,977,626	43,382,451	25,602,970	40,551,573.55	42,579,152.23	45,985,484
	Subtotal	608,200,000	416,188,728	668,610,000	315,347,363	579,158,072	500,000,000	540,000,000
	TOTAL	8,158,993,474	7,934,161,802	9,016,665,740	8,609,549,254	9,976,012,436	10,299,277,222	11,123,219,400
	% of Equitable Share	89.07	91.59	86.97	91.08	86.73	84.76	84.76
	% of Own Resources	7.45	5.25	7.42	3.66	5.81	4.85	4.85
	% of Grants	3.47	3.16	5.62	5.26	7.46	10.39	10.39
		100		100	100	100	100	100
	Revote from previous budget	1,955,355,891		1,953,740,274	-	1,318,085,375		
	Total Resource Envelope	10,114,349,365	7,934,161,802	10,970,406,014	8,609,549,254	11,294,097,811	10,299,277,222	11,123,219,400

Source: KITUI County Treasury

4.3 Expenditure Projections

Priority for funding in the FY 2018/19 has been given to projects/programmes that aim at scaling up levels of investment in economic and social infrastructure and creation of wealth & employment opportunities considering the limited resources and competing programmes for funding.

In this regard, County Departments will review their budgets with an aim of removing one-off expenditures from previous years and non/low-priority expenditures in order to realize and shift the savings to the highly priority programmes and ensure completion of the ongoing projects. The performance of earlier funded projects/programmes will also be reviewed with a view to improving the implementation and absorption capacity of development projects. This will also ensure that projects are well planned and executed as planned.

4.4 Recurrent Expenditure Projections

Total recurrent expenditure budget in the FY 2018/19 is estimated to be Kshs. 5.72 billion as compared to Ksh. 6.28 billion in FY 2017/18 printed Budget estimates, thereby decreasing by an amount of 8.99 per cent.

The wage bill is projected at Ksh. 3.43 Billion in the FY 2018/19. The increase is as a result recruitment of new medics and nurse's salary increment following the recent strike. Coupled with slight annual increments in remunerations on the wage bill, it is expected that the wage bill will rise further once the doctors reach an agreement with the Government. Worth noting is the fact that the Ministry of Devolution & Planning is yet to complete the CARPs programme.

The PFM (County Governments) Regulations, 2015, requires that the County Governments maintain employee compensation levels at not more than 35 percent of their total revenue. In the medium term, the County government is committed to ensuring compliance with this fiscal responsibility principle.

The Operations and Maintenance expenditures will be lower in the medium term due to removal of one-off expenditures such as office infrastructure and equipment from the recurrent budget coupled with other expenditure rationalization measures. The estimated amount in the FY 2018/19 is KShs. 2.28 billion down from the printed estimate of KShs. 3.07 Billion for the FY 2017/18.

4.5 Development Expenditure Projections

In the FY 2018/19, the overall development expenditure is expected to be Ksh. 4.57 Billion. This accounts for 44 percent of the overall budget, which is in line with the fiscal responsibility requirement of allocating at least 30 percent of the budget to development expenditure.

4.6 Overall Deficit and Financing

To avoid deficits that have no clear plan on how they will be funded, the County Government has allocated resources for spending that are commensurate to the revenues expected in the FY 2018/19. In that FY

therefore, the County budget shall be financed through transfer from the National Government and local sources revenue collected from fees, charges, rates, among others as allowed by the governing Acts and by-laws. The FY 2018/19 fiscal framework is therefore fully financed.

4.7 Risks to the 2018/19 Budget framework

The risks to the fiscal framework for the FY 2018/19 include under performance in revenue collection due to unforeseen factors. This remains a major challenge as it can generate pending bills and cause general cash flow problems or even cause undue demand for borrowing. To counter this, the County will put in structural reforms aimed at sealing loopholes, revenue enhancement while ensuring there are efficient and cost effective methods of collecting the revenues.

Another risk is the County's high wage bill. Even though recruitment of new staff in the county has been frozen, there have been demands for promotions and strikes by especially health workers on pay increments. Furthermore, the County is waiting for proposed recommendations under the CARPs programme and the SRC's job evaluation exercise. The lack of clear guidelines for clarity, harmony of operations and delay by the National Government in finalizing the CARPS exercise is a drawback. It is expected that once the exercise is completed, the National Treasury will allocate enough funds for implementation of the recommendations, which may include staff compensation in the event of rationalization.

Over reliance on national government transfers is another risk that also undermines the County's fiscal autonomy. Coupled with the unpredictability on account of the delays in release of the resources, it poses another risk to proper implementation of the County's budget.

Duplication of functions in some areas that are still contentious between the National and County Governments that risk generating intergovernmental conflicts, wasteful spending and financing gaps that could adversely affect implementation of the County's fiscal framework is another risk that needs to be mitigated through dialogue and consensus building.

Lastly, 2017 election year pose an after-effect risk. The delays arising from election related activities will affect budget implementation both at the National and County Level.

4.8 Fiscal Structural Reforms

Revenue mobilization:

The County government will put in place measures to meet its revenue target as this will enable the County to implement its development programmes. The County has so far implemented various reforms aimed at sealing revenue leakage loopholes. This will be facilitated through automation of systems and revenue collection points. By so doing, all payments in the County will be made electronically and in return administrative costs are expected to significantly reduce. Also, this will minimize leakages and expand access to payment points, which will improve on accountability.

The County Government will adopt other key strategies amongst them; mobilization of additional revenue by strengthening enforcement and completion of administrative reforms including the automation of systems and expansion of the revenue base. This will continue to remain the key focus in the next FY. The County will focus on land and property tax as the most appropriate and equitable source of revenue to finance development and provision of essential services. To this effect, the County will finalize and implement the Draft Valuation Roll completed recently in order to widen the tax base. These, and other measures laid down for implementation are contained in a Revenue Enhancement plan that will also see appointment of tenants and quarry owners as revenue agents for the county.

Expenditure Management

The County will continue to use Integrated Financial Management System (IFMIS) as the system for processing payments. On implementation of projects, the County will continue to undertake capacity building initiatives to properly support other Departments. Consultations with the County Budget and Economic Forum (CBEF) will be deepened on all matters of planning, budgeting and financial management. Audit Committees will also be formed.

Such consultations also ensure that there is transparency, accountability, and adherence to the PFM Act on budget making process.

The County Government will use bottom up approach on project identification. Projects will be identified at the ward level based on community needs in each ward. This will be approved by the County Assembly and implemented by the County Executive in compliance with the law. The County services are expected to be brought closer to residents which will go a long way in deepening devolution.

The County Government will continue with civic education programmes to enhance awareness and facilitate proper flow of information. Increased cooperation between the County Government and the County Assembly will ensure there is efficient running of County government thereby improving service delivery.

To complement the staff rationalization exercise, the County will adopt an ambitious policy of expenditure rationalization with a view to funding core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies. The Government will also ensure continuous sector performance reviews as a strategy to encourage accountability by Departments.

In order to contain recurrent and non-essential spending, the County will focus on the following areas of intervention:

- Foreign and domestic travel will be limited to essential travels
- Limiting training to the need basis and essential/critical.
- Strict enforcement of cost reduction Circulars to all County Departments.
- Implement a strict commitment control system to reduce the stock of pending bills.

Guiding Principles in Resource Allocation

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

1. The requirement that the County public debt shall never exceed twenty (20) percent of the County government's total revenue at any one time. The county will not be incurring any debt.
2. The County Government wages shall be contained at thirty-five (35) percent of the County government's total revenue in the medium term;
3. The approved expenditures of a County assembly will be as per senate's recommendations.
4. The County government actual expenditure on development shall be at least thirty percent.

The County's Adherence to the Fiscal Responsibility Principles. The proposed MTEF adheres to the fiscal responsibility principles outlined above as follows. The development expenditures have been projected at 44 percent of the County budget against an obligatory minimum of 30 percent. (See table 2)

The FY 2018/19 wage bill is estimated at 33 percent of total revenues. The principle that wage bill shall not exceed 35 percent of the County government's total revenue is met (table 2).

Table 2: FY 2017/18 Budget Allocation

County Ministry	2016/17 (KShs)	Revised 2017/18 (Kshs)	Projected 2018/19 (Kshs)	% to Total Budget
Recurrent Budget				
Personal Emoluments	3,153,265,899	3,218,396,763	3,434,909,988	33
Operations & Maintenance	2,597,037,333	3,070,744,282	2,288,864,255	22
Total Recurrent Estimates	5,750,303,232	6,289,141,045	5,723,774,243	56
Development Budget			-	
Development Estimates	5,220,102,781	5,004,956,766	4,575,502,979	44
Total Budget Estimates	10,970,406,013	11,294,097,811	10,299,277,222	100

Source: KITUI County Treasury

The expenditure estimates for the County assembly are at 8.8 percent of the total County revenues. Though the ceiling allocation has been set as per CRA recommendations to the senate for 2018-19 financial year, there was an additional provision for completion of Speaker's residence and debating

chambers. Fiscal risks will be managed prudently to ensure a reasonable degree of predictability with respect to the level of tax rates, charges and tax bases.

The County does not intend to borrow in the FY 2018/19 and has therefore adhered to the principle of debt not exceeding 20 percent of the County government's total revenue. However, the County plans to implement an annuity programme in Roads, Water and Health Departments through contracting design and factoring for the payments through the budget. The County will consider borrowing in the medium term once the debt management strategy paper and strategic policy on debt management are approved by the County Assembly.

On borrowing, the County will adhere to the borrowing framework agreed at the Intergovernmental Budget and Economic Consultation Forums (IBEC) and the fiscal responsibility principles of ensuring the borrowed funds finance development projects only.

Resource Sharing Guidelines

Allocation of Departmental ceilings over the medium has been informed by the following guidelines.

- (i) In the recurrent expenditure category, non-discretionary expenditures take first charge. This includes payment of Salaries and wages projected at 33 percent of the expected total revenue receipts.
- (ii) Other recurrent expenditures that include operations and maintenance account for 22 Percent of the projected total revenue.
- (iii) Development expenditure takes 44 percent of the total revenue available. Development expenditures have been shared out on the basis of the CIDP priorities and strategic interventions identified in various forums.

Also included in the criteria used for apportioning the capital budget is on-going projects and intervention on investment projects in priority areas that support social development, economic growth and transformation of the County. The projected Departmental expenditure ceilings are summarized in the table 3 below.

Table 3: Medium Term Department Ceilings, 2018/19 - 2020/21 (KShs Million)

vote	Spending Entity	Revised Estimates 2017/18	Estimates 2018/19	Projected Estimates 2019/20	Projected Estimates 2020/2021
3722	County Assembly	989,769,598	902,587,497	947,716,872	995,102,716
3711	Office of the Governor	1,544,480,398	1,408,437,580	1,478,859,459	1,552,802,432
3721	County Public Service Board	88,171,505	80,405,074	84,425,328	88,646,594
3712	Administration & Coordination of County Affairs	394,958,461	360,169,245	378,177,707	397,086,592
3713	County Treasury	591,048,554	538,987,089	565,936,444	594,233,266
3714	Health and Sanitation	3,076,208,935	2,805,246,523	2,945,508,849	3,092,784,292
3715	Basic Education, ICT & Youth Development	739,478,850	674,343,166	708,060,325	743,463,341
3716	Trade, Investment and Co- operatives	461,342,459	420,705,926	441,741,222	463,828,283
3717	Lands, Infrastructure, Housing and Urban Development	834,576,584	761,064,385	799,117,604	839,073,484
3718	Tourism, Sports and Culture	287,972,479	262,606,933	275,737,280	289,524,144
3719	Agriculture, Water & Livestock Development	1,527,745,524	1,393,176,767	1,462,835,606	1,535,977,386
3720	Environment & Natural Resources	303,213,740	276,505,695	290,330,980	304,847,529
3723	Kitui Town	301,702,408	275,127,486	288,883,860	303,328,053
3724	Mwingi Town	153,428,317	139,913,856	146,909,548	154,255,026
	Total	11,294,097,811	10,299,277,222	10,814,241,083	11,354,953,137

Source: KITUI County treasury

5.0 ANNEXURE: DEPARTMENTAL/ SECTOR PRIORITIES

Annex 1: Office of the Governor

Broad Priorities	Strategic Objectives	Proposes projects and programmes for FY 2018/2019
Improvements of social economic lives and enhancement of living standards of Kitui county residents	To promote equitable development across all the County's 40 wards and 247 villages through implementing small scale infrastructure projects addressing immediate community needs	Community Level Infrastructure Development Programme (CLIDP)
Enhanced education performance in Kitui County	<ul style="list-style-type: none"> a. To increase the rate of access, transition and retention of learners from financially disadvantaged backgrounds through school fees bursary support b. To improve ECDE learning process by providing teaching and learning materials as well as outdoor/playing equipment c. To improve the education sector by improving school infrastructure in emergency or selected cases 	Pro-Poor Support Programme
Effective public service delivery	To ensure a conducive working environment	Completion of the Governor's Administration Block: lift fitting, internal decor, equipping with furniture and fittings, window curtains, carpets and electronics
		Commence Construction of Governor's Residence
		Strengthen Transport Unit through Purchase of motor vehicles, establish fleet management system and hire Transport Manager
	To enhance working ethics and professionalism in public service	Coordinate initiatives to fight corruption and build ethics and integrity through enhancing use of

Broad Priorities	Strategic Objectives	Proposes projects and programmes for FY 2018/2019
		existing systems including gift register, conflict of interest register and code of Ethics
	To strengthen the existing human resource capacity, enhance HR discipline, remuneration and staff welfare	Institutionalize performance based management
		Implement HIV/AIDs Control Unit Workplan
		Review and implement staff welfare schemes
		Competence Development Programme
		Recruit additional staff
		Activation and implementation of GHRIS modules including Performance Management, Training, leave management and disciplinary modules
Response to disaster and emergencies	Minimize risks and harmful effects of disasters including supply of food items and other humanitarian support	Drought emergencies intervention. Refugee assistance Programme
Enhancement of County Image	a. To create a distinctive and well popularized brand of Kitui County	Review and adoption of the County branding policy
	b. To enhance and sustain favourable reputation with stakeholders	Establish, equip and implement a responsive mechanism for handling customers
		Entrench Public Communication through Publication of County Magazine and Newsletters
		Coordination of County Functions and Events
Improve Management of emergencies and calamities as well improving interaction with the public	a. To increase the speed of response to emergencies and calamities b. To improve interactions with the public to anise feedback in order to improve service delivery	Establish, equip and resource a Call Centre

Broad Priorities	Strategic Objectives	Proposes projects and programmes for FY 2018/2019
Effective and efficient planning and implementation of County projects, programmes, policies and initiatives	Responsive monitoring, evaluation, accountability and learning (MEAL) for effective and informed decision making	Establish and implement of the County Monitoring and Evaluation Framework
		Use of information project management system and use of electronic data capturing systems
		Conduct gap analysis through research to identify areas of improved and recommendations on improvement
	To ensure strategic direction	Develop and review Departmental Strategic Plan in line with various County Strategy documents
		Strengthen policy formulation
Integrate the 5 pillars of Governors Manifesto into County Projects and Programmes	a. Monitoring the delivery of County Services in line with Governor's Manifesto b. Mainstreaming of 5 pillars of Governors Manifesto into County Programmes	Enhance the Capacity of Manifesto Implementation Unit through resourcing, equipping, personnel
Effective Management of CEC and Cabinet affairs	a. Enhance Management of CEC/Cabinet affairs via proper planning, and execution of Cabinet meetings b. Ensure prompt production of cabinet minutes c. Follow up to ensure cabinet/CEC resolution are implemented	Establish mechanisms for Disseminating Governor's communication
		Establish documentation system for Cabinet and Governor's talking notes, speeches and briefings
		Establish a Monitoring and feedback mechanism for implementation of cabinet resolutions

Annex 2: Administration and Coordination of County Affairs

County Ministry / Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed projects and programmes for FY 2017/2018
Administration and Coordination of County Affairs	<ul style="list-style-type: none"> ➤ To ensure and coordinate the participation of communities in governance at the local level ➤ To enhance the implementation of development projects in the County 	<ul style="list-style-type: none"> • To provide Civic Education • Tracking of county projects • Harmonization of county projects • Prioritization of county projects 	<ul style="list-style-type: none"> <input type="checkbox"/> Civic education programmes in collaboration with other stakeholders
	<ul style="list-style-type: none"> ➤ To coordinate provision of responsive, effective and efficient services to the people of Kitui County. 	<ul style="list-style-type: none"> <input type="checkbox"/> To provide office space for efficient service delivery • 	<ul style="list-style-type: none"> • Construction of sub county offices, Construction of village offices • Acquisition of land

Annex 3: County Treasury

The County Treasury proposes the following programmes and projects for inclusion in the County Fiscal Strategy Paper 2018/2019.

County Ministry / Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed projects and programmes for FY 2018/2019
County Treasury	Conducive working environment for county treasury staff	To enhance service delivery	Construction of an ultra - modern storey county treasury block
	Staff Training and capacity development program.	To enhance staff skills for improved service delivery	Capacity building and training.
	Availability of updated county statistical data	To ensure that county data is up to date.	Development of a County Statistical Database/survey
	County wellbeing survey	To ensure systematic delineation of the county socio-economic data	Economic Survey (Socio-economic indicator survey)
	Coordinate County Monitoring and evaluation process	Track on the progress of County projects; Ensure effectiveness and efficiency in the implementation of County projects.	Monitoring and Evaluation system
	County Revenue and operations	To automate revenue collection	e-revenue system

County Ministry / Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed projects and programmes for FY 2018/2019
	Institutionalize and promote a culture of accountability, integrity and transparency	To enhance faster collection of county revenue.	County revenue /resource mapping
	Revenue Collection and Assurance.	To ensure optimum revenue collection, assurance and reporting within Kitui County	Purchase 7 Revenue collection vehicles
	Improved service delivery	To ensure optimal revenue collection	Connection of LAIFOMS in sub Counties
	Implement prudent financial systems and controls	To ensure effective County audit system	Computer Aided Audit Tools

Annex 4: Ministry of Health and Sanitation

County Ministry	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes 2018/19 Fy
Health & Sanitation	<p>Ensuring efficiency and effectiveness in health care provision through:</p> <ul style="list-style-type: none"> Increasing access to healthcare. Reducing out-of-pocket expenditure 	<ul style="list-style-type: none"> a. To enhance Health Care Financing b. To improve Quality of healthcare through improving Human Resource for Health c. To Improve access to Medical products & 	<p>Infrastructure Improvement and staffing of Kitui County Referral Hospital and Mwingi Level IV hospital with the view of elevating them to Level V status. This involves completion of construction works and equipping of modern outpatient blocks, medical wards, maternity/ paediatric wards, surgical/ amenity wards. Other projects include completion of Construction and equipping of modern mortuaries and improvement of water supply in the two</p>

County Ministry	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes 2018/19 Fy
	<ul style="list-style-type: none"> Improving provision of quality, timely and responsive health care services improving maternal, new born and child health care Strengthening health referral systems in the County Strengthening health information systems for tracking performance Promoting community based promotive and preventive health services 	<p>Vaccines and Technologies</p> <p>d. To strengthen Leadership & Governance</p> <p>e. To strengthen Health information systems</p> <p>f. To enhance healthcare provision through Improved Health Infrastructure</p> <p>g. To enhance Service Delivery for effective healthcare provision</p> <p>h. Strengthening health referral systems</p>	<p>facilities. The two hospitals will also have a blood satellite bank and an oxygen plant. Additional Medical ward and a parking bay will be constructed in Mwingi Level IV hospital</p> <p>Completion of construction works, equipping and staffing of 14 Maternity theatres and newborn Units to make them operational (Tseikuru, Kyuso, Nuu, Migwani, Kauwi, Kanyangi, kiusyani, Zombe, Mutitu, Mutomo, Mbitini, Ikanga, Mathuki and Katse health facilities)</p> <p>Purchase of 30 ambulances (1 for each of the 14 hospitals, namely: Kitui County Referral Hospital, Mwingi Level IV hospital, Tseikuru, Kyuso, Nuu, Migwani, Kauwi, Katulani, Kanyangi, Zombe, Mutitu, Ikanga, Mutomo, Ikutha and 16 to replace the old ambulances)</p> <p>Purchase of 14 utility vehicles for strengthening immunisation, blood supply to hospitals, oxygen to the maternity theatres, drug distribution and support supervision in Tseikuru, Kyuso, Nuu, Mwingi Level IV hospital, Migwani, Kauwi, Kitui County Referral Hospital, Katulani, Kanyangi, Mutitu, Zombe, Ikanga, Ikutha, CHMT headquarters</p> <p>Construction of a medical stores for hospitals and at the County headquarter (for buffer stock to avoid drug stock-outs in the implementation of CHIC)</p> <p>Implementation of Kitui County Health Insurance Cover (CHIC) Programme in all the hospitals across the County</p>

County Ministry	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes 2018/19 Fy
			(Universal Health Care- UHC) Massive data collection from all households for implementation of UHC System and other programs
			Refurbishment/ renovation works of Primary health facilities (Health Centres and dispensaries)
			Completion of construction works, Procurement of equipment and staffing for 79 incomplete/ stalled health facilities to make them operational.
			Procurement of cleaning and sanitation equipment for Kitui and Mwingi Towns
			Establishment of a call centre for emergencies and related infrastructure

Annex 5: Basic Education, ICT and Youth Development

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for 2018/2019 F/Y
Ministry of Education, ICT and Youth Development	Policy formulation and legislation on ECDE	To provide policy direction in implementation of ECDE Programmes in line with National ECDE Policy	workshops for senior management staff and experts
a) Basic Education	Implementation of the new Scheme of Service for ECDE Teachers	To employ ECDE teachers on recognized grades and terms of service	Recruitment of two ECDE teachers per ECDE center in line with the new scheme of service

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for 2018/2019 F/Y
		To improve quality of learning in ECDE centers	
	Expansion of infrastructure in ECDE centers	To accommodate Pre-primary1 and Pre-primary2 in the new 2-6-6-3 system of education	Build ECDE classes in identified ECDE centers every FY
	WASH in schools programme- To provide schools with safe drinking water, improved sanitation facilities and hygiene education	To promote hygiene and increased access to quality education- through provision of potable drinking water, hand-washing facilities and clean, safe toilets	Construction of toilets in identified ECDE centers Construction of Hand washing facilities Purchase and installation of water tanks
	Provision of learning and scholastic materials to ECDE centers	To ensure quality teaching and learning in ECDE centers	Purchase and delivery of ECDE teaching and learning materials to all ECDE centers
	Provision of furniture and playground equipment to ECDE centers	To ensure learning in a safe and secure environment	Purchase and delivery of furniture and playground equipment to ECDE centers
	Nutrition Programme for children in ECDE centers	To enhance enrolment and good health for children To ensure proper growth and development of children in ECD PP1 and PP2	Purchase and delivery of fortified/nutritious meal. Carrying out deworming and related exercise
	County Education Scholarship Fund- To provide Monetary award to deserving pupils and students towards	To increase retention and transition and enhance equity	Establish the criteria for identifying beneficiaries, Establish a committee to oversee

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for 2018/2019 F/Y
	helping them meet the cost of education		the programme
	Monitoring the implementation of ECDE programmes	To assess progress and adherence to agreed standards and quality	<p>This will include the design of strategies for items such as:</p> <ul style="list-style-type: none"> • Monitoring and evaluation of the programme process; • Monitoring and evaluation of the impact of school infrastructure provision on educational indicators/outcomes; • Designing a system to ensuring monitoring and evaluation outputs are used to inform policy and refine the infrastructure programmes as require
	Improvement in County's performance in National Examinations	To improve on academic performance in both primary and secondary schools	<p>Mentorship programme for standard eight and form four teachers during school holidays</p> <p>Education Exchange programmes for std 8 and form 4 teachers and students</p> <p>Mentorship programme for teachers of languages, Maths and sciences</p>

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for 2018/2019 F/Y
			during school holidays Provision of Boarding facilities to low cost public primary schools
	Capacity building of BOMs and ECDE teachers	To improve good relationship and service delivery	Sensitization meetings between school BOMs, HTs and ECDE teachers
	Establishment of Daycare centers	To provide child day care facility for working young mothers-Kitui town, Mwingi town and Mutomo	Construct THREE Day care centers at Kitui Town, Mwingi Town and Mutomo @ 7M
b) Vocational Skills Training (Youth Polytechnics)	Development and Implementation of Scheme of service for VTCs Instructors	To employ Instructors on recognized grades and terms of service To improve quality of learning in VT centers	VTC Instructors paid monthly salary and allowances in line with the new scheme of service
	Expansion and upgrading of Vocational Training centers to Centers of Excellence	To provide increased opportunities to youth to acquire Vocational skills for employment To offer advanced/specialized trainings in identified market driven courses	Upgrade infrastructure in FOUR identified Vocational Training Institutions to Centers of Excellence status @100M -w/shops -tuition blocks -Tools and Equipment
	Provision of Subsidized Youth Polytechnic Tuition (SYPT) and examinations fees Scheme	To ensure increased access, retention and completion rates in Youth Polytechnics	Each trainee receives: Ksh 15,000 capitation

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for 2018/2019 F/Y
		To provide access to quality training for trainees enrolled in public youth polytechnics	
	Skill upgrading of the Vocational Skills Training Center Instructors in pedagogical and industrial skills	To equip the Instructors with modern/up to date technical and pedagogical skills in their areas of specialization to deliver quality training programmes	-Skills gap analysis -Selection criteria developed -mobilization and enlisting of teachers for training -Conduct induction training for VTC Instructors in NITA centers
	Expansion of ICT infrastructure in Vocational Training Centers (25 ICT Centers)	To provide youth with increased access to Information, Communications and Technology in Youth polytechnics	-Construction of ICT Laboratories -Equipping ICT rooms with appropriate furniture -Equipping ICT rooms with ICT Equipment-Computers, UPS, Printers
	Provision of tools and equipment to youth polytechnics	To provide quality skills training	
c) Youth Development	Youth Policy/strategic plan formulation and adoption	To guide implementation of youth focused programmes in the county	Stakeholders consultative forums at county/sub-county levels
	Guidelines on programme implementation	To guide on day to day implementation	
	Youth Training and Economic Empowerment Programme (in	To increase employment opportunities for youth in Kitui	Training of selected youth in high demand driven skills through a

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for 2018/2019 F/Y
	partnership with National Industrial Training Authority (NITA)	through industrial skills training	combination of both Informal and Formal training Supporting the trained youth with start-up kits to assist them starting own businesses
	On the Job Youth Skills Training- Paid Youth Internship and Volunteerism Programme On the Job Youth Skills Training – Traditional apprenticeship programme- through existing business enterprises	To offer young college/university graduates with practical work experience/hands on experience To increase employability chances for youth graduates To prepare students for the world of work and increase their chances of employment after training To provide highly skilled, technologically competitive workforce to support industrialization To provide trainees with certification of industry-recognized competencies applicable to employment in a high-skilled occupation	Develop Graduate Internship and Volunteerism Identify and link with partner industries on internship Implementation Guidelines Select, place and provide stipend support to youth undertaking internship and Volunteer programmes Develop Apprentice programme implementation Guidelines Identify partner industries Select, place and provide stipend support to youth in apprenticeship programmes -Leatherwork; Garment Making; Plumbing; Mechanical Engineering; Electrical/Electronics
	Youth Innovation support programme	To empower young people to	Development of programme

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for 2018/2019 F/Y
	Establishment of Youth Business Incubation/ innovation centers	<p>translate ideas into jobs</p> <p>To provide competitive grants to youth innovative practices and investment proposals that are demonstrated to have an impact on improving youth employment opportunities, job creation and economic social development with high sustainability chances</p> <p>To nurture youth talent and innovation</p> <p>To empower youth with ICT skills</p> <p>To provide a one stop shop for youth innovation initiative support</p> <p>To support youth research initiatives</p>	<p>implementation guidelines, Youth Selection, funding and support to beneficiaries</p> <p>Establishment of TWO Youth Business Incubation Centers (in Kitui and Mwingi)</p> <p>Provide internet connectivity to the incubation centers and Library center</p>
	Adolescent and Youth career mentorship programmes	<p>To assist adolescent and youth make right career choices in life</p> <p>To enhance youth capacity towards career development and wealth</p>	<p>Capacity building youth on career choices, leadership, drug and substance abuse, HIV & Aids, Counselling</p> <p>Mentorship programme for college/university students at sub-</p>

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for 2018/2019 F/Y
		creation	county and Ward levels during school holidays Holding Youth conferences for mentorship
	Youth Infrastructure, Savings and Enterprises Development Programme	To provide legal framework for Youth group operations To enhance youth access to Government Procurement Opportunities (AGPO) To link youth groups/businesses with micro-finance institutions To encourage savings and investment culture among youths	Train youth in entrepreneurship skills Sensitize youths on access to government procurement opportunities (AGPO). Supporting youth to form self-help groups and cooperatives societies Linking youth groups with Micro- finance institutions
	International Youth Day	To create platform for meaningful youth participation To increase awareness on pertinent youth issues	Liaise with likeminded partners on highlighting of the agenda Organize for pre-international youth day at sub county level Mobilization of youth to attend the main event

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for 2018/2019 F/Y
	Monitoring and Evaluation programme	To monitor ongoing activities To draw lessons from implementation process	Regular visits and technical support to youth groups and youth projects across the county
c) Information and Communication Technology (ICT)	Policy formulation, Review of County ICT strategy, Establishment of Legislation on County ICT Management	To ensure unified and harmonized utilization of ICTs and Scalable systems/infrastructure in the county To review the current County ICT Roadmap/strategy in tandem with current ICT Trends	Establish a legal framework to guide implementation of shared ICT services, unified ICT Systems/infrastructure, Standardization, acquisition ICTs and services Reengineer County ICT Roadmap/strategy
	Establishment of Unified LANs/MANs/WANs/Internet Connectivity in County Government offices up to Sub county Head Quarters and other critical County Facilities	To provide - increased efficiency in operations -To Improve Public service delivery -To increase office productivity -To ensure Cost savings resulting from ICT resources sharing	-Establishing of LAN/MAN/WAN up to sub county HQs -Connect key county facilities to Internet - Integration of LANs/MANs/WANs into county data center -Establishment of a shared ICT Infrastructure
	Expansion of mobile telephony network in the county	To provide increased communication network citizens able to access mobile telephony network	Collaborate with ICT providers to increase communication network through erection of additional BTS in the county.

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for 2018/2019 F/Y
	Expansion and equipping of ICT centers and Connecting Existing ICT Centers to Internet	To provide youth with increased access to communication and Information technology services	Extension of WANs to ICT centers
	Establishment of County ICT incubation centers of excellence	-to establish a facility for mentorship, coaching and development of innovative talents in the ICT sector	-To establish a county Innovation Centre/Centre of excellence
	County Fabre optic infrastructure Utilisation	To Increase internet availability and reduced down times	Establish a redundant/Secondary internet connectivity via the NOFBI Infrastructure
	Establishment of County Video Conference Facility	-to implement a platform to facilitate Net meetings, communication and knowledge sharing with the outside world - to have Efficiency in official and Virtual communications and Knowledge dissemination	Establishment of a video conference facility
	IP Telephony system/Call centers up to sub county HQ level	- to establish a Free/efficient intra office and extra office telephony communications riding on shared infrastructure - to Promptly deal with client/customer/public service issues and Support issues	-Installation of VOIP telephony and call centers in all county government offices at HQs and sub county level
	Security surveillance system/CCTV Installation at Key County Offices	-improved security surveillance around County Government offices	-Installation of CCTV system at County HQs

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for 2018/2019 F/Y
		-Cost saving on hired manual security systems	- Installation of CCTV system at county critical offices
	Urban WIFI Infrastructure	Knowledgeable communities Increased e-commerce opportunities Residents exposed to opportunities	Establishment of Internet WIFI Infrastructure in key towns Kitui, Mwingi, Mutomo, Kwavonza
	Upgrading Systems Software, Renewal and Continued Upgrading of County Website towards Transactional/seamless status	-Ensure county uses genuine software -antivirus software licenses renewed -Revamped and interactive county website -secure systems	-acquisition of operating system and office for existing machines -Renewal of expiring antivirus software -Upgrade and maintenance of county website Upgrading systems
	County Integrated management information system/ERP	Operational efficiency Automation realised Paperless county More resources freed up for county development agenda	Acquisition and integration various modules into the system: see below for modules
	Community ICT sensitization clinics	ICT Awareness and improved economy	Organize ICT clinics with youth and women to train on the proper use ICTs in doing business
	County ICT Domain	Ease in user management profiles, centralized system and network	Development of the Kitui County domain for all employees. This will

County Ministry/Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for 2018/2019 F/Y
		security and webmail accessibility.	enable ease in user management profiles, centralized system and network security and webmail accessibility.
	Service/Maintenance contracts for Data Centre and LAN Infrastructure	To attain High availability of ICT services and reduced down times	Put in place Running Service/Maintenance contracts for Completed ICT Projects
	Migration of systems hosted in departments to the data center	-to ensure security of county Information assets	-relocation of servers and hardware in other departments to the Data center -migration of systems hosted in departments to the data center
	County ICT Infrastructure Survey	-To establish the current status of ICT infrastructure and levels of ICT Utilisation in the County HQs, Sub-county HQs and ward HQs	Carry out a survey to establish ICT infrastructure, systems and level of utilization of ICTs in the County

Annex 6: Trade, Cooperatives and Investments

COUNTY MINISTRY/SPENDING UNIT	BROAD PRIORITIES	BROAD STRATEGIC OBJECTIVES	PROPOSED POJECTS/PROGRAMMES FOR 2018
Trade, Cooperatives and Investments	Improve business environment and promote active investment climate	To promote the development of wholesale and retail trade i.e. cereals and pulse processing factories in four zones of Kitui County.	<ul style="list-style-type: none">• Build factories in four zones of Kitui County.• Build public toilets and refuse bins in the already constructed markets• Fencing and installation of water tanks in the markets.• Construction of modern Kiosks in our major Towns i.e. Kitui, Mutomo and Mwingi.
	Support ballast extraction industry		
	Value addition along honey, mangoes and Milk processing.		
	Soap and detergent Industries.	To promote entrepreneurship and private sector development.	<ul style="list-style-type: none">• Modernization of Jua Kali Sector in all major Towns, motor vehicle and other services i.e.• Common rooms, bathrooms, changing rooms, water tanks.• Panel beating section• Mechanical repairs section• Normal services section• Food court section• Car wash section• Administration – Mpesa• Apparels• School uniforms• General garments
	Potter industry	Private public partnership through Kitui Investment and Development Cooperation.	
	Cottage industry along garments making.		
	Cottage industry along leather.		

	Capacity enhancement along value addition of livestock traders.		<ul style="list-style-type: none"> • Watch traps • Wallets • Belts • Shoes • Balls • Fabrication i.e. bushes and gutter • Timber section. • Welding section • Modern Kiosks i.e. Containers with upstairs • Small clinic with a nurse. • Carry out entrepreneurship development training • Revamping the Kitui Traders loan scheme • Carry out business and investment forums at the Sub-county levels
	Promotion and development of co-operatives societies(strategy 247) and industrial development	Encourage the formation of cooperative societies, improve governance and capacity to do value addition	<ul style="list-style-type: none"> • Sensitization programmes for formation of cooperatives • Facilitating the registration of new societies • Cooperative member education • Leadership development training for the cooperative leaders • Promotion of value addition in cooperatives through training • Product development, branding and packaging programmes for value addition cooperatives
	County Branding	To create a distinctive	<ul style="list-style-type: none"> • Review and adoption of the County branding policy

		and well popularized brand of Kitui County	
	County Investment Corporation (CIC)	To facilitate growth and wealth creation	• Access to credit facilities
	Women and youth empowerment	To empower youth and women	• Establishment youth and women empowerment fund(Biashara fund)

Annex 7: Lands, Infrastructure, Housing and Urban Development

Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for FY 2017/2018
Supervision of construction works of all building and maintenance of the same.	Development and maintenance of public buildings and other works	Construction of Offices, furniture Supply, Software etc
Enhance efficient transport and support effective service delivery in Kitui County	Construction, maintenance and rehabilitation of road network in the County.	Purchase of Equipment & Tools
		Grading of county roads – 2000km
		Gravelling of county roads – 1000km
		Construction of low-water river crossings (drifts) - 900m – 20 drifts
		Construction of concrete slabs -1000m
		Installation of pipe culverts – 1000m
		Construction of box culverts – 10Nos.
		Upgrade of roads to bitumen standards –100km
Land adjudication and titling.	Provision of titles to all land owners with an aim of rationalizing and regularizing	Access road - Fuel, Maintenance of Machinery
		Hearing of Objection Cases – 10 Objection cases

Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programs for FY 2017/2018
	land ownership Record people's rights and interests over their land and solve arising cases in order to have land registered in the whole County	Publication & Solving of objection cases – 10 cases
Improve efficiency in services provision in Kitui County	Improve and increase knowledge of construction technology to the public Provide low cost but modern housing to public servants (Housing programme)	Affordable Housing
		Refurbishment of 10Nos. Residential Houses in Kitui Town
		Equipping the 8 Sub-counties with Hydra form machines, Workshop Tools, Spares and Small Equipment
		Other Infrastructure and Civil Works – drainage system
Endeavouring to digitize land information and management systems within the county to enable integrated digital land use planning.	Well planned urban centers and coordinated developments (Spatial planning in urban centers) Development control through approval of building plans, approval of site inspection reports, Recommendation of Environmental Impact Assessment Reports.	Updating, Revision and Digitization of Development Plans
		Valuation Rolls and verification of Plots
		Purchase of Specialized Equipment
		Purchase of GIS data
		Contract Services for Aerial Photography, Spatial planning and topographical mapping.
Enhancement of secure land information system and minimise land disputes.	Security of land tenure (Land ownership)	Cadastral Survey of Mutomo, Kabati, Kwa-Vonza, Migwani, Zombe, Kyuso and Mwingi towns
	Physical Planning	Proper engineering and design of major town in Kitui eg Mwingi, Mutomo Kabati, kiusyani, Migwani, Kwa Vonza etc

Annex 8: Ministry of Tourism, Sports and Culture

County Ministry/Spending entity	Broad Priorities	Broad Objectives	Strategic	Proposed objectives and programmes for 2016/2017 FY
Tourism Sports and Culture				
	CULTURE			
	Preservation, Promotion and development of culture	Conservation of the Intangible Kamba heritage		Support recording of Cultural programs for community performing groups, artists and schools through drama, music, acrobatics, visual arts and other forms of art
				Participate in the Kenya Music and Cultural Festival program in the Country
				Form Kitui County Staff Choir and participate in inter-county and national festivals
		Rehabilitation and restoration of tangible heritage (cultural sites) for tourism and research		Identification, documentation, preservation and Promotion of historical and cultural sites:
				• Kavea Rock caves,
				• Ikutha Pre Colonial Missionaries graves,
				• Mulango Pre Colonial Mission Center and School,
				• Ngomeni Caves,
				• Kitui Colonial Governor's residence and
				Host Kenya National Commission on UNESCO in mapping elements for nomination

County Ministry/Spending entity	Broad Priorities	Broad Objectives	Strategic	Proposed objectives and programmes for 2016/2017 FY	
				Operationalize Mwingi and Kyoani Resource Centers by installing ICT and catering facilities;	
				complete Manyenyoni and Mutonguni Resource centers;	
				Complete Mwitika Social hall	
				Complete Lower Eastern Heritage Center	
				Carry out a comprehensive study to map the county heritage in conjunction with National Museums of Kenya, KNATCOM-UNESCO and the National Department of Culture	
		Establishment of legislation on culture since it is a devolved function		Sponsor bills to facilitate registration and licensing of herbalists and other cultural practitioners.	
				Develop policies to facilitate promotion of culture and heritage in the county and beyond	
		GENDER/SOCIAL SERVICES			
		Promotion of gender parity and participation in nation building	To eliminate Gender Based Violence in the community		Carry out outreaches to sensitize community members on GBV
				Collaborate with partners both Civil society and private players to	
				facilitate interventions in cases of violations	
				Support the Kitui County GBV Committee in enhancing access to justice for survivors of GBV	

County Ministry/Spending entity	Broad Priorities	Broad Objectives	Strategic Objectives	Proposed objectives and programmes for 2016/2017 FY
		To enhance reporting of atrocities and ensure successful prosecution of GBV perpetrators		Establish a Rescue centre for GBV survivors in Kitui Township and
				facilitate linkages with the Judiciary, Office of the Public Prosecutor, Department of Health, the Kenya Police Service and other stakeholders who have a role in the chain of evidence
		Facilitate equal access for members of the community especially the marginalized to Government Procurement Opportunities		Sensitize communities and groups on Gender mainstreaming and the policies/laws that entrench it
				Carry out trainings on AGPO and assist groups of Women and PWDs to register businesses and teach them how to interact with contract application documents
	SOCIAL DEVELOPMENT AND CHILDREN SERVICES			
	Support Community Learning	Empowerment of women and the marginalized groups in the society especially PLWDS		Support 494 women groups/PWDs with start-up kits for Income Generating Activities from the 247 villages.
				Support marking and celebration of International Days;
				• International Women’s Day,
				• International Day of Disability,
				• International Day of African Child

County Ministry/Spending entity	Broad Priorities	Broad Objectives	Strategic	Proposed objectives and programmes for 2016/2017 FY
				Carry out 80 sensitization and awareness creation forums on county topical issues in Collaboration and in partnership with other stakeholders in carrying out empowerment programmes.
				Carry out trainings on 988 group cohesion, group dynamics and basic financial literacy
				Carry out 494 trainings for Women,
				247 PWD groups and members of the community on AGPO and basic management skills for micro-businesses.
		Promote healthy living for the youth and members of the community		Carry out outreaches to 494 schools, groups and community members on drugs and substance abuse
				Initiate and manage collaboration with Children’s Department for ease of management of street children and other Children in Vulnerable Situation
				Support 10 children homes (CCIs) with food and other utilities
Sports				

County Ministry/Spending entity	Broad Priorities	Broad Objectives	Strategic	Proposed objectives and programmes for 2016/2017 FY
	Development of Sports Facilities and Talent Promotion	<ul style="list-style-type: none"> To upgrade sports Infrastructure 		Develop International 5000 seater Sports Centre at Ithookwe and 2,500 seater at Mwingi Musila Gardens
		<ul style="list-style-type: none"> To identify, nurture and develop sports talent 		Develop Kitui Stadium – Perimeter wall, Construction of changing rooms, spectator terraces, flood lights, packing area and toilets
				Upgrading of Kauwi Stadium – 6door toilets, changing rooms, perimeter wall and naming after the Late Hon Nyenze
				Levelling, erecting goal posts, building dais and toilets in at least one playground in all 247 villages
				County tournaments in Football, Volleyball, Netball, Handball, Athletics and basketball from village level culminating into Governor’s Road Race and Governor’s Cup
				Start/Develop Water sporting, Rugby, Cricket and Rhino Charge
				Organize and support teams for intercounty competitions
				Support Federation Tournaments (Athletics Kenya, Football
				Federation of Kenya and Kenya Volleyball Federation)

County Ministry/Spending entity	Broad Priorities	Broad Objectives	Strategic	Proposed objectives and programmes for 2016/2017 FY
				Supply uniforms, balls, nets and playing boots to all active Football and Volleyball clubs in the County

Annex 9: Agriculture, Water and Livestock Development

County Ministry	Broad Priorities	Broad strategic objectives	Proposed Projects/Programmes for 2018/2019 FY
Ministry of Agriculture, water and Livestock Development	Increased agricultural production and food security	i) Increasing agricultural output and productivity ii) Reduction of pre- and post-harvest crop losses	Promotion of Mango Production, Value Addition and Marketing
			Purchase of certified seeds
			Farm inputs support/Seed bulking and multiplication
			Fruit trees/vegetable nurseries development
			Ndengu Revolution Programme
			Promotion of Cotton Production
			Crop protection and postharvest management
	Improved farm income and profitability	i) Intensification and commercialization of smallholder agriculture ii) Promoting market linkage and value addition	Enhance Capacity building in farm management
			Strengthen Farm planning
			Agricultural market information Management
			Facilitate agro-processing and value addition
	Sustainable use and conservation of agricultural resources	To promote sustainable land and agricultural resources use and management practices	Strengthen the capacity of Agricultural Mechanization Services through Acquisition of agricultural/water machinery
			Provision of subsidized tractor Hire Services

			Irrigation development and rehabilitation
			Communal and on-farm irrigation water resources development for crop production
			Enhance Water harvesting techniques for crops and Livestock production
			Soil conservation and fertility improvement
			Agricultural machinery/tractor hire services
	Improved human and institutional capacity	Effective delivery and supply of agricultural extension and advisory services	Building the capacity of Agricultural Training Centre
			Provision of agriculture and livestock extension and advisory services
			Farmers training and capacity building
			Agricultural shows and exhibitions
	livestock breeds improvement and management	Increased livestock output, productivity and quality of products	Livestock value chain (Meat value chain, Leather value chain(hides & skins)
			Dairy improvement through artificial insemination (AI)
			Provision of high quality Galla bucks for breeding
			Provision of high quality cocks for breeding
			Provision of egg incubators
	Pasture and fodder production and conservation	Improving pasture and fodder production and conservation	Provision of pasture seeds for feed production and seed multiplication.
	Rehabilitation of denuded rangelands	Imrpove production from rangelands and the provision of feed for livestock while conserving soils and harvest water.	Range Improvement Programme; Capacity building of farmers and provision of fencing,soil conservation and water harvesting materials.Construction of sample storage structures and procurement of grass harvesting equipment.

	Livestock disease prevention and control	Reducing livestock disease incidence and outbreak	Provision of portable spray pumps, disease surveillance and animal vaccinations
	Apiculture and management	Improving technology adoption, market linkage and value addition	Provision of modern bee hives for apiary establishment and honey extraction equipment
	Promotion of aquaculture	Promoting interventions in aquaculture development that increase fisheries productivity and profitability	Rehabilitation/Construction of fish ponds
			Identification and Dam restocking
	Improvement of water availability and accessibility	enhancing accessibility and availability of safe water	Drilling and Equipping of Boreholes
			Construction Sub surface/Sand Dams(ming'eeto)
			Construction/desilting of earth dams and Rock catchments
			Construction/Extension of water pipelines
	Efficient utilization and management of water supplies	To ensure sustainable and reliable water services	Athi- Kanyangi- Mutomo water Projects
			Purchase of water tanks
			Subsidies to WSPs
			Borehole & pipeline repairs/rehabilitation
			Capacity building of water management committees

Annex 10: Environment and Natural Resources

County Spending Entity	Ministry/ Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for 2018/2019 FY
Environment Department	Tree Growing and Forest Conservation	To increase the forest cover throughout the county	County tree growing programme
			Forest and woodland conservation
			Tree growing in all county hilltops, riverine and institutions
			Promote modern agro-forestry technology in all the county wards
			Sensitize farmers to adopt forest farming for wealth creation
			Create awareness to farmers and community on harvesting of non-wood forest products e.g. gums, resins, honey etc
			Promote growing of drought tolerant multi-economic value tree species for multiplication e.g. sandal wood, medicinal herbs, melia volkensii, neem tree, vitex fayos, Aloe vera, etc
		To promote growing and propagation of high value, multi- purpose tree species for wealth creation	Mumaki, Upper Tyaa and Thua riverine rehabilitation and conservation projects
			Initiate value addition enterprises of sand resources in resource rich areas e.g. Lower Tyaa/Kiromboko site in partnership with TARDA
			Acquire machinery to lift sand from the river to safe depots before rains
			Planting of cover grass and bamboo on hill slopes in

County Spending Entity	Ministry/	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for 2018/2019 FY
				water catchment areas
				Identify and construct sand dams across county rivers and streams to slow soil erosion, facilitate water retention, enhance vegetative regeneration and crop resilience
				Enhance community capacity to harvest rock and surface run-off water for use in kitchen gardening, tree nurseries, domestic and livestock use through construction of tanks and embankments around rocks surfaces
		Climate Change adaptation and mitigation	Conservation of water catchment areas and rehabilitation of degraded ecosystems	Institute and operationalize Kitui County Climate Change Fund (KCCCF) by allocating 2% of the County budget to climate adaptation and mitigation projects; diversification of livelihoods e.g. Income generating activities, growing drought tolerant fruit trees and crops- green grams, cowpeas, pigeon peas, etc
			Build community capacities to adapt and cope with adverse impacts of climate variability	Environmental education and awareness programme (the programme consists of the commemoration of international environmental events, schools and church outreach activities and general civic education and campaigns)
				Publication and distribution of educational and awareness creation materials and media campaigns
				Utilize benchmarking for exposure to best practices in

County Spending Entity	Ministry/	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for 2018/2019 FY
				environmental sensitization
				Mount trainings and workshops for our staff and community groups (youth and women) on environmental conservation
		Environmental management and awareness	To enhance community's environmental education and awareness for sustainable development	Institution of sustainable waste management practices in the county
				To build partnerships through private-public partnerships for sustainable waste management and utilization e.g. collaboration with individuals, organizations, clubs, societies, women and youth groups Acquire and develop suitable land for establishing modern waste disposal facility for toxic and hazardous waste (asbestos)
		Sustainable waste management	To formulate measures and mechanisms for waste management	Conduct and support clean ups in major towns and shopping centres in the County e.g. through awareness, public sensitization, communal activities and distribution of dustbins and brooms
			To increase capacity building to the public on proper waste management strategies	Playing a lead role to ensure compliance with citizens' right to clean and healthy environment e.g. inter-ministerial sensitization, monitoring and regulation
		Environmental Management and Coordination	To develop policies and enhance compliance for all environmental regulations including but not limited	Environmental research and development e.g. monitoring of trends in charcoal and sand harvesting and trade

County Spending Entity	Ministry/	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for 2018/2019 FY
			Charcoal Management Act, EMCA, Sand harvesting Regulations, Noise pollution etc	Strengthen environmental compliance and enforcement through recruitment, training, equipping and management
				Facilitation of the environmental (sand, charcoal, etc) and conservation community user committees
				Facilitate the operations of CEC
			Facilitation of committee meetings, trainings, exposure and workshops	
			Coordination of the Kitui County Environment Committee (CEC) Meetings	Review and assessment of the Strategic Environmental Assessment (SEA) and Environmental Assessments (EIAs)
				Training officers on effective environmental impact assessment skills
		Review Environmental and Social Impact Assessment (ESIAs)	Review and assessment of the Strategic Environmental Assessment (SEA) and Environmental Assessments (EIAs)	
Training officers on effective environmental impact assessment skills				
Programmes supported by development partners and donors				
	Build communities resilience on climate change resilience	Support communities capacities to build resilience through construction of water harvesting structures, tree nurseries and tree growing	Small Scale Irrigation and Value Addition Project (SIVAP) funded by the African Development Bank (AfDB) Matinga dam rehabilitation and conservation project to be supported by the World Bank	

County Spending Entity	Ministry/	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for 2018/2019 FY
		Support and strengthen devolution process in the county	Enhance and strengthen devolution process in the county through capacity building and empowerment	Kitui County / UNDP Kenya devolution support programme (KDSP) Kitui County / ADSE / ADA consortium programme
ENERGY DEPARTMENT		Increase electricity access and connectivity in all the County rural areas	<ol style="list-style-type: none"> 1) To support the extension of rural electrification to all the county wards targeting markets, schools, institutions, health facilities, boreholes 2) To connect power and up-rating of power supplies to community boreholes, learning institutions, churches, market centers, processing units 3) Increase electricity connectivity by installing transformers in the needy rural areas 	Rural electrification programme to market centres, household clustered, churches, Health centres and dispensaries, ECD Centres, Water boreholes, Vocational and YEP centres in the 40 wards of Kitui County in partnership with REA and KPLC
			To increase connectivity of electricity to the rural community through optimization programme through Collaboration with Kenya power to ensure communities within 600 m radius from transformer get connected to power supply	Power Transmission and Distribution to consumers within 600 m radius of transformers

County Spending Entity	Ministry/	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for 2018/2019 FY
		Development of county energy master plan	To put in place County energy master plan-to guide planning and investment in reliable, cheap and clean energy systems in future	Development of energy master plan-a comprehensive descriptive plan for achieving sustainable energy supply within the County
		Establishment of woodlots for wood fuel in institutions and women groups	To reduce tree felling for fuel To promote efficient energy utilization lifestyles	Planting of fast maturity drought tolerant tree species
				Sensitize the community on efficient tree burning, that is, use of technology in felling of trees and the actual charcoal burning to ensure maximum value gain.
				Sensitization and community trainings on efficient energy systems and energy saving jikos
		Promotion of adoption of renewable energy sources	Train community/ institutions to use renewable energy for their daily energy requirement , which is cleaner, affordable and reliable energy mix	Renewable Energy Technologies programme-promote use of solar lanterns, solar lighting, barber shops, salons and solar battery chargers for mobile phones
		Promote adoption renewable energy technologies	a) To identify and increase access to alternative renewable/ green energy adoption in Kitui County b) Train and support Community Based Organizations to adopt renewable energy technologies such as clean cook stoves	Establish a solar power generating station at Kanyonyoo through a private-public partnership (PPP) arrangement to transit the County to green energy status

County Spending Entity	Ministry/	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for 2018/2019 FY
		Establishment of county depot for charcoal	To strengthen charcoal producer and transport cooperatives for wealth creation to county residents Promote usage of modern technology productions kilns in charcoal hotspots To train community groups on sustainable resource utilization for wealth creation e.g. briquettes production, efficient charcoal production and sand utilization	Enforcement of charcoal regulations and policies
MINERALS DEPARTMENT		Conduct community Sensitization and awareness creation for communities living around minerals rich area	To empower the communities to be able to benefit from investments in the minerals resources To promote inter-county collaboration (such as South Eastern Economic block) in utilization of key resources e.g. water, sand, minerals, forests, etc	Community sensitisation and awareness at Mui basin, Mwingi North, Kitui South and Kitui West Explore benefits of inter-county collaboration, through joint meetings, in effective utilization of available natural resources in Kitui County Promotion of pre-market value addition of county natural resources such as sand, gemstones, etc
		Enhance capacity building of artisanal miners	To Provide relevant mining skills that would enable sustainable and gainful investment into mineral resources by the local communities	Training programmes for artisanal miners at Kitui East, Kitui South and Mwingi North

County Spending Entity	Ministry/	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for 2018/2019 FY
		Establishment of mineral database of Kitui County	To Increase availability of minerals related data for the Kitui County for the purposes of attracting investments into the sector	Mapping of all minerals resources in Kitui County
		Formulation of County Policy on minerals resources	To provide a county legal framework that would attract minerals investments within the county	Formulation of Kitui county mineral resources investment and utilization policy 2017 and also review of the guidelines for establishment of community Liaison Committees for minerals and other natural resources in Kitui County 2014
		Establishment and capacity building of Community Liaison Committees in Minerals Rich areas	To enhance community participation and leadership in mining activities within their localities	<p>Establish community Liaison committees at Mui, Ikutha/Athi, Kanziko, Ngaai, Kiimu, Twimuma, Ngungi/Kasunguni</p> <p>Mount training for community liaison committees</p> <p>Facilitate gazettelement of the liaison committees</p> <p>Undertake exposure trips to build capacity of liaison committees</p>

Annex 11: County Public Service Board

County Ministry / Spending	Broad Priorities	Broad Strategic Objectives	Proposed projects and programmes for FY 2018/2019

Entity			
County Public Service Board	Construction of office block	To create adequate working space for the County Staff	Purchase of land for construction

Annex 12: County Assembly Service Board

County Country/ Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed projects and programmes for FY 2018/2019
	Speaker's residence	To improve speaker's performance	Construction of speaker's residence house
	Office Block	Provide members and staff with conducive working environment	construction of a five storey building for offices

Annex 13: Kitui Town Administration

County Ministry/ Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2018/2019
Kitui Town Administration	Training & Capacity Building	To improve Staff Performance	Staff Training
	Construction of Non-residential Buildings	To have better working environment.	Electrical fencing and face-lifting of the Kitui Town Administration block compound.
		To have better working environment.	Refurbishment of Kitui town Administration offices (Painting and floor tiles.)

County Ministry/ Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2018/2019
		Improved market	Renovation of Kiembeni Market- (Floor slabs and sides.)
		Improved market	Construction of three (3) Jua-kali sheds.
		Improved market	Construction of twenty three (23) Modern market sheds
		Organized boda-boda transport.	Construction of four (4) boda-boda sheds
		Effective management of wastes.	Construction of a landfill.
	Office furniture, fittings and equipment	To enhance work effectiveness	Acquisition of office electronics and furniture
	Specialized Equipment, Materials and Supplies	To have Longer working hours and security.	Street/security lights maintenance
		Effective street/security light maintenance	Acquisition of Man Hoist
		Clean and beautiful firm.	Purchase of cleaning equipment.
	Urban planning.	Sustainable urban development	Urban planning of 4 Market Centres- Matinyani, Wikililye, Kavisuni & Chuluni
		To easy planning and referencing	Acquisition of GIS Data Base
		To enhance efficient location of land parcels.	Acquisition of GIS Software
	Specialized plant & Machinery.	Enhanced cleanliness	Purchase of Bull backhoe,

County Ministry/ Spending Entity	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2018/2019
			tipper truck and exhauster
	Revenue collection stations.	To enhance revenue collection.	Purchase a double cabin motor vehicle
		Improved revenue collection.	Equipment, networking and software
	Construction of Civil Works	To Open up & improve urban roads	Urban Roads Survey and opening
		To have efficient and effective transport.	Tarmacking of town access roads (2.5KM)
		To have efficient and effective transport.	Roads Gravelling within Kitui town estates.
		Improved transport infrastructure	Urban development (infrastructure)
		Improved transport infrastructure	Walk ways, culverts, Storm water drains(9km)
	Town beautification program.	Improved town image	Planting of trees and flowers and fencing.
	Community development initiatives.	Improved town cleanliness	Community education meetings on environmental management
		Inclusive citizen driven development	Public Participation
	Disaster preparedness and management	Reduce disaster risk and effects	Emergency kit fund be set aside for disasters

Annex 14: Mwingi Town Administration

County Spending Entity	Ministry/ Town	Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2018/2019
Mwingi Administration	Town	Specialized Equipment, Materials and Supplies	To provide high capacity computers for works civil department & respective field kits.	Purchase of workshop tools, spares and equipment for Public Works, Civil engineering and Physical Planning.
		Construction of Non-residential Buildings	To create a conducive work environment for employees and visitors, and generate more County revenue.	Renovation of the drainage system (of the soak pits) at the slaughter house and landscaping of the compound.
				Construction of centrihouse at slaughterhouse.
			To forestall negative public health implications, ensure consistent revenue streams.	Purchase of land for construction of a new public eco-toilet near Garissa stage
				Rehabilitation of the Modern market eco toilet (opening the drainage system and water connection)
			To provide adequate space for Public Cemetery.	Purchase of land for Public Cemetery (7 acres)
			To provide an environment for the healthy living of residents.	Water connection, fencing and beautification of the rehabilitated old dumpsite next to stock yard.
			To provide space for more taxi operators, increase revenue	To purchase 4 acre-land for carpark in Mwingi Town

County Spending Entity	Ministry/ Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2018/2019
		collection	
		To enhance youth talent nurturing, empowerment, recreation and reduce vices like drunk abuse	To purchase 5 acre-land for a stadium
	Town beatification and maintenance of recreational facilities	To make the Town an attractive and healthy commercial, residential and recreational destination.	Cleanse and Beautify the Town <ul style="list-style-type: none"> • Maintenance of current flowers & trees • Plant more flowers and trees • Fencing of the club 2000 – KCB Junction beautification site • General town beautification and greening at various points
		To create a conducive business environment and raise more revenue.	Guttering the market shades and opening drainage systems in the markets (old and open air markets). Constructing 4 market shades at the open-air market
		Better business environment. Better image of the County Government.	Install security lighting at old market, slaughterhouse and open air market Electricity connection of in the old market (market stalls and shades)
		Improve the county government image and ensure safe business and	Repair and maintain Town street lighting including electricity Bills

County Spending Entity	Ministry/ Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2018/2019
	Construction of Civil Works	residential areas	
		To improve commerce by increasing efficient town mobility through control of storm water in town, improving town revenue collection	Grade and culvert 30 kilometres of Town roads to <ul style="list-style-type: none"> • open up backstreets to encourage commercial activities there and therefore decongest the town centre; • Ensure efficient mobility in Town, especially for institutions located in the backstreets.
		Efficient traffic flow and reduced risks of accidents and cost of business. Generate more county revenue	Construct and maintain storm water drains
		Open up backstreets to for disaster preparedness (facilitate ambulance and fire engine access).	Upgrade to bitumen standard the Pivot – Level IV Hospital Mortuary
			Construct 5Km walk ways/pavements
			Carbro-works: between Equity bank and Target supermarket, between Kiluma bar and Garissa road, around old market, around Kimwasco eco toilet, and between cafe kazuri and level IV hospital junction
			Upgrade to gravel standard and construct a vented drift at the bus park – modern market road

County Spending Entity	Ministry/ Broad Priorities	Broad Strategic Objectives	Proposed Projects and Programmes for FY 2018/2019
	Enhanced solid waste management/Improved town hygiene.	Conducive business environment for about 300 traders and their customers. More revenue.	Purchase of 130 portable garbage bins
		Safe and clean business environment for about 50 traders and their customers. More revenue.	Redesign and construct drainage of the old Market - Faith clinic road section
	Disaster Preparedness and Management	To ensure effective response to emergencies and disasters in Mwingi Town.	Purchase a double cabin motor vehicle for sharing between 5 departments
			Construct a reservoir Tank and a mini fire station
			To purchase fire safety equipment and gadgets (e.g. 5 fire extinguishers, 2 horse pipes)