

COUNTY GOVERNMENT OF KITUI



THE COUNTY TREASURY

Department of Economic Planning

County Fiscal Strategy Paper 2019/2020

**Harnessing the Five Pillar Development Agenda for
Wealth Creation and Shared Prosperity in Kitui
County**

February 2019

Foreword

This is the sixth Kitui County Fiscal Strategy Paper (CFSP) under the devolved governance structure and the second under the current administration regime. Its purpose is to build direct linkages between policies, plans and budgets, and present the County fiscal framework for the FY 2019/20 budget estimates and over the medium term. The paper, prepared under the theme “*Harnessing the Five Pillar Development Agenda for Wealth Creation and Shared Prosperity in Kitui County*” 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 2019/20 Annual Development Plan as well as the approved County Integrated Development Plan 2018-2022.

The FY 2019/20 County Fiscal Strategy Paper is aligned to the Budget Policy Statement (BPS) 2019 prepared by the National Treasury which sets out the national broad strategic priorities and policy goals guiding budget preparation for the next financial year at the national level. It is a requirement to subject the proposals to public scrutiny as a way of ensuring transparency and accountability. In this regard, public participation on the paper was conducted and the views arising thereof taken on board. Further, the draft CFSP has also been approved by the County Budget and Economic Forum (CBEF) and their views also incorporated. The report was circulated to the Commission on Revenue Allocation (CRA) and the National Treasury. Their inputs and positive criticism has gone a long way in shaping this 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, projects and activities targeted towards addressing water provision challenges, access to affordable, accessible and quality health care and infrastructural developments especially in the road sector.

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 led by 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 important budget policy document. It is my strong believe that the document will steer the County to great success on development matters thereby ensuring improved welfare of county residents.

Finally, to all our stakeholders, we reiterate our commitment to serving you diligently and promise never to let you down on matters of transparency and accountability in the budget making process.

Mary Nguli
County Executive Committee Member,
County Treasury

Acknowledgement

The preparation of County Fiscal Strategy Paper (CFSP) 2019/20 was collaborative, with stakeholders drawn from all sectors: departments and agencies of County Government of Kitui, views from citizens and written memoranda from organized groups. The whole process being guided by the department of Economic Planning and could not have been accomplished without the commitment, dedication, sacrifice and determination of all the members of staff of the County Government.

First and foremost, I acknowledge the valuable leadership and support of Her Excellency the Governor Charity Ngilu. I wish to extend my gratitude to Mary Nguli, County Executive Committee Member for County Treasury for the technical support extended in the preparation of this paper. I appreciate the role played by all Chief Officers in leading their staff in providing information and real time data towards preparation of this document.

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Justus Kalii

Chief Officer – Economic planning

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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
ECDE	Early Childhood Development Education
ECDEC	Early Childhood Development Education Centre
FY	Financial Year
ICT	Information, Communication & Technology
IFMIS	Integrated Financial Management Information System
IGA	Income Generating Activities
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 finalizing 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

1. The County Fiscal Strategy Paper (CFSP) 2020/2021, is the third one in implementing Governors Manifesto and has been prepared by taking cognizance of the 2020/2021 Economic outlook and the five Pillar county development agenda namely; Food and Water; Health, Education and Youth Development; Women Empowerment and Wealth Creation. Further, the paper seeks to give a framework for implementation of programmes and projects prioritized by the citizens, the paper is aligned to the Country's Vision 2030, the 3rd Medium Term Plan, the United Nations Sustainable Development Goals (SDGs), national government policies and guidelines as communicated through various circular's, the 2020/ 2021 Budget Policy Statement (BPS), the approved County Integrated Development Plan (CIDP) 2018-2022 and the County's Annual Development Plan for 2020/2021 FY.

2. 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 2020/21 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.

3. 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 has been both food and water insecure with various interventions now bearing fruits despite the adverse weather conditions, a common phenomenon in the County. Despite the rampant un-employment and under- employment (particularly among the youth and women), and the lack of formal cash crop (s), Kitui County residents are now hopeful for a brighter future due to many impactful programmes currently being rolled out, thus calling for very prudent fiscal discipline, policies and well-designed programmes to realize the full benefits and meet the high expectations.

4. Additionally, deliberate efforts will also be undertaken to grow the local revenue base, seal all leakages while at the same time developing new and innovative ways of generating additional revenue. To stimulate 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.

5. Further, the County Government will seek to entrench 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 of the programmes and projects identified for implementation will be assured.

1.2 Strategic Commitment

6. The period 20120/2021 FY, and the years to follow, the County Government of Kitui Strategic commitment is to roll out various programmes, projects and activities with the highest potential for high economic and social impact over the medium term. These development interventions 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. Major areas of focus will be ensuring provision and access to water, universal health care and the road infrastructure. Other areas will include value addition in the livestock sector, textile sector, agribusiness and empowerment programmes.

1.3 The Value Chain Approach

7. Previous Government practice has been to support farmers to produce according to the market demand and depended 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.

8. In the past, 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 deemed 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.

9. Value Chains are about Products, Processes and People. During the 2019/20 FY, the County Government plans, to continue supporting producers directly right from operations at the farm level/production (e.g through mechanization of farming activities; planting of certified seeds; supply of subsidized fertilizers 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.

10. To achieve this, deliberate efforts will be put on 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.

11. During the FY 2019/20 FY, the County Government also 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 Vocational training Centers, Co-operatives, Financial Services Associations (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.

1.4 Lands and Infrastructure Development

1.4.1 Land Development

12. Land as a factor of production is critical to economic, social, political and cultural development. Secure access to land and sustainable land use planning remains immensely important for food security, employment creation and the socio-economic development of the county. In order to support the attainment of the county manifesto, the county will assist to fast track issuance of title deeds and settlement of land adjudications as well as undertake physical planning through proper engineering and design plans of Mwingi, Mutomo, Kyuso, Zombe and Kwa Vonza towns

1.4.2 Roads

13. To unlock the country's potential in contributing to the national economy and supporting wealth creation within the county, the county will continue to increase the coverage of rural access roads to improve connectivity and enable farmers in getting their produce to markets faster and cheaply. Towards this end, during the FY 2019/2020, 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, gravelling, and tarmacking of roads.

1.4.3 Housing

14. The housing situation in Kitui County is characterized by an acute shortage of affordable housing. This situation is exacerbated by the rapidly rising rural urban migration in search of work, business opportunities as well as modern living and the low percentage of individuals within the County who are engaged in gainful economic activity. To enable construction of decent housing units, the county will develop a comprehensive housing programme to be implemented through a joint venture arrangement to incentivise low cost housing.

1.5 Health and Sanitation

15. In FY 2019/20 the Ministry of Health and Sanitation will continue to enhance healthcare access in the County. This will be done by ensuring all citizens of Kitui have access to quality healthcare through scaling up the health insurance cover programme. To achieve this, the County will continue implementing KCHIC programme to reduce high out-of-pocket expenditure and ensure access to quality healthcare. Further, the county will sensitize citizen on the uptake of NHIF

and other commercial insurance covers. This will be coupled with gradually increasing the workforce in addition to infrastructural improvement to ensure the existing facilities can handle the increased workload. Health products and technologies will be enhanced. This will go hand in hand with automation of data management in the health facilities.

16. To reduce high burden of both communicable and non-communicable disease, the ministry will revamp the community health strategy. This is a community based promotive and preventive health services. To make this more effective, the County will engage more Community Health Volunteers (CHVs) and equip them with the relevant resources and skills. During the year in reference, the ministry will strengthen health referral systems in the County to ensure citizens have access to timely and affordable referral services throughout the County. Purchase and proper maintenance of ambulance facilities will be prioritized during this period.

17. To improve maternal, new born and child health care, the County intends to roll out a comprehensive maternal service improvement strategy which shall involve completion and equipping of health facilities to ensure that they have proper functioning maternity units/wards. This will be complemented by capacity building of health workers on these aspects.

1.6 Agriculture, Water and Livestock Development

18. During FY 2019/2020, the County proposes to utilize available land to enhance food security and wealth creation of Kitui residents. Specifically, the County plans to purchase certified seeds for farmers in a timely manner to facilitate timely planting and quality yield for drought and disease resistant crops. The ministry will continue promoting tractor ploughing to increase acreage under cultivation. This will promote productivity and mechanization of farming activities for improved crop production. The plan and support to livestock farmers and traders has already been alluded to under the value chain approach.

19. Kitui County is located in Semi-Arid area where rainfall is usually minimal throughout the year hence rain-fed agriculture faces serious draw back 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 seasonal rivers and dams will be constructed.

20. During the FY 2019/2020, deliberate efforts will also be made to lay the ground work for irrigated agriculture. It is projected that, in the initial phase, an estimated 200 hectares will be irrigated along the Tana River while another estimated 100 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. *Myanda* irrigation will continue to be given priority to ensure that farmers improve production of high value horticulture crops like tomatoes, onions, water melons, spinach, chillies coriander and local vegetables among others.

21. Cotton production will be prioritized to provide raw materials to Kitui County Textile Centre (KIKOTEC) to complete the value chain, the concept of forward linkage with the garment factory. To enhance production and productivity, the County shall support farmers with quality seeds, pesticides, marketing and value addition.

22. Sorghum is best suited to the local climate. In FY 2019/20, the ministry will promote Sorghum production and utilization. Sorghum is grown in all the eight sub counties although concentration is more on the agro-ecological zones LM4, LM5 and IL5 where large tracts of land can be readily available for investment in the crops. To enhance production and productivity, there will need to invest in quality seeds, marketing, utilization and value addition.

23. Access to adequate supply of clean water is fundamental for the achievement of the first pillar of the Governors' manifesto. Indeed, adequate safe drinking water and sanitation do compliment efforts towards improved primary health care and productivity of labour. In addition, adequate supply of water is essential for increased agricultural production. For this reason, the county will continue to invest in clean water supply, prioritize construction of earth dam, pipe line extension and water pans across the county as well as completing the ongoing water projects in urban and rural areas in order to increase the number of people connected to clean water. Further, the county will invest in 500,000 liter water harvesting and storage infrastructure in every ward within the county. The county also intends to invest in Kiambere water project phase 2 to increase access to clean and safe water in Mwingi town and its environs. In addition, the county will continue to expand sanitation infrastructure in urban areas within Kitui municipality and Mwingi towns.

24. In FY 2019/20, the ministry will scale up improvement of local livestock breeds. This will be undertaken through sensitization of farmers, use of hormones to synchronize ovulation and use of artificial insemination. This programme aims at increasing meat and milk productivity using the locally available breeds. This programme will further be supported by a livestock disease Management Programme. The later programme will address the high threats of vector borne diseases which lead to poor animal health and high mortality rate hence affecting livelihoods. The county shall support the farmers with acaricides, spray pumps (manual and motorized), carry out disease surveillance, procure an assortment of vaccines and sera to cover common and frequent disease outbreaks and carry out vaccination.

1.7 Education, ICT & Youth Development

25. The education, ICT and Youth development sector continues to work towards achieving its overall goal of equipping Early Childhood Development Education (ECDE) to improve the quality of ECD education, promoting youth development and integration of ICT in all County government operations.

26. The County recognizes that the quality of education a child gets in the early years of schooling is known to influence her education outcomes for the rest of schooling life. Towards this end, the ministry will commit more resources towards infrastructure development and provision of teaching/learning materials to create a safe and conducive environment for children growth and development.

27. In order to improve access to education and support the national government policy of 100% transition from primary to secondary schools the ministry proposes to facilitate offering bursaries and scholarships to support bright but vulnerable students to complete their secondary and university education.

28. To mitigate the high unemployment rate among the youth, the County will continue to make deliberate efforts to support out of school youth to acquire technical skills which increase their chances of getting employment or starting their own small businesses. Towards this end during the FY 2019/2020 the county government will rehabilitate and equip existing Vocational Training centers (Youth Polytechnics) with training tools and equipment to provide out of school youth with increased access to Vocational skills training. In addition, the government will continue to partner with key strategic partners including National Industrial Training Authority (NITA), International labour Organization (ILO), Toolkit Institute, among others, to develop and implement tailor made short intensive work based skills development programmes for the youth to enhance their employability status.

29. In order to provide youth acquiring basic technical skills with an opportunity to advance their careers by undertaking specialized courses the Ministry plans to establish and equip one Skills Training Center of excellence to offer advanced Technical Training and applied research courses at Certificate and Diploma Levels.

30. On ICT, the county will continue to leverage on ICT to improve service delivery through initiatives such as e-procurement, IFMIS, revenue automation and online tracking of county programmes and projects. Further, the county will continue to increase online access to government publications and information through digitizing government records and expanding the available ICT infrastructure.

31. The government is committed to promoting an active reading culture in the County. Towards this end the ministry proposes to construct and equip one library facility and youth resource center within Kitui town as a multi-year project. This facility will provide school going children with opportunities for reference materials, study and research resources, as well as provide youth with supportive services such as career guidance, job applications and unlimited internet services.

32. The County Government recognizes the role played by Information and Communications Technology (ICT) to drive social economic development. In the 2019/2020 FY the government will seek to integrate ICT in its operations and service delivery programmes. The sub sector will undertake development of ICT infrastructure at both county offices and sub county levels to support service delivery, e-government use and adoption.

1.8 Trade, Co-operatives and Investments

33. The Ministry of Trade, Cooperatives and Investment aims to provide an enabling business environment through appropriate incentives and innovation to promote trade, industry and viable cooperatives for job and wealth creation. This has been achieved through strengthening the cooperative movement, initiating various business enterprises and promoting the viable value chains within the County.

34. The Kitui County Textile Centre (KICOTEC) set up in Syongila Polytechnic aims to promote people's livelihoods by ensuring Kitui wealth is retained within its borders. Over 300 youths have been equipped with skills and knowledge and employed at the Factory. So far, schools school uniforms have been made at affordable prices and of high quality for various institutions within the county. This has reduced the burden on the parents and the generated savings now being used for other economic activities.

35. The Ministry has partnered with Yatta Kwa Vonza Marketing Cooperative Society to set up a Ballast Crushing Plant in Kyusani, Kitui Rural Subcounty. The cooperative has over 2,000 members who will increase their household income from payment of dividends from the cooperative profits from sales of the crushed stone. The plant will create employment for various relevant professionals, promote use of local construction materials and increase revenue collection in the County.

36. The Ministry is further promoting various value chains such as honey, soap, sand, meat, milk, fruits processing among others. Through partnership with various cooperatives and NGOs, the Ministry aims to ensure farmers' income is increased and that they benefit maximally from their produce.

37. In FY 2019/20, the Ministry will continue with the programme of modernization of markets and the Jua Kali industry. To empower the residents of Kitui County, the ministry will continue to allocate funds to the County Empowerment Fund and support establishment of the County Investment Corporations. The ministry will also undertake a multi-year project of construction of a county abattoir at Kanyonyoo area.

1.9 Environment and National Resource Management

38. To counter the serious threats posed by climate change, the County will continue to enhance mitigation and adaptation measures. In particular, the County has set up the Kitui County Climate Change Fund through regulations that have already been approved by the County

Assembly. The fund will be key in mobilizing climate change finances from both national and international levels. Continuing with these efforts and with the aim of avoiding health and environmental effects of deteriorating climate, the county government enforced a charcoal and sand transportation ban for commercial use of these resources outside the county. So far, the ban has been a major milestone, earning the county international recognition for the efforts and the good results yielded. Going forward, the county will continue to enforce the ban and mainstream climate change mitigation measures such as tree planting programmes and supporting the local population in the affected areas with alternative economic income generating activities such as brick making using modern technology kilns and briquette making. To promote the skills of local artisanal miners and increase the value of their products, the county will commit more resources to construct and equip a mineral lab in the county.

Tourism, Culture and Sports

39. Tourism transformation and its integration with sports, culture and arts are important for revenue generation and employment creation. To support growth of the sector, the county in partnership with key stakeholders will implement the following strategies; revamping and refreshing major tourist products, developing heritage tourism products, mainstreaming conservancies into the tourism value chain, development of infrastructure especially tourism areas and marketing of the county as a viable tourism destination. In addition, the County will continue to nurture talented youths in various sports discipline and support them to participate in national and even international events.

2.1 The County Treasury

40. Achievements of the county manifesto necessitates prudent management of available public resources. As such, the County Treasury will continue to strengthen expenditure control and improve the efficiency of public spending through strengthening of systems and PFM reforms with a view to enhancing transparency and accountability to provide fiscal space for financing priority programmes. The focus will be to fast track consideration of reports on budget implementation, audited accounts of the county and its agencies/ corporations, digitization of all payments, review of revenue sources, adoption of e-procurement and expanding automation of public service delivery systems. These activities will go a long way in entrenching good governance and ensuring accountability of public resources. A major focus to all this will be capacity building of our staff with the major area being on budgeting and financial reporting.

41. The priorities of Treasury operations in the FY 2019/2020 will be to facilitate all ministries/entities and offer with maximum support for effective implementation of the prioritized programmes. To achieve the objective, the County Treasury plans to train more staff through capacity building and technical assistance by mobilizing donor support which will ensure effective service delivery to the public. County planning requires real data for decision making. In the FY 2019/20 the ministry will continue updating the County Statistical Database, that will inform the

County Statistical Abstract. This will be done in partnership with the Kenya National Bureau of Statistics (KNBS).

42. To effectively and efficiently track implementation of development projects in the County, the ministry will roll out a comprehensive package of Monitoring and evaluation (M&E) and uptake of CIMES. The M&E reports will ensure value for money in the County projects and programmes.

43. The ministry will also undertake a review of the CIDP with a view to establishing the implementation status and revising strategies where necessary. The County Treasury will continue to coordinate public participation for all policy documents of concern along the budget cycle. These comprise; the Annual Development Plan (ADP), the County Fiscal Strategy Paper (CFSP), the Finance Bill and the Budget estimates. To maximize our own source revenue and hence strengthen our revenue base, the County Treasury will continue to undertake a comprehensive county revenue administrative reforms and legislative frameworks to guide revenue collection.

44. To mobilize resources, the County treasury will seek external financial support for implementation of capital projects. Further the County Treasury will develop risk management strategy.

2.0 THE RECENT ECONOMIC DEVELOPMENTS AND MEDIUM TERM OUTLOOK

2. Overview

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

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

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

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

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

2.1 Global and Regional Economic Developments Outlook

50. Global growth is projected to remain steady and grow by 3.7 percent in 2018 and 2019. The leveling-off is driven by the recently announced trade measures, including the tariffs imposed on \$200 Billion of US imports from China, closure of output gaps in advanced economies, moderation in trade and investment, and a gradual tightening of financing conditions due to ongoing withdrawal of accommodative monetary policy in advanced

economies. Global growth optimism is constrained by rising trade tensions likely to have a negative impact on confidence, asset prices, global trade and investments.

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

61. Among emerging markets and developing economies, growth is expected to stabilize at 4.7 percent in 2018 and 2019 reflecting offsetting developments as growth moderates to a sustainable pace in China, while it improves in India reflecting increased domestic demand. Higher oil prices have also lifted growth among fuel-exporting economies in sub-Saharan Africa and the Middle East.

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

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

2.2 Domestic Economic Developments

64. Kenya's economic growth has remained strong and resilient even under emerging global challenges, supported by strong public and private sector investment and appropriate economic and financial policies.

65. Value of goods and services produced raised Per Capita Income from Ksh 113,359 in 2013 to estimated Ksh 190,521 in 2018, a 67.8 percent increase. This enabled generation of around 840,000 new jobs per year in the period 2013-2018 up from 656,500 new jobs per year in the period 2008-2012. The rebound in economic activity in 2018 is a reflection of improved rains, better business sentiment and easing of political uncertainty. Economic growth has averaged 5.6 percent for the last five years outperforming the average growth rate of 4.7 percent in the period 2008 to 2012 and 4.6 percent in the period 2002 to 2007.

2.3 Trends in Kenya's Economic Growth Rates

66. The rebound in economic activity in 2018 is a reflection of improved rains, better business environment and easing of political uncertainty. The economy grew by 6.0 percent in

the third quarter of 2018 and 6.2 percent in the second quarter of 2018 up from 5.8 percent in the first quarter of 2018, averaging 6.0 percent in the first three quarters of 2018 up from 4.9 percent in 2017. In the third quarter of 2018, the economy grew by 6.0 percent compared to a growth of 4.7 percent in a similar quarter in 2017, mainly supported by improved weather conditions which led to increased agricultural production and agro processing activity in the manufacturing sector. In addition, this growth was supported by pickup in activities of accommodation and food services, electricity and water supply and construction sectors.

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

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

69. Services remained the main source of growth and expanded by 5.9 percent in the third quarter of 2018 compared to a growth of 5.6 percent in the same quarter in 2017. The service sector was supported by improved growth in accommodation and restaurant (16.0 percent), wholesale and retail trade (6.8 percent), transport and storage (5.4 percent) and financial and insurance (2.6 percent). Growth of activities in information and communication (9.1 percent) and real estate (5.8 percent) remained vibrant despite the slowdown relative to the same quarter in 2017.

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

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

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

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

Inflation Rate

74. Inflation rate was highly volatile in the period 2008-2012 and averaged 10.6 percent compared to the period 2003-2007 when it averaged 8.5 percent. The sharp increase in inflation rate in the year 2008 to 2010 was occasioned by internal shocks (post-elections disruptions and unfavorable weather conditions) and external shocks (high crude oil prices and global financial crisis). The tightening of monetary policy, together with an easing in global food and fuel prices, saw the levels of inflation come under control in 2012.

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

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

Kenya Shilling Exchange Rate

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

78. Kenya Shilling exchange rate has continued to display relatively less volatility, compared to most sub-Saharan Currencies. This stability reflects strong inflows from tea and horticulture exports, resilient diaspora remittances and improved receipts from services particularly tourism.

Interest Rates

79. Interest rates have been low and stable for the period 2002 to 2011 due to ample liquidity in the money market. However, interest rates increased in 2012 following tight monetary policy stance in order to ease inflationary pressures. Interest rates remained stable and low in the period 2013-2018 except June – December 2015 when world currencies were under pressure. During the period, the policy rate (Central Bank Rate) was adjusted appropriately to anchor inflation expectations. The Central Bank Rate was reduced to 9.0

percent on 30th July 2018 from 9.5 percent in March 2018 as there was room for easing monetary policy stance to support economic activity.

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

81. Commercial banks' average interest rates remained stable and compliant with the interest rate capping law that was effected in September 2016. The CBR was reduced to 9.0 percent from 9.5 percent in March 2018 and as a result the lending rate declined to 12.6 percent in October 2018 compared to 13.7 percent in October 2017. The deposit rate also declined to 7.6 percent from 8.2 percent over the same period. Consequently, the interest spread declined from 5.9 percent in October 2017 to 5.0 percent in October 2018.

Money and Credit

82. Broad money supply, M3, improved to a growth of 9.1 percent in the year to October 2018 compared to a growth of 7.2 percent in the year to October 2017. This was due to the increase in the net foreign assets (NFA) of the banking sector despite a slowdown in the growth of net domestic assets (NDA) of the banking system. The decline in growth of NDA was largely reflected in the decrease in net domestic credit to Government.

83. Net Foreign Assets (NFA) of the banking system in the year to October 2018 grew by 22.3 percent, an improvement compared to a contraction of 2.3 percent in the year to October 2017, largely supported by Government external borrowing and increase in commercial banks foreign assets mostly in form of deposits and securities purchased.

84. Meanwhile, the Net Domestic Assets (NDA) slowed down to a growth of 6.1 percent in the year to October 2018 from a growth of 9.6 percent over a similar period in 2017. This reflects decrease in growth of net credit to Government resulting from increased Government deposit holdings at the Central Bank of Kenya.

85. Annual growth of credit to the private sector grew by 4.4 percent in the year to October 2018, an improvement from the 2.4 percent growth in October 2017. In particular, lending to manufacturing, business services, finance and insurance, and building and construction grew by 14.8 percent, 12.1 percent, 9.1 percent and 7.1 percent, respectively. This offset the substantial loan repayments recorded in the mining, transport and communication and agriculture sectors in the year to October 2018. Growth in private sector credit is expected to pick up gradually with the continued recovery of the economy.

Balance of Payments

86. The overall balance of payments position was at a deficit of US\$ 1,333.9 million (1.4 percent of GDP) in the year to October 2018 from a surplus of US\$ 490.5 million (0.6 percent of GDP) in the year to October 2017. This deficit was due to a decline in the financial account despite an improvement in the capital and current accounts.

87. The current account balance improved to a deficit of US\$ 4,660.6 million (5.0 percent of GDP) in the year to October 2018 compared to a deficit of US\$ 5,141.8 million (6.5 percent of GDP) in the year to October 2017. This improvement was supported by strong growth of agricultural exports particularly tea and horticulture, increased diaspora remittances, strong receipts from tourism, and lower imports of food and SGR-related equipment relative to 2017. It is expected to narrow further to 5.2 percent of GDP in 2018 from 6.3 percent in 2017.

88. The deficit in the merchandise account widened by US\$ 264.4 million to US\$ 10,244.4 million in the year to October 2018 reflecting an increase in payments for import of oil on account of the rebound in international oil prices despite an increase in merchandise exports. Net services recorded an improvement of 9.9 percent in the year to October 2018 mainly on account of higher receipts from transport and travel.

89. The capital account recorded an improvement of US\$ 138.7 million to US\$ 300.6 million in the year to October 2018, reflecting an increase in project grants. Flows in the Financial Account decreased to US\$ 5,526.4 million in October 2018 compared with US\$ 5,750.0 million in October 2017. The financial inflows were mainly in the form of other investments, direct investments and portfolio Investments which stood at US\$ 3,938.7 million, US\$ 892.8 million and US\$ 694.8 million, respectively in October 2018. Other investment inflows mainly include foreign financing for Government infrastructure projects.

Foreign Exchange Reserves

90. Foreign exchange reserves have increased from around 3.0 months of import cover in 2003 to above 5.5 months of import cover in 2018 which is above the statutory requirement of 4.0 months of import cover and thus remain adequate to safeguard against exogenous shocks.

91. The banking system's foreign exchange holding remained strong at US\$ 11,668 million in October 2018 from US\$ 9,931 million in October 2017. The official foreign exchange reserves held by the Central Bank improved to US\$ 8,554 million (5.6 months of import cover) in October 2018 compared with US\$ 7,574 million (5.1 months of import cover) in October 2017. By end December 2018, the usable official reserves stood at US\$ 8,001 million or 5.2 months of import cover. Commercial banks holdings was at US\$ 3,114 million in 2018 from US\$ 2,357 million in 2017.

Capital Markets

92. The banking system's foreign exchange holding remained strong at US\$ 11,668 million in October 2018 from US\$ 9,931 million in October 2017. The official foreign exchange reserves held by the Central Bank improved to US\$ 8,554 million (5.6 months of import cover)

in October 2018 compared with US\$ 7,574 million (5.1 months of import cover) in October 2017. By end December 2018, the usable official reserves stood at US\$ 8,001 million or 5.2 months of import cover. Commercial banks holdings was at US\$ 3,114 million in 2018 from US\$ 2,357 million in 201 NSE.

93. Activities in the capital market slowed down with equity share prices declining. The NSE 20 share index was at 2,834 points by end-December 2018 from 3,712 points in December 2017. The depressed share prices resulted in lower market capitalization of Ksh 2,102 billion in December 2018 from Ksh 2,522 billion in December 2017. This decline reflects trends in the global equities markets as investors shift to bond markets in expectation for a further hike in the US interest rates on strong jobs and economic data.

2.4 Fiscal Performance

94. According to the draft Budget Policy Statement by the National Treasury, budget execution at the national level started on a slow note in the first quarter of the FY 2018/19 due to budget rationalization to align expenditure priorities to revenues after amendments to the Finance Bill 2018 that significantly affected the expected revenue yields. In addition, expenditure rationalization was effected to reflect lower revenues after the revenue outcome for the FY 2017/18 turned out weaker than anticipated, thereby shrinking the forecasting base for FY 2018/19 as well as the medium term.

95. The exercise to clean-up the development project portfolio triggered by the Presidential directive on inclusion of new projects in the budget also slowed down the uptake of development expenditures in the first quarter. This picked up strongly in the second quarter of FY 2018/19. The expenditure rationalization was to ensure sustainable fiscal position in the FY 2018/19 and the medium term, and reaffirm the Government's commitment to its fiscal consolidation plan.

96. Revenue performance at the national level grew by 13.5 percent in the first 5 months of 2018/19 FY compared to the same period in the FY 2017/18. This strong growth is driven in part by a rebound effect, after the poor performance in the previous financial year as well as two months effect of the tax policy measures introduced in the finance bill 2018. Despite the strong growth, cumulative ordinary revenue still fell short of the November target by Ksh 27.7 billion. This shortfall however is expected to close in the second half of the financial year the yields from the full impacts of the revenue policy measures take effect and as the roll out of the Revenue Enhancement Initiatives (REI) being put in place by the Kenya Revenue Authority (KRA) is finalized.

97. In regard to expenditure performance, total expenditure and net lending for the period July-November 2018 amounted to Ksh 829.1 billion which was below the projected amount by Ksh 105.7 billion. Recurrent spending amounted to Ksh 553.6 billion while development expenditures and transfer to County Governments (Equitable share only) were Ksh 203.1 billion and Ksh 72.2 billion respectively and net lending expenditures for five months amounted to Ksh 963 million

98. Fiscal operations of the Government during the five months of July-November 2018 resulted in an overall deficit of Ksh 216.5 billion against the projected deficit of Ksh 242.8 billion. This deficit was financed through net domestic financing of Ksh 139.4 billion and net foreign borrowing of Ksh 77.1 billion.

99. Revenue performance at the county level grew by 72.5 percent in the first 7 months of 2018/19 FY compared to the same period in the FY 2017/18 despite ban on sand and charcoal. This strong growth was driven mainly by adoption of e revenue system and rationalization of staff in the revenue department.

2.5 Economic Outlook

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

101. Real GDP is projected to expand by 6.1 percent in FY 2018/2019. 6.2 percent in FY 2019/202, 6.4 percent in FY 2020/21 and 7.0 percent by FY 2022/23. This growth will be supported by a pickup in agricultural and manufacturing activities underpinned by improved weather conditions, strong service sector, stable macroeconomic environment, ongoing public infrastructural investments and sustained business and consumer confidence.

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

103. Additionally, measures being undertaken by the Government under the “ The Big Four” Plan and County governments to boost the manufacturing sector; enhance food security and nutrition; build affordable housing; and achieve universal health Coverage are expected to enhance growth, create jobs and promote inclusive growth.

104. Inflation is expected to remain within target in the medium term mainly due to expected lower food process reflecting favorable weather conditions, the decline in international oil prices and the recent downward revision in electricity tariffs. Interest rates are expected to remain low and stable over the medium term supported by liquidity conditions and the proposed fiscal consolidation.

105. Kenya's external position is projected to strengthen over the medium term supported by a narrower current account deficit. The narrowing of the current account deficit is largely due to increased exports of tea and horticulture, increased diaspora remittances, strong receipts from tourism, increased foreign direct investment in infrastructure and lower imports of foods and SGR-related equipment relative to 2017. It is expected to narrow down further to 5.2 percent of GDP in 2018 from 6.3 percent in 2017.

2.6 Risks to Economic Outlook

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

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

3.0 FISCAL POLICY, 2019/20 FY BUDGET AND THE MEDIUM-TERM EXPENDITURE FRAMEWORK

108. 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.

3.1 FY 2019/20 Budget Framework

109. In the FY 2019/20 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 2019/20 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.

3.2 Revenue Projections

110. The County government projects to receive a transfer of about Kshs. 9.79 billion from the National Government for the FY 2019/20 constituting an equitable share allocation of Kshs. 8.649 billion and conditional grants of Kshs 1.143 billion respectively. The allocations are indicative as the actual allocation will be provided in the County Allocation of Revenue Act (CARA), 2018.

111. The County's revenues have been growing sluggishly over the past financial years, but we expect them to improve further in the FY 2019/20 with the enactment of the relevant laws and automation of revenue. For the 2019/20 FY, the County projects Kshs. 0.5 billion revenues from its own sources. The projected total revenue for the FY 2019/20 is therefore Kshs 10.29 Billion comprising of Kshs. 0.5 billion as County's own revenues and Kshs. 9.79 billion as transfers from the National Government.

112. The County Executive will present to the County Assembly, more detailed structural measures to boost revenue generation through the Finance Bill, 2019, for consideration and enactment as required by the PFM Act, 2012.

Table 1: Revenue outcomes and projections 2015/16 – 2020/21

S/No	Source	Revenue Estimates 2015/16	Actual Revenue 2015/16 (Kshs)	Revenue Estimates 2016/17	Actual Revenue 2016/17	Revenue Estimates 2017/18	Actual revenue Estimates 2017/18 (Kshs)	Printed Revenue Estimates 2018/19 (Kshs)	Projected Estimates	
		(Kshs)		(Kshs)	(Kshs)	(Kshs)			2019/20	2020/21
1	Equitable share	7,267,273,063	7,267,273,063	7,841,480,359	7,841,480,359	8,652,300,000	8,652,300,000	8,729,200,000	8,649,000,000	9,307,440,000
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	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	309,636,150	229,832,234	250,655,344	269,737,493
	Grants from UNDP	20,000,000	-	-	-	-	-		-	
	Grants from World Bank (KDSP)	-	-	34,721,395	0	53,665,066	53,665,066	57,462,594	56,374,018	60,883,939
	World Bank (Universal Health)	-	-	-		150,444,260	150,444,260	100,000,000	100,000,000	0
	World Bank (Agriculture - Rural Growth)	-	-	-	-	50,000,000	50,000,000	140,435,163	349,906,550	377,899,074
	HSSP/HSPS - (DANIDA/IDA)	83,985,266	83,985,266	208,619,262	150,020,244	32,522,346	32,522,346	29,008,125	29,008,125	0
	World Bank loan to Supplement financing of County Health Facilities	-	-	0	0	58,210,000	58,210,000	-	29,852,863	
	Development of Youth Polytechnics	-	-	-	-	67,576,636	67,576,636	58,465,000	72,588,298	63,142,200
	Other GOK Grants (Doctors & Nurses Allowance)	-	-	65,238,000	88,992,000			-	-	
	Kenya Urban Support Project - World Bank							272,374,200	232,374,200	250,964,136
	Other Loans and Grants								0	168,869,867
	Subtotal	283,520,411	250,700,011	506,575,381	452,721,532	744,554,364	744,554,364	910,077,222	1,143,259,304	1,215,796,608
		7,550,793,474	7,517,973,074	8,348,055,740	8,294,201,891	9,396,854,364	9,396,854,364	9,639,277,222	9,792,259,304	10,523,236,608
3	Own Revenue									
	County Ministries/Entity									
	Office of the Governor	128,666,410	19,217,455	135,099,731	16,392,240	81,109,721.03	17,002,350	86,947,453	0	95,859,567
	Ministry of Public Service Management and Administration	-	-	-	-	-		-	25,000,000	0

S/No	Source	Revenue Estimates 2015/16	Actual Revenue 2015/16 (Kshs)	Revenue Estimates 2016/17	Actual Revenue 2016/17	Revenue Estimates 2017/18	Actual revenue Estimates 2017/18	Printed Revenue Estimates 2018/19	Projected Estimates	
		(Kshs)		(Kshs)	(Kshs)	(Kshs)	(Kshs)	(Kshs)	2019/20	2020/21
	The County Treasury	123,661,974	185,061,443	129,845,073	106,022,233	96,337,326.34	91,863,116	82,654,193	70,786,903	91,126,248
	Ministry of Health and Sanitation	131,000,000	109,883,587	167,550,000	72,740,757	121,788,455	106,553,358	89,761,903	150,544,823	98,962,498
	Ministry of Basic Education, ICT and Youth Development	-	-			-	-	-	0	0
	Ministry of Trade, Cooperatives and Investments	1,000,000	1,130,475	1,050,000	425,671	1,102,500	428,707	1,157,625	61,215,506	1,276,282
	Ministry of Land Infrastructure and Urban Development	57,243,581	20,620,263	60,105,760	24,958,150	58,111,048.05	26,196,850	61,016,600	54,067,430	67,270,802
	Ministry of Tourism, Sports and Culture	1,200,000	1,133,475	1,260,000	-	1,323,000	1,095,150	1,389,150	2,458,608	1,531,538
	Ministry of Agriculture water and Livestock Development	26,000,000	33,406,650	27,300,000	17,167,612	28,665,000	12,989,871	30,098,250	41,603,163	33,183,321
	Ministry of Environment, Energy and Minerals Investment Development	1,000,000	1,317,800	1,050,000	6,785,460	1,102,500	5,060,700	1,157,625	1,215,506	1,276,282
	Kitui Municipality	97,111,415	29,439,954	101,966,986	45,252,270	98,321,951.64	48,923,181	103,238,049	58,399,950	113,819,949
	Mwingi Town Administration	41,316,620	14,977,626	43,382,451	25,602,970	40,551,573.55	25,009,194	42,579,152	34,708,111	46,943,515
	Subtotal	608,200,000	416,188,728	668,610,001	315,347,363	528,413,076	335,122,477	500,000,000	500,000,000	551,250,000
	TOTAL	8,158,993,474	7,934,161,802	9,016,665,741	8,609,549,254	9,925,267,440	9,731,976,841	10,139,277,222	10,292,259,304	11,074,486,608
	% of Equitable Share	89.07	91.59	86.97	91.08	87.17	88.91	86.09	84.03	84.04
	% of Own Resources	7.45	5.25	7.42	3.66	5.32	3.44	4.93	4.86	4.98
	% of Grants	3.47	3.16	5.62	5.26	7.5	7.65	8.98	11.11	10.98
		100	100	100	100	100	100	100	100	100
	Revote from previous budget	1,955,355,891		1,953,740,274	0	1,318,085,375	1,318,085,375	1,635,954,190		
	Total Resource Envelope	10,114,349,365	7,934,161,802	10,970,406,015	8,609,549,254	11,243,352,815	11,050,062,216	11,775,231,412	10,292,259,304	11,074,486,608

Source: KITUI County Treasury

3.3 Expenditure Projections

113. To redirect expenditure to the priority programmes highlighted in chapter two, County departments will review their budgets with an aim of removing one-off expenditures from previous years and low-priority expenditures in order to realize and shift of 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.

3.4 Recurrent Expenditure Projections

114. Total recurrent expenditure budget in the FY 2019/20 is estimated to be Kshs.6.12 billion as compared to Kshs. 6.81 billion in FY 2018/19 printed budget estimates, thereby decreasing the amount by 10.1 %. The wage bill is projected at Ksh. 3.8 Billion in the FY 2019/20 compared to Kshs. 3.75 Billion in 2018/19 thereby increasing by 1.3%. The projected wage bill is 36.9 percent of total revenues.

115. 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.

116. 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 2019/20 is Kshs. 2.35 billion down from the printed estimate of Kshs. 3.05 billion for the FY 2018/19 reflecting a reduction of 22.9%.

Table 2: FY 2019/20 Budget Allocation

County Ministry	Revised Estimates	Printed Estimates 2018/19 (Kshs)	Projected Estimates 2019/20 (Kshs)	% to Total Budget (2019/20)
	2017/18 (Kshs)			
Recurrent Budget				
Personal Emoluments	3,691,240,698	3,754,013,054	3,801,703,687	36.9
Operations & Maintenance	2,996,967,653	3,051,615,051	2,354,198,303	22.9
Total Recurrent Estimates	6,688,208,350	6,805,628,105	6,155,901,990	59.8
Development Budget				
Development Estimates	4,555,144,465	4,969,603,308	4,136,357,312	40.2
Total Budget Estimates	11,243,352,815	11,775,231,413	10,292,259,302	100.0

Source: Kitui County Treasury

3.5 Development Expenditure Projections

117. In the FY 2019/20, the overall development expenditure is expected to be Ksh. 4.14 billion. This accounts for 40.2 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.

3.6 Overall Deficit and Financing

118. 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 2019/20. In that FY therefore, the County budget shall be financed through transfer from the National Government and local revenue collected from fees, charges, rates, among others as allowed by the governing legal framework. The FY 2019/20 fiscal framework is therefore fully financed.

3.7 Risks to the 2019/20 County budget framework

119. The risks to the fiscal framework for the FY 2019/20 includes failing to meet the revenue target 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 measures while ensuring there are efficient and cost effective methods of collecting the revenues.

120. 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 has been 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.

121. 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, this poses a great risk to proper implementation of the County's budget.

122. 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.

123. Delays in passing of crucial bills by the County Assembly could also affect budget implementation.

124. The expected drought is likely to affect crop and livestock productivity and access to water by the citizens. The over reliance on rain fed agriculture exposes the county to weather vulnerabilities.

3.8 Fiscal Structural Reforms

Revenue mobilization:

125. 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 completion of the automation of systems and revenue collection. 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.

126. The County Government will adopt other key strategies amongst them; mobilization of additional revenue by strengthening enforcement 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 by County Treasury.

Expenditure Management

127. 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 have so far been formed and fully operational. Such consultations also ensure that there is transparency, accountability, and adherence to the PFM Act on budget making process.

128. 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.

129. 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.

130. 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.
- Issuance of circulars and strict enforcement of cost reduction measures to all County Departments.
- Implement a strict commitment control system to reduce the stock of pending bills.

Guiding Principles in Resource Allocation

131. The PFM Act, 2012 and the PFM (County Regulations), 2015 sets out fiscal responsibility 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:

- (i) 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;
- (ii) The County Government wages shall be contained at thirty-five (35) percent of the County government's total revenue in the medium term;
- (iii) The approved expenditures of a County assembly will be as per senate's recommendations.
- (iv) 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.

- (i) The development expenditures have been projected at 40.2 percent of the County budget against an obligatory minimum of 30 percent. (See table 2)
- (ii) The wage bill is estimated at 36.9 percent of total revenues for FY 2019/20. The principle that wage bill shall not exceed 35 percent of the County government's total revenue is not met;
- (iii) The expenditure estimates for the County Assembly are at 8 percent of the total County revenues. 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.

- (iv) The County does not intend to borrow in the FY 2019/20 and has therefore adhered to the principle of debt not exceeding 20 percent of the County government's total revenue.

Resource Sharing Guidelines

(v) 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 36.9 percent of the expected total revenue receipts.
- (ii) Other recurrent expenditures that include operations and maintenance account for 22.9 Percent of the projected total revenue.
- (iii) Development expenditure takes 40.2 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.

(vi) 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 - 2021/22 (Ksh Million)

Vote	Spending Entity	Printed estimates 2018/19	Estimates 2019/20	Projected Estimates 2020/21	Projected Estimates 2021/2022
3711	Office of the Governor	1,408,434,458	1,183,350,489	1,278,018,528	1,380,260,010
3712	Ministry of Public Service Management and Administration	373,000,131	459,723,479	496,501,357	536,221,466
3713	Ministry of Agriculture, Water & Livestock Development	1,714,677,755	1,560,827,409	1,685,693,602	1,820,549,090
3714	Ministry of Basic Education, ICT & Youth Development	708,834,038	590,357,273	637,585,855	688,592,723
3715	Ministry of Lands, Infrastructure, Housing & Urban Development	1,114,518,905	850,644,296	918,695,840	992,191,507
3716	Ministry of Health & Sanitation	2,927,255,172	2,626,641,895	2,836,773,247	3,063,715,106
3717	Ministry of Trade, Cooperatives & Investment	747,039,411	578,615,851	624,905,119	674,897,529
3719	Ministry of Environment & Natural Resources	256,599,581	259,189,587	279,924,754	302,318,734
3720	Ministry of Tourism, Sports & Culture	272,128,094	261,482,631	282,401,241	304,993,341
3721	The County Treasury	565,634,571	563,324,291	608,390,234	657,061,453
3722	County Public Service Board	61,138,130	53,434,116	57,708,845	62,325,553
3723	County Assembly	1,034,797,246	833,248,915	899,908,828	971,901,534

Vote	Spending Entity	Printed estimates 2018/19	Estimates 2019/20	Projected Estimates 2020/21	Projected Estimates 2021/2022
3724	Kitui Municipality	454,686,070	372,673,246	402,487,106	434,686,074
3725	Mwingi Town Administration	136,487,849	98,745,825	106,645,491	115,177,130
	Total Voted Expenditure (Ksh)	11,775,231,413	10,292,259,303	11,115,640,047	12,004,891,251

Source: Kitui County Treasury

4 ANNEXURE: DEPARTMENTAL/ SECTOR PRIORITIES

Annex 1: Office of the Governor

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
Office of the Governor	Promote socio-economic development in the community	To increase the rate of access, transition and retention of learners from financially disadvantaged backgrounds through school fees bursary support	Education support programmes
		To promote equitable development across the entire County's 40 Wards through implementing small scale infrastructure projects addressing immediate community needs	Community Level Infrastructure Development Programme (CLIDP)
	Improved service delivery through support to available work force	To provide residence as well as hosting and reception during county functions	Completion of the Governor and Deputy Governors' residence
	Fostering intra and intergovernmental relations	Promote cordial and coordinated intergovernmental relations	Inter-Governmental Relations Programmes
	Effective public service delivery	Improved socio-economic livelihoods for County residents	Coordinate implementation of the 5 pillars of Governors Manifesto
			Coordination of value chain and value addition
		Enhance Management of CEC/Cabinet affairs via proper planning, and execution of Cabinet meetings	Cabinet affairs Programme
		Steer strategic direction of the county.	Development and review of strategic plan
		To ensure vehicles are well repaired and maintained	Human Resource reforms

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
		Review and implement county transport policy	Strengthen Legislative process and policy formulation General Administration programme
		Dispose vehicles that are aged and costly to maintain	
		Acquire new vehicles	
		Build capacity of enforcement offices (staff induction, training, exchange programmes)	
		Create traffic marshals unit	
	Positioning, branding and county image	To enhance and sustain County image through consultations, collaboration and partnerships	Communication, County Branding, publicity and advocacy programmes
		To enhance complaints handling as well as harnessing feedback	Call Centre operations
			Carry out baseline surveys
	Leadership and integrity	Coordinate initiatives to fight corruption and build ethics and integrity	Development of anti-corruption action plans, programmes to enhance government, setting up various structures to promote governance.
		Sensitization of public officers on leadership and integrity code as well as the fight against corruption	
	Improvement of records management within County Government of Kitui	Establish records management unit	General administration programme
		Build capacity of records management staff	
		Procure equipment for records management	
	Capacity enhancement of protocol unit	Establish command structure (hire the head of protocol	
		Increase protocol staff	
		Procure more protocol equipment	

Annex 2: Public Service Management and Administration

County Ministry: Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/Programmes FY 2019/2020
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Public Service Management and Administration	To coordinate and ensure participation of communities’ in Governance at the local level	To provide Civic Education and disseminate county policies and strategies	Civic education programmes in collaboration with other stakeholders
	To enhance the implementation of development projects in the county	Track the progress of county projects in order to ensure compliance with set deadlines	Tracking programmes for county projects and programmes
		Harmonize county projects-ensure fairness in distribution of projects and avoid duplication of projects	Harmonization activities/programmes in collaboration with other stakeholders
		Identify and prioritize county projects to enhance the spirit of public participation	Project identification and prioritization programmes in collaboration with other stake holders
Public Service Management and Administration	Liquor licensing board	To ensure smooth licensing of liquor business	Formation of liquor licensing board and various committees as outlined in the alcoholic drinks control act, 2014 and operationalization
	Staff training and capacity development program	To enhance staff skills for improved service delivery	Capacity building and training
	Environmental oversight	To ensure cleanliness in all markets/trading centers in the county	Regular market/trading centers spot checks
			Recruit casuals on permanent basis
Public Service Management and Administration	Provide conducive working environment for efficient and effective service delivery to the residents of Kitui	To support service delivery through facilitating movement of ward and village administrators.	Purchase a vehicle for County Executive Committee Member & Chief Officer
			Purchase of 2 new vehicles for sub county administrators to replace the worn out for 1. Kitui Rural 2. Kitui South
			Purchase of motorbikes for the Ward administrators
			Human resource reforms

	Peace building and conflict management	To enhance peaceful coexistence among communities on our boundaries along Tana River county	Formation of peace building committee at county, sub county and ward levels Hold peace building meetings, and promotional activities at the county
	Human resource management	To enhance employees capacity to manage their welfare issues	-Sensitize employees on good work ethics. -Create awareness to employees on relevant laws, regulations and policies relating to human resource management
	Operationalization of the office of Director	To enhance public participation and civic education	Employ staff for the public participation and civic education directorate
	Finalize the village administration organization structure		

Annex 3: County Treasury

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
County Treasury	Staff Training and capacity development program.	To improve staff performance through capacity building and training	Undertake staff capacity building through technical assistance programmes.
	Availability of updated county statistical data	To establish a county database for effective, efficient and sound planning	Development of Updated County Statistical Database/ County wellbeing survey.
	County budget coordination and control	To ensure smooth implementation of the budget	County budget preparation, implementation coordination and control.
	Coordination of public participation on specific budget policy documents	To promote public participation in budget policy documents for effective decision making	County Development planning, public participation, governance systems, procedures

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
	Review of CIDP 2018-2022	To establish the level of CIDP 2018-2022 implementation status.	Review of CIDP 2018-2022
	Mobilization for donor support	To raise more funds for development expenditure	Mobilization for donor support
	County Monitoring and Evaluation process	To ensure easy tracking of development projects.	Coordinate County Monitoring and Evaluation system.
	Revenue Collection and Assurance	To improve revenue collection	Revenue administration and operations, County revenue reforms and formulation of a revenue policy
	Business data mapping	To identify and estimate revenue capacity for the County across all sectors	Develop revenue data sources and estimate by numbers/quantity.
	County Financial Management System	To control the movement of assets and to ensure quality of the county assets.	County assets management, investments and inventory control.
	Emergency Fund	To promote quick and sustainable interventions to the public in case of emergency occurrences	Emergency Fund.

Annex 4: Health and Sanitation

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
Health & Sanitation	Ensuring efficiency and effectiveness in health care provision through implementation of Kitui County Health Insurance Cover (K-CHIC) which is aimed at the following: increasing access to quality healthcare, reducing out-of-pocket expenditure, improving maternal, new born and child health care, strengthening health referral systems in the County	To enhance Health Care Financing	<ul style="list-style-type: none"> • Construction of X-ray rooms • Implementation of Integrated Health Information Management System (IHIMS) • Construction and equipping of an Intensive Care Unit (ICU) at Kitui County referral hospital and Mwingi Level IV hospital • Equipping of laboratory units in health centers • Construction and equipping of a restaurant at Kitui County Referral Hospital • Construction of sewerage system at Kitui County Referral Hospital • Construction and equipping of a Psychiatric Unit at Kitui County referral hospital • Construction of stone fence at the level IV hospital • Construction and equipping of a Trauma Centre at Kitui County referral hospital and Mwingi Level IV hospital • Completion of construction and equipping of drugs store • Construction of toilets, installation of handwashing facilities, Chain-link Fencing and construction of small gates in health centers and dispensaries • Renovations and equipping of health centers and dispensaries (connection with water and electricity supplies, drainage system, incinerators and placenta pit)
	Promoting community based promotive and preventive health services	To enhance Service Delivery for effective healthcare provision	

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
			<ul style="list-style-type: none"> • Construction of a Renal unit in Mwingi Level IV hospital • Construction and equipping of a cancer treatment Centre at Kitui County referral hospital • Installation of Client's Queuing System • Renovation of the County Health Management Team (CHMT) Offices. •

Annex 5: Basic Education, ICT and Youth Development

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
a) Basic Education	Policy formulation and legislation on ECDE Programme	To provide policy direction in implementation of ECDE Programmes in line with National ECDE Policy	Develop ECDE Policy implementation guidelines and Bill
	Improved access to ECDE for every eligible child throughout the County	Construct child friendly pre-primary education centers within reasonable reach of children	
		Recruitment and deployment of ECDE teachers	Equipping ECDE centers.
		Provision of ECDE teaching and learning materials and equipment	Training of ECDE staff and teachers to implement new ECDE curriculum
	Water, Sanitation and Hygiene (WASH) in ECDE centers	To provide access to safe drinking water, sanitation facilities and hygiene services	Construction of child friendly toilets in selected ECDE centers
	sanitation facilities and hygiene education	hand-washing facilities and clean, safe toilets	Installation of water tanks in selected ECDE centers

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
	Improve access to education through bursaries and scholarship programme	Provision of Education Support services which include bursaries and scholarships	Construction of hand washing facilities in selected ECDE centers
			Hygiene education in schools
			-Providing education bursaries to eligible students enrolled in secondary schools, colleges and universities
b) Vocational Skills Training Centers (Youth Polytechnics)	Upgrading of Vocational Training centers to Centers of Excellence	To provide increased opportunities to youth to acquire Technical Education and Vocational skills for employment	Upgrade one youth polytechnic to a Technical Training College (Multiyear project)
		To offer advanced/specialized trainings in identified market driven courses	
	Improved enrolments in Vocational Training Centers	Construction and Rehabilitation of Vocational Training Centers	Construction/ rehabilitation of class rooms and workshops
		Recruitment and deployment of VTC Instructors	Provision of Training Tools and Equipment
			Employment of VTC Instructors to fill existing gap
			Capacity building of VTC staff and Instructors on Competency Based Curriculum
c) Youth Development	Increased employment opportunities for youth in Kitui through industrial skills training and empowerment	Supporting Youth to acquire marked relevant skills through work based training programmes	Implement youth attachment, internship and apprenticeship skills training programmes Youth skills training on entrepreneurship, business plan writing, research and academic writing, agribusiness data collection and analysis.
		Supporting youth to earn a living through income generating activities	Provision of equipment for income generating activities

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
	Promotion of an active reading culture and Research opportunities for the youth	To establish and equip a modern library in Kitui town to support reading, learning and research	Initiate construction and equipping of a new Library in Kitui town
	Youth skills training in identified professional areas which have shortage of skilled manpower	Supporting youth to Train in identified career areas with shortage of skilled labour to support economic growth	Provision of education scholarships to youth to join recognized colleges and universities to undertake designated courses of specialty in order to bridge county human resource gap
d) Information and Communication Technology (ICT)	ICT infrastructure development and Connectivity	Establishment and Installation of ICT infrastructure	Establishment and Installation of ICT infrastructure in every sub county
		Increasing internet connectivity and other tools of communication	Implementation of e-government for delivery of County services
		Enhancing ICT integration in delivery of County services	ICT integration in learning institutions

Annex 6: Trade, Cooperatives and Investments

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
Ministry of Trade, Cooperative and Investment	Creating an enabling environment for trade and industrial development.	Improve efficiency in supply chain	Modernization of markets
			Wholesale & retail trade development
			Promotion of Jua kali sector
			Licensing
			Capacity Building on MSMEs

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
		To improve Knowledge and skills in running businesses	Youth empowerment- through IGAs i.e. car wash machines
		To increase traders access to affordable business finance	County Empowerment Fund
			County micro finance institution
		To promote fair trade and ensure consumer protection.	Fair trade & consumer protection
		Improve efficiency in value chain	Cottage industry development (Ballast crusher, textile industry and leather industry)
			Fruit Factory
			Soap making machines and factory
			Specialized Equipment for green grams (Ndengu)
			Interlocking blocks and pottery machines
			Honey Processing
			Kamba wine
			Kanyoonyoo and Mwingi Abbatour
			Milk processing
			Sand stocking yard
	Strengthening and promoting cooperative.	To improve economic wellbeing of the society	Registration of Cooperative societies .Audit of Cooperative Societies
			Corporate Governance
			Members Education
			Leaders Training

Annex 7: Lands, Infrastructure, Housing and Urban Development

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
Roads Department	Enhance efficient transport and support effective service delivery in Kitui County	Construction, maintenance and rehabilitation of road network in the County.	Purchase of equipment and tools including design and survey
			Grading of roads at each ward and bush clearing
			Gravelling of county roads in critical areas
			Construction of low-water river crossings (drifts) - 1500m
			Construction of concrete slabs - 1500m
			Installation of 1500m pipe culverts
			Construction of box culverts - (4.0mx2.0m - 2cell)
			Construction of bridges
			Upgrade of roads to bitumen standards in small urban towns through dustless programme
	Conditional grants	To supplement national and county resources	Road Maintenance Fuel Levy (RMFL) meant to enhance county government capacity to repair county roads.
Transport and mechanical services		To run an efficient preventive maintenance programme for all	Purchase of Equipment, spares & Tools

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
	Enhance efficient transport and roads maintenance programme in Kitui County	county roads machinery and motor vehicles	Improvement, redesign and equipping of the county mechanical workshop/stores
			Fleet renewal (purchase of additional roads machinery equipment)
			Roll out of fleet management system to other machines and vehicles including roll out of fuel card
			Setting up of breakdown response maintenance mobile unit
Physical planning department	Develop county GIS based spatial plan	To provide a framework for efficient, productive and sustainable use of land in the County as well as Harmonized County Wide developments.	Data collection and analysis
			Conduct consultative stakeholder meetings across the county
			Plan and Planning brief production
			Advertisement
			Publication for approval
			Approved plan
	Develop 60 Geo referenced market layouts	To have timely and up to date data for making key planning decisions and resolving related land disputes as well as providing a basis for preparation of future physical development plans	Market stakeholders meeting, delineation of market boundaries and ground picking of data in respective markets followed by validation exercise.
	Develop special area(purpose) plans for Thwake Multipurpose dam and Kivandini development plan	To provide a basis for expansion and future development of physical and social infrastructure like roads, schools,	Notice of intention to plan
			Reconnaissance survey
			Base map preparation
			Data collection and analysis

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
			Conduct Consultative stakeholder meetings
			Planning report
			Advertisement
			Publication for approval
			Approved plan
			Engagement of Neighbouring Counties of Machakos, Embu and Makueni
	Implement a county GIS lab	To provide reliable mapping tools for development planning decision making	Mapping of Infrastructure and Natural Resources, Data Collection and Acquisition, Stakeholder Engagement, Populating GIS Database,
	Preparation of Local Physical development Plans for sub county head quarters	To provide a basis for expansion and future development of physical and social infrastructure like roads, schools,	Notice of intention to plan
			Reconnaissance survey
			Base map preparation
			Data collection
			Conduct Consultative stakeholder meetings
			Planning report
			Advertisement
			Publication for approval
			Approved plan
	Preparation of Physical planning bills and policies (2 in every financial year).	To provide a basis for addressing pertinent issues affecting the public	Public participation, policy production and approval
	Conducting development control collaboration and sensitization	Well informed public on development application processes/procedures and	Conducting open day barazas in respective markets across the County

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
	exercise in all 40 wards in Kitui County	increased revenue collection to the County	
	Processing and formalization of all unapproved and pending Part Development Plans(PDPs) in Kitui County	Well defined land use and security of tenure and To identify and allocate land suitable for a particular use or a particular functions	Production of Part Development Plans, Publication and approval
	Equipping of all Physical Planning Offices in the County (8 sub counties)	Improved service delivery to the public across the county	Equipping all the Physical Planning offices with furniture, desktop computers, modems, printers
	Digitization of Planning Records	To have an up to date records for key decision making and enhanced Service Delivery and Plan Records Management	Digitization of Plans and Other Spatial Records
	Resettlement action plan for Kitukuni/Ndwila settlement scheme (Kwa Vonza)	To determine eligibility for resettlement entitlement to avoid unnecessary fraudulent claims for compensation.	Conduct Consultative stakeholder meetings, develop a resettlement action plan (RAP), resettlement surveys, monitoring and supervision
Land Adjudication	Land adjudication and titling.	Provision of titles to all land owners with an aim of rationalizing and regularizing land ownership	Hearing of Objection Cases
		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
Survey and mapping	Cadastral fixed survey	Improve security of tenure and land rights dispute resolution	Cadastral Survey of Mutomo, Kabati, Kwa-Vonza, Migwani, Zombe, Kyuso and Mwingi towns

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
Valuation and Estate Management	Improve efficiency in services provision in Kitui County	Improve and increase knowledge of construction technology to the public	Affordable Housing Programme
		Provide low cost but modern housing to public servants (Housing programme)	Refurbishment of residential houses in Kitui Town
			Equipping the 8 Sub counties with Hydra form machines, Workshop Tools, Spares and Small Equipment
	Safe disposal of waste within the county	Acquisition of suitable site for disposal of asbestos	Identification and purchase of suitable land
			Fencing of the site
Public works	Supervision of construction works of all building and maintenance of the same.	Development and maintenance of public buildings and other works	Completion of offices, furniture Supply, Software etc

Annex 8: Ministry of Tourism, Sports and Culture

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
Tourism	Tourism development	To develop and promote tourism activities in the county	Tourism Promotion and Marketing events of :-
			Media and other stakeholders familiarization trips,
			camping expeditions, world tourism day and end year tourism expos'
			GIS Mapping and feasibility studies for tourism attraction sites

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
			Development of a 5 year Tourism marketing strategy
			Development of Ikoo Valley as a tourist attraction site (Bazaar View Point) and development of tourist facilities at Ngomeni rock(view point and nature trails)
			Development phase 2 of Kalundu Dam Eco-park that includes and not limited to;-
			construction of water falls, swimming pool, ablution block, sitting benches, cottages, parking, children play ground, gate and fence
			Organize for tourism investment and hospitality business stakeholders' workshops in Kitui, Mwingi and Mutomo towns.
			Construction of facilities at the following tourism attraction sites;-
			Nzambani rock-water provision of water, electricity, grading of roads and making of path ways
			Yanzuu and kavia rocks-Iko-Toilet, erection of shades, provision of water and nature trails

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
	Enhance wildlife conservation		Construction of snake houses and operationalization of Mutomo reptile park
			Promote bird watching expeditions in Mumoni and Mutitu hills IBA centres
			Upgrading of access roads and opening up of new roads in Mwingi National Reserve, South Kitui National Reserve, and Kanyonyoo Wildlife Conservancy.
			Fencing of Mwingi game reserve
			Office construction and equipping ,fencing and water pans in Kanyonyoo wildlife conservancy
Sports	Development of Sports Facilities and Talent Promotion	To upgrade sports Infrastructure	Develop Kitui Stadium – Perimeter wall, Construction of changing rooms, spectator terraces, flood lights, packing area and toilets to attain international standards.
		To identify, nurture and develop sports talent	Rehabilitation of Musila gardens play ground in Mwingi town.
			Improvement of sports facilities spread across the wards
			County tournaments in Football, Volleyball, Athletics and Basketball from village level

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
			culminating into Governor's Road Race and Governor's Cup.
			Organize, Prepare teams and participate in Kenya Youth Inter-county Sports Association games (KYISA)
			Support Federation Tournaments (Athletics Kenya, Football Federation of Kenya and Kenya Volleyball Federation)
			Identify and develop Rugby, Badminton, Lawn tennis, Handball teams, and Scrabble teams in the County
			Supply uniforms, balls, nets and playing boots to all active Football and Volleyball clubs in the County
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
		Rehabilitation and restoration of tangible heritage (cultural sites) for tourism and research	Documentation, preservation and Promotion of historical and cultural sites: Kavia Rock

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
			Caves, Ikutha Pre Colonial Missionary graves, Mulango Pre-colonial Mission Center and school
			Operationalize Mwingi and Kyoani Resource Centers by installing ICT and catering facilities;
			complete Mutonguni Resource centers;
			Operationalize Mwitika Social hall
			Complete Lower Eastern Heritage Center Gallery 1 and curator's residence
			Carry out a comprehensive study to map the county heritage in conjunction with National Museums of Kenya, KNATCOM-UNESCO and the National
Gender and social services	Promotion of gender parity and participation in nation building	Establishment of legislation on culture since it is a devolved function	Develop policies and bills to facilitate promotion, preservation and regulation of culture and heritage in the county

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
		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
		To enhance reporting of GBV	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
		Procurement Opportunities	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
Social development	Support Community	Empowerment of women and the marginalized groups in the society	Support marking and celebration of International Days;
	Learning	especially PLWDS	International Women's Day, UN Day for Persons with Disability

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
			Carry out trainings group cohesion, group dynamics and basic financial literacy PWD groups and members of the community on AGPO and basic management skills for microbusinesses.
children services		Promote healthy living for the youth and members of the community	Support children homes (CCIs) with food and other utilities

Annex 9: Agriculture, Water and Livestock Development

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
Ministry of Agriculture, water and Irrigation	Enhance food and nutrition security	Increasing agricultural output and productivity	Promotion of Ndengu planting and value addition
		Reduction of pre- and post-harvest crop losses	High value horticultural crops up-scaling
			Seed distribution
			Mango Production and Value Addition
			Sorghum and millet production and utilization
			Promotion of Cotton production
	Sustainable use and conservation of agricultural resources	To promote sustainable land and agricultural resources use and management practices.	Strengthening the capacity of Agricultural Mechanization Services through Acquisition of agricultural machinery
			Irrigation development and rehabilitation
			On-farm Irrigation water resources development

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
			Soil and water conservation and fertility Improvement
			Enhanced market access and value addition
	Improved human and institutional capacity Effective and efficient extension services	To facilitate and improve human and institutional capacity	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	Increasing livestock output, productivity and quality of products	Dairy Improvement through Artificial Insemination (AI) and synchronization
			Provision of high quality Galla Bucks for breeding
			Promotion of poultry improvement through
			Provision of high quality cocks for breeding
			Provision of egg incubators
			Poultry feed formulation and production.
	Pasture and Fodder Production and Conservation	Improving pasture and fodder production and conservation	Provision of pasture seeds for feed production and seed multiplication
	Livestock disease prevention and control	Reducing livestock disease incidence and outbreak	Disease surveillance and animal vaccinations
	Apiculture and Management	Improving technology adoption, market linkage and Value Addition	Provision of Modern bee hives and equipment for production of quality honey
	Promotion of aquaculture		Pond Rehabilitation

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
		Promoting interventions in aquaculture development that increase fisheries productivity and profitability	Dam restocking
Water Department	Improvement of water availability and accessibility	Enhancing accessibility and availability of safe water	Construction of extra storage capacity
			Desilting and fencing of existing dams
			Construction of pit latrines around water points and sad dams
			Drilling of new boreholes, Rock catchment
			Purchase of 10,000litre water tanks for all public institutions
			Investment in high capacity water storage tanks.
			Construction/Extension of water pipelines
	Efficient utilization and management of water supplies	To ensure sustainable and reliable water services	Construction of new water supplies (sump wells and pipe lines)
			Subsidies to WSPs
			Establish a PPP fund for repair and rehabilitation of rural community water supplies
			Capacity building of water management committees

Annex 10: Environment and Natural Resources

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
Environment Department	Forest Cover Increase and Conservation	To increase and maintain forest cover throughout the county	County tree growing programme (Annual tree growing exercise)
			Afforestation and re-afforestation programmes
			Support Community tree nurseries Management.
			Development of forest legal framework.
			Implementation of forest management plans.
			Promote modern agro-forestry technology in all the county wards
			Create awareness to farmers and community on harvesting of non-wood forest products e.g. gums, resins, honey e.t.c.
	Climate Change adaptation and Mitigation	To mitigate effects of climate change, create resilience and Build community capacities to adapt, cope with adverse impacts of climate variability	Operationalize Kitui County Climate Change Fund (KCCCF) regulation 2018. (Capacity Building of steering- (Establish sub-committees) and technical committee, establishment of ward climate change planning teams).
			Initiate development of the County Climate change policy.
			Carry out trainings on climate change issues
			Support communities' capacities to build resilience through ecofriendly coping mechanisms

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
			Develop County Climate Change Strategic Plan
			Develop Resource mobilization strategy for the County
			Development of monitoring and evaluation strategy for the County
			Development of County Climate Change Communication strategy
	Environmental Management and Coordination	To develop policies and enhance compliance for all environmental regulations including but not limited Charcoal Management Act, EMCA, Sand harvesting Regulations, Noise pollution etc	Review and assessment of the Strategic Environmental Assessment (SEA) and Environmental Assessments (EIAs).
			Coordination of the Kitui County Environment Committee (CEC) Meetings.
			Conduction of environmental safeguards assessments.
			Hold sensitization meetings on environmental pollution regulations in major markets within the county
	Environmental Education and awareness	To enhance community's environmental education and awareness for sustainable development	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)
			Alternative livelihoods to communities affected by charcoal ban.

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
			Publication and distribution of educational and awareness creation materials and media campaigns
	Sustainable waste management	To formulate measures and mechanisms for waste management	Institution of sustainable waste management practices in the county, develop waste management act
			To build partnerships through private-public partnerships for sustainable waste management and utilization
			Acquire and develop suitable land for establishing modern waste disposal facility
			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
			Playing a lead role to ensure compliance with citizens' right to clean and healthy environment
	Water Catchment Rehabilitation and Protection	Rehabilitation of degraded ecosystem and protection of water catchments	Initiate value addition enterprises of sand resources in resource rich areas
			Sensitization of Water Resource Users Association (WRUA's).
			Formation and capacity building of Village Conservation Committees.
			Planting and maintenance of eco-friendly tree species in the riverine/riparian ecosystem

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
			GIS Mapping of Sand resource rich areas and degraded ecosystems.

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
Energy Department	Power Transmission and distribution	Increase electricity access and connectivity in all the County rural areas	Rural electrification programme to market centers, household clustered, churches, Health centers and dispensaries, ECD Centers, Water boreholes, Vocational and YEP centers in the 40 wards of Kitui County in partnership with REA and KPLC

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
	Alternative energy technologies	To ensure clean and affordable green energy source to all	Initiation and operationalize the energy master plan
			Establishment of a solar power plant
			Installation of solar security lights
			Installation of solar powered pumps
			Establishment of fuel woodlots
			Establishment of energy center's
			Promotion of modern technology kilns and briquetting technology
Mineral Department	Mineral resources development	To enhance proper mineral resource utilization and sustainable wealth creation	Establishment, equip and management of mineral testing and gemology laboratory
			Establishment of research centers with mining cottage industries
			Community Sensitization and awareness creation for communities living around minerals rich area
			Enhance capacity building of artisanal miners
			Establishment of mineral database of Kitui County
			Initiation and operationalization of legal frameworks
			Establishment and capacity building of Community Liaison Committees in Minerals Rich areas
			Promotion of pre-market value addition of county natural resources such as sand, gemstones, etc

Annex 11: County Public Service Board

County Ministry	Broad Priorities	Broad Strategic Objectives	Proposed projects and programmes for FY 2019/2020
County Public Service Board	Efficient Implementation of Values and principles	Promotion of Values and Principles in the County Public Service	Develop, produce and distribute Values and Principles IEC Materials
			Sensitize public service officers on values & principles
			Monitor compliance with values and principles
			Prepare and submit regular reports on the extent of compliance with values & principles to the county assembly
			Carry out satisfaction surveys
	Strengthen Human Resource systems and procedures	Efficient procurement and management of human resource services	Review and advise on departmental structures
			Review and approve job indents/adverts
			Advertise and fill vacant positions
			Develop, harmonize and review schemes of service for all cadres
			Audit casuals to inform rationalization
			Develop casuals management strategy
			Facilitate development of county public service job descriptions
	Improve productivity within the county public service	Enhance employee capacity	Develop county training policy
			Sensitize COs and HROs on Training policy
			Monitor and report on training and development

County Ministry	Broad Priorities	Broad Strategic Objectives	Proposed projects and programmes for FY 2019/2020
			Approve and authorize long duration training
			Develop/ Advise on development of pre – retirement programmes
	Strengthen discipline procedure	Efficient provision of discipline services within the county	Sensitize county public service on pensions policy
			Review and enhance the discipline procedure manual
			Sensitize county HR Advisory Committee on discipline matters
			Process and finalise discipline cases
	Promote operational efficiency of the Board	Improve Board Image	Develop Board brand elements,
			Redesign sign boards with county colours
			Facilitate office beautification
			Review Board Service Charter
			Develop Board communication Strategy

Annex 12: County Assembly Service Board

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
County Assembly	Speaker's residence	To ensure the Speaker is housed within the proximity of the Assembly and improve his/her performance	Construction of speaker's residence house
	Office Block	To provide members and staff with a conducive working environment	Construction of a storey building for offices
	Recreational Facilities	To provide members and staff with a conducive working environment	Construction/acquire a recreational/cafeteria facility
	Ward Offices	To enhance Members' mandate of representation	Construction of ward offices in all the wards.
	Borehole	Provide adequate flow of water within the Assembly	Drilling a borehole.
	Car Loans and Mortgage	To ensure a motivated work force	Provide car loans and mortgage as conferred by Salaries and Remuneration Commission.
	Parking Space	To decongest the Assembly compound	Putting up an alternative parking space for Members and Staff vehicles.
	Office equipment, Ward motor bikes and other equipment	Provide members and staff with conducive working environment.	Purchase of furniture and equipment for ward offices and headquarter. Purchase of Computers, Purchase of motorbikes for Ward office assistants.
		Enhance representation and oversight mandates.	Enhance public participation on key bills and policies
			Recruit drivers for County Assembly Members (MCAs)
			Purchase Motor Vehicles for use by the Assembly Committees.

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
			Purchase Biometric Machine for Members and staff logging in.

Annex 13: Kitui Municipality

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
Kitui Municipality	Training & Capacity Building	To improve Staff Performance	Staff Training
	Construction of Non-residential Buildings	To have better working environment	Face-lifting of the Kitui Municipal blocks and compound
		To have better working environment	Fencing of Municipal compound and gate fitting
		Improved market	Renovation of Kiembeni Market- (Floor slabs and sides.)
		Improved market	Construction of Fifty (50) Modern market sheds
		Organized boda-boda transport.	Construction of four (4) boda-boda sheds at designated point of pick and drop
		To ensure a clean and safe environment through waste management	To build partnerships through private-public partnerships for sustainable waste management and utilization e.g. collaboration with individuals,

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
			organizations, clubs, societies, women and youth groups
	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 tools
		Effective street/security light maintenance	Acquisition of Man Hoist
		Clean and beautification	Purchase of cleaning equipment
	Urban planning.	Sustainable urban development	Urban planning of 4 Market Centres- Matinyani, Wikililye, Katulani & Chuluni
		To enhance efficient location of land parcels	Acquisition of GIS Software
	Specialized plant & Machinery.	Sustainable waste management	Purchase of Tipper truck, Skip loader, ten (10) Skippers 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 (3KM)
		To have efficient and effective transport.	Roads Gravelling within Kitui town estates (10)
		Improved transport infrastructure	Walk ways, culverts, Storm water drains(10km)
	Town beautification program	Improved town image	Planting of trees, flowers and fencing.
	Community development initiatives.	Improved town cleanliness	Community awareness/public meetings on environmental management

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
		Inclusive citizen driven development	Public Participation fora

Annex 14: Mwingi Town Administration

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
Mwingi Town Administration	General administration and support services	To create enabling environment for an inclusive and safe work place through effective administration and corporate services	Training and capacity building.
			Town public fora.
			Office equipment and ICT Infrastructure
	Specialized Equipment, Materials and Supplies	To ensure efficiency in solid waste management, service delivery and clean town environment	1No Skip loader, 4No. Skippers and assorted cleansing tools and equipment
		To facilitate monitoring & inspection of projects and services in town and enforcement of County regulations	Purchase 1 No. double cabin motor vehicle
	Construction of Non-residential Buildings	To provide more working space	Construction of 4 additional office rooms

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
		To improve security, ensure extended business hours as well as provision of aesthetics	Lighting of open air market sheds and stalls
			Installation of four 'Mulika Mwizi' in Mavoko slums, Human rights area, behind Pinnacle Guest House, Kiberiti Apartments, musila gardens, around ACK Neema primary school, Garissa stage and behind Mwingi police station
		To provide office car park for harmonized parking	Construction of office car park
		To have enhanced office sanitation	Overhaul of the Ablution block system
	Construction of Civil Works	To have increased commercial activities and efficient mobility in Town.	Road upgrading to bitumen standards- 1 kilometer of roads (500 metre Kivou side and 500 metres Mwingi central side). Opening up of slaughter house road, ideal palace rd, Kasina Primary Rd, Musila Garden to ACK Neema Primary School, Café Mamro via Tourist Hotel to Kyuso Highway, Kyuso Highway rd via Human Rights area to target Furniture Holdings, Livestock Market rd to Kwa Kaka, Rd around Musila garden via family Nursing home to Nzeluni rd and the road between

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
			Garissa stage and Kazuri hotel leading to Musila gardens
		To ensure efficient traffic flow, reduced risks of accidents and controlled storm water.	Redesign and construct storm water drainage lines (200 Metres) in Mwingi Town
		To ensure constant supply of water for environmental conservation	Connect piped water and install tank in the rehabilitated old dumpsite
		To increase space for public utilities (cemetery and dumpsite)	Purchasing of land for public cemetery and dumpsite
		To ensure faster and efficient slaughterhouse activities as well as providing shelter for butchers	Constructing of offloading ramp and shed in slaughterhouse
		To reduce congestion of the current bus park, creation of business opportunities as well as increased County revenue collection	Purchasing of land (2 acre) for construction of new bus park
		To increase parking lots in order to enhance County revenue collection as well as providing conducive business environment	Cabro paving (50 Sq. Metre)

County Ministry :Spending Units	Broad Priorities	Broad Strategic Objectives	Proposed Projects/ Programmes FY 2019/2020
		To improve drainage hence efficient mobility and enhanced hygiene.	Installation of 5 No. Culvert lines in Mwingi Town

5 ANNEXURE: COUNTY ASSEMBLY GENERAL RECOMMENDATIONS

Sector	Committee's Recommendations;
Office of the Governor	<ul style="list-style-type: none"> Transfer proposed programme on disaster management and response preparedness from the office of the Governor and merge with Emergency Fund under the County Treasury
Ministry of Public Service Management and Administration	<ul style="list-style-type: none"> Some of the casuals have been engaged for too long and justice would demand they be confirmed to permanent terms
County Treasury	To improve revenue collection the County Treasury should fast track:
	<ul style="list-style-type: none"> Formation of liquor licensing boards
	<ul style="list-style-type: none"> Fully automation of revenue collection
	<ul style="list-style-type: none"> Training of revenue collectors
	<ul style="list-style-type: none"> Revenue projections should be realistic to reduce pending bills due to unrealized revenues.
Ministry of Health and Sanitation	The Ministry should initiate the following programmes:
	<ul style="list-style-type: none"> Launch programme targeting completion of stalled health projects across the county
	<ul style="list-style-type: none"> Water harvesting tanks in hospitals
	<ul style="list-style-type: none"> Equipping of dispensaries and health centres across the county.
	<ul style="list-style-type: none"> Sewerage and drainage system in other hospitals apart from Kitui Referral, Construction of placenta pits, incinerators and power connection in hospitals across the county.
Ministry of Basic Education	<ul style="list-style-type: none"> ECDE teachers to be employed on permanent and pensionable basis

Sector	Committee's Recommendations;
Mistry of Trade, Cooperatives and Investment	<ul style="list-style-type: none"> • The Ministry should implement Kitui Vision for Economic and Social Transformation (KIVEST) document.
	<ul style="list-style-type: none"> • Ensure enhancement of revenue collection on Kitui County Textile Centre (KICOTEC)
Ministry of Lands, Infrastructure and Housing	<ul style="list-style-type: none"> • The Ministry should specify the towns to benefit under Dustless Towns and the kilometers to be covered
	<ul style="list-style-type: none"> • The County should desist from buying machinery and embrace hiring so as to cut on maintenance cost
Ministry of Tourism, Sports and Culture	<ul style="list-style-type: none"> • The Ministry should provide a list of all sports facilities projects done across the County indicating the status and cost.
Ministry of Agriculture, Water and Livestock Development	<ul style="list-style-type: none"> • The Ministry should promote millet farming in addition to cotton and sorghum value addition in order to boost food security.
	<ul style="list-style-type: none"> • Allocate funds for desilting, fencing existing dams, construction of pit latrines around the water points and sand dams, drilling of new bore holes, piping extension, rock catchment, spillway and purchase of plastic water tanks with a capacity of 10,000 litres for all public institutions.
Ministry of Environment and Natural Resources	<ul style="list-style-type: none"> • The Ministry should come up with a policy to regulate and ensure sustainability of tree growing programme by increasing survival rates of planted trees.
County Assembly Service Board	<ul style="list-style-type: none"> • Public Participation Programme should be put in place to ensure citizens are facilitated during public participation forums because most of them travel long distance
	<ul style="list-style-type: none"> • The drivers of the MCAs needs to be paid allowances since they depend on MCAs to pay for their accomodation and meals

Sector	Committee's Recommendations;
	<ul style="list-style-type: none"> • Programme to support sports in the County Assembly should be included to ensure Members of the County Assembly are facilitated to train and participate in the upcoming Inter County Assemblies Games
	<ul style="list-style-type: none"> • The County Assembly ceilings in the CFSP is below the indicative ceilings recommended by the CRA to the Senate and needs to be revised upwards accordingly.
General Recommendations	<ul style="list-style-type: none"> • Resource Distribution: The County Treasury to harmonize the CFSP so as to include village level projects extracted from the report of public participation on CFSP by executive and allocate funds per ward totaling Kshs 40 Million to undertake those projects across different line ministries. In the event that annexed projects do not make up a total of Kshs 40M, other projects should be identified from the approved Current County Integrated Development Plan 2018 - 2022. • Subsequent budgets to have a list of projects entailing name, location/village, ward, and cost and implementing ministry. • Reduction of the projected revenues to reduce pending bills due to unrealized revenues and; • Adjust County Assembly Ceilings in line with the ceilings recommended by the CRA to the Senate