



COUNTY GOVERNMENT OF KITUI

COUNTY MINISTRY OF FINANCE AND ECONOMIC PLANNING

County Fiscal Strategy Paper (2017/2018)

**INVESTMENT STRATEGY FOR WEALTH AND
EMPLOYMENT CREATION**

JANUARY, 2017

Foreword

Kitui County Fiscal Strategy Paper (CFSP) 2017/18 is the fourth to be prepared by the County Government under the devolved governance structure and sets out the priority programs to be implemented in the Medium Term Expenditure Framework (MTEF) period 2015/16 - 2017/18. The 2017/18 CFSP is prepared against a backdrop of slow global economic growth owing to a more subdued outlook for advanced economies following the UK vote in favour of leaving the European Union (Brexit) and weaker than expected growth in the United States, and a sharp slowdown among Sub-Saharan African economies especially commodity exporter. The basis for this strategy paper and all the policies anchored on it are built on the background of improving National and Global economic forecasts, underpinned by gradual recovery of the advanced economies and sustained robust growth in Sub-Saharan Africa. Shifting priorities in favour of sub Saharan Africa fuelled by mining interests, investment in infrastructure as well as other investment segments further reinforces the hope for accelerated economic growth prospects and creation of more jobs. However, the Kenyan economy remains resilient registering strong economic growth of 5.6 percent in 2015 compared to the average growth of 3.4 percent for Sub Saharan Africa and 3.2 percent for global economy. Further, our macroeconomic performance remains broadly stable with overall inflation within target, Kenya Shilling exchange rate to the US dollar remaining stable and low short term interest rates, a reflection of ample liquidity in the money market. The economy is projected to grow at 6.0 percent in 2016 and over 6.5 percent in the medium term.

The Country continues to recover from domestic shocks such as insecurity and inadequate rainfall, which have put to test the resilience and strength of the economy in the recent past. Kitui County is largely an agricultural economy, and domestic shocks such as inadequate rainfall constitute a major component of downside risks to our growth prospects. However, we expect the short rains of October- December 2016 will boost the agricultural sector. Going forward, spending on infrastructure, education, agriculture, health and social safety remains a priority.

Strong and stable growth environment has been anchored on prudent economic policies implemented within stable macroeconomic environment undertaken by the National government over the years. However, the economy still faces domestic and international challenges that pull down the performance. This County Fiscal Strategy Paper is designed to address such challenges while building on the successes achieved over the last decade.

The broad strategies for investing the foundations for sustainable economic growth and development are anchored on the following five pillars, namely;

- i. Ensuring business environment is conducive for job creation. Attracting investors into the county both local and international. This is vital for employment creation and economic prosperity.
- ii. Investing in sectoral transformation to ensure broad based and sustainable economic growth, with focus on agricultural transformation for food security.
- iii. Investing in infrastructural development such as roads network, energy and water.
- iv. Investing in quality and accessible health care services and quality education

as well as social safety nets to reduce the burden on the households to promote shared prosperity.

- v. Further Entrenching devolution to the decentralized structures of governance for better service delivery and enhance rural development.

In line with the above broad priorities, the CFSP outlines the strategies to be employed in 2017/18 program implementation to achieve the desired objectives.

**MR SIMON MUNDU
CECM, FINANCE AND ECONOMIC PLANNING,
KITUI COUNTY GOVERNMENT**

Acknowledgement

This 2017/2018 County Fiscal Strategy Paper has been prepared through a collaborative process where, information used to prepare this paper was obtained from county ministries and other spending units. We are grateful for the contribution made by these ministries and spending units.

We also want to acknowledge the contribution of the National Treasury through the training of our county staff on the budget process, County Fiscal Strategy Paper and the County Budget Review Outlook Paper, who were very instrumental in the preparation process. The draft Budget Policy Statement 2017/2018 FY by National Treasury provided vital information on county revenue projections.

Special gratitude to the entire County Executive Committee and Chief Officers of County Government of Kitui for their invaluable contribution made to the preparation of this document. H.E the Governor Dr Julius Makau Malombe who provided enviable leadership and guidance in developing the CFSP.

A dedicated team in the County Treasury spent significant amount of time putting together this document. In particular, we are grateful to Mr Fidhelis Mwaniki - Deputy Director, Budgeting and Economic Planning, Mr Joel Muyanga - Assistant Accountant General and Mr Victor Mwangu - the County Principal Statistician. Of absolutely vital help was the team of Economists/Statisticians comprising Daniel Mbathi, Charles Maingi, Hanrieta Ndunge and Faith Munah. Needless to mention is the contribution from the multi-sectoral Budget Team which ensured among other things that departmental inputs into the CFSP were prepared and submitted in time.

JUNE M. KAVYATI

Ag. CHIEF OFFICER

FINANCE AND ECONOMIC PLANNING

Table of Contents

| | |
|---|------------|
| Foreword | i |
| Acknowledgement | iii |
| List of Tables | iv |
| Abbreviations and Acronyms | v |
| I. Overview | 8 |
| Overview of Recent Economic Developments | 9 |
| Economic Outlook | 10 |
| Key Development Projects likely to Impact on Kitui County | 12 |
| II. Macroeconomic Policy and Medium Term Outlook | 15 |
| Macroeconomic Stability (Inflation, Interest Rates, Exchange Rates) | 15 |
| Challenges in implementing 2016/17 budget | 16 |
| Risks to County Economic Outlook | 17 |
| III Policies to Achieve Medium Term Outlook | 19 |
| Policies and Programs for achieving economic prosperity | 19 |
| Broad Sector Priorities for FY 2017/2018 | 31 |
| IV. Budget 2016/17 and the Medium Term | 49 |
| Overview | 49 |
| Fiscal Policy and Other Structural Reforms | 50 |
| Revenue Projections | 51 |
| Expenditure Projections | 53 |
| V. ANNEXURE | 57 |

List of Tables

| | |
|---|----|
| Table 1: Projected Revenue 2015/16 – 2019/20 | 52 |
| Table 2: Proposed Budgetary Allocation among Ministries | 54 |
| Table 3: Allocation between PE, O&M and Development | 55 |
| Table 4: Revenue streams and projections | 57 |

Abbreviations and Acronyms

| | |
|---------|---|
| AIA | Appropriation-In-Aid |
| AMS | Agricultural Mechanization Services |
| BPS | Budget Policy Statement |
| CECM | County Executive Committee Member |
| CFAs | Community Forest Associations |
| CFSP | County Fiscal Strategy Paper |
| CG | County Government |
| CLIPD | Community Level Infrastructure Projects Development Programme |
| CRA | Commission on Revenue Allocation |
| CT | County Treasury |
| ECDE | Early Childhood Development Education |
| EZs | Economic Zones |
| GDP | Gross Domestic Product |
| GIS | Geographical Information System |
| IDCs | Industrial Development Centres |
| IFMIS | Integrated Financial Management Information System |
| KBRR | Kenya Banks Reference Rate |
| KES | Kenya Shilling |
| KEWI | Kenya Water Institute |
| KMTC | Kenya Medical Training College |
| LAN | Local Area Network |
| LAPSSET | Lamu Port South Sudan Ethiopia Transport (Corridor) |
| MDGs | Millennium Development Goals |
| MPC | Monetary Policy Committee |
| MTEF | Medium Term Expenditure Framework |
| NCD | Non Communicable Diseases |
| NHIF | National Hospital Insurance Fund |
| PMI | Purchasing Managers Index |
| REA | Rural Electrification Authority |
| SEKU | South Eastern Kenya University |
| SDGs | Sustainable Development Goals |
| SGR | Standard Gauge Railway |
| SRC | Salaries and Remuneration Commission |

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 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 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 their budget both 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 of revenue allocation;
 - (b) the public;
 - (c) the interested persons or groups;
 - (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.

Fiscal Responsibility Principles for the National and 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 Act, 2012, (Section 15) states that:

- 1) Over the medium term, a minimum of 30 percent of the national and county budgets shall be allocated to development expenditure
- 2) The national government's expenditure on wages and benefits for public officers shall not exceed a percentage of the national government revenue as prescribed by the regulations.
- 3) 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.
- 4) Over the medium term, the national and County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
- 5) Public debt and obligations shall be maintained at a sustainable level as approved by Parliament for the National Government and the County Assemblies for the County Governments.
- 6) Fiscal risks shall be managed prudently; and
- 7) 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.

I. Overview

1. The 2017-2018 Kitui County Fiscal Strategy Paper (CFSP) addresses the challenges encountered in the implementation of the previous budget as set out in the CFSP 2016-2017. It sets out the broad priorities of the county and highlights the programs to be implemented both in the short and medium terms in line with the set priorities. This CFSP is anchored on the following pillars:

- i. Ensuring business environment is conducive for job creation. Attracting both local and international investment into the County will be vital for employment creation and economic prosperity.
- ii. Investing in sectoral transformation to ensure broad based and sustainable economic growth with focus on agricultural transformation for food security.
- iii. Investing in infrastructural development such as roads, energy and water.
- iv. Investing in quality and accessible health care services and quality education as well as social safety nets to reduce the burden on the households to achieve broadly shared prosperity.
- v. Further entrenching devolution into the lower units of governance for better service delivery and the enhancement of rural development.

2. The medium term objectives and priorities have relatively remained the same as set out in CFSP 2016-2017, with necessary adjustments to incorporate and respond to emerging challenges. Increase in funding from the national government's equitable share and the county's own resources will be channelled towards priority sectors to drive development. Improving the business environment is focal in attracting much needed private investment to accelerate growth prospects in the county and create more jobs.

3. Over the last four financial years, Economic policies guiding the budgets have centred on infrastructural development to lay a strong foundation for economic growth. Such investments have mainly been directed towards roads, water and power distribution as well as social infrastructure such as health care facilities, schools and polytechnics. The county also invested on machineries and equipment to support this infrastructural development over the same period. We are yet to reach our optimal levels and hence the need to tackle the challenges that hinder us from operating optimally.

4. The bold economic reforms undertaken at the national level and the programs implemented by the county government such as rehabilitation of road networks, water supplies and other infrastructural facilities; expansion, renovation and equipping of health and education facilities as well as other reforms in other sectors have begun to bear fruits. This is anchored on the intensive planning that has seen the county prepare a CIDP (whose review is ongoing) and Kitui Vision for Economic and Social Transformation (KIVEST). However, challenges such as food insecurity, unreliability of electricity and generally high cost of energy, low land productivity, poor road network, inadequate water supply, youth and women empowerment, and high poverty levels still persist.

5. In line with the national development agenda as envisaged in Kenya Vision 2030 and implemented through Medium Term Plans I & II (MTP I&II), the County has adopted the national pillars and domesticated them (through the Kitui Vision for Economic and Social Transformation) to reflect local realities. Key policy objectives have been set to address the needs of youth and women in tackling poverty and unemployment.

Overview of Recent Economic Developments

6. From a macroeconomic perspective, following the UK vote in favour of leaving the European Union (Brexit), the Brexit vote, and concluded USA elections certain effects have been projected to occur globally. The vote implies a substantial increase in economic, political, and institutional uncertainty, which is projected to have negative macroeconomic consequences, especially in advanced European economies. But with the event still unfolding, it is very difficult to quantify its potential repercussions.

- The baseline global growth forecasts for 2016 and 2017 reflect the benign assumption of a gradual reduction in uncertainty going forward. In this scenario, arrangements between the European Union and the United Kingdom settle so as to avoid a large increase in economic barriers (as outlined in the “limited scenario” in the IMF’s 2016 United Kingdom Staff Report); no major financial market disruption occurs; and political fallout from the referendum is limited. But these benign assumptions may fail to materialize and more negative outcomes are a distinct possibility.
- Taking into account the better-than-expected economic activity so far in 2016 and the likely impact of Brexit under the assumptions just described, the global growth forecasts for 2016 and 2017 were both marked down by 0.1 percentage points relative to the April 2016 WEO, to 3.1 percent and 3.4 percent, respectively. The outlook worsens for advanced economies (down by 0.1 percentage points in 2016 and 0.2 percentage points in 2017) while it remains broadly unchanged for emerging market and developing economies.

7. Growth in Sub-Saharan Africa continues to be constrained by subdued commodity prices, weakness in global financial markets, security threats and a slowdown in SSA's main trading partners. In particular, the region's oil-producing countries are experiencing a severe economic slowdown and the poor policy response from governments has escalated uncertainty and deterred investment. Moreover, droughts caused by adverse weather conditions in the southern part of the continent and political insecurity have unfavourably affected growth this year. However, east African countries such as Tanzania recording robust growth rates due to more effective economic policies. The preliminary agreement reached by OPEC members in late September to cut oil output comes as good news for the oil-producing countries of the region, though doubts remain as to whether the agreement will be enough to reduce the global oil glut and to support the public finances of the countries in the region. The economic outlook for SSA keeps deteriorating on the back of low prices for raw materials and a myriad of domestic challenges. Economic growth is expected at 1.8% this year. For 2017, the region is expected to regain momentum and expand 3.4%.

8. Kenya's economy has been gaining steam and expanding at 6.0% on average year-on-year. The uptick is supported by broad-based increases in all sectors of the economy, including the large agricultural sector, forestry and fishing, transportation and real estate. Tourism continues to recover from security concerns. Robust PMI readings point to continued growth. However, the government's decision to limit commercial banks' interest rates at 4 percentage points above the CBK's benchmark rate, which became effective in September, risks curtailing private sector credit growth and overall GDP growth going forward.

9. At the local level, as the County development gets absorbed into planned economy, it has continued to show improvement as more funds are allocated to projects/programs. In order to support a rapidly-growing economy as envisaged in the Kenya Vision 2030, the County Government will continue to sustain and expand the on-going public investments in road, energy and water supplies.

Economic Outlook

10. Kenya's economic performance remains solid, with the growth rate expected to improve from 5.6% in 2015 to 5.9% in 2016, according to the World Bank Group. It is projected to rise further to 6% in 2017. The outlook is attributable to low oil prices, good agriculture performance, supportive monetary policy, and ongoing infrastructure investments. Kenya experienced strong economic performance in 2015, and has exceeded the average growth for Sub-Saharan Africa countries consistently since 2009.

11. The economy, however, remains vulnerable to domestic risks that could moderate the growth prospects. These include the possibility that investors could

defer investment decisions until after the elections, that election-related expenditure could result to a cut back in infrastructure spending, and that security remains a threat, not just in Kenya, but globally. Finally, changes in monetary policy in industrialized countries could trigger volatility in financial markets putting the currency under pressure.

12. Achieving the target growth has been a major challenge in the face of recurring domestic shocks such as inadequate rainfall and insecurity, especially during tourists' peak seasons, resulting in poor sector performance. Major infrastructural projects mainly in transport and logistics framed under the Kenya Vision 2030 development agenda are poised to lift the economy and stay its growth targets. The County economy is poised to record improved performance anchored on sustained investment in infrastructural programs; targeted interventions in addressing business environment as well as in social sectors. Investment in roads, water and electricity distribution is expected to improve connectivity, reduce cost of doing business and improve general welfare.

13. The agricultural sector is also expected to record impressive performance for the short rains of October –December 2016. This harvest is expected to boost food security in 2017. A potential bumper harvest is projected to translate into higher revenue collection for market access and other fees.

14. The economic transformation agenda of the County is premised on the County's long term development blue print, "The Kitui Vision for Economic and Social Transformation – KIVEST". The Vision is based on the six economic and investment zones (EIZs) with various economic potentials and comparative advantages that have been mapped out and specific programmes designed for each zone. The six economic zones include:

- i. Muumoni – Kyuso – Tseikuru which has potential in irrigated farming, mining of limestone and other precious stones.
- ii. The Mui Basin, whose main potential is the coal mining and associated coal power generation. Its other potentials include livestock farming and limestone mining.
- iii. Mwingi Town and its Environs, whose main potential is commercial and financial centre, being the largest town next to the LAPSET corridor. It has potential for tourism development since it is at the upper circuit of the County.
- iv. Kitui County Headquarters and its environs, whose main potential is commercial and financial hub for the surrounding zones.

- v. Kanyangi - Kwa Vonza – Kanyoonyoo, whose potential is also commerce and education hub and a research and development zone. Already two universities are hosted in this zone.
- vi. Ikutha – Mutomo – Kanziko, whose main potential is mining of limestone, iron ore and other precious stones.

15. These Economic and Investment zones are designed to help the County to realize the following key objectives and to position Kitui County as:

- An economic unit where a high quantum of GDP is generated;
- An attractive place for industrial investors and business ventures anchored on the natural and other resources within the County;
- A place where a wide range of skilled, semi-skilled and unskilled employment opportunities are created;
- A source of wealth creation for its people and the Country at large; and a place
- Where people enjoy a high quality of life in a clean and safe environment in both rural and urban areas.

NB: International and local investors have expressed interest in doing business in Kitui County as a result of the numerous incentives devised in the KIVEST development blue print.

16. The service sector in the County is expected to serve as a driver to economic growth. The banking industry that provides credit to the business community is expected to play a vital role, especially in the prevailing favourable interest rate climate, in financing the expansion and growth of construction sector that will be fuelled by rising institutional as well as individual demand for residential and commercial properties.

17. Expansion and improvement of some road networks to all weather roads is envisaged to reduce post-harvest waste, cost of doing business by improving connectivity and accessibility. The rising number of tertiary institutions opening Campuses in the County will serve to build the capacities for local residents necessary for research, as well as provision of much needed jobs for youths and skilled personnel.

Key Development Projects likely to Impact on Kitui County

18. A number of projects initiated mainly by the National Government are likely to impact positively on the growth prospects of Kitui County. Kitui County being home

to the Mui Coal Basin is likely to benefit from the mining of coal within blocks C and D. The agreement for the concessioning of the blocks to Benxi Mining Company, Chinese Company was signed. The Government has also advertised for the concessioning of the remaining two blocks A and B and construction of a coal fired plant within the basin.

19. The coal mining at Mui basin agreement also envisages other infrastructural projects to the zone that will spur economic growth for the County including a T-junction of the Mombasa- Nairobi Standard Gauge Railway at Kibwezi, roads and a 12-inch water pipeline from Tana River to the basin.

20. The construction of the recently launched Standard Gauge Railway (SGR) from Mombasa to Nairobi, with a T-junction at Kibwezi to Mui coal basin is another development likely to have a transformative impact on Kitui County. This railway will connect Mui coal basin through the southern economic zone (Kanziko-Ikutha-Mutomo) of the County which is endowed with mineral deposits like limestone, iron ore and gemstones.

21. The National Government plans to start upgrading Kibwezi – Mutomo – Kitui – Mwingi road from the lower side, where it diverts from Mombasa road. This road has been prioritized and the process of bidding has been initiated by the Kenya National Highway Authority (KeNHA) to select contractor(s). This road is likely to have great impact on sectors like tourism, transport and other service sectors after diverting traffic from Mombasa road to central Kenya through the county. It will also play a key link role when the LAPSET corridor is done.

22. Limestone mining has also generated considerable interest in Kyuso-Tseikuru as well as Ikutha-Mutomo-Kanziko Economic and Investment zones. Athi River Mining Co. Ltd is already in Ngaie area, prospecting for limestone. Dangote Group, has also expressed interest to invest in Kanziko-Mutomo-Ikutha Economic and Investment zone.

23. The Lamu Port Southern Sudan Ethiopia Transport (LAPSSET) corridor though taking shape slowly is also another mega project that will greatly impact on the economic growth of Kitui County. This corridor, once completed will position Kitui as logistics hub and unlock a major economic opportunity for the County such as the export of livestock and livestock products to the Middle East.

24. The national government will construct a major dam for power generation and water supply for both domestic consumption and agricultural production along Thwake River. This dam will serve three counties: Kitui, Machakos and Makueni, and as part of the project, it will include a bridge to connect Kitui and Makueni counties that will reduce travel time between Kitui and Wote town substantially.

25. In recent past, Kitui County has attracted institutions of higher learning (Universities and other middle level colleges). Institutions of higher learning play two key roles in the development of an economy; i) capacity development and ii) research. Already, South Eastern Kenya University (SEKU) is working with the County on water resource mapping and looking into the possibility of partnering with Kitui hospital to start training of doctors.

26. The development of Kitui Town Sewerage system and Water supply funded by the African Development Bank (AfDB) in conjunction with the National Government is likely to increase the value of land, attract more investors and result in increased revenue potential for the County.

27. Kiambere - Mwingi phase II water supply, intended to expand the existing pipeline to accommodate the northern part of Mwingi which was not included in the first phase. The second phase targets Muumoni, Kyuso and Tseikuru.

28. The Athi – Kanyangi – Mutomo water project, which is funded by the World Vision in collaboration with the County Government, is likely to change the lives of Kitui residents. Its main intention is to supply water for domestic supply in Mutomo and other markets and homesteads in Kitui south.

29. Construction of Mutha – Walden Road to interconnect Kitui and Tana River Counties. This has led to reduced cost for doing business between the two counties as well as boosting security. Other security roads have also been opened especially in the northern part of the county.

30. Laying of Fibre Optic Cable to connect Kitui to the rest of the world through a robust internet backbone for high internet speed connections. This is becoming increasingly vital in this era of online data processing, file and application hosting. Installation of 21 BTS by Safaricom within Kitui County that will boost mobile network connectivity from about 35 per cent to 55 per cent.

31. The County in collaboration with Kenya Medical Training College has opened a campus next to Mwingi Level IV Hospital. This partnership will result in mutual benefits as trainees have a chance to get hands training while the hospital staff workload goes down. In order to prepare the facility for teaching and referral functions, a number of infrastructural developments have been implemented.

32. The Medical Equipment Leasing Program being implemented by the national government in collaboration with the counties is expected to reduce the cost of referral services, time required to access the referred facilities and eventually save more lives. In Kitui County, Kitui and Mwingi level IV hospitals will benefit from this program.

II. Macroeconomic Policy and Medium Term Outlook

Macroeconomic Stability (Inflation, Interest Rates, Exchange Rates)

33. Macroeconomic stability is a function of the National Government which is implemented through National Treasury and other national agencies. However, their effects highly affect the economies of the County Governments. The annual inflation rates in Kenya rose to 6.47 % in October 2016 from 6.34% in September same year. It was the highest inflation rate since February boosted by food cost. On a monthly basis, consumer prices increased by 0.62% following a 0.34% in September. The inflation has reduced the real value of money which eventually has increased the cost of goods and services leading to high cost of living.

34. The assenting to act of the Banking (amendment) bill 2016 by H.E. the President, Uhuru Kenyatta set a stage for cushioning of Kenya business sector. Section 33B of that Act introduced a limit to interest rates charged on credit facilities to 4% of the base rate set by the Central Bank of Kenya and a minimum of interests earned in deposits earning interest to 70% of the base rate set by the Central Bank of Kenya. This in effect meant that the interest rate will be capped at 14.5% a decrease from the 18% average that the banks used to charge. Lower interest rates have the effect of stimulating both public and private credit that is required to accelerate development. The county will therefore mainly target the private investors who may need to raise funds either from commercial banks or the stock exchange. Further, the introduction of Kenya Banks Reference Rate (KBRR) aimed at bringing transparency in the lending sector. The KBRR also gives the basic rate of lending of banks in Kenya which is calculated from the average of the Central Bank Rate and the two-month weighted moving average of the 91-day Treasury bill rate. The last review of the KBRR was from 9.87 to 8.90 in July 25, 2016.

35. The introduction of Kenya Banks Reference Rates (KBBR) by the Monetary Policy Committee (MPC) of the Central Bank has led to a decline in lending rate from 17% in 2013 to 10% in 2016. This great decline has been attributed to weak transmission power of the monetary policies. Overall private lending went up by 2% from 20.2% to 22.2%, reflecting increased appetite for credit.

36. Access to credit is necessary for the acceleration of development through capital borrowing, which has been a major source of slow projects implementation. This is also understood in the premise that trade in livestock, construction of real estate and retail and wholesale in agricultural produce (cereals), need to be financed by commercial banks.

37. Further, the growth of the National economy is partly dependent on a stable

exchange rate. Universally, the exchange rate regimes in any economy relate closely with its share in the international trade and hence balance of trade. The Kenya shilling has depreciated against the dollar, fluctuating around the US\$/KES rate of 100 (0.01 US Dollar =1 Kenyan shilling). This has the net effect of increasing the trade deficit as Kenya imports more than it exports.

38. The performance of our stock exchange is an important index of a country's economic performance. Over the medium term, Nairobi Securities Exchange (NSE) performance has not been satisfactory. The NSE 20 share index declined from 5499.64 points in March 2015 to 3202.00 points in October 2016. Market capitalization (which measures shareholders wealth) declined from Kshs 2,246.6 billion to Kshs 2,050.08 billion over the same period.

39. It is expected that the performance of NSE will stabilize in the medium term in anticipation for a stable capital market which is a necessary condition for private sector investments financing. The county is targeting the private sector to accelerate its development through various projects outlined in the six economic and investment zones.

Challenges in implementing 2016/17 budget

40. There were various implementation challenges encountered in FY 2016/2017. However, there was improvement in addressing a number of them such as revenue collection, low rate of absorption for development funds, and human resources capacity issues. The amount of funds rolled over from 2014/15 into 2015/16 went down in both percentage and real terms (from KES 1.789 billion in 2014/15 to KES 1.955 billion 2015/16).

41. The devolved functions have challenge in raising revenue from sources within their departments. There is a drop in actual revenue collected against the projected collection which has led to the downward review of total budget to accommodate the projected deficit during supplementary budget review. This has resulted to delay in implementing the planned projects.

42. Though revenue collection realized improved performance, the county ministries handling devolved functions are still grappling with the challenge of organizing themselves to collect Appropriation-in-Aid that falls within their function.

43. Another challenge emerged with implementation of the Kitui County Finance Act 2015, as a result of ban on sand and charcoal. Further, delay in the operationalization of Liquor License Act also led to loss of revenue in form of uncollected liquor licenses fees.

44. The performance of the County was generally greatly affected negatively by

inadequate rainfall leading to low crop yields. It mainly relies on rainfall for its agricultural productivity. There is need to find a sustainable alternative approach for livelihood to improve food security.

Risks to County Economic Outlook

45. Weak revenue base that cannot cushion the county from cash flow delays from the National Treasury is one of the major risks facing the county economic outlook. Most of the counties experienced problems in payment of salaries for the months of July and August this year due to the delay by the National Treasury to release funds. If all the counties were able to collect their own revenue adequate to take up monthly payroll burden this problem could have been prevented.

46. The contribution of the local revenue was less than 8% of the annual budget for FY 2016/17 thus the delay of disbursements from National Treasury paralyses the county operations and dampen the outlook. For the outlook to be achieved it entirely relies on timely release and utilization of the equitable share.

47. Delay in the release or non-release of equitable share and conditional grants provided through the National Government will definitely delay implementation of planned projects and programmes.

48. The County Government has allocated a larger share in its development budget to the development of infrastructure which includes roads, water infrastructure, electricity distribution and other social infrastructure. All the funds rolled over from 2013-14 to 2014-15 to 2015-16 and then to 2016-17 was due to delay in implementation of the planned programmes and projects. The delay in completion of projects is a major risk to the outlook because benefits visualized in the planned projects will be delayed or never realized.

49. Other risks to the economic outlook for 2015/2016 and the medium term include slow recovery in the advanced economies that will impact negatively on our tourism and export; the weak shilling against the dollar and other major currencies; emerging financial risks in the China economy that are likely to hit our stock markets too due to financial integration, resulting in capital flight and losses.

50. The delay in implementation of major projects including the Mui coal mining, coal fired plant, limestone mining in Kanziko and Ngaiye, upgrading of the Kibwezi-Mutomo-Kitui road and many other projects which required the joint coordination of the county and the National Governments pose serious risk to future outlook since they are the key drivers of economic transformation.

51. The public expenditure pressures especially recurrent expenditures, mainly salaries and other personnel emoluments pose fiscal risks. The wage bill in

particular limits the funds available to development, curtailing the ability of the county to expand its infrastructure and fulfil other developments as outlined in the budget. There is need to manage the wage bill in more sustainable way to avoid unnecessary redundancy costs.

52. The National as well as the County Governments are dependent on the rain fed agriculture. Unreliable weather patterns that are so characteristic in our county derailed the county development agenda with substantial resources channelled to emergency relief services and other associated expenditures. These unpredictable weather patterns pose real threat to our outlook forecast given that Kitui has a food shortage and hunger which results in emergency reallocation of resources which are unprecedented.

53. Other risks that the economic outlook may be prone to include: - lack of goodwill from the political class, low staff morale that will affect revenue performance, delay in enactment of bills into laws, liquor licensing structure and resistance from the devolved functions staff to collect revenue.

54. Political interference and resistance by locals not to pay local revenue have negative impact on the revenue projections and the overall revenue performance. Some of efforts being put towards addressing the pictured challenges include; automation of revenue collections and dissemination of civic education on revenue collection to the traders to create awareness on the benefits of revenue at county level.

55. The general elections in Kenya scheduled in August 2017 are likely to negatively affect the economic outlook. Financing of the political campaigns may affect real value of shilling in terms of inflation, it is anticipated that large volumes of money will be in circulation. Further, the political climate may greatly affect the political stability of the country hence affecting sectors like tourism, trade and commerce.

III Policies to Achieve Medium Term Outlook

Policies and Programs for achieving economic prosperity

56. This CFSP therefore, articulates broad sector priorities, strategic objectives as well as sectoral expenditure programs to be implemented under the Medium Term Expenditure Framework (MTEF) 2016/17 – 2018/19 in order to achieve the County development goals of laying foundation for economic transformation. The County Government is using the strategies outlined below to achieve objective of each pillar.

Pillar I: Ensuring a Conducive Business Environment

57. Macroeconomic stability necessary for attracting investment in the County is the responsibility of the National Government. However, the County Governments are responsible for maintaining conducive environment to compete among themselves and attract investors. In this regard, the County Government will implement structural reforms aimed at removing impediments in establishing/ doing business with the County.

58. In the financial year 2013/14-2016/17, the County Government implemented a number of programmes and projects aimed at creating a conducive business environment with the long term goal of creating employment.

- Review of business permit licenses required to start and operate business within the county. This process is intended to bring in fairness, transparency and accountability in the licensing process. The review of licensing bundles has also helped bring fairness to small scale traders. This has enhanced the principal inclusivity.
- The implementation of Community Level Infrastructure Programme (CLIDP) has continued to be implemented in the county over the years. This programme mainly targets local contractors who were trained by National Construction Authority (NCA) engaged by the County Government. The County Government went ahead to facilitate registration of the businesses.
- Provision of incentives to establish and operate business such as land rates negotiation for new investors, power connection arrangement where investors will be assisted through rural electrification program funded by the County Government.
- The expansion and maintenance of existing road networks in the county, and installation of solar powered street lights in major towns and urban centres to improve security, access to markets as well as lower the cost of business operations.

- Expansion and Renovation of various markets to improve sanitation as well as value addition initiatives for bee keepers, dairy and horticulture farming and fruit processing through provision of necessary equipment and processing machines. Further, the construction of market sheds and public toilets in the county side has promoted a conducive environment for business operation.
- The County Government is also working closely with investors to ensure accessibility and utility services (water and electricity) to their business premises (incentivizing business operations). This is intended to attract business enterprises anywhere investors feel opportunities exist.

59. To enhance the culture of entrepreneurship among the youth and women, a program of youth saving and entrepreneurship (Youth Infrastructure Savings and Enterprise Program – YISEP) was established and intended to benefit 10,000 youths in every ward. Eventually, 150 women and 200 youths were trained on access to government procurement opportunities. So far, 398 youth groups with 9,914 members have benefited from the programme. Kshs 95,839,100 has been disbursed to the groups for implementation of various Income Generating Activities (IGAs).

60. To harness the potential of ICT in improving business productivity and reducing cost, the County Government is investing in information technology to ensure that services offered electronically are available to citizens. Such services would include licensing, revenue collection, financial management, topographic mapping among others. In this regard, the County Government has initiated the following projects:

- Community Resource Centres which will be equipped with the necessary IT facilities to enhance business communication, facilitate community training and provide conference facilities.
- Installation of Local Area Networks (LAN) and Wide Area Networks (WAN) in community resource centres, county and sub county administration centres to facilitate communication, reduces cost of government services and other enhances growth of other ICT enabled businesses.
- Establishment of data centres and ICT centres within the county where data banks for important information can be backed up to minimize the risk of data loss in the events of fire in our central data bank. This will also enhance centres of Research and Development (R&D) in the county.

Pillar II: Investing in sectoral transformation to ensure broad based and sustainable economic growth, with focus for agricultural transformation for food security (Productive Sectors)

Agricultural Transformation

61. The county is investing a sizeable share of its budget in crop and livestock production to address the food security concern and sustainable land management. A number of initiatives have been implemented over the last four years to transform agriculture and increase farmers benefit from agricultural production. These initiatives will continue to be implemented in the medium term and include:

- Identification of suitable sites and provision of drip kits for kitchen gardening and farm input support.
- Equipping Agricultural Mechanization Services (AMS): Purchase of 2 D6 Crawler which will enhance AMS service delivery and improve food production in the county.
- Increase the area under irrigated agriculture. This will be implemented through establishment of 10 irrigation projects and construction of 72 water ponds.
- The County Ministry of agriculture, Water and Irrigation has undertaken input subsidy program that is intended to increase yield per hectare, support by extension services to ensure right crops are grown in various areas. The ministry is also undertaking a breed improvement programmes aimed at addressing livestock productivity.
- The ministry in collaboration with European Union is implementing a program in Kitui East targeting to increase production of drought tolerant crops.
- Livestock extension and production, efforts will be put to ensure bee keeping and honey production especially in the suitable economic and Investment zones designated for such activities. Pasture and folder improvement and conservation will be implemented to ensure that livestock get the necessary nutrition.
- More funds will be allocated specifically for Agriculture sub-sector in the effort to achieve the Maputo declaration of 10% allocation of the annual budget. The budgetary allocation will strive to ensure food security in the county.

Tourism, Sports, Culture and Arts

62. The County Government has undertaken a number of initiatives geared towards improving tourism, culture, arts and sports in the county. Sports, Culture and Arts are important facets the county can use to foster unity and inclusion in its development agenda. Tourism is a major source of revenue for the National Government, and the county has the opportunity to ride on the national tourism

circuits to increase its revenue base. Some of projects were initiated in these subsectors include:

- Sports improvement program targeting sports stadia in all the wards in the county to facilitate games and sports
- Construction of heritage and cultural centre in Kyuso to promote Kamba culture and preserve heritage.
- Construction of four resource centres – currently being undertaken in Kitui town (Manyenyoni), Mutonguni, Kyoani and Mwingi.
- Wildlife conservation and management – construction of gates and roads in Mwingi and South Kitui game reserves to improve tourists experience.
- Community Eco-tourism programmes especially in Mutitu and Mumoni hills in the medium term
- Enhancing accessibility in the conservation areas.

63. Keeping in line with the current policies, and building the progress of the programs implemented, the county will continue to promote private investment in tourism, sports and development of arts to allow it to divert its resources to creation of conducive business environment.

64. In order to improve the income from tourism sector, the County Government has embarked on an exercise to activate the dormant tourists' circuit that runs from the southern part of the county to the northern part, through the county headquarter. In this regard;

- The tourism department has initiated a number of infrastructural projects in roads expansion and maintenance, site development promotion and tourism, which include construction the George Adamson bridge revenue gate and Masyungwa revenue gate, Rehabilitation of the Nzambani rock ecotourism centre and development of management plans for South Kitui game reserve and Mwingi game reserve. There is need to allocate more funds to the ministry in order to complete on going and new projects to facilitate operationalization of the tourist circuit.

Supporting Value Addition for Growth and Employment Creation

65. The County Government has identified a number of areas with potential for mineral resources as well as other raw materials that require processing or change of form to increase their value. Even though mining policies and concessioning are left to the National Government, the County Government has made efforts to

ensure that those interested in investing in the county are adequately supported.

66. To ensure the County benefits from its large deposits of various minerals, necessary process will be undertaken to ensure approvals required from the County Government by prospecting companies are granted within reasonable time. The County Government will also fast track the process of land adjudication in mineral rich areas.

67. Three out of six zones in the Kitui Vision for Economic and Social Transformation (KIVEST) have mineral resources as the main potentials. These are Mui Coal Basin, Kyuso-Tseikuru-Mumoni and Mutomo-Ikutha-Kanziko investment and economic zones. The County Government has formed liaison committees to work with the County and National Governments on land adjudication and other land related issues that arise in mining areas.

68. The County Ministry of Environment, Energy and Mineral Investments Development has continued to capacity build and support these committees to ensure they are conversant with matters concerning their role as the liaison committee.

69. Establishment of a Vision delivery mechanism in form of an Innovation and Entrepreneurship Agency/Corporation will facilitate invention and adoption of new ideas in various fields. This will enable the county to thrive tremendously in entrepreneurship and hence employment creation. Further, the strategy will be implemented in all the 247 county villages through the corporation where village specific niche products will be identified and undertaken.

Pillar III: Investing in infrastructural development to facilitate and sustain economic growth.

70. In order to achieve this goal of facilitating and sustaining economic growth, the County Government has over the medium term allocated a huge proportion of its budget to the development of roads, power distribution and water infrastructure. In order to enhance competitiveness for private sector investment, similar allocation has been made to continue the momentum on investment in infrastructure expansion and rehabilitation.

Roads

71. The main mode of transport in the county is road, where only a few kilometres of the A and B class roads passing through the county are tarmacked. In order to reduce the cost of maintaining road network, the County Government has acquired machineries and equipment needed for road maintenance over the last four financial years.

72. In the year 2013/14-2016/17 various projects were implemented under this pillar. These includes:

- Road maintenance works which included, grading, gravelling, re-carpeting and installation of drifts and culverts. These developments are expected to improve security, and link economic and investment zones as well as productive areas and markets.
- To increase access to electricity in the rural areas the County Government embarked on the accelerated rural electrification programme. This project is being implemented in collaboration with Rural Electrification Authority (REA) and is expected to continue over the medium term to ensure the rural population has access to electricity.
- In order to support community own initiatives in addressing their development needs, the County Government has also come up with the Community Level Infrastructure Development Programme (CLIDP) that targets small infrastructural projects mainly in roads and water subsectors initiated by the community.
- CLIDP supports projects at local level by funding quick win small projects to re-energize local economies. In 2017/18 Kshs 400m has been Proposed CLIDP.

72. To unlock economic growth the county will allocate more funds for infrastructure development especially drifts, slabs and culverts on roads opened and graded using county machinery.

73. In order to drive economic growth over the medium term and ensure that a strong foundation to economic stability exist, a comprehensive plan of road network development has been developed under the KIVEST, Kitui County Government's development blue print for the next ten years.

Rural Electrification & Energy

74. The County Government is in partnership with Rural Electrification Authority (REA) in a programme to expand rural coverage of electricity. The last mile connectivity programme being implemented by the National Government is expected to improve coverage in the county. Under this program, the County Government jointly with the National Government have embarked on:

- An ambitious project to connect all primary and secondary schools
- Installation of solar power panels to schools and other government facilities that are far off the grid as a stop gap measure

- Roll out of the last mile connectivity at reduced rates to ensure access to electricity for all.

75. The government will extend electricity to an Irrigation Scheme along Tana River. The project targets to irrigate 405 acres with an estimated 15,000 beneficiaries. The project has 8 clusters spread across Mumoni, Kyuso, Tseikuru, and Tharaka wards. The project has been using diesel power to pump water to the farms. To reduce the cost of pumping, the County Government in partnership with Kenya Red Cross is supplying electricity at an estimated cost of Kshs. 29 million. This cost will be shared equally, each partner contributing Kshs. 14.5 million. This is meant to increase agricultural productivity by availing power to pump water to irrigation farming areas.

Water Infrastructure

76. In order to address the perennial shortage of water both for domestic and agricultural production, there is need to develop and maintain water infrastructure adequate to provide water to Kitui populace. In this regard, de-silting of dams and construction of new ones, sinking of boreholes to address domestic and livestock needs, as well as undertaking extensive water pipelines to ensure equitable distribution.

77. To facilitate the above initiatives, the County Government has acquired borehole drilling equipment as well as dam de-silting equipment over the last three financial years to equip its water resources management department. A feasibility study on the viability of check dams on small streams has also been carried out by the department in collaboration with South Eastern Kenya University (SEKU), to inform future investment on small irrigation schemes. Ideally, 2490 sites were identified for construction.

78. In order to improve access to water both for domestic and agricultural use, a number of initiatives have been started. These include pipeline extensions and repair of existing ones to enhance distribution of existing water resources; rehabilitation of stalled boreholes and silted dams and expansion of water supply systems to enhance capacity to accommodate population growth.

Urban Development

79. Accessibility and security facilitates urbanization. The 2 towns in the county have embarked on street lighting and roads construction within the towns. This would ensure the 24-hour economy and hence boost the county economy.

80. The effects of devolution on urbanization is rapidly spreading across the country and urban planning increasingly falling under pressure to organize towns

and urban centres to avoid the sporadic growth of slums. Towns are also threatened by poor drainage systems that cause floods every time heavy down pours are experienced in any part of the country.

81. In this regard, County Government is engaging University of Nairobi for a collaboration in urban planning for towns and urban centres in the county to ensure all urban developments are anchored on town plans as required by Urban Areas and Cities Act, 2011.

82. Kenya Municipal Program, a program funded by the development partners and inherited from defunct municipal council is also working towards designing towns. This program is intended to help counties plan and digitize their major towns covered by the program.

Pillar IV: Social Sectors

Quality Education

83. The constitutional mandate of County Governments as pertains the education function under the devolved system of governance comprise of pre-primary education, village polytechnics, home craft centres and childcare facilities. In this regard, the County Government is required to construct and equip ECDE centres and Polytechnics; develop policies and operating guidelines on the same and hire and manage the ECDE teachers and Youth polytechnics tutors and instructors. In the education sector, the County Government implemented the following projects:

- A mentorship program that was recommended by a county taskforce has been implemented with commendable results on the transition rates from primary to secondary and secondary to institutions of higher learning.
- Provision of desks, teaching and learning materials to ECDE centres.
- Recruitment of 2,156 ECDE teachers in order to reduce the burden from the parents and enhance enrolment.
- Construction of modern ECDE classrooms and youth training and skills enhancement workshops.
- Equipping of youth polytechnics with dress making, carpentry, joinery and construction tools and equipment.

84. The County Government will continue ensuring ECDE, home craft, childcare centres, and youth polytechnics are fully functional with teachers/ instructors, infrastructure and equipment. The County Government is well aware of the challenges the youth are facing and will create link between education and employment driven by knowledge and technology.

Health Care

85. The health transformation agenda is hinged on the Kenya Health Policy (2014-2030) and Kenya Health Sector Strategic and Investment Plan (2014-2018). Key strategy in this policy is the up scaling of maternal and child health program; increase subsidies to the poor and vulnerable groups; modernize and equip facilities; and reduce health sector workers' burden and strengthen health research.

86. Access to quality and affordable health care services is vital for economic transformation. The need for well-equipped and adequately functioning health care facilities need not be over-emphasized. To achieve the Kenya Vision 2030 and post-2015 development agenda on Sustainable Development Goals (SDGs) targets on maternal and infant mortality, it is important to improve service delivery in health facilities, reduce distance to the nearest facilities and substantially reduce health care professionals to population ratio.

87. In the medium term, the county has implemented a number of projects intended to address various challenges impeding service delivery in health care facilities in the county. These include:

- Provision of drugs and non-pharmaceuticals to all public health care facilities in the county. The objective of this program is to ensure that patients have access to essential drugs at the lowest level possible.
- In order to improve access to medical and referral services across the county and to the regional referral health facilities, the County Government has increased the number of ambulances and acquired 3 mobile clinics.
- The County Government has also embarked on expansion, equipping, renovations and rehabilitation of health facilities across the county. Under this program, wards, outpatient units, theatres, mortuaries and other facilities are targeted for construction and equipping.
- In collaboration with the National Government, a new branch of Kenya Medical Training College (KMTC) was opened in Mwingi in FY 2015/16. This program is aimed at providing support to KMTC-Mwingi through Mwingi level four hospital.

88. The ministry is also rolling out a program on preventive health care, targeting to create awareness on public health through engagement of community health workers based in each village. This is expected to reduce substantially the number of people visiting health facilities to seek information on public health related issues.

89. Looking forward, the County will structure its health care infrastructure around the identified economic zones. This will form a cluster of facilities around each level

four facility. To support these level four facilities, the County plans to upgrade Kitui and Mwingi Hospitals to level 5 status to reduce referral cases to Machakos and Embu level five Hospitals and support referral services for all the facilities in the county.

90. The county will promote reproductive health, behaviour change and mental health. The ambulance services will be over time available in each Sub County, operated and coordinated from a central command. Emphasis will be put to ensure completion of all on-going and reviving of stalled projects.

91. The South Eastern Kenya University plans to establish a medical school and partner with the County Government to use Kitui Hospital for training and internship of doctors. This will help the county address the challenges of meeting Vision 2030 and SDGs targets.

92. The county in conjunction with development partners will implement a programme which will be termed as "*Kitui County Health Volunteer Mentorship Programme*" in which graduates from medical institutions within the county will be attached to different health facilities. The main purpose of this venture will be to enable graduates gain valuable medical professional skills. To operationalize the programme policy direction should be in place.

93. The World Bank in Liaison with the county plans to implement a matching fund termed as "*the Kitui County NHIF Uptake Accelerated programme*" to register vulnerable households to benefit from the National Hospital Insurance Fund (NHIF).

Social Safety Nets

94. In order to achieve the Kenya Vision 2030 agenda, and endeavour to achieve the targets identified in SGDs, the County Government started a program targeting the poor and vulnerable groups – the pro-poor program. The essence of this program is to assist the disadvantaged in the society especially needy children who lack school fees. The main targets and beneficiaries of the program have been secondary school students who are left out by mainly constituency bursary allocation. This programme also benefits the students in higher and middle level learning institutions.

95. The program also supports needy communities to fund small community projects mainly in education, to lessen the parents' burden. The County Government also works with National Government and the other non-governmental organizations involved in targeted social safety net programs.

96. In order to reinforce what the National Government is doing to address the needs of the aged, the County Government plans, in the medium term, to introduce

cash transfer program for the persons aged 65 and above. This program is intended to complement efforts made by the National Government and will target those not benefiting from such stipends.

Youth, Women and Persons Living with Disability

The following interventions will be carried out to adequately address these special groups;

97. Programmes aimed at strengthening the social safety net has been rolled out in the county in 2015/16. These include the pro-poor programme which has provided bursaries to over 35,000 needy students and the Youth Infrastructure Saving and Enterprise Programme (YISEP) in which 398 youth groups with 9,914 members have benefited from the programme.

98. The Infrastructure Savings and Enterprise Programme (YISEP) has been implemented in the county for the last three consecutive financial years. The goal of this program is to create the culture of saving for investment while still creating job opportunities. The County Government provides matching grants to the equivalent amount saved by the youth, which is transferred to the youth groups.

99. The national policy on Access to Government Procurement Opportunities (AGPO) is aimed at empowering special sections of the community including women, youth and persons living with disability. Kitui County Government has implemented this policy by reserving 30 per cent of all tenders to women, youth and persons living with disability to ensure they participate in county development and ensure inclusiveness in development agenda of the county.

Environmental and Water Conservation

100. The County Government fully recognizes the role played by the environment in supporting growth and development of any economy. Sustainable development is not feasible without environmental conservation to ensure future generations do not suffer to consequences of current activities. Climate change is real, and without appropriate mitigation measures, development plans will never be realized.

101. In order to avoid climate change related risks, do not delay the planned development activities of the county. Environmental protection and conservation policies have been developed to ensure fragile ecosystems are conserved. Water catchment and riverine areas are also protected to ensure water supply is enhanced.

102. Re-afforestation programmes have been implemented to restore lost forest cover to increase it above 10 per cent. Charcoal production training have been done and energy saving jikos demonstration done to ensure people use wood fuel as efficient as possible.

103. The Climate Change Adaptation Fund is being implemented in Kitui among other 4 counties. It is intended to address climate resilience, adaptation and mitigation. A fund will be established pursuant to the existing legal framework. The County Government will allocate some funds while the adaptation fund will inject a matching fund. Meanwhile, the operational regulations are being legislated.

Pillar V: Further Entrenching Devolution to the Decentralized Structures of Governance for Better Service Delivery and Enhancing Rural Development

104. In order to ensure the poor in the rural areas benefit from devolution, the County Government will continue to support the establishment and operationalization of sub county units that include sub county offices, ward and village offices. The County Government will also constitute the necessary institutions to midwife devolution. The government is in the process of constructing 40 ward administration offices to take county services closer to the people.

105. To ensure devolution bears the intended fruits to the residents, the County Government will build the capacity of the institutions in the devolved units. Efforts will be put to ensure that the accounting officers understand and cascade downwards the principles of the PFM Act 2012 through adequate capacity building. It will also ensure that the principle of inclusiveness in the constitution is implemented e.g. through public participation in decision making and ensuring the one third gender rule is adhered to.

106. The County Government is rolling out civic education to all the 247 villages in a bid to ensure public participation is mainstreamed in our development agenda. This is intended to enlighten the citizenry on the duties and responsibilities of the County Government in ensuring service is delivered to the people as well as bringing to the attention of the people their roles and responsibilities in ensuring the County Government has performed its duties as required by Kenya Constitution 2010. The main objective of the civic education programme is to equip the people of Kitui with the requisite knowledge of the processes involved in registering for National Identity cards and voter's cards and other thematic areas.

107. In order to achieve this noble agenda of delivering services down to the people, it has become necessary to; recruit, train and develop human resources and put county staff under performance contracting. This training and development

is intended to enhance efficiency in services delivery, capacity to draft bills and policies necessary for county legislations.

108. The Kenya Devolution Support Programme (KDSP) is funded by the World Bank. Kitui County is a beneficiary. The programme aims to undertake capacity building to staff. In this regard, staff will be equipped with the necessary skills for implementing devolved functions to the public.

Broad Sector Priorities for FY 2017/2018

109. In the period 2016/2017, the County Government initiated and implemented various programs, some of which will continue to receive funding in the financial year 2017/2018.

110. The County Broad sector priorities, strategies and proposed projects and programs to be implemented in FY 2017/2018 are analysed in the matrix below.

BROAD SECTOR PRIORITIES FY 2017/2018

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|-----------------------------------|---|---|---|
| Office of the Governor | ➤ Promote socio-economic development in the community | • Facilitate implementation of pro-poor and community level infrastructure support programmes | • Pro-poor support programme |
| | ➤ Response to disaster and emergencies | • Develop and implement disaster management plan | • Community Level Infrastructure Development Programme |
| | ➤ Enhancement of County image | • Develop and implement a county branding and communication policy | • Emergency, relief and refugee assistance programme |
| | | | • Branding all ward headquarters |
| | | | • Staff branding; dress down |
| | | | • Motor vehicle branding |
| | | | • Harmonization of signage across the County |
| | ➤ Effective public service delivery | • Fostering intra and intergovernmental relations | • Completion of county administration block, external works, equipping and occupying the building |
| | | | • Coordinate initiatives to fight corruption and build ethics and integrity in public offices |
| | | | • Management of County Executive Business |
| | ➤ To strengthen the existing human resource capacity, enhance HR discipline, remuneration and staff welfare | • Full entrenchment of the performance management system | • Implementation of Performance management system |
| | | • To enhance workplace safety, health and security measures | • To ensure human resource reforms |
| | | | • Initiate and operationalization of HIV/AIDS Control Unit |
| | ➤ Establish and sustain favourable reputation with stakeholders | • Enhancement of human resource capacity | • Competence Development |
| | | • To coordinate publicity for the County Government | • Advertising, Awareness and Publicity Campaigns |
| | ➤ Effective and efficient planning and implementation of County projects, programmes, policies | • To ensure proper management of County functions and events | • Coordination of County Functions and Events |
| | | | • Establishment and implementation of County Integrated Monitoring and Evaluation System (CIMES) |
| | | • Responsive monitoring and evaluation, Compliance and Research | |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|--|--|---|---|
| | and initiatives | | <ul style="list-style-type: none"> • Conduct research for informed decision making, policy formulation, management and implementation of projects • Implementation of Electronic Project Management Information System (E-ProMIS) |
| | | <ul style="list-style-type: none"> • To ensure strategic direction | <ul style="list-style-type: none"> • Policy formulation • Development and review of county specific strategy documents |
| | | <ul style="list-style-type: none"> ➤ Compliance with the Public Procurement and Disposal Act, and Public Procurement and Disposal Regulations. | <ul style="list-style-type: none"> • Operationalization of supply chain management procedures in line with statutory obligations. • Facilitation of Supply Chain Management Section in its functions |
| | ➤ Enhanced Customer responsiveness | <ul style="list-style-type: none"> • To identify and address customer needs | <ul style="list-style-type: none"> • Installation of suggestion boxes up to the ward level |
| | | | <ul style="list-style-type: none"> • Set up customer care desk for addressing special needs |
| | | | <ul style="list-style-type: none"> • Purchase of County Reception Equipment |
| Administration and Coordination of County Affairs | <ul style="list-style-type: none"> ➤ To coordinate provision of responsive, effective and efficient services to the people of Kitui County. | <ul style="list-style-type: none"> • To provide office space for efficient service delivery | <ul style="list-style-type: none"> • Construction of sub county offices, Construction of village offices • Acquisition of land |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|--|---|--|---|
| | <ul style="list-style-type: none"> ➤ To ensure and coordinate the participation of communities in governance at the local level ➤ To enhance the implementation of development projects in the County | <ul style="list-style-type: none"> • To provide Civic Education • Tracking of county projects • Harmonization of county projects • Prioritization of county projects | <ul style="list-style-type: none"> • Civic education programmes in collaboration with other stakeholders |
| Agriculture, water and Irrigation | ➤ Increased agricultural production and food security | <ul style="list-style-type: none"> • Increasing agricultural production and productivity • Reduction of pre- and post-harvest crop losses | • Kitchen gardening |
| | | | • Farm inputs support/Seed bulking and multiplication |
| | | | • Fruit trees/vegetable nurseries development |
| | | | • Sorghum promotion and utilization |
| | | | • Crop protection and postharvest management |
| | ➤ Promotion of farm efficiency and income | <ul style="list-style-type: none"> • Improving farm efficiency and profitability • Increasing agricultural profitability • Promoting market linkage and value addition | • Agribusiness Development and Value addition |
| | ➤ Sustainable land and agricultural resources use and Management practices | • Promotion of sustainable agricultural resources use and Management practices | • Building the capacity of Agricultural Mechanization Services |
| | | | • Soil conservation and fertility improvement |
| | | | • Soil testing and fertility improvement |
| | | | • Agricultural machinery/tractor hire services |
| | ➤ Promotion and development of irrigated agriculture | <ul style="list-style-type: none"> • Increasing the area under irrigated agriculture • Improving Management of Irrigation • Irrigation rehabilitation | <ul style="list-style-type: none"> • Irrigation development and rehabilitation • On-farm irrigation water resources development |
| | ➤ Efficient and effective delivery | • Improving human and institutional | • Building the capacity of Agricultural Training Centre |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|-----------------------------------|--|--|--|
| | of agricultural extension and advisory services | capacity | <ul style="list-style-type: none"> Strengthening the capacity of agriculture and livestock extension and advisory services Farmers training and staff capacity building Agricultural shows and exhibitions |
| | ➤ Increased Livestock production and productivity | • Improving livestock breeds | <ul style="list-style-type: none"> Dairy breed improvement (AI) Local Goats Breeds Improvement Local Poultry Breed Improvement |
| | ➤ Increased Pasture and fodder production and conservation | <ul style="list-style-type: none"> Improving Hay and Silage utilization Improving pasture and fodder production and conservation | <ul style="list-style-type: none"> Development of pasture and Conservation |
| | ➤ Reduction of Livestock Pests and diseases | • Improving animal disease and pest control | <ul style="list-style-type: none"> Cattle Dip rehabilitation Disease surveillance and animal vaccinations |
| | ➤ Increased honey production | • Improving technology adoption, market linkage and value addition | <ul style="list-style-type: none"> Promotion of Beekeeping and Honey Production |
| | ➤ Increasing fisheries production and productivity | • Promotion of aquaculture and capture fisheries | <ul style="list-style-type: none"> Rehabilitation/Construction of fish ponds Identification and restocking of dams |
| | ➤ Enhanced accessibility and availability of safe water | <ul style="list-style-type: none"> Developing water resources Ensuring sustainable safe water supply | <ul style="list-style-type: none"> Drilling and Equipping of Boreholes Construction of Sub surface/Sand Dams (<i>ming'eeto</i>) Construction/desilting of earth dams and Rock catchments Construction/Extension of water pipelines |
| | ➤ Efficient utilization and Management of water supplies | • Improving water availability and accessibility | <ul style="list-style-type: none"> River-Athi- Kanyangi- Mutomo water supply Projects Subsidies to Water Service Providers (WSPs) Borehole & pipeline repairs/rehabilitation Capacity building of water management committees and Officers |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|---|---|---|--|
| Basic Education, Training and Skills Development | ➤ Expand learning opportunities in ECDE and youth polytechnics | <ul style="list-style-type: none"> • Increase trainee enrolment in the polytechnics • Increase no. of learners in the ECDE centres. • Enhance the capacities of the selected centres of specialization | <ul style="list-style-type: none"> • Construct 40 ECDE classrooms • Equip the 8 youth polytechnic workshops in the designated centres of excellence in the county. • Construction of additional dormitories in polytechnics |
| | ➤ Improve the level of learner achievement in ECDE and youth polytechnics | <ul style="list-style-type: none"> • Improve the instructor : trainee ratio • Enhance professional competencies of the ECDE teachers. | <ul style="list-style-type: none"> • Employment of 68 polytechnic instructors • Capacity building of ECDE teachers |
| | ➤ To improve academic standards in the county. | <ul style="list-style-type: none"> • Improve the percentage of learners joining national schools after KCPE and those joining high-end degrees in the universities. | <ul style="list-style-type: none"> • Mount performance enhancing workshops for teachers handling candidate classes. • Expand the mentorship target from the current 6,000 to 10,000 learners. |
| | ➤ Improve access to education | <ul style="list-style-type: none"> • Assist learners from financially disadvantaged backgrounds to access education. | <ul style="list-style-type: none"> • Increase the pro poor fees support budget from the current Kshs.68m to Kshs.124m |
| | ➤ Office accommodation for the board staff | <ul style="list-style-type: none"> • Provision of conducive work environment | <ul style="list-style-type: none"> • Construct, equip and furnish CPSB office block |
| Lands Infrastructure and Urban Development | ➤ Supervision of construction works of all building and maintenance of the same. | <ul style="list-style-type: none"> • Development and maintenance of public buildings and other works | <ul style="list-style-type: none"> • Construction of LIUD offices |
| | ➤ Enhance efficient transport and support effective service delivery in Kitui County. | <ul style="list-style-type: none"> • Construction, maintenance and rehabilitation of road network in the County. | <ul style="list-style-type: none"> • Purchase of Equipment & Tools |
| | | | <ul style="list-style-type: none"> • Grading of county roads – 1200Km |
| | | | <ul style="list-style-type: none"> • Gravelling of county roads – 100Km |
| | | | <ul style="list-style-type: none"> • Construction of low-water river crossings (drifts) - 2,000m – 10 drifts |
| | | | <ul style="list-style-type: none"> • Construction of concrete slabs -4000m |
| | | | <ul style="list-style-type: none"> • Installation of pipe culverts – 3000m • Construction of box culverts – 5No. |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|-----------------------------------|--|--|---|
| | <ul style="list-style-type: none"> ➤ Record people's rights and interests over their land and solve arising cases in order to have land registered in the whole County. | <ul style="list-style-type: none"> • Provision of titles to all land owners with an aim of rationalizing and regularizing land ownership | <ul style="list-style-type: none"> • Upgrade of roads to bitumen standards – 2Km |
| | | | <ul style="list-style-type: none"> • Hearing of Objection Cases – 4 Objection cases |
| | | | <ul style="list-style-type: none"> • Publication & Solving of objection cases – 5 cases |
| | <ul style="list-style-type: none"> ➤ Improve efficiency in service provision in Kitui County | <ul style="list-style-type: none"> • Improve and increase knowledge of construction technology to the public • Provide low cost but modern housing to public servants | <ul style="list-style-type: none"> • Refurbishment of 5No. Residential Houses in Kitui Town |
| | | | <ul style="list-style-type: none"> • Equipping the 8 Sub-counties with Hydra form machines, Workshop Tools, Spares and Small Equipment |
| | | | <ul style="list-style-type: none"> • Other Infrastructure and Civil Works – drainage system |
| | <ul style="list-style-type: none"> ➤ Endeavouring to digitize land information and management systems within the county to enable integrated digital land use planning. | <ul style="list-style-type: none"> • Well planned urban centres and coordinated developments • Development control through approval of building plans, approval of site inspection reports, Recommendation of Environmental Impact Assessment Reports. | <ul style="list-style-type: none"> • Updating, Revision and Digitization 4No. Development Plan |
| | | | <ul style="list-style-type: none"> • Revision and formalizing Part Development Plans |
| | | | <ul style="list-style-type: none"> • Working drawings for Mwingi Town Roads |
| | | | <ul style="list-style-type: none"> • Purchase of Specialized Equipment |
| Health & Sanitation | <ul style="list-style-type: none"> ➤ Ensuring efficiency and effectiveness in health care provision ➤ Improve health Promotion and disease prevention | <ul style="list-style-type: none"> • To enhance maternal, new born and child health care • To improve on early detection of both communicable and non-communicable diseases/condition | <ul style="list-style-type: none"> • Purchase of GIS data |
| | | | <ul style="list-style-type: none"> • Contract Services for Aerial Photography, planning and topographical mapping. |
| | | | <ul style="list-style-type: none"> • Cadastral Survey of Mutomo, Kabati, Kwa-Vonza, Migwani, Zombe, Kyuso and Mwingi towns |
| | | | <ul style="list-style-type: none"> • Completion of Construction of maternity and paediatric wards at Kitui County referral hospital |
| | | | <ul style="list-style-type: none"> • Completion of maternity Unit at Kiusyani and Kyuso |
| | | | <ul style="list-style-type: none"> • Equipping of maternity units in 8No. health facilities |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|---|--|--|---|
| | | <ul style="list-style-type: none"> • To strengthen disease surveillance and reporting • To promote community based promotive and preventive health services • To enhance provision of quality, timely and responsive health care services • To enhance timely diagnosis of diseases/conditions • To improve on health care provision through timely and appropriate treatment • To improve rehabilitative healthcare services • To improve palliative care for the terminally ill • To ensure better preservation of bodies, reduction in cost and time of transporting bodies | <p>(Nuu, Migwani, Katse, Kyuso, Mathuki, Kiusyani, Mbitini and Kauwi)</p> <ul style="list-style-type: none"> • Completion of Construction and equipping of 36body capacity mortuary with a chapel, a lecture hall and anatomy laboratory at Kitui County referral hospital • Completion of Construction and equipping of 32body capacity mortuary with a chapel at Mwingi Level IV hospital • Completion of Construction of surgical and amenity wards at Kitui County referral hospital • Completion of Construction of Outpatient Department (OPD) at Nzombe and Mutomo • Equipping of surgical and amenity ward at Mwingi Level IV hospital • Construction and equipping of both outpatient and inpatient palliative care centre at Kitui County referral hospital • Construction/ renovation of Phase II 23No. New Dispensaries • Refurbishment/ renovation works of Primary health facilities (Dispensaries) |
| Trade, Industry, IT and Cooperatives | ➤ Improve business environment and promote active investment climate | <ul style="list-style-type: none"> • To promote the development of wholesale and retail trade | <ul style="list-style-type: none"> • Build market sheds • Build public toilets and refuse bins in the already constructed markets • Fencing and installation of water tanks in the markets • Build boda boda sheds in remaining deserving areas |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|--|---|---|---|
| | | <ul style="list-style-type: none"> To promote entrepreneurship and private sector development | <ul style="list-style-type: none"> Carry out entrepreneurship development training Revamping the Kitui Traders loan scheme Carry out business and investment forums at the Sub-county levels |
| | ➤ Promotion and development of co-operatives societies(strategy 247) and industrial development | <ul style="list-style-type: none"> Encourage the formation of cooperative societies, improve governance and capacity to do value addition | <ul style="list-style-type: none"> Sensitization programmes for formation of cooperatives Facilitating the registration of new societies Cooperative member education Leadership development training for the cooperative leaders Promotion of value addition in cooperatives through training Product development, branding and packaging programmes for value addition cooperatives |
| | ➤ ICT Infrastructure Development and connectivity | <ul style="list-style-type: none"> Establishment and installation of ICT infrastructure, increasing internet connectivity and enhancing ICT use and adoption | <ul style="list-style-type: none"> Finalizing the local wide area network (LAN) Connecting the sub-Counties to the headquarters through the wide area network (WAN) Construction and equipping of ICT centres Provision of wireless internet service to the ICT centres Asset tagging of all County ICT equipment Overhaul the website and make it transactional Data security and Management Programmes |
| Culture, Youth, Sports, | ➤ Sports | <ul style="list-style-type: none"> To facilitate development of sports facilities and players within the County | <ul style="list-style-type: none"> Support Development of sports facilities in all the 40 wards Support development of sports in the county |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|--|--|--|---|
| Gender & Social Services | ➤ Gender & Youth Empowerment | <ul style="list-style-type: none"> To ensure that youth and other vulnerable groups actively participate in the County development processes for their wellbeing | <ul style="list-style-type: none"> Support Youth Infrastructure Savings and Entrepreneurship Programme Enhance youth Capacity towards career development and wealth creation Enhance gender sensitivity and mainstreaming within communities and county management |
| | ➤ Culture | <ul style="list-style-type: none"> To Promote cultural heritage and identity of the inhabitants of the County of Kitui | <ul style="list-style-type: none"> Support Drama and Music in Primary and Secondary Schools Equipment of the Lower Eastern Heritage Centre, gallery Rehabilitate three (3) Cultural Sites Support cultural programmes for community Collaboration with NMK in setting up Kamba Music equipment gallery |
| | ➤ Social Development and Children Services | <ul style="list-style-type: none"> To facilitate integral and non-discriminative social and economic empowerment for all especially the marginalized groups in Kitui County | <ul style="list-style-type: none"> Support initiatives towards socio economic development of marginalized members of society Support community learning through the Construction of resource centres and social halls (Continuation) Support community based child development initiatives |
| Environment, Energy and Mineral Investments Development | ➤ Build communities resilience against effects of climate change | <ul style="list-style-type: none"> To increase the forest cover throughout the county | <ul style="list-style-type: none"> County tree growing programme |
| | | <ul style="list-style-type: none"> Conservation of water catchment areas and rehabilitation of degraded ecosystems | <ul style="list-style-type: none"> Mumaki riverine rehabilitation and conservation project |
| | | <ul style="list-style-type: none"> Build community capacities to adapt and cope with adverse impacts of climate variability. | <ul style="list-style-type: none"> Institution and management of Kitui County Climate Change Fund (KCCCCF) |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|--|---|---|--|
| | ➤ Environmental management and awareness | • Enhance communities environmental education and awareness for sustainable development | • Environmental education and awareness programme (the programme consists of the commemoration of international environmental events, schools outreach activities and general civic education and campaigns) |
| | | • formulate measures and mechanisms for waste management | • Institution of sustainable waste management practices in the county |
| | ➤ Environmental research and protection | • Develop policies and enhance compliance for all environmental regulations | • Environmental research and development • Environmental compliance and enforcement |
| | ➤ Build communities resilience on climate change resilience | • Support communities capacities to build resilience through construction of water harvesting structures, tree nurseries and tree | • Kitui County / ADSE / ADA consortium programme |
| | ➤ Support and strengthen devolution process in the county | • Enhance and strengthen devolution process in the county through capacity building and empowerment | • Kitui County / UNDP devolution support programme |
| | ➤ Establishment of Mineral database | • To increase level of minerals investments in the county • To document all the minerals resources in the county | • Establishment of mineral database • Geological mapping |
| | ➤ Community sensitization and Civic education | • To create awareness to the communities within mineral rich areas on utilization of minerals resources | • Community sensitization and civic education |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|--|--|--|--|
| | ➤ Training & Capacity building | <ul style="list-style-type: none"> To build the capacity of liaison committees on leadership and community compensation negotiation agreements Establish liaison committees in mineral rich zones To train Artisanal miners on mining and entrepreneurship skills | <ul style="list-style-type: none"> Capacity building of liaison committees Establishment of liaison committee Artisanal miners training |
| | ➤ Rural electrification | <ul style="list-style-type: none"> To increase access to electricity throughout the county To create awareness to electricity connectivity in rural areas | <ul style="list-style-type: none"> Rural electrification programme Awareness creation on the role of stakeholders |
| | ➤ Promotion of renewable energy | <ul style="list-style-type: none"> To identify and increase access to alternative renewable energy within the county Develop County Energy master plan Develop woodlots for fast growing tree species for wood fuel | <ul style="list-style-type: none"> Solar lights installation programme County energy Outlook Tree growing for wood fuel |
| | ➤ Build communities capacity on adoption of energy saving technologies | <ul style="list-style-type: none"> To train communities on modern clean energy saving technologies | <ul style="list-style-type: none"> Energy saving technologies |
| Tourism and Natural Resources | ➤ Conservation and Management of Wildlife in Protected Areas to boost wildlife based tourism | <ul style="list-style-type: none"> To ensure an optimally operational South Kitui National Reserve | <ul style="list-style-type: none"> Rehabilitation of South Kitui National Reserve |
| | | <ul style="list-style-type: none"> Promotion of wildlife conservancy | <ul style="list-style-type: none"> Establishment of A Wildlife Conservancy at Kanyonyoo |
| | | <ul style="list-style-type: none"> To ensure Mwingi National reserve is operational | <ul style="list-style-type: none"> Operationalization of Mwingi National Reserve |
| | | <ul style="list-style-type: none"> To promote accessibility within conservation areas | <ul style="list-style-type: none"> Upgrading of access roads and opening up of new roads |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|--|--|--|---|
| | ➤ Development and promotion of eco-tourism and wildlife-based tourism in the county | • Promotion of eco-tourism in the County | • Establish a reptile park and botanical gardens at Mutomo Plant Hill Sanctuary |
| | ➤ Establishment of vibrant Important Bird Areas and development and promotion of eco-tourism | • Ensure community eco-tourism is promoted | • Support community Ecotourism projects in Mutitu and Mumoni hills |
| | ➤ Promotion of environmental conservation in the forested and protected areas in the county | • To ensure environmental conservation is promoted in forested and protected areas | • Rehabilitation of Kitui county forests |
| | ➤ Promote and Market Kitui as a tourist destination ➤ Promote and Market Kitui as a tourist destination | • Promotion of tourism in the county | • Miss Tourism Kitui County |
| | | • Promotion of tourism in the county | • Tourism Promotion and Marketing |
| | ➤ New Tourism Product Development | • Promotion of tourism product development | • Rehabilitation of Gai rock as an adventure/ retreat centre (Phase 2) |
| | | • Promotion of tourism product development. | • Development of Ikoo Valley as a tourist attraction site (Bazaar View Point) |
| Finance & Economic Planning | ➤ Develop and implement prudent financial systems and controls | • Conducive working environment for County Treasury staff | • Construction of County Treasury block |
| | ➤ Ensure timely preparation and submission of financial reports | • To promote use of technology in county operations | • Automation of county operations |
| | ➤ Coordinate County budget cycle and planning | • To enhance coordinated basis for all budgeting and planning for harmonized development within the County | • Second generation County Integrated Development Plan (CIDP) |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|--|---|---|---|
| | ➤ Institutionalize sound economic planning | • To ensure systematic delineation of the county socio-economic data | • Economic Survey (Socio-economic indicator survey) |
| | ➤ Institutionalize and promote a culture of accountability , integrity and transparency | • To enhance faster collection of county revenue. | • County revenue/resources mapping |
| | ➤ Implement prudent financial systems and controls | • To ensure effective County audit system | • Computer Aided Audit Tools |
| Kitui Town Administration | ➤ Physical planning, infrastructure, transport and development control. | • To ensure effective County Headquarters physical planning, infrastructure, transport and development control for sustainable urban development. | • Physical planning of Wikililye, Mlutu, Kyamathyaka, Ithiani. |
| | | | • Development of a GIS database and installation of GIS software. |
| | | | • County HQ roads survey and pegging. |
| | | | • Tarmacking of Jubilee Building-Slaughter- Oiliba road. |
| | | | • Grading and gravelling of town roads. |
| | | | • Storm-water drains, sewerage connections and repairs, parking lots, and pedestrian walk-ways. |
| | ➤ Administration and Corporate Services. | • To create enabling environment for an inclusive, resilient and safe County Headquarters through effective administration and corporate services | • Office ICT infrastructure. |
| | | | • Training and capacity building. |
| | | | • Town public fora. |
| | ➤ Trade, Commerce and Industrialization | • To nudge strategic support for trade, commerce and industrialization in the County Headquarters and its environs. | • Office renovations. |
| | | | • Kithomboani Market Renovations. |
| | | | • Juakali Sheds – for mechanics. |
| | | | • Kalundu market shed |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|-----------------------------------|---|---|--|
| | | | • Stockyard fencing and office room. |
| | | | • Boda-boda sheds. |
| | ➤ Revenue Collection and Assurance. | • To ensure optimum revenue collection, assurance and reporting within Kitui County Headquarter jurisdiction. | • Purchase 2 Revenue collection vehicles. |
| | ➤ Environment, Culture, Recreation and Social Services. | • To promote sustainable management of the environment, culture, recreation, and social services. | • Revenue collection offices. |
| | | | • Purchase of skip-loader and 10 skippers. |
| | | | • Town beautification and tree-planting. |
| | | | • Specialised cleaning equipment. |
| Mwingi Town Administration | ➤ General Administration Planning and Support Services | • To increase the uptime of streetlights and promote a safe and secure trading and residential environment | • Landfill fencing and management room. |
| | | | • Community and recreation facilities development. |
| | ➤ Government Buildings | • Purchase street lighting repair toolkit | |
| | | • Construct a new public toilet at Old Kitui stage | |
| | | • Construct a store at Town Administration building) | |
| | | • Install an elevated 5000L water Tank at the Town Administration office | |
| | | • Rehabilitate & exhaust 4 public latrines at bus park, stockyard and slaughterhouse | |
| | | • Fix gate and rehabilitate Town Cemetery | |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|-----------------------------------|--------------------------------------|---|--|
| | | <ul style="list-style-type: none"> To promote healthy living of residents, more revenue to the County. | <ul style="list-style-type: none"> Convert old dumpsite into a public park |
| | | <ul style="list-style-type: none"> Then ensure environmentally sound solid waste management and healthy living in the Town. | <ul style="list-style-type: none"> Fence and organize newly purchased dumpsite at Boru |
| | | <ul style="list-style-type: none"> To ensure that only clean and safe meat is sold within the Town and its environs | <ul style="list-style-type: none"> Renovate cesspool and soak pit at slaughterhouse |
| | | <ul style="list-style-type: none"> To better the business environment and realise more County Government revenue. | <ul style="list-style-type: none"> Provide water goods for market shades. |
| | | <ul style="list-style-type: none"> To guarantee a clean business and residential environment | <ul style="list-style-type: none"> Purchase equipment and tools for drainage cleaning |
| | | <ul style="list-style-type: none"> To promote a conducive business and residential environment | <ul style="list-style-type: none"> Rehabilitate Storm water drainages |
| | | <ul style="list-style-type: none"> To promote a conducive work environment for staff and visitors to the office. | <ul style="list-style-type: none"> Clear and Landscape Town Administration Office Compound |
| | | <ul style="list-style-type: none"> To ensure decent burial for the departed and inclusivity of all faiths | <ul style="list-style-type: none"> Purchase and fence land for public Cemetery |
| | | <ul style="list-style-type: none"> To better the business environment. Better image of the County Government. | <ul style="list-style-type: none"> Install solar security lighting at Musila Gardens, stockyard and backstreets |
| | ➤ Urban and Metropolitan Development | <ul style="list-style-type: none"> To improve commerce in Town by increased efficient town mobility through curtailing of frequent flooding in town. | <ul style="list-style-type: none"> Construct new and renovate old storm water drains |
| | | <ul style="list-style-type: none"> To facilitate efficient traffic flow and achieve more revenue collection | <ul style="list-style-type: none"> Upgrade to bitumen standard the Skyway – High Court Road |
| | | <ul style="list-style-type: none"> To ensure ease of doing business in Town | <ul style="list-style-type: none"> Design and construct vented drift on Victors-Slaughterhouse road section including graveling |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|-----------------------------------|---|--|--|
| | | | road approaches on both sides. |
| | | <ul style="list-style-type: none"> To open up backstreets in order to encourage commercial activities there and therefore decongest the town centre. | <ul style="list-style-type: none"> Grade and culvert 25 kilometres of Town roads |
| | | <ul style="list-style-type: none"> To facilitate faster processing of development plans applications for approval. | <ul style="list-style-type: none"> Purchase workshop tools, spares & equipment for Public Works, Civil engineering and Physical Planning sections |
| | | <ul style="list-style-type: none"> To promote a conducive business and residential environment | <ul style="list-style-type: none"> Purchase equipment for the 6M³ firefighting vehicle |
| | | <ul style="list-style-type: none"> To improve the trading environment and revenue for County revenue | <ul style="list-style-type: none"> Renovate 10 market stalls in Mwingi Town |
| | | <ul style="list-style-type: none"> To improve the trading environment and revenue for County revenue | <ul style="list-style-type: none"> Construct walkways/pathways at the open-air market |
| | ➤ General Administration, Planning and Support Services | <ul style="list-style-type: none"> To create a conducive business and residential environment | <ul style="list-style-type: none"> Beautification of the Town |
| | | <ul style="list-style-type: none"> To clean the slaughterhouse in order to ensure that only clean meat is produced from there. | <ul style="list-style-type: none"> Purchase and provide waste bins at the Slaughterhouse |
| | | <ul style="list-style-type: none"> To ensure sanitation in Town and to increase county revenue collection. | <ul style="list-style-type: none"> Purchase specialized equipment for the 10M³ exhauster |
| | ➤ Devolution Services | <ul style="list-style-type: none"> To ensure safety of animals for slaughter and clean meat supplied to butchers within Mwingi Town and its environs. | <ul style="list-style-type: none"> Landscape the Slaughterhouse compound |
| | | <ul style="list-style-type: none"> To create a conducive trade and residential environment for Mwingi town population | <ul style="list-style-type: none"> Grade/gravel/gabion/culvert Happy Zone-Muthaiga road |

| County Ministry / Spending Entity | Broad Priorities | Broad Strategic Objectives | Proposed projects and programmes for FY 2017/2018 |
|--|---|--|--|
| County Assembly | ➤ Enhance efficient and effective Legislation, Representation and Oversight | • To facilitate passage of legislations. | • Completion of modern debating chamber |
| | | • Enhance the Speakers performance | • Construction of Speaker's Residence |
| | | • Ensure improved Representation and Oversight. | • Construction of Members' Recreational Facility |
| | ➤ Ensure effective and efficient coordination of County Assembly services. | • To ensure effective delivery of public services. | • Training and Development |
| | | | • Construction of Office Block |
| County Public Service Board | ➤ Land banking for public offices | • To provide land space for construction of office block | • Purchase of Office Equipment |
| | ➤ Office accommodation for the board staff | • Provision of conducive work environment | • Purchase of land for construction |
| | | | • Construction equip and furnish CPSB office block |

IV. Budget 2016/17 and the Medium Term

Overview

111. Since inception, the County Government has been investing in building the foundation for sound and broadly shared economic development.

112. This has been anchored on the reforms initiated by the National Treasury and cascaded to County Governments to improve efficiency in service delivery and ensure there is value for money. This has called for expenditure rationalization and job evaluation to remove unnecessary costs and improve performance in public service

113. The aim of 2016/17 -2018/19 medium term fiscal framework is to accelerate financing for development projects while still providing for adequate budgetary support and human resource development necessary to address capacity gaps. In this regard, this County Fiscal Strategy Paper emphasizes on:

- Expenditure review to eliminate unnecessary costs in non-core areas to free up funds to finance capital expenditure in priority programs under the key pillars of this policy.
- Human resources development and management to address existing capacity gaps curtailing service delivery.
- Review of resource mobilisation strategies to address perennial shortfalls in own resources targets.
- Budget re-orientation within the priority sectors to allocate funds to projects which require little capital and short time to implement but with immediate results to County residents.
- Civic education to enhance public participation for increased involvement of the citizens in the decision making process. This is expected to enhance participatory development.

114. In addition, reforms introduced in the earlier periods will be strengthened, especially in the areas highlighted above; expenditure management and revenue administration will be emphasised to free extra resources to address development challenges. This increase in revenue will create fiscal space for spending on infrastructure and other social development programmes.

115. Human resource development and management is essential for efficient service delivery. Low absorption rate for development funds is partly blamed on capacity gaps existing in the county department, especially at the planning and budgeting stages, where resources may be poorly allocated necessitating a supplementary budget to expense the funds. This leads to delay in utilizing the funds and may result in rolling the funds over to the following year.

Fiscal Policy and Other Structural Reforms

116. In the medium term, the County Government plans to maintain a balanced budget to avoid deficit financing. This is in line with recommendation of the National Treasury and the CRA that counties should not borrow in the medium term. However, County Executive Committee Member in charge of finance may enter into an overdraft arrangement with the Central Bank of Kenya if there are enough funds in the County Revenue Fund account to guarantee it. Such an arrangement must be in line with section 58, 140 and 141 of the PFMA and will be entered into purely for cash flow management

117. At the foundation of fiscal reforms are the measures that the County Government will institute to raise the revenue collection. The County Government has inherited a revenue collection system that local authorities used for revenue administration. In order to increase the efficiency of revenue administration and thereby increase local resources, the County Government has initiated the process of automating revenue collection and continuous review of fees and charges.

118. In order to broaden the revenue base and thereby increase resource potential, the County Government will undertake a number of reforms highlighted in various sections of this paper to ensure the county's revenue generation potential is enhanced and harnessed for greater prosperity.

119. On the expenditure side, the County Government will continue with expenditure management reforms initiated by the National Treasury to improve efficiency and reduce wastage in line with the PFM Act, 2012. Compliance with the budgetary requirements and full adoption of the Integrated Financial Management Information System (IFMIS) from budgeting to reporting will be necessary.

120. In order to manage and contain the wage bill and wage related expenses, it is important for the County entities to formulate their organizational structures complete with necessary staff establishment. It has been noted that defending the rationale for recruiting more staff without an established structure is really difficult. These structures have to be approved by the appropriate authority.

121. In line with the above proposed measures, the County Government will undertake job realignment to ensure that staff inherited from the Local Authorities and the National Government are well oriented to the work assignment for efficiency and effectiveness in service delivery.

122. The overall budget ceiling for spending entities are based on the broad priorities of the County as outlined in this paper. The budget framework adopted over the medium term for 2016/17 will be rolled over to 2017/18, in line with the 2015/16-2017/18 MTEF. Programs initiated during the last financial year will continue to be funded to ensure intended benefits are realized.

123. The County will pursue prudent management of resources as outlined in the PFM Act, 2012. With ministerial and itemized budget, delivery of goods and services in the county will be hastened. This will be made possible by full adoption of IFMIS procedures/modules and ensuring efficiency in procurement procedures. This will

majorly entail planning county activities in advance.

124. In order to guard against fiscal irresponsibility arising from passing of legislations and regulations fixing the percentage of wage bill, it will be important for the County Government to ensure recruitment of new personnel does not lead to unsustainable wage bill. In order to achieve this objective, all county entities will need to prepare their operation structure to show staffing requirements.

125. In adhering to the principles of fiscal responsibility set out in PFM Act 2012, the County Government shall ensure that revenue projections are not overstated to minimize the risk of budget deficit that could affect projects implementation.

Revenue Projections

126. Article 202 of the Constitution requires that revenues raised nationally be shared equitably between the National and County Governments. Article 203(2) of the Constitution requires that; in sharing out revenue between the two levels of government, County Governments shall not receive less than 15 per cent of the recently audited revenue received as approved by National Assembly.

127. In proposing resource allocation between the National and County Government to the National Treasury, the Commission on Revenue Allocation (CRA) takes into account the functions that each level of the government has been assigned by the Constitution. The principle of “resources follow functions” is applied when allocating resources.

128. The county budget for the FY 2017/18 is based on a revenue projection of Kshs 9,647,405,731 up from Kshs 8,892,828,722 budget for the FY 2016/17. This amount comprises of funds expected from the National Government, development partners (grants) and the County Government of Kitui’s own sources.

129. This amount includes grants from the National Government meant for specific programs being implemented by the National Government in collaboration with the County Government. These grants comprise of (i) Free Maternal Healthcare Kshs. 63,610,400 (ii) Compensation for User Fees forgone Kshs 23,606,211 (iii) Road Maintenance Fuel Levy Kshs. 220,500,000 (iv) Grants from the development partners (KDSP/HSSP/IDA) Kshs. 269,220,781.

130. The County Government also expects to raise Kshs 702 Million locally to complement equitable share and grants from the National Government and the development partners. This amount constitutes 7.2% of the total budget which is a decrease from the previous year’s 7.5%.

Table 1: Projected Revenue 2015/16 – 2019/20

| S/No | Source | Actual Revenue 2015/16 (Kshs) | Revenue Estimates 2016/17 (Kshs) | Revenue Estimates 2017/18 (Kshs) | Projected Revenue (Kshs) | |
|------|---|-------------------------------------|--|--|--------------------------|-----------------------|
| | | | | | 2018/19 | 2019/20 |
| 1 | Equitable share | 7,267,273,063 | 7,841,480,359 | 8,368,427,839 | 9,037,902,066 | 9,760,934,231 |
| 2 | Grants | | - | - | - | - |
| | Free Maternal Healthcare | 50,790,000 | 54,367,434 | 63,610,400 | 69,971,440 | 75,569,155 |
| | Compensation for User Fees Forgone | 23,606,211 | 23,144,997 | 23,606,211 | 25,966,832 | 28,044,179 |
| | Road Maintenance Fuel Levy | 92,318,534 | 120,484,293 | 220,500,000 | 242,550,000 | 261,954,000 |
| | Grants from UNDP | - | - | - | - | - |
| | Grants from World Bank (KDSP) | - | 34,721,395 | | 296,142,859 | 319,834,288 |
| | HSSP/HSPS - (DANIDA/IDA) | 83,985,266 | 150,020,244 | 269,220,781 | - | - |
| | Subtotal | 250,700,011 | 382,738,363 | 576,937,392 | 634,631,131 | 685,401,622 |
| | | 7,517,973,074 | 8,224,218,722 | 8,945,365,231 | 9,672,533,197 | 10,446,335,853 |
| 3 | Own Revenue | | - | - | | |
| | County Ministries/Entity | | - | - | | |
| | Office of the Governor | 19,217,455 | 135,099,731 | 141,854,717 | 148,947,453 | 156,394,826 |
| | Ministry of Administration and Coordination | - | - | - | - | - |
| | Ministry of Agriculture water and Irrigation | 33,406,650 | 27,300,000 | 28,665,000 | 30,098,250 | 31,603,163 |
| | Ministry of Basic Education and Skills Development | - | | | | - |
| | Ministry of Land Infrastructure and Urban Development | 20,620,263 | 60,105,760 | 63,111,048 | 66,266,600 | 69,579,930 |
| | Ministry of Health and Sanitation | 109,883,587 | 167,550,000 | 175,927,500 | 184,723,875 | 193,960,069 |
| | Ministry of Trade, Industry IT and Cooperative Development | 1,130,475 | 1,050,000 | 1,102,500 | 1,157,625 | 1,215,506 |
| | Ministry of Culture, Youth, Sports & Social Services | - | 1,050,000 | 1,102,500 | 1,157,625 | 1,215,506 |
| | Ministry of Environment, Energy and Minerals Investment Development | 1,317,800 | 1,050,000 | 1,102,500 | 1,157,625 | 1,215,506 |
| | Ministry of Tourism and Natural Resources | 1,133,475 | 210,000 | 220,500 | 231,525 | 243,101 |
| | Ministry of Finance & Economic Planning | 185,061,443 | 129,845,073 | 136,337,326 | 143,154,193 | 150,311,902 |
| | Kitui Town Administration | 29,439,954 | 101,966,986 | 107,065,335 | 112,418,602 | 118,039,532 |
| | Mwingi Town Administration | 14,977,626 | 43,382,451 | 45,551,574 | 47,829,152 | 50,220,610 |
| | Subtotal | 416,188,728 | 668,610,000 | 702,040,500 | 737,142,525 | 773,999,651 |
| | TOTAL | 7,934,161,802 | 8,892,828,722 | 9,647,405,731 | 10,409,675,722 | 11,220,335,504 |

NB: Revenue

It is envisaged that the growth in revenue collection in 2017/18 financial year will be anchored on the following:-

- Revenue mapping planned for the six remaining sub-counties in 2016/17 to establish the county optimal levels of revenue potentials and rationalization of revenue administration to reduce pilferage.
- Continuation of automation process (e-revenue) – this process started in 2014/15 financial year with the aim of eliminating revenue leakages in improving revenue management.
- Capacity building of staff – the staff in revenue collection will be capacity-built in order to foster attitude change towards revenue collection and

public relation/ communication skills. It will serve as a morale booster to the collectors.

- iv. Operationalization of the Finance Act – continuous review of the Finance Act to make revenue administration cost-effective and customer-friendly. This is expected to increase the revenue generation over the period.
- v. Supervision and logistical support – in order to ensure continuous improvement in revenue collection, adequate supervision and necessary support to revenue staff is essential and shall be provided.
- vi. Recruitment and deployment of revenue collection staff will ensure smooth revenue collection and this will eventually enhance achievement of the revenue annual target for 2017/18.

Conditional Grants and Allocations

- i. All funds allocated as conditional grants to various ministries (Ministry of Health and Sanitation and Ministry of Lands, Infrastructure and Urban Development) will be disbursed to the County Revenue Fund Account together with the equitable share, but based on a schedule to be provided by the National Treasury after enactment of the Division of Revenue Act (DORA).
- ii. These funds should be budgeted either in separate items or programs for identification by either the donor or the government since they require separate returns for accounting to the donor.

Expenditure Projections

131. In the FY 2017/18, total expenditure is projected to be Kshs 9,647,405,731; this is 8.4% per cent above the previous year's budget of Kshs 8,892,828,722. Recurrent expenditure will be 61.2 per cent just as in FY 2016/2017.

132. Expenditure ceilings on goods and services is based on the FY 2016/17 as the basis point then adjusted to cater for general increase in prices.

133. Ceiling for development including grants is Kshs 3.85 billion. This includes funds from development partners to support health which are usually recurrent in nature but factored in development budget of Kshs 165m.

134. In order to address the risks associated with wage bill and other operational expenses crowding out development, the proportion of wages shall be managed in a manner that it should decrease or remain constant as the total expenditure increases. In effect, personnel costs have been capped at 34.5 per cent and operations and maintenance at 25.5 per cent.

135. To ensure that the County Government gets competitive rates for goods and services from its suppliers, payments shall be made on timely basis to forestall confidence and credit-worthiness.

136. The analysis of proposed budgetary allocations to County Government entities and ministries is provided in table 2 and 3 below. In table 2, the amount proposed for allocation for total recurrent and development are provided alongside those allocated for the period 2016/17 FY. Table 3 further provides the breakdown for proposed allocation between personnel emoluments (PE), operations and maintenance (O&M) as well as development.

Table 2: Proposed Budgetary Allocation among Ministries

KITUI COUNTY BUDGET ESTIMATES 2016-17 AND 2017-18 PROJECTIONS

| Code | Vote | Recurrent | | | | Development | | | | Total | | | |
|------|--|-------------------------------|------------|----------------------------------|------------|-------------------------------|------------|----------------------------------|------------|-------------------------------|------------|-------------------------|------------|
| | | Actual Budget 2016/2017 | % | Projected Budget 2017/2018 | % | Actual Budget 2016/2017 | % | Projected Budget 2017/2018 | % | Actual Budget 2017/2017 | % | 2017-2018 projection | % |
| 3711 | Office of the Governor | 544,812,880 | 10 | 585,926,041 | 10 | 651,149,004 | 19 | 600,000,000 | 17 | 1,195,961,884 | 13 | 1,185,926,041 | 12 |
| 3712 | Ministry of Administration and Coordination Affairs | 494,988,516 | 9 | 526,517,981 | 9 | 110,111,507 | 3 | 44,662,102 | 1 | 605,100,023 | 7 | 571,180,084 | 6 |
| 3713 | Ministry of Agriculture, Water & Irrigation | 425,884,043 | 8 | 459,680,006 | 7 | 558,398,805 | 17 | 603,233,995 | 17 | 984,282,848 | 11 | 1,062,914,002 | 11 |
| 3714 | Ministry of Basic Education, Skills & Development | 380,565,542 | 7 | 512,781,056 | 8 | 305,150,000 | 9 | 133,922,220 | 4 | 685,715,542 | 8 | 646,703,276 | 7 |
| 3715 | Ministry of Lands, Infrastructure & Urban Development | 270,856,857 | 5 | 290,786,596 | 5 | 394,091,588 | 12 | 918,152,395 | 26 | 664,948,446 | 7 | 1,208,938,990 | 13 |
| 3716 | Ministry of Health & Sanitation | 1,706,518,598 | 31 | 1,870,767,002 | 31 | 411,645,880 | 12 | 358,414,426 | 10 | 2,118,164,478 | 24 | 2,229,181,428 | 23 |
| 3717 | Ministry of Trade, Industry, IT & Cooperatives | 75,499,433 | 1 | 80,494,925 | 1 | 142,137,814 | 4 | 141,210,751 | 4 | 217,637,247 | 2 | 221,705,675 | 2 |
| 3718 | Ministry of Culture, Youth, Sports & Social Services | 66,242,103 | 1 | 76,359,677 | 1 | 143,271,191 | 4 | 141,415,696 | 4 | 209,513,294 | 2 | 217,775,373 | 2 |
| 3719 | Ministry of Environment, Energy & Mineral Resources | 45,176,823 | 1 | 48,607,282 | 1 | 193,484,474 | 6 | 187,468,439 | 5 | 238,661,297 | 3 | 236,075,720 | 2 |
| 3720 | Ministry of Tourism & Natural Resources | 58,215,418 | 1 | 62,261,099 | 1 | 59,841,760 | 2 | 107,189,045 | 3 | 118,057,178 | 1 | 169,450,144 | 2 |
| 3721 | Ministry of Finance & Economic Planning | 501,241,637 | 9 | 661,926,079 | 11 | 66,358,820 | 2 | 72,574,824 | 2 | 567,600,457 | 6 | 734,500,904 | 8 |
| 3722 | County Public Service Board | 64,707,602 | 1 | 69,716,209 | 1 | 0 | 0 | 17,864,841 | 1 | 64,707,602 | 1 | 87,581,050 | 1 |
| 3723 | County Assembly Service Board | 729,130,694 | 13 | 727,297,161 | 12 | 155,000,000 | 5 | 0 | 0 | 884,130,694 | 10 | 727,297,161 | 8 |
| 3724 | Kitui Town Administration | 88,224,144 | 2 | 94,174,832 | 2 | 141,405,042 | 4 | 138,947,405 | 4 | 229,629,186 | 3 | 233,122,237 | 2 |
| 3725 | Mwingi Town Administration | 59,539,588 | 1 | 63,780,380 | 1 | 49,178,953 | 1 | 51,273,267 | 1 | 108,718,541 | 1 | 115,053,646 | 1 |
| | TOTALS | 5,511,603,878 | 100 | 6,131,076,327 | 100 | 3,381,224,838 | 100 | 3,516,329,405 | 100 | 8,892,828,717 | 100 | 9,647,405,732 | 100 |
| | | 61.98 | | 61.23 | | 38.02 | | 38.77 | | 100 | | 100 | |

Table 3: Allocation between PE, O&M and Development

| Code | Vote | PE | | O&M | T0tal | % | Conditional Allocation | Projected Allocation | Total | % | 2017/18 Projection | % |
|------|---|---------------|------------|---------------|---------------|-----|------------------------|----------------------|---------------|-----|--------------------|-----|
| 3711 | Office of the Governor | 196,990,056 | | 388,935,984 | 585,926,041 | 10 | | 600,000,000 | 600,000,000 | 17 | 1,185,926,041 | 12 |
| 3712 | Ministry of Administration and Coordination Affairs | 365,781,900 | | 160,736,082 | 526,517,981 | 9 | | 44,662,102 | 44,662,102 | 1 | 571,180,084 | 6 |
| 3713 | Ministry of Agriculture, Water & Irrigation | 305,541,133 | | 154,138,874 | 459,680,006 | 7 | | 603,233,995 | 603,233,995 | 17 | 1,062,914,002 | 11 |
| 3714 | Ministry of Basic Education, Skills & Development | 460,927,676 | | 51,853,381 | 512,781,056 | 8 | | 133,922,220 | 133,922,220 | 4 | 646,703,276 | 7 |
| 3715 | Ministry of Lands, Infrastructure & Urban Development | 139,370,870 | | 151,415,726 | 290,786,596 | 5 | 220,500,000 | 697,652,395 | 918,152,395 | 26 | 1,208,938,990 | 13 |
| 3716 | Ministry of Health & Sanitation | 1,185,094,626 | 87,216,611 | 598,455,766 | 1,870,767,002 | 31 | 231,027,246 | 127,387,180 | 358,414,426 | 10 | 2,229,181,428 | 23 |
| 3717 | Ministry of Trade, Industry, IT & Cooperatives | 51,559,748 | | 28,935,177 | 80,494,925 | 1 | | 141,210,751 | 141,210,751 | 4 | 221,705,675 | 2 |
| 3718 | Ministry of Culture, Youth, Sports & Social Services | 33,556,966 | | 42,802,712 | 76,359,677 | 1 | | 141,415,696 | 141,415,696 | 4 | 217,775,373 | 2 |
| 3719 | Ministry of Environment, Energy & Mineral Resources | 20,831,476 | | 27,775,806 | 48,607,282 | 1 | | 187,468,439 | 187,468,439 | 5 | 236,075,720 | 2 |
| 3720 | Ministry of Tourism & Natural Resources | 35,355,521 | | 26,905,578 | 62,261,099 | 1 | | 107,189,045 | 107,189,045 | 3 | 169,450,144 | 2 |
| 3721 | Ministry of Finance & Economic Planning | 193,091,935 | | 468,834,144 | 661,926,079 | 11 | 38,193,535 | 34,381,289 | 72,574,824 | 2 | 734,500,904 | 8 |
| 3722 | County Public Service Board | 27,677,878 | | 42,038,331 | 69,716,209 | 1 | | 17,864,841 | 17,864,841 | 1 | 87,581,050 | 1 |
| 3723 | County Assembly Service Board | 355,749,751 | | 371,547,410 | 727,297,161 | 12 | | 0 | 0 | 0 | 727,297,161 | 8 |
| 3724 | Kitui Town Administration | 57,677,981 | | 36,496,851 | 94,174,832 | 2 | | 138,947,405 | 138,947,405 | 4 | 233,122,237 | 2 |
| 3725 | Mwingi Town Administration | 33,818,863 | | 29,961,516 | 63,780,380 | 1 | | 51,273,267 | 51,273,267 | 1 | 115,053,646 | 1 |
| | TOTALS | 3,463,026,380 | 87,216,611 | 2,580,833,336 | 6,131,076,327 | 100 | 489,720,781 | 3,026,608,624 | 3,516,329,405 | 100 | 9,647,405,732 | 100 |
| | | 35.9 | 0.9 | 26.8 | 63.6 | 0.0 | 5.1 | 31.4 | 36.4 | 0.0 | 100.0 | |

137. Allocation to County sector priorities as outlined in 2016/17 CFSP have been maintained to ensure programs started within this MTEF period are implemented and intended impacts realized by the residents. Major emphasis has been put on:

- Agriculture, Water and Irrigation, which received 11 per cent in 2016/17 financial year has retained the same allocation in order to continue to addressing the broad objective of food security and water issues in the county.
- Health and Sanitation, which had been allocated 24 per cent for health delivery services in 2016/17 has been allocated 23% this financial year. This amount includes conditional allocations to address maternal health, compensation for user fees forgone and other grants from development partners towards the health sector support programme.
- Lands, Infrastructure and Urban Development which received 7 per cent in 2016/17 will receive 13 per cent in 2017/2018. This is necessitated by the need to ensure road transport accessibility in the county.
- Basic Education will receive 7% for FY 2017/2018 down from 8% in the previous year. This downward adjustment is due to the fact that the extra classrooms that were constructed in 2016/17 FY will not be rolled over. However, additional funding has been provided to address the ECDE teacher shortage and upgrading of the already recruited teachers.
- The Office of the Governor has been allocated 12% of total budget that will be used mainly in the implementation of the Community Level and Infrastructure development Programme (CLIDP) and pro-poor support programme.
- Allocation to the county assembly has reduced to 8% down from 10% in 2016/17. This is attributed to the expected drop in the Personnel Emoluments for the new Members County Assembly (MCAs). Additionally no major allocation for development activities in 2017/18 for the assembly.
- The allocation to Finance and Economic Planning has been retained at 8% in 2017/18. However, included in the budget for FEP is emergency allocation of Kshs 192m, and provision staff car and mortgage scheme of Kshs 50m.

V. ANNEXURE

Table 4: Revenue Streams and Projections

| <u>MINISTRY OF AGRICULTURE, WATER AND IRRIGATION</u> | ANNUAL TARGET 2016/ 2017 | TARGETS 2017/18 | TARGETS 2018/19 |
|--|---|----------------------------|----------------------------|
| 1. Agricultural Machinery and Workshop Services | | | |
| Tractor hire services | 952,381 | 1,000,000 | 2,050,000 |
| plant hire services | 9,142,857 | 9,600,000 | 19,680,000 |
| low loader hire services | 1,223,810 | 1,285,000 | 2,634,250 |
| Sub Total | 11,319,048 | 11,885,000 | 24,364,250 |
| 2. Agricultural Training Centre | | | |
| Training and Accommodation (TRAC) | 5,276,190 | 5,540,000 | 11,357,000 |
| Farm Produce | 761,905 | 800,000 | 1,640,000 |
| Training Equipment | 52,381 | 55,000 | 112,750 |
| Hire of ground | 9,524 | 10,000 | 20,500 |
| Total | 6,100,000 | 6,405,000 | 13,130,250 |
| 3. Veterinary Services | | | |
| Meat Inspection | 3,599,048 | 3,779,000 | 7,746,950 |
| Livestock movement permits | 142,857 | 150,000 | 307,500 |
| Licensing of slaughter slabs | 67,619 | 71,000 | 145,550 |
| hides and skins transport permits | 9,524 | 10,000 | 20,500 |
| Vaccinations | 1,428,571 | 1,500,000 | 3,075,000 |
| | 5,247,619 | 5,510,000 | 11,295,500 |
| 4. Kitui Agricultural Show | 2,380,952 | 2,500,000 | 5,125,000 |
| 5. Water | | | |
| Borehole drilling Services | 952,381 | 1,000,000 | 2,050,000 |
| Total AWI | 26,000,000 | 27,300,000 | 55,965,000 |
| <u>MINISTRY OF ENVIRONMENT, ENERGY AND MINERAL INVESTMENT DEVELOPMENT</u> | | - | - |
| Sale of County trees | | - | - |
| Hardwood | 24,000.00 | 25,200.00 | 26,460.00 |
| Softwood | 24,000.00 | 25,200.00 | 26,460.00 |
| Tree cutting/pruning certificate within towns: | | - | - |
| Tree cutting - Large size | 12,000.00 | 12,600.00 | 13,230.00 |
| Medium size | 12,000.00 | 12,600.00 | 13,230.00 |
| Small size | 12,000.00 | 12,600.00 | 13,230.00 |
| Penalty for illegal cutting of trees | 6,000.00 | 6,300.00 | 6,615.00 |
| Waste Disposal Charges: | | - | - |
| Vehicle 7 tonnes | 30,000.00 | 31,500.00 | 33,075.00 |
| Vehicle 3 tonnes | 50,000.00 | 52,500.00 | 55,125.00 |
| Vehicle 1 tonne pick up | 72,000.00 | 75,600.00 | 79,380.00 |
| Hand cart load | 12,000.00 | 12,600.00 | 13,230.00 |
| Charcoal Cess Permit | 240,000.00 | 252,000.00 | 264,600.00 |
| Registration to transport sand permit | 120,000.00 | 126,000.00 | 132,300.00 |

| | | | |
|---|---------------------|---------------------|---------------------|
| Sand approval fee for commercial buildings | 60,000.00 | 63,000.00 | 66,150.00 |
| Initial mining approval | 200,000.00 | 210,000.00 | 220,500.00 |
| Mining or Natural Resource Extraction operation | 100,000.00 | 105,000.00 | 110,250.00 |
| Vaccination services done (card & vaccine owners) | 14,000.00 | 14,700.00 | 15,435.00 |
| Unscheduled vaccination charges | 12,000.00 | 12,600.00 | 13,230.00 |
| TOTAL | 1,000,000.00 | 1,050,000.00 | 1,102,500.00 |
| MINISTRY OF HEALTH AND SANITATION | | - | - |
| Medical examination | | - | - |
| Food handlers | 300,000.00 | 315,000.00 | 330,750.00 |
| Colleges, schools & universities | 300,000.00 | 315,000.00 | 330,750.00 |
| Inspection certificate to Hotels & Restaurants Authority | 150,000.00 | 157,500.00 | 165,375.00 |
| Inspection of Medical Institutions | | - | - |
| Clinics | 300,000.00 | 315,000.00 | 330,750.00 |
| Hospitals | 300,000.00 | 315,000.00 | 330,750.00 |
| Public Health Inspection Certificate | 240,000.00 | 252,000.00 | 264,600.00 |
| Application for Examination of Drain layers & plumbers | 200,000.00 | 210,000.00 | 220,500.00 |
| Plumber & drain layers licence | 120,000.00 | 126,000.00 | 132,300.00 |
| Public Health School Inspection Reports: | | - | - |
| Nursery Schools | 60,000.00 | 63,000.00 | 66,150.00 |
| Primary schools | 120,000.00 | 126,000.00 | 132,300.00 |
| Secondary Schools | 100,000.00 | 105,000.00 | 110,250.00 |
| Liquor License fee and report | 120,000.00 | 126,000.00 | 132,300.00 |
| Food and Hygiene Licenses | | - | - |
| Food & Hygiene Application form | 100,000.00 | 105,000.00 | 110,250.00 |
| Categories of premises: | | - | - |
| General shops, market stall & retail grocery shops | 360,000.00 | 378,000.00 | 396,900.00 |
| Dairies, milk shops, milk bars, canteens | 60,000.00 | 63,000.00 | 66,150.00 |
| Fish shops, Butcheries, meat roasting, house cafes, snacks bars, wines & spirits | 120,000.00 | 126,000.00 | 132,300.00 |
| Posho mills | 60,000.00 | 63,000.00 | 66,150.00 |
| Restaurants, members clubs, medium supermarkets, vehicles, meat wholesalers. | 360,000.00 | 378,000.00 | 396,900.00 |
| Hotels, nightclubs, slaughter houses, large scale supermarkets, warehouses, wholesalers, go downs, medium class bakeries, Food processing small scale | 844,000.00 | 886,200.00 | 930,510.00 |
| Food factories, bottling plants, creameries. Canning plants, flour millers and other food processing factories. | 1,200,000.00 | 1,260,000.00 | 1,323,000.00 |
| Inpatient services | 21,159,060.24 | 27,055,847.52 | 28,327,703.60 |
| Clinic/Theatre services | 3,113,565.00 | 4,003,155.00 | 4,191,337.50 |
| MCH/FP/Paediatric | 1,504,393.80 | 1,934,220.60 | 2,202,514.50 |
| Physiotherapy/Orthopaedic/Occupational therapy | 1,844,708.32 | 2,371,767.84 | 2,483,261.20 |
| Lab services | 10,446,339.54 | 13,431,007.98 | 14,062,380.15 |
| X-ray/Radiology/Dental | 11,118,263.52 | 14,294,910.24 | 14,966,893.20 |
| Medical Exam/P3 Forms | 963,107.60 | 1,238,281.20 | 1,296,491.00 |
| OBA | 12,227,859.28 | 15,721,533.36 | 16,460,579.80 |
| Mortuary services | 4,773,769.00 | 6,137,703.00 | 6,426,227.50 |
| Pharmacy | 17,408,574.82 | 22,382,453.34 | 23,434,619.95 |
| Outpatient and other related services | 5,162,864.98 | 6,637,969.26 | 6,950,010.55 |
| Records | 1,049,748.70 | 1,349,676.90 | 1,413,123.25 |

| | | | |
|--|-----------------------|-----------------------|-----------------------|
| Free Maternity | 35,580,078.54 | 45,015,902.34 | 47,633,252.45 |
| NHIF | 4,647,666.66 | 5,975,571.42 | 6,256,474.35 |
| TOTAL | 131,000,000.00 | 167,550,000.00 | 175,927,500.00 |
| <u>MINISTRY OF CULTURE, YOUTH, SPORTS, GENDER AND SOCIAL SERVICES</u> | | - | - |
| hire of county stadia | 305,000.00 | 320,250.00 | 336,262.50 |
| Camel/Horse riding(per animal) | 100,000.00 | 105,000.00 | 110,250.00 |
| Manual Miniature car | 150,000.00 | 157,500.00 | 165,375.00 |
| Motorized Miniature car/motor bike | 50,000.00 | 52,500.00 | 55,125.00 |
| Fixed Swing | 100,000.00 | 105,000.00 | 110,250.00 |
| Mobile/Manual swing | 200,000.00 | 210,000.00 | 220,500.00 |
| Bouncing castle | 50,000.00 | 52,500.00 | 55,125.00 |
| Boat hire services-KIAMBERE | | - | - |
| Small boat(4 passengers) | 10,000.00 | 10,500.00 | 11,025.00 |
| Medium boat(6 passengers) | 15,000.00 | 15,750.00 | 16,537.50 |
| Big boat(more than 6 passengers) | 20,000.00 | 21,000.00 | 22,050.00 |
| TOTAL | 1,000,000.00 | 1,050,000.00 | 1,102,500.00 |
| <u>MINISTRY OF LANDS, INFRASTRUCTURE AND URBAN DEVELOPMENT</u> | | - | - |
| Approval of building plan | 2,564,352.00 | 2,692,569.60 | 2,827,198.08 |
| Alteration of building | 6,017.00 | 6,317.85 | 6,633.74 |
| Change of user | 13,359.00 | 14,026.95 | 14,728.30 |
| Application for parcel of land | 10,000.00 | 10,500.00 | 11,025.00 |
| Plot application fee | 12,000.00 | 12,600.00 | 13,230.00 |
| plot subdivision | 361,053.00 | 379,105.65 | 398,060.93 |
| Allotment fee | 480,000.00 | 504,000.00 | 529,200.00 |
| Application for declared vacant plot | 84,000.00 | 88,200.00 | 92,610.00 |
| Plot transfer fee | 480,000.00 | 504,000.00 | 529,200.00 |
| Amalgamation of plots | 60,000.00 | 63,000.00 | 66,150.00 |
| Plot extension fee | 3,008.00 | 3,158.40 | 3,316.32 |
| Consent to charge a plot | 56,000.00 | 58,800.00 | 61,740.00 |
| Inspection fee during construction | 520,000.00 | 546,000.00 | 573,300.00 |
| Certificate per building | 600,000.00 | 630,000.00 | 661,500.00 |
| Application for sub division of a registered parcel of land | 640,000.00 | 672,000.00 | 705,600.00 |
| Plot reinstatement fee | 361,327.00 | 379,393.35 | 398,363.02 |
| Drawing of a building plan | 638,947.00 | 670,894.35 | 704,439.07 |
| Penalty for illegal construction | 120,000.00 | 126,000.00 | 132,300.00 |
| survey fees | 47,537.00 | 49,913.85 | 52,409.54 |
| survey fees(court summons) | 230,400.00 | 241,920.00 | 254,016.00 |
| EIA | 432,000.00 | 453,600.00 | 476,280.00 |
| Sale of maps | 360,000.00 | 378,000.00 | 396,900.00 |
| boundary resolutions | 360,000.00 | 378,000.00 | 396,900.00 |
| registration of mutations | 480,000.00 | 504,000.00 | 529,200.00 |
| disputed road disputes | 360,000.00 | 378,000.00 | 396,900.00 |
| plot beacon identification | 720,000.00 | 756,000.00 | 793,800.00 |
| Land rates | 45,809,370.00 | 48,099,838.50 | 50,504,830.43 |
| Penalties | 1,434,211.72 | 1,505,922.31 | 1,581,218.42 |
| TOTAL | 57,243,581.72 | 60,105,760.81 | 63,111,048.85 |
| <u>OFFICE OF THE GOVERNOR</u> | | - | - |
| Alcoholic Drinks License: | | - | - |
| Ordinary bar Per Annum | 18,000,000.00 | 18,900,000.00 | 19,845,000.00 |
| Wines & spirits Per Annum | 11,000,000.00 | 11,550,000.00 | 12,127,500.00 |
| Brewers Per Annum | 200,000.00 | 210,000.00 | 220,500.00 |

| | | | |
|---|-----------------------|-----------------------|-----------------------|
| Wholesalers Per Annum | 5,000,000.00 | 5,250,000.00 | 5,512,500.00 |
| Bottler's Per Annum | 40,000.00 | 42,000.00 | 44,100.00 |
| Distributors Per Annum | 16,000,000.00 | 16,800,000.00 | 17,640,000.00 |
| Hotels Per Annum | 4,800,000.00 | 5,040,000.00 | 5,292,000.00 |
| Importers Per Annum | 2,400,000.00 | 2,520,000.00 | 2,646,000.00 |
| Restaurants Per Annum | 15,829,552.00 | 16,621,029.60 | 17,452,081.08 |
| clubs(Members, Proprietary, night club & Discotheque) Per Annum | 1,700,000.00 | 1,785,000.00 | 1,874,250.00 |
| Supermarkets | 4,800,000.00 | 5,040,000.00 | 5,292,000.00 |
| Franchised Retail Stores Per Annum | 2,400,000.00 | 2,520,000.00 | 2,646,000.00 |
| Theatre Per Annum | 500,000.00 | 525,000.00 | 551,250.00 |
| Traveller's Per Annum | 96,000.00 | 100,800.00 | 105,840.00 |
| Temporary or occasional per day | 7,200,000.00 | 7,560,000.00 | 7,938,000.00 |
| sale of tender documents | 10,800,000.00 | 11,340,000.00 | 11,907,000.00 |
| Impounding Charges | 11,300,857.46 | 11,865,900.33 | 12,459,195.35 |
| Penalties | 6,600,000.00 | 6,930,000.00 | 7,276,500.00 |
| TOTAL | 128,666,409.46 | 135,099,729.93 | 141,854,716.43 |
| <u>MINISTRY OF TOURISM AND NATURAL RESOURCES</u> | | - | - |
| game reserves | 100,000.00 | 105,000.00 | 110,250.00 |
| plant sanctuaries | 50,000.00 | 52,500.00 | 55,125.00 |
| historical sites, rocks, ridges and rivers | 50,000.00 | 52,500.00 | 55,125.00 |
| TOTAL | 200,000.00 | 210,000.00 | 220,500.00 |
| <u>MINISTRY OF TRADE, INDUSTRY,IT AND CO- OPERATIVES</u> | | - | - |
| verification of weighing and measuring equipment | 750,000.00 | 787,500.00 | 826,875.00 |
| co-operative audit services | 250,000.00 | 262,500.00 | 275,625.00 |
| TOTAL | 1,000,000.00 | 1,050,000.00 | 1,102,500.00 |
| <u>MINISTRY OF FINANCE AND ECONOMIC PLANNING</u> | | - | - |
| SINGLE BUSINESS PERMITS | 18,053,125.46 | 18,955,781.73 | 19,903,570.82 |
| HOUSE AND STALLS RENTS | 3,146,613.49 | 3,303,944.16 | 3,469,141.37 |
| MARKET FEES | 30,488,903.60 | 32,013,348.78 | 33,614,016.22 |
| CESS | 59,852,810.00 | 62,845,450.50 | 65,987,723.03 |
| PENALTY CHARGES | 2,774,629.85 | 2,913,361.34 | 3,059,029.41 |
| SING BOARD & ADVERTISING | 2,939,701.15 | 3,086,686.21 | 3,241,020.52 |
| TRANSPORTATION FEES | 2,639,765.00 | 2,771,753.25 | 2,910,340.91 |
| SLAUGHTER FEES | 2,310,171.11 | 2,425,679.67 | 2,546,963.65 |
| BURIAL FEE | 61,686.33 | 64,770.65 | 68,009.18 |
| REGISTRATION FEES | 1,219,598.83 | 1,280,578.77 | 1,344,607.71 |
| SALE OF BYLAWS | 5,000.00 | 5,250.00 | 5,512.50 |
| CONSENT TO CHARGE/ CERTI. | 114,000.00 | 119,700.00 | 125,685.00 |
| SEARCH OF RECORD CHARGES | 55,969.00 | 58,767.45 | 61,705.82 |
| TOTAL | 123,661,973.82 | 129,845,072.51 | 136,337,326.14 |
| <u>KITUI TOWN ADMINISTRATION</u> | | - | - |
| SIGNBOARD AND ADVERTISING | 2,200,000.00 | 2,310,000.00 | 2,425,500.00 |
| SINGLE BUSINESS PERMITS | 7,700,000.00 | 8,085,000.00 | 8,489,250.00 |
| TRANSPORTATION FEES | 839,765.00 | 881,753.25 | 925,840.91 |
| CESS | 20,000,000.00 | 21,000,000.00 | 22,050,000.00 |
| ENCLOSED PARKING | 18,113,400.00 | 19,019,070.00 | 19,970,023.50 |
| STREET PARKING | 16,225,000.00 | 17,036,250.00 | 17,888,062.50 |
| MARKET FEES | 28,720,000.00 | 30,156,000.00 | 31,663,800.00 |
| PENALTY CHARGES | 2,783,000.00 | 2,922,150.00 | 3,068,257.50 |
| BURIAL FEE | 30,250.00 | 31,762.50 | 33,350.63 |

| | | | |
|-----------------------------------|-----------------------|-----------------------|-----------------------|
| REGISTRATION FEES | 500,000.00 | 525,000.00 | 551,250.00 |
| TOTAL | 97,111,415.00 | 101,966,985.75 | 107,065,335.04 |
| MWINGI TOWN ADMINISTRATION | - | - | - |
| SIGNBOARD AND ADVERTISING | 2,248,000.00 | 2,360,400.00 | 2,478,420.00 |
| SINGLE BUSINESS PERMITS | 7,700,000.00 | 8,085,000.00 | 8,489,250.00 |
| TRANSPORTATION FEES | 530,000.00 | 556,500.00 | 584,325.00 |
| ENCLOSED PARKING | 8,200,000.00 | 8,610,000.00 | 9,040,500.00 |
| STREET PARKING | 8,792,000.00 | 9,231,600.00 | 9,693,180.00 |
| MARKET FEES | 11,500,000.00 | 12,075,000.00 | 12,678,750.00 |
| PENALTY CHARGES | 2,246,200.00 | 2,358,510.00 | 2,476,435.50 |
| BURIAL FEE | 2,420.00 | 2,541.00 | 2,668.05 |
| REGISTRATION FEES | 98,000.00 | 102,900.00 | 108,045.00 |
| TOTAL | 41,316,620.00 | 43,382,451.00 | 45,551,573.55 |
| | 262,090,008.82 | 275,194,509.26 | 288,954,234.72 |
| GRAND TOTAL | 608,200,000.00 | 668,610,000.00 | 702,040,500.00 |