



# COUNTY GOVERNMENT OF BUNGOMA

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COUNTY FISCAL STRATEGY PAPER, 2019

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

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February, 2019

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**KENYA**   
**VISION 2030**  
Towards a Globally Competitive and Prosperous Kenya

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

**LEGAL BASIS FOR FORMULATION OF THE FISCAL STRATEGY PAPER**

Section 117 (1) of the Public Finance Management Act, 2012 states that the County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.

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

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## **FOREWORD**

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

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

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

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

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

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

**ESTHER WAMALWA**  
**CECM- FINANCE AND ECONOMIC PLANNING**

**ACKNOWLEDGEMENT**

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

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

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

**CHRISPINUS BARASA**  
**CHIEF OFFICER - FINANCE AND ECONOMIC PLANNING**

**ACRONYMS AND ABBREVIATIONS**

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

**EXECUTIVE SUMMARY**

This County Fiscal Strategy Paper contains information on:

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

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

**2019/20 Budget Summary**

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

Economic classification takes the form of ;

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

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

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

County Government Arm	Allocation	Projection	
		2020/21	2021/22
County Executive (Governor)	405,388,803	425,658,243	446,941,155
County CDAs	11,657,556,129	12,240,433,935	12,852,455,632
County Assembly	1,036,788,480	1,088,627,904	1,143,059,299
<b>Totals</b>	<b>13,099,733,412</b>	<b>13,754,720,083</b>	<b>14,442,456,087</b>

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

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

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

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

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

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

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

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

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

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

## **I. INTRODUCTION**

### **Overview**

1. Section 117 (1) of the Public Finance Management Act, 2012 states that the County, Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.
2. This CFSP underlines the importance of continued pursuit of high and sustainable economic growth, employment creation and poverty reduction objectives. On the fiscal front, it takes cognizance of the reality that available resources are scarce and that there is need to focus on County priority programmes that have high impact on stated national and county objectives, but within a framework of a stable macroeconomic environment.
3. It emphasizes the need to strengthen planning and budgeting based on the Medium Term Expenditure Framework and Programme-Based Budgeting (PBB), which seeks to focus on result-based approach as per the priorities articulated by the County Government. The PBB links funds appropriated by the County Assembly to distinct deliverables and outcomes.
4. The County will continue to pursue broad strategic priorities and policy goals aimed at radiating a sustainable development agenda that is geared towards addressing differential poverty, accelerate productivity and the social well-being of the people.
5. Key achievement realized in the various sectors over the last two years include: improved quality of transport infrastructure; expanded educational infrastructure thereby enabling higher student enrollment and transition rates at both ECDE and Vocational Training Institutes; expansive provision of electricity to urban and rural communities; improved health services and greater reach through the National Health Insurance Fund (NHIF); improved agricultural production emanating from among other things, better accessibility and reduced cost of farm inputs; made significant steps towards supporting growth of the dairy sector; and strengthened the sports and tourism sectors with significant resources earmarked for modernization of Masinde Muliro Stadium.
6. The policy measures outlined in this CFSP seek to further bolster growth in all sectors and foster economy-wide efficiencies for sustainable and inclusive growth.
7. The CFSP 2017 details the County Budget Framework which includes deliberate efforts to achieve a balance between recurrent and development expenditure while conforming to the fiscal responsibility principles of the PFMA, 2012.

8. The County Fiscal Strategy Paper contains information on:

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

## **II. RECENT ECONOMIC DEVELOPMENTS AND MEDIUM TERM OUTLOOK**

### **Overview**

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

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

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

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

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

**Global and Regional Economic Developments**

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

**Table 1: Global Economic Growth, Percent**

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

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

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

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

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

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

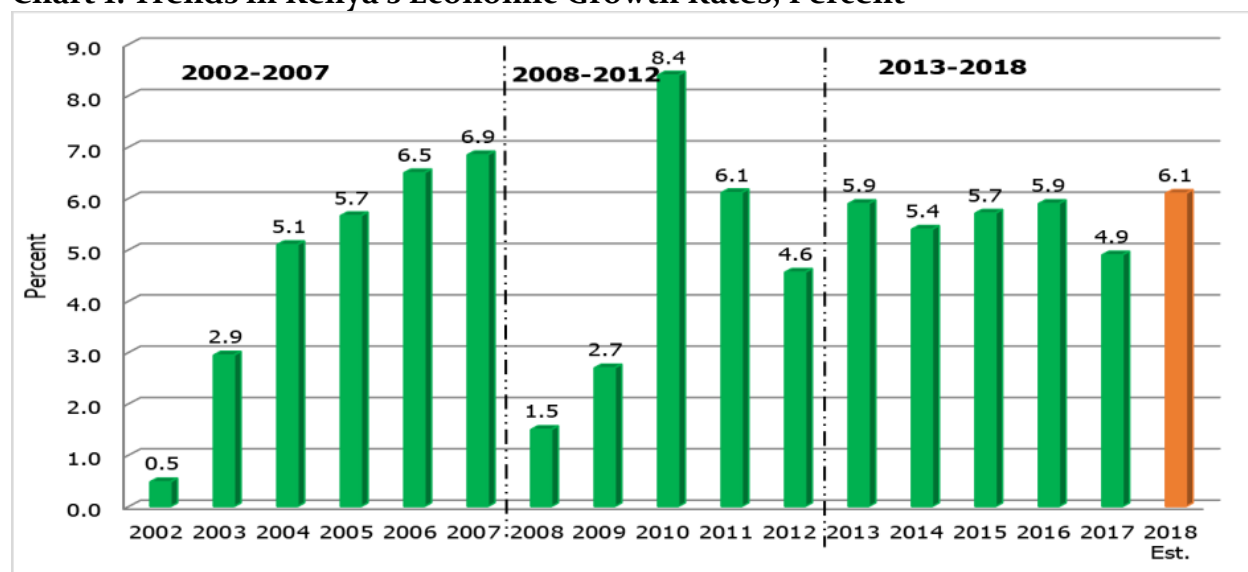
17. Growth prospects for sub-Saharan Africa continue to strengthen. Growth is expected to improve from 2.7 percent in 2017 to 3.1 percent in 2018 and further to 3.8 percent in 2019, supported by a stronger global growth, higher commodity prices, improved capital market access and contained fiscal imbalances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

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

***Domestic Economic Developments***

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

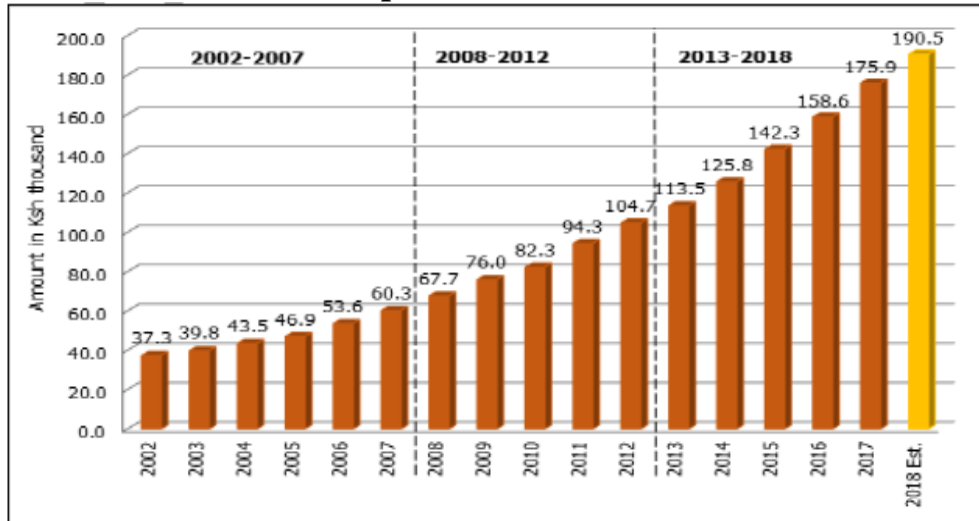
**Chart 1: Trends in Kenya’s Economic Growth Rates, Percent**



Source of Data: KNBS

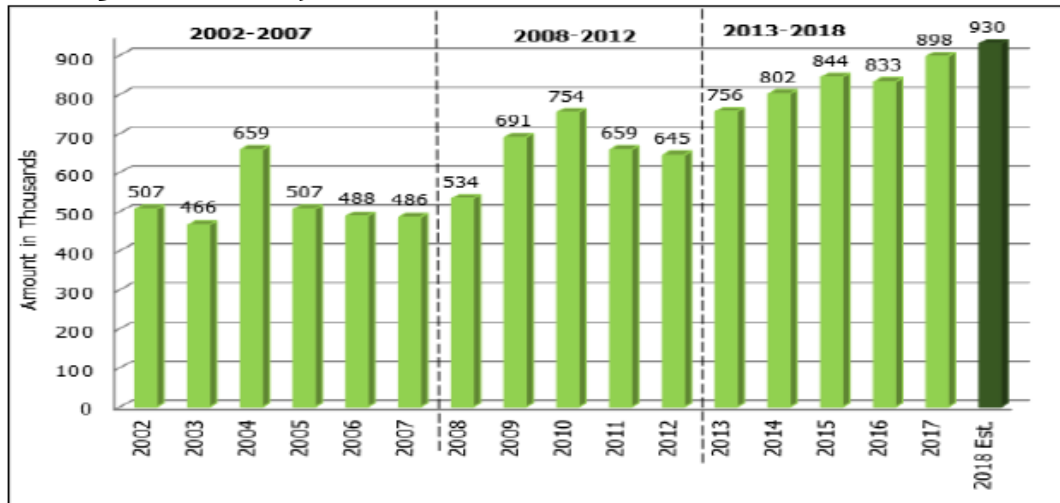
20. The value of goods and services produced raised Per Capita Income from Ksh 113,539 in 2013 to an estimated Ksh 190,521 in 2018, a 67.8 percent increase. This enabled generation of around 840,000 new jobs per year in the period 2013-2018 up from 656,500 new jobs per year in the period 2008-2012 (Chart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

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



Source: KNBS

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



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

**Table 2: Sectoral Real GDP Growth Rates, Percent**

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

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

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

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

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

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

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

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

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

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

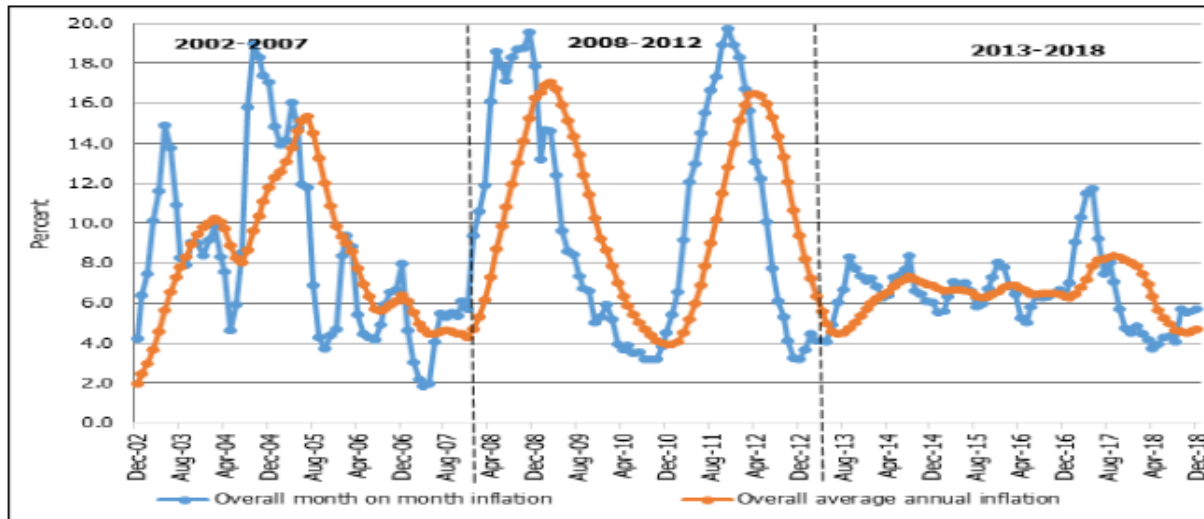
### **Inflation Rate**

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

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

32. The county shall leverage on the favorable inflation rates to implement measures to stimulate investments in her productive sectors to support local revenue generation.

Chart 4: Inflation Rate

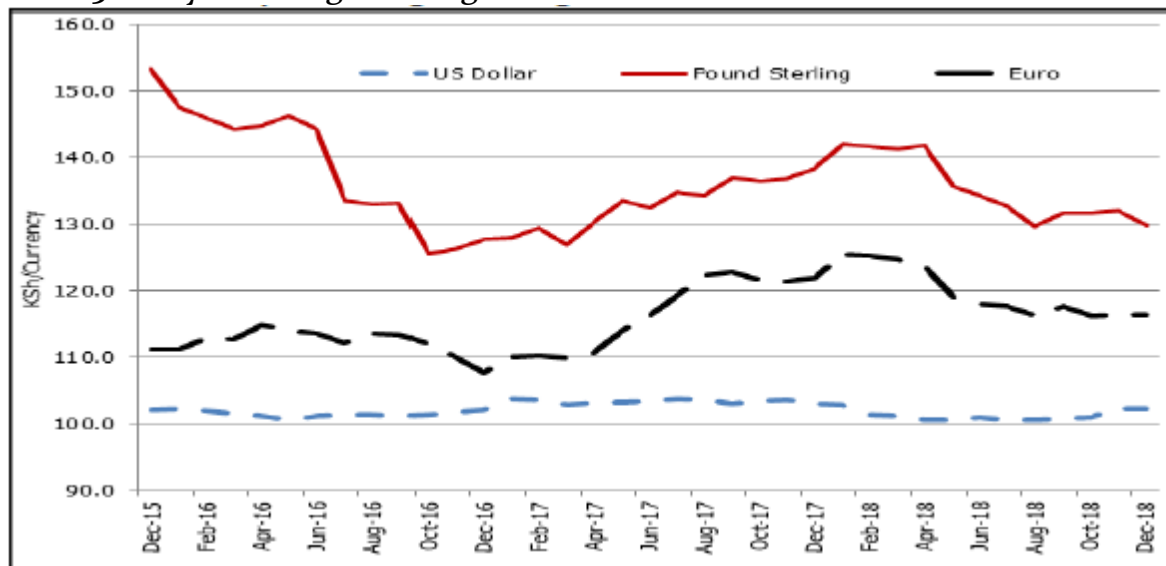


Source: KNBS

**Kenya Shilling Exchange Rate**

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

Chart 5: Kenya Shilling Exchange Rate

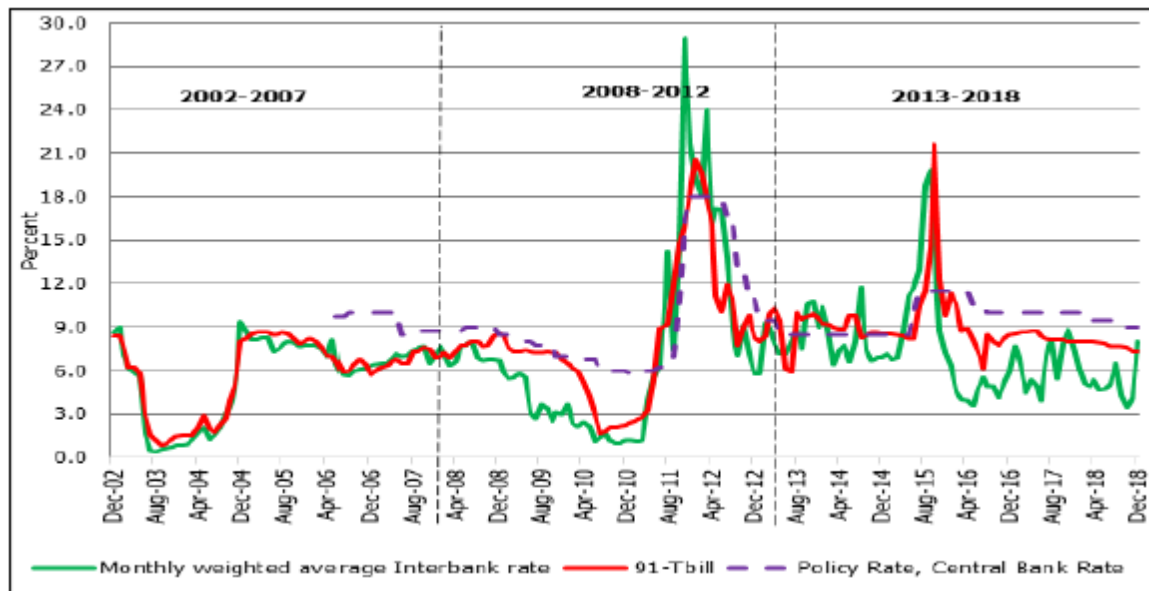


**Interest Rates**

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

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

**Chart 6: Short-Term Interest Rates**



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

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

37. In the medium term, the county shall assess the opportunities provided by the low interest rate regime to seek out for credit facilities to finance development needs subject to the County Medium Term Debt Management Strategy Paper 2019/20 – 2021/22.

### **Overview of County Sectoral Performance**

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

### **Agriculture**

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

### **Education**

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

### **Health**

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

### **Transport Infrastructure**

42. Through the Road Maintenance fuel Levy Fund (RMLF) and the County Mechanical Transport Fund programme, urban and rural access roads have been opened and expanded, resulting in reduction in transport costs, increase in volume of trade and a reduction in average travel times. In addition, the County has awarded the tender for the conversion of high traffic section of C-33 Mumias-Bungoma road into a dual carriageway between Sang'alo Junction and Kanduyi. This investment promises to unlock vast economic social and economic opportunities along the corridor and spur the urban renewal of Bungoma.

### **Trade and Industry**

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

### **Housing**

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

### **Sanitation**

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

### **Forestry**

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

### **Water**

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

### **Gender**

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

### **Culture**

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

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

### **Fiscal Performance**

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

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

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

### **Recurrent Expenditure**

54. 42% of the recurrent allocation of Kshs 8,052,677,490 has been expended on personnel emoluments, maintenance and operations as at the end of quarter two of FY 2018/19.

### **Development Expenditure**

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

**Revenue Performance**

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

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

**Local Revenue**

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

**Table 3: Monthly collection analysis**

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

59. An analysis of revenue sources points to a general growth in collection from Single Business permits, Plan Approval and Inspection fees, Slaughter fees and stock auction fees.

Enclosed bus park fees (PSV stickers) registered an impressive performance improving by 91 percent compared to 2017/18. Table 4 details the revenue performance by sources.

**Table 4: Analysis of revenue by sources**

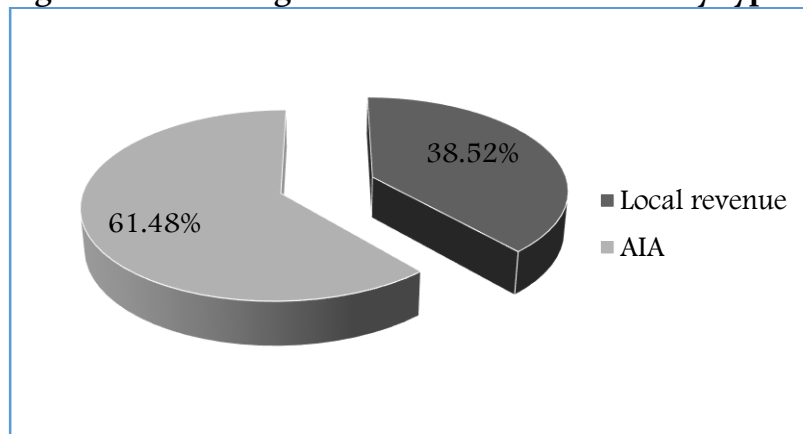
S/No.	Revenue type	First Half 2016/17	First Half 2017/18	First Half 2018/19	2018/19 Half 1 Target
1.	Land Rates	10,410,690	3,045,116	2,922,741	16,611,867
2.	Single Business Permits	8,755,290	6,952,410	7,613,133	12,035,088
3.	Alcohol drinks licences	-	1,203,000	619,700	2,451,941
4.	Parking fees	7,134,561	3,866,790	3,640,220	12,144,059
5.	Plan Approval	4,393,950	3,979,808	5,250,970	9,020,846
6.	Market fees	18,716,682	15,346,824	16,779,530	34,262,933
7.	Enclosed Bus Park Fee	18,616,720	13,973,660	26,674,200	32,634,324
8.	Slaughter fee	2,072,980	2,103,730	2,348,710	3,418,203
9.	Cess	25,464,712	5,530,372	8,185,522	29,492,140
10.	Stock Sales	4,549,260	3,254,880	4,696,100	3,597,725
11.	Other revenue sources	16,566,394	15,432,138	17,919,979	36,601,039
<b>Total</b>		<b>116,681,239</b>	<b>74,688,728</b>	<b>96,650,805</b>	<b>192,270,165</b>

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

**Cumulative Performance**

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

**Figure 1: Percentage distribution of revenue by type**



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

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

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

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

### **Expenditure Performance**

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

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

Table 6: Fiscal Performance

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

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

Source: IFMIS printout data

## **Fiscal Policy**

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

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

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

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

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

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

## **BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

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

**Table 7: Fiscal Framework (Ksh million)**

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

## **Economic Outlook**

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

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

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

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

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

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

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

### **Debt policy**

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

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

### **Risks to the Economic Outlook**

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

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

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

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

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

**Human Resource Management and Development**

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

**Civic Education and Public Outreach**

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

**Public Sector Information and Communication Technology Management**

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

**Service Delivery and Organization Transformation**

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

**Governance, National and International Relations**

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

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

#### **Introduction**

84. The 2019 MTEF reaffirms the priority policies and strategies outlined in “The Big Four” Plan and as prioritized in the CIDP 2018-2022 as well as in Vision 2030. In this regard, the County Government has taken decisive steps to harness the implementation of various policies and programmes under each of the four pillars namely: (i) supporting job creation by increasing value addition and raising the manufacturing sector’s share to GDP; (ii) focusing on initiatives that guarantee food security and nutrition to all Kenyans; (iii) providing universal health coverage thereby guaranteeing quality and affordable healthcare to all Kenyans; and (iv) supporting construction of at least five hundred thousand (500,000) affordable new houses to Kenyans.

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

#### **The “Big Four” Agenda**

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

87. To finance “The Big Four” Plan programmes, the County Government will rationalize its sector budgets towards the respective BIG FOUR components. More specifically, the county shall engage the National Government, community members, Civil Society Organization, Professionals, private sector players and development partners.

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

## **The Big Four” Plan**

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

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

- ✓ Invest in cottage industries especially in fresh produce such as peanuts, cashew nuts, ground nuts and palm oil.
- ✓ Provide entrepreneurship training to small-scale traders and practicing business people
- ✓ Providing incentives for investment in green energy generation
- ✓ Reserve spaces for iron mongers and woodworks
- ✓ Provide common tools and equipment to workshops and service centres
- ✓ Invest in dairy processing
- ✓ Invest in special economic zones – the industrial and business parks

### **Enhancing Food and Nutrition Security to all Kenyans by 2022**

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

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

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

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

93. The primary goal is to increase access to quality health care and reduce medical costs incurred by people of Bungoma. The county will focus on investing in Primary Health Care

(PHC) services, promoting Health Service Readiness, promoting Health services availability, investing in Health Services capacity to serve, work with NHIF to register vulnerable populations, investing in ICT tools for addressing Health needs of the people and mainstreaming alternative medicines and healthcare in provision of Health Services.

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

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

### **Provision of Affordable and Decent Housing**

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

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

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

**3.1. Fiscal Framework Summary**

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

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

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

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

**Revenue Projections**

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

**Table 8: Medium Term Revenue Projections**

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

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

### Expenditure Projections

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

**Table 9: Resource Envelope**

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

Source: CRA, 2018

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

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

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

**Strategies for Local Revenue Generation**

105. Measures to enhance own revenue collection will focus on formalizing all informal businesses with a view of creating a structured way of levying relevant fees and charges. The county will finalize the preparation and roll-out of the valuation roll to guide decisions on property taxes. Additionally, measures will be undertaken to waive given percentage of interest on land rates and adoption of phased repayments to encourage pay-ups.

106. Further, the county shall update on a regular basis the register of all businesses in and demand that each business entity be licensed to operate. Officials both in the executive and the County Assembly will be required to support the county in revenue mobilization initiatives, including payment of requisite fees and charges on demand.

107. No person, serving in the public service of Bungoma County or in appointive, elected and or nominated positions shall incite the public against payment of legal fees/charges as provided for in the Annual Finance Act. The county shall enforce the provisions of both national and local laws to ensure observance of the requirements to pay due taxes and associated fees, charges, fines and penalties.

108. Annex five provides specific details of the revenue enhancement measures that the county will pursue in medium term to ensure successful implementation of the proposed Turn - Around Management and Business Advisory Services (TAM/BAS) initiatives by the County Revenue Directorate

**Deficit Financing**

109. Reflecting the projected expenditures and revenues, the fiscal deficit (excluding grants), is projected at Ksh 1,554,729,675 in the FY 2019/20. This deficit will be financed by a combination of approaches, including making official request to national government for specific support, ramping up local revenue collection, especially AIA and borrowing from the market at negotiated rates subject to the provisions of the County Medium Term Debt Management Paper 2019/20 – 2021/22.

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

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

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

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

**Key Priorities for the 2019/20 Medium Term Budget**

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

- Responsible management of public resources;
- Building a resilient, more productive and competitive county economy;
- Delivering better public services within a tight fiscal environment, and
- The need to deepen governance, anti-corruption and public financial management reforms to guarantee transparency, accountability and efficiency in public spending.
- The need to allocate resources based on peoples felt needs and the impact they promise to deliver
- The need to focus on affordability, strict prioritization and sustainability of interventions

**Allocation Baseline Ceilings**

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

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

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

### **Finalization of Spending Plans**

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

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

### **3.3 Details of Sector Priorities**

115. The medium-term expenditure framework for 2019/20 – 2021/22 ensures resource allocation based on prioritized programmes aligned to the MTP III, CIDP II and other county policy documents. It also focuses on strategic policy initiatives of the national government to accelerate growth, employment creation and poverty reduction. Table 11 provides the projected baseline ceilings for the FY 2019/20 and the medium term, classified by sector.

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

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

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**Agriculture, Rural and Urban Development Sector**

116. The Sector plays a key role in the development agenda of the county through enhancing food and nutrition security; employment and wealth creation; security of land tenure and land management. Through linkages with manufacturing, distribution and other service-related sectors, the sector supports livelihoods across multiple sectors.

117. In the medium term, the sector shall prioritize investments that aims to transform agriculture into a modern, professionally-managed and market-oriented economic undertaking. This will be achieved through targeted investments that create an environment conducive to increased production; especially investing in the infrastructure required for agricultural intensification, promotion of professionalism, agricultural technological innovations and public – private sector partnerships.

118. The proposed County Agriculture Investment Plan for Agricultural Transformation will have the following five strategic programs among other issues:

<b>Intensification and Development of Sustainable Production Systems</b>	<b>Support to the Professionalization of Producers</b>	<b>Promotion of Commodity Chains and Agribusiness Development</b>	<b>Institutional Development</b>	<b>Promotion of Agri-Entrepreneurship</b>
Relieve the physical and economic constraints to food and nutrition security, erosion control, water conservation and Management and input use. This program is the absolute priority.	Make the County’s farmers The knowledge-intensive Sector it needs to be in order to see the private sector flourish and for farmers’ to begin to see the sector as a business.	Create conducive environment, infrastructure and knowledge necessary for a strong inputs and Processing sector.	Strengthen the institutional environment, particularly at Sanga’lo and Mabanga to improve their capacity to implement the sector’s strategies and investment plan	Give the farmers exposure and mechanisms to transmit produce to markets through scheduled exhibitions, shows, trade fairs and focused Farmer Led Entrepreneurship trainings

119. In the medium term, the sector will focus on the following 10 programmes, namely;

- i. Land and Crop Development and Management
- ii. Livestock Resources Development and Management

- iii. Fisheries development, management and the Blue economy
- iv. Institutional Development and Management
  - v. Land resource development and management
- vi. County physical Planning Services
- vii. Urban and peri urban infrastructure development and management
- viii. Urban environmental services
- ix. Urban economy and investment management
  - x. Urban governance

**Energy, Infrastructure and Information, Communication and Technology Sector**

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

121. As we record expansion in our urban population and road users, and informed by public need, it has become necessary to expand the current Mumias – Bungoma road (C-33) to enable it handle the increased traffic, reduce losses to businesses, reduce accidents and open up the corridor for additional investments.

122. Currently, the whole stretch of the road from Mumias - Bungoma is very narrow and the carriageway is worn out with non-existent road wings. The patching works undertaken by the contractor seem temporary due to high traffic thus exposing motorists and other road users to risks. The situation is compounded by blocked and narrow and outdated drainage systems that may render the current improvement efforts uneconomic.

123. In the medium term, joint efforts of the county and national government will focus on facilitating the re-design of the road to include among other improvements;

- i. Standard carriageway with non-motorized lanes and climbing lanes
- ii. Appropriate road furniture and signage
- iii. Parking bays
- iv. Passenger waiting areas
- v. Roadside amenities including modern business stalls and sanitation services
- vi. Market access and spur roads
- vii. Dualing of the road section from Sangálo Junction to Kanduyi Junction on road A 104, approximately 7 km.

124. Our economic projections show that there is an infrastructural symbiotic relationship between dualing that section of the road and the new roads currently being undertaken as it offers connectivity for people, business and communities along the corridors. Once completed, the network will play a critical role in improving the county’s transportation

logistics and trade competitiveness in line with our County Integrated Development Plan (CIDP II) and the Spatial Development Plan

125. In the medium term, the sector will focus on the following 8 programmes, namely;
- i. Public sector information and communication technology management
  - ii. Energy Development and Management
  - iii. Transport infrastructure development and management
  - iv. Building standards and other civil works
  - v. Public safety and transport operations
  - vi. Sanitation Management and Development
  - vii. Housing Development and Management
  - viii. Housing Financing and Developer services

**General Economic and Commerce Affairs Sector**

126. The Sector is mandated to promote, co-ordinate and implement integrated socio-economic policies and programmes for a rapidly industrializing economy. During the FY 2015/16 - 2017/18 MTEF, key achievements realized in the Sector included; increased farm earnings from Ksh 23 to Ksh 35 per liter of milk, a reformed tax administration and management environment, improved business environment and enhanced networking between the county and business entities on business development services.

127. In the medium term, the sector will focus on the following 7 programmes, namely;
- i. Tourism Product Development and Marketing
  - ii. Tourism Policy and Knowledge services
  - iii. Trade Licensing and Regulation
  - iv. Trade and Enterprise Development
  - v. Market Infrastructure Development, and Management
  - vi. Industry Public Private Partnerships and Industrial Development
  - vii. Cooperatives Development and Management

**Health Sector**

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

129. For the 2015/16-2017/18 MTEF period, the Sector realized the following achievements among others; implemented interventions to control the spread of HIV/AIDS, malaria and tuberculosis in the county which has seen 80 percent of public

health facilities been equipped with diagnostic capacity for malaria and an increase in the number of tuberculosis cases notified.

130. During the 2019/20-2021/22 MTEF period, the Sector will prioritize provision of the universal health coverage to the county population, whilst also investing in strengthening health delivery systems and structures for enhanced services readiness, service availability and capacity to offer services at all county health facilities.

131. In the medium term, the sector will focus on the following 3 programmes, namely;

- i. Curative and Rehabilitative health
- ii. Reproductive, Maternal, New- Born and Adolescent Health
- iii. Preventive and Promotive Health

### **Education Sector**

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

133. During the FY 2015/16 - 2017/18 MTEF period, the Sector made several achievements including: increased completion rate at ECDE level from 81 percent in 2015 to 85 percent in 2017 and increased the transition rate from primary/secondary institutions into vocational training institutions.

134. For the FY 2019/20 - 2021/22 MTEF period, the Sector has prioritized several programmes for implementation including: recruitment of additional ECDE teachers and instructors to support the 100 percent transition policy of the National Government. Additionally, the sector will direct investments especially from the Ward Based Projects towards development of ECDE Centres of excellence for each Ward, to give our young children a strong start in education.

135. Vocational Training institutions will be revamped across the county through dedicated investments in infrastructure improvements and provision of quality teaching/learning material including deployment of ICT systems to widen delivery modes of vocational education and skills

136. In the medium term, the sector will focus on the following 3 programmes, namely;

- i. Early Childhood Development and Education
- ii. Education Support Programme
- iii. Vocational Education and Training

**Public Administration and International Relations Sector**

137. The Sector provides overall policy direction and leadership to the county, oversee the human resource function in the public service, coordinate county policy formulation and implementation, resource mobilization, allocation and management, strengthening of further units of devolution, coordinating implementation of youth policy and mainstreaming in national development, implementation of the county civic education policy as well as oversight, monitoring, evaluation and reporting on the use of public resources and service delivery.

138. A total of 20 programmes were implemented within the sector during the MTEF period 2015/16 - 2017/18. Tremendous progress was made in achievement of the sector's set targets. These include the following among others: development of county's medium term development plans; preparation of various statistical publications and reports; operationalization of new units of devolution (Village Units and Municipal Boards); provision of capacity building and technical assistance to county government Departments and Agencies, resource mobilisation, allocation and oversight in the public sector; seconded staff to serve in Huduma centres; implementation of performance management systems and continued improvement of civil servants welfare,

139. In the FY 2019/20 and the medium term, the Sector will focus on enhancing advisory on public policy for effective management of public affairs; management and implementation of the devolved system of government to promote harmonious inter- and intra-governmental relations; strengthening management of humanitarian support services; provision of quality public services, strengthening of county governance institutions and review and alignment of the county legal framework to address people's needs and emerging issues.

140. More specifically, the sector will pool its efforts towards improving the generation of own revenue which has been in decline thus affecting our annual budgets. The revenue directorate in collaboration with other county entities will thus be charged with implementing Turn - Around Management and Business Advisory Services (TAM/BAS) initiatives whose objectives will be geared towards enhancing local revenue generation and its management to ensure stability in our programming and budgeting.

141. In the medium term, the sector will focus on the following 15 programmes, namely;

- i. Governance and public relations
- ii. Service delivery and organizational transformation
- iii. Human resource and records management and development
- iv. Youth Empowerment and Development

- v. Gender Equality and Empowerment of Vulnerable Groups
- vi. Economic Development Planning and Coordination Services
- vii. Data collection and County statistical information services
- viii. Monitoring and Evaluation Services
- ix. Public financial management
- x. Audit Services
- xi. Visible Policing
- xii. Crime Intelligence
- xiii. Community Protection and Security Services
- xiv. Legislation, Oversight, and Representation
- xv. Public Participation and Citizen Engagement

**Social Protection, Culture and Recreation Sector**

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

143. During the FY 2015/16 – 2017/18 MTEF period, the key achievements in the Sector included; provision support to food insecure persons and vulnerable groups, provision of cash transfers to 5,000 households (2000 beneficiaries) annually under regular Hunger and Safety Net Programme (HSNP); provision of cash transfers to 3,000 households annually orphans and vulnerable children and to person with severe disabilities) under the Inua Jamii Programme; provision of school girls with sanitary towels to reduce girls absenteeism in schools; trained 3,500 duty bearers and stakeholders in response and prevention of Gender Based Violence.

144. In the 2019/20 – 2021/22 MTEF period, the Sector will implement various initiatives including: implementing empowerment programmes for vulnerable individuals and groups and enhancing opportunities for their self-reliance and resilience.

145. through cash transfers annually; provide sanitary towels to 200,000 school going girls to reduce absenteeism in school; host and participate in national, regional and international sports competitions; continue developing and upgrading sports infrastructure ( county stadia); empower 500 cultural artists/ practitioners; honor 50 heroes and heroines; nurture 300 youth in music and dance; establish an Alternative Dispute Resolution (ADR) Mechanism for labour and employment related disputes; and sensitize 100,000 people in prevention and response to Gender Based Violence and FGM.

146. In the medium term, the sector will focus on the following 4 programmes, namely;

- i. Sports Facility development and management

- ii. Sports and Talent development and management
- iii. Cultural Development and Management
- iv. Culture and Creative Industries Development

### **Environment Protection, Water and Natural Resources**

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

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

149. In the medium term, the sector will focus on the following 5 programmes, namely;
- i. Integrated solid waste management
  - ii. Forest conservation and management
  - iii. Environment management conservation and protection
  - iv. Water Resources management and development
  - v. Natural Resources conservation and management

Annex 4 provides details of the projects associated with each sector programme.

### **Public Participation/ Sector Hearings and Involvement of Stakeholders**

150. The law requires that the input of the public be taken into account before the Budget proposals are firmed up. In this regard, we held Public Hearings for the FY2019/20 Budget between 11<sup>th</sup> and 15<sup>th</sup> February, 2009 with additional engagements with other stakeholder groups at earlier dates. Annex Table - provides a summary of policy issues raised during the Public Hearings and the responses. Some of the key issues arising during the Public Hearings included:

**The need to clarify differences in the cost of road works undertaken by the County.**

151. The public commended the county for the renewed resolve to open up and expand the county road network. However, concerns were raised as to why there is variation on the cost of roads constructed even though they cover the same length. It was clarified that; the cost of road construction varies based on road design which are categorized into classes with Class A roads associated with high cost of construction. The design of the road is determined by various factors such as the volume of vehicles passing through the road; soil texture; location; and possibility of flooding.

**Health**

152. The public noted that there was no provision for personnel to run the various dispensaries and health centres dotted across the county. The sector clarified that contracts for temporary health workers had been renewed and that provision for training community health workers to help bridge the gap were being planned.

153. Additionally, the public highlighted that the out of pocket spending was high in some instances and the NHIF cover was inadequate in high cost treatments. Besides, the public reported that there were citizens who were unable to pay for the NHIF scheme and wanted to know what the Sector was doing to cater for everyone. In response, the Sector noted that NHIF follows a specific criterion in determining how much to cover for an eligible patient and that in cases of doubt the public should consult the nearby NHIF offices for clarification. Moreover, the Sector stated that the Universal Health Coverage program would ensure that those not covered by any scheme would receive treatment after its piloting in Machakos, Nyeri, Isiolo, and Kisumu Counties.

154. The full report of the public input into the county budget process will be finalized and submitted to the County Assembly together with this document on or before the 28<sup>th</sup> of February, 2019.

**Collaborations with National Government and Development Partners**

**National Government**

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

156. Consequently, the County will forge and strengthen cooperation and collaboration with the National Government to attract additional support for economic and social

infrastructure programmes while also tapping into technical assistance and structured learning support that is offered by National Government Ministries, Departments and Agencies. The Conditional Grants from National Government due to the County Government of Bungoma are as indicated in table 12.

**Table 12: National Government Conditional Grants allocations summary**

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

**Conditional Allocations from Development Partners**

157. In the last four financial years, the county has been receiving DANIDA conditional grants as Health Sector Support Grant. In 2018/19, the county also received Health Sector Support conditional grant from World Bank. These conditional grants are expected to continue in the Financial Year 2019/20 Financial Year.

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

9.	Kenya Urban Support Project (KUSP)- Urban Institutional Grants (UIG) Bal 2017/18 (World Bank)	41,200,000	43,260,000
	<b>TOTALS</b>	<b>772,708,858</b>	<b>811,344,301</b>

**Municipal Management Boards**

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

**Service Delivery Unit**

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

**Public Private Partnerships**

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

161. Partnering with the private sector is the foundation of any successful large-scale development strategy. The shared nature of the global development challenges we face today calls for collective action that is inspired and shaped by the challenges and opportunities of the years ahead. Building vibrant and systematic partnerships with the private sector is a vital prerequisite for the successful implementation of a transformative agenda to accelerate poverty reduction and sustainable development in the post-2015 era.

**The future steps**

162. Future investments should be geared towards supporting the SDGs. In addition to eliminating poverty, the new framework addresses the drivers of change, such as economic growth, job creation, reduced inequality and innovation that makes better and more careful use of natural resources. Industry plays a prominent role in advancing all these drivers.

163. The private sector is not only a source of financing, but is also an actor in development. Its role, especially when motivated by long-term sustainability interests, lies in core operations and the wide impact of business, and relates directly to UN values, poverty eradication and the spectrum of issue areas covered by the proposed SDGs. This dynamic role as a driver of sustainable economic growth brings with it opportunities in value creation as well as important responsibilities for business as a driver of sustainable economic growth.

164. More and more governments and businesses are incorporating social and environmental sustainability criteria in core business operations. This will remain a key challenge and opportunity for the SDGs development era. Very sophisticated and transparent techniques are being developed to align corporate long-term goals with global sustainability goals.

165. Partnerships are expected to play a key role in the implementation of the future SDGs. In this regard, it is important to recognize that partnerships come in a wide variety of shapes and sizes, and operate at all levels, from local to global. Transparency, trust and dialogue are extremely important to achieve a successful partnership. Partners must also show what they expect in return and make their own objectives clear within the partnership.

166. The most direct route to innovation, technological advances and productive capacity is through a healthy, engaged industrial sector. There is strong need for an inclusive discussion format, involving business in the county development plans. Multi-sector initiatives involving engaged business, such as United Nations Global Compact's Local Networks or the UNIDO Green Industry Platform, among others, could support this trend.

### **Disaster Risk Reduction**

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

### **Resource Sharing Guidelines**

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

- i. Non-discretionary expenditures; this takes first charge and includes payment of statutory obligations such as salaries, pension and others. These expenditures are projected to account for about 43.22 per cent of the Budget.

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

**Urban Development Strategy**

169. The future prosperity of the county will be supported by viable and sustainable network of urban areas and towns. Over the medium term, the urban management boards/ committees will be empowered through urban plans and budgets to progressively realize the urban development strategy. Focus will be placed on the following urban areas; Bungoma, Webuye, Kimilili, Sirisia, Malakisi, Tongaren, Lwakhakha, Chwele, Cheptais, Bumula, Brigadier and Kapsokwony.

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

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

Urban Development Outcomes	Related Outputs
1.Improved Quality of life and development-driven resilience for all	<ul style="list-style-type: none"> <li>• Reduced poverty and dependency</li> <li>• Food security that is both improved and safe-guarded</li> </ul>

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

ANNEXES

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

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

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

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

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

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

**Recurrent Allocation**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

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

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

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

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

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

**Development Allocation**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

**BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019**

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

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

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

**Annex 4: Sector Priorities**

SUB SECTOR	NAME OF PROGRAMME	DEVELOPMENT PROJECT	ESTIMATED COST	
<b>AGRICULTURE, RURAL AND URBAN DEVELOPMENT</b>				
Agriculture	Crop development and management	Establishment of Chwele Agribusiness Zone – Modernization of Chwele Market	200,000,000.00	
		Farm Input Support - Fertilizer and Seed, Crop protection chemicals	320,000,000.00	
		Promotion of cassava production	10,000,000.00	
		Promotion of sweet potato production	10,000,000.00	
		Promotion of sorghum production	8,000,000.00	
		Establishment of tea nurseries	7,000,000.00	
		Integrated Information Management System/E-extension system	5,000,000.00	
		Development of ASK Show Ground in Sang'alo	14,000,000.00	
		Development of small holder Irrigation Projects	75,000,000.00	
		Rehabilitation of small dams	14,000,000.00	
		Promotion of drip irrigation	7,000,000.00	
		Institutional development and management:	<b>Mabanga ATC</b>	
	Development and stocking of farm structures and demonstration plots for various crops		16,500,000.00	
	Construction/rehabilitation of school buildings, houses and other related infrastructure		17,890,000.00	
	Construction of a perimeter fence for the institution		20,000,000.00	
	Development of water piping system		7,500,000.00	
	Development of roads and a parking bay at the institution		15,000,000.00	
	Installation of security lights at the institution		9,000,000.00	
	Equipping of the institution - Kitchen, hostels, classrooms, office		13,500,000.00	
	Purchase of Farm Machinery and implements		15,000,000.00	
	Purchase of Institutional Bus		15,000,000.00	

		<b>Agricultural Mechanization Centre (AMC)</b>	
		Purchase of agricultural machinery i.e tractors, tractor implements, Other machinery	75,000,000.00
		Construction of Workshop and Machinery Shed	18,000,000.00
		Upgrading of Mobile soil testing laboratory	15,000,000.00
		Purchase of soil testing and analysis scanners	7,000,000.00
		<b>Chwele Fish Farm</b>	
		Stocking of Fish ponds	19,500,000.00
		Rehabilitation of ponds	12,500,000.00
		Construction of catering facility, hostel and training hall	45,000,000.00
		Equipping of the institution	13,500,000.00
		Construction of ablution block	6,500,000.00
Livestock	Livestock development and management	Operationalization of Chwele Chicken Slaughter House - operationalize the factory, Poultry input support	45,000,000.00
		Establishment of a Milk processing plant	198,000,000.00
		Renovation of Cooler Houses and Installation of coolers	12,000,000.00
		Renovation of Community Cattle Dips	18,000,000.00
		Construction/Rehabilitation of slaughterhouses and slaughter slubs	28,000,000.00
		Renovation of Auction Rings across the County	45,000,000.00
		AI Subsidy Programme	10,000,000.00
		Establishment of AI Centre in Mabanga ATC	15,000,000.00
		Promotion of pasture production - input support	8,000,000.00
		Leather Development	28,000,000.00
		Establishment of diagnostic lab for veterinary services	12,000,000.00
		Promotion of honey production	13,000,000.00
Fisheries and Blue Economy	Fisheries development and management	Aquaculture Input support - pond-liners, cages, fingerlings, gill nets, seine nets and fish feeds	45,000,000.00
		Support operationalization of community feed mills	18,000,000.00

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		Develop fish trading/marketing infrastructure	54,000,000.00
Lands and Physical Planning	Land resource Development and Management	Land Acquisition	100M
		Survey of Government land	9M
		Quality control of survey activities	1M
	County Physical Planning and infrastructure development	Storm water Drainage	10M
		Construction and rehabilitation of Auction rings	45M
		Integrated developments plans prepared for urban centers	9M
		Prepare development control tools	1M
<b>ENERGY, INFRASTRUCTURE AND ICT</b>			
Transport	Roads Development and Maintenance	Upgrading of Kanduyi – Musikoma to Dual Carriage way	1,382,442,975.76
		Upgrading of Misikhu – Brigadier Road to Bitumen	744,000,000.00
		Maintenance of Rural roads (RMLF, CEF, MTF, Gravel pits, Internal machinery)	1,437,000,000.00
		Maintenance of urban roads	100,000,000.00
		Construction of Bridges and Box Culverts	138,000,000.00
		Upgrading of Kimaeti – Sango Road to Bitumen	520,000,000.00
		Construction of Mechanical Workshop	50,000,000.00
	Public Safety and Transport Operations	Construction of fire station at Kapsokwony	20,000,000.00
		Construction of Pedestrian walkways	6,000,000.00
		Transformation of black spots to white spots	4,000,000.00
		Acquisition of fire engines and Ambulances	49,000,000.00
		Installation and repair of fire hydrants	5,000,000.00
		Construction of slip lanes	12,000,000.00
Building standards and Other Civil Works	Equipping of material testing lab	5,000,000.00	
Energy	Energy development	Installation of streetlights across the county	40,000,000
		Develop Energy Master Plan	4,000,000
		Undertake Energy Audit	4,000,000

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		Develop biogas demonstration units	20,000,000
Housing and Urban Development	Housing Development and Management	Housing Development	10B
		Estate management	12M
	Housing Financing and developer services	Identification of rights and secure land Bank	10M
		Affordable Housing Technology Centers	90M
	Coordination of the BIG 4 Targets of Affordable Housing	PPP for Affordable Housing	500M
		Affordable Housing Technologies	90M
	Sanitation management	Construction of Modern Sanitation Block in all the ten sub county headquarters.	50,000,000.00
		Rehabilitation of 5 KM sewer lines (Bungoma Drivers quarters and construct septic tank Webuye County Hospital).	30,000,000.00
		Procure Waste water exhauster	30,000,000.00
	<b>GENERAL ECONOMIC AND COMMERCIAL AFFAIRS</b>		
Industry	Industrial development	Development of Webuye Industrial Park	2 Billion
		Revive Cottage Industries (operationalize MSMIs)	30,000,000
Trade	Market Infrastructure Development, Management and maintenance	Development of Tier One Market	250,000,000
		Development of Markets Sheds and Stalls	50,000,000
	Trade and Enterprise Development	Disburse loan to traders	50,000,000
		Review of the County Trade loan scheme	3,000,000
		Develop Business Information Centres	50,500,000
		Capacity Building of entrepreneurs and linking them to potential partners	5,000,000
		Construct a meteorology lab	100,000,000
		Sensitize the community on fair trade practices	3,000,000
		Calibrate working standards and Inspector's testing equipment	2,500,000
		Verify and stamp weighing and measuring equipment	2,500,000

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Cooperatives	Cooperatives development and management	Farm Input Support to Farmer Cooperative Societies - Fertilizer and Seeds	54,000,000.00
		Operationalization of coffee milling plants at Musese and Chesikaki	15,000,000.00
		Establishment of Coffee Nurseries for Farmer Cooperative Societies	7,500,000.00
		Purchase of coffee seedlings	18,000,000.00
		Infrastructural Support - Construction of a coffee bean store at Chesikaki Coffee Mill, Rehabilitation of coffee factories, Purchase of coffee roasters for coffee mills, Establish coffee drying tables for coffee societies, Construct 9 milk cooler houses, Purchase disk pulp machines for 4 coffee societies	97,678,000.00
		Support Income generating activities - Promotion of Macadamia Production, avocado production for export	9,500,000.00
		Bungoma Coffee Branding and Marketing	12,000,000.00
Tourism	Tourist Product Development and Marketing	Construction of Kaberwa park Gate	5,000,000
		Development of tourist attraction sites	10,500,000
		Purchase of land for strategic tourist site development	5,000,000
		Tourism events- Mt Elgon Jumbo Charge & Miss Tourism	10,000,000
<b>HEALTH</b>			
Health	Curative and rehabilitative programme	Construction and equipping of Blood Donor Center	15,000,000.00
		Construction and equipping of ICU, Eye and ENT unit at BCRH	50,000,000.00
		Equipping of Bumula hospital theatre	20,000,000.00
		Construction of Maternity, ward at Sinoko Sub County Hospital	15,000,000.00
		Equipping of the Casualty department at BCRH	50,000,000.00
		Equipping of the male ward at Kimilili Sub County Hospital	10,000,000.00

		Renovation of Bungoma and Webuye hospital mortuaries	20,000,000.00
		Procurement of a Hearse	7,000,000.00
		Renovation of Mechimeru Health Centre (HC), Milo HC, Makhonge HC, Ndalul HC, Tongaren HC, Siboti HC, Nasusi, Mihuu, Kabula, Karima dispensaries and Sinoko Sub County Hospital	15,000,000.00
		Procurement of Chemistry Hematology Analyzers( Cheptais, Sinoko & Mt. Elgon) Laboratory Fridges(Naitiri, Cheptais, Sinoko),and Centrifuges for sub County hospitals.	10,000,000.00
	Preventive and Promotive Health Services	Construction of Isolation Ward at Webuye County Hospital	20,000,000.00
	Reproductive, Maternal, new-born and Adolescent Health	Construction of a 300 Bed capacity Maternal and Child Health Unit at Bungoma County Referral Hospital (BCRH)	245,000,000.00
		Construction of a Maternal and Child Health Unit at Sirisia Sub County Hospital	80,000,000.00
<b>EDUCATION</b>			
Education	Vocational education and training	Equipping of VTC with modern tools and equipment	5,100,000
		Erection and completion of workshops and perimeter wall at Muteremko VTC	15,000,000
		Erection and completion of dormitory and workshops at Wekelekha VTC	12,000,000
		Erection and completion of workshops and classrooms at Matulo VTC	10,651,625
		Tuition fee subsidy for VTC Trainees (1,779)	26,685,000
		Quality assurance field surveys	2,000,000
		VTC power electricity connection	3,400,300
		Health and wellbeing week for VTC	2,200,000
		Co-curriculum events for VTC	2,164,000
		Extra-curriculum events for VTC	2,000,000

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		Rain water harvesting project	1,000,000
		e-VTC Student Education System	1,500,000
		VTC student welfare	1,779,000
		Landscaping for VTC	2,000,000
	Early childhood education	Procurement of learning materials for the pre-primary	10,500,000
		Capacity building of ECDE teachers on Competency based curriculum	1,200,000
		Immunization and vaccination of pre-primary pupils	2,000,000
		School feeding programme for the Pre-primary pupils	
		e-ECDE Education Information Management System	7,276,500
		ECDE power electricity connection	4,500,000
		Quality assurance field surveys	2,000,000
		Teacher Resource Management	1,000,000
		Teacher Resource Development	1,225,000
		ECDE power electricity connection	2,000,000
		Landscaping for ECDE	1,000,000
		Health and wellbeing ECDE	1,200,000
		Co-curriculum events for VTC and ECDE	1,600,000
		Extra-curriculum events for VTC and ECDE	1,000,000
		Assessment of pre-primary school teachers	1,000,000
		Teacher Resource Welfare	
		Training of officers / teachers at the Kenya School of Government on Senior Management Course	1,000,000
		Rain water harvesting project	1,000,000
	Education support programme	Bursaries and scholarships management	190,000,000
<b>PUBLIC ADMINISTRATION</b>			
Gender	Gender Equality and Empowerment of Vulnerable Groups	Gender Empowerment and Leadership Academy	Ksh. 1 Billion
<b>RECREATION, CULTURE AND SOCIAL PROTECTION</b>			
Sports Development		Construction of Phase II High Altitude Centre	Ksh. 20 Million

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	Sports Facility development and management	Modernization of Masinde Muliro Stadium	Ksh. 900 Million
		2 Youth centres	Kshs 10 million
		5 sub-county stadia	Kshs 50 million
Arts and Culture	Cultural Development and Management	10 cultural shrines	Kshs 10 Million
		Bomas of Bungoma	Ksh. 1.5 Billion
<b>ENVIRONMENT PROTECTION, WATER AND NATURAL RESOURCES</b>			
Water	Water and Sewerage Services Management	Projects prefeasibility, Engineering designs plans	15,000,000
		Chesikaki - Malakisi Pipeline Extension	20,000,000
		Terem - Chwele Water Project (KOICA 1)	20,000,000
		Chepyuk-Chwele- Kibabii(KOICA 2)	20,000,000
		kamarang water project	20,000,000
		Sitikho Water Project	10,000,000
		Monitoring and Evaluation	5,000,000
		Purchase of drilling rig and test pumping kit	80,000,000
		Purchase of vehicles (Track for Rig)	8,000,000
		Purchase of water bowser	20,000,000
	Natural Resources Management	Greening services	87,200,000
	Integrated Solid Waste Management	Waste collection and disposal	178,500,000
		Dumpsite management	50,000,000
		3 in 1 litter bins	5,000,000
		Opening and cleaning of drainages and culverts	11,500,000
Environment	Environment Protection and Conservation	Urban monthly clean ups	5,000,000
		River cleaning and rehabilitation of riparian sites	5,250,000
		Recreation and Urban landscaping , beautification	4,500,000

## **Annex 5: Revenue Enhancement Measures**

### **Land Rates**

- i. Waiver of Land Rates Penalties
- ii. First track the county valuation roll
- iii. First track the county Rating Act
- iv. Lands office to reconcile rates records
- v. Sue rates defaulters for recovery
- vi. Repossess plots in default – over 3 yrs

### **Trade Licenses**

1. Proposed requirement for county trade license:
  - i. Food hygiene license
  - ii. Alcoholic drinks license
  - iii. Rates clearance certificate
  - iv. Temporary occupier license (for stalls along road reserves)
2. All county suppliers to acquire county trade licenses

### **County Houses and Stall Rent**

- i. All county house occupants to sign tenancy agreements
- ii. Evict defaulters of county houses and stalls
- iii. Housing to develop a housing policy

### **Enforcement and Compliance**

- i. Set up a Special revenue enforcement wing
- ii. First track the Inspectorate and Enforcement Bill
- iii. Payroll recovery for county officials who default payment of county taxes
- iv. Introduce county tax compliance certificate

### **Plan Approval**

- i. Enact the Construction and Development Bill
- ii. Conduct survey of all construction sites with a view of enforcing 100% payment of approval fees

### **Health**

- i. Facility medical superintends to be appointed receivers of revenue

- ii. All health fees and charges to be banked to the county revenue fund. Sec 109 of PFM
- iii. Develop an ERP Linking all health facilities

**Parking**

- i. The county to ensure parking spaces are duly marked in all urban areas and markets
- ii. Additional parking spaces created by upgrading backstreets to bitumen standards
- iii. Encourage private sector participation in provision of parking spaces
- iv. Review the preferential issuance of parking stickers to county/assembly staff

**Veterinary services**

- i. Enact animal control and welfare Bill
- ii. Future Closure of auction rings and slaughter houses to be approved by the cabinet
- iii. Veterinary department to be responsible for infrastructure of slaughter houses

**Alcoholic Drinks Control License**

- i. First track alcoholic drinks control regulations
- ii. Appoint county and sub county liquor license committees

**Cess**

- i. Constitute county cess committee
- ii. Require trucks delivering cereals to NCPB to pay at the entry

**Public Health**

- i. First track the Public Health and Sanitation Bill
- ii. Conduct a survey of all public facilities and amenities to certify compliance with public health laws
- iii. Provide flexible modalities of remittance including bank accounts and mobile cash transfer services