



COUNTY GOVERNMENT OF NYAMIRA

COUNTY BUDGET REVIEW AND OUTLOOK PAPER FOR 2021/2022 FINANCIAL YEAR

September 2022

FORWARD

The County Budget Review and Outlook Paper (CBROP) 2022 has been prepared in line with the Constitution of Kenya 2010 and Section 118 of the PFM Act, 2012. It presents the fiscal performance for 2021/2022 Financial Year and the outlook in the medium-term period. The updated macroeconomic outlook provides a basis to revise the 2022/2023 budget in the context of the supplementary estimates, as well as setting out the broad fiscal parameters for the next medium-term framework budget.

In terms of resources mobilization, the county realized Kshs. 6,551,246,492, against a target of Kshs.6,832,617,659 in 2021/2022. This included locally generated revenue amounting to Kshs.166,905,985 a decrease from Kshs. 168,276,586 raised in 2020/2021. Despite the bad performance in local revenue generation, it still fell short of the Kshs. 128,094, targets for the year. A number of measures have been put in place in order to address challenges of local revenue including automation of revenue collection as well as review of the Finance Act.

On expenditure, the County absorbed Ksh.5,840,953,919 against a target of Kshs. 6,832,617,659. The actual expenditure comprised of Ksh.1,284,464,422 and Ksh.4,556,489,494 as development and recurrent expenditures respectively and represented an absorption rate of 63% for development while recurrent absorption rate was 95%. This is a challenge that will be addressed by ensuring timely procurement and strengthening monitoring of progress of development projects.

The County priority in the medium-term is completion of ongoing development projects. For new projects emphasis will be alignment to the objectives of the Nyamira County “Big Four” Agenda which include infrastructure; health care; food security and agriculture; and water and environment. Emerging issues like climate change and mitigation effect of the Covid 19 will also be mainstreamed in the activities of the various sectors.

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The County Treasury supported the development of the CBROP through provision of relevant financial information. I am indebted to H.E. the Governor and the County Executive Committee Member for Finance, ICT and Economic Planning for providing leadership and support during the process.

I further wish to recognize the contribution made by the staff of the Directorate of Economic Planning by providing technical expertise in preparation and the compilation of the document. The directorate put in enormous effort towards the preparation of the report.

Finally, I wish to thank anybody who contributed in one way or another ensuring the realization of this document.

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LIST OF ABBREVIATIONS AND ACRONYMS

ASDSP	Agricultural Sector Development Support Programme
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CBROP	County Budget Review and Outlook Paper
CEC	County Executive Committee
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
ECDE	Early Childhood Development Education
FY	Financial Year
GCP	Gross County Product
GDP	Gross Domestic Product
GVA	Gross Value Added
HE	His Excellency
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
KDSP	Kenya Devolution Support Programme
KRA	Kenya Revenue Authority
KUSP	Kenya Urban Support Programme
LPG	Liquid Petroleum Gas
LREB	Lake Region Economic Block
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
NAGRIP	National Agricultural and Rural Inclusive Growth Project
NFNF	Non-Food Non-Fuel
NHIF	National Health Insurance Fund
NITA	National Industrial Training Authority
NSSF	National Social Security Fund
PFM	Public Finance Management
RMLF	Road Maintenance Levy Fund
SBP	Single Business Permit
THS-UC	Transforming Healthcare System – Universal Care
WB-UDG	World Bank – Urban Development Grant

CHAPTER ONE

1.0 INTRODUCTION

This chapter gives a brief overview of the County. It explains in details the background information, the County Budget Review Outlook Paper at a glance and the financial fiscal responsibility principles.

1.1 BACKGROUND INFORMATION

1.1.1 County Overview

Situated in the Western part of Kenya, Nyamira County has since evolved from different administrative creations and boundaries since independence. It is indeed formed part of one of the division of the larger Kisii district way back in 1970s. In 1987, the Nyamira as a divisional boundary was created a district which has since existed with four constituencies. The coming of the devolution in 2013, Nyamira forms part of the 47 County Governments with one extra Constituency created and 20 electoral wards. The Gusii Community predominantly occupies the county, however, the northern and eastern parts of the County has got some different ethnic significance being Luos and Kipsigis respectively. Agriculture is the County's economic backbone where 90% of its population is dependent on agricultural production and marketing directly and indirectly. It supports 80% of total employment opportunities in the county

1.1.2 County Position and size

Nyamira County is one of the forty seven Counties in Kenya. The County borders Homabay County to the north, Kisii County to the west, Bomet County to the south east and Kericho County to the east. The County covers an area of 899.4km². It lies between latitude 00 30' and 00 45' south and between longitude 340 45' and 350 00' east. The County neither borders any international County nor does it have any major water bodies.

1.1.3 Physical and Natural Conditions

The County's topography is mostly hilly "*Gusii highlands*". The Kiabonyoru, Nyabisimba, Nkoora, Kemasare hills and the Manga ridge are the most predominant features in the county. The two topographic zones in the county lie between 1,250 m and 2,100 m above the sea level. The low zones comprise of swampy, wetlands and valley bottoms while the upper zones are dominated by the hills. The County is divided into two major agro-ecological zones. The highland (LH1 and LH2) covers 82 per cent of the County while the upper midland zone (UM1, UM2 and UM3) covers the remaining 18 per cent. The county has a bimodal pattern of annual

rainfall that is well distributed, reliable and adequate for a wide range of crops. Annual rainfall ranges between 1200 mm-2100 mm per annum. The maximum day and minimum night temperatures are normally between 28.7°C and 10.1°C respectively, resulting to an average normal temperature of 19.4°C which is favourable for both agricultural and livestock production.

1.1.4 Administrative and Political Units

The National and the County governments are a creation of the Constitution of Kenya 2010. Administratively both the governments are divided into 5 sub-counties. Under the national government, the County is further divided into 14 divisions with 53 locations, 115 sub locations and 1,555 villages while the County government has got its administrative units further divided into 20 wards. Politically, the County is an electoral unit with one elected Governor and his deputy being the Chief executive of the County Government. There are six elected Members of the National Assembly, Four representing the County's four constituencies. The other two elected members represent the County at the senate and as women representative. The County also has twenty County Assembly Wards represented by the Members of the County Assembly.

1.1.5 Demographic Features

Using the 2009 Population and Housing Census report, the inter census population growth rate is estimated at 1.83 percent annually which is below the national growth rate at 3 percent. Based on this therefore, the population was projected to 731,368 with males being 350,918 and females being 380,450 during 2020. At the end of the 2022, the population is expected to increase to 758,381 with 363,879 and 394,502 being males and females respectively.

1.2 THE COUNTY BUDGET REVIEW OUTLOOK PAPER AT A GLANCE

1.2.1 Objective of the County Budget Review Outlook Paper

The objective of the County Budget Review and Outlook Paper (CBROP) is to offer insight of the previous fiscal performance and provide useful guidance on how this impacts the County fiscal responsibilities principles. It reviews performance of the immediate past year against the budget for the year. This year's CBROP analyses the actual fiscal performance for 2021-2022 against the set budget for the same year. It looks at actual performance on the realization of objectives in the County Fiscal Strategy Paper (CFSP) for the same year.

The CBROP seeks to establish the deviation of actual fiscal performance from set financial objectives. It outlines the reasons why actual performance has deviated from the set financial

objectives included in the County Fiscal Strategy Paper for that year. In addition to establishing the deviation, it also comes up with a proposal to address the deviation and suggested time frame for bringing the tasks back to the objective path.

The CBROP discusses the recent economic and financial developments at national and county level. It illustrates the updated economic and financial forecasts giving appropriate evidence to show changes in comparison with the CFSP for that particular year. The current CBROP will continue to focus more on the sectoral priorities set out in the 2020 CFSP namely: -

- **Infrastructure development:** This will include interventions in roads, energy (street lighting) and ICT development.
- **Agriculture, rural and urban development:** Priority will be given to livestock, fisheries and agriculture, spatial planning and housing development.
- **Water and environment:** The priority will be given to spring protection, drilling of boreholes, wetlands conservation and promotion of bamboo tree planting.
- **Health:** Priorities in this sector will include funding healthcare infrastructure, communicable and non-communicable diseases and other medical supplies.
- **Social sector:** priority areas will be culture, sports, youth, security and opportunities for vulnerable members of our society.

1.2.2 Significance of the County Budget Review Outlook Paper

The CBROP ensures that the County Government reviews its previous year's performance. It also guarantees that the County Government makes forecasts based on both the County and the national economic outlook and their likely impact on the level of future revenues and prompts the County Government to set preliminary sector ceilings in light of this review of revenue.

1.2.3 Legal Basis for the CBROP

The Budget Review and Outlook Paper (CBROP) is prepared in accordance with Section 118 of the Public Finance Management (PFM) Act 2012. The law stipulates that:

- 1) A county Treasury shall;
 - (a) Prepare a CBROP in respect of the County for each year; and
 - (b) Submit the paper to the County Executive Committee (CEC) by 30th September of that year.
- 2) In preparing its CBROP, the County Treasury shall specify;
 - (a) The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year

- (b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP)
 - (c) Information on:
 - i. Any changes in the forecasts compared with the CFSP; or
 - ii. How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or financial objectives in the CFSP for that financial year; and
 - (d) Reasons for any deviation from the financial objectives in the CFSP together with proposals to address the deviation and the time estimated for doing so.
- 3) The CECM shall consider the CBROP with a view to approving it, with or without amendments, within fourteen days after its submission.
- 4) Not later than seven days after the CBROP is approved by the CECM, the County Treasury shall:
- (a) Arrange for the paper to be laid before the County Assembly; and
 - (b) As soon as practicable after having done so, publish and publicize the paper.

1.3 FINANCIAL FISCAL RESPONSIBILITY PRINCIPLES

In line with the Constitution of Kenya 2010, the PFM Act, 2012 sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. Section 107 of the PFM Act, 2012 states that: The County Government's recurrent expenditure shall not exceed the County Government's total revenue;

- 1) Over the medium term, a minimum of thirty (30) per cent of the County Government's budget shall be allocated to the development expenditure;
- 2) The county Government's expenditure on wages shall not exceed a percentage of the County Government's total revenue as prescribed by the County Executive Member for Finance in regulations and approved by the County Assembly;
- 3) Over the medium term, the Government's borrowing shall be used only for purpose of financing development expenditure and not for recurrent expenditure;
- 4) The County debt shall be maintained at a sustainable level as approved by County Assembly;
- 5) The fiscal risks shall be managed prudently; and

A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

CHAPTER TWO

2.0 REVIEW OF COUNTY FISCAL PERFORMANCE IN 2021/2022

2.1 OVERVIEW

In the 2021/2022 Financial Year, the County resource envelope was Ksh. 6,832,617,659 consisting of equitable share from the national government, unspent balances from 2020/2021 financial year, conditional grants from development partners and locally generated revenue.

Compared to the previous years, locally generated revenue performed poor. In the FY 2018/2019, the County managed to raise Ksh, 165,447,570, collected Ksh.187,324,098 in 2019/2020, managed to collect Ksh. 168,276,586 in 2020/2021 and 166,905,985 in 2021/2022. The county local revenue annual target for the year under review was Ksh.295,000,000 and thus the performance was rated at 57%.

The total expenditure target during the same period was estimated at Ksh. 6,832,617,659, where Ksh.4,778,832,360 was recurrent and Ksh. 2,053,785,299 was development. The actualised total expenditure was Ksh. 5,840,953,919, comprising of Ksh. 4,556,489,497 recurrent and Ksh.1,284,464,422 development. Cumulatively, the total budget absorption rate was 79%, where development performance was 63% and recurrent at 925%.

2.2 DEVELOPMENT OBJECTIVES 2021/2022

In attaining the development objectives of the FY 2021/2022, prioritization of interventions and resource allocation was based on the County Integrated Development Plan 2018-2022, Annual development plan 2021/2022, County Fiscal Strategy Paper 2021 and the departmental strategic plans 2018-2022. The objectives seek to achieve the following;

- Infrastructure development through road opening, upgrading, maintaining and generally enhance road connectivity
- Agriculture, rural and urban development through extension services, commercialized farming and provision of subsidized farm inputs
- Water and environmental conservation through development and promotion of water supply schemes and pro-environmental preservation initiatives
- Healthy population through improvement of health infrastructure and enhancing of preventive and curative initiatives

- Social sector development through improvement of youth polytechnics, ECDE and sports infrastructure and service delivery.

2.3 FISCAL PERFORMANCE FOR 2021/2022

This section gives detailed analysis of revenue and expenditure performance.

2.3.1 REVENUE PERFORMANCE ANALYSIS 2021/2022

The total target revenue for the financial year 2021/2022 was Ksh. 6,832,617,659 against actual revenue of Ksh.6,550,246,492. The revenues included the unspent balances carried forward from the financial year 2020/2021.

The overall deviation of the actual revenue from the targeted estimates amounted to Ksh. 282,371,167 representing -4% of the budget. The highest deviation was occasioned by grants that were partially received such as DANIDA, World Bank Loan for National and Rural inclusive growth project (NARIGP), Agricultural Sector Development Support Programme II and World Bank grant (THSUC) at Ksh. 154, 277,152 including the Kenya Second Informal Settlement Improvement (KISIP 2) which was not received at all. The other notable deviation was witnessed in Own Source Revenue at Ksh.128,094,015, a situation that was accelerated by the Challenges as explained in part 2.3.3 of this Chapter.

The revenue breakdown is as detailed in table 1 below:

Table 1: Revenue outturn in 2021/2022 Financial Year

GFS CODING	REVENUE SOURCES	BUDGET ESTIMATE	ACTUAL RECEIPTS	REVENUE PERFORMANCE	REVENUE SHORTFALL	BUDGET	ACTUAL	PERFORMANCE (%)	REVENUE SHORTFALL
		2020/2021	2020/2021	2020/2021	2020/201	2021/2022	2021/2022	2021/2022	2021/2022
9910201	Equitable share	4,810,800,000	4,810,800,000	100%	0	5,135,340,036	5,135,340,036	100	0
Various	Unspent Balances	855,779,664	855,779,664	100%	0	838,910,105	838,910,105	100	0
Various	Own Source Revenue	250,000,000	168,276,586	67%	-81,723,414	295,000,000	166,905,985	57	-128,094,015
	Sub- Total	5,916,579,664	5,834,856,250	99%	-81,723,414	6,269,250,141	6,141,156,126	98	-128,094,015
ADDITIONAL TRANSFERS FROM NATIONAL GOVERNMENT									
1330301	Development of youth polytechnics Grant	60,409,894	60,409,894	100%	0	0	0	0	0
1330404	Compensation user fee forgone	13,175,221	13,175,221	100%	0	0	0	0	0
3111504	Roads maintenance levy fund	146,215,617	146,215,617	100%	0	0	0	0	0
	TOTAL	219,800,732	219,800,732	100%	0	0	0	0	0
CAPITAL GRANTS FROM DEVELOPMENT PARTNERS									
1320101	World Bank for Loan for National and Rural Inclusive growth project	198,509,110	175,682,713	89%	-22,826,397	275,417,324	194,525,453	71	-80,891,871
1320101	World Bank grant (THSUC)	278,847,760	278,585,188	100%	-262,572	90,226,074	76,304,392	85	-13,921,682
1540701	DANIDA	13,680,000	13,680,000	100%	0	10,659,000	5,329,500	50	-5,329,500
1320101	Agricultural Support Development Support Programme II	13,125,036	12,625,861	96%	-499,175	24,250,072	20,115,973	83	-4,134,099
1540701	Kenya Devolution Support Program Level II	0	0	0	0	112,815,048	112,815,048	100	0
1540701	Kenya Second Informal Settlement Improvement (KISIP 2)	0	0	0	0	50,000,000	0	0	-50,000,000
1320101	Kenya Urban Support Programme (KUSP UDG)	114,705,300	30,479,584	27%	-84,225,716	0	0	0	0
1320101	World Bank grant (KDSP) I	45,000,000	45,000,000	100%	0	0	0	0	0
	Sub-total	663,867,206	556,053,346	84%	-107,813,860	563,367,518	409,090,366	73	-154,277,152
	TOTAL REVENUE	6,800,247,602	6,610,710,328	97%	-189,537,274	6,832,617,659	6,550,246,492	96	-282,371,167

Source: Nyamira County Treasury 2022

2.3.1.1 Unspent Balances

The unspent balances included in the 2021/2022 financial year budget were the opening balances of the 2020/2021 financial year. The amount was then realised to attune of 100%. The opening balances comprised of the conditional grants from the CRF account, The Conditional Grants from the special purpose accounts and the exchequer releases which were then attached to pending bills and obligations appropriated in the First Supplementary Budget 2021/2022. Table 3 shows details of unspent balances.

2.3.1.2 Equitable share

The performance of the expected equitable share was satisfactorily perfect to 100%. However it is important to note that the exchequer release for the last parchment amounting to an estimated amount of Ksh.410 Million was later received in July 2022. The late exchequer release of the month of June has been a trend from the National Treasury and has always affected the County Government operations as well as led to accumulated pending bills. The late received cash will therefore be an opening balance to be used to pay pending bills after the verification by the pending bills committee. This shall then be reconciled at the First Supplementary Budget 2022/2023.

2.3.1.3 Capital Grants from Development partners

The performance of the Capital grants was averagely received at 73% a decrease from 84% the previous year. This signifies a revenue shortfall at 27% which should then be reconciled as opening balances to be appropriated in the First Supplementary Budget for The F/Y 2022/2023. The concerned departments should then follow up the shortfalls in these line conditional grants with the Donors to ensure that the balances are availed as appropriated in the previous budget and the CARA 2022. It is Important to note that Ksh. 13,921,682 meant for World Bank grant (THSUC) was not received as expected as this was a penalty imposed to the County due to non-compliance in transfer of the money to the special purpose account. This implies that the County therefore need to follow up on the Ksh. 140,355,470 from the respective Donors as explained table 1 above.

2.3.1.4 Local revenue

A total of Ksh. 166,905,985 was realised against a target of Ksh.295,000,000, indicating a performance of 57%. This is decrease from the previous performance of 67% in the financial year 2020/2021 at Ksh. 168,276,586. Local Revenue has been ranging between Ksh. 165 million to 187 million over the periods reviewed since 2018/2019 to date, it is there important to note that the county need to focus on the realistic forecast for local revenue sources to avoid revenue shortfalls.

2.3.2 DETAILS OF PERFORMANCE OF LOCAL REVENUE

The total local revenue realized in the 2021/2022 financial year was Ksh.166,905,985 against a target of Ksh. 295,000,000, representing a 57% performance rate. Table 2 bellow shows details of local revenue performance 2021/2022.

Table 2: Local Revenue performance analysis

GFS CODES	REVENUE SOURCES	BUDGET	ACTUAL	SHORTFALL/ SURPLUS	ACTUAL	BUDGET	SHORTFALL /SURPLUS
		2020/2021	2020/2021	2020/2021	2021/2022	2021/2022	2021/2022
DEPARTMENT OF FINANCE, ICT AND ECONOMIC PLANNING							
1420404	Matatu stickers & reg fee	0	7,623,150	7,623,150	9,269,780	854,887	8,414,893
1590132	General Services	154,357	6,494,526	6,340,169	79,315	505,520	-426,205
1590132	Imprest Surrender	0	149,561	149,561	86,098	0	86,098
1590132	Administrative Fee	0	0	0	0	0	0
	Sub totals	154,357	14,267,237	14,112,880	15,636,274	1,360,407	14,275,867
DEPARTMENT OF LANDS,HOUSING AND URBAN DEVELOPMENT							
1550105	Market stall Rent	1,520,904	901,505	-619,399	571,814	508,237	63,577
1550211	Daily Parking	15,009,614	3,642,950	-11,366,664	4,929,681	10,644,763	-5,715,082
1590111	Build Plan &Approval	827,846	2,657,800	1,829,954	2,653,500	5,114,953	-2,461,453
1550102	I/Plot Rent	503,384	262,780	(240,604)	177,860	30,979	146,881
1550102	Plot Rent	736,104	1,476,539	740,435	983,561	161,430	822,131
1590102	Lands &Survey	421,608	615,180	193,572	378,000	405,116	-27,116
1420102	Phys Planning	1,001,703	2,625,770	1,624,067	2,426,988	4,281,967	-1,854,979
1520101	Land Rates	26,733,586	11,391,140	-15,342,446	12,321,770	20,510,952	-8,189,182
1590132	Advertisement Charges	19,624,962	7,669,245	-11,955,717	7,188,795	0.00	7,188,795
	Sub totals	49,849,193	26,698,454	-23,150,739	32,469,368	41,658,397	-9,189,029
DEPARTMENT OF WATER, ENVIRONMENT, MINING AND NATURAL RESOURCES							
1420403	Water, sanitation and irrigation fees	5,356,108	32,640	-5,323,468	128,400	5,529	122,871
1530302	Building material cess	0	0	0	1,710,320	0.00	1,710,320
1590132	adverts/promotional fees	0	0	0	0	10,366,3340	-10,366,334
	Sub totals	5,356,108	32,640.00	-5,323,468	1,838,720	10,371,863	-8,533,143
DEPARTMENT OF GENDER,CULTURE,SPORTS DEVELOPMENT							
1140501	Liquor	20,985,405	1,420,000	-19,565,405	645,000	2,035,020	-1,390,020
1140801	Registration fees for social services/Renewal	0	1,000	1,000	14,600	0	14,600

	Sub totals	20,985,405	1,421,000	-19,564,405	659,600	2,035,020	-1,375,420
DEPARTMENT OF HEALTH SERVICES							
1580211	Public Health	17,000,000	2,201,980	-14,798,020	2,090,830	38,569,531	-36,478,701
1580211	Medical Services	58,273,640	78,881,226	20,607,586	79,189,658	123,834,801	-44,645,143
	Sub totals	75,273,640	81,083,206	5,809,566	81,280,488	162,404,332	-81,123,844
DEPARTMENT OF TRADE, TOURISM AND COOPERATIVES DEVELOPMENT							
1420405	Market Dues	10,276,339	5,974,090	-4,302,245	979,553	14,433,680	-13,454,127
1420328	S.B.P	31,781,378	23,886,399	-7,894,979	20,602,379	17,828,238	2,774,141
1420328	S.B.P Appl.	1,500,000	620,500	-879,500	433,600	6,333,389	-5,899,789
1530123	Trade, Wghts & Msrs	1,000,000	746,480	-253,520	609,520	511,342	98,178
	Sub totals	44,557,717	31,227,469	-13,330,244	28,485,101	39,106,649	-10,621,548
DEPARTMENT OF EDUCATION AND VOCATIONAL TRAINING							
1140801	SBP Private schools/vocational institutions	0	0	0	950,000	3,700,000	-2,750,000
1140801	App.fee for private schools/vocational institutions	0	0	0	0	300,000	-300,000
	Sub totals	0	0	0	950,000	4,000,000	-3,050,000
DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS							
1530521	Hire of Machinery & Eqpmt	20,542,702	49,340.00	-20,493,362	0	5,946	-5,946
159011	Public Works approvals	-	433,500	433,500	255,500	4,427,102	-4,171,602
	Sub totals	20,542,702	482,840	-20,059,862	255,500	4,433,048	-4,177,548
DEPARTMENT OF AGRICULTURE, LIVESTOCK AND FISHERIES DEVELOPMENT							
1520321	cattle movement permit	651,682	322,350	-329,332	298,095	219,705	78,390
1520321	Cattle Fee	1,913,347	1,020,400	-892,947	1,057,550	764,359	293,191
1450105	Slaughter Fee	69,716	24,800.00	-44,916	16,800	18,611	-1,811
1450105	Veterinary	1,251,140	1,186,035	-65,105	1,015,059	2,659,666	-1,644,607
1420345	Agricultural cess	11,754,050	5,817,200	-5,936,850	2,690,560	15,622,259	-12,931,699
1550121	fish permits	0	0.00	0.00	1,500	0	1,500
	Sub totals	15,639,935	8,370,785	-7,269,150	4,979,564	19,284,600	-14,305,036
DEPARTMENT OF PUBLIC SERVICE MANAGEMENT							

1550207	Storage charges, penalties, fines	59,487	19,800	-39,687	38,687	4,402,174	-4,440,861
1530203	Impounding charges	0	93,000	93,000	93,000	9,721,278	-9,628,278
1420404	Motor bike stickers	1,050,940	35,700	(1,015,240)	996,070	222,232	-1,218,302
	Sub totals	1,110,427	148,500	(961,927)	351,370	14,345,684	-13,994,314
	GRAND TOTALS	250,000,000	168,276,586	-81,723,414	166,905,985	295,000,000	-128,094,015

Source: County Treasury 2022

Table 3: Shows details of Cash Balances 2021/2022

	BUDGET	ACTUAL	SHORTFALL/ SURPLUS	BUDGET	ACTUAL	SHORTFALL /SURPLUS
	2020/2021	2020/2021	2020/2021	2021/2022	2021/2022	2021/2022
Conditional Grants in CRF Account						
Kenya Urban Support Programme – UDG	82,041,680	82,041,680	0	155,460,354	155,460,354	0
Kenya Devolution Support Programme	30,000,000	30,000,000	0	75,000,000	75,000,000	0
Road Maintenance Levy Fund (RMLF)	34,139,437	34,139,437	0	49,430,466	49,430,466	0
Health allowances grant (Covid)	46,800,000	46,800,000	0	0	0	0
Health grant towards Covid 19 (development)	59,702,000	59,702,000	0	0	0	0
DANIDA	5,320,000	5,320,000	0	0	0	0
DANIA (Health Grant)	0	0	0	0	0	0
Compensation user forgone	0	0	0	0	0	0
Sub Total	258,003,117	258,003,117	0	279,890,820	279,890,820	0
Conditional Grants in Special Purpose Account						0
Kenya Urban Support Programme (KUSP) UDG	87,275,470	87,275,470	0	0	0	0
Agricultural Sector Development Support Program (ASDSP)	16,598,645	16,598,645	0	180,000	180,000	0
Road Maintenance Levy Fund (RMLF)	21,183,904	21,183,904	0	0	0	0
Transformation of Health Services Universal Care (THSUC)	4,364,650	4,364,650	0	189,293,053	189,293,053	0
National Agricultural Rural Inclusive Growth Project (NARIGP)	40,057,501	40,057,501	0	733,967	733,967	0

Village Youth Polytechnics	67,422,399	67,422,399	0	934,041	934,041	0
Municipality KUSP UIG	12,860,019	12,860,019	0	1,356,842	1,356,842	0
Sub Total	249,762,588	249,762,588	0	192,497,903	192,497,903	0
Add the outstanding amount towards Kenya Urban Support Programme – UDG	32,663,620	32,663,620	0	0	0	0
Net balance (Exchequer) for pending bills, obligations and other key interventions	315,350,339	315,350,339	0	366,521,382	366,521,382	0
Total Opening Balances	855,779,664	855,779,664	0	838,910,105	838,910,105	0

Source: County Treasury 2022

2.3.3 REVENUE SHORTFALL CHALLENGES AND WAY FORWARD

The major revenue streams in the county are land rates, agricultural produce cess, single business permits, plot rents, and parking fee. Table 4 shows revenue challenges and way forward.

a) Land Rates

High default rates and weak enforcement mechanism led to low rates collection. The future implementation of the proposed rating bill 2019 will strengthen enforcement on rate collection while review of the valuation roll will widen the ratable properties. A high percentage of county residents who own land and are ratable are defaulters and this poses a risk to revenue collection. To encourage rate defaulters to pay land rates, the county will purpose to waive penalties.

b) Parking Fees

Lack of designated parking points coupled with weak enforcement made it difficult to enforce and collect parking fees. However, revenue is going to be improved since a parking bay has now been constructed in Nyamira Town and the enforcement personnel employed.

c) Building Permits

Non-disclosure and adherence of county building regulations, poor enforcement of building standards and regulations have led to low revenue collection from building development approval permits. There exist huge potential in this revenue stream. In order to realize this potential, mechanisms have now been put in place to ensure that revenue in this area is maximized.

d) Single Business Permit (SBP)

During the period 2021/22, collection from this stream was below target due to the following;

- Non- implementation of devolved functions collection laws e.g. Liquor
- Lack of updated business register

Table 2: Revenue challenges and way forward

No.	Challenges	Proposed Way Forward
1.	Political interference in the operations of markets	Management is continually cooperating with the business community the various departments concerned
2	Resistance from Boda Boda operators to pay taxes claiming that their demands have not been accomplished. This has persisted for the past 6 years.	Management has held consultative meetings with the BodaBoda leadership at the county and sub county levels. Currently the Boda Boda operators have started paying for the motorbike stickers .There will be enforcement to net on the defaulters.
3	Outdated county Valuation roll as the one in use covers only a few parcels of land. Further, it is an old (obsolete) roll inherited from former councils.	There is Budget allocation for county valuation roll in the current financial year, and the county property and rating Act is in draft form, it is being processed and will be submitted to the county assembly for approval.
4.	Inadequate education and awareness to our tax payers on the general importance of endeavoring to, not only paying taxes/levies but also making the same promptly.	We have decentralized revenue collection to departments with more emphasis on 6 key departments namely; Trade, Health, Lands & physical planning, Public service management, gender and agriculture. There has been ongoing sensitization through local radio stations, notices to the general public on need to pay taxes, cashless [payment modes and payment deadlines.
5.	Internet connectivity challenges	Management has engaged Safaricom Limited to provide internet services in the county which is more reliable. There has been continuous training of our revenue collectors through the department of ICT to ensure improved efficiency
7	Enforcement Challenges	Management is in consultation with the department of Legal services to work on the possibility of establishing county courts to improve on compliance since defaulters will be dealt with effectively without delay. Mapping of all structured revenue sources is currently ongoing. Continuous rotation of officers in revenue collection to ensure that officers do not overstay in same collection points.
8	Inadequate identification of revenue collectors	Management has changed identification for revenue collectors from the previous yellow overcoats to current red overcoats. All revenue collectors have identification Tags and are required to be properly identified while on duty.
9	Cash handling	Management is embracing the cashless revenue collection modes(MpesaPaybill,(004646) ,Mpesa Xpress, USSD 8856#, &Direct Bank Deposits This will minimize the risk associated with handling cash

Source: County Treasury 2022

2.4 EXPENDITURE ANALYSIS FOR FINANCIAL YEAR 2021/2022

2.4.1 Expenditure Performance

The target expenditure for 2021/2022 financial year was Ksh.6,832,617,659 comprising of Ksh. 4,778,832,360 (70%) and Ksh. 2,053,785,299 (30%) of recurrent and development expenditures respectively. The actual total expenditure during the same period was Ksh.5,840,953,919 comprising of Ksh.1,284,464,422 and Ksh.4,556,489,497 as development and recurrent expenditures respectively. Recurrent expenditures represented an absorption rate of 95% whereas development expenditures reported an absorption rate of 63%. The absorption rate of the entire budget was 85%. Comparably, the overall expenditure improved to 85% from 83% in 2020/2021. Remarkable improvement was made in recurrent expenditure than development that reduced from 65% to 63% from the previous Year.

The table 3 below presents departmental expenditure performance for the 2021/2022 financial year.

Table 3: Departmental Expenditure Performance for the period under review

Department	Details	Printed Estimates	Actual Expenditures	Performance	Deviation	Printed Estimates	Actual Expenditures	Performance	Deviation
		2020/2021	2020/2021	2020/2021	2020/2021	2021/2022	2021/2022	2020/2022	2021/2022
County Assembly	Recurrent	606,107,510	569,329,495	94%	-36,778,015	612,444,433	602,543,861	98%	-9,900,572
	Development	126,678,206	43,999,181	35%	-82,679,025	155,000,000	118,557,592	76%	-36,442,408
	Sub-total	732,785,716	613,328,676	84%	-119,457,040	767,444,433	721,101,453	94%	-46,342,980
Executive	Recurrent	469,162,525	384,862,174	82%	-84,300,351	452,162,325	410,111,180	91%	-42,051,145
	Development	0	0	0%	0	0	0	0%	0
	Sub-total	469,162,525	384,862,174	82%	-84,300,351	452,162,325	410,111,180	91%	-42,051,145
Finance and Economic Planning	Recurrent	473,081,943	389,142,789	82%	-83,939,154	422,059,383	369,438,580	88%	-52,620,803
	Development	24,969,149	24,335,634	97%	-633,515	199,442,099	52,750,510	26%	-146,691,589
	Sub-total	498,051,092	413,478,423	83%	-84,572,669	621,501,482	422,189,090	68%	-199,312,392
Agriculture Livestock and Fisheries	Recurrent	160,754,042	155,616,532	97%	-5,137,510	166,654,618	161,420,606	97%	-5,234,012
	Development	290,036,466	289,163,871	100%	-872,595	313,581,363	210,259,793	67%	-103,321,570
	Sub-total	450,790,508	444,780,403	99%	-6,010,105	480,235,981	371,680,399	77%	-108,555,582
Environment Water Energy & Mineral Resources	Recurrent	116,130,605	112,884,967	97%	-3,245,638	98,623,857	96,594,570	98%	-2,029,287
	Development	213,477,473	135,843,937	64%	-77,633,536	146,400,000	132,483,636	90%	-13,916,364
	Sub-total	329,608,078	248,728,904	75%	-80,879,174	245,023,857	229,078,206	93%	-15,945,651
Education and Vocational Training	Recurrent	317,462,238	297,077,313	94%	-20,384,925	481,834,399	477,465,864	99%	-4,368,535
	Development	191,566,245	173,471,592	91%	-18,094,653	15,134,041	15,071,786	100%	-62,255
	Sub-total	509,028,483	470,548,905	92%	-38,479,578	496,968,440	492,537,650	99%	-4,430,790
Health Services	Recurrent	1,757,994,705	1,678,378,343	95%	-79,616,362	1,778,990,120	1,712,510,904	96%	-66,479,216
	Development	351,815,497	155,128,377	44%	-196,687,120	520,136,871	369,760,271	71%	-150,376,600
	Sub-total	2,109,810,202	1,833,506,720	87%	-276,303,482	2,299,126,991	2,082,271,175	91%	-216,855,816
Lands Housing and Physical Planning	Recurrent	85,779,579	82,739,111	96%	-3,040,468	80,352,053	72,246,097	90%	-8,105,956
	Development	63,568,457	52,154,152	82%	-11,414,305	142,440,610	73,803,375	52%	-68,637,235
	Sub-total	149,348,036	134,893,263	90%	-14,454,773	222,792,663	146,049,472	66%	-76,743,191
Roads Transport and Public Works	Recurrent	138,198,631	123,199,712	89%	-14,998,919	126,310,808	118,293,801	94%	-8,017,007
	Development	476,967,698	365,963,049	77%	-111,004,649	259,400,244	201,354,659	78%	-58,045,585

	Sub-total	615,166,329	489,162,761	80%	-126,003,568	385,711,052	319,648,460	83%	-66,062,592
Trade, Tourism and Cooperative development	Recurrent	37,926,443	35,578,024	94%	-2,348,419	38,658,920	35,287,183	91%	-3,371,737
	Development	42,572,394	28,947,825	68%	-13,624,569	54,646,217	35,151,656	64%	-19,494,561
	Sub-total	80,498,837	64,525,849	80%	-15,972,988	93,305,137	70,438,839	75%	-22,866,298
Gender Youth and Social services	Recurrent	64,192,220	52,265,245	81%	-11,926,975	56,865,878	52,530,383	92%	-4,335,495
	Development	35,107,032	47,838,930	136%	12,731,898	54,143,500	30,097,534	56%	-24,045,966
	Sub-total	99,299,252	100,104,175	101%	804,923	111,009,378	82,627,917	74%	-28,381,461
Public Service Board	Recurrent	66,113,090	57,473,286	87%	-8,639,804	66,113,290	55,586,738	84%	-10,526,552
	Development	0	0	0%	0	0	0	0%	0
	Sub-total	66,113,090	57,473,286	87%	-8,639,804	66,113,290	55,586,738	84%	-10,526,552
Public Service Management	Recurrent	308,395,321	287,896,018	93%	-20,499,303	350,566,306	346,718,253	99%	-3,848,053
	Development	0	0	0%	0	30,000,000	5,126,336	17%	-24,873,664
	Sub-total	308,395,321	287,896,018	93%	-20,499,303	380,566,306	351,844,589	92%	-28,721,717
Nyamira Municipality	Recurrent	56,504,719	50,207,972	89%	-6,296,747	47,195,970	45,741,477	97%	-1,454,493
	Development	325,685,414	79,165,300	24%	-246,520,114	163,460,354	40,047,274	24%	-123,413,080
	Sub-total	382,190,133	129,373,272	34%	-252,816,861	210,656,324	85,788,751	41%	-124,867,573
County Totals	Recurrent	4,657,803,571	4,276,650,981	92%	-381,152,590	4,778,832,360	4,556,489,497	95%	-222,342,863
	Development	2,142,444,031	1,396,011,848	65%	-746,432,183	2,053,785,299	1,284,464,422	63%	-769,320,877
	Totals	6,800,247,602	5,672,662,829	83%	-1,127,584,773	6,832,617,659	5,840,953,919	85%	-991,663,740

Source: County Treasury 2022

Table 4: Shows Budget Expenditure by Programmes and Sub-Programmes

Vote Name	Program	Sub Program	Description	Printed	Printed	Actual	Actual	Printed	Printed	Actual	Actual	Printed	Actual
				Estimates	Estimates	expenditures	expenditure	Estimates	Estimates	Expenditure	Expenditure	Expenditure	Expenditure
				2020/2021	2020/2021	2020/2021	2020/2021	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022
				Reccurent	Development	Reccurent	Development	Reccurent	Development	Reccurent	Development	Total	Total
County Assembly	101005261	101015260	General administration and support services	396,974,475	0	364,701,174	0	440,022,425	0	443,901,400	0	440,022,425	443,901,400
	701005261	701045260	Policy and planning services	0	0	0	0	52,923,768	0	45,092,230	0	52,923,768	45,092,230
	708005261	708015260	Committees management services	41,504,000	0	36,999,321	0	23,939,000	0	22,983,000	0	23,939,000	22,983,000
	709005261	709025260	Representation and infrastructural development	0	126,678,206	0	43,999,181	0	155,000,000	-	118,557,592	155,000,000	118,557,592
			Legislation	167,629,035	0	167,629,000	0	95,559,240	0	90,567,231	0	95,559,240	90,567,231
			Sub-Total	606,107,510	126,678,206	569,329,495	43,999,181	612,444,433	155,000,000	602,543,861	118,557,592	767,444,433	721,101,453
Executive	701005262	701015260	General administration support services	250,287,605	0	260,982,138	0	260,982,138	0	241,719,180	0	260,982,138	241,719,180
	701005262	701025260	Policy development and support services	178,024,920	0	118,667,717	0	118,667,717	0	100,600,500	0	118,667,717	100,600,500
	701005262	701075260	Communication services	0	0	19,194,700	0	19,194,700	0	18,240,300	0	19,194,700	18,240,300
	706005262	706025260	Executive management services	20,850,000	0	20,622,880	0	20,622,000	0	18,900,500	0	20,622,000	18,900,500
723000000	723019999	Legislation	20,000,000	0	18,489,700	0	18,489,700	0	17,410,500	0	18,489,700	17,410,500	
			Results					14,206,070	0	13,240,200	0	14,206,070	13,240,200
			Sub-Total	469,162,525	0	437,957,135	0	452,162,325	0	410,111,180	0	452,162,325	410,111,180
Finance, ICT and Economic Planning	504005263	504015260	Information and communication services	0	0	0	0	3,000,000	0	2,900,500	0	3,000,000	2,900,500
	504005263	504025260	ICT infrastructural services	85,008,375	1,349,300	80,597,983	1,146,000	0	15,657,902	-	8,781,361	15,657,902	8,781,361
	701005263	701015260	General administration support services	18,324,913	0	14,942,860	0	250,335,691	0	248,500,400	0	250,335,691	248,500,400
	701005263	701025260	Policy development and support services	3,276,000	0	3,029,100	0	12,466,000	0	12,000,000	0	12,466,000	12,000,000

	701005263	701035260	Supply chain management	18,047,580	0	16,794,581	0	3,000,020	0	2,905,900	0	3,000,020	2,905,900
	702005263	702015260	Economic planning and coordination	29,849,703	19,619,849	28,858,877	17,840,334	58,657,692	21,969,149	58,535,600	13,969,149	80,626,841	72,504,749
	702005263	702025260	Budget formulation and management	14,293,755	0	13,224,110	0	0	0	-	0	0	0
	704005263	704015260	Accounting services	72,323,155	0	71,725,720	0	3,000,000	0	2,500,000	0	3,000,000	2,500,000
	704005263	704025260	Audit services	15,335,487	0	13,680,400	0	3,000,006	0	2,700,700	0	3,000,006	2,700,700
	705005263	705015260	External Resources mobilization	75,000,000	0	573,200	0	0	0	-	0	0	0
	705005263	705025260	Internal Resource mobilization	141,622,975	4,000,000	145,715,958	5,349,300	10,599,964	19,000,000	10,500,000	0	29,599,964	10,500,000
			Monitoring and Evaluation					3,000,010	0	2,895,480	0	3,000,010	2,895,480
			Community and Special funding					75,000,000	142,815,048	26,000,000	30,000,000	0	56,000,000
			Sub-Total	473,081,943	24,969,149	389,142,789	24,335,634	422,059,383	199,442,099	369,438,580	52,750,510	621,501,482	422,189,090
Agriculture, Livestock and Fisheries	101005264	101015260	General administration and support services	44,437,664	0	41,305,936	0	159,513,376	0	155,500,606	0	159,513,376	155,500,606
	101005264	101025260	Policy and planning	5,978,614	0	3,972,880	0	4,028,242	0	3,000,000	0	4,028,242	3,000,000
	102005264	102015260	Crop development services	28,939,124	244,290,757	28,939,119	243,923,257	2,000,000	312,581,363	1,820,000	210,259,793	314,581,363	212,079,793
	102005264	102025260	Agribusiness	0	0	0	0	0	0	-	0	0	0
	103005264	103015260	Aquaculture promotion	24,901,616	6,933	24,901,613	0	1,113,000	0	1,100,000	0	1,113,000	1,100,000
	104005264	104015260	Livestock products value	26,269,140	41,094,276	26,269,107	43,538,113	0	0	-	0	0	0
	104005264	104025260	Animal health diseases	30,227,884	4,644,500	30,227,877	1,702,501	0	1,000,000	-	0	1,000,000	0
			Sub-Total	160,754,042	290,036,466	155,616,532	289,163,871	166,654,618	313,581,363	161,420,606	210,259,793	480,235,981	371,680,399
Water, Environment, mining and Natural Resources	1.00E+09	1001015260	General administration and support services	73,149,946	0	73,048,493	0	73,166,690	0	71,923,500	0	73,166,690	71,923,500
	1.00E+09	1001025260	Policy and planning	8,109,590	0	7,607,759	0	4,457,167	0	4,070,570	0	4,457,167	4,070,570
	1.00E+09	1002035260	Other energy sources promotion	2,715,460	10,560,000	2,715,860	254,500	20,000,000	0	19,600,500	0	20,000,000	19,600,500
	1.00E+09	1003015260	Major towns water services	0	0	0	0	0	0	-	0	0	0
	1.00E+09	1003025260	Rural water services	15,635,520	202,917,473	15,600,959	135,589,437	0	146,400,000	-	132,483,636	146,400,000	132,483,636

	1.00E+09	1004015260	Pollution and waste management	0	0	0	0	1,000,000	0	1,000,000	0	1,000,000	1,000,000
	1.00E+09	1004025260	Agroforestry promotion	16,520,089	0	13,911,896	0	0	0	-	0	0	0
			Sub-Total	116,130,605	213,477,473	112,884,967	135,843,937	98,623,857	146,400,000	96,594,570	132,483,636	245,023,857	229,078,206
Education and vocational Training	501005266	501015260	General administration	34,226,832	0	22,077,836	0	359,697,845	0	355,604,860	0	359,697,845	355,604,860
	501005266	501025260	Planning policy	7,412,500	0	5,974,500	0	3,334,433	0	3,300,300	0	3,334,433	3,300,300
	502005266	502015260	ECDE and CCC management services	213,068,625	52,100,096	211,462,498	38,828,830	4,355,320	14,200,000	4,300,500	14,200,000	18,555,320	18,500,500
	503005266	503015260	Vocational management services	62,754,281	139,466,149	57,562,479	134,642,762	114,446,801	934,041	114,260,204	871,786	115,380,842	115,131,990
			Sub-Total	317,462,238	191,566,245	297,077,313	173,471,592	481,834,399	15,134,041	477,465,864	15,071,786	496,968,440	492,537,650
Health Services	401000000	401019999	Health Promotion	533,304,808	0	535,924,656	0	8,255,529	0	6,196,680	0	8,255,529	6,196,680
	401000000	401059999	Communicable Disease Control	7,720,514	0	6,069,302	0	574,032	0	512,998	0	574,032	512,998
	401005267	401015260	Administration support services	141,936,735	0	139,988,948	0	1,601,536,479	0	1,593,200,322	0	1,601,536,479	1,593,200,322
			Policy	0	0	0	0	4,040,503	0	3,000,000	0	4,040,503	0
	402005267	402015260	Medical services	1,075,032,648	351,815,497	996,395,437	155,128,377	164,583,577	0	109,600,904	0	164,583,577	109,600,904
	402005267	402025260	Facility infrastructural services	0	0	0	0	0	520,136,871	-	369,760,271	520,136,871	369,760,271
			Sub-Total	1,757,994,705	351,815,497	1,678,378,343	155,128,377	1,778,990,120	520,136,871	1,712,510,904	369,760,271	2,299,126,991	2,082,271,175
Lands, Housing and Urban Development	101005268	101015260	General administration and support services	78,872,158	0	76,356,733	0	74,881,157	0	69,006,000	0	74,881,157	69,006,000
	101005268	101025260	Policy and planning	1,679,441	0	1,353,400	0	5,470,896	0	3,240,097	0	5,470,896	3,240,097
	105005268	105015260	Lands and physical planning	4,610,898	0	4,411,896	0	0	20,000,000	-	0	20,000,000	0
	105005268	105025260	Surveying services	0	5,000,000	0	4,912,200	0	0	-	0	0	0
	106005268	106015260	Town Management and co-ordination services	0	38,558,161	0	30,332,014	0	122,440,610	-	73,803,375	122,440,610	73,803,375
	107005268	107015260	Housing improvements	617,082	20,010,296	617,082	16,909,938	0	0	-	0	0	0
			Sub-Total	85,779,579	63,568,457	82,739,111	52,154,152	80,352,053	142,440,610	72,246,097	73,803,375	222,792,663	146,049,472
Roads, Infrastructure	201005270	201055260	Administration and support services	86,987,002	0	73,996,774	0	105,596,562	0	100,500,560	0	105,596,562	100,500,560

and Public Works	201005270	201065260	Policy and planning	5,763,653	0	3,762,390	0	7,764,246	0	6,900,420	0	7,764,246	6,900,420
	202005270	202025260	Construction of roads and bridges	25,565,342	195,428,740	25,558,319	150,722,519	12,500,000	114,887,511	10,492,821	104,892,370	127,387,511	115,385,191
	202005270	202045260	Infrastructural development and fire safety and public works	19,882,634	0	19,882,229	0	450,000	0	400,000	0	450,000	400,000
	202005270	202035260	Rehabilitation and maintenance of Roads	0	281,538,958	0	215,240,530	0	144,512,733	-	96,462,289	144,512,733	96,462,289
			Sub-Total	138,198,631	476,967,698	123,199,712	365,963,049	126,310,808	259,400,244	118,293,801	201,354,659	385,711,052	319,648,460
Trade, Co-operative and Tourism Development	301005271	301015260	General administration and support services	15,736,185	5,000,000	15,094,452	1,395,360	32,672,901	0	30,670,700	0	32,672,901	30,670,700
	301005271	301025260	Policy and planning services	1,729,652	0	1,571,700	0	1,211,779	0	1,230,000	0	1,211,779	1,230,000
	302005271	302015260	Cooperative promotion	16,899,606	0	16,449,672	0	1,339,240	0	1,300,900	0	1,339,240	1,300,900
	302005271	302025260	Trade promotion	1,672,000	37,572,394	1,095,800	27,552,465	2,539,000	54,646,217	1,190,400	35,151,656	57,185,217	36,342,056
	303005271	303015260	Tourism promotion and management	1,889,000	0	1,366,400	0	896,000	0	895,183	0	896,000	895,183
			Sub-Total	37,926,443	42,572,394	35,578,024	28,947,825	38,658,920	54,646,217	35,287,183	35,151,656	93,305,137	70,438,839
Gender, Youths and Sports Development	701005272	701015260	General administration support services	41,065,960	0	40,223,575	0	49,586,819	0	46,400,320	0	49,586,819	46,400,320
	701005272	701025260	Policy development and support services	3,406,545	0	2,633,926	0	2,302,759	0	2,000,563	0	2,302,759	2,000,563
	902005272	902015260	Community Development/Sports	3,751,978	31,632,732	3,751,469	44,364,630	3,251,300	54,143,500	2,504,500	30,097,534	57,394,800	32,602,034
	902005272	902035260	Cultural promotion heritage	15,967,737	3,474,300	5,656,275	3,474,300	1,725,000	0	1,625,000	0	1,725,000	1,625,000
			Grand Total	64,192,220	35,107,032	52,265,245	47,838,930	56,865,878	54,143,500	52,530,383	30,097,534	111,009,378	82,627,917
Public Service Board	1.00E+09	1001015260	General administration and support services	59,914,894	0	51,357,166	0	47,154,290	0	42,143,738	0	47,154,290	42,143,738
	1.00E+09	1001025260	Policy and planning	6,198,196	0	6,116,120	0	13,577,500	0	10,342,300	0	13,577,500	10,342,300
			Legal Services					5,381,500	0	3,100,700	0	5,381,500	3,100,700
			Sub-Total	66,113,090	0	57,473,286	0	66,113,290	0	55,586,738	0	66,113,290	55,586,738
Public Service Management	101005274	101015260	General administration and support services	232,940,825	0	224,480,990	0	344,251,254	0	322,200,300	0	344,251,254	322,200,300

	101005274	101025260	Policy and planning	5,547,150	0	1,579,054	0	2,784,552	0	2,717,553	0	2,784,552	2,717,553
	701005274	701075260	Communication services	2,037,000	0	1,786,450	0	0	0	-	0	0	0
	710005274	710015260	Field coordination and administration	28,419,718	0	26,040,458	0	2,174,000	30,000,000	20,900,400	5,126,336	32,174,000	26,026,736
	710005274	710025260	Public Participation and Civic Education	8,555,000	0	3,767,584	0	0	0	-	0	0	0
	710005274	710035260	Human resource management	30,729,628	0	30,085,482	0	1,356,500	0	900,000	0	1,356,500	900,000
	710005274	710045260	Human resource development	166,000	0	156,000	0	0	0	-	0	0	0
			Sub-Total	308,395,321	0	287,896,018	0	350,566,306	30,000,000	346,718,253	5,126,336	380,566,306	351,844,589
Nyamira Municipality	101005275	101015260	General administration and support services	56,504,719	325,685,414	50,207,972	79,165,300	47,195,970	163,460,354	45,741,477	40,047,274	210,656,324	85,788,751
			Sub-Total	56,504,719	325,685,414	50,207,972	79,165,300	47,195,970	163,460,354	45,741,477	40,047,274	210,656,324	85,788,751
			Grand Total	4,657,803,571	2,142,444,031	4,329,745,942	1,396,011,848	4,778,832,360	2,053,785,299	4,556,489,497	1,284,464,422	6,832,617,659	5,840,953,919

Source: County Treasury 2022

CHAPTER THREE

3.0 RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

3.1` Overview

In 2021/2022, the Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and the swift containment measures, which did not only disrupt the normal lives and livelihoods, but also to a greater extent businesses and economic activities. As a result, the economy contracted by 5.7 percent in the second quarter of 2020/2021 from a growth of 4.9 percent in the first quarter in 2021/2022. The economy was therefore estimated to slow down to a growth of around 0.6 percent in 2021/2022 from the earlier projection of 2.6 percent in the 2020 Budget Review and Outlook Paper (BROP). Economic growth is projected to recover to 6.4 percent in 2022 due to in part, the lower base effect in 2021.

The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate that support exports. Year-on-year overall inflation remained within the Government target range of 5 ± 2.5 percent in December 2021 at 5.6 percent from 5.8 percent in December 2020. This lower inflation was mainly supported by a reduction in food prices.

The foreign exchange market has largely remained stable but partly affected by a significant strengthening of the US Dollar in the global markets and uncertainty with regard to the Covid-19 pandemic. Despite this, the current account deficit is estimated to improve to 5.1 percent in 2020 from 5.8 percent in 2020 mainly supported by an improvement in the trade balance.

3.2 Recent Economic Developments and Outlook

3.2.1 Global and Regional Economic Developments

The outbreak and spread of the Covid-19 Pandemic and the ensuing containment measures have devastated global economies. As a result, the global economy was projected to contract by 4.4 percent in 2020 from a growth of 2.8 percent in 2019 (**Table 1**). This economic outlook is worse than the growth reported during the 2008 - 2009 global financial crisis.

Advanced economies are projected to contract by 5.8 percent in 2020 from a growth of 1.7 percent in 2020. Significant contraction of the economy is projected in the United States (-4.3 percent), Japan (-5.3 percent) and the United Kingdom (9.8 percent). Growth in the Euro area is expected to contract by 8.3 percent in 2020 from a growth of 1.3 percent in 2019.

The emerging markets and developing economies were also projected to contract by 3.3 percent in 2021 from a growth of 3.7 percent in 2019. All major economies are projected to contract in 2021 except China which is projected to grow by 1.9 percent, a slowdown from a growth of 6.1 percent in 2019.

• **Global Economic Growth, Percent**

Economy	2019	2020*	2021**
World	2.8	(4.4)	5.2
Advanced Economies	1.7	(5.8)	3.9
Of which: USA	2.2	(4.3)	3.1
Emerging and Developing Economies	3.7	(3.3)	6.0
Of which: China	6.1	1.9	8.2
India	4.2	(10.3)	8.8
Sub-Saharan Africa	3.2	(3.0)	3.1
Of which: South Africa	0.2	(8.0)	3.0
Nigeria	2.2	(4.3)	1.7
EAC-5	6.2	1.0	4.5
Of which: Kenya***	5.4	0.6	6.4
<i>* Estimate ** Projected</i>			
<i>EAC-5: Burundi, Kenya, Rwanda, Tanzania and Uganda</i>			

• *Source of Data: October 2021 WEO; ***Projections by the National Treasury*

The Sub-Saharan African region has not been spared the negative impact of the pandemic with the region projected to contract by 3.0 percent in 2020 from a growth of 3.2 percent in 2020. The largest impact of the crisis on growth has been for tourism-dependent economies, while commodity-exporting countries have also been hit hard. Growth in more diversified economies will slow significantly, but in many cases will still be positive in 2020.

Growth in the East African Community (EAC) region is estimated to slow down to 1.0 percent in 2021 compared to a growth of 6.2 percent in 2020. This growth will be supported by positive growths in Kenya, Tanzania and Rwanda. Economic activities in Burundi and Uganda are expected to contract in 2021.

3.2.2 National Performance review and Outlook

Prior to the outbreak of Covid-19 pandemic, Kenya’s economy was strong and resilient despite the challenging global environment. The broad-based economic growth for 2018 and 2019 averaged 5.9 percent outperforming the 5.5 percent for the previous 5 years (2013 to 2017) and the average growth rate of 4.7 percent in the period 2008 to 2012.

According to the Economic Survey 2021, Real Gross Domestic Product (GDP) is estimated to have contracted by 0.3 per cent in 2020 compared to a growth of 5.0 per cent in 2019. The contraction was spread across all sectors of the economy but was more dismal in accommodation and food serving activities, education, professional and administrative service activities. Agriculture, Forestry and Fishing activities were however more vibrant in 2021 despite a contraction in global demand in 2020. The sector grew by 4.6 per cent in 2021 compared to 2.3 per cent growth in 2019. Manufacturing sector growth slowed down from 2.8 per cent in 2019 to 0.2 percent in 2020. Despite most sectors recording contraction in growths, the economy was somewhat supported by accelerated growths in agricultural production (4.8 per cent), construction activities (11.8 per cent), financial and insurance activities (5.6 per cent) and health services activities (6.7 per cent).

In the review period, monetary policy was premised on the need to cushion the economy from the adverse effects of the COVID-19 pandemic containment measures, supporting liquidity and credit access. Central Bank Rate (CBR) was reviewed downwards from 8.50 per cent in November 2019 to 8.25 per cent in January 2021 and maintained 7.00 per cent until the end of 2020. The weighted average interest rates for commercial bank loans and advances declined from 12.24 per cent in 2019 to 12.02 percent in 2020.

Agriculture remained the dominant sector, accounting for 23.0 per cent of the total value of the economy in 2020. Industry related activities accounted for 17.1 per cent of the total contribution in GDP growth in the same period. Nominal GDP increased from KSh 10,255.7 billion in 2019 to KSh 10,753.0 billion in 2020. Similarly, gross domestic expenditure at current prices increased from KSh 11,123.0 billion in 2019 to KSh 11,667.7 billion in 2020. Gross National Disposable Income increased from KSh 10,630.4 billion in 2019 to KSh 11,100.4 billion in 2020. Gross domestic product per capita in constant prices however declined from KSh 183,664.1 in 2019 to KSh 179,021.6 in 2020.

Sectoral Real GDP Growth rates, Percent

Sectors	Sector Growth (%)									
	2018				2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Primary Industry	6.6	5.8	6.6	3.7	4.6	3.0	2.5	3.8	5.1	6.5
Agriculture, Forestry and Fishing	6.7	5.9	6.8	3.9	4.7	2.9	2.4	4.0	4.9	6.4
Mining and Quarrying	3.1	3.5	3.2	1.2	1.4	5.0	3.4	0.3	9.5	10.0
Secondary Sector (Industry)	4.6	5.1	6.2	6.7	4.9	5.4	4.7	4.0	4.1	(1.0)
Manufacturing	3.2	3.9	5.1	5.2	3.5	4.0	3.2	2.3	2.9	(3.9)
Electricity and Water supply	6.1	8.3	8.1	9.5	7.8	7.3	6.4	6.4	6.3	(0.6)
Construction	6.7	5.6	7.3	7.7	6.1	7.2	6.6	5.7	5.3	3.9
Tertiary sector (Services)	6.2	6.0	6.6	8.0	6.4	6.8	6.7	6.8	5.4	(11.0)
Wholesale and Retail trade	5.6	6.5	7.3	7.9	6.3	7.8	6.1	6.4	6.4	(6.9)
Accommodation and Restaurant	13.3	15.1	15.5	21.5	11.0	12.1	9.9	9.0	(9.3)	(83.3)
Transport and Storage	6.5	6.6	8.5	11.8	6.4	7.6	7.6	9.2	6.1	(11.6)
Information and Communication	13.2	11.7	9.8	10.6	10.2	7.8	8.1	9.4	9.7	4.3
Financial and Insurance	4.0	3.5	5.1	8.5	6.3	5.2	8.1	6.6	6.2	4.2
Public Administration	5.5	6.1	7.1	8.1	8.9	8.7	8.4	6.2	6.7	5.7
Others	5.1	5.0	4.9	4.8	4.8	5.8	5.6	5.2	4.6	(19.2)
of which Real Estate	5.2	4.5	3.8	3.1	4.8	6.0	5.5	5.1	4.3	2.2

4 Source of Data: Kenya National Bureau of Statistics

The agriculture sector recorded an improved growth of 6.4 percent in the second quarter of 2020 compared to a growth of 2.9 percent in the corresponding quarter of 2019. The sector's performance was supported by a notable increase in tea production, cane deliveries, milk intake and fruit exports. The sector's contribution to GDP growth was at 1.5 percentage points in the second quarter of 2020 compared to 0.7 percentage points over the same period in 2020.

The non-agriculture (service and industry) sectors was adversely affected by the Covid-19 pandemic during the second quarter of 2020. As a result, the sector contracted by 8.5 percent in the second quarter of 2020 down from a growth of 6.4 percent in a similar quarter in 2020. The sector's contribution to real GDP was 5.6 percentage points in the second quarter of 2021 compared to a contribution of 4.3 percentage points in the same quarter of 2020.

Services sector contracted by 11.0 percent in the second quarter of 2021 compared to a growth of 6.8 percent in the same quarter in 2020. The decline was largely characterized by substantial contractions in Accommodation and Food Services (83.3 percent), Education (56.2 percent), and Transportation and Storage (11.6 percent). Growth in the service sub-sector was mainly supported by financial and Insurance, Information and communication and Public Administration. The Services sub-sector contributed -5.4 percentage point to real GDP growth in the second quarter of 2021 compared to the 3.3 percentage point contribution in the same quarter of 2020.

Core inflation (Non-Food-Non-Fuel) contribution to inflation remain low at 0.8 percent in December 2020 compared to 0.4 percent in December 2019 reflecting muted demand pressures in the economy on account of prudent monetary policies. However, the contribution of fuel inflation to overall year-on-year inflation rose to 1.7 percent in December 2020 from 0.6 percent in December 2019 on account of increasing international fuel prices.

The major driver of the overall inflation has been food inflation, but its contribution to overall inflation has declined from 4.5 percent in December 2019 to 2.9 percent in December 2020 on account of a reduction in food prices.

5 Kenya Shilling Exchange Rate

The foreign exchange market has largely remained stable but was partly affected by a significant strengthening of the US Dollar in the global markets and uncertainty with regard to the Covid-19 pandemic. In this regard, the Kenya Shilling to the dollar exchanged at Ksh 110.6 in December 2020 compared to Ksh 101.5 in December 2020.

6 Interest Rates

Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.00 percent on November 26, 2021 same as in April 2021 to signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprises, distressed by COVID-19 pandemic. The interbank rate declined to 5.1 percent in December 2021 from 6.0 percent in December 2019 in line with the easing of the monetary policy and adequate liquidity in the money market.

The 91-day Treasury Bills rate was at 6.9 percent in December 2021 from 7.2 percent in December 2019. Over the same period, the 182-day Treasury Bills rate declined to 7.4 percent from 8.2 percent while the 364-day decreased to 8.3 percent from 9.8 percent.

7 Fiscal Performance

Budget execution in the first half for the FY 2021/22 was hampered by revenue shortfalls and rising expenditure pressures. The shortfalls in revenues reflect the weak business environment and the impact of the tax reliefs implemented in April 2021 to support people and businesses from the adverse effect of Covid-19 Pandemic. Revenues are expected to progressively improve in the second half of the fiscal year following the gradual reopening of the economy and the increased demand for imports as well as improved domestic sales. Revenue performance is also expected to get a boost from reversal of tax reliefs, introduced in April 2021, effective January 2021.

The Government has embarked on expenditure rationalization and prioritization to ensure that expenditures are on the most impactful programmes that yield the highest welfare benefits to Kenyans.

8 Revenue Performance

Revenue collection to December 2021 declined by 14.0 percent compared to a growth of 17.1 percent in December 2019. This decline is attributed to the difficult operating environment due to the Covid-19 pandemic which has been adversely affecting revenue performance from March 2020. The cumulative total revenue - inclusive of Ministerial Appropriation in Aid (AiA) amounted to Ksh 800.1 billion against a target of Ksh 907.7 billion, with shortfalls recorded in both ordinary revenues (Ksh 75.8 billion) and Ministerial A-I-A (Ksh 31.8 billion).

Ordinary revenue collection to December 2020 amounted to Ksh 726.4 billion which was a contraction of 15.3 percent compared to a growth of 18.8 percent over the same period in 2020. The contraction was due to a decline in growth of all broad categories of ordinary revenues except import duty which grew by 0.5 percent during the review period. Specifically; Income tax declined by 15.8 percent, Value Added Tax (VAT) declined by 15.3 percent and Excise taxes declined by 0.6 percent.

9 Expenditure Performance

Total expenditure and net lending for the period ending December 2021 amounted to Ksh 1,191.0 billion which was below the projected amount by Ksh 67.9 billion. Recurrent spending amounted to Ksh 798.7 billion while development expenditures amounted to Ksh 262.8 billion. Transfer to County Governments amounted to Ksh. 129.5 billion of which the equitable share amounted to Ksh. 115.0 billion.

Recurrent spending was below the projected target by Ksh 44.3 billion mainly on account of lower than targeted expenditure on operation and maintenance, attributed to scaled down operations of the National Government in first quarter of the FY 2021/22 due to Covid-19 Pandemic and lower than projected payments in compensation of employees, pension and foreign interest. Development expenditure was also below target by Ksh 6.8 billion on account of below target disbursement of foreign financed payments by Ksh 48.8 billion. Disbursement to domestically financed programmes was above target by Ksh 44.7 billion.

Fiscal operations of the Government by end of December 2021 resulted in an overall deficit, including grants of Ksh 362.6 billion against a projected deficit of Ksh 371.8 billion. This deficit was financed through net domestic borrowing of Ksh 345.4 billion and net foreign financing of Ksh 17.2 billion.

3.3 ECONOMIC OUTLOOK

Globally, most of the developing economies are projected to experience a more challenging recovery from the COVID-19 pandemic compared to their developed economies counterpart. This is largely so because of the uneven access to COVID-19 vaccine which is therefore likely to impact negatively on the full resumption of economic activities in the developing economies. The global economic growth is expected to rebound to 5.6 per cent in 2022. Consequently, the volume of world merchandise trade is projected to expand by 8.0 per cent in 2022 after a contraction of 5.3 per cent in 2020. The growth in the world trade is expected to boost external demand for Kenya's products and thereby likely to augment the country's economic growth. Domestically, oil prices have been rising significantly in response to the global price rise. On average, the international oil prices are likely to be higher by over 50 per cent in 2022 compared to 2021. Effectively then, oil prices in Kenya will probably remain high and therefore counterproductive to economic growth. On average, inflation was lower in the first quarter of 2022 compared to a similar quarter of 2021. However, there was a significant rise in the inflation rate during the second quarter and it is likely that this trend will continue in the second half of 2021 partly due to higher energy and transportation prices.

The country has so far experienced below normal rainfall in the first half of 2022. However, the weather forecast points to the possibility of the short rains being better in most parts of the country later in the year. Output of the agriculture sector, which is largely rain fed, is therefore likely to be lower than the 2021 level. Full resumption of activities in the education sector and the hotel industry that were almost halted for the better part of 2022, is likely to significantly boost the growth. To a lesser extent, other key sectors like manufacturing and transportation are likely to rebound and support the country's economic growth. Given that most of the key macroeconomic indicators will most probably remain stable and supportive of growth in 2022, the economy is therefore expected to record a significant rebound in 2022.

The economy grew by 4.9 percent in the first quarter of 2021 compared to a growth of 5.5 percent in the first quarter of 2020. The slowdown in quarter one was as a result of the decline in economic activities in most of the country's major trading partners due to the uncertainty associated with the Covid-19 pandemic.

3.4 OUTLOOK FISCAL POLICY

Going forward into the medium term, the Government will continue with its expenditure prioritization policy with a view to achieving the transformative development agenda which is

anchored on provision of core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies, creation of employment opportunities and improving the general welfare of the people. This will curtail growth in public expenditures to ensure it attains its fiscal consolidation path over the medium term and it will ensure debt is maintained within sustainable levels. The fiscal deficit is expected to decline from 7.8 percent of GDP in FY 2020/21 to around 3.6 percent of GDP by FY 2025/26.

To achieve this target, the Government will continue to restrict growth in recurrent spending and double its effort in domestic resource mobilization. In the FY 2021/22, the Government is implementing a raft of tax policy measures through the Tax Amendment Law and the Finance Act, 2020. Revenue performance will be underpinned by the on-going reforms in tax policy and revenue administration and boosted by economic recovery occasioned by the Economic Stimulus Programme and the planned Post Covid-19 Economic Recovery Strategy.

Further, Public Investment Management (PIM) Unit at the National Treasury continues to play a great role in enhancing efficiency in identification and implementation of priority social and investment projects. This takes into account the Government's efforts to increase efficiency, effectiveness, transparency and accountability of public spending. In particular, the implementation of PIM regulations under the PFM Act, 2012 will streamline the initiation, execution and delivery of public investment projects. It will also curtail runaway project costs, eliminate duplications and improve working synergy among implementation actors for timely delivery of development projects.

In this regard, expenditures as a share of GDP are projected to decline from 25.2 percent in the FY 2019/20 to 25.9 percent in the FY 2021/22 and further to 21.6 percent in the FY 2025/26. On the other hand, revenues as a share of GDP are projected at 17.0 percent in FY 2020/21, 16.4 percent in FY 2021/22 and 17.7 percent in FY 2025/26.

The Government continues to implement initiatives to boost revenue performance and enhance tax compliance. These revenue supporting initiatives will over the medium to long term help in revenue recovery and drive revenue performance. The initiatives include:

- i. Reversal of tax cut measures put in place in April 2021 to cushion the economy from the impact of the COVID-19 pandemic. The reversal takes effect from January 2022;
- ii. Strengthening Audit function in the Domestic Taxes Department;
- iii. Enhanced Debt collection Programme that will leverage on the iTax debt module to reconcile and facilitate collection of debt;

- iv. Compliance level reviews with a focus on enforcement risk framework to support targeted enforcement;
- v. Enhanced Scanning through strengthening staff capacity in the scanner management unit;
- vi. Aiding the resolution of tax disputes through the Alternative Dispute Resolution (ADR);
- vii. Fast track conclusion cases before Tax Appeals Tribunal and Court Tax Appeals Tribunal & Court.

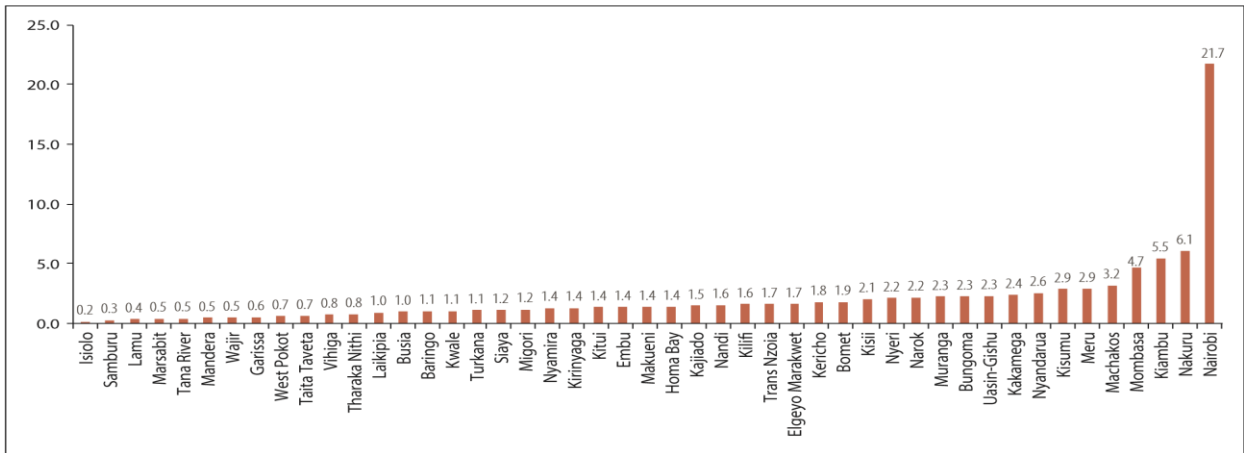
Looking ahead, economic growth is projected to slow down to 5.5 percent in 2022 (due to in part the uncertainty associated with the 2022 general elections) and recover to 6.1 percent by 2025. In terms of fiscal years, economic growth is projected to grow by 3.5 percent in FY 2021/22 and further to 6.2 percent over the medium term.

This growth outlook for the calendar year 2020 and the FY 2021/22 and the medium term, will be supported by the stable macroeconomic environment, ongoing investments in strategic priorities of the Government under the “Big Four” Agenda, the ongoing public investments in infrastructure projects, the Economic Stimulus Program being implemented and the planned Post Covid-19 Economic Recovery Strategy, turn around in trade as economies recover from Covid-19 Pandemic and expected favourable weather that will support agricultural output. These factors will push up consumer demand and increase both public and private sector investment reinforcing the projected growth. The economic growth projections over the medium term are aligned to those of the Third Medium Term Plan (2018-2022) which is implementing Vision 2030.

3.5 NYAMIRA COUNTY REVIEW AND OUTLOOK

Nyamira County contributes 1.4 per cent of the national GDP annually according to the Gross County Product (GCP) 202-0 report. The GCP provides a benchmark for evaluating the growth of county economies over time.

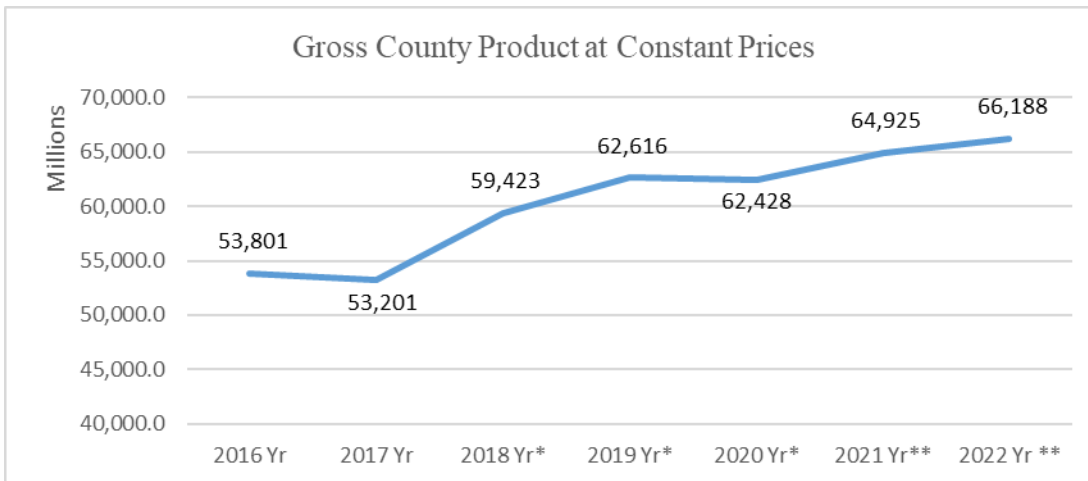
Share of Counties in GDP (2013-2017)



Source: KNBS Gross County Product (GCP) 2019 report

The agriculture sector remained afloat due to the bumper harvest experienced in the county in for various food and non-food products. Agricultural production is expected to increase due to the high rainfall being experienced. Implementing the post Covid-19 Economic Recovery Strategy, availability of favorable weather conditions and full reopening of the economy will spur growth of the county economy at a sustainable growth rate.

In 2021 and 2022, the county economy is expected to grow at a faster rate due to the stepwise resumption of normalcy and uptake of the COVID – 19 vaccines. Revamping and boosting agricultural production and value addition through government and private investment will accelerate economic growth.



Nyamia GCP Projections at Constant Prices

Source: KNBS

According to the Gross County Product (GCP) survey undertaken by KNBS and the pilot report shows that the average contribution per county to Gross Value Added (GVA) over the period 2013-2017 is approximately 2.1 percent. Nairobi takes the lead, contributing approximately 21.7 percent of GDP over the period, followed by Nakuru (6.1%), Kiambu (5.5%) and Mombasa (4.7%).

Nyamira County Government contributes 1.4 percent to the National real GDP. This ranks Nyamira County the fourth contributor to the National GDP in the Nyanza region with Kisumu being the biggest contributor with 2.9% followed by Kisii and Homa Bay at 2.1 and 1.4 percent respectively as shown in table below.

Contribution of Nyanza Region Counties to National GDP

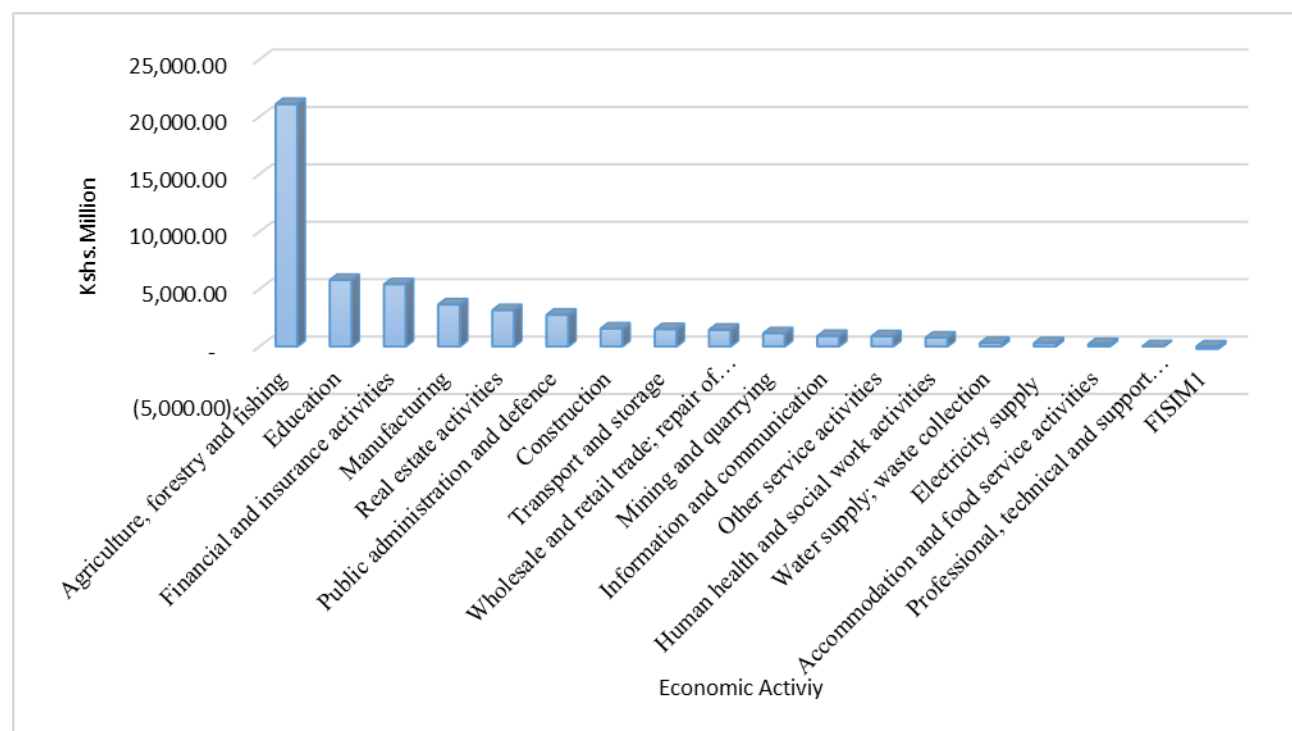
Rank	Counties	% Share of Counties in GDP
1	Kisumu	2.9
2	Kisii	2.1
3	Homabay	1.4
4	Nyamira	1.4
5	Migori	1.2
6	Siaya	1.2

Source: Kenya National Bureau of Statistics

3.5.1 Economic Activities performance

According to the KNBS report, agriculture, forestry and fishing economic activities and was the highest contributor to Nyamira Gross county Product (GCP) and national Gross value added (GVA) at Kshs.21.10 billion of Kshs. 957.58 billion contributed by all counties to the national GDP representing 2.2 percent.

Nyamira Gross County Product by Economic Activities



Source: Kenya National Bureau of Statistics

From this data, it is evident that the investment that the county has done in agriculture is paying off. However, other economic activities require more attention to improve the people's wellbeing.

3.6 NYAMIRA GROWTH OUTLOOK

Nyamira County is currently implementing the County Integrated Development Plan (CIDP) 2018-2022 with the objective to address the "Big Four" agenda. The outlook for the County is envisaged to invest in strategic areas over the medium term so as to maintain this socio-economic growth. These include health, agriculture and food security, infrastructure and environment. Other key areas that County will invest in are provision of water, trade, education and vocational training.

Over the medium-term, Nyamira County intends to foster development through the following interventions.

3.6.1 Agriculture, Livestock and Fisheries

- 4 Adoption of modern and appropriate technologies
- 5 Setting up of demonstration centers for effective land use management.
- 6 Provision of subsidized farm inputs and certified seeds to boost production
- 7 Livestock improvement technologies through construction of value-addition chains
- 8 Management and stocking of fish ponds/dams

Additionally, through the World-Bank Grant-National Agricultural and Rural Inclusive Growth Project (NARIGP), the County will coordinate and implement these programmes to increase productivity and profitability.

3.6.2 Trade, Tourism and industry

The County will endeavor to increase access to market opportunities that will promote competitiveness of Nyamira products. In order to establish a favorable environment for trading, the County will focus on following: -

- 9 Construction and upgrading of new market infrastructure. Social amenities infrastructure should be revamped for the benefit of the citizens and the county government
- 10 Protection and promotion of Tourism sites for revenue generation
- 11 Construction and revival of coffee milling plants, milk cooler units and banana processors. This touches on value addition initiatives
- 12 Organizing and supporting trade fairs and exhibitions for knowledge exchange

3.6.3 Infrastructural development and connectivity

Infrastructure development is the key foundation to achieving economic posterity as it supports economic growth, improves the quality of life, and is necessary for county security. Sectors that are directly correlated to infrastructure development include transportation, power and communication facilities and social infrastructures. Under infrastructure, the County Government intends to;

- 13 Open, upgrade and manage road network
- 14 Improve drainage systems, street lighting of market centers,
- 15 Establish and management of mechanical asset systems,
- 16 Establish of disaster response and management unit,
- 17 Strengthen of public works i.e. Completion of County Headquarters, County Assembly offices and sports facilities.
- 18 Support and install Information, Communication Technology infrastructure

The County Government will further continue to open up new roads and improve the existing ones through the Roads Maintenance Levy Fund (RMLF).

3.6.4 Health Services

Kenya aspires to have Universal Health Care (UHC) by the year 2023. This will be done by scaling up the National Health Insurance Fund (NHIF) and increasing 100% insurance coverage to the poor. As a result, Kenyans will be guaranteed access to medical care at minimal cost. Nyamira County Government will invest in enhancing access to essential health services through;

- 19 Provision of adequate infrastructure in the health facilities
- 20 Continuous recruitment, deployment and retention of qualified health professional's i.e. doctors, nurses and medical specialists
- 21 Establishment of additional well-equipped specialized units
- 22 Expanded training of adequate human resources for health.

The County applied the conditional grants and other resources from the National Government and development partners to improving access to quality health care. In addition, the county will avail resources towards the completion of the Nyamira County doctor's plaza and amenity wing to attract medical specialist.

3.6.5 Financial Management

The County Government of Nyamira shall continue exercising macroeconomic stability through provision of a conducive environment to economic activities. Adoption and full utilization of the e-procurement platform would solve the delays in project execution and thus improve the development expenditure absorption rate.

In order to seal off local revenue leakages and enhance revenue administration, the county government has is in the process of finalizing revenue automation, which would in-turn cap the local revenue deficit. These efforts together with the full compliance of the Finance Management Amendment Act 2015 will lead to an expanded revenue base for the county.

On the expenditure side, the County Government will continue with optimization of development expenditures which has seen lower absorption rates compared to the recurrent expenditure. Efforts would be made to make sure the aggregate absorption rate moves from the current 86% to 90% and above. Adherence to the program based expenditure framework shall be done at all periods in project execution.

3.7 RISKS TO THE OUTLOOK

- Risks from the global economies relate to persistence of the Covid-19 pandemic and required lockdowns, voluntary social distancing and its effect on consumption, the ability of laid off workers securing employment in other sectors, rising operating cost to make work places more hygienic and safe, reconfiguration of disrupted global supply chains, extent of cross-border spill overs occasioned by weaker external demand and funding shortfalls.
- On the domestic front, risks will emanate from weaker external demand, reduced tourist arrivals due the Covid-19 fears and restrictions and further restrictions of movement should they become necessary to control the surge in infections. In addition, the economy will continue to be exposed to risks arising from public expenditure pressures, particularly wage related recurrent expenditures and the erratic weather related shocks that could have negative impact on energy generation and agricultural output leading to higher inflation that could slow down growth.
- The wage bill ratio is currently high accounting at 52 percent of the budget against the recommended ceiling of 35 percent. The continued rise of the wage bill will have a negative impact on county operations and affect implementation of development projects.
- Effects of climate change affects agriculture which is the main driver of the county economy. Agriculture is negatively impacted by unreliable weather patterns and exposure to pest and disease as a result of climate change.
- Unmet revenue targets leading to budget deficits. This affects county operations and budget implementation.

- The Government is continually monitoring these risks and taking appropriate monetary and fiscal policy measures to preserve macroeconomic stability and strengthen resilience in the economy. To cushion the country against the downsides of the risks, the Government is implementing an Economic Stimulus Package to protect lives and livelihoods. Implementation of the “Big Four” Agenda will unlock better growth, and positively impact on the lives of people through jobs creation and poverty reduction. The Government is also planning a Post Covid-19 Economic Recovery Strategy to return the economy on a stable growth path. Additionally, the diversified nature of our economy continues to offer resilience to any global challenges.

CHAPTER FOUR

4.0 RESOURCE MOBILIZATION AND ALLOCATION FRAMEWORK

4.1 ADJUSTMENT TO 2022/2023 BUDGET ESTIMATES

Formulation of the Nyamira County Fiscal structure was guided by the need to address various development issues affecting the County as a whole. Success of the development agenda could only be achieved through prudence in allocation and utilization of the available public resources, both external and internally generated. The budget process is linked to the County Integrated Development Plan 2018-2022, Annual Development Plan 2022/2023 and County Fiscal Strategy Paper 2022. In actualization of the articulated development objectives, there is need to augment the county resource mobilization to avoid budget deficits which in turn affect budget implementation.

In order to remain focused to the County service delivery, some emerging issues which affect the development path of the county need to be addressed. This can only take place through adjustment to the current 2022/2023 Budget Estimates, via a supplementary budget. Such issues include:

- Salary related deficiencies emanating from the increments on the County Executive Committee Members and the Members of the County Assembly.
- Pending Bills for both recurrent and development expenditures totaling to Ksh. 318 million arising from the pending Bills Committee Reports. This needs to be reconciled.
- Obligations arising from the previous years.
- Any foreseen or experienced revenue adjustments.
- Interventions considered for other priority shifts as per the Approved Planning Documents
- Opening balances of the conditional grants in the supplementary budget as per the refund statements
- Factoring in the not yet received conditional grants balances as appropriated in the CARA.

4.2 DEVELOPMENT PRIORITY

Priority would be given to:

- Clearing outstanding payments/retention towards completed development projects which were not provided for
- Payments to on-going projects to enable their completion
- Alignment of the development objectives to the Nyamira County Big Four Agenda which include: infrastructure, health, food security and agriculture and environment

For the county to achieve sustainable development, the above issues necessitate the review of the 2021/2022 budget estimates.

The PFM Act provisions guiding this planning and budgeting process are: The PFM Act Section 107(2) (a), stating that, “*the county government’s recurrent expenditure shall not exceed the county government’s total revenue*”, and Section 107(2) (b), stating that, “*over the medium term a minimum of thirty percent of the county government’s budget shall be allocated to the development expenditure*”.

4.3 MEDIUM-TERM EXPENDITURE FRAMEWORK

In actualizing medium-term expenditure framework, county priorities set in the CIDP 2018-2022 and the Annual Development Plan 2022/2023 shall take precedence as this form the basis of all resource allocations.

For the success of the MTEF framework, continuous improvement and up-scaling of Integrated Financial Management Information System (IFMIS) shall be done. To improve on efficiency in resource management, e-procurement shall also be widely disseminated and applied, with extreme employment of internal risk controls for checks and balances being fully observed.

As a mandatory requirement, stakeholder involvement and engagement shall duly be acknowledged. Such stakeholders include the citizenry, non-state actors, vulnerable groups, religious organizations, development partners, donors, private sector and national government among others. Collaboration with important institutions such as the National Treasury, the County Assembly, the Office of the Controller of Budget, Commission on Revenue Allocation, the Council of Governors, the Central Bank, and the Kenya School of Government among others shall be emphasized.

4.4 BUDGET FRAMEWORK FOR FY 2023/2024

The 2023/2024 budget framework is set against various policies set in the Kenya Constitution 2010, the PFM Act 2012, and the County Government Act 2012 among other legislations and County Planning Documents.

4.4.1 Revenue projections 2023/2024

In the 2023/2024 financial year, the County projects to mobilize resources amounting to Kshs. 6,197,065,593 as detailed in table 6 below.

Table 5: revenue Projections by Source

GFS CODING	REVENUE SOURCES	PRINTED ESTIMATES	ACTUAL REVENUE	PRINTED ESTIMATES	TARGET ESTIMATES	PROJECTIONS	
		2021/2022	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
9910201	Equitable share	5,135,340,036	5,135,340,036	5,135,340,036	5,546,167,239	5,712,552,256	5,883,928,824
	Unspent Balances	838,910,105	839,910,105	555,000,000	0	-	-
Various	Own Source Revenue	295,000,000	85,625,497	265,000,000	100,181,832	103,187,287	106,282,905
	Health Facility Improvement Fund (FIF)	0	81,280,488	155,000,000	95,552,226	98,418,793	101,371,357
	Sub- Total	6,269,250,141	6,142,156,126	6,110,340,036	5,741,901,297	5,914,158,336	6,091,583,086
CAPITAL GRANTS FROM DEVELOPMENT PARTNERS							
1320101	World Bank for Loan for National and Rural Inclusive growth project	275,417,324	194,525,453	275,417,324	302,959,056	312,047,828	321,409,263
1320101	World Bank grant (THSUC)	90,226,074	76,304,392	0	0	-	-
1540701	DANIDA	10,659,000	5,329,500	9,024,527	3,553,000	3,659,590	3,769,378
1320101	Agricultural Support Development Support Programme	24,250,072	20,115,973	10,138,400	11,152,240	11,486,807	11,831,411

1540701	Kenya Devolution Support Programm Level II	112,815,048	112,815,048	0	0	-	-
1540701	Kenya Second Informal Settlement Improvement (KISIP 2)	50,000,000	0	0	0	-	-
	Climate Change (World Bank)	0	0	125,000,000	137,500,000	141,625,000	145,873,750
	Sub-total	563,367,518	409,090,366	419,580,251	455,164,296	468,819,225	482,883,802
	TOTAL REVENUE	6,832,617,659	6,551,246,493	6,529,920,287	6,197,065,593	6,382,977,561	6,574,466,888

Source: County Treasury 2022

The above estimates were made on assumption that the current development partners would continue supporting the county progressively. Thus, the resource envelop of the county would be financed through exchequer, grants and locally collected revenues. The equitable share is projected in line with the National Treasury Budget Policy Statement 2023/2024 Projections while it is expected that the money allocated for 2023/2024 shall not have any opening balances. Own source revenue is projected as per the revenue performance of 2021/2022, all the grants are projected using 2022/2023 projections due to fluctuating allocation in every financial year except the DANIDA Grant which is projected at decreasing level due to the phasing out agreement. The Health Facility Improvement Fund (FIF) is a new revenue stream which was not captured in the 2021/2022 budget but was captured in the 2022/2023 budget and therefore projected as per revenue performance from the health sector revenue streams 2021/2022. The Health Sector revenue streams were then enacted as Health Facility Improvement Fund Act which is now in force. The grant on Climate change was a new grants the County Received in 2022/2023 hence projected using the current budget.

Local revenue projections 2023/2024

The County Government intends to collect a total of Ksh. 100,181,832 internally as indicated below. The revenue streams performance in the 2021/2022 financial year was used to make the revenue projections.

Table 6: Summary Of Projected County Local Revenue 2023/2024

REVENUE SOURCES	BASELINE ESTIMATES	PRINTED ESTIMATES	PRINTED ESTIMATES	TARGET ESTIMATES	PROJECTIONS	
	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
DEPARTMENT OF FINANCE, ICT AND ECONOMIC PLANNING						
Matatu stickers® fee	9,269,780	854,887.00	13,920,424	12,733,269	13,369,932	14,038,429
General Services	79,315	505,520.00	11,390,440	83,281	87,445	91,817
Imprest Surrender	86,098	0.00	-	90,403	94,923	99,670
Administrative Fee	0	0.00	231,730	-	-	-
Sub totals	15,636,274	1,360,407.00	25,542,594	12,906,953	13,552,301	14,229,916
DEPARTMENT OF LANDS,HOUSING AND URBAN DEVELOPMENT						
Market stall Rent	571,814	508,237.00	750,823	600,405	630,425	661,946
Daily Parking	4,929,681	10,644,763.00	15,905,486	7,176,165	7,534,973	7,911,722
Build Plan&Approval	2,653,500	5,114,953.00	2,213,574	3,786,175	3,975,484	4,174,258
I/Plot Rent	177,860	30,979.00	218,858	186,753	196,091	205,895
Plot Rent	983,561	161,430.00	1,229,746	2,532,739	2,659,376	2,792,345
Lands&Survey	378,000	405,116.00	175,452	396,900	416,745	437,582
Phys Planning	2,426,988	4,281,967.00	2,181,977	3,548,337	3,725,754	3,912,042
Land Rates	12,321,770	20,510,952.00	33,185,764	16,937,858	17,784,751	18,673,989
Advertisement Charges	7,188,795	0.00	21,530,243	9,548,235	10,025,646	10,526,929
Sub totals	32,469,368	41,658,397.00	77,391,923	44,713,567	46,949,246	49,296,708
DEPARTMENT OF WATER, ENVIRONMENT, MINING AND NATURAL RESOURCES						
Water,sanitation and irrigation fees	128,400	5,529.00	35,201,027	134,820	141,561	148,639

Building material cess	1,710,320	0.00	-	2,795,836	2,935,628	3,082,409
adverts/promotional fees	0	10,366,334.00	-	-	-	-
Sub totals	1,838,720	10,371,863.00	35,201,027	2,930,656	3,077,189	3,231,048
DEPARTMENT OF GENDER,CULTURE,SPORTS DEVELOPMENT						
Liquor	645,000	2,035,020.00	10,035,929	677,250	711,112	746,668
Registration fees for social services/Renewal	14,600	0.00	782	15,330	16,096	16,901
Sub totals	659,600	2,035,020.00	10,036,711	692,580	727,209	763,569
DEPARTMENT OF HEALTH SERVICES						
Public Health	2,090,830	38,569,531	0	0	-	-
Medical Services	79,189,658	123,834,801	0	0	-	-
Sub totals	81,280,488	162,404,332	0	0	-	-
DEPARTMENT OF TRADE,TOURISM AND COOPERATIVES DEVELOPMENT						
Market Dues	979,553	14,433,680	11,438,535	1,028,531	1,079,957	1,133,955
S.B.P	20,602,379	17,828,238	26,782,439	27,032,408	28,384,028	29,803,230
S.B.P Appl.	433,600	6,333,389	19,899,668	455,280	478,044	501,946
Trade,Wghts&Msrs	609,520	511,342	5,921,711	639,996	671,996	705,596
Sub totals	28,485,101	39,106,649	64,042,353	29,156,215	30,614,025	32,144,727
DEPARTMENT OF EDUCATION AND VOCATIONAL TRAINING						
SBP Private schools/vocational institutions	950,000	3,700,000	-	997,500	1,047,375	1,099,744
App.fee for private schools/vocational institutions	0	300,000	-	-	-	-
Sub totals	950,000	4,000,000	-	997,500	1,047,375	1,099,744
DEPARTMENT OF ROADS,TRANSPORT AND PUBLIC WORKS						
Hire of Machinery &Eqpmt	0	5,946	450,489	-	-	-

Public Works approvals	255,500	4,427,102	7,191,260	268,275	281,689	295,773
Sub totals	255,500	4,433,048	7,641,749	268,275	281,689	295,773
DEPARTMENT OF AGRICULTURE, LIVESTOCK AND FISHERIES DEVELOPMT						
cattle movement permit	298,095	219,705	568,472	313,000	328,650	345,082
Cattle Fee	1,057,550	764,359	3,121,886	2,110,427	2,215,949	2,326,746
Slaughter Fee	16,800	18,611	26,655	17,640	18,522	19,448
Veterinary	1,015,059	2,659,666	16,015,570	1,565,812	1,644,103	1,726,308
Agricultural cess	2,690,560	15,622,259	19,987,380	2,825,088	2,966,342	3,114,660
fish permits	1,500	0	0	1,575	1,654	1,736
Sub totals	4,979,564	19,284,600	39,719,963	6,833,542	7,175,219	7,533,980
DEPARTMENT OF PUBLIC SERVICE MANAGEMENT						
Storage charges, penalties, fines	38,687	4,402,174	16,491	40,621	42,652	44,785
Impounding charges	93,000	9,721,278	5,377,456	97,650	102,532	107,659
Motor bike stickers	996,070	222,232	29,733	1,544,273	1,621,487	1,702,561
Sub totals	351,370	14,345,684	5,423,680	1,682,544	1,766,671	1,855,005
GRAND TOTALS	166,905,985	295,000,000	265,000,000	100,181,832	105,190,924	110,450,470

Source: County treasury 2022

4.4 EXPENDITURE FORECASTS

In the next MTEF period, County total expenditures for FY 2023/2024 are expected to be Ksh. 6,197,065,593. The County wage bill is currently stands at 52%, which is above the recommended rate of 35%. The ongoing reforms in the human resources management are expected to stabilize the wage bill. Further the CEC Finance should then institute measures to avert this trend by committing the responsibility statement to the County Assembly. In 2023/2024, the overall development and recurrent expenditures are projected to Kshs. 1,859,119,678 and Kshs. 4,337,945,915 respectively. This translates to 30% and 70% development and recurrent expenditures respectively.

Table 7: Expenditure Projections for the Period 2023/2024-2025/2026

Department	Details	Printed Estimates	Actual Expenditures	Printed Estimates	Target Estimate	Projections	
		2021/2022	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
County Assembly	Recurrent	612,444,433	602,543,861	608,070,587	610,444,433	640,966,655	673,014,987
	Development	155,000,000	118,557,592	225,000,000	90,683,243	95,217,405	99,978,275
	Sub-total	767,444,433	721,101,453	833,070,587	701,127,676	736,184,060	772,993,262
Executive	Recurrent	452,162,325	410,111,180	469,162,325	452,162,325	474,770,441	498,508,963
	Development	0	0	0	-	-	-
	Sub-total	452,162,325	410,111,180	469,162,325	452,162,325	474,770,441	498,508,963
Finance and Economic Planning	Recurrent	422,059,383	369,438,580	401,216,141	310,743,609	326,280,790	342,594,829
	Development	199,442,099	52,750,510	465,000,000	60,077,981	63,081,881	66,235,975
	Sub-total	621,501,482	422,189,090	866,216,141	370,821,590	389,362,670	408,830,804
Agriculture Livestock and Fisheries	Recurrent	166,654,618	161,420,606	155,539,594	150,242,177	157,754,285	165,642,000
	Development	313,581,363	210,259,793	329,555,724	340,981,501	358,030,576	375,932,105
	Sub-total	480,235,981	371,680,399	485,095,318	491,223,677	515,784,861	541,574,104
Environment Water Energy & Mineral Resources	Recurrent	98,623,857	96,594,570	81,484,611	90,910,640	95,456,172	100,228,981
	Development	146,400,000	132,483,636	237,880,043	280,890,122	294,934,628	309,681,359
	Sub-total	245,023,857	229,078,206	319,364,654	371,800,762	390,390,800	409,910,340
Education and Vocational Training	Recurrent	481,834,399	477,465,864	357,652,522	454,650,974	477,383,523	501,252,699
	Development	15,134,041	15,071,786	255,600,000	232,275,126	243,888,883	256,083,327
	Sub-total	496,968,440	492,537,650	613,252,522	686,926,100	721,272,405	757,336,026
Health Services	Recurrent	1,778,990,120	1,712,510,904	1,645,700,761	1,584,106,687	1,663,312,022	1,746,477,623
	Development	520,136,871	369,760,271	197,239,260	272,754,000	286,391,700	300,711,285

	Sub-total	2,299,126,991	2,082,271,175	1,842,940,021	1,856,860,688	1,949,703,722	2,047,188,908
Lands Housing and Physical Planning	Recurrent	80,352,053	72,246,097	115,898,745	62,419,901	65,540,896	68,817,941
	Development	142,440,610	73,803,375	112,694,152	92,240,065	96,852,068	101,694,671
	Sub-total	222,792,663	146,049,472	228,592,897	154,659,966	162,392,964	170,512,612
Roads Transport and Public Works	Recurrent	126,310,808	118,293,801	101,885,984	106,457,125	111,779,981	117,368,980
	Development	259,400,244	201,354,659	108,505,464	186,297,843	195,612,736	205,393,372
	Sub-total	385,711,052	319,648,460	210,391,448	292,754,968	307,392,717	322,762,352
Trade, Tourism and Cooperative development	Recurrent	38,658,920	35,287,183	46,339,950	30,951,061	32,498,614	34,123,544
	Development	54,646,217	35,151,656	11,000,000	70,611,610	74,142,190	77,849,299
	Sub-total	93,305,137	70,438,839	57,339,950	101,562,670	106,640,804	111,972,844
Gender Youth and Social services	Recurrent	56,865,878	52,530,383	64,615,893	46,629,489	48,960,964	51,409,012
	Development	54,143,500	30,097,534	33,000,000	70,730,754	74,267,291	77,980,656
	Sub-total	111,009,378	82,627,917	97,615,893	117,360,243	123,228,255	129,389,668
Public Service Board	Recurrent	66,113,290	55,586,738	66,113,290	66,113,290	69,418,955	72,889,902
	Development	0	0	0	-	-	-
	Sub-total	66,113,290	55,586,738	66,113,290	66,113,290	69,418,955	72,889,902
Public Service Management	Recurrent	350,566,306	346,718,253	360,719,258	329,514,486	345,990,210	363,289,721
	Development	30,000,000	5,126,336	47,000,000	51,765,977	54,354,276	57,071,990
	Sub-total	380,566,306	351,844,589	407,719,258	381,280,463	400,344,486	420,361,710
Nyamira Municipality	Recurrent	47,195,970	45,741,477	17,645,983	42,599,718	44,729,704	46,966,189
	Development	163,460,354	40,047,274	15,400,000	109,811,457	115,302,029	121,067,131
	Sub-total	210,656,324	85,788,751	33,045,983	152,411,175	160,031,733	168,033,320
County Totals	Recurrent	4,778,832,360	4,556,489,497	4,492,045,644	4,337,945,915	4,554,843,210	4,782,585,371
	Development	2,053,785,299	1,284,464,422	2,037,874,643	1,859,119,678	1,952,075,662	2,049,679,445
	Totals	6,832,617,659	5,840,953,919	6,832,617,659	6,197,065,593	6,506,918,872	6,832,264,816

Source: County Treasury 2022

Table 9: Expenditure Projections in Programmes for the Period 2023/2024-2025/2026

Sub Program	Description	Printed Estimates	Printed Estimates	Actual Expenditure	Actual Expenditure	Target Estimates			projections	
		2021/2022	2021/2022	2021/2022	2021/2022	2023/2024	2023/2024	2023/2024	2024/2025	2025/2026
		Reccurent	Development	Reccurent	Development	Reccurent	Development	Total	Total	Total
101015260	General administration and support services	440,022,425	0	443,901,400	0	444,902,000	0	444,902,000	467,147,100	490,504,455
701045260	Policy and planning services	52,923,768	0	45,092,230	0	45,092,200	0	45,092,200	47,346,810	49,714,151
708015260	Committees management services	23,939,000	0	22,983,000	0	24,883,000	0	24,883,000	26,127,150	27,433,508
709025260	Representation and infrastructural development	0	155,000,000	-	118,557,592	-	90,683,243	90,683,243	95,217,405	99,978,275
	Legislation	95,559,240	0	90,567,231	0	95,567,233	0	95,567,233	100,345,595	105,362,874
	Sub-Total	612,444,433	155,000,000	602,543,861	118,557,592	610,444,433	90,683,243	701,127,676	736,184,060	772,993,263
701015260	General administration support services	260,982,138	0	241,719,180	0	243,769,125	0	243,769,125	255,957,581	268,755,460
701025260	Policy development and support services	118,667,717	0	100,600,500	0	140,601,500	0	140,601,500	147,631,575	155,013,154
701075260	Communication services	19,194,700	0	18,240,300	0	18,240,500	0	18,240,500	19,152,525	20,110,151
706025260	Executive management services	20,622,000	0	18,900,500	0	18,900,500	0	18,900,500	19,845,525	20,837,801
723019999	Legislation	18,489,700	0	17,410,500	0	17,410,500	0	17,410,500	18,281,025	19,195,076
	Results	14,206,070	0	13,240,200	0	13,240,200	0	13,240,200	13,902,210	14,597,321
	Sub-Total	452,162,325	0	410,111,180	0	452,162,325	0	452,162,325	474,770,441	498,508,963
504015260	Information and communication services	3,000,000	0	2,900,500	0	2,900,500	0	2,900,500	3,045,525	3,197,801
504025260	ICT infrastructural services	0	15,657,902	-	8,781,361	-	5,000,000	5,000,000	5,250,000	5,512,500
701015260	General administration support services	250,335,691	0	248,500,400	0	238,500,400	0	238,500,400	250,425,420	262,946,691

701025260	Policy development and support services	12,466,000	0	12,000,000	0	4,000,000	0	4,000,000	4,200,000	4,410,000
701035260	Supply chain management	3,000,020	0	2,905,900	0	2,905,900	0	2,905,900	3,051,195	3,203,755
702015260	Economic planning and coordination	58,657,692	21,969,149	58,535,600	13,969,149	48,830,600	5,077,981	53,908,581	56,604,010	59,434,211
702025260	Budget formulation and management	0	0	-	0	-	0	-	-	-
704015260	Accounting services	3,000,000	0	2,500,000	0	2,510,100	0	2,510,100	2,635,605	2,767,385
704025260	Audit services	3,000,006	0	2,700,700	0	2,700,700	0	2,700,700	2,835,735	2,977,522
705015260	External Resources mobilization	0	0	-	0	-	0	-	-	-
705025260	Internal Resource mobilization	10,599,964	19,000,000	10,500,000	0	5,500,000	0	5,500,000	5,775,000	6,063,750
	Monitoring and Evaluation	3,000,010	0	2,895,480	0	2,895,409	0	2,895,409	3,040,179	3,192,188
	Community and Special funding	75,000,000	142,815,048	26,000,000	30,000,000	-	50,000,000	50,000,000	52,500,000	55,125,000
	Sub-Total	422,059,383	199,442,099	369,438,580	52,750,510	310,743,609	60,077,981	370,821,590	389,362,670	408,830,803
101015260	General administration and support services	159,513,376	0	155,500,606	0	145,500,177	0	145,500,177	152,775,186	160,413,945
101025260	Policy and planning	4,028,242	0	3,000,000	0	2,000,000	0	2,000,000	2,100,000	2,205,000
102015260	Crop development services	2,000,000	312,581,363	1,820,000	210,259,793	1,642,000	340,981,501	342,623,501	359,754,676	377,742,410
102025260	Agribusiness	0	0	-	0	-	0	-	-	-
103015260	Aquaculture promotion	1,113,000	0	1,100,000	0	1,100,000	0	1,100,000	1,155,000	1,212,750
104015260	Livestock products value	0	0	-	0	-	0	-	-	-
104025260	Animal health diseases	0	1,000,000	-	0	-	0	-	-	-
	Sub-Total	166,654,618	313,581,363	161,420,606	210,259,793	150,242,177	340,981,501	491,223,678	515,784,862	541,574,105
1001015260	General administration and support services	73,166,690	0	71,923,500	0	71,910,600	0	71,910,600	75,506,130	79,281,437
1001025260	Policy and planning	4,457,167	0	4,070,570	0	4,100,540	0	4,100,540	4,305,567	4,520,845
1002035260	Other energy sources promotion	20,000,000	0	19,600,500	0	12,899,500	0	12,899,500	13,544,475	14,221,699

1003015260	Major towns water services	0	0	-	0	-	0	-	-	-
1003025260	Rural water services	0	146,400,000	-	132,483,636	-	280,890,122	280,890,122	294,934,628	309,681,360
1004015260	Pollution and waste management	1,000,000	0	1,000,000	0	2,000,000	0	2,000,000	2,100,000	2,205,000
1004025260	Agroforestry promotion	0	0	-	0	-	0	-	-	-
	Sub-Total	98,623,857	146,400,000	96,594,570	132,483,636	90,910,640	280,890,122	371,800,762	390,390,800	409,910,340
501015260	General administration	359,697,845	0	355,604,860	0	355,804,970	0	355,804,970	373,595,219	392,274,979
501025260	Planning policy	3,334,433	0	3,300,300	0	3,300,300	0	3,300,300	3,465,315	3,638,581
502015260	ECDE and CCC management services	4,355,320	14,200,000	4,300,500	14,200,000	4,300,500	61,400,000	65,700,500	68,985,525	72,434,801
503015260	Vocational management services	114,446,801	934,041	114,260,204	871,786	91,245,204	170,875,126	262,120,330	275,226,347	288,987,664
	Sub-Total	481,834,399	15,134,041	477,465,864	15,071,786	454,650,974	232,275,126	686,926,100	721,272,405	757,336,025
401019999	Health Promotion	8,255,529	0	6,196,680	0	2,193,680	0	2,193,680	2,303,364	2,418,532
401059999	Communicable Disease Control	574,032	0	512,998	0	511,998	0	511,998	537,598	564,478
401015260	Administration support services	1,601,536,479	0	1,593,200,322	0	1,523,200,322	0	1,523,200,322	1,599,360,338	1,679,328,355
	Policy	4,040,503	0	3,000,000	0	3,000,000	0	3,000,000	3,150,000	3,307,500
402015260	Medical services	164,583,577	0	109,600,904	0	55,200,687	0	55,200,687	57,960,721	60,858,757
402025260	Facility infrastructural services	0	520,136,871	-	369,760,271	-	272,754,000	272,754,000	286,391,700	300,711,285
	Sub-Total	1,778,990,120	520,136,871	1,712,510,904	369,760,271	1,584,106,687	272,754,000	1,856,860,687	1,949,703,721	2,047,188,907
101015260	General administration and support services	74,881,157	0	69,006,000	0	60,006,000	0	60,006,000	63,006,300	66,156,615
101025260	Policy and planning	5,470,896	0	3,240,097	0	2,413,901	0	2,413,901	2,534,596	2,661,326
105015260	Lands and physical planning	0	20,000,000	-	0	-	0	-	-	-
105025260	Surveying services	0	0	-	0	-	0	-	-	-
106015260	Town Management and co-ordination services	0	122,440,610	-	73,803,375	-	92,240,065	92,240,065	96,852,068	101,694,672

107015260	Housing improvements	0	0	-	0	-	0	-	-	-
	Sub-Total	80,352,053	142,440,610	72,246,097	73,803,375	62,419,901	92,240,065	154,659,966	162,392,964	170,512,613
201055260	Administration and support services	105,596,562	0	100,500,560	0	96,700,584	0	96,700,584	101,535,613	106,612,394
201065260	Policy and planning	7,764,246	0	6,900,420	0	2,900,420	0	2,900,420	3,045,441	3,197,713
202025260	Construction of roads and bridges	12,500,000	114,887,511	10,492,821	104,892,370	6,456,121	104,902,370	111,358,491	116,926,416	122,772,736
202045260	Infrastructural development and fire safety and public works	450,000	0	400,000	0	400,000	0	400,000	420,000	441,000
202035260	Rehabilitation and maintenance of Roads	0	144,512,733	-	96,462,289	-	81,395,473	81,395,473	85,465,247	89,738,509
	Sub-Total	126,310,808	259,400,244	118,293,801	201,354,659	106,457,125	186,297,843	292,754,968	307,392,716	322,762,352
301015260	General administration and support services	32,672,901	0	30,670,700	0	26,930,700	0	26,930,700	28,277,235	29,691,097
301025260	Policy and planning services	1,211,779	0	1,230,000	0	929,000	0	929,000	975,450	1,024,223
302015260	Cooperative promotion	1,339,240	0	1,300,900	0	1,000,800	0	1,000,800	1,050,840	1,103,382
302025260	Trade promotion	2,539,000	54,646,217	1,190,400	35,151,656	1,100,400	70,611,610	71,712,010	75,297,611	79,062,491
303015260	Tourism promotion and management	896,000	0	895,183	0	990,161	0	990,161	1,039,669	1,091,653
	Sub-Total	38,658,920	54,646,217	35,287,183	35,151,656	30,951,061	70,611,610	101,562,671	106,640,805	111,972,845
701015260	General administration support services	49,586,819	0	46,400,320	0	40,509,421	0	40,509,421	42,534,892	44,661,637
701025260	Policy development and support services	2,302,759	0	2,000,563	0	2,000,563	0	2,000,563	2,100,591	2,205,621
902015260	Community Development/Sports	3,251,300	54,143,500	2,504,500	30,097,534	2,504,500	70,730,754	73,235,254	76,897,017	80,741,868
902035260	Cultural promotion heritage	1,725,000	0	1,625,000	0	1,615,005	0	1,615,005	1,695,755	1,780,543
	Grand Total	56,865,878	54,143,500	52,530,383	30,097,534	46,629,489	70,730,754	117,360,243	123,228,255	129,389,668
1001015260	General administration and support services	47,154,290	0	42,143,738	0	47,154,290	0	47,154,290	49,512,005	51,987,605

1001025260	Policy and planning	13,577,500	0	10,342,300	0	13,577,500	0	13,577,500	14,256,375	14,969,194
	Legal Services	5,381,500	0	3,100,700	0	5,381,500	0	5,381,500	5,650,575	5,933,104
	Sub-Total	66,113,290	0	55,586,738	0	66,113,290	0	66,113,290	69,418,955	72,889,902
101015260	General administration and support services	344,251,254	0	322,200,300	0	315,200,333	0	315,200,333	330,960,350	347,508,367
101025260	Policy and planning	2,784,552	0	2,717,553	0	2,713,753	0	2,713,753	2,849,441	2,991,913
701075260	Communication services	0	0	-	0	-	0	-	-	-
710015260	Field coordination and administration	2,174,000	30,000,000	20,900,400	5,126,336	10,700,400	51,765,977	62,466,377	65,589,696	68,869,181
710025260	Public Participation and Civic Education	0	0	-	0	-	0	-	-	-
710035260	Human resource management	1,356,500	0	900,000	0	900,000	0	900,000	945,000	992,250
710045260	Human resource development	0	0	-	0	-	0	-	-	-
	Sub-Total	350,566,306	30,000,000	346,718,253	5,126,336	329,514,486	51,765,977	381,280,463	400,344,486	420,361,710
101015260	General administration and support services	47,195,970	163,460,354	45,741,477	40,047,274	42,599,718	109,811,457	152,411,175	160,031,734	168,033,320
	Sub-Total	47,195,970	163,460,354	45,741,477	40,047,274	42,599,718	109,811,457	152,411,175	160,031,734	168,033,320
	Total Budget	4,778,832,360	2,053,785,299	4,556,489,497	1,284,464,422	4,337,945,915	1,859,119,678	6,197,065,593	6,506,918,874	6,832,264,817

Source: County Treasury 2022

The expenditure framework for the 2022/2023 was made with focus on the anticipated recurrent and development grants from the national government and other development partners.

The recurrent and development expenditures have been projected with 5% increment from the current financial year.

Flagship, ongoing projects and other priority areas including:

- The eighty-bed amenity wing and doctor's plaza
- Construction of county headquarters
- Construction of H.E. The Governor's and Deputy Governor's residence
- Construction of Hon. Speaker's residence
- Completion of County Assembly office blocks and parking slots
- Completion of Manga, Nyamaiya and other stadiums across the county
- Drainage management and garbage collection
- Spatial Development Planning and municipality operations
- Interventions in road networking and infrastructural development
- ECDE and Youth Polytechnic infrastructural development and management
- Development and management of market

4.6 CONCLUSION AND WAY FORWARD

The 2022 CBROP has been prepared at a time when it is becoming more difficult to match financial resources to the needs of the people due to low revenues both from the National Government and locally generated. The decisions made in this MTEF period 2021/2022 – 2025/2026 has largely relied on the lessons learnt in budget execution in 2021/2022. One of the lessons learnt is that expenditure on personnel emoluments is high and unsustainable in the long run. Also, it has become very clear that the absorption of development funds has been very low thus affecting the pace of development. Finally, local revenue is still low thus negatively impacting on the budget implementation.

Measures should be put in place to tame the rising cost of personnel emoluments to bring it closer to the 35 percent of total revenue as stipulated under the fiscal responsibility principles set out in the Public Finance Management Act 2012. The absorption of development funds has been low due to slow procurement process. To address this challenge, it is recommended that procurement process for development projects should begin in the first quarter and be concluded in time to give ample time for project implementation.

The County Integrated Development Plan (CIDP 2018-2022), the Annual Development Plan 2020/2021 and the sectoral strategic plans should continue to guide the priorities in resource allocation. Reference will be made to the sector ceiling outlined herein while drafting sector budget proposals for FY 2023/2024. The next County Fiscal Strategy Paper due in February 2022 further review the baseline expenditure ceilings proposed in this CBROP. The County Government should also continue to pursue prudent fiscal policy through reorienting expenditure towards priority programmes of the County Government