COUNTY GOVERNMENT OF BUNGOMA

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

October 2022

©2022 County Budget Review and Outlook Paper (C-BROP)

To obtain copies of the document, please contact:

Chief Officer,

The County Treasury

Municipal Building

P. O. Box 437-50200

BUNGOMA, KENYA

Tel: +254-20-2252-299

Fax: +254-20-341-082

The document is also available on the website at: www.bungomacounty.go.ke and bungomacountyassembly.go.ke

FOREWORD

The 2022 County Budget Review and Outlook Paper has been prepared in accordance with the Public Finance Management (PFM) Act, 2012 and its Regulations. The document provides the fiscal outturn for the FY 2022/23, the macro-economic projections and sets sector ceilings for the FY 2023/24 and the Medium-Term Budget.

The 2022 County Budget Review and Outlook Paper (CBROP) has been prepared against a background of economic slowdown occasioned by the ongoing Russia-Ukraine conflict, effects of the COVID-19 containment measures, higher-than expected inflation worldwide triggered by higher global oil and food prices and the impact of the global monetary policy that has created tighter financial condition. As a result, the global economy is projected to slow down to 3.2 percent in 2022 from 6.1 percent 2021.

On the domestic scene, the Kenyan economy has demonstrated remarkable resilience and recovery to the COVID-19 shock due to the diversified nature of the economy and the proactive Government measures to support businesses. Consequently, the growth economy grew by 7.5 percent in 2021 following a modest 0.3 percent contraction in 2020. The growth momentum continued in the first quarter of 2022 with the economy expanding by a remarkable 6.8 percent compared with a growth of 2.7 percent in a similar quarter in 2021. This growth was supported by positive growths in all sectors of the economy except agricultural sector that contracted by 0.7 percent in the first quarter of 2022 compared to 0.4 percent growth in the first quarter of 2021. Economic growth is expected to remain resilient growing by an average of 5.5 percent in 2022 and above 6.0 percent over the medium term. This outlook will be reinforced by the Economic Recovery Strategy. Additionally, the Government is implementing the third phase of the Economic Stimulus Programs that target strategic interventions in agriculture, health, education, drought response, policy, infrastructure, financial inclusion, energy, and environmental conservation.

The fiscal performance in the FY 2021/22 was not satisfactory, due to the impact of COVID-19 pandemic, the effects of the general election and the ongoing Russia-Ukraine conflict. The economy however picked up on a slow pace affecting collections from major revenue streams including property development fees, business licenses and public transport fees and charges. Total cumulative revenue including Appropriation in Aid (A-i-A) collection recorded an annual decrease of 12.6 percent from the previous financial year. Overall, the local revenue contracted by 6.9 percent.

Considering the tight resource envelope that is available for the FY 2023/24 and the Medium-Term Budget, emphasis will be on aggressive revenue mobilization including policy measures to whip in additional revenue and reign on expenditures to restrict its growth. This will reduce the fiscal deficit that will support reduction in the growth of public debt (pending bills) to ensure debt sustainability. In this regard, the Sector

Working Groups are required to scrutinize all proposed Ministries, Departments and Agencies (MDAs) budgets for FY 2023/24 and the medium term to ensure that they are not only directed towards improving productivity but are also aligned to the achievement of the objectives. Emphasis should be on completing ongoing projects before starting new ones as contained in CIDP 2023 – 2027

In this regard, I therefore, call upon all to adhere to the hard sector ceilings, and the strict deadlines provided in this document to facilitate the finalization and appropriation of the FY 2023/24 and the medium-term budget.

ESTHER N. WAMALWA
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENTS

The 2022 CBROP has been prepared in accordance with the Public Finance Management (PFM) Act, 2012 and its Regulations. The document provides the fiscal outturn for the FY 2021/22, the macro-economic projections and set sector ceiling for the FY 2023/24 and the Medium-Term Budget. The document also provides an overview of how the actual performance of the FY 2021/22 affected compliance in the fiscal responsibility principles and the financial objectives outlined in the PFM Act. The 2022 BROP will guide 2023 County Fiscal strategy Paper (CFSP) that will summarize the various projects and initiatives undertaken during third medium term plan.

The preparation of the 2022 CBROP was a collaborative effort among various Government Agencies. The leadership and policy direction given by H.E. the Governor, the deputy Governor and the County Executive Committee in the preparation of this document is highly appreciated.

We thank all the County Departments and Agencies as well as other spending units for the timely provision of useful data and information on their budget execution for the FY 2021/22.

We are also grateful to the Sector Working Groups under the leadership of all the county chief officers, that reviewed this document to ensure it satisfies the PFM Act, 2012.

This document also benefitted from key inputs from various Directorates within the County Treasury who set out the sector ceilings contained therein to guide the rest of the sectors in the preparation of their 2022/23 budgets.

I wish to thank the core team from the Budget and Economic Planning Directorates that coordinated the finalization of this document.

Finally, allow me to thank all stakeholders that we consulted directly and indirectly for the useful comments and inputs.

EDWARD MAKHANDIA
CHIEF OFFICER, ECONOMIC PLANNING

TABLE OF CONTENTS

FOREWORD.....iii
ACKNOWLEDGEMENTS v
LEGAL BASIS FOR THE PUBLICATION OF THE BUDGET REVIEW AND OUTLOOK PAPER vii
EXECUTIVE SUMMARY vii
ABBREVIATIONS AND ACRONYMS..... vii
I. INTRODUCTION 1
II. REVIEW OF FISCAL PERFORMANCE FOR FY 2021/22 3
III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK 22
IV. RESOURCE ALLOCATION FRAMEWORK 33
V. CONCLUSION AND NEXT STEPS 37
ANNEXES 38

LIST OF TABLES

Table 1: County Revenue and Grants FY 2021/22 ..... **Error! Bookmark not defined.**
Table 2: County Expenditure FY 2021/22..... **Error! Bookmark not defined.**
Table 3: Departments Expenditure for the Period Ending 30th June, 2022**Error! Bookmark not defined.**
Table 4: Sectoral GDP Performance 24
Table 5: Key Outcomes 31

LIST OF FIGURES

Figure 1: Annual Real GDP Growth Rates, percent 23
Figure 2: Sectors contributions to Real GDP Growth 25
Figure 3: Inflation Rate, Percent 25
Figure 4: Inflation Rates in selected African Countries (August 2022) 26
Figure 5: Kenya Shillings Exchange Rate..... 26
Figure 6: Performance of Selected Currencies against the US Dollar (August 2021 to August 2022) 27
Figure 7: Short Term Interest Rates, Percent 28

ABBREVIATIONS AND ACRONYMS

CBROP	County Budget Review and Outlook Paper
BMI	Business Monitoring Intelligence
CFSP	County Fiscal Strategy Paper
EAC	East African Community
EIU	Economic Intelligence Unit
ERS	Economic Recovery Strategy
GDP	Gross Domestic Product
GOK	Government of Kenya
KNBS	Kenya National Bureau of Statistics
MDG	Millennium Development Goals
MPERs	Ministerial Public Expenditure Review
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
PIM	Public Investment Management
SWGs	Sector Working Groups
V-2030	Vision 2030

LEGAL BASIS FOR THE PUBLICATION OF THE BUDGET REVIEW AND OUTLOOK PAPER

1. The Public Finance Management Act 2012, Section 118 (1) requires the County Government to prepare the County Budget Review and Outlook Paper (CBROP).
   a. It specifies 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. reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.
2. The County Executive Committee (CEC) shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, not later than fourteen days after its submission.
3. Not later than seven days after the C-BROP has been approved by CEC, the County Treasury shall:
   a. Submit the paper to the County Assembly and
   b. Publish and publicize the paper not later than fifteen days after laying the Paper before the county Assembly.

Fiscal Responsibility Principles in the Public Finance Management Act

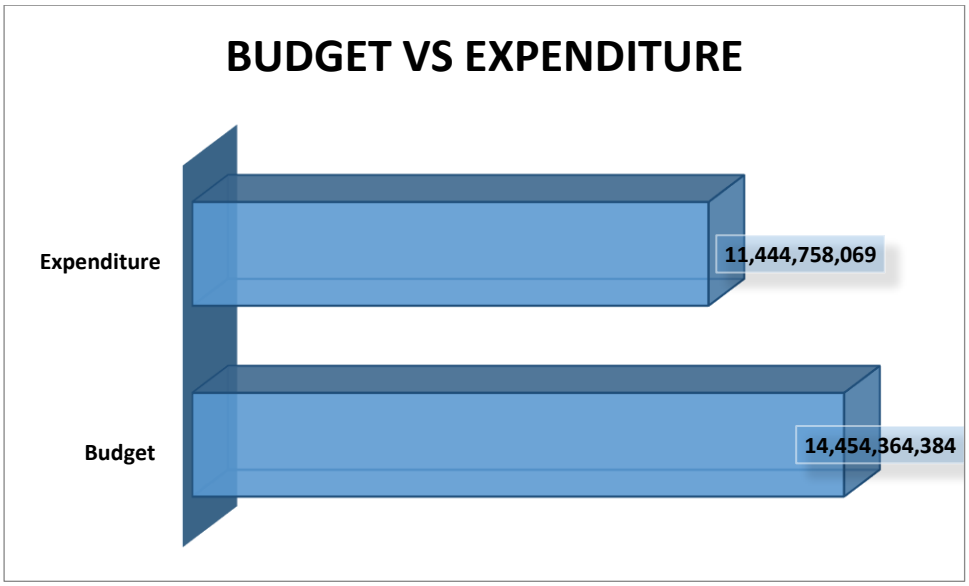
In line with the Constitution, the Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM (Section 107(2)) states that:

1. Over the medium term, a minimum of 30% of the county government budget shall be allocated to development expenditure.
2. The county government will institute measures geared towards lowering expenditure on wages and benefits for public officers so as not to exceed a percentage of the county government revenue as prescribed by the regulations, in this case 35%.
3. Over the medium term, the county government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure, provided that the National Treasury guarantees the borrowings.
4. Public debt and obligations shall be maintained at a sustainable level as approved by Parliament (NG) and County Assembly (CG)
5. Fiscal risks shall be managed prudently
6. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in the future.

EXECUTIVE SUMMARY

The 2022 County Budget Review and Outlook Paper has been prepared in accordance with the Public Finance Management (PFM) Act, 2012 and its Regulations. The document provides actual fiscal performance for the FY 2021/22, macro-economic projections and the sector ceilings for the FY 2023/24 and the medium-term budget. The document also provides an overview of how the actual performance of the FY 2021/22 affected our compliance with the fiscal responsibility principles and the financial objectives spelt out in the PFM Act as well as information showing changes from the projections outlined in the 2021 County Fiscal Strategy Paper.

Preliminary outcome for the FY 2021/22 indicates that the cumulative revenue collection including AIA was Ksh. 983,296,708. This revenue was Ksh. 505,039,785 (33.9 %) below the target of Kshs 1,488,336,493. The total expenditure amounted to Ksh 11,444,758,069 against a target of Kshs 14,454,364,384. The variance of 20.8% (Ksh. 3,009,606,315) was attributed to lower absorption recorded in both recurrent expenditure (Ksh. 9,254,768,458) and development expenditures (Ksh. 2,189,989,611) by the County Government.



Analysis of CDAs Revenues for FY 2020/21 and FY 2021/22

ITEM	2020/21	2021/22		
	Actuals	Target	Actual received	Deviation
Total Revenue	**13,239,233,043**	**14,454,364,385**	**11,690,427,481**	**2,763,936,904**
Equitable Share b/f	1,320,961,881	230,673,452	230,673,452	0
Equitable Share	8,893,650,000	10,659,435,192	9,806,680,373	852,754,819
Grants b/f	1,241,572,240	0		
Conditional grants NG	367,648,618	434,055,985	216,736,151	**217,319,834**

ITEM	2020/21	2021/22		
	Actuals	Target	Actual received	Deviation
Conditional grants Development partners	650,005,690	1,633,093,814	453,040,793	**1,180,053,021**
Retention	0	8,769,449		**8,769,499**
AIA	370,276,382	741,524,891	615,261,490	**126,263,401**
Local revenue	395,118,238	746,811,602	368,035,218	**378,776,384**

Analysis of Grants Received from National Government and Development Partners

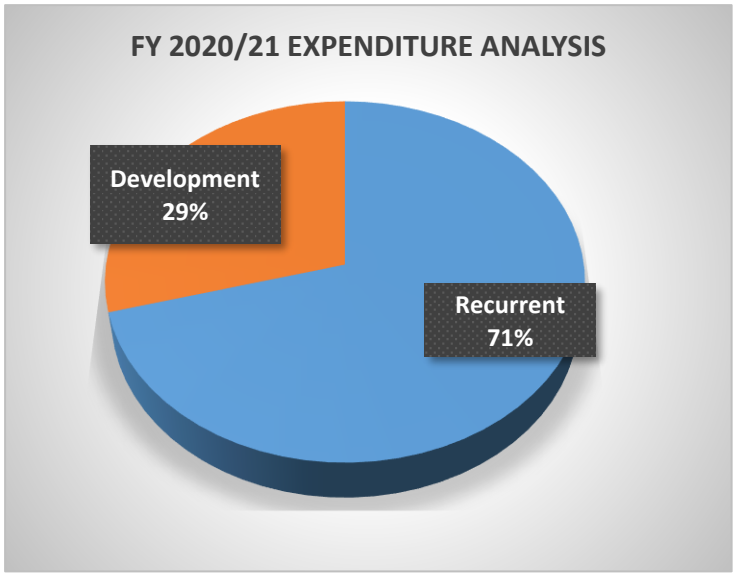
Grant Type	Actuals FY 2020/21	Targeted FY 2021/22	Actual FY 2021/22
Universal Health care Project	132,330,291	83,053,623	30,083,836
Danida	25,290,000	29,466,753	19,614,191
ASDSP II	16,831,994	42,163,617	37,224,203
Kenya Devolution support programme	343,515,979	344,173,780	189,168,989
Nagrip	380,963,601	487,201,882	301,387,326
Urban Support programme -Dev	521,598,601	563,828,413	162,656,256
Urban Support Programme- Rec.		22,000,000	364,404
Conditional grant Water & natural resources		41,048,858	0
Compensation user fee foregone	32,837,307	32,837,307	32,837,307
Leasing of medical equipment		233,974,807	209,538,834
Development for youth Polytechnics	94,814,043	32,040,997	62,140,935
Covid 19 Grant	280,044,000	52,665,132	52,665,132
Fuel Levy Fund	431,000,409	51,123,630	51,123,630
UNICEF		1,571,000	0
KISP II		50,000,000	0
Total	**2,259,226,543**	**2,067,149,799**	**1,148,805,043**

Analysis of MDAs expenditure for FY 2020/21 and 2021/22

	2020/21	2021/22			
	Actual	Target	Actual expenditure	Deviation	% Deviation
	Kshs. Millions				
(a) Recurrent Expenditure	8,163.9	9,974.9	9,254.7	720.2	7.2
(b) Development Expenditure	3,364.9	4,479.3	2,189.9	2,289.4	51.11
Total Expenditure (a + b)	11,528.9	14.454.3	11,444.7	3,009.4	20.8

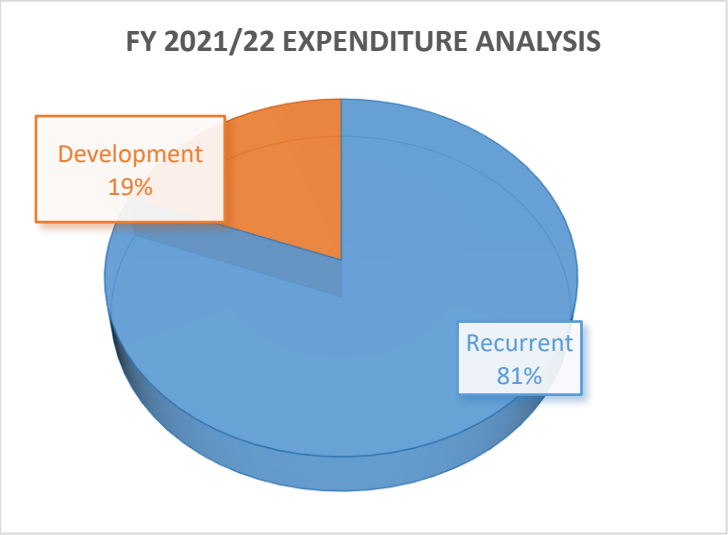
NB: This shows recurrent expenditure absorption was 92.7% compared to development expenditure absorption of 48.8%.

Expenditure for Financial Year 2020/21



Development expenditure in FY 2020/21 was high owing to improved procurement processes and compliance to controller of budget requirements

Expenditure for Financial Year 2021/22



Development expenditure was low due to late commencement of procurement processes and delayed disbursement of development funds from the National Treasury.

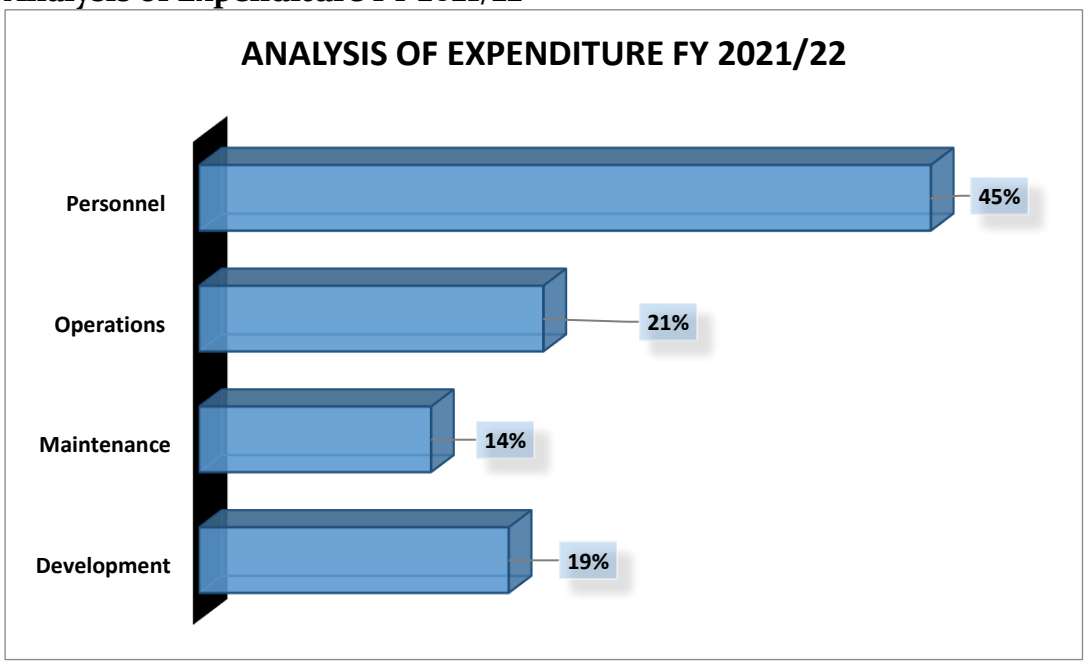
Development expenditure dropped to 19% in FY 2021/22 from 29% in FY 2020/21.

Analysis of expenditure by economic classification for FY 2021/22

Department	Personnel Emoluments	Use of Goods and Services	Maintenance	Total Recurrent	Development	Total
Agriculture, livestock, fisheries and co op development	316,733,058.00	134,004,301.00	6,967,944.00	457,705,303.00	275,258,241.00	732,963,544.00
Tourism and Environment	21,746,065.00	249,463,706.00	1,098,500.00	272,308,271.00		272,308,271.00
Water and Natural Resource	31,996,740.00	36,971,336.00	30,822,056.00	99,790,132.00	100,321,809.00	200,111,941.00
Trade, Energy and Industrialization	24,326,054.00	41,026,024.00	5,652,124.00	71,004,202.00	19,653,970.00	90,658,172.00
Education	910,376,908.00	47,686,920.00	520,865,848.00	1,478,929,676.00	183,929,762.00	1,662,859,438.00
Health and Sanitation	2,249,332,039.00	230,906,112.00	774,871,881.00	3,255,110,032.00	46,689,846.00	3,301,799,878.00
Roads and Public Works	77,488,210.00	58,896,645.00	23,485,019.00	159,869,874.00	1,124,893,750.00	1,284,763,624.00
Lands, Urban and Physical planning	25,505,039.00	21,568,906.00	2,558,289.00	49,632,234.00	8,511,264.00	58,143,498.00
Housing	7,924,855.00	8,352,714.00	7,182,838.00	23,460,407.00		23,460,407.00
Bungoma Municipality		15,612,764.00	449,001.00	16,061,765.00	29,294,002.00	45,355,767.00
Kimilili Municipality		12,646,450.00	764,764.00	13,411,214.00	53,161,894.00	66,573,108.00
Gender and Culture	39,412,782.00	40,812,900.00	(9,420,671.00)	70,805,011.00		70,805,011.00
Youth and Sports	3,909,150.00	32,091,894.00	11,614,758.00	47,615,802.00	157,296,583.00	204,912,385.00
Finance and Economic planning	539,272,399.00	468,429,366.00	211,604,101.00	1,219,305,866.00		1,219,305,866.00
County Public Service Board	6,898,111.00	57,693,542.00	(9,892,848.00)	54,698,805.00		54,698,805.00
Governor/D Governor	281,357,342.00	160,127,680.00	51,996,142.00	493,481,164.00		493,481,164.00
Deputy Governor			-	-		-
Public Administration	229,070,738.00	316,064,753.00	5,267,239.00	550,402,730.00	149,412,268.00	699,814,998.00
Office of the CS			-	-		-
ICT			-	-		-
Sub County Administration			-	-	-	-
County Assembly	412,991,344.00	502,967,554.00	5,217,073.00	921,175,971.00	41,566,221.00	962,742,192.00
Total	**5,178,340,834.00**	**2,435,323,567.00**	**1,641,104,058.00**	**9,254,768,459.00**	**2,189,989,610.00**	**11,444,758,069.00**
Percentage	**45.25**	**21.28**	**14.34**	**80.86**	**19.14**	**100.00**

Personnel emoluments and operation and maintenance accounted for 45.25%, 21.28% and 14.34% of the total expenditure respectively. Development expenditure accounted for 19.14%. The 45.25% expenditure on personnel emoluments includes expenditure from the County Assembly, gratuity and pension for all county employees. Analysis of expenditure for FY 2021/22 has been summarized.

Analysis of Expenditure FY 2021/22



Fiscal outcomes for the FY 2022/23 are projected to improve supported by the fiscal consolidation policies. Local revenues are projected to decrease to 50.7 percent to ksh 368,035,218 of 2022/23 budget from ksh.746,811,602 of revenue in FY 2021/22. This is attributed slow growth of the economy due to covid-19, ongoing war in Ukraine, poor weather conditions and political interference due to National General election. The above affected growth in agriculture sector and a slowdown in non-agricultural sectors.

The outcome of the FY 2021/22 budget did not adhere to the Fiscal Responsibility Principles and financial objectives set out in the PFM Act, 2012, on two fronts:

a. County Government development expenditure was at 19.1 percent of total expenditure, which was lower than the minimum requirement of 30%.
b. Expenditure on personnel emoluments was 45.25 percent, which was 10.25 percent above the 35 percent threshold.

The budget for the FY 2022/23 and the medium term is premised on the favourable macroeconomic environment and transformational leadership at the county level. The budget contains allocations for implementation of core county development agenda. It has also provided for pending bills as a first charge as directed by the Treasury. Social safeguards for education and health sectors have also been duly provided for.

The medium-term revenue projections are as indicated;

Revenue Projections

Type of Revenue	21/22 Actual (Base year)	23/24	24/25	25/26
(a) Equitable share	10,659,435,192	10,659,435,192	11,192,406,952	11,752,027,299
(b) Own source revenue: As per Finance Act	368,035,218	700,000,000	735,000,000	771,750,000
(c) Own source revenue: AIA	615,261,490	817,274,781	858,138,520	901,045,446
(d) Conditional grants – National Government	216,736,151	110,638,298	116,170,213	121,978,724
(e) Conditional grants – Development partners	453,040,793	470,312,138	493,827,745	518,519,132
Total	**12,312,508,844**	**12,757,660,409**	**13,395,543,429**	14,065,320,601

The county projects an increase in equitable share in FY 2023/24 by 5% and the local revenue to increase to Ksh. 700 million since businesses will be recovering from adverse effects of the COVID – 19 pandemic and stability in the economy after the general election.

I. INTRODUCTION

Objective of the Budget Review and Outlook Paper

1. The 2022 CBROP presents a revised fiscal outlook of the fiscal performance for the financial year 2021/22 including adherence to the objectives and principles outlined in the 2022 County Fiscal Strategy Paper (CFSP) and the PFM Act, 2012.

2. This is a key document in linking policy, planning and budgeting. It will guide development of the 2023 CFSP that will summarize the priorities of the County Integrated Development Plan (CIDP III 2023-2027), the "Big Four" Plan under the National Government and the Sustainable Development Goals (SDGs) in addition to taking into account emerging macroeconomic challenges.

3. The review findings together with the recent economic developments and outlook provides a basis for the revision of the current budget and the financial policies underpinning the medium-term plan. The 2022 CBROP will guide development of the 2023 CFSP that will summarize the various projects and initiatives that will be undertaken during the Third County Integrated Development Plan (CIDP III 2023-2027)

4. As required by the PFM Act, 2012, the annual budget process aims to improve the efficiency and effectiveness of revenue mobilization and government spending to ensure debt sustainability and stimulate economic activity. To achieve this, the County Government remains committed to a measured, prudent course of fiscal consolidation to narrow the budget deficit and while at the same time enhancing the absorption capacity of MDAs.

5. As required by the PFM Act, 2012, the annual budget process aims to improve the efficiency and effectiveness of revenue mobilisation and government spending to ensure debt sustainability and stimulate economic activity.

6. The 2022 CBROP provides sector ceilings which will guide the budget preparation process for the FY 2023/24 and the medium term. The sector ceilings are based on the overall resource envelope that is informed by the medium-term macro-fiscal projections as presented in sections III and IV of this document.

7. In this context, it outlines broad policies and proposals needed to improve food security, support manufacturing activities, enhance universal health coverage and enhance living conditions through social economic activities including affordable housing. To meet the commitments, the County Government will continue to implement measures aimed at raising the share of own source revenues and

providing incentives for private sector participation in the County transformation. In addition, the County Government will continue to gradually reduce non-priority expenditures, improve value for money spent and stabilize the public finances.

8. To meet the current commitments as contained in the FY 2022/23 Budget, the County Government is implementing revenue enhancement measures aimed at expanding the local revenue base and providing incentives for businesses to thrive and create employment opportunities, improve value for money spent, stabilize expenditure on personal emoluments consistent with the County Integrated Development Plan, County strategic plan, and the overall strategies and policies outlined in the Vision 2030's and the third Medium-Term Plan (MTP IV) - 2023-2027.

9. However, the underperformance in both revenue collection and expenditure in the FY 2021/22 has implications on the financial objectives outlined in the 2021 MTEF circulars and the 2021/22 Budget. In particular, the baseline for projecting both the revenue and expenditures for the FY 2022/23 and the medium term has changed given the performance at the end of FY 2021/22 and quarter one FY 2022/23.

10. To remedy these deviations, the 2022 CBROP details appropriate revisions taking into account the budget outturn for the FY 2021/22. In addition, the fiscal outlook contained in this CBROP focuses on reforming the tax and revenue administration systems to enhance revenue yields, promote compliance and facilitate private sector growth and development as indicated in the CIDP III.

11. Further, the County Treasury has issued guidelines on how capital projects and development funded programmes should be planned, appraised and evaluated before funds are committed in the budget. Regard shall also be placed on the Public Investment Management (PIM) Guidelines developed by the National Treasury in formulation of our development programmes and projects.

12. With this background, the rest of the paper is organized as follows: Section II provides a review of the fiscal performance for the FY 2021/22 and its implications on the financial objectives set out in the 2022 CFSP; Section III provides highlights of the recent economic developments and outlook; Section IV presents the proposed resource allocation framework, Sections V and VI presents medium term revenue strategy and conclusion, respectively.

II. REVIEW OF FISCAL PERFORMANCE FOR FY 2021/22

A. FY 2021/22 Fiscal Performance

Revenue Performance

13. Revenue performance in FY 2021/22 was not satisfactory, due to the impact of COVID-19 pandemic, the effects of the general election and the ongoing Russia-Ukraine conflict. The economy however picked up on a slow pace affecting collections from major revenue streams including; property development fees, business licenses and public transport fees and charges. Total cumulative revenue including Appropriation in Aid (A-i-A) collection recorded an annual decrease of 12.6 percent from the previous financial year. Overall, the local revenue contracted by 6.9 percent.

14. Total cumulative revenue including Appropriation in Aid for FY 2021/22 amounted to Ksh 12,178,225,025 against a revised target of Ksh 14,454,364,384 (Table 1), indicating a deficit of Ksh 2,284,909,809. Local Revenue collection amounted to Ksh 368,035,218 against a target of Ksh 746,811,602. Collections from the main tax categories were broadly on market fees, single business permits, enclosed bus park fees and Cess.The A-i-A collection amounted to Kshs 615.2 Million against a target of 741.5 million and this recorded an increase of Ksh 244.9 million from FY 2020/21 collection of Kshs. 370.3 million as a result of an enhanced collection and improved disclosure by MDAs.

Table 1: **County Revenue and Grants FY 2021/22**

No	Revenue Stream	Actual Amount Received fy 2020/21	Approved budget amounts 2021/22	Actual Amount Received fy 2021/22	Variance (Kshs.)	Remarks
					C=A-B	
1	**Total Equitable share**	**10,214,611,881**	**10,898,878,093**	**10,046,123,274**	**(852,754,819)**	92%
	Exchequer	8,893,650,000	10,659,435,192	9,806,680,373	(852,754,819)	92%
	Equitable share B/f	1,320,961,881	230,673,452	230,673,452	-	100%
	Retention Brought forward	0	8,769,449	8769449	0	100%
2	**Local generated Revenue**	**395,176,411**	**746,811,602**	**368,035,218**	**(378,776,384)**	49%
	Land Rates	27,121,443	74,681,160	23,164,932	(51,516,228)	31%
	Alcoholic Drinks Licenses	5,478,550	11,202,174	5,937,000	(5,265,174)	53%
	Single Business Permits	85,067,740	140,264,404	75,283,750	(64,980,654)	54%
	Application Fees	5,667,540	9,473,857	4,136,550	(5,337,307)	44%
	Renewal fees	8,197,450	22,414,785	8,179,800	(14,234,985)	36%
	Cheque Clearance Fees	-	194,171	-	(194,171)	0%
	Conservancy Fees	14,306,558	18,293,550	12,749,805	(5,543,745)	70%
	Fire Fighting	23,135,836	28,677,070	20,375,490	(8,301,580)	71%
	Advertisement Fees	24,533,369	41,035,348	23,331,893	(17,703,455)	57%
	Food Hygiene Licenses	4,738,125	11,518,064	3,612,790	(7,905,274)	31%
	Change of User Fees	62,173	212,109	26,500	(185,609)	12%
	Car Parking Fees	10,351,075	22,119,580	9,876,670	(12,242,910)	45%
	Bodaboda Parking Fees	5,550,865	15,501,695	1,474,270	(14,027,425)	10%
	Burial Fees	61,500	185,408	63,000	(122,408)	34%
	House Rent	11,623,700	9,229,426	10,320,100	1,090,674	112%
	Stadium Hire		639,656	59,000	(580,656)	9%
	Miscellaneous Income	854,958	945,159	73,024	(872,135)	8%
	Plan Approval	12,772,987	32,642,092	11,464,386	(21,177,706)	35%
	Inspection Fee	2,770,497	6,674,672	1,927,842	(4,746,830)	29%
	Occupational Permits	-		-	-	0%

No	Revenue Stream	Actual Amount Received fy 2020/21	Approved budget amounts 2021/22	Actual Amount Received fy 2021/22	Variance (Kshs.)	Remarks
	Ground Fees	3,561,961	1,562,714	2,827,155	1,264,441	181%
	Market Fees	43,885,295	61,917,439	34,997,444	(26,919,995)	57%
	Enclosed Bus Park Fee	42,061,645	104,553,624	61,985,700	(42,567,924)	59%
	Slaughter house Fees	3,952,400	10,224,485	3,087,434	(7,137,051)	30%
	Plot Transfer	168,000	679,109	318,000	(361,109)	47%
	Change of Business Name	52,000	144,172	40,500	(103,672)	28%
	Impound Charges	753,535	4,041,885	385,725	(3,656,160)	10%
	Cess	32,536,824	71,693,914	38,882,062	(32,811,852)	54%
	Other Property	0	2,456,317	-	(2,456,317)	0%
	Tender Document Sale	1,000		-	-	0%
	Sand Harvest Fee		276,756	-	(276,756)	0%
	Market Stalls Rent	1,500,550	4,905,884	1,327,800	(3,578,084)	27%
	Stock Sales	8,361,910	17,979,960	8,369,060	(9,610,900)	47%
	Other Revenue sources	15,984,752	20,470,963	3,757,536	(16,713,427)	18%
3	**Aids in Appropriation**	**370,276,382**	**741,524,891**	**615,261,490**	**(126,263,401)**	83%
	Agriculture, livestock, fisheries, and co-op development	23,405,406	26,761,460	29,431,030	2,669,570	110%
	Tourism, Forestry, environment and natural resource and water	143,500	1,273,388	39,600	(1,233,788)	3%
	Roads and Public Works	-	4,051,688	-	(4,051,688)	0%
	Education, Science and ICT	-	2,205,000	-	(2,205,000)	0%
	Health and Sanitation.	346,727,476	692,823,421	585,790,860	(107,032,561)	85%
	Lands, Urban and Physical Planning	-	6,611,952	-	(6,611,952)	0%
	Public Administration		7,797,983	-	(7,797,983)	0%
	County Secretary			-	-	0%
4	**Conditional grants -Development Partners**	**1,453,368,091**	**1,697,346,233**	**773,336,512**	**(924,009,721)**	46%
	Universal Health care Project	132,330,291	83,053,623	30,083,836	(52,969,787)	36%

No	Revenue Stream	Actual Amount Received fy 2020/21	Approved budget amounts 2021/22	Actual Amount Received fy 2021/22	Variance (Kshs.)	Remarks
	Danida	25,290,000	29,466,753	19,614,191	(9,852,562)	67%
	ASDSP II	16,831,994	42,163,617	37,224,203	(4,939,414)	88%
	Kenya Devolution support programme-R	343,515,979	344,173,780	189,168,989	(155,004,791)	55%
	Nagrip	380,963,919	487,202,882	301,387,326	(185,815,556)	62%
	Compensation user fee foregone	32,837,307	32837307	32837307	0	100%
	UNICEF		1,571,000	0	(1,571,000)	0%
	Urban Support programme development	521,598,601	563,828,413	162656256	(401,172,157)	29%
	Conditional grant Water & natural resources		41,048,858	0	(41,048,858)	0%
	Urban Support programme Recurrent		22,000,000	364404	(21,635,596)	2%
	III) KISP II (Kenya Informal Settlement Improvement Project)		50,000,000	0	(50,000,000)	0%
5	**Conditional grants -National Government**	**805,858,443.00**	**369,804,566**	**375,468,531**	**5,663,965**	102%
	Leasing of medical equipment		233,974,807	209,538,834	(24,435,973)	90%
	Development for youth Polytechnics	94,814,043	32,040,997	62,140,935	30,099,938	194%
	Covid 19 Grant	280,044,000	52,665,132	52665132	0	100%
	Fuel Levy Fund	431,000,400	51,123,630	51,123,630	0	100%
	Bal Brought forward Grants		0	0	0	0%
	Total	**13,239,291,208**	**14,454,365,385**	**12,178,225,025**	**-2,276,140,360**	84%

15. Grants received amounted to Ksh 1.148 billion against a revised target of Ksh 2.067 billion, translating to a shortfall of Ksh 918.3 million. Of these grants, grants from development partners amounted to Ksh 773.336 million against a target of Ksh 1.697 billion while grants from the National Government amounted to Ksh 369.804 million against a target of Ksh 375.46 million.

16. The fiscal outturn for the FY 2021/22 budget did not adhere to the fiscal responsibility principles and financial objectives set out in the PFM Act, 2012. The County Government development expenditure as a percent of total expenditure was 19.1 percent; the expenditure on wages and benefits to county staff was 45.25 percent, well above the 35% threshold.

Expenditure Performance

17. Total expenditure in the FY 2021/22 amounted to Ksh 11.444 billion against a revised target of Ksh 14.45 billion, representing an under spending of Ksh 3.009 billion (20.8% deviation from the revised budget). The shortfall in spending was attributed to low ordinary revenue and late remittance of equitable share from the national government and low absorption of development projects funded by grants from development partners due to late disbursement of the funds to the county by the donors.

18. The recurrent expenditure was Kshs. 9.25 billion (including Kshs. 921 million spending by County Assembly) against a target of Kshs. 9.974 billion, representing an under-spending of Kshs. 720 million. The recurrent spending was below target mainly due poor collection of Own source revenue and late disbursement of equitable share by the National government. Equitable share received was less by kshs 861 million.

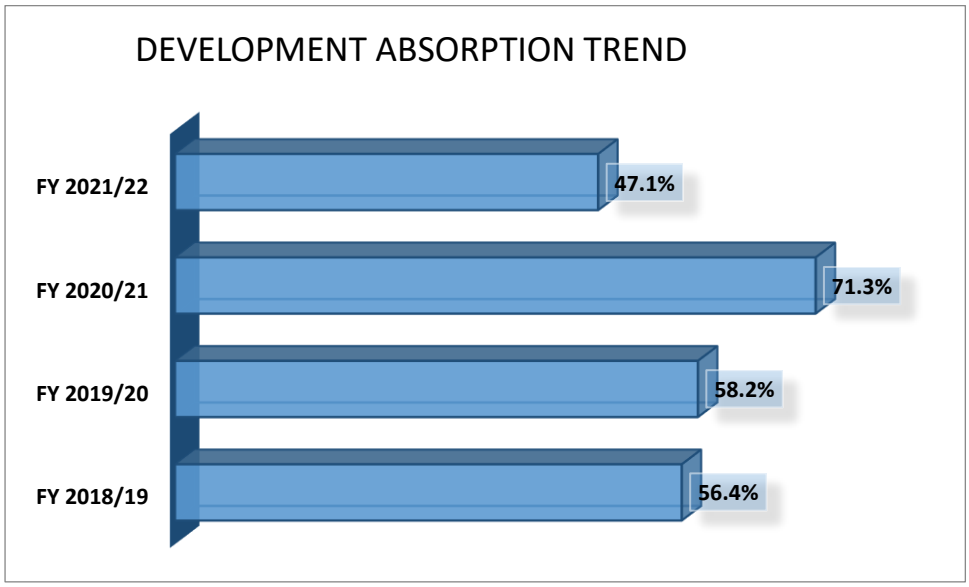
19. Development expenditure amounted to Ksh 2.189 billion against a revised target of Ksh 4.479 billion, translating to a shortfall of Ksh 2.290 billion. This was on account of lower absorption of projects financed by grants that was less by Ksh. 1.397 billion from the National Government and Development partners which are mostly disbursed to the county after closure of the Financial Year.

Table 2: **County Expenditure FY 2021/22**

	Target FY 2021/22	Actual FY 2021/22	Deviation
1. Recurrent	**9,974,986,625**	**9,254,716,439**	**720,270,186**
Compensation of Employees	5,657,067,230	4,765,349,490	**891,717,740**
Use of goods and services	2,044,416,786	2,462,392,301	**-417,975,515**
Transfers to other Gov units	921,179,504	921,175,971	**3,533**
Other grants and transfers	917,642,254	878,969,375	**38,672,879**
Social Security Benefits	46,456,661	44,019,521	**2,437,140**
Acquisition of Assets	68,538,515	61,934,083	**6,604,432**
Other Payments	319685675	120,875,698	**198,809,977**
2. Development	**4,479,377,759**	**2,189,989,611**	**2,289,388,148**
Use of goods and services	16,062,550	2,396,050	**13,666,500**
Subsidies	0	0	**0**
Other grants and transfers	2,067,149,798	507,692,043	**1,559,457,755**
Social Security Benefits	0	0	**0**
Acquisition of Assets	2,219,165,411	1,591,335,297	**627,830,114**
Transfers to other Gov units	107,000,000	41,566,221	**65,433,779**
Repayment of principal on Domestic and Foreign borrowing	0	0	**0**
Other Payments	0	0	**0**
Equitable share	0	0	**0**
Contingency Fund	**70,000,000**	**47,000,000**	**23,000,000**
Total Expenditure	**14,454,364,384**	**11,444,706,050**	**3,009,658,334**

Departmental Expenditure

20. The total cumulative departmental expenditure including A-i-A was Ksh 11.444 billion (79.2percent absorption) against a target of Ksh 14.454 billion. Recurrent expenditure was Ksh 9.254 billion (92.7 percent absorption) against a target of Ksh 9.974 billion, while development expenditure was Ksh 2.189 billion (48.8 percent absorption) against a target of Ksh 4.479 billion. The low absorption of expenditures was partly due to the delayed Exchequer releases, grants from both development partners and National Government and expenditures related to own source revenues. The 47.1% development absorption in FY 2021/22 was a decrease compared to 48.8% in FY 2020/21 and 56.4% in FY 2019/20.



21. As at the end of FY 2021/22, recurrent expenditures by the department of Health and Sanitation accounted for 35.17% of total recurrent expenditure. Department of Finance and Economic Planning and the County Assembly accounted for 13.17% and 9.95% respectively of recurrent expenditure.

22. Analysis of development outlay indicates that the department of Roads and Public works accounted for 51.34% of total development expenditure. Other notable development expenditure include: Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development (12.5%), Kimilili Municipality (2.4%), Education (8.35%), Youth and Sports (7.17%), Water and Natural Resources (4.5%) and Bungoma Municipality (1.32%).

Table 3: **Departments Expenditure for the Period Ending 30th June, 2022**

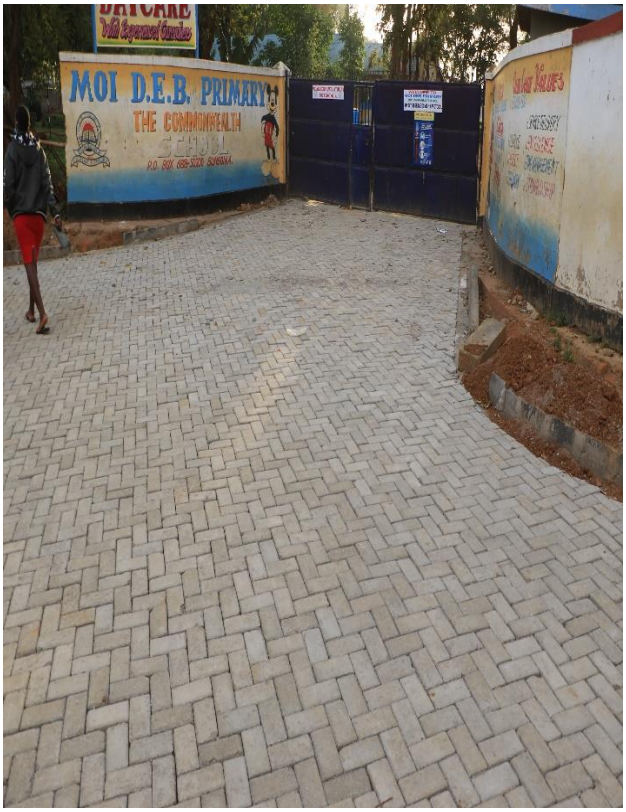
Department	Recurrent FY 2021/22			Development FY 2021/22			Totals FY 2021/22			% total expenditure to total target
	Target	Actual	Variance	Target	Actual	Variance	Target	Actual	Variance	
Agriculture, Livestock, Fisheries and Cooperative Development	459,984,459	457,705,303	2,279,156	805,849,056	275,258,241	530,590,815	1,265,833,515	732,963,544	532,869,971	57.90
Tourism and Environment	279,490,787	272,308,271	7,182,516	12,213,266		12,213,266	291,704,053	272,308,271	19,395,782	93.35
Water and Natural Resource	105,960,756	99,790,132	6,170,624	219,522,483	100,321,809	119,200,674	325,483,239	200,111,941	125,371,298	61.48
Trade, Energy and Industrialization	73,486,816	71,004,202	2,482,614	38,081,741	19,653,970	18,427,771	111,568,557	90,658,172	20,910,385	81.26
Education	1,471,024,892	1,478,929,676	-7,904,784	241,033,982	183,929,762	57,104,220	1,712,058,874	1,662,859,438	49,199,436	97.13
Health and Sanitation	3,704,586,939	3,255,110,032	449,476,907	97,124,894	46,689,846	50,435,048	3,801,711,833	3,301,799,878	499,911,955	86.85
Roads and Public Works	184,554,361	159,869,874	24,684,487	1,714,778,378	1,124,893,750	589,884,628	1,899,332,739	1,284,763,624	614,569,115	67.64
Lands, Urban and Physical planning	54,226,465	49,632,234	4,594,231	18,639,593	8,511,264	10,128,329	72,866,058	58,143,498	14,722,560	79.80
Housing	25,952,409	23,460,407	2,492,002	50,491,034		50,491,034	76,443,443	23,460,407	52,983,036	30.69
Bungoma Municipality	25,638,374	16,061,765	9,576,609	198,876,358	29,294,002	169,582,356	224,514,732	45,355,767	179,158,965	20.20
Kimilili Municipality	23,829,692	13,411,214	10,418,478	364,952,055	53,161,894	311,790,161	388,781,747	66,573,108	322,208,639	17.12
Gender and Culture	126,375,924	118,420,813	7,955,111	277,744,021	157,296,583.00	120,447,438	404,119,945	275,717,396	128,402,549	68.23
Youth and Sports		0	0		0	0	0	0	0	0.00
Finance and Economic planning	1,320,487,231	1,219,305,866	101,181,365	8,769,449		8,769,449	1,329,256,680	1,219,305,866	109,950,814	91.73
County Public Service Board	59,205,535	54,698,805	4,506,730			0	59,205,535	54,698,805	4,506,730	92.39
Governor	532,779,578	493,481,164	39,298,414			0	532,779,578	493,481,164	39,298,414	92.62
Deputy Governor	0		0			0	0	0	0	0.00
Public Administration	606,222,902	550,402,730	55,820,172	324,301,448	149,412,268.00	174,889,180	930,524,350	699,814,998	230,709,352	75.21
Office of the CS	0		0	0		0	0	0	0	0.00
ICT			0			0	0	0	0	0.00
Sub County Administration	0		0			0	0	0	0	0.00
County Assembly	921,179,505	921,175,971	3,534	107,000,000	41,566,221	65,433,779	1,028,179,505	962,742,192	65,437,313	93.64
Total	**9,974,986,625**	**9,254,768,459**	**720,218,166**	**4,479,377,758**	**2,189,989,610**	**2,289,388,148**	**14,454,364,383**	11,444,758,069	3,009,606,314	79.18

Photographic evidence

Below are some of the projects undertaken by the county government;

Bungoma County Referral Hospital Theatre

Bungoma County Referral Hospital Theatre



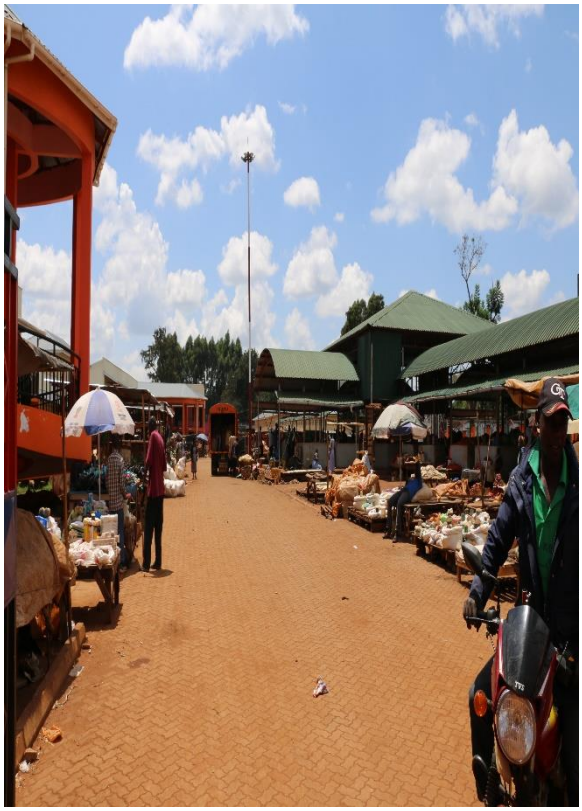
Cabros paths

Cabros paths

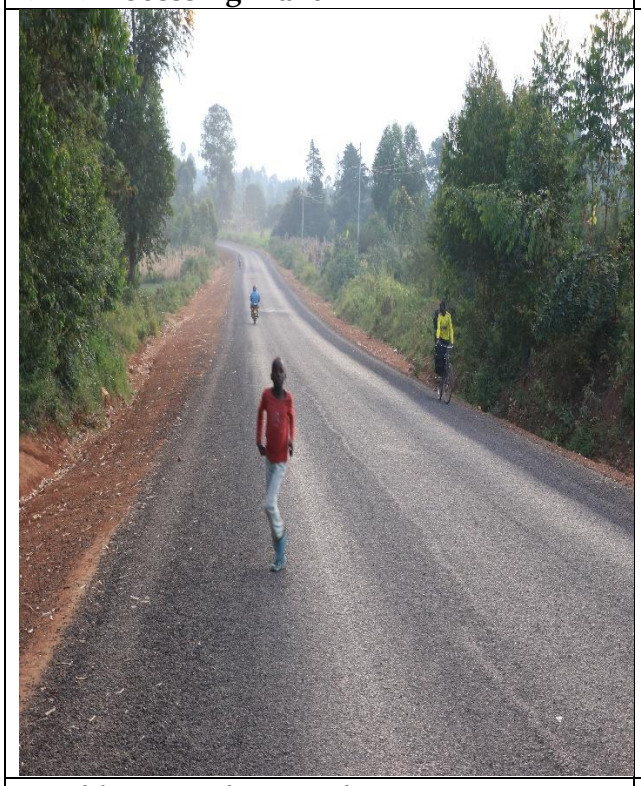
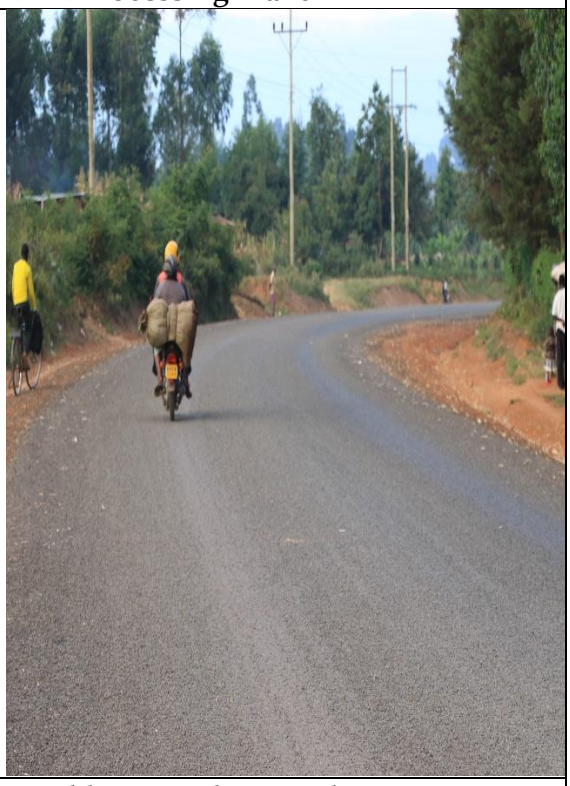
Chwele VTC

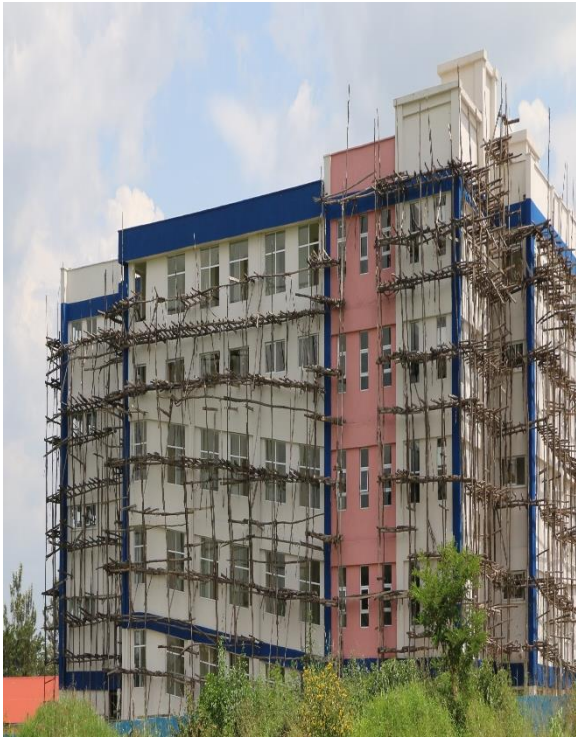
Chwele VTC

Kimilili Market



Kimilili Market

Milk Processing Plant	**Milk Processing Plant**
	
Misikhu Brigadier Road	**Misikhu Brigadier Road**

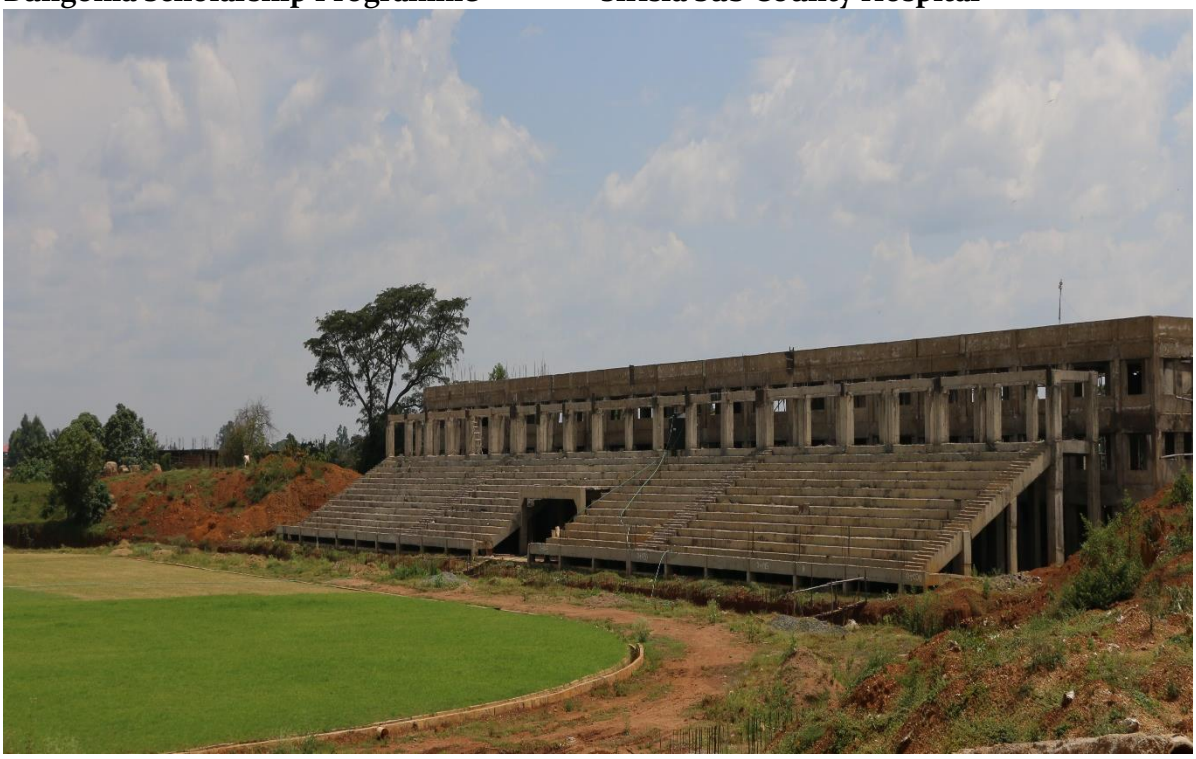


Mother and Child Hospital Wing **Mother and Child Hospital Wing**

Kanduyi – Musikoma Dual Carriageway

Bungoma Scholarship Programme

Sirisia Sub County Hospital



Masinde Muliro Stadium

Overall Balance and Financing

23. In line with the performance in expenditure and revenues, the fiscal deficit (including grants) amounted to Ksh 3.009 billion representing 21% percent shortfall against a target of Ksh 14.454billion.

Table 4: **Performance in Expenditure and Revenues**

Receipt/ Expense Item	**FY 2021/22**		**Deviation**	**% of Utilization**
	Kshs	**Kshs**	**Kshs**	**Kshs**
	Target(B)	**Actual ©**	**D=B-C**	**E=b/c %**
RECEIPTS				
Exchequer releases	10,659,435,192	9,806,680,373	(852,754,819)	92%
Proceeds from Domestic and Foreign Grants	2,067,149,799	1,148,805,043	(918,345,756)	32%
Transfers from Other Government Entities			0	0%
County Own Generated Receipts	1,488,336,493	983,296,708	(505,039,785)	67%
Returned issues to CRF	239,442,901	239,442,901	0	100%
TOTAL	**14,454,364,385**	**12,178,225,025**	(2,755,167,459)	81%
PAYMENTS			0	0%
Compensation of Employees	5,657,067,230	4,765,349,490.50	891,717,740	84%
Use of goods and services	3,382,081,036	2,509,627,865	872,453,171	74.20%
Transfers to Other Government Units	962,742,192	962,742,192	0	100%
Other grants and transfers	1,645,700,084	1,386,661,417	259,038,667	84%
Social Security Benefits	46,456,661	44,019,521	2,437,140	95%
Acquisition of Assets	2,690,317,181	1,729,357,583	960,959,598	64%
Other Payments	70,000,000	47,000,000	23,000,000	67%
TOTAL	**14,454,364,384**	**11,444,758,068**	3,009,606,316	79%

24. Total disbursements (inflows) including A-i-A amounted to Ksh.12.17 billion against a target of Ksh 14.45 billion. The disbursements included Ksh 9.806 billion exchequer release, County own generated revenue (including A-i-A) Ksh 983.2

million, proceeds from domestic and foreign grants Kshs. 1.14 billion, and CRF returns Kshs. 239.4 million.

B. Fiscal Performance for the FY 2021/22 in Relation to Financial Objectives

25. The fiscal performance in the FY 2021/22 has affected the financial objectives set out in the CFSP 2022 and the Budget for FY 2022/23 in the following ways:

    i. The base for local revenue projections is higher than the actual outcome by Kshs 378 million. As such, there will be a downward base effect adjustment in own source revenues for FY 2022/23 and the medium term. This adjustment in revenues is expected to translate to a mix of downward adjustment in expenditure projections and upward adjustment in financing for the FY 2022/23. In addition, adjustments will be made to fiscal aggregates to reflect revisions in the macroeconomic projections as well as revenue performance for the first quarter of FY 2022/23.

    ii. The baseline ceilings for spending departments/agencies will be adjusted in line with the revised resource envelope under the updated budget framework in the CFSP 2022. In addition, the revisions will consider the performance in project execution in the FY 2022/23 budget by CDAs and any identified one-off expenditures.

    iii. The budget ceilings for CDAs implementing flagship projects will be reviewed to ensure proper financing of the project components and the under-spending in both recurrent and development budget for the FY 2022/23 additionally has implications on the base used to project expenditures in the FY 2021/22 and the medium term. Appropriate revisions have been undertaken in the context of this CBROP considering the budget outturn for the FY 2021/22.

26. As highlighted above, the reasons for the deviations from the financial objectives include: failure by donors/ National Government to release development grants in time, lower than projected revenue collection; under-spending in both recurrent and development; under-reporting on A-in-A expenditures by CDAs; and slow uptake of external resources in the FY 2021/22.

27. To remedy these deviations, the fiscal outlook will focus on completing the tax and revenue administration reforms contained in the 2022 Finance Bill. Further, the County Treasury has issued guidelines on how capital projects should be planned, appraised and evaluated before funds are committed in the budget. Resources will be allocated to the capital projects which will have been fully appraised and reviewed to avoid delay in implementation. Further, ongoing projects will be prioritized and any new projects will be evaluated in the context of their furtherance of county objective plan, importance in line with the medium and long-term development agenda; their impact on poverty; promotion of growth and job creation; and the viability and sustainability of the project.

C. Fiscal Responsibility Principles

28. In line with the Constitution, the PFM Act, 2012, the PFM regulations, and in keeping in line with prudent and transparent management of public resources, the Government will ensure adherence to the fiscal responsibility principles as set out in the statute as follows:

    i. The County Government's allocation to development expenditures has been above 30 percent of County Government expenditures. In the FY 2021/22, the allocation to development in the budget was 30.7 percent of the total allocation meeting the set threshold.

    ii. The law requires that the county government's expenditure on the compensation of employees (including benefits and allowances) shall not exceed 35 percent of the county government's equitable share of the revenue raised nationally plus other revenues generated by the county. The share of wages and benefits to revenues was 45.25 percent in the FY 2021/22 which is above the statutory requirement of 35.0 percent of the equitable share from National Government, grants from both National Government and Development partners plus other revenues generated by the county Government. However, the County Government expenditure on personnel was beyond the set threshold. This was mainly attributed to the recruitment of medical officers and ECDE teachers.

29. To manage fiscal risks prudently as required, the County Government has improved its revenue forecasts and regularly reviews the impact of these projections and their implications on the budget. Potential fiscal risks arising from contingent liabilities, including from Public Private Partnership projects among others are taken into account and a contingency provision made to cushion the county economy from unforeseeable shocks.

30. On the principle of maintaining a reasonable degree of predictability with respect to the level of tax rates and tax bases, the County Government continues to carry out tax reforms through modernizing and simplifying tax administrative laws. In order to lock in predictability and enhance compliance with tax system, the government through the Finance Act, 2017, introduced stickers for Public Service Vehicles amid other changes to simplify tax administration and management.

31. The county fiscal projections provide comparisons between the updated projections in the CBROP 2022 and the CFSP 2022 for the financial year 2023/24 and in the medium term. The deviations, in the revision in revenues and expenditures are due to the base effect on revenue forecast and macroeconomic assumptions contained in this CBROP, which will be firmed up in the context of the CFSP 2023. The County Government will not deviate from the fiscal responsibility principles, but will make appropriate modifications to the financial objectives contained in the latest CFSP to reflect the changed circumstances.

D. Sources of County Government Revenue

32. County Government revenues consist of transfers from the National Government, proceeds from grants from development partners, and county own source revenues. Transfers from the National Government can be in the form of; Equitable Share in line with Article 202 (1) of the Constitution or additional allocations in line with Article 202 (2) of the Constitution. County Own Source Revenue (OSR) may be from property rates, entertainment taxes, and any other tax that it is authorized to impose by the County Finance Act. In addition, county governments may borrow if the national government guarantees the loan in line with Article 212 (a) of the Constitution. The Table below summarizes total budgeted revenue from the various sources for the FY 2021/22

Table 5: Total budgeted revenue from the various sources for the FY 2021/22

ITEM	2020/21	2021/22	
	Actuals	**Target**	**Budgeted percentage of total revenue.**
Equitable Share b/f	1,320,961,881	230,673,452	2%
Equitable Share	8,893,650,000	10,659,435,192	74%
Grants b/f	1,241,572,240	0	0%
Conditional grants NG	367,648,618	434,055,985	3%
Conditional grants Development partners	650,005,690	1,633,093,814	11%
Retention	0	8,769,449	0%
AIA	370,276,382	741,524,891	5%
Local revenue	395,118,238	746,811,602	5%
Total Revenue	**13,239,233,043**	**14,454,364,385**	**100%**

33. The main source of revenue for the County Government in the FY 2021/22 was the Equitable Share representing 76percent of the total county revenues. During the FY 2021/22 budgeted additional allocations to the County Government from the National Government's share of revenue as well as from proceeds of loans and grants accounted for 14 percent of the total County revenue while the budgeted own source revenue was 10 percent of the total County Government revenue. County Governments did not report borrowing as a source of revenue in FY 2021/22.

Total Transfers to County

34. As provided for under the County Allocation of Revenue Act (CARA), 2021 and the County Governments Additional Allocations Act, 2022, the county government was allocated Ksh 12.96 billion for the FY 2021/22. Out of this, a total of Ksh 11.194 billion was disbursed to the County Governments as of 30th June 2022, comprising of Equitable Share Ksh 10.046 billion and Additional Allocation Ksh 1.148 billion.

Table 6: Total Transfers to County Government in FY 2021/22

No	Revenue Stream	Actual Amount Received fy 2020/21	Approved budget amounts 2021/22	Actual Amount Received fy 2021/22
1	**Total Equitable share**	**10,214,611,881**	**10,898,878,093**	**10,046,123,274**
	Exchequer	8,893,650,000	10,659,435,192	9,806,680,373
	Equitable share B/f	1,320,961,881	230,673,452	230,673,452
	Retention Brought forward	0	8,769,449	8769449
2	**Conditional grants - Development Partners**	**1,453,368,091**	**1,697,346,233**	**773,336,512**
	Universal Health care Project	132,330,291	83,053,623	30,083,836
	Danida	25,290,000	29,466,753	19,614,191
	ASDSP II	16,831,994	42,163,617	37,224,203
	Kenya Devolution support programme-R	343,515,979	344,173,780	189,168,989
	Nagrip	380,963,919	487,202,882	301,387,326
	Compensation user fee foregone	32,837,307	32837307	32837307
	UNICEF		1,571,000	0
	Urban Support programme development	521,598,601	563,828,413	162656256
	Conditional grant Water & natural resources		41,048,858	0
	Urban Support programme Recurrent		22,000,000	364404
	III) KISP II (Kenya Informal Settlement Improvement Project)		50,000,000	0
3	**Conditional grants - National Government**	**805,858,443.00**	**369,804,566**	**375,468,531**
	Leasing of medical equipment		233,974,807	209,538,834
	Development for youth Polytechnics	94,814,043	32,040,997	62,140,935
	Covid 19 Grant	280,044,000	52,665,132	52665132
	Fuel Levy Fund	431,000,400	51,123,630	51,123,630
	Bal Brought forward Grants		0	0
	Total	**12,473,838,415**	**12,966,028,892**	**11,194,928,317**

Equitable Share

35. During the FY 2021/22, a total of Ksh 10.69 billion was allocated to the County Governments as equitable share as reflected in the County Allocation of Revenue Act (CARA), 2021. Even though disbursements to the County Governments as equitable share stood at Ksh 9.80 billion representing 92 percent of the total allocations during the FY 2021/22, 100 percent of the equitable share was disbursed to the County Government as at 29th August, 2022.

Additional Allocations

36. In addition to the equitable share, the County Government was allocated Ksh 2.06 billion as additional allocations as provided for under the County Governments Additional Allocations Act, 2022. As at 30th June, 2022, a total of Ksh 1.14 billion had been transferred to the county governments as additional allocations from proceeds of loans and grants from development partners.

Performance of County Governments Own Source Revenue

37. During the period covering July 2021 to March 2022, County Government generated a total of Kshs.282.2 million from local revenue, which was 37.8 per cent of the annual target of Kshs.746 million. This amount represented a decrease of 1.6 per cent compared to Kshs.286.57 million realized during a similar period in FY 2020/21. The Appropriation in Aid (AiA) collected was Kshs. 442 million against a target of Kshs. 741 million representing 59.7 per cent of the annual target. Analysis of nine months own source revenue collection for July to March 2022 is shown in the Table below.

Table 7: Own Source Revenue Collection for the Period July to March 2022 of FY 2021/22

Revenue Stream	Annual Targeted Revenue (Kshs.)	First Nine Months of FY 2021/22 OSR Collection (Kshs.)	Variance (Kshs.)	% of Collection of OSR Against Annual Target
Local generated Revenue	**746,811,602**	**282,172,088**	464,639,514	37.8
Land Rates	74,681,160	18,194,687	56,486,473	24.4
Alcohol drinks licenses	11,202,174	4,414,000	6,788,174	39.4
Single Business Permits	140,264,404	60,839,150	79,425,254	43.4
Application fees	9,473,857	2,878,550	6,595,307	30.4
Renewal fees	22,414,785	6,965,300	15,449,485	31.1
Cheque clearance	194,171	-	-	-
Conservancy fees	18,293,550	10,106,770	8,186,780	55.2
Fire Fighting	28,677,070	16,589,390	12,087,680	57.8
Advertisement fees	41,035,348	19,634,113	21,401,235	47.8
Food and Drugs Permit	11,518,064	2,960,890	8,557,174	25.7
Change of user fees	212,109	21,500	190,609	10.1
Parking fees	22,119,580	8,001,400	14,118,180	36.2
Bodaboda parking	15,501,695	1,142,020	14,359,675	7.4
Burial Fees	185,408	46,500	138,908	25.1
House Rent	9,229,426	7,970,700	1,258,726	86.4
Stadium Hire	639,656	14,000	625,656	2.2
Miscellaneous Income	945,159	67,374	877,785	7.1

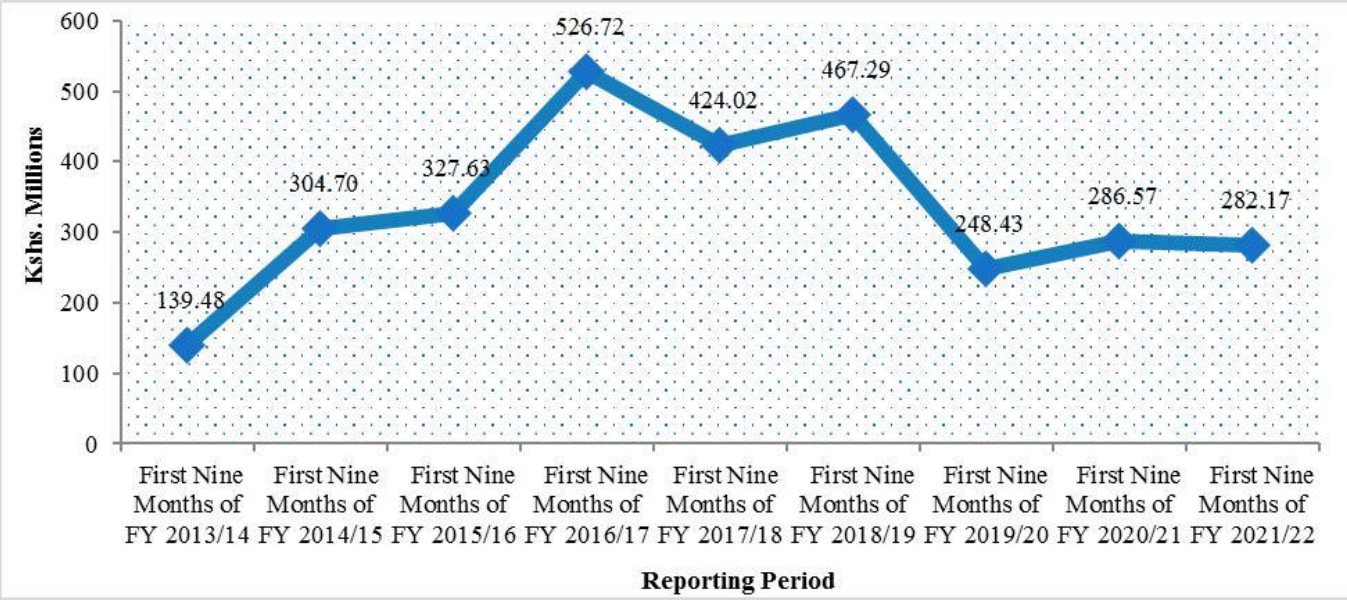
Revenue Stream	Annual Targeted Revenue (Kshs.)	First Nine Months of FY 2021/22 OSR Collection (Kshs.)	Variance (Kshs.)	% of Collection of OSR Against Annual Target
Plan Approval	32,642,092	9,208,575	23,433,517	28.2
Inspection fee	6,674,672	1,570,792	5,103,880	23.5
Technical services	-	-	-	-
Ground Rent	1,562,714	2,376,013	-813,299	152.0
Market fees	61,917,439	27,263,809	34,653,630	44.0
Enclosed Bus Park Fee	104,553,624	45,853,150	58,700,474	43.9
Slaughter fee	10,224,485	2,566,314	7,658,171	25.1
Plot transfer	679,109	270,000	409,109	39.8
Change of Business name	144,172	28,000	116,172	19.4
Impound Charges	4,041,885	216,450	3,825,435	5.4
Cess	71,693,914	24,348,710	47,345,204	34.0
Other Property	2,456,317	-	-	-
Tender Document Sale	-	-	-	-
Sand Harvest fee	276,756	-	-	-
Market shops rent	4,905,884	1,072,300	3,833,584	21.9
Stock Sales	17,979,960	6,125,550	11,854,410	34.1
Other Revenue sources	20,470,963	1,426,081	19,044,882	7.0
Aids in Appropriation	**741,524,891**	**442,362,674**	**299,162,217**	**59.7**
Agriculture, livestock, fisheries, and co-op development	26,761,460	18,020,967	8,740,493	67.3
Tourism, Forestry, environment and natural resource and water	1,273,388	39,600	1,233,788	3.1
Roads and Public Works	4,051,688	0	4,051,688	0.0
Education, Science and ICT	2,205,000	0	2,205,000	0.0
Health and Sanitation.	692,823,421	424,302,107	268,521,314	61.2
Lands, Urban and Physical Planning	6,611,952	0	6,611,952	0.0
Trade	7,797,983	0	7,797,983	0.0
Total	**1,488,336,493**	**724,534,762**	**763,801,731**	**48.7**

Source: *County Treasuries*

38. Analysis of own-source revenue as a proportion of the annual revenue target indicates that only Hospital AIA, Agriculture AIA, Ground Fees and House Rent revenue streams achieved performance above 50 per cent. The figure below shows

the Trend in own-source revenue collection for the first nine months from FY 2013/14 to FY 2021/22.

39. Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to the First Nine Months of FY 2021/22



Source: Bungoma County Treasury

Legal framework on County Governments Expenditure

39. PFMA, 2012 Section 130 (1) (b) (v) requires the County Executive Committee Member for Finance to submit in the County Assembly budget estimates that include all expenditure by vote and by program clearly identifying both recurrent and development expenditure. Further, the PFMA provides for fiscal rules which are provided as fiscal responsibility principles to be observed by County Governments in management of public finances. Specifically, PFMA 2012 and the PFM (County Government) Regulations, 2015 require county governments to enforce the following principles:

(i) The County Governments' recurrent expenditure shall not exceed the County Government total revenue.

(ii) In the Medium Term, a minimum of 30 percent of the County Governments budget shall be allocated to the development expenditure.

(iii) The County Government expenditure on wages shall not exceed 35 percent of County Governments total revenue as prescribed by the County Executive Committee for Finance

Overall Performance of Expenditures

40. The total expenditure by the County Governments in the first nine months of FY 2021/22 was Kshs.6.66 billion on both development and recurrent programmes. This expenditure represented 90 per cent of the total funds released by the CoB and comprised Kshs.992.43 million and Kshs.5.67 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 22.2 per cent, while recurrent expenditure represented 56.8 per cent of the annual recurrent expenditure budget.

Table 8: Overall Performance of Expenditures

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**9,053,807,120**	**921,179,505**	**4,991,458,459**	**675,748,275**	**55.1**	**73.4**
Compensation to Employees	5,215,992,101	347,197,199	3,260,586,746	243,888,132	**62.5**	70.2
Operations and Maintenance	3,837,815,019	573,982,306	1,730,871,713	431,860,143	**45.1**	75.2
Development Expenditure	4,372,377,759	107,000,000	972,432,165	20,000,000	**22.2**	**18.7**
Total	**13,426,184,879**	**1,028,179,505**	**5,963,890,624**	**695,748,275**	**44.4**	**67.7**

E. County Governments' Compliance with Fiscal Responsibility Principles

Recurrent Expenditure as a percentage of total Revenue

41. The County spent an aggregate of Kshs.5.667 billion or 85.1 per cent of the total expenditure on recurrent activities. This expenditure represents 57 per cent of the annual county government's budget for recurrent activities. The recurrent expenditure comprised of Kshs.3.5 billion (52.6 per cent) on Personnel Emoluments and Kshs. 2.16 billion (32.5 per cent) on Operations and Maintenance (O&M) expenditure

Development Expenditure as a percentage of total Revenue

42. The County governments spent Kshs. 992 million on development activities, representing an absorption rate of 22 per cent of the annual development budget, which is a slight decrease from 19.8 per cent, reported in a similar period of FY 2020/21. Analysis of county budgets and expenditure in the first nine months of the FY 2021/22.

7 Expenditure on Personnel Emoluments

43. Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 32.3 per cent of the first nine months proportional revenue of Kshs.10.48 billion.
44. Personnel emoluments amounting to Kshs.3.45 billion were processed through the IPPD system, while Kshs.57.39 million was paid through a manual payroll. The

manual payroll amounted to 1.7 per cent of the total PE costs. The Government policy is that salaries should be processed through the IPPD system, and the County is advised to fast-track the acquisition of personal numbers for their staff.

The wage bill of Kshs.3.50 billion includes Kshs.1.42 billion attributable to the health sector, which translates to 40.5 per cent of the total wage bill in the first nine months of FY 2021/22.

45. Analysis of expenditure as a proportion of approved annual budget shows that Public Administration, Tourism & environment, Governor's office, County Public Service Board, Finance and Economic Planning, County Assembly and Education have highest absorption rate of over 70%. An analysis of the development projects implemented by counties is provided below.

Table 9:County Budget Allocation, Expenditure and Absorption Rate for First Nine Months FY 2021/22

	Budget Estimates (Kshs.)			**Expenditure (Kshs.)**			Recurrent	Development	Total
MINISTRY/DEPARTMENT	**RECURRENT**	**DEVELOPMENT**	**TOTAL EXPENDITURE-KSHS.**	**TOTAL RECURRENT-KSHS.**	**DEVELOPMENT-KSHS.**	**TOTAL EXPENDITURE-KSHS.**	**Absorption Rate (%)**	**Absorption Rate (%)**	**Overall Absorption Rate (%)**
Agriculture, livestock, fisheries and co-op development	459,984,459	805,849,056	1,265,833,515	296,371,666	64,881,701	361,253,367	64%	8%	29%
Tourism and environment	279,490,787	12,213,266	291,704,054	192,530,796	-	192,530,796	69%	0%	66%
Water and natural resource	105,960,756	219,522,483	325,483,239	65,759,105	35,307,581	101,066,686	62%	16%	31%
Roads and Public works	184,554,361	1,714,778,378	1,899,332,739	97,835,046	597,135,548	694,970,594	53%	35%	37%
Education	1,471,024,892	241,033,982	1,712,058,874	1,006,076,172	61,302,801	1,067,378,973	68%	25%	62%
Health	3,702,569,508	79,452,456	3,782,021,964	1,663,195,679	16,816,323	1,680,012,002	45%	21%	44%
Sanitation	2,017,430	17,672,438	19,689,869	750,200	-	750,200	37%	0%	4%
Trade, energy and industrialization	73,486,816	38,081,741	111,568,557	50,138,147	-	50,138,147	68%	0%	45%
Land, Urban and Physical Planning	54,226,465	18,639,593	72,866,058	38,204,615	2,540,000	40,744,615	70%	14%	56%
Bungoma Municipal	25,638,374	198,876,358	224,514,732	8,511,626	-	8,511,626	33%	0%	4%
Kimilili Municipal	23,829,692	364,952,055	388,781,747	5,393,063	-	5,393,063	23%	0%	1%
Housing	25,952,409	50,491,034	76,443,443	18,042,214	934,558	18,976,773	70%	2%	25%
Gender, Culture, Youth and Sports	126,375,924	277,744,021	404,119,945	83,615,622	139,936,716	223,552,337	66%	50%	55%
County Assembly	921,179,505	107,000,000	1,028,179,505	630,730,422	20,000,000	650,730,422	68%	19%	63%
Finance and Planning	1,320,487,231	8769449	1,329,256,680	833,668,179	-	833,668,179	63%	0%	63%
County Public Service Board	59,205,535	0	59,205,535	41,171,669	-	41,171,669	70%	-	70%
Governors	514,160,312	0	514,160,312	287,710,052	-	287,710,052	56%	-	56%
D/Governors office	18,619,266	0	18,619,266	17,032,747	-	17,032,747	91%	-	91%
Public Administration	295,890,212	17,000,000	312,890,212	256,409,302	2,248,337	258,657,639	87%	13%	83%
County Secretary	310,332,690	307,301,448	617,634,138	74,060,411	51,328,600	125,389,011	24%	17%	20%
TOTALS	**9,974,986,625**	**4,479,377,759**	**14,454,364,384**	**5,667,206,734**	**992,432,165**	**6,659,638,900**	57%	22%	46%

Source: County Treasury

Table 10:Bungoma County, List of Development Projects with the Highest Expenditure

S/No.	Project Name/Description	Project Location	Contract Sum (Kshs.)	Payments to Date (Kshs.)	Absorption Rate (%)
1	Upgrading of Kanduyi - Sang'alo Junction Dual Carriage	Kanduyi - Sang'alo	350,000,000	336,242,640	96.1
2	Maintenance of Rural Roads (CEF)	45 wards	451,195,500	170,388,649	37.8
3	Maintenance of Rural Roads (RMLF)	45 wards	227,038,896	26,925,547	11.9
4	Supplier credit	45 wards	192,298,049	14,493,580	7.5
5	Unconditional grants for VTCs	45 wards	60,525,266	29,900,000	49.4
6	Implementation of bursary and scholarship	45 wards	350,000,000	350,000,000	100
7	Construction and modernization of Masinde Muliro stadium	Kanduyi s/c	189,116,354	139,936,716	74.0

Source: *Bungoma County Treasury*

County Established Funds

Section 116 of the PFM Act, 2012 allows county governments to establish other public funds with approval from the County Executive Committee and the County Assembly. The County allocated Ksh.480 million to county established funds in FY 2021/22, which constituted 3.3 per cent of the County's overall budget for the year. Table 3.3 summarizes each established fund's budget allocation and performance during the first nine months of FY 2021/22.

Table 11:County Established Fund performance as of 31st March 2022

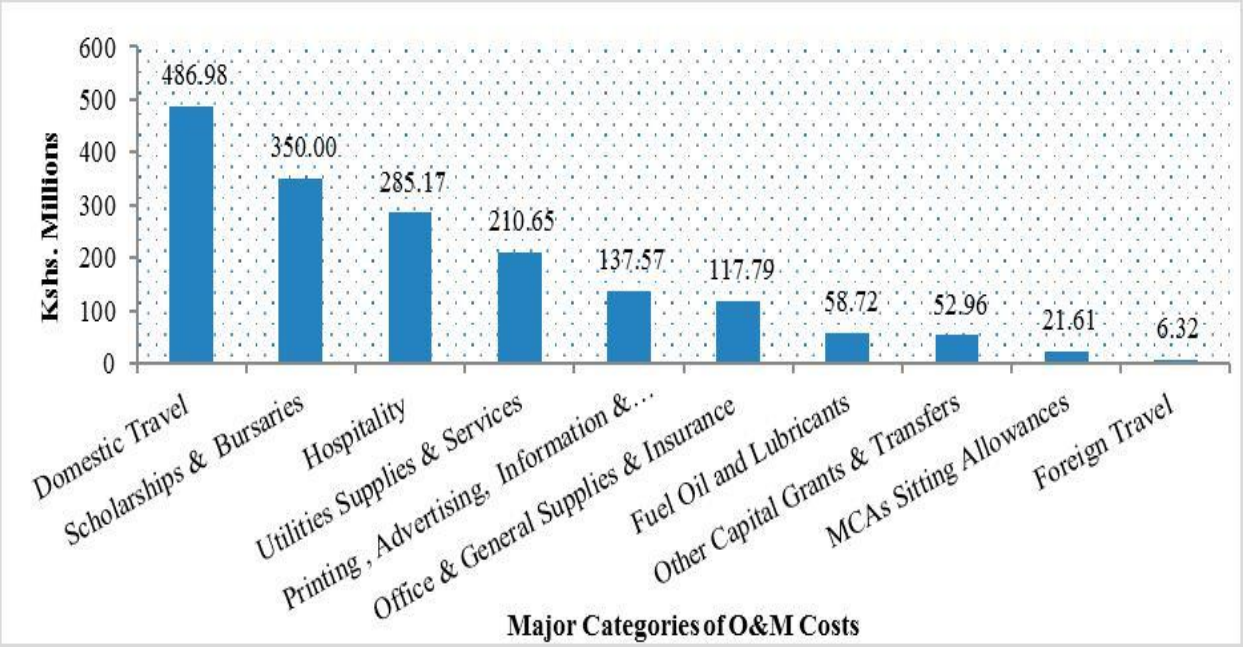
S/No.	Name of the Fund	Approved Budget Allocation in FY 2021/22 (Kshs.)	Actual Expenditure as of 31st March, 2022 (Kshs.)	Submission of quarterly financial statements (Yes/No.)
1.	Scholarship and other Educational benefits	410,000,000	350,000,000	Yes
2.	Emergency fund	70,000,000	-	No
3.	**Total**	**480,000,000**	**350,000,000**	

Source: *Bungoma County Treasury*

Expenditure on Operations and Maintenance

Figure below shows a summary of operations and maintenance expenditure by significant categories.

Bungoma County, Operations and Maintenance Expenditure by Major Categories



Source: *Bungoma County Treasury*

The County spent Kshs.21.12 million on committee sitting allowances for the 61 MCAs and Speaker against the annual budget allocation of Kshs.26.61 million. The average monthly sitting allowance was Kshs.39,370 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800. The County Assembly has established 24 committees.

During the period, expenditure on domestic travel amounted to Kshs.486.98 million and comprised Kshs.178.23 million spent by the County Assembly and Kshs.308.75 million by the County Executive. Spending on foreign travel amounted to Kshs.6.32 million and consisted of Kshs.2.32 million by the County Assembly and Kshs.3.99 million by the County Executive.

Settlement of Pending Bills

The outstanding pending bills as of 30th June 2021 amounted to Kshs.978.77 million and comprised Kshs.392.30 million for recurrent expenditure and Kshs.586.46 million for development expenditure. At the beginning of FY 2021/22, the County prepared a payment plan to settle the entire bills in the financial year. During the period under review, pending bills amounting to Kshs.259.91 million were paid, consisting of Kshs.97.31 million for recurrent expenditure and Kshs.162.60 million for development programmes. Outstanding pending bills amounted to Kshs.719.34 million as of 31st March 2022.

Challenges encountered by the County in Public Finance Management

46. There are some notable challenges in the management of county public finances that have persisted. First is irregular public procurement, such as, lack of proper documentation of the contracts awarded; variation of materials used in

construction; engagement of service providers without proper contracts, un-procedural procurement of goods and services; awarding of contracts without performance bonds as required by the procurement law and awarding of same works to more than one contractor among others.

47. Second is the weak management of assets and liabilities characterised by incomplete fixed assets register leading to under estimation of the assets held by the County Government. This has been made worse by the delay in the completion of the formal transfer of assets and liabilities.

48. Third is the escalation of pending bills which is attributed to non-payment of contractors and suppliers of goods and services. In some instances, the county has failed to remit statutory deductions (including employee pension contributions and loan deductions) to respective institutions.

49. Forth, the establishment and management of Public Funds without the requisite legal and administrative frameworks which affects the administration, accounting and reporting of these Funds.

50. Sixth, there are misalignment between financial reports prepared by the County Government and the financial records as captured in the Government's Integrated Financial Management Information System (IFMIS).

Measures to address some of the challenges faced by County Governments

51. To address the above challenges, the County Treasury has been undertaking extensive capacity building initiatives targeting county staff. In addition, the National Treasury has been supportive in developing the capacity of county staff on various aspects of public finance management and will continue in order to ensure compliance with the legal requirements as contained in the PFM Act and Regulations.

52. In addition, through the National Government and in partnership with the World Bank, the County will continue implementing the Kenya Devolution Support Program (KDSP) which seeks to incentivize better PFM performance by providing additional resources for capacity development that achieve pre-agreed results in core PFM key result areas. To be moved

III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

A. Overview

Global Economic Performance

53. This CBROP has been prepared against a background of global economic slowdown reflecting the impact of the ongoing Russia-Ukraine conflict, effects of COVID-19 containment measures in China; higher-than-expected inflation worldwide triggered by higher global oil and food prices and the impact of the global monetary policy that has created tighter financial conditions.

54. Global growth is projected to slow down to 3.2 percent in 2022 from 6.1 percent in 2021. Advanced economies are projected to slow down to 2.5 percent in 2022 from 5.2 percent in 2021 reflecting weaker-than-expected growth in the United States and the Euro area. For emerging market and developing economies, growth is also projected to slow down to 3.6 percent in 2022 from 6.8 percent in 2021 reflecting mainly the sharp slowdown of China's economy and the moderation in India's economic growth.

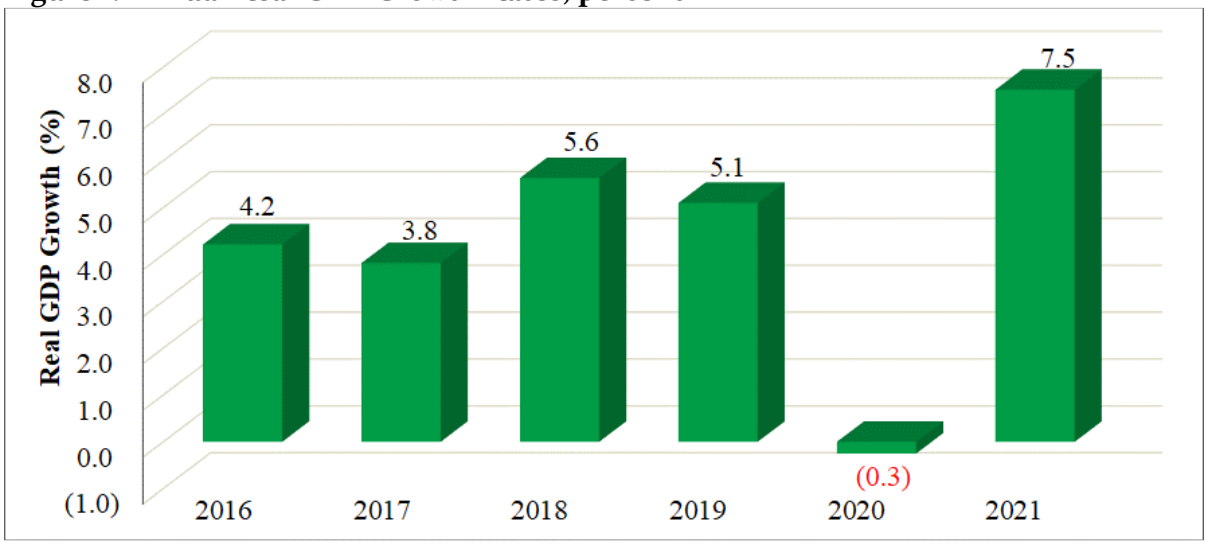
55. Economic growth in the sub-Saharan Africa region is projected at 3.8 percent in 2022 from a growth of 4.6 percent in 2021 as a result of domestic price pressures, partly induced by supply disruptions owing to the war in Ukraine reducing food affordability, and real incomes as well as surging fuel prices across the region.

Domestic Economic Performance

GDP Growth

56. The Kenyan economy demonstrated remarkable resilience and recovery to the COVID-19 shock due to the diversified nature of the economy and the proactive measures by the Government to support businesses. The economy expanded by 7.5 percent in 2021, a much stronger level from a contraction of 0.3 percent in 2020 (Figure 1). This economic recovery was mainly supported by the recovery in the service and industry sectors despite the subdued performance in the agricultural sector.

Figure 1: Annual Real GDP Growth Rates, percent



57. In the first quarter of 2022, the economy expanded further by a remarkable 6.8 percent compared with a growth of 2.7 percent in a similar quarter in 2021 (Table 4). The strong performance was supported by continued recovery in manufacturing, transport and storage, accommodation and food services, wholesale and retail trade, Professional, administration and support services and financial and insurance.

B. Recent Developments

Real Sector Developments

58. The agriculture, forestry and fishing sector is estimated to have contracted by 0.7 percent in the first quarter of 2022 compared to 0.4 percent growth in the first quarter of 2021 due to the significant decline in horticultural exports and tea production. The sector's performance was however cushioned from a steeper slump by the increase in production of cane, milk, and coffee.

Table 12: Sectoral GDP Performance

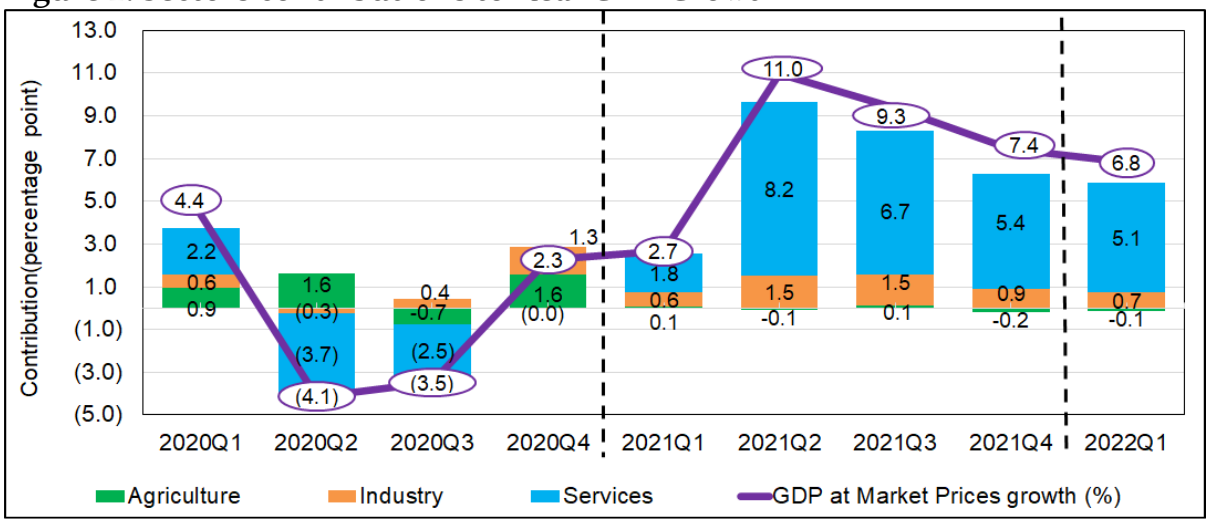
Sectors	2020					2021					2022
	Q1	Q2	Q3	Q4	**Q1-Q4**	Q1	Q2	Q3	Q4	**Q1-Q4**	Q1
Primary Industry	4.6	7.8	(3.9)	9.6	**4.7**	0.9	0.02	1.4	0.7	**0.7**	0.5
Agriculture, Forestry and Fishing	4.5	8.0	(4.3)	9.8	**4.6**	0.4	(0.5)	0.6	(1.2)	**(0.2)**	(0.7)
Mining and Quarrying	6.5	3.9	5.6	6.0	**5.5**	10.7	10.9	16.4	34.5	**18.0**	22.1
Secondary Sector (Industry)	3.8	(1.6)	2.5	7.8	**3.2**	3.9	9.1	8.3	5.0	**6.5**	4.4
Manufacturing	1.4	(5.4)	(2.2)	4.3	**(0.4)**	2.1	11.3	10.2	4.9	**6.9**	3.7
Electricity and Water supply	1.5	(4.5)	0.8	4.6	**0.6**	3.6	7.2	6.4	2.8	**5.0**	1.9
Construction	8.9	6.0	10.2	15.2	**10.1**	6.8	6.8	6.7	6.0	**6.6**	6.4
Tertiary sector (Services)	3.9	(6.6)	(4.2)	(0.04)	**(1.8)**	3.2	14.9	11.4	9.1	**9.6**	9.1
Wholesale and Retail trade	5.5	(3.8)	(5.1)	1.4	**(0.5)**	7.5	9.2	6.4	8.4	**7.9**	8.7
Accomodation and Restaurant	(14.1)	(57.2)	(62.0)	(57.7)	**(47.7)**	(33.0)	90.1	127.5	118.6	**52.5**	56.2
Transport and Storage	2.1	(16.8)	(10.2)	(6.2)	**(7.8)**	(7.9)	18.6	14.2	6.5	**7.2**	8.1
Information and Communication	7.8	4.9	4.9	7.5	**6.3**	10.1	17.1	4.1	5.3	**8.8**	6.1
Financial and Insurance	6.2	3.2	3.3	10.6	**5.9**	11.8	17.3	11.8	9.9	**12.5**	14.4
Public Administration	4.7	4.5	8.3	10.2	**7.0**	6.8	7.6	4.8	3.3	**5.6**	6.4
Others	3.5	(8.1)	(5.4)	(2.1)	**(3.2)**	3.5	14.8	12.6	9.8	**10.3**	7.4
of which Professional, Admin & Support Services	2.7	(25.5)	(18.4)	(12.5)	**(13.7)**	(13.0)	18.3	13.4	8.1	**5.7**	14.9
Real Estate	4.1	3.6	3.8	4.8	**4.1**	6.7	7.4	7.1	5.7	**6.7**	6.1
Education	4.8	(21.1)	(16.1)	(4.8)	**(9.3)**	11.5	31.6	28.3	18.0	**21.4**	6.2
Health	7.1	9.0	4.4	2.9	**5.7**	5.8	6.2	4.1	7.8	**6.0**	5.0
Taxes less subsidies	5.5	(20.5)	(8.5)	(7.4)	**(8.1)**	1.8	18.5	12.5	15.7	**11.9**	12.3
Real GDP	4.4	(4.1)	(3.5)	2.3	**(0.3)**	2.7	11.0	9.3	7.4	**7.5**	6.8
of which Non-Agriculture	4.2	(5.6)	(2.7)	1.9	**(0.6)**	3.4	14.0	11.0	8.5	**9.1**	8.3

59. The performance of the industry sector improved to a growth of 4.4 percent in first quarter of 2022 compared to a growth of 3.9 percent in the same quarter in 2021. This was mainly on account of improved performance of the manufacturing activities despite a slowdown in the electricity and water supply and construction sub-sectors. The industry sector accounted for 0.7 percentage points of growth in the first quarter of 2022 compared to 0.6 percentage point contribution to GDP in the first quarter of 2021 (Figure 2)

60. Electricity and Water Supply sector slowed down to a growth of 1.9 percent in the first quarter of 2022 compared to a growth of 3.6 percent in the corresponding quarter of 2021. The sector's growth was slowed by a decline in hydroelectricity generated, owing to insufficient rains during the first quarter of 2022.

61. The service sector grew by 9.1 percent in the first quarter of 2022 compared to a growth of 3.2 percent in the same quarter in 2021 occasioned by significant recovery in transportation and Storage (8.1 percent), accommodation and food services (56.2 percent) and Professional, Administrative and Support Services (14.9 percent). The sector contributed 5.1 percentage point to real GDP growth in the first quarter of 2022 compared to the 1.8 percentage point contribution in the same quarter in 2021 (Figure 2).

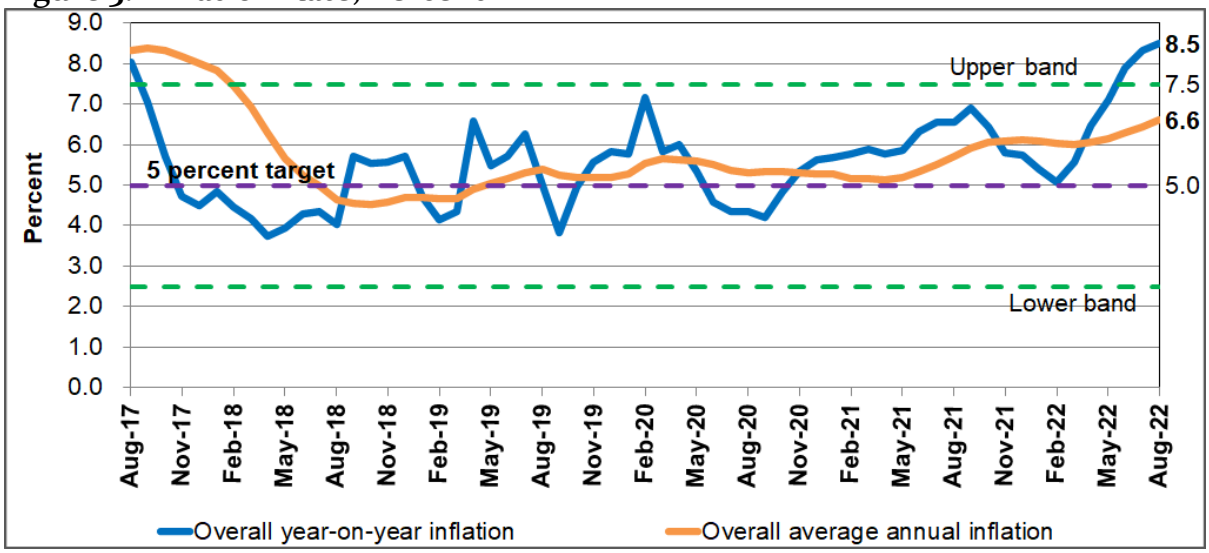
Figure 2: Sectors contributions to Real GDP Growth



Inflation Rate

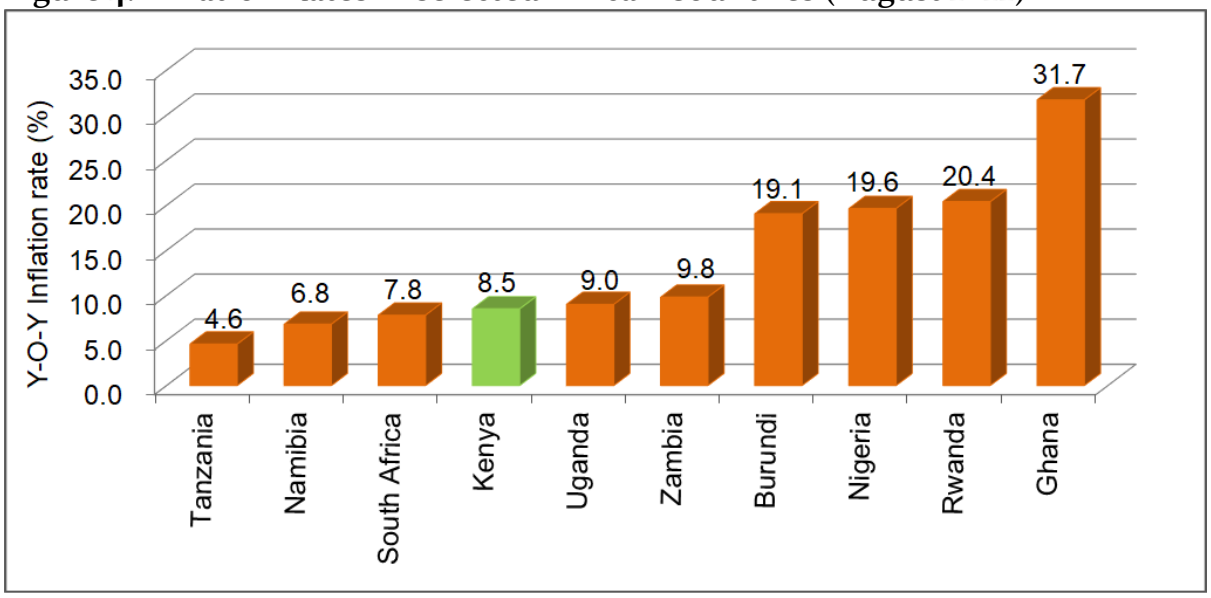
62. The year-on-year inflation rate increased to 8.5 percent in August 2022 (above the 7.5 percent upper bound) from 6.6 percent in August 2021 mainly due to higher food and fuel prices (Figure 3). This increase was moderated by Government measures to stabilize fuel prices, lower electricity tariffs and subsidies on fertilizer prices. Overall annual average inflation remained within Government target range at 6.6 percent in August 2022 compared to the 5.7 percent recorded in August 2021.

Figure 3: Inflation Rate, Percent



63. Kenya's rate of inflation compares favorably with the rest of Sub-Saharan Africa countries. In August 2022, Kenya recorded a lower inflation rate than Ghana, Rwanda, Nigeria, Burundi, Zambia and Uganda (Figure 4).

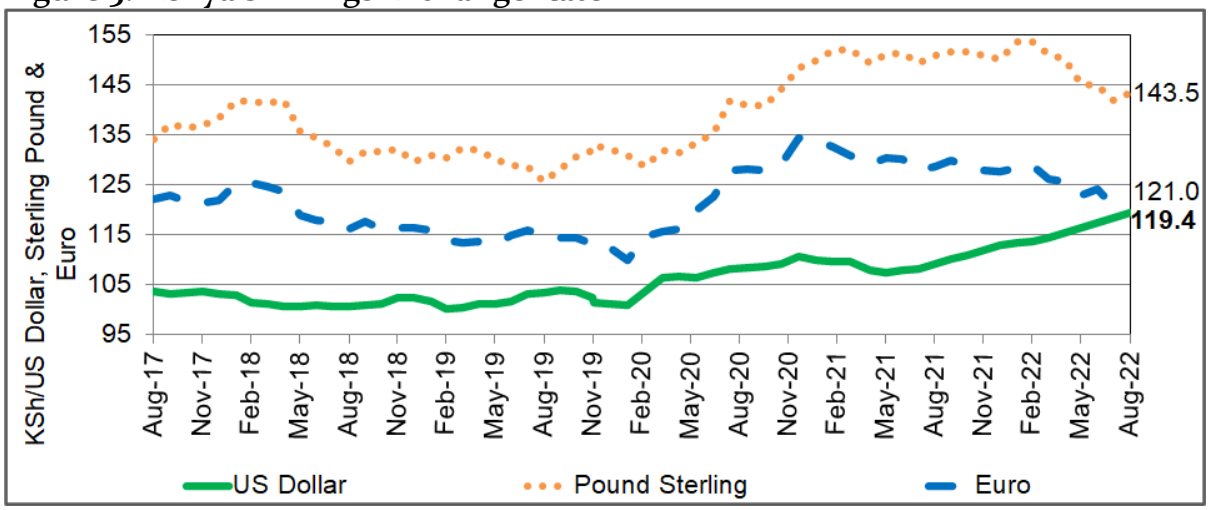
Figure 4: Inflation Rates in selected African Countries (August 2022)



Kenya Shilling Exchange Rate

64. The foreign exchange market has largely remained stable despite the tight global financial conditions and the high demand for the US Dollar in the international market. The Kenya Shilling to the US Dollar exchanged at Ksh 119.4 in August 2022 compared to Ksh 109.2 in August 2021. Over the same period, the Kenyan Shilling strengthened against other major international currencies. The Euro exchanged at Ksh 121.0 in August 2022 compared to Ksh. 128.6 in August 2021 while the Sterling Pound exchanged at Ksh 143.5 compared to Ksh 150.9 over the same period (Figure 5).

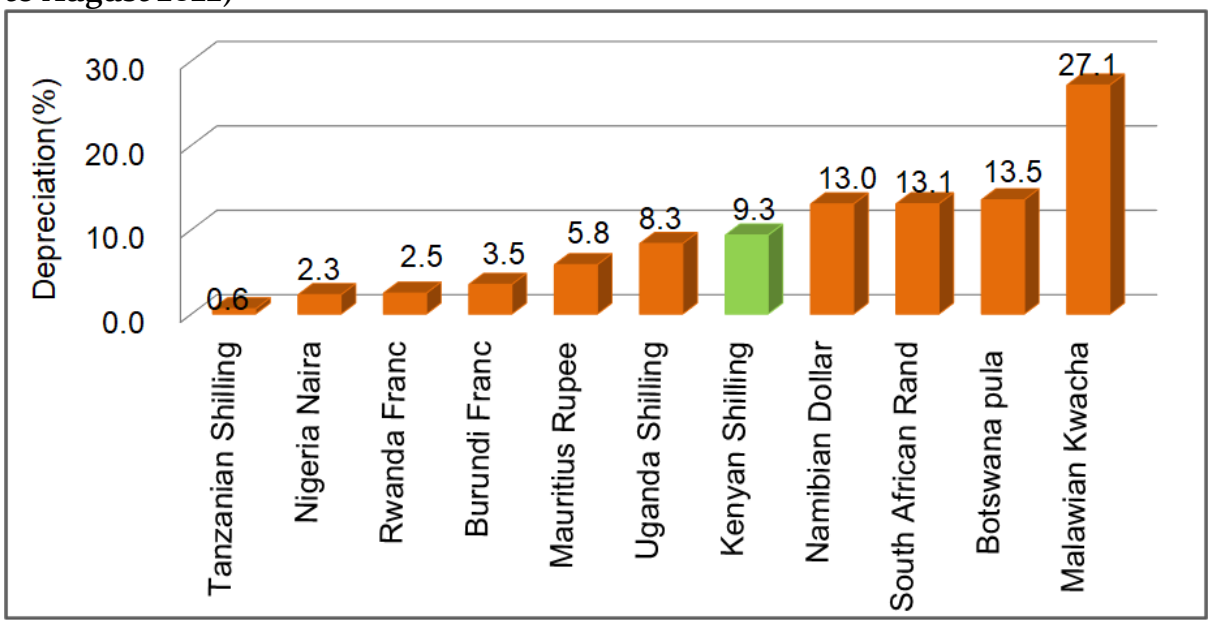
Figure 5: Kenya Shillings Exchange Rate



65. In comparison to most Sub-Saharan Africa currencies, the Kenya Shilling has remained relatively stable weakening by 9.3 percent against the US Dollar in the

year to August 2022 (Figure 6). The depreciation rate of the Kenya Shilling was lower than that of Namibian Dollar, Botswana pula, South African Rand and Malawi Kwacha. The stability in the Kenya Shilling was supported by increased remittances, adequate foreign exchange reserves and improved exports.

Figure 6: Performance of Selected Currencies against the US Dollar (August 2021 to August 2022)

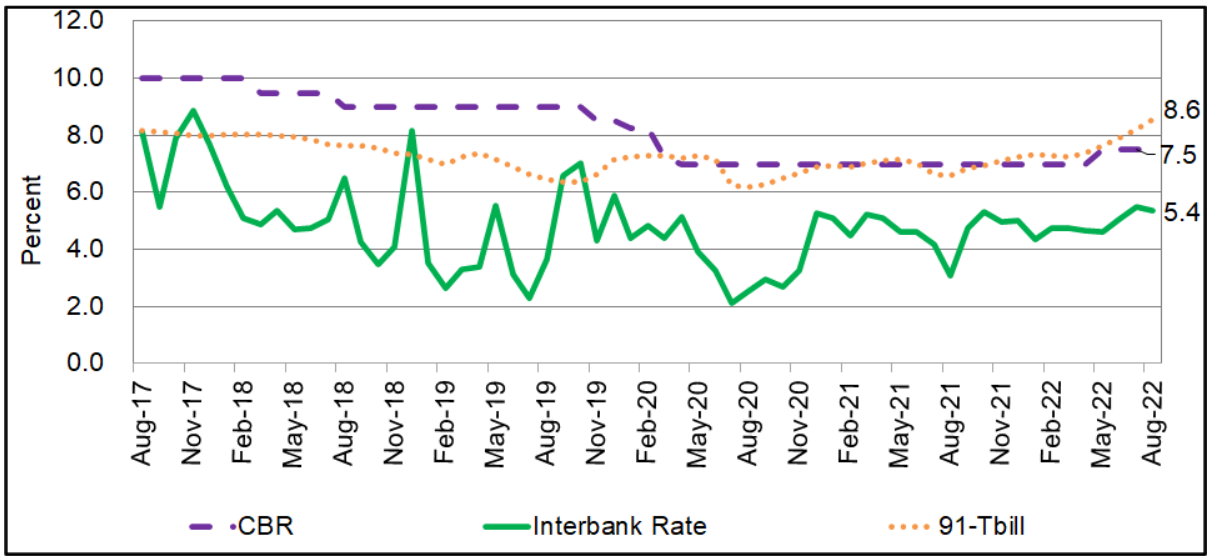


Interest Rates

66. Short-term interest rates remained low and stable supported by ample liquidity in the money market. The Central Bank Rate was raised from 7.0 percent to 7.5 percent on 30th May 2022. The tightening of the monetary policy stance was to anchor inflation expectations due to the elevated risks to the inflation outlook as a result of increased global commodity prices and supply chain disruptions. The interbank rate increased to 5.4 percent in August 2022 compared 3.1 percent in August 2021 (Figure 7).

67. Interest rates on the Treasury bills remained relatively low (below 10 percent) in August 2022. The 91-day Treasury Bills rate was at 8.6 percent in August 2022 compared to 6.6 percent in August 2021. Over the same period, the 182-day Treasury Bills rate increased to 9.5 percent from 7.1 percent while the 364-day also increased to 9.9 percent from 7.4 percent.

Figure 7: Short Term Interest Rates, Percent



B. Medium Term Economic Outlook

Global Growth Outlook

68. The global economic outlook remains highly uncertain with growth projected to moderate to 2.9 percent in 2023 from 3.2 percent in 2022 largely reflecting a slowdown in advanced economies despite a gradual pick up in the emerging market and developing economies.

69. Advanced economies are projected to slow down by 1.0 percent in 2023 from 2.3 percent in 2022 mainly due to a slowdown in growth in the United States and the Euro area. The emerging market and developing economies are projected to pick up to a growth of 3.9 percent in 2023 from a growth of 3.6 percent in 2022 albeit with varying performance across countries.

70. The Sub-Saharan African region is projected to pick up to a growth of 4.0 percent in 2023 from 3.8 percent in 2022 with the East and Southern African sub-region showing a sustained recovery from the recession. The DRC and Zambia are expected to benefit from rising metal prices in the short-and medium term and gain from the transition away from fossil fuels in the long term.

Domestic Growth Outlook

71. Domestically, the economy is expected to remain robust at 5.5 percent in 2022, with continued strong performance of the services sector despite the downside risks to global growth. Growth is expected to remain resilient growing by 5.8 percent in FY 2022/23 and averaging 6.2 percent over the medium term. This will be supported by a broad-based private sector growth, including recoveries in agriculture while the public sector consolidates.

72. This outlook will be reinforced by the ongoing implementation of the strategic priorities of the Government under the "Big Four" Agenda and the Economic Recovery Strategy. Additionally, the Government is implementing the third phase

of the Economic Stimulus Programs that target strategic interventions in agriculture, health, education, drought response, policy, infrastructure, financial inclusion, energy, and environmental conservation. The economic growth projections over the medium term are aligned to those of the Third Medium Term Plan (2018-2022) of the Vision 2030

County Government Growth Outlook

73. The growth projections over the medium term are aligned to key National and County policy documents that include Kenya Vision 2030, the Sustainable Development Goals (SDGs), MTP IV (2023-2027) Bungoma County Integrated Development Plan (CIDP 2023-2027) and Bungoma County Annual Development Plan (CADP 2023/2024).

74. The County Flagship projects which are on course include: Modernizing Masinde Muliro Stadium, upgrading of Musikoma-Kanduyi Dual carriage 6.5 kms, construction of 300 bed capacity maternal and child block at Bungoma County Referral Hospital, subsidized farm input support to the vulnerable, scholarship program and equipping of County Dairy Industry which will contribute to laying a strong foundation for increased productivity along the value-chain of the related sectors.

75. In the medium term, the county will seek to focus on provision of subsidized farm inputs and technical support to farmers, operationalization of cottage industries, lighting markets and urban centers, operationalization of trade loans, construction of modern markets and upgrading major roads to bituminous standards.

Fiscal Policy Outlook

76. Fiscal policy over the medium-term aims at supporting rapid and inclusive economic growth and ensuring a sustainable debt position by narrowing the budget deficit.

77. Over the medium term, driven by continued reforms in revenue administration and revenue enhancement measures, revenue collection is projected at 17.0 percent of GDP by FY 2022/23 from 17.6 percent of GDP in FY 2018/19. The Bungoma county Finance Bill 2022 was subjected to public participation and has been forwarded to the County Assembly for approval.

78. Enhanced revenue collection coupled with prudent public spending will guarantee success of key infrastructural projects. This will reinforce policy of consistency and predictability of government spending and will be achieved through the following strategies:

- Increasing efficiency, effectiveness and accountability of public spending;
- Containing the growth of recurrent expenditure in favour of capital investment; and

- Ensuring that capital expenditure proposals have been thoroughly scrutinized and prioritized in line with the CIDP and other county policy documents.

79. Over the medium term, the County will focus on targeted intervention of economic recovery programme that aims to reposition the economy on an inclusive and sustainable growth path. These will be mainstreamed into the regular programmes of the Government to ensure smooth transition and continuous implementation of programmes. The County will prioritize the following:

- **Poverty Eradication Programmes:** focusing on introduction of empowerment funds for the youth, women, people living with disability and trade loans for the small-scale traders, empowering local contractors through ward procurements, decentralizing resources to the ward level, implementation of the Nzoia task force recommendation, reviving local industries e.g. Kitinda, tobacco and cotton industries and activation of the maize miller programme in Tongaren.
- **Improving the living standards:** developing policy guideline to bring locally constituted vetting committees to verify actual land available for production to guide issuance of farm input and increase the support to cover more farmers. Developing a framework for cooperative members to access county funds through loans and grants.
- **Improve transport infrastructure:** opening up more new roads and fit bridges to enhance connectivity.
- **Enhance education support programmes**: increasing bursary allocation, re-introduction of in-service training for ECDE teachers and equipping Vocational training centres.
- **Youth affairs and talent programmes:** reintroduction of BUCOYEF to support youth enterprise and engage more youth in county leadership, internship and mentorship programs.
- **Enhancing trading hours:** installation of gridline and high mast flood lights, construction of modern markets and introduction of trade loans.
- **Restore civil service confidence:** strengthen the public service and adherence to the principles and values of fairness and meritocracy, decentralization of staff to sub-county and ward levels, capacity building and allowing staff to participate in decision making and application of resources.
- **Improving health sector**: adequate and continuous provision of pharmaceutical and non-pharmaceutical supplies, strengthen health partnerships and health infrastructure development to enable imparting of timely and quality health care.

80. The county government will build on the on-going high-level programs that emphasize the relevance of local economic development, employment and social stability by implementing key projects as detailed in table 5;

Table 13: Key Outcomes

Sector	Outcomes
Agriculture and Livestock	Enhanced effectiveness and efficiency in service delivery
	Enhanced crop production, productivity, value addition and incomes
	Enhanced livestock production, productivity, value addition and incomes
	Enhanced fisheries production, productivity, value addition and incomes
	Enhanced production, markets, value addition and incomes
Health	Efficient and effective service delivery
	Improved health services
	Enhanced Maternal and Child Health Services
	Reduced prevalence of communicable and non-communicable ailments
	Improved sanitation
Education	Increased enrolment in ECD centres
	Improved skill acquisition
	Improved education quality and sustained high transition rates
	Efficient and effective service delivery
Social Protection, Culture and Recreation	To promote efficient and effective service delivery
	Increased appreciation of Gender Equality and Freedom from Discrimination of Vulnerable groups
	Improved heritage and culture knowledge, appreciation and conservation
	A vibrant Sports Sector
Transport and Energy Sector	Effectiveness and Efficiency in Service Delivery
	Efficient transport network
	Durable and Safe Structures
	Risk free environment
	Enhanced Access to Affordable and clean Energy
Trade, Industrialization and Tourism Sector	Improved market infrastructure Access and Business Environment
	Enhanced Access to Affordable and clean Energy
	Enhanced industrial growth and development
	Enhanced institutional efficiency and effectiveness in service delivery
Lands, Housing and Physical Planning	Enhanced efficiency and effectiveness in service delivery
	Improved Land Access, Tenure and Management
	Enhanced access to decent and affordable housing
	Enhanced sustainable urban development
Environment, Water and Natural Resources	Enhanced effectiveness and efficiency in service delivery
	Environmentally clean and safe county
	Improved access to safe water and good sanitation
	Enhanced Protection and Conservation of natural resources

Sector	Outcomes
Administration and Intergovernmental Relations	Informed public
	Efficient service delivery
	Efficient service delivery
	Informed Public
	Satisfied and productive workforce
	Efficient service delivery
	Improved service delivery Enhanced transparency and accountability in the utilization & management of public financial resources
	Procedural, legal advice, information and research services provided
	Increased operational efficiency and improved service delivery

81. On its transformation journey, the County is clearly conscious of limited fiscal space and will leverage on the private sector in partnership with the National Government and Development Partners. The County Treasury shall coordinate the formulation of a legal framework to attract and engage the private sector on implementation of most of the priority projects under the MTP IV and the CIDP III.

Risks to the Domestic Economic Outlook and Mitigation Strategies

82. There are both domestic and external risks to this macroeconomic outlook. The ongoing Russia-Ukraine conflict resulted to higher-than expected inflation worldwide, triggered by higher global oil and food prices and the impact of the global monetary policy that has created tighter financial condition.

83. On the domestic front, the emergence of new COVID-19 variants that may require broader reinstatement of containment measures in the country and its trading partners. This could lead to renewed disruptions to trade and tourism. Other risks relate to lower agricultural output due to potential adverse weather conditions. Additionally, increased public expenditure pressures, particularly wage and other recurrent expenditures would put a strain to the fiscal space.

84. A faster than projected rebound in economic activities would be an advantageous to the domestic economy. That would result in higher Government revenues providing fiscal space that would support faster reduction in fiscal deficit and debt accumulation. Additionally, potential lower oil prices in the international market would result in improved terms of trade.

85. The County should set up stabilization fund to cushion farmers from adverse weather conditions and market forces. The County will monitor the above risks and take appropriate measures to ensure efficient and effective delivery of planned outputs and outcomes, while sharing relevant information with stakeholders. Further, the Government is accelerating infrastructure development to support sustainable economic recovery.

IV. RESOURCE ALLOCATION FRAMEWORK

A. FY 2022/23 Budget

86. The Medium-Term Fiscal Framework (MTFF) for the FY 2022/23 emphasizes on efficiency and effectiveness of public spending and improving revenue collection to stimulate and sustain economic activities, mitigate the adverse impact of COVID-19 pandemic and the ongoing Russia-Ukraine conflict on the economy and re-position the economy on a steady and sustainable growth trajectory. This will in turn enhance fiscal discipline and reduce ballooning pending bills.

87. Therefore, total revenue for the FY 2022/23 is projected to be ksh. 12,914,280,379 out of which own source revenue is projected to be ksh.1,398,524,891. Total expenditure is projected to be ksh. 12,914,280,379 of which recurrent expenditure is projected to be Ksh. 9,102,727,028 and kshs. 3,811,553,350 for development. Emergency fund has been allocated kshs.57,750,000. Kshs. 1,125,201,641 has been allocated to the County Assembly.

B. FY 2023/24 Budget Framework

88. The FY 2023/24 budget framework builds up on the County Government's efforts to stimulate and sustain economic activities to mitigate the adverse impact of COVID-19 pandemic and ongoing Russia – Ukraine conflict on the economy and re-position the economy on a steady and sustainable growth trajectory. This is in addition to expenditure rationalization and revenue mobilization programmes that the Government has been implementing.

89. To protect the gains already made, the County Government will continue to emphasize on the implementation of policy measures such as the zero-based budgeting process, adoption of the "no new projects" policy and reducing spending on programmes, which are not of high priority. As a result, the overall fiscal deficit is expected to decline. Further, with the fiscal consolidation strategy, MDAs are required to adopt the culture of doing more with less that is available with a view to promote sustainability and optimality.

90. In the FY 2023/24 total revenue c including Appropriation-in-Aid (A-i-A) is projected at Ksh 12,757,660,409. Own source of revenue is projected to be 1,517,274,781. Of this, local revenue is projected at Ksh 1,517,274,781. This revenue performance will be underpinned by economic recovery efforts This revenue performance will be underpinned by the on-going reforms in revenue administration and boosted by economic recovery in the country.occasioned by implementation of priority programmes under the Economic Recovery Strategy. Recurrent expenditure is projected to be kshs.8,925,346,220 while Development is projected to be kshs.3,832,314,188.

C. Medium Term Fiscal Projections

91. The Medium-Term Fiscal Policy aims at economic recovery to support sustained, rapid and inclusive economic growth, safeguard livelihoods and continue the fiscal consolidation programme to create fiscal space for the implementation of key

priority programmes. In this regard, and driven by economic recovery strategies, continued reforms in revenue administration and revenue enhancement measures, the County Government's total revenue are projected at Ksh 12,757,660,409 for FY 2023/24. Of the total expenditures, recurrent expenditures are expected to decline in the medium term while development expenditure is projected at Kshs. 3,832,314,188 FY 2023/24.

92. Given the expenditure and revenue enhancement measures the County Government has put in place, fiscal deficit inclusive of grants is projected to decline in the medium-term. The lower deficit reflects the enhanced revenue collection as a result of economic recovery strategies and prudent public spending. Particular emphasis will be placed on:

i. Increasing efficiency, effectiveness and accountability of public spending;
ii. Containing the growth of recurrent expenditure in favor of capital investment; and
iii. Ensuring capital expenditures are thoroughly scrutinized and aligned with the CIDP III and strategic policy interventions by the Government.

D. Medium-Term Expenditure Framework

93. With a view to supporting economic recovery and achieving its transformative development agenda, the Government will continue with its policy of expenditure prioritization. This agenda is anchored on provision of core services, creation of employment opportunities improving the general welfare of the people and ensuring equity while minimizing costs through the elimination of duplication and inefficiencies. Realization of these objectives will have implications in the budget ceilings provided in this CBROP. The following criteria will serve as a guide for allocating resources:

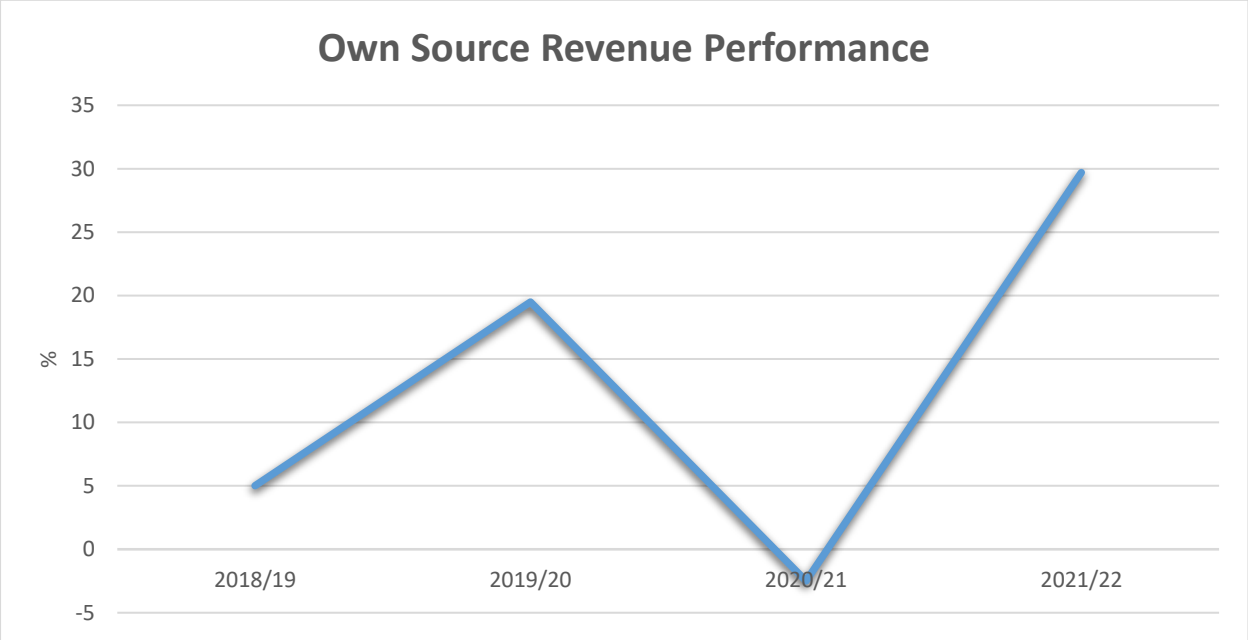
i. Linkage of programmes to Economic Recovery Strategy;
ii. Linkage of the programme with the objectives of the CIDP, Fourth Medium-Term Plan of Vision 2030;
iii. Degree to which a programme addresses job creation and poverty reduction;
iv. Degree to which the programme is addressing the core mandate of the CDAs;
v. Expected outputs and outcomes from a programme; and

Cost effectiveness and sustainability of the programme.

V. MEDIUM TERM REVENUE STRATEGY

94. The County Government own source revenue has been growing at a slow pace over the years. There was a slight decline of 2.5% in FY 2020/21 due to emergence of COVID-19 pandemic. In FY 2021/22, a growth of 29.7% was recorded as economic activities picked up following the easing of COVID-19 restrictions.

Own Source Revenue Trend



Source: County Treasury

95. The County has continued to encounter various challenges raising own source revenue, these include;

i. Several County departments are yet to enact the necessary pieces of legislation to support revenue collection and administration. These include the following bills:
    a) County Rating Bill
    b) Animal Control and Welfare Bill
    c) Outdoor Advertisement and Signage Bill
    d) Physical Planning Bill
    e) Construction and Development Control Bill
    f) Inspectorate and Enforcement Bill
    g) County Valuation Roll
    h) Housing Policy
    i) County Public Entertainment and Amenities Bill.

ii. There was unprecedented resistance to pay taxes from obligated business people, major cases being the bodaboda operators. Despite numerous stakeholder meetings, compliance remained poor.
iii. The poor state of market support infrastructure including auction rings, sanitation facilities and slaughterhouses posed a challenge in enforcing collection as several incidences of resistance were reported across the county.
iv. Limitation in undertaking revenue supervision arising from mobility constraints. Most of the department vehicles are old and frequently breakdown, significantly affecting supervision and collection efforts.
v. Motivation programmes for revenue collectors were not implemented. These included reimbursements of transport to revenue collectors traversing across county markets to collect revenue. Trainings and promotions were not fully possible.
vi. In its quest to increase efficiency in revenue administration, the county initiated use of technology to undertake collections and minimize cash handling. This included cashless mode of payment for market fees and parking. However due to budgetary constraints, inadequate training and sensitization of traders and revenue collectors affected remittance of revenue.

96. In order to attain revenue target, the department has put in place several enhancement measures:

i. Weekly performance appraisal for revenue collectors to monitor variations between collections and targets. This will enhance collections from market fees and related streams.
ii. The County has identified top 15 property rates defaulters whose cumulative outstanding rates amount to Ksh.40 million. The list has been forwarded to the County Attorney to pursue litigation.
iii. Set up a negotiation committee to engage property rates and other defaulters to draw a payment plan.
iv. Tax incentives including waivers and flexible plans for defaulters.
v. Integration of the BARMS system with other systems including banks, NTSA, Business registrar, IPPD among other to develop a comprehensive business register for easier tracking of tax compliance.
vi. Continuous on-job trainings for revenue staffs on their relevant fields.

VI. CONCLUSION AND NEXT STEPS

97. The preparation of the FY 2023/24 and the medium-term budget is being done against a background of projected global and domestic economic recovery. Global economic outlook has become more uncertain reflecting the impact of the ongoing Russia-Ukraine conflict, effects of COVID-19 containment measures, elevated inflationary pressures, volatile financial markets and persistent supply chain disruptions.

98. The economy expanded by 7.5 percent in 2021, from a contraction of 0.3 percent in 2020 and is expected to remain resilient in 2022 going forward. This outlook will be reinforced by the ongoing implementation of the strategic priorities of the Government under the "Big Four" Agenda and the Economic Recovery Strategy. The economic growth over the medium term will further be supported by implementation of strategic interventions contained in the Fourth Medium Term Plan (2023-2027) of the Vision 2030 aimed at driving the economy towards a sustainable growth path.

99. To strengthen the economic recovery, the county budget for FY 2023/24 and the medium term will focus on resource mobilization and reduction on non-core expenditures. The Government will continue implementation of the County Economic Recovery Strategy through the CIDP III and "Big Four" Agenda as prioritized in the fourth Medium Term Plan (MTP IV) of the Vision 2030 to build resilient and sustainable economic recovery and inclusive growth.

100. Due to limited resources at the County level, all Sector Working Groups are required to scrutinize all proposed County Departments and Agencies (CDAs) budgets for FY 2023/24 and the medium term to ensure that they strictly adhere to the proposed sector ceilings and the strict deadlines provided in this document to facilitate the finalization and appropriation of the FY 2023/24 and the medium-term budget. The resource envelope and ceilings for each Sector provided in this Budget Review and Outlook Paper will form inputs into the 2023 County Fiscal Strategy Paper.

ANNEXES

Annex 1: Medium Term Sector Ceilings

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Agriculture and Irrigation	Recurrent	242,847,381	237,987,779	249,887,168	262,381,526	1.9	1.9	1.9	1.9
	Development	461,892,170	709,510,692	744,986,227	782,235,538	3.6	5.6	5.6	5.6
	Sub Total	**704,739,551**	**947,498,471**	**994,873,394**	**1,044,617,064**	**5.5**	7.4	7.4	7.4
Livestock and fisheries	Recurrent	156,034,469	152,912,074	160,557,678	168,585,561	1.2	1.2	1.2	1.2
	Development	81,876,500	34,000,000	35,700,000	37,485,000	0.6	0.3	0.3	0.3
	Sub Total	**237,910,969**	**186,912,074**	**196,257,678**	**206,070,561**	**1.8**	1.5	1.5	1.5
Cooperative development	Recurrent	29,825,475	29,228,639	30,690,071	32,224,575	0.2	0.2	0.2	0.2
	Development	26,700,000	11,000,000	11,550,000	12,127,500	0.2	0.1	0.1	0.1
	Sub Total	**56,525,475**	**40,228,639**	**42,240,071**	**44,352,075**	**0.4**	0.3	0.3	0.3
Tourism and environment	Recurrent	203,673,966	203,673,966	213,857,665	224,550,548	1.6	1.6	1.6	1.6
	Development	30,592,446	130,000,000	136,500,000	143,325,000	0.2	1.0	1.0	1.0
	Sub Total	**234,266,412**	**333,673,966**	**350,357,665**	**367,875,548**	**1.8**	2.6	2.6	2.6
Water and Natural Resources	Recurrent	65,797,534	65,797,534	69,087,411	72,541,781	0.5	0.5	0.5	0.5
	Development	235,662,500	34,412,500	36,133,125	37,939,781	1.8	0.3	0.3	0.3
	Sub Total	**301,460,034**	**100,210,034**	**105,220,536**	**110,481,562**	**2.3**	0.8	0.8	0.8
Roads and Public works	Recurrent	153,349,030	148,349,030	155,766,481	163,554,805	1.2	1.2	1.2	1.2
	Development	1,331,733,055	504,532,149	529,758,756	556,246,694	10.3	4.0	4.0	4.0
	Sub Total	**1,485,082,085**	**652,881,179**	**685,525,238**	**719,801,499**	11.5	5.1	5.1	5.1
Education	Recurrent	1,343,915,696	924,897,649	971,142,531	1,019,699,658	10.4	7.2	7.2	7.2

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
	Development	238,027,262	300,897,262	315,942,125	331,739,231	1.8	2.4	2.4	2.4
	Sub Total	**1,581,942,958**	**1,264,436,613**	**1,327,658,443**	**1,394,041,365**	12.2	9.9	9.9	9.9
Vocational training	Recurrent	225,461,954	224,480,000	235,704,000	247,489,200	1.7	1.8	1.8	1.8
	Development	39,570,000	26,000,000	27,300,000	28,665,000	0.3	0.2	0.2	0.2
	Sub Total	**265,031,954**	**211,838,299**	**222,430,214**	**233,551,725**	2.1	1.7	1.7	1.7
Health	Recurrent	3,142,396,656	3,226,281,632	3,387,595,714	3,556,975,499	24.3	25.3	25.3	25.3
	Development	314,840,450	232,546,132	244,173,439	256,382,111	2.4	1.8	1.8	1.8
	Sub Total	**3,457,237,106**	**3,458,827,764**	**3,631,769,152**	**3,813,357,610**	26.8	27.1	27.1	27.1
Sanitation	Recurrent	2,017,430	2,017,430	2,118,302	**2,224,217**	0.0	0.0	0.0	0.0
	Development	11,561,438	8,061,438	8,464,510	**8,887,735**	0.1	0.1	0.1	0.1
	Sub Total	**13,578,868**	10,078,868	10,582,812	**11,111,952**	0.1	0.1	0.1	0.1
Trade	Recurrent	30,414,945	30,414,945	31,935,692	**33,532,477**	0.2	0.2	0.2	0.2
	Development	65,073,000	15,000,000	15,750,000	**16,537,500**	0.5	0.1	0.1	0.1
	Sub Total	**95,487,945**	**45,414,945**	47,685,692	**50,069,977**	0.7	0.4	0.4	0.4
Energy	Recurrent	17,677,340	18,677,340	19,611,207	**20,591,767**	0.1	0.1	0.1	0.1
	Development	18,025,997	80,000,000	84,000,000	**88,200,000**	0.1	0.6	0.6	0.6
	Sub Total	**35,703,337**	**98,677,340**	103,611,207	**108,791,767**	0.3	0.8	0.8	0.8
Industrialization	Recurrent	562,080	9,437,920	9,909,816	10,405,307	0.0	0.1	0.1	0.1
	Development	0	34,598,997	36,328,947	38,145,394	0.0	0.3	0.3	0.3
	Sub Total	**562,080**	**44,036,917**	**46,238,763**	**48,550,701**	0.0	0.3	0.3	0.3
Lands, Urban and Physical Planning	Recurrent	48,220,786	48,220,786	50,631,825	53,163,417	0.4	0.4	0.4	0.4
	Development	37,947,500	11,197,500	11,757,375	12,345,244	0.3	0.1	0.1	0.1
	Sub Total	**86,168,286**	**59,418,286**	**62,389,200**	**65,508,660**	0.7	0.5	0.5	0.5

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Bungoma Municipality	Recurrent	26,952,363	30,452,363	31,974,981	33,573,730	0.2	0.2	0.2	0.2
	Development	111,887,700	80,000,000	84,000,000	88,200,000	0.9	0.6	0.6	0.6
	Sub Total	**138,840,063**	**110,452,363**	**115,974,981**	**121,773,730**	1.1	0.9	0.9	0.9
Kimilili Municipality	Recurrent	28,929,833	32,429,833	34,051,325	35,753,891	0.2	0.3	0.3	0.3
	Development	191,089,400	100,000,000	105,000,000	110,250,000	1.5	0.8	0.8	0.8
	Sub Total	**220,019,233**	**132,429,833**	**139,051,325**	**146,003,891**	1.7	1.0	1.0	1.0
Housing	Recurrent	29,685,070	29,685,070	31,169,324	32,727,790	0.2	0.2	0.2	0.2
	Development	83,806,704	126,553,239	132,880,901	139,524,946	0.6	1.0	1.0	1.0
	Sub Total	**113,491,774**	**156,238,309**	**164,050,224**	**172,252,736**	0.9	1.2	1.2	1.2
Gender and Culture	Recurrent	82,526,212	77,906,899	81,802,244	85,892,356	0.6	0.6	0.6	0.6
	Development	21,940,000	12,568,791	13,197,230	13,857,092	0.2	0.1	0.1	0.1
	Sub Total	**104,466,212**	**90,475,690**	**94,999,474**	**99,749,448**	0.8	0.7	0.7	0.7
Youth and Sports	Recurrent	49,586,444	45,205,757	47,466,045	49,839,347	0.4	0.4	0.4	0.4
	Development	126,882,253	72,653,462	76,286,136	80,100,442	1.0	0.6	0.6	0.6
	Sub Total	**176,468,697**	**117,859,219**	**123,752,180**	**129,939,789**	1.4	0.9	0.9	0.9
County Assembly	Recurrent	1,083,842,235	938,155,289	985,063,053	1,034,316,206	8.4	7.4	7.4	7.4
	Development	41,359,406	41,359,406	43,427,376	45,598,745	0.3	0.3	0.3	0.3
	Sub Total	**1,125,201,641**	**979,514,695**	**1,028,490,430**	**1,079,914,951**	8.7	7.7	7.7	7.7
Finance and Planning	Recurrent	1,040,934,946	1,068,030,724	1,121,432,260	1,177,503,873	8.1	8.4	8.4	8.4
	Development	150,000,000	145,000,000	152,250,000	159,862,500	1.2	1.1	1.1	1.1
	Sub Total	**1,190,934,946**	**1,213,030,724**	**1,273,682,260**	**1,337,366,373**	9.2	9.5	9.5	9.5
County Public Service Board	Recurrent	30,911,146	40,911,146	42,956,704	45,104,539	0.2	0.3	0.3	0.3
	Development	30,000,000	0	0	0	0.2	0.0	0.0	0.0

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
	Sub Total	**60,911,146**	**40,911,146**	**42,956,704**	**45,104,539**	0.5	0.3	0.3	0.3
Governor's office	Recurrent	487,058,318	507,058,318	532,411,234	559,031,796	3.8	4.0	4.0	4.0
	Development	0	0	0	0	0.0	0.0	0.0	0.0
	Sub Total	**487,058,318**	**507,058,318**	**532,411,234**	**559,031,796**	3.8	4.0	4.0	4.0
D/Governor's office	Recurrent	12,836,583	25,836,583	27,128,412	28,484,833	0.1	0.2	0.2	0.2
	Development	0	0	0	0	0.0	0.0	0.0	0.0
	Sub Total	**12,836,583**	**25,836,583**	**27,128,412**	**28,484,833**	0.1	0.2	0.2	0.2
Public Administration	Recurrent	310,123,746	678,123,746	712,029,934	747,631,430	2.4	5.3	5.3	5.3
	Development	12,422,620	12,422,620	13,043,751	13,695,939	0.1	0.1	0.1	0.1
	Sub Total	**322,546,366**	**690,546,366**	**725,073,685**	**761,327,369**	2.5	5.4	5.4	5.4
Sub County Administration	Recurrent	10,971,617	45,000,000	47,250,000	49,612,500	0.1	0.4	0.4	0.4
	Development	0	225,000,000	236,250,000	248,062,500	0.0	1.8	1.8	1.8
	Sub Total	10,971,617	**270,000,000**	**283,500,000**	**297,675,000**	0.1	2.1	2.1	2.1
County Secretary	Recurrent	188,517,982	29,422,107	30,893,212	32,437,873	1.5	0.2	0.2	0.2
	Development	118,815,048	15,000,000	15,750,000	16,537,500	0.9	0.1	0.1	0.1
	Sub Total	**307,333,030**	**44,422,107**	**46,643,212**	**48,975,373**	2.4	0.3	0.3	0.3
ICT	Recurrent	25,982,005	23,982,005	25,181,105	26,440,161	0.2	0.2	0.2	0.2
	Development	29,847,901	15,000,000	15,750,000	16,537,500	0.2	0.1	0.1	0.1
	Sub Total	**55,829,906**	**38,982,005**	**40,931,105**	**42,977,661**	0.4	0.3	0.3	0.3
County Attorney	Recurrent	31,673,780	30,769,655	32,308,138	33,923,545	0.2	0.2	0.2	0.2
	Development	**0**	**0**	0	0	0.0	0.0	0.0	0.0
	Sub Total	**31,673,780**	**30,769,655**	**32,308,138**	**33,923,545**	0.2	0.2	0.2	0.2
Ward Based Projects	Recurrent	**0**	0	0	0	0.0	0.0	0.0	0.0

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
	Development	0	855,000,000	897,750,000	942,637,500	0.0	6.7	6.7	6.7
	Sub Total	**0**	**855,000,000**	**897,750,000**	**942,637,500**	0.0	6.7	6.7	6.7
TOTAL	**Recurrent**	**9,102,727,022**	**8,925,346,221**	**9,371,613,532**	**9,840,194,208**	70.5	70.0	70.0	70.0
	Development	**3,811,553,350**	**3,832,314,188**	**4,023,929,897**	**4,225,126,392**	29.5	30.0	30.0	30.0
	Total	**12,914,280,372**	**12,757,660,409**	**13,395,543,429**	**14,065,320,600**	**100**	100.0	100.0	100.0

Annex 2: Recurrent Sector Ceilings for the FY 2022/23-2024/25 MTEF Period

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2022/23	FY 2024/25	FY 2025/26
Agriculture and Irrigation	Recurrent	242,847,382	237,987,779	249,887,168	262,381,526	2.7	2.7	2.7	2.7
	AIA	21,500,000	21,500,000	22,575,000	23,703,750	0.2	0.2	0.2	0.2
	NET	221,347,382	216,487,779	227,312,168	238,677,776	2.4	2.4	2.4	2.4
	Compensation to Employees	186,413,761	195,734,449	205,521,172	215,797,230	2.0	2.2	2.2	2.2
	Maintenance	2,212,000	2,212,000	2,322,600	2,438,730	0.0	0.0	0.0	0.0
	Operations	54,221,621	40,041,330	42,043,396	44,145,566	0.6	0.4	0.4	0.4
Livestock and fisheries	Recurrent	156,034,470	152,912,074	160,557,678	168,585,562	1.7	1.7	1.7	1.7
	AIA	3,507,000	3,507,000	3,682,350	3,866,468	0.0	0.0	0.0	0.0
	NET	152,527,470	149,405,074	156,875,328	164,719,094	1.7	1.7	1.7	1.7
	Compensation to Employees	133,515,321	140,191,087	147,200,642	154,560,674	1.5	1.6	1.6	1.6
	Maintenance	1,800,000	1,800,000	1,890,000	1,984,500	0.0	0.0	0.0	0.0
	Operations	20,719,149	10,920,987	11,467,036	12,040,388	0.2	0.1	0.1	0.1
Cooperative development	Recurrent	29,825,479	29,228,639	30,690,071	32,224,574	0.3	0.3	0.3	0.3
	AIA	1,754,460	1,754,460	1,842,183	1,934,292	0.0	0.0	0.0	0.0
	NET	28,071,019	27,474,179	28,847,888	30,290,282	0.3	0.3	0.3	0.3
	Compensation to Employees	19,818,758	20,809,696	21,850,181	22,942,690	0.2	0.2	0.2	0.2
	Maintenance	638,000	638,000	669,900	703,395	0.0	0.0	0.0	0.0
	Operations	9,368,721	7,780,943	8,169,990	8,578,489	0.1	0.1	0.1	0.1
Tourism and environment	Recurrent	203,673,966	203,673,966	213,857,664	224,550,548	2.2	2.3	2.3	2.3
	AIA	1,273,388	1,273,388	1,337,057	1,403,910	0.0	0.0	0.0	0.0

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2022/23	FY 2024/25	FY 2025/26
	NET	202,400,578	202,400,578	212,520,607	223,146,637	2.2	2.3	2.3	2.3
	Compensation to Employees	27,637,130	29,018,987	30,469,936	31,993,433	0.3	0.3	0.3	0.3
	Maintenance	693,070	693,070	727,724	764,110	0.0	0.0	0.0	0.0
	Operations	175,343,766	173,961,909	182,660,005	191,793,005	1.9	1.9	1.9	1.9
Water and Natural Resources	Recurrent	65,797,534	65,797,534	69,087,411	72,541,781	0.7	0.7	0.7	0.7
	AIA	-	-	-	-	-	-	-	-
	NET	65,797,534	65,797,534	69,087,411	72,541,781	0.7	0.7	0.7	0.7
	Compensation to Employees	37,099,024	38,953,976	40,901,674	42,946,758	0.4	0.4	0.4	0.4
	Maintenance	8,040,000	8,040,000	8,442,000	8,864,100	0.1	0.1	0.1	0.1
	Operations	20,658,510	18,803,558	19,743,736	20,730,923	0.2	0.2	0.2	0.2
Roads and Public works	Recurrent	153,349,030	148,349,030	155,766,482	163,554,806	1.7	1.7	1.7	1.7
	AIA	4,051,688	4,051,688	4,254,272	4,466,986	0.0	0.0	0.0	0.0
	NET	149,297,342	144,297,342	151,512,209	159,087,820	1.6	1.6	1.6	1.6
	Compensation to Employees	74,694,876	78,429,620	82,351,101	86,468,656	0.8	0.9	0.9	0.9
	Maintenance	28,797,371	28,797,371	30,237,240	31,749,102	0.3	0.3	0.3	0.3
	Operations	49,856,783	41,122,039	43,178,141	45,337,048	0.5	0.5	0.5	0.5
Education	Recurrent	1,343,915,696	924,897,649	971,142,531	1,019,699,658	14.8	10.4	12.9	12.9
	AIA	2,205,000	2,205,000	2,315,250	2,431,013	0.0	0.0	0.0	0.0
	NET	1,341,710,696	922,692,649	968,827,281	1,017,268,646	14.7	10.3	12.9	12.9
	Compensation to Employees	900,062,129	900,062,129	945,065,235	992,318,497	9.9	10.1	12.0	12.0
	Maintenance	820,000	820,000	861,000	904,050	0.0	0.0	0.0	0.0

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2022/23	FY 2024/25	FY 2025/26
	Operations	443,033,567	24,015,520	25,216,296	26,477,111	4.9	0.3	0.9	0.9
Vocational Training	Recurrent	225,461,954	224,480,000	235,704,000	247,489,200	2.5	2.5	2.5	2.5
	AIA	-	-	-	-	-	-	-	-
	NET	225,461,954	224,480,000	235,704,000	247,489,200	2.5	2.5	2.5	2.5
	Compensation to Employees	196,480,000	206,304,000	216,619,200	227,450,160	2.2	2.3	2.3	2.3
	Maintenance	1,100,000	1,100,000	1,155,000	1,212,750	0.0	0.0	0.0	0.0
	Operations	27,881,954	17,076,000	17,929,800	18,826,290	0.3	0.2	0.2	0.2
Health	Recurrent	3,142,396,656	3,226,281,632	3,387,595,714	3,556,975,499	34.5	36.1	36.1	36.1
	AIA	642,823,421	761,573,311	799,651,977	839,634,575	7.1	8.5	8.5	8.5
	NET	2,499,573,235	2,464,708,321	2,587,943,737	2,717,340,924	27.5	27.6	27.6	27.6
	Compensation to Employees	2,416,604,147	2,537,434,354	2,664,306,072	2,797,521,376	26.5	28.4	28.4	28.4
	Maintenance	41,251,814	41,251,814	43,314,405	45,480,125	0.5	0.5	0.5	0.5
	Operations	684,540,695	647,595,464	679,975,237	713,973,999	7.5	7.3	7.3	7.3
Sanitation	Recurrent	2,017,430	2,017,430	2,118,302	2,224,217	0.0	0.0	0.0	0.0
	AIA	-	-	-	-	-	-	-	-
	NET	2,017,430	2,017,430	2,118,302	2,224,217	0.0	0.0	0.0	0.0
	Compensation to Employees	896,976	941,825	988,916	1,038,362	0.0	0.0	0.0	0.0
	Maintenance	-	-	-	-	-	-	-	-
	Operations	1,120,454	1,075,605	1,129,385	1,185,855	0.0	0.0	0.0	0.0
Trade	Recurrent	30,414,945	30,414,945	31,935,692	33,532,477	0.3	0.3	0.3	0.3
	AIA	-	-	-	-	-	-	-	-

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2022/23	FY 2024/25	FY 2025/26
	NET	30,414,945	30,414,945	31,935,692	33,532,477	0.3	0.3	0.3	0.3
	Compensation to Employees	19,857,071	20,849,925	21,892,421	22,987,042	0.2	0.2	0.2	0.2
	Maintenance	1,483,978	1,483,978	1,558,177	1,636,086	0.0	0.0	0.0	0.0
	Operations	9,073,896	8,081,042	8,485,095	8,909,349	0.1	0.1	0.1	0.1
Energy	Recurrent	17,677,340	18,677,340	19,611,207	20,591,767	0.2	0.2	0.2	0.2
	AIA	-	-	-	-	-	-	-	-
	NET	17,677,340	18,677,340	19,611,207	20,591,767	0.2	0.2	0.2	0.2
	Compensation to Employees	3,865,260	4,058,523	4,261,449	4,474,522	0.0	0.0	0.0	0.0
	Maintenance	4,550,000	4,550,000	4,777,500	5,016,375	0.0	0.1	0.1	0.1
	Operations	9,262,080	10,068,817	10,572,258	11,100,871	0.1	0.1	0.1	0.1
Industrialization	Recurrent	562,080	9,437,920	9,909,816	10,405,307	0.0	0.1	0.1	0.1
	AIA	-	-	-	-	-	-	-	-
	NET	562,080	9,437,920	9,909,816	10,405,307	0.0	0.1	0.1	0.1
	Compensation to Employees	-	3,927,960	4,124,358	4,330,576	-	0.0	0.0	0.0
	Maintenance	150,000	800,000	840,000	882,000	0.0	0.0	0.0	0.0
	Operations	412,080	4,709,960	4,945,458	5,192,731	0.0	0.1	0.1	0.1
Lands, Urban and Physical Planning	Recurrent	48,220,786	48,220,786	50,631,825	53,163,417	0.5	0.5	0.5	0.5
	AIA	6,611,952	6,611,952	6,942,550	7,289,677	0.1	0.1	0.1	0.1
	NET	41,608,834	41,608,834	43,689,276	45,873,739	0.5	0.5	0.5	0.5
	Compensation to Employees	17,886,001	18,780,301	19,719,316	20,705,282	0.2	0.2	0.2	0.2
	Maintenance	2,280,000	2,280,000	2,394,000	2,513,700	0.0	0.0	0.0	0.0
	Operations	28,054,785	27,160,485	28,518,509	29,944,435	0.3	0.3	0.3	0.3

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2022/23	FY 2024/25	FY 2025/26
Bungoma Municipality	Recurrent	26,952,363	30,452,363	31,974,981	33,573,730	0.3	0.3	0.4	0.4
	AIA	-	-	-	-	-	-	-	-
	NET	26,952,363	30,452,363	31,974,981	33,573,730	0.3	0.3	0.4	0.4
	Compensation to Employees	11,760,120	12,348,126	12,965,532	13,613,809	0.1	0.1	0.1	0.1
	Maintenance	450,000	450,000	472,500	496,125	0.0	0.0	0.0	0.0
	Operations	14,742,243	17,654,237	18,536,949	19,463,796	0.2	0.2	0.2	0.2
Kimilili Municipality	Recurrent	28,929,833	32,429,833	34,051,325	35,753,891	0.3	0.4	0.4	0.4
	AIA	-	-	-	-	-	-	-	-
	NET	28,929,833	32,429,833	34,051,325	35,753,891	0.3	0.4	0.4	0.4
	Compensation to Employees	13,773,780	14,462,469	15,185,592	15,944,872	0.2	0.2	0.2	0.2
	Maintenance	500,000	500,000	525,000	551,250	0.0	0.0	0.0	0.0
	Operations	14,656,053	17,467,364	18,340,732	19,257,769	0.2	0.2	0.2	0.2
Housing	Recurrent	29,685,070	29,685,070	31,169,324	32,727,790	0.3	0.3	0.3	0.3
	AIA	7,000,000	7,000,000	7,350,000	7,717,500	0.1	0.1	0.1	0.1
	NET	22,685,070	22,685,070	23,819,324	25,010,290	0.2	0.3	0.3	0.3
	Compensation to Employees	9,165,048	9,623,300	10,104,465	10,609,689	0.1	0.1	0.1	0.1
	Maintenance	2,790,531	2,790,531	2,930,058	3,076,560	0.0	0.0	0.0	0.0
	Operations	17,729,491	17,271,239	18,134,801	19,041,541	0.2	0.2	0.2	0.2
Gender and Culture	Recurrent	82,526,212	77,906,899	81,802,244	85,892,356	0.9	0.9	0.8	0.8
	AIA	-	-	-	-	-	-	-	-
	NET	82,526,212	77,906,899	81,802,244	85,892,356	0.9	0.9	0.8	0.8
	Compensation to Employees	30,589,943	32,119,440	33,725,412	35,411,683	0.3	0.4	0.4	0.4

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2022/23	FY 2024/25	FY 2025/26
	Maintenance	720,000	720,000	756,000	793,800	0.0	0.0	0.0	0.0
	Operations	51,216,269	45,067,459	47,320,832	49,686,873	0.6	0.5	0.4	0.4
Youth and Sports	Recurrent	49,586,444	45,205,757	47,466,045	49,839,347	0.5	0.5	0.5	0.5
	AIA	-	-	-	-	-	-	-	-
	NET	49,586,444	45,205,757	47,466,045	49,839,347	0.5	0.5	0.5	0.5
	Compensation to Employees	15,500,000	16,275,000	17,088,750	17,943,188	0.2	0.2	0.2	0.2
	Maintenance	810,000	810,000	850,500	893,025	0.0	0.0	0.0	0.0
	Operations	33,276,444	28,120,757	29,526,795	31,003,135	0.4	0.3	0.3	0.3
County Assembly	Recurrent	1,083,842,235	938,155,289	985,063,053	1,034,316,206	11.9	10.5	10.5	10.5
	AIA	-	-	-	-	-	-	-	-
	NET	1,083,842,235	938,155,289	985,063,053	1,034,316,206	11.9	10.5	10.5	10.5
	Compensation to Employees	486,522,478	510,848,602	536,391,032	563,210,584	5.3	5.7	5.7	5.7
	Maintenance	7,371,000	7,371,000	7,739,550	8,126,528	0.1	0.1	0.1	0.1
	Operations	589,948,757	419,935,687	440,932,471	462,979,095	6.5	4.7	4.7	4.7
Finance and Planning	Recurrent	1,040,934,946	1,068,030,724	1,121,432,260	1,177,503,873	11.4	12.0	12.0	12.0
	AIA	-	-	-	-	-	-	-	-
	NET	1,040,934,946	1,068,030,724	1,121,432,260	1,177,503,873	11.4	12.0	12.0	12.0
	Compensation to Employees	660,700,879	693,735,923	728,422,719	764,843,855	7.3	7.8	7.8	7.8
	Maintenance	17,877,566	17,877,566	18,771,444	19,710,017	0.2	0.2	0.2	0.2
	Operations	362,356,501	356,417,235	374,238,097	392,950,002	4.0	4.0	4.0	4.0

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2022/23	FY 2024/25	FY 2025/26
County Public Service Board	Recurrent	30,911,146	40,911,146	42,956,703	45,104,538	0.3	0.5	0.5	0.5
	AIA	-	-	-	-	-	-	-	-
	NET	30,911,146	40,911,146	42,956,703	45,104,538	0.3	0.5	0.5	0.5
	Compensation to Employees	8,390,850	8,810,393	9,250,912	9,713,458	0.1	0.1	0.1	0.1
	Maintenance	1,995,163	1,995,163	2,094,921	2,199,667	0.0	0.0	0.0	0.0
	Operations	20,525,133	30,105,591	31,610,870	33,191,414	0.2	0.3	0.3	0.3
Governor's office	Recurrent	487,058,318	507,058,318	532,411,234	559,031,796	5.4	5.7	5.7	5.7
	AIA	-	-	-	-	-	-	-	-
	NET	487,058,318	507,058,318	532,411,234	559,031,796	5.4	5.7	5.7	5.7
	Compensation to Employees	409,357,458	429,825,331	451,316,597	473,882,427	4.5	4.8	4.8	4.8
	Maintenance	7,400,000	7,400,000	7,770,000	8,158,500	0.1	0.1	0.1	0.1
	Operations	70,300,860	69,832,987	73,324,636	76,990,868	0.8	0.8	0.8	0.8
D/Governor's office	Recurrent	12,836,583	25,836,583	27,128,412	28,484,833	0.1	0.3	0.3	0.3
	AIA	-	-	-	-	-	-	-	-
	NET	12,836,583	25,836,583	27,128,412	28,484,833	0.1	0.3	0.3	0.3
	Compensation to Employees	-	-	-	-	-	-	-	-
	Maintenance	872,684	872,684	916,318	962,134	0.0	0.0	0.0	0.0
	Operations	11,963,899	24,963,899	26,212,094	27,522,699	0.1	0.3	0.3	0.3
Public Administration	Recurrent	310,123,746	678,123,746	712,029,933	747,631,430	3.4	7.6	7.6	7.6
	AIA		7,797,983	8,187,882	8,597,276	-	0.1	0.1	0.1
	NET	310,123,746	670,325,763	703,842,051	739,034,154	3.4	7.5	7.5	7.5
	Compensation to Employees	195,019,365	254,535,344	267,262,111	280,625,216	2.1	2.9	2.9	2.9

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2022/23	FY 2024/25	FY 2025/26
	Maintenance	320,000	320,000	336,000	352,800	0.0	0.0	0.0	0.0
	Operations	114,784,381	423,268,402	444,431,822	466,653,414	1.3	4.7	4.7	4.7
Sub County Administration	Recurrent	10,971,617	45,000,000	47,250,000	49,612,500	0.1	0.5	0.5	0.5
	AIA	-	-	-	-	-	-	-	-
	NET	10,971,617	45,000,000	47,250,000	49,612,500	0.1	0.5	0.5	0.5
	Compensation to Employees	-	-	-	-	-	-	-	-
	Maintenance	-	-	-	-	-	-	-	-
	Operations	10,971,617	45,000,000	47,250,000	49,612,500	0.1	0.5	0.5	0.5
County Secretary	Recurrent	188,517,982	29,422,107	30,893,212	32,437,873	2.1	0.3	0.3	0.3
	AIA	7,797,983	7,797,983	8,187,882	8,597,276	0.1	0.1	0.1	0.1
	NET	180,719,999	21,624,124	22,705,330	23,840,597	2.0	0.2	0.2	0.2
	Compensation to Employees	47,395,248	-	-	-	0.5	-	-	-
	Maintenance	3,067,550	3,067,550	3,220,928	3,381,974	0.0	0.0	0.0	0.0
	Operations	138,055,184	26,354,557	27,672,285	29,055,899	1.5	0.3	0.3	0.3
ICT	Recurrent	25,982,005	23,982,005	25,181,105	26,440,161	0.3	0.3	0.3	0.3
	AIA	-	-	-	-	-	-	-	-
	NET	25,982,005	23,982,005	25,181,105	26,440,161	0.3	0.3	0.3	0.3
	Compensation to Employees	-	-	-	-	-	-	-	-
	Maintenance	3,067,550	3,067,550	3,220,928	3,381,974	0.0	0.0	0.0	0.0
	Operations	22,914,455	20,914,455	21,960,178	23,058,187	0.3	0.2	0.2	0.2
County Attorney	Recurrent	31,673,780	30,769,655	32,308,138	33,923,545	0.3	0.3	0.3	0.3
	AIA	-	-	-	-	-	-	-	-

DEPARTMENT	ITEM	FY 2022/23	INDICATIVE CEILING FY 2023/24	PROJECTIONS		% share of total allocation			
				FY 2024/25	FY 2025/26	FY 2022/23	FY 2022/23	FY 2024/25	FY 2025/26
	NET	31,673,780	30,769,655	32,308,138	33,923,545	0.3	0.3	0.3	0.3
	Compensation to Employees	-	-	-	-	-	-	-	-
	Maintenance	3,067,550	3,067,550	3,220,928	3,381,974	0.0	0.0	0.0	0.0
	Operations	28,606,230	27,702,105	29,087,210	30,541,571	0.3	0.3	0.3	0.3
TOTAL	**Recurrent**	**9,102,727,028**	**8,925,346,219**	**9,371,613,530**	**9,840,194,206**	100.0	100.0	100.0	**100.0**
	AIA	**698,524,892**	**825,072,765**	**866,326,403**	**909,642,723**	7.7	9.2	9.2	**9.2**
	NET	**8,404,202,136**	**8,100,273,454**	**8,505,287,127**	**8,930,551,483**	92.3	90.8	90.8	**90.8**
	Compensation to Employees	**5,923,005,624**	**6,178,080,759**	**6,486,984,797**	**6,811,334,037**	65.1	69.2	69.2	**69.2**
	Maintenance	**144,125,827**	**144,775,827**	**152,014,618**	**159,615,349**	1.6	1.6	1.6	**1.6**
	Operations	**3,035,595,577**	**2,602,489,633**	**2,732,614,115**	**2,869,244,820**	33.3	29.2	29.2	**29.2**