



**COUNTY GOVERNMENT OF TURKANA**  
**OFFICE OF THE COUNTY EXECUTIVE – FINANCE AND ECONOMIC PLANNING**

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**COUNTY FISCAL STRATEGY PAPER 2021**

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**FEBRUARY 2021**

DRAFT

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The document is also available on the county's website at: [www.turkana.go.ke](http://www.turkana.go.ke)

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## **FOREWORD**

One of the key stages in the County budget preparation cycle is the production of the County Fiscal Strategy Paper (CFSP). It sets out the county policy goals and strategic priorities that will be the basis for formulation of the County's Financial Year 2021/2022 budget and the Medium-Term projections. It is intended to foster the implementation of the 2nd generation CIDP (2018-2022) and the MTP III (2018-2022). This is an annual planning document that shows the various Fiscal strategies that the County Government of Turkana intends to employ to meet its overall objective of improving the livelihoods of its citizens.

Consequently, through this document the County Government has set out priorities which will lead to the realization of the governor's manifesto with emphasis on food security, infrastructure and accessibility to quality water, health care, education and partnerships building over the medium-term period. These priorities are based on the second generation CIDP (2018-2022), Annual Development Plan (ADP) 2021-2022, the Kenya Vision 2030 and the MTP III. The finalization of this CFSP 2021 was informed by the provisions and guidelines as per the PFM Act 2012 and the PFM (County Government Regulations 2015).

As a build-up on the County Budget Review and Outlook Paper (CBROP) 2020, which analyzed the performance in the FY 2019/2020 financial year's budget, scanned the current year's fiscal environment and provided an outlook for the FY 2021/2022 and the medium term, this CFSP shows the allocation of resources in all sectors and departments.

The main sources of County revenue, in the medium term, will be the equitable share, conditional grants, local revenue collections and donor funding. The paper covers the following broad areas; highlights of the recent economic developments and the economic outlook; broad strategic priorities and policies for the Medium-Term Fiscal Framework. The fiscal framework presented in the paper ensures a sustainable financing while allowing continued spending on priority programmes. Achievement of the set objectives calls for greater transparency, effectiveness and efficiency in public financial management in order to ensure fiscal discipline.

**JOSEPH EMATHE NAMUAR**  
**COUNTY EXECUTIVE COMMITTEE MEMBER – FINANCE AND ECONOMIC**  
**PLANNING TURKANA COUNTY**

## **ACKNOWLEDGEMENT**

A lot of effort and dedication have been spent to ensure the County Fiscal Strategy Paper (CFSP), 2021 is prepared and submitted on time, as required under the PFM Act, 2012. Lots of efforts have been dedicated to the timely preparation of this CFSP, without which, actualization of this MTEF Budgeting Policy document would not have been possible. The document is expected to improve the understanding on how public finances are spent and shape the debate on Economic and Development matters in the County as we move towards sustaining Economic prosperity for all the people of Turkana.

The preparation of the CFSP 2021 was a collaborative and an inclusive process. Departmental Sector Working Groups (SWGs) played a significant role in arriving at the final fiscal policy determination for the next MTEF period. We are grateful for comments from the County Treasury Macro working group, the sector working groups and other stakeholder inputs. May I take this opportunity to sincerely thank the general public and all interested groups who participated fully towards finalization of the CFSP 2021. Your invaluable contributions helped to shape the County Fiscal framework.

Finally, we are grateful to County Executive Member for Finance and Economic Planning for guidance and counsel in the development of this document. My sincere gratitude goes to my Cabinet colleagues and all Chief Officers for their contributions. The invaluable effort and the significant amount of time spent by the CFSP secretariat led by the Chief Officer, Economic Planning is truly appreciated. Special thanks go to the staff in the Department of Economic Planning who demonstrated commitment in the preparation, editing and timely finalization of the CFSP 2021. Equally, we value the useful inputs we received from various stakeholders and the public when we undertook consultations through public participation in line with the requirements of the Public Finance Management Act, 2012 and the Constitution.

**JEREMIAH LOMARI APALIA**  
**CHIEF OFFICER – ECONOMIC PLANNING**  
**TURKANA COUNTY**

## **ABBREVIATIONS AND ACRONYMS**

<b>AIDS</b>	Acquired Immune Deficiency Syndrome
<b>BPS</b>	Budget Policy Statement
<b>CBEF</b>	County Budget Economic Forum
<b>CBROP</b>	County Budget Review and Outlook Paper
<b>CFSP</b>	County Fiscal Strategy Paper
<b>CIDP</b>	County Integrated Development Plan
<b>COB</b>	Controller of Budget
<b>EAC</b>	East Africa Community
<b>ECDE</b>	Early Childhood Development Education
<b>EGPAF</b>	Elizabeth Glaser Pediatric AIDS Foundation
<b>FCDC</b>	Frontier Counties Development Council
<b>FY</b>	Financial Year
<b>GIZ</b>	The Deutsche Gesellschaft für Internationale Zusammenarbeit
<b>GPRS</b>	General Packet Radio Services
<b>HIV</b>	Human Immunodeficiency Virus
<b>HRM/D</b>	Human Resource Management Development Plans
<b>ICT</b>	Information and Communications Technology
<b>IFMIS</b>	The Integrated Financial Management and Information System
<b>KQMH</b>	Kenya Quality Model for Health
<b>KSHs</b>	Kenyan Shillings
<b>LAPSSET</b>	Lamu Port South Sudan Ethiopia Transport
<b>MCA</b>	Member of County Assembly
<b>MOU</b>	Memorandum of Understanding
<b>MSMEs</b>	Micro, Small & Medium Enterprises
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTP</b>	Medium Term Plan
<b>NG</b>	National Government
<b>OSR</b>	Own Source Revenue
<b>PDPs</b>	Part Development Plans
<b>PFM</b>	Public Finance Management
<b>PWDs</b>	Persons With Disabilities
<b>SACCOS</b>	Savings and Credit Cooperative Organizations
<b>SOPs</b>	Standard Operating Procedures
<b>SRC</b>	Salaries and Remuneration Commission
<b>SWG</b>	Sector Working Groups
<b>TB</b>	Tuberculosis
<b>TCG</b>	Turkana County Government
<b>UN</b>	United Nations

## **Legal Basis for the Publication of the County Fiscal Strategy Paper**

The County Fiscal Strategy Paper is published in accordance with Section 117 of the Public Finance Management Act, 2012. The law states that:

- 1) The County Treasury shall prepare and submit to County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by 28<sup>th</sup> February of each year.
- 2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- 3) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing their budget both for the coming financial year and over the medium term.
- 4) The county treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.
- 5) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of -
  - (a) the commission of revenue allocation;
  - (b) the public;
  - (c) the interested persons or groups;
  - (d) Any other forum that is established by legislation.
- 6) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments.
- 7) The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal for the financial year concerned.
- 8) The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the county assembly.

## **Fiscal Responsibility Principles in the Public Financial Management Law**

In line with the Constitution, the new Public Financial Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM law (Section 107(b)) states that:

- 1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2) and shall not exceed the limits stated in the regulations.*
- 2) In managing the county government's public finances, the County Treasury shall enforce the following Fiscal responsibility principles-*
  - (a) The county government's recurrent expenditure shall not exceed the county government's total revenue;*
  - (b) Over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;*
  - (c) The county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for Finance in regulations and approved by the County Assembly;*
  - (d) Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;*
  - (e) The county debt shall be maintained at a sustainable level as approved by county assembly;*
  - (f) The fiscal risks shall be managed prudently; and*
  - (g) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in the future.*
- 3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.*
- 4) Every county government shall ensure that its level of debt at any time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.*
- 5) The regulations may add to the list of fiscal responsibility principles set out in subsection Public*

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

Public participation provides an all-inclusive avenue for identifying and prioritizing Government projects and activities under the budgeting process by key stakeholders and the public. This process commenced early in the preparation of ADP FY2021/22 in September 2020, Public-Sector hearings and reports in January 2021.

In this regard, the County Fiscal Strategy Paper will be subjected to public hearings to various Stakeholders, Institutions and the public through a public participation exercise in line with the Turkana Public participation Act 2016.

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# CHAPTER ONE: INTRODUCTION

## OVERVIEW

1. This County Fiscal Strategy Paper (CFSP 2020) is the 8th edition since the advent of devolution to be prepared by the Turkana County Government, with its focus on the seven pillars for sustained growth as were highlighted in the 2nd generation CIDP (2018-2022) and its last Annual Development Plan 2020/21.
2. The Fiscal Strategy paper provides information on the County government spending as well as information on revenue collection that is used to inform the sector ceilings. It looks at performance on the 2020/2021 budget implementation and makes projections indicating the overall revenue and expenditure expected for the 2021/2022 financial year.
3. In order to come up with sector allocations, the paper outlines County key sector priorities to help identify areas to fund and by what proportion of the total budget. It provides sector ceilings representing the budget limits, the amount of money the County plans to spend in meeting the identified priorities in the 2021/2022 financial year.

## Organization of the paper

4. The CFSP document contains six chapters that is organized as follows:

**Chapter 1:** This chapter gives the overview and the organization of the CFSP.

**Chapter 2:** This chapter provides an overview of the recent economic developments and the macroeconomic outlook that covers the global and domestic scene.

**Chapter 3:** This chapter contains the County Development Priorities that outlines budget priorities and resources.

**Chapter 4:** This chapter contains the Budget framework which outlines the fiscal framework that is supportive of growth over the medium-term, while continuing to provide adequate resources to facilitate execution of policy priorities of the County Government of Turkana.

**Chapter 5:** This chapter gives the budget overview for 2020/21 and its compliance with the fiscal responsibility principles.

**Chapter 6:** This chapter finally gives the conclusion and next steps.

## **CHAPTER TWO**

### **ECONOMIC ENVIRONMENT AND OUTLOOK**

#### **Overview**

5. In 2020, the Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and the swift containment measures. As a result, our economy contracted by 5.7 percent in the second quarter of 2020 from a growth of 4.9 percent in the first quarter in 2020. The economy is therefore estimated to slow down to a growth of around 0.6 percent in 2020 from the earlier projection of 2.6 percent in the 2020 Budget Review and Outlook Paper (BROP). Economic growth is projected to recover to 6.4 percent in 2021 due to in part, the lower base effect in 2020. In terms of fiscal years, economic growth is projected to grow by 3.5 percent in FY 2020/21 and further to 6.2 percent over the medium term.

6. The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate that support exports. Year-on-year overall inflation remained within the Government target range of  $5\pm 2.5$  percent in December 2020 at 5.6 percent from 5.8 percent in December 2019. This lower inflation was mainly supported by a reduction in food prices.

7. The foreign exchange market has largely remained stable but partly affected by a significant strengthening of the US Dollar in the global markets and uncertainty with regard to the Covid-19 pandemic. Despite this, the current account deficit is estimated to improve to 5.1 percent in 2020 from 5.8 percent in 2019 mainly supported by an improvement in the trade balance.

#### **Global and Regional Economic Developments**

8. Global economies have been devastated by the outbreak and spread of the Covid-19 pandemic and the ensuing of containment measures. As a result, World economic growth is projected to contract by of 4.4 percent in 2020.

9. World economic growth is projected to rebound to 5.2 percent in 2021 from a contraction of 4.4 percent in 2020. The rebound is mainly supported by a gradual strengthening in consumption and investment.

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

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

*\*Estimate \*\*Projected*

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

*Source of Data: October 2020 WEO; \*\*\*Projections by the National Treasury*

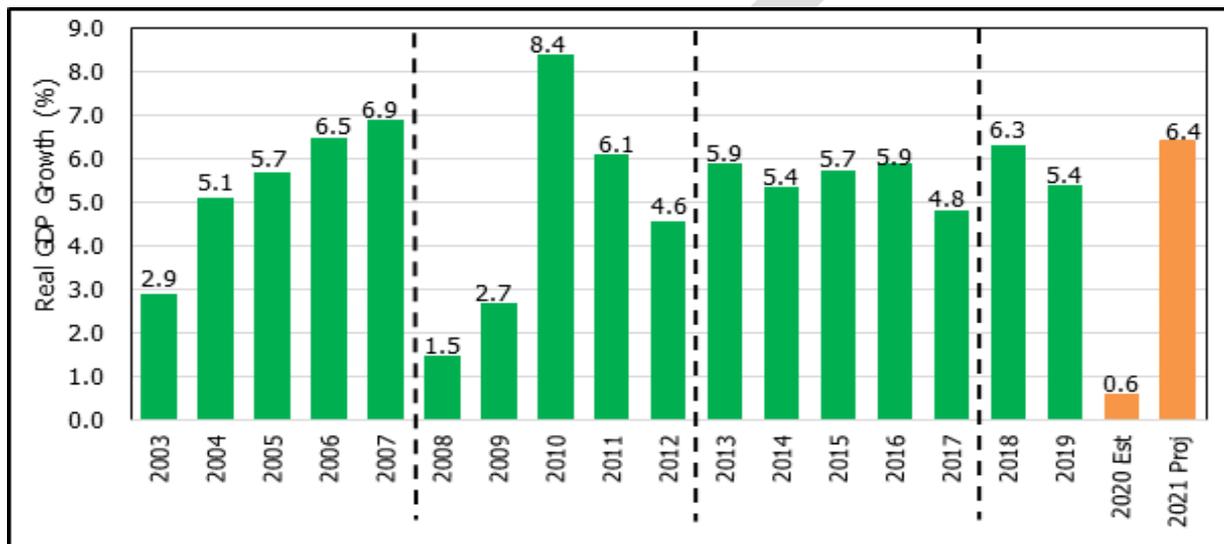
10. Growth in the advanced economies is projected to improve to 3.9 percent in 2021 compared to a contraction of 5.8 percent in 2020 supported by improved growths in the major economies particularly the United States and the United Kingdom. Growth in the Euro area is also projected to improve to 5.2 percent from a contraction of 8.3 percent in 2020.
11. The emerging markets and developing economies are also projected to improve to 6.0 percent in 2021 from a contraction of 3.3 percent in 2020. This recovery is well echoed in the forecasted growths of Emerging and Developing Asia and Europe, Latin America and the Caribbean, and Sub-Saharan Africa.
12. Economic growth in the Sub-Saharan Africa region is expected to recover to 3.1 percent in 2021 as most of the economies in the region recover from the adverse effects of the Covid-19 Pandemic.

### **Overview of the National Economic Performance**

13. Prior to the outbreak of Covid-19 pandemic, Kenya's economy was strong and resilient despite the challenging global environment. The broad-based economic growth for 2018 and 2019 averaged 5.9 percent outperforming the 5.5 percent for the previous 5 years (2013 to 2017) and the average growth rate of 4.7 percent in the period 2008 to 2012 (Figure 1).

14. In 2020, the Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and the swift containment measures, which have not only disrupted the normal lives and livelihoods, but also to a greater extent businesses and economic activities. As a result, our economy is estimated to slow down to around 0.6 percent in 2020 from a growth of 5.4 percent in 2019. Looking ahead, the economy is projected to recover and grow by about 6.4 percent in 2021 and above 6.2 percent over the medium term.

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



Source of Data: Kenya National Bureau of Statistics

15. Per capita income rose from Ksh 113,539 in 2013 to Ksh 204,783 in 2019, a compounded annual growth rate of 11.5 percent. This enabled generation of around 827,000 new jobs per year in the period 2013 - 2019 up from 656,500 new jobs per year in the period 2008 -2012. Job creation is expected to decline in 2020 due to disruption in economic activities especially in the service sector adversely affected by the COVID-19 pandemic

16. The economy grew by 4.9 percent in the first quarter of 2020 compared to a growth of 5.5 percent in the first quarter of 2019. The slowdown in quarter one was as a result of the decline in economic activities in most of the country’s major trading partners due to the uncertainty associated with the COVID-19 pandemic.

17. In quarter two of 2020, the economy further contracted by 5.7 percent from a growth of 5.3 percent in the same quarter in 2019. The poor performance in the quarter was to a large extent negatively affected by measures aimed at containing the spread of the Covid-19. As

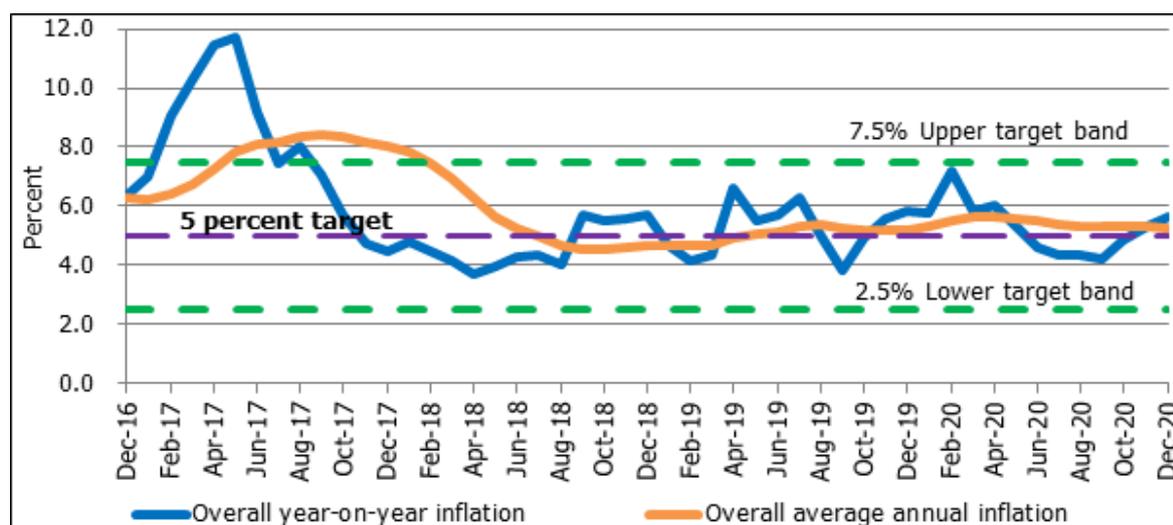
a result, the performance of most sectors of the economy contracted in the second quarter of 2020. However, the economy was supported by improved performance of Agriculture, Forestry and Fishing activities), Health Services and Mining and Quarrying

18. The agriculture sector recorded an improved growth of 6.4 percent in the second quarter of 2020 compared to a growth of 2.9 percent in the corresponding quarter of 2019. The sector's performance was supported by a notable increase in tea production, cane deliveries, milk intake and fruit exports. The sector's contribution to GDP growth was at 1.5 percentage points in the second quarter of 2020 compared to 0.7 percentage points over the same period in 2019
19. The non-agriculture (service and industry) sectors was adversely affected by the COVID-19 pandemic during the second quarter of 2020. As a result, the sector contracted by 8.5 percent in the second quarter of 2020 down from a growth of 6.4 percent in a similar quarter in 2019. The sector's contribution to real GDP was -5.6 percentage points in the second quarter of 2020 compared to a contribution of 4.3 percentage points in the same quarter of 2019.
20. Services sector contracted by 11.0 percent in the second quarter of 2020 compared to a growth of 6.8 percent in the same quarter in 2019. The decline was largely characterized by substantial contractions in Accommodation and Food Services (83.3 percent), Education (56.2 percent), and Transportation and Storage (11.6 percent). Growth in the service sub-sector was mainly supported by financial and Insurance, Information and communication and Public Administration. The Services sub-sector contributed -5.4 percentage point to real GDP growth in the second quarter of 2020 compared to the 3.3 percentage point contribution in the same quarter of 2019.

#### **Inflation rate**

21. Year-on-year overall inflation rate remained low, stable and within the Government target range of 5+/-2.5 percent since end 2017 demonstrating prudent monetary policies. The inflation rate was at 5.6 percent in December 2020 from 5.8 percent in December 2019. This lower inflation was supported by a reduction in food prices

**Figure 2: Inflation rate, percent**



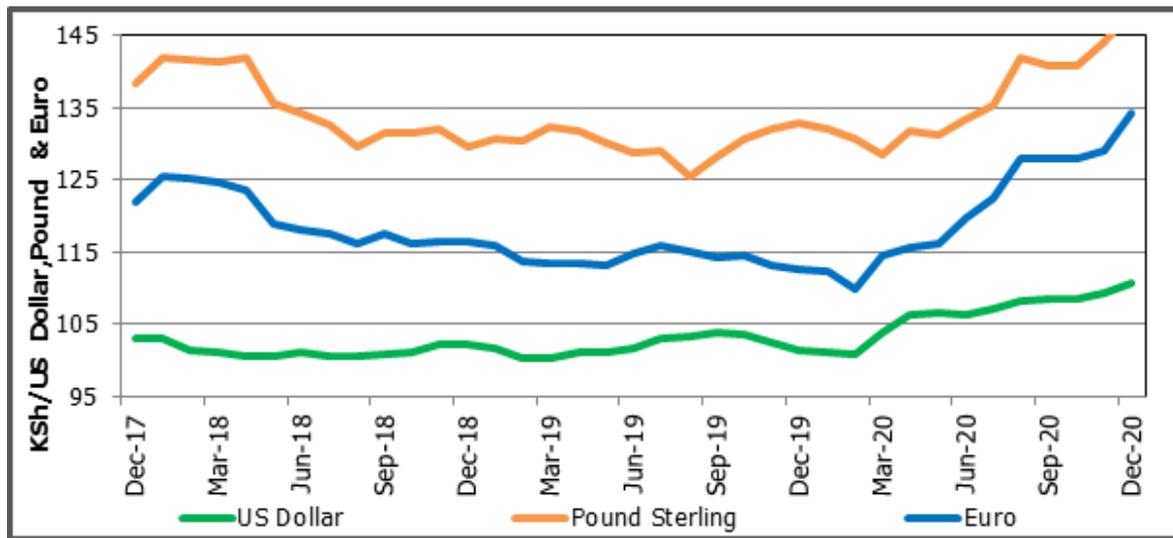
Source of Data: Kenya National Bureau of Statistics

22. Core inflation (Non-Food-Non-Fuel) contribution to inflation remain low at 0.8 percent in December 2020 compared to 0.4 percent in December 2019 reflecting muted demand pressures in the economy on account of prudent monetary policies. However, the contribution of fuel inflation to overall year-on-year inflation rose to 1.7 percent in December 2020 from 0.6 percent in December 2019 on account of increasing international fuel prices.
23. The major driver of the overall inflation has been food inflation, but its contribution to overall inflation has declined from 4.5 percent in December 2019 to 2.9 percent in December 2020 on account of a reduction in food prices.

### Kenya Shilling Exchange Rate

24. The foreign exchange market has largely remained stable but was partly affected by a significant strengthening of the US Dollar in the global markets and uncertainty with regard to the Covid-19 pandemic. In this regard, the Kenya Shilling to the dollar exchanged at Ksh 110.6 in December 2020 compared to Ksh 101.5 in December 2019.

**Figure 3: Kenya Shilling Exchange Rate**

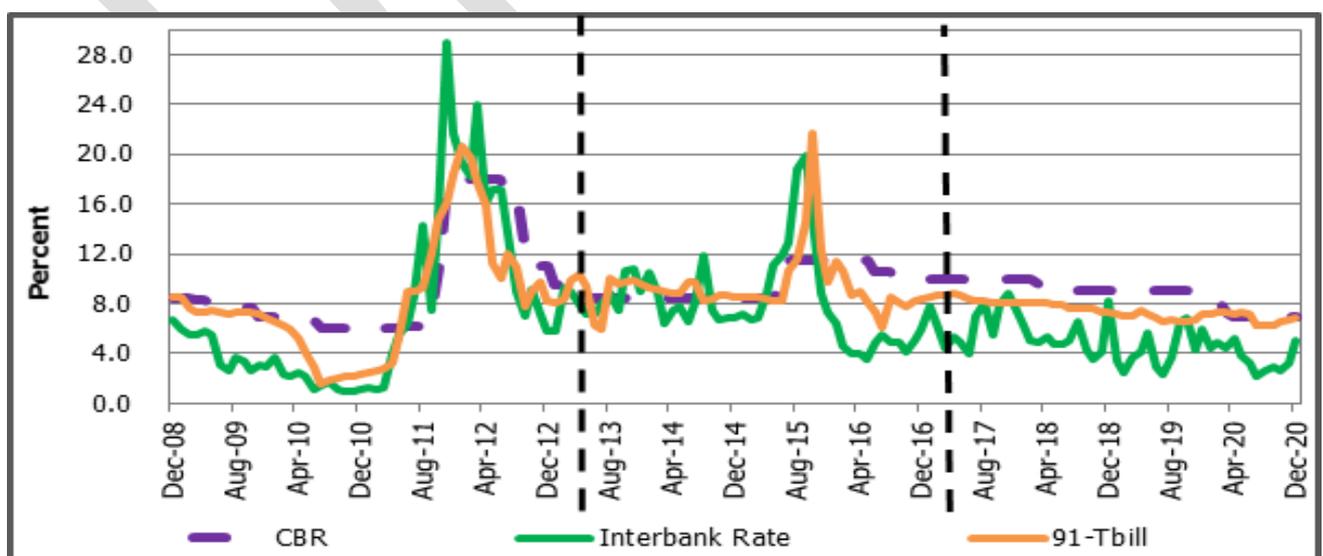


Source of Data: Central Bank of Kenya

**Interest Rates**

25. Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.00 percent on November 26, 2020 same as in April 2020 to signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprises, distressed by COVID-19 pandemic. The interbank rate declined to 5.1 percent in December 2020 from 6.0 percent in December 2019 in line with the easing of the monetary policy and adequate liquidity in the money market. The 91-day Treasury Bills rate was at 6.9 percent in December 2020 from 7.2 percent in December 2019.

**Figure 4: Short-Term Interest Rates, Percent**



Source of Data: Central Bank of Kenya

## **Foreign Exchange Reserves**

26. The banking system's foreign exchange holdings remained strong at US\$12,585.0 million in September 2020 up from US\$ 13,083.3 million in September 2019. The official foreign exchange reserves held by the Central Bank was at US\$ 8,765.1 million (5.4 months of import cover) in September 2020 compared with US\$ 9,441.6 million (5.8 months of import cover) in September 2019. This fulfils the requirement to maintain reserves at minimum of 4.0 months of imports cover to provide adequate buffer against short term shocks in the foreign exchange market.

## **Impact of the Outlook to Turkana County.**

27. Turkana county was adversely affected by COVID 19 pandemic, floods and locust's invasion. As a result, the county reported an estimated loss in revenue of Ksh. 200,000 from the sale of livestock and a revenue loss of Ksh. 40,668,645 which arose from the waiver of agricultural produce cess, water distribution and drill services, health sector fees, educational institutions, liquor licensing, market fees and single business permits for salons, barber shops and restaurant and entertainment facilities in the County.
28. These led the county to review its Own Source Revenue (OSR) target downwards to Ksh. 180 million from the initial Ksh. 250 million. However, a total of KES 181,197,191.20 was collected in FY 19/20 translating to 101% performance of revised OSR. This was an improvement from the revenue collected in FY 18/19.
29. A second supplementary budget was prepared to reallocate resources toward COVID-19 related activities with an initial allocation of Ksh. 136 Million to the County Emergency Response Fund for Covid-19. An emergency fund worth Ksh. 50M was set aside to subsidize water bills with Lodwar residents getting a 50 per cent waiver on their water bill and Kakuma residents getting a 100% waiver on their water bill.
30. Turkana County economy has been hit hard through supply and demand shocks on external and domestic fronts, interrupting its recent broad-based growth path. The travel restrictions occasioned by the pandemic in 2020, caused the County to loss an estimated 10,000 tourists who visit the three-day annual Turkana cultural festival and other

attractions around Lake Turkana. This translates to loss of approximately over KSh.10 Million in tourism receipts by the local communities.

- 31.** The adoption of the Third Counties Revenue Allocation Criteria by the senate, will see Turkana County get an additional KES 2 billion which will help to bridge budget deficits and create more fiscal space to undertake more prioritized interventions. More money supply in this front is likely to boost the business environment by building the capacity of SMES, boost service delivery, payment of outstanding pending bills, post COVID-19 economic recovery plan and strategy and emergency response.
- 32.** To improve MSMEs business environment, the County plans to initiate and strengthen self-sustaining funds such as Biashara fund, Youth & Women funds dedicated and easily accessible to MSMEs in the County; to promote tailor made financial literacy programmes for MSMEs; and establish a framework for micro-leasing for the MSMEs.
- 33.** Upgrading of Lokichar- Nadapal Road A(I) will see improved transport connectivity between Kenya and South Sudan. Both passenger and cargo trucks will increase in numbers and result to massive trade along the corridor.

# **CHAPTER THREE: COUNTY DEVELOPMENT PRIORITIES FOR THE MEDIUM TERM**

## **INTRODUCTION:**

**34.** This chapter emphasizes goals and priority programs intended to reflect emerging realities and priorities in the Big Four, the CIDP II (2018-2022) and the Governor's Five Point Agenda which prioritizes food security, Infrastructure, accessibility to quality water, health care and education. Implementation of priority programs will be monitored closely to realize benefits and maintain growth momentum, create jobs, reduce poverty and inequality in Turkana County.

## **GOVERNANCE**

### **Vision**

The hallmark of transformative governance.

### **Mission**

To provide transformative leadership for the development of Turkana.

The Sector comprises of the following sub-Sectors

- General Administration, Planning and Support Services
- Strategy and Delivery
- Partnerships and Investments
- Peace Building and Conflict Management
- Government Communication and Media Relations
- County Audit Services

### **Key Priorities for MTEF 2020/21- 2022/23**

- Increased partnership engagement with private sectors
- Develop policy on County Peace Building and Conflict management
- Conduct stakeholders' workshops and coordination meetings
- Formulate Government Programme /Strategies
- Complete and operationalize peace building structures and institutions

Development budget of KES. 53,662,718 have been set aside for completing the following projects;

- ❖ Completion of the Office of The Governor block
- ❖ Physical upgrade of security at the County Headquarters
- ❖ Purchase of furniture and fittings for the office of the Governor
- ❖ Construction of Peace resettlement camp at Lokori
- ❖ Fencing of Lomaro resettlement Scheme

## **FINANCE AND ECONOMIC PLANNING**

### **Vision:**

To be accountable to the public in providing efficient planning and financial services with the aim of promoting growth, development and prosperity to realize the full potential of Turkana County's economy.

### **Mission:**

To promote economic development, good governance, social progress and rising living standards through accountable, economic, efficient, equitable and sustainable management of Turkana County's public finances in order to advance economic growth, broad-based empowerment, progressive realization of human rights and the elimination of poverty

This sector comprises of eight sub-sectors namely:

- Treasury
- Procurement
- Revenue
- Administration
- Planning
- Budget
- Monitoring and Evaluation
- ICT and e- Government

### **Key Priorities for MTEF 2020/21- 2022/23.**

- To improve on revenue collection at ward level through sensitization and awareness creation.
- Full automation of revenue collection in main revenue collection center to improve efficiency in revenue collection.
- Construction and Fitting of IFMIS Lab to enhance project and supplies verification in the sub county Treasuries.
- To operationalize and digitize 3 (Kakuma, Lowarengak, Lorugum) citizen resource Centers.
- To construct ICT Innovation and Incubation Hubs (iHubs) in the Wards to improve Government dissemination of information and policies.
- Construction and equipping of the County Data Center

- Installation, Repair and maintenance of ICT Equipment in Turkana Central sub-county

A mandatory development expenditure of KES 61,119,788 has been allocated for completion of Lokiriama Revenue Centre-Phase II, IFMIS lab and Citizen resource centres at Lopur and kalokol wards.

To achieve its priorities The County department has been allocated KES 703,560,083 in the 2021/2022 FY. Recurrent expenditure KES 580,445,634 and Development expenditure KES 123,114,450.

## **WATER, ENVIROEMNT AND MINERAL RESOURCES**

### **Vision**

Water secure County with effective governance structures for improved water service delivery and ensure sustainable development in a clean and healthy environment that promotes sustainable exploitation of mineral resources in Turkana County

### **Mission**

Equitable access to adequate quality water for sustainable socio-economic development and preservation of the environment.

The Sector comprises of the following sub-Sectors

- Water Supply and Sanitation
- Water and Catchment Protection
- Water Sector Governance
- Environmental Governance, Compliance, Conservation & Protection and Management
- Mineral resource mapping, capacity building and Management of Mining and quarrying activities
- Petroleum

### **Key Priorities for MTEF 2020/21- 2022/23**

- Feasibility study, survey, Design and social and environmental impact assessment at Lomelo, Napeitom and Kadokorinyang
- Construction of two (2) mega pans (50,000 cubic meters vol) and underground water recharge systems.
- Improvement of existing water facilities-Piping, tanks (Lorugum, Kibish, Lokiriama, Kawalaze, Kalokol Phase2, Lokichar, Narengawoi, Lomekwi and Nasinyono)

- Purchase of drilling machine (Testing pump machine, Terameter, piezo meter and borehole camera)
- Equipment for water quality analysis Laboratory at HQ
- Purchase of monitoring tools to be installed in 29 boreholes
- Restoration of five degraded sites and pits to improve environment conservation and protection.
- Turkana Central plastic collection and reuse Centre completion.
- 1 plastic collection Centre equipping.
- Construction and equipping of 1 gemstone value addition centre in Lodwar
- Establishment and Review of Extractives Engagement bill and policy
- Purchase of 3 artisanal mining equipment for sustainable exploitation of minerals resources and capacity build Artisanal and small-scale miners.

A mandatory development expenditure of KES 154,104,468 has been allocated for completion and operationalization of the following Stalled and On-going projects;

- ❖ Completion of water pans and Boreholes dated FY 2013/14
- ❖ Plastic warehouse at Lokaparparae

To achieve its priorities The County department has been allocated KES. 483,383,570 in the 2021/2022 FY. Recurrent expenditure KES. 131,711,641 and Development expenditure KES. 351,671,929

## **HEALTH AND SANITATION**

### **Vision**

A healthy and productive County

### **Mission**

Offer high quality and sustainable health services to Turkana County residents and promoting an alcohol and drug free environment.

This sector comprises of eight sub-sectors namely:

- Preventive and Promotive Health Care Services
- Medical Services
- Lodwar county and Referral Hospital
- Medical Supplies
- Policy, Planning, Monitoring and Evaluation
- Alcoholic Drinks and Substance Abuse control

### **Key Priorities for MTEF 2020/21- 2022/23**

- Improve waste disposal (supply and installation of Standard Incinerator) and infrastructure (TB Manyatta fencing and electrification; casualty and OPD drainage works completion and overhead tank installation and piping accompanying piping; procurement of laparoscopic tower for LCRH) at LCRH
- Fencing of vulnerable rural health facilities
- Construction of subcounty medical stores to ensure storage of medical supplies at the subcounty levels
- Acquisition of 100 fridges under standard expanded program on immunization
- Improvement of health mobility services through staggering of purchase/acquisition of fully equipped ambulances (2), utility vehicles (1) and trucks (1) per year within the MTEF period.
- Continuous advocacy with key stakeholders in the budgeting process to ensure priority areas are supported before the budget is passed.
- Reduce the effects of alcohol and substance abuse through conduction of related counselling sessions, formation of alcoholic anonymous groups, construction of rehabilitation centers

In FY 2021/2022 the entity has been allocated a total of KES.1, 256,620,499. Development expenditure of KES. 774, 202, 550 and recurrent of KES.482, 417,949. From the development expenditure, KES. 495,846, 543 is to be used to complete the following stalled and On-going projects;

- ❖ Completion and equipment of dispensaries at various centers/ wards,
- ❖ Completion and equipment of staff houses,
- ❖ Completion of ICU and HDU structure at LCRH,
- ❖ Completion of Recreation Parks and Ablution blocks
- ❖ Completion of Doctors flats.

## **TRADE, GENDER AND YOUTH AFFAIRS**

### **Sector Vision**

To be a global leader in promoting trade investment, Industrial and sustainable cooperative sector as well as championing for youth empowerment and a gender equitable society

### **Mission:**

To promote the growth of vibrant and profitable cooperatives, financing sustainable SMEs, encouraging fair trading practices and promote youth affairs and affirmative action.

The Sector comprises of the following sub-Sectors

- Trade Development & Promotion
- Standardization & Metrology Services
- Cooperative Development and Management
- Youth empowerment and Development
- Promotion of Gender Equality and Empowerment

### **Key Priorities for MTEF 2020/21- 2022/23**

- Complete construction of a one-stop Business Development Centre at Ekalees Centre.
- Completion (plumbing/electrical works) of 12 county market stalls.
- Construction of a mega dome-shaped structure with a Turkana culture-theme for trade exhibitions at Ekalees Cultural Centre
- Operationalization of Nadapal Tannery.
- Support key dormant Co-operatives to be operational such as Support Turkana Fishermen Co-operative society Ltd on Fishing Gears, Support Naurienpuu Beekeepers Co-operative society Ltd on Honey Production, Harvesting and Processing equipment, Support Kaputir Farmers' Co-operative society Ltd on Farm inputs, Support Golden life Sacco society Ltd on new product development and ICT systems improvement, Lomidat pastoral Multipurpose cooperative society
- Construction of two book-keeping centers in Lodwar and Kakuma used for updating and keeping societies books of accounts.
- Establish Youth Employment Scheme through initiatives like **Vijana Kazini**, trainings, apprenticeship, internships etc.
- Provision of youth Challenge fund for innovative bankable ideas.
- Construct and equip youth innovation centers at Lodwar and Kakuma for Creative Art, music. etc.

In the FY 2020/2021, the sector has been allocated Ksh 490,754,430 with Recurrent Expenditure of 190,396,637 and Development Expenditure of 300,357,793. Mandatory development Expenditure of KES30,357,793 will be used for completion of stalled and ongoing projects i.e. completion of Market stalls and their pit latrines and Completion of Biashara Centre (3rd phase).

DRAFT

## **EDUCATION, SPORTS AND SOCIAL PROTECTION**

### **Vision:**

A County with a nationally competitive quality education and training that promotes sports and provides quality of life

### **Mission:**

To provide access to quality Education and training, nurture sports talents for socio-economic development.

The Sector comprises of the following sub-Sectors

- Early Childhood Education
- Vocational Training
- Social Protection
- Public Relations
- Sports and Talent Development

### **Key Priorities for MTEF 2020/21- 2022/23**

- Install ECDE centers with Energy saving stores as well as supply them with cooking pots and utensils
- Renovate and furnish ECDE centers to secure and improve on conducive learning environment.
- To improve conducive learning environment at DICECE through equipping the institution with learning and instructional materials
- Improve management of VTCs through provision of motorbikes
- Renovate youth polytechnics
- Purchase of assorted assistive devices for PWDs
- Construction of multipurpose social hall for PWDs in sub Counties
- Construction of sports stadium at Ekalees sports complex (Flagship project)

In FY 21/22, the sector has been allocated 406,108,836 for Recurrent and Ksh 341,098,094 for development expenditure. From the development expenditure a total of Ksh. 120,936,961 has been mandatorily allocated for incomplete and stalled projects. Completion of ECDE centres, Renovation of Showground Stadium, Construction of sports stadium at Ekalees sports complex and Completion of ongoing works in various LVTC.

## **PUBLIC SERVICE, ADMINISTRATION AND DISASTER MANAGEMENT**

### **Vision**

To be a sector of excellence in the promotion of enabling environment where people of Turkana County enjoy quality service.

### **Mission**

To establish structures that provide conducive and inclusive environment for high productive work force, convenient work place as well as across systems for preparedness, mitigation, prevention, response and recovery from disaster emergencies.

This sector comprises of five sub-sectors namely:

- Human Resource Management
- Administration and Support Services
- Governance and Public Participation
- Disaster Risk Management
- Inspectorate Services

### **Key Priorities for MTEF 2020/21- 2022/23**

- Operationalization of seven sub county and thirty administration offices county wide.
- Construction of Sub County Administration Office Blocks (Turkana North, Turkana East and Loima)
- Completion of Turkana West, Kibish and Turkana South Offices
- Purchase of 156 Motor Cycles for Village administrators
- Purchase of one field enforcement motor vehicle
- Purchase uniforms and equipment for 50 officers of inspectorate services
- Regularization of 178 enforcement officers

In the FY 2020/2021, The sector has been allocated Ksh.4,912,793,800, Ksh.4,899,385,406 for recurrent expenditure and Ksh.13,408,394 for development expenditure. 88% (Ksh.4,305,559,684) of the recurrent expenditure has been allocated for Personnel emoluments, Medical Insurance, MV insurance, Gratuity and legal fees. The Development expenditure of Ksh.13,408,394 will be used for completion of Kibish Sub county Office.

## **INFRASTRUCTURE, TRANSPORT AND PUBLIC WORKS**

### **Vision**

To realise adequate and accessible quality infrastructure, government housing and building, and other Public works for the county.

### **Mission**

To facilitate provision, construction and maintenance of quality infrastructure, government buildings and housing, and other public works for sustainable social economic development.

This sector comprises of three sub-sectors namely:

- Road Development and Maintenance Programme
- Transport Development Program
- Public Works Development Program.

### **Key Priorities for MTEF 2020/21- 2022/23.**

- Protection and Gabioning of rivers to enhance accessibility.
- Develop and enforce road and transport policies and legal framework.
- Management of infrastructure and public works network.
- Maintenance of Plant and Machinery to increase revenue and facilitate development process.

To achieve these priorities in the FY 2021/22 the sector has been allocated a Budget ceiling of **KES. 423, 643,239**. Recurrent of **KES.79, 020, 612** and development expenditure of **KES.344,622, 627**.

## **AGRICULTURE PASTORAL ECONOMY AND FISHERIES**

### **Vision**

To be the leading agent towards the achievement of food security for all, employment creation and income generation and poverty reduction in Turkana County

### **Mission**

To facilitate sustainable development and management of livestock and fisheries resources for food security and socio-economic development and improved livelihood resilience, food and nutrition security through sustainable infrastructure and increased production.

This sector comprises of six sub-sectors namely:

- Agriculture
- Irrigation
- Land Reclamation
- Veterinary

- Livestock Production
- Fisheries.

### **Key Priorities for MTEF 2020/21- 2022/23.**

- Improve land productivity for crop production, agribusiness, mechanization, agri-nutrition and climate smart
- Promote agricultural and Fisheries market linkages.
- Reclaim Land and enhance its productivity in order to support both human and livestock populations.
- Revitalize existing irrigation schemes while promoting water saving irrigation technologies
- Promote sustainable land use practices and environmental conservation
- To safeguard human and animal health and improve livestock trade.
- To Improve livestock and fisheries production and productivity
- Extension, Research and dissemination of information
- Development and formulation of policies and legislations for the sector
- Enhance sustainable exploitation of fisheries resources

In FY2021/2022, the entity has been allocated Ksh. 976,174,206 that is Ksh.116,439,443 and Ksh. 859,734,763 for Recurrent Expenditure and development Expenditure respectively; a mandatory Expenditure of Ksh 154,563,950 was set aside from the development Expenditure for the successful completion of ongoing and stalled projects i.e. Livestock Markets, Breeding canters and irrigation schemes.

## **TOURISM, CULTURE AND NATURAL RESOURCES**

### **Vision**

To be globally competitive in tourism, culture, heritage and natural resources preservation and protection

### **Mission**

To promote and facilitate a sustainable and vibrant environment for tourism, culture, heritage and protection of our diverse natural resources.

This sector comprises of three sub-sectors namely:

- Tourism
- Culture
- Natural Resources

### **Key Priorities for MTEF 2020/21- 2022/23**

- Complete and operationalize ecolodges
- Equip Lodwar Tourism gallery, curio shops and public galleries
- Construction of entry and border points
- Training of master beaders
- Acquire Ushanga (Bead) assorted production tools, equipment and materials
- Fence protected and conserved cultural sites
- Complete the construction of open-air stage, fence and toilet at Moru Anayeche (also drill a borehole)

In the FY 2021/2022, the department has been allocated KES 239,587,608 with recurrent expenditure of KES 94,116,055 and Development Expenditure of KES 145,471,553. A mandatory KES 44,323,593 of the Development Expenditure will be for the completion of the ongoing and stalled projects including Construction and completion of Curio shop, Eco lodge, Admin block, Exhibition halls & VIP toilets at Ekalees Centre.

### **LANDS, ENERGY, HOUSING & URBAN AREAS MANAGEMENT**

#### **Vision:**

Provision of efficient and effective Land and Energy administration that promote security of tenure, equitable accessible to land and energy with sustainable utilization of renewable energy sources

#### **Mission**

To develop integrated land and energy development for Turkana County that will Identify the development need, priorities and recommend on that the policies, measures and strategies for sustainable development provide a spatial Framework to guide sustainable development, and manage land for equitable access and ownership and provision of green sustainable energy.

This sector comprises of six sub-sectors namely:

- Physical Planning
- Energy
- Land Surveys, GIS and Mapping
- Urban Areas Management
- Housing
- Lodwar Municipality

### **Key Priorities for MTEF 2020/21- 2022/23**

- Create enabling environment and institutional efficiency and effectiveness
- To develop spatial plans that will provide spatial framework to guide, coordinate development activities and management of all urban/ towns within the county
- To plan for, provide and manage urban infrastructure & services.
- Establish Lands Registry, Survey Equipment and ArcGIS Software
- Provide for land ownership rights/titles for land owners within the county
- To establish Digital Land registry infrastructure and facilities
- To Formulate the County's Land Policies and Regulations for effective land governance.
- To promote public participation and inclusiveness on Land management & Governance
- To Carry out Land Surveys, GIS and Mapping Services
- To provide low cost houses in all the sub counties
- To improve Energy access and Efficiency within Turkana County

To achieve these priorities in the FY 2021/22 the sector has been allocated a Budget ceiling of **KES. 295,370,947**. Recurrent of KES.134,647,915 and development expenditure of KES.160,723,032. Out of the development expenditure KES. 160, 723,032 has been set a side for completion of On-going and stalled projects.

## **LODWAR MUNICIPALITY**

### **Key Priorities for MTEF 2020/21- 2022/23**

- Construction and maintenance of fire station, provision of firefighting services, emergency preparedness and disaster management
- Construction, maintenance and regulation of municipal markets and abattoirs
- Construction and maintenance of traffic control and parking facilities (bus stand and taxi stand)
- Construction and maintenance of street lighting
- Construction and maintenance of recreation parks and green spaces
- Construction and maintenance of walkways and other non-motorized transport infrastructure
- Construction and maintenance of storm water and floods control
- Construction and maintenance of urban roads and associated infrastructure

To achieve these priorities in the FY 2021/22 the sector has been allocated a Budget ceiling of **KES. 95,429,122**. Recurrent of **KES.47,389,531** and development expenditure of **KES. 48,039,591**

## **TURKANA COUNTY PUBLIC SERVICE BOARD**

### **Vision**

To be the lead Public Service Board in the provision of a high performing, dynamic and ethical County Public Service.

### **Mission**

To establish and maintain adequate, professional and competent workforce for quality and effective service delivery, realization of County development goals and fostering national unity.

This sector comprises of four sub-sectors namely

- Human Resource Management and Development
- Information and Communication
- Finance

Procurement

### **Key Priorities for MTEF 2020/21- 2022/23**

- Turkana County Internship Programme

- Formulation and Development of TCPSB Boardroom ICT Infrastructure
- Data Centre /Collocation of Systems & Change Management Initiative for ICT
- Evaluation of Different Cadres of Employees (Promotion, Re-Designation)
- Development of Database Filing System
- Construction of Office Board room

To achieve these priorities in the FY 2021/22 the sector has been allocated a Budget ceiling of **KES. 93,650,266**

## **COUNTY ASSEMBLY**

### **Vision**

Leading legislature of excellence in upholding democratic principles, separation of powers and social justice

### **Mission**

Turkana County Assembly Strives to ensure effective representation, legislation, oversight and promotion of equity and equality for the people of Turkana County

### **Key Priorities for MTEF 2020/21- 2022/23**

- Construction of ultra-modern County Assembly staff and Leaders offices to improve working environment
- Construction and completion of Speaker's lounge and visitor's residence
- Construction of one modern library to improve delivery of quality, effective and efficient services.
- Construction of one digital chamber and one research institute to improve delivery of quality, effective and efficient services.

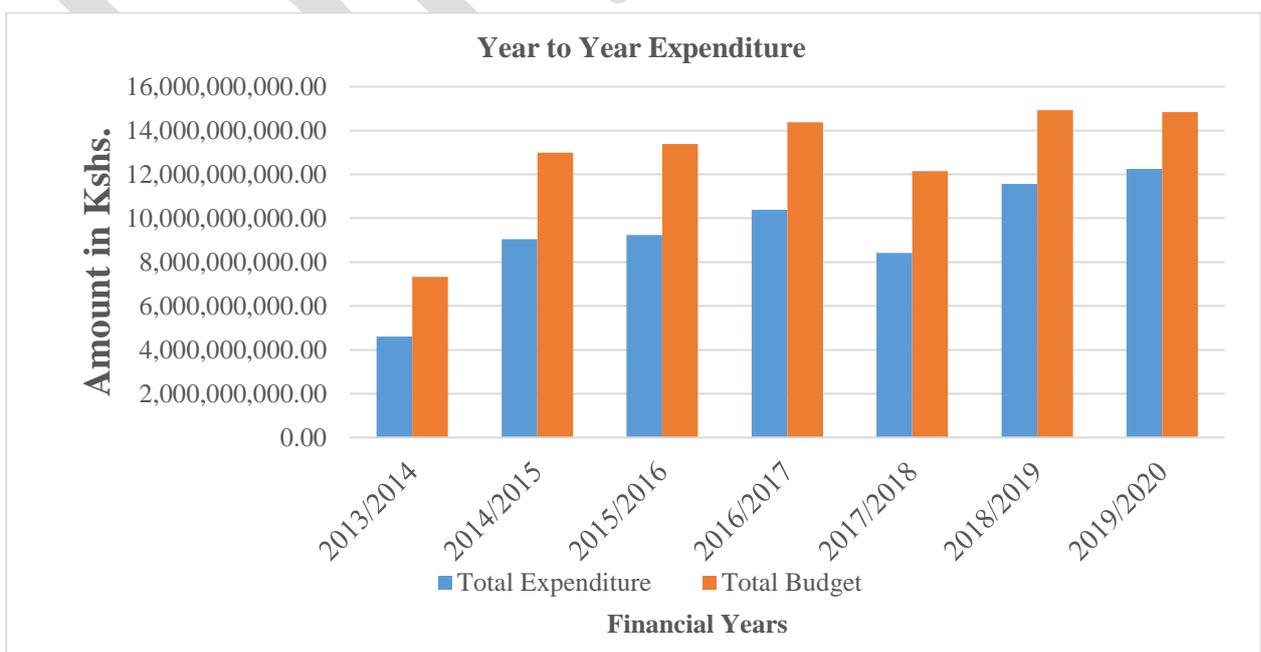
To achieve these priorities in the FY 2020/21 the sector has been allocated a Budget ceiling of KES 1, 067,192,392. KES.200, 000,000 for development and KES .867, 192,392 for recurrent expenditure.

## CHAPTER 4: BUDGET FRAMEWORK FY 2021/2022

### Fiscal Performance.

35. The County budget estimates for 2019/20 FY was KES. 14,842,631,145.02 comprising of KES 10,115,897,689.42(68%) for recurrent expenditure and KES. 4,726,733,455.60(32%) for development expenditure. This budget was to be financed by KES 10,539,450,000 (71.01%) from the National equitable share, KES. 180,000,000 (1.21%) from own source revenue, KES. 1,724,513,338.00 (12%) from conditional grants and KES. 2,398,667,806.50 (16.16%) Balance Brought Forward from FY 2018/2019.
36. FY 2019/2020 recorded the highest expenditure as compared to the previous years as shown in Figure below. Staff capacity and integration of IFMIS to the county departments has improved the absorption rates of the county. FY 2013/2014 had the least expenditure due to low total county revenue.

**Figure 5: Year to Year Analysis of Budget versus Expenditure**



Source: Turkana CBROP 2020

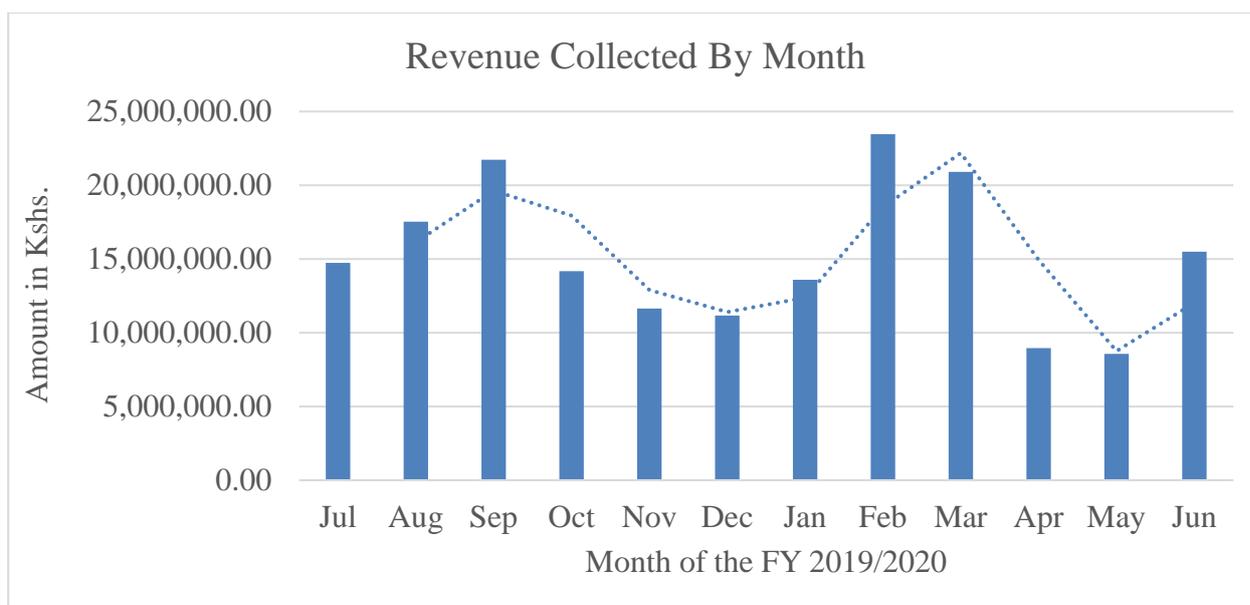
37. By the end of 30th June 2020 total own source revenues amounted to KES. 181,971,191.20 against a target of KES. 250,000,000.00. The total Own Source revenues fell short of target by 27%. This was attributed by; lack of legal framework to enforce on defaulters and Covid-19 Pandemic that had negative socio-economic effects to the livelihoods of residents of Turkana County.
38. February 2020 had the highest collection followed by September 2019 with KES. 23,460,400 and KES. 21,723,634 respectively. The lowest months were April 2020 and May 2020, which collected KES. 8,948,923 and KES. 8,569,139 respectively. This was attributed to the effects of the COVID -19 pandemic on the economy.
39. Unrealized local revenues, delayed exchequer releases, and tedious procurement bureaucracies continues to hamper budget implementation.

**Table 2: Total Own Source Revenue Collection for Turkana County for FY 2019/2020**

Month	Amount Collected in Kshs.	Cumulative Collections
July	14,743,265.10	14,743,265.10
August	17,530,348.40	32,273,613.50
September	21,723,634.00	53,997,247.50
October	14,172,485.00	68,169,732.50
November	11,645,815.00	79,815,547.50
December	11,161,921.00	90,977,468.50
January	13,601,835.20	104,579,303.70
February	23,460,400.00	128,039,703.70
March	20,911,350.00	148,951,053.70
April	8,948,923.00	157,899,976.70
May	8,569,139.00	166,469,115.70
June	15,502,075.50	181,971,191.20
<b>Total Collections for FY 2019/2020</b>		<b>181,971,191.20</b>

Source: Revenue Directorate, Turkana County

**Figure 6: Monthly Analysis of OSR.**



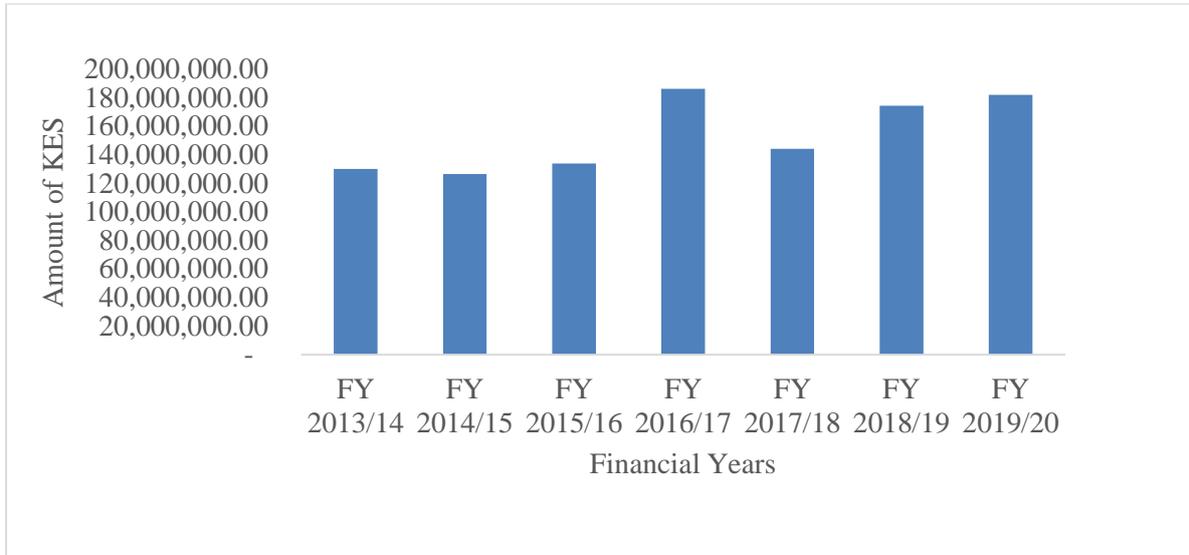
Source: Analysis by Directorate of Budget, Turkana County

**Table 3: FY 2019/20 OSR Collection by Stream**

Revenue Stream	Amount Collected in Kshs.	%
Cess	48,979,085	26.90%
Transport Operation Fee	2,868,570	1.60%
Slaughter/Auction Fee	5,518,290	3.00%
Advertisement	459,780	0.30%
Parking Fee	1,060,420	0.60%
Land Survey/Application/ Building Approval Fee	13,294,442	7.30%
House Rent/Kiosks/Stalls	2,082,100	1.10%
Royalty	27,095,052	14.90%
Corporates	5,127,111	2.80%
Liquor Licences	5,523,784	3.00%
HEALTH (Public Health & Cost Sharing)	26,600,210	14.60%
Single Business Permit	31,825,690	17.50%
Market Fee	3,524,980	1.90%
Weights and Measures	1,163,860	0.60%
Trade Fair	4,743,807	2.60%
Other Fees and Charges	2,099,011	1.20%
Environment	5,000	0.00%
<b>TOTAL</b>	<b>181,971,191</b>	<b>100.00%</b>

Source: Directorate of Revenue, Turkana County

**Figure 7: FY 2019/20 OSR Collection by Stream**



Source: Analysis by Directorate of Budget, Turkana County

### County Exchequer Releases

**Table 4: FY 2019/20 County Revenue Fund Receipts**

Month	COUNTY EXECUTIVE		GRANTS		COUNTY ASSEMBLY	
	Recurrent Account	Development Account	Recurrent	Development	Recurrent Account	Development Account
July	-	-	-	-	-	-
August	-	-	-	-	-	-
September	573,372,079	-	-	-	260,000,000	-
October	705,211,840	-	41,200,000	-	165,201,812	-
November	826,981,399	198,095,394	-	-	-	-
December	955,739,204	-	-	47,741,177	103,357,050	-
January	320,958,499	73,079,519	67,802,286	23,015,008	-	-
February	371,146,315	270,602,529	-	6,949,649	72,262,640	108,059,702
March	651,497,024	94,703,982	-	112,019,322	42,032,041	-
April	875,454,181	225,942,752	-	-	49,999,050	-
May	329,581,089	-	-	-	72,048,221	19,999,840
June	2,661,652,194	830,348,746	57,791,191	262,800,296	-	23,351,068
July	390,862,795	-	38,800,000	216,048,920	108,400,000	-
<b>Total Per Category</b>	<b>8,662,456,619</b>	<b>1,692,772,922</b>	<b>205,593,477</b>	<b>668,574,371</b>	<b>873,300,814</b>	<b>151,410,610</b>

<b>FY 2019/20 Total Revenue at CRF</b>				<b>13,242,646,869</b>		
<b>FY 2019/20 Total Releases</b>				<b>12,254,108,813</b>		

Source: Turkana County Treasury

**40.** In the course of the budget implementation during the financial year 2019/2020 several challenges have emerged. Key among them is: Insufficient budget for some programmes resulting from payment of pending bills, delays in exchequer releases by the National Treasury and continued expenditure demands from departments.

#### **Absorption rates**

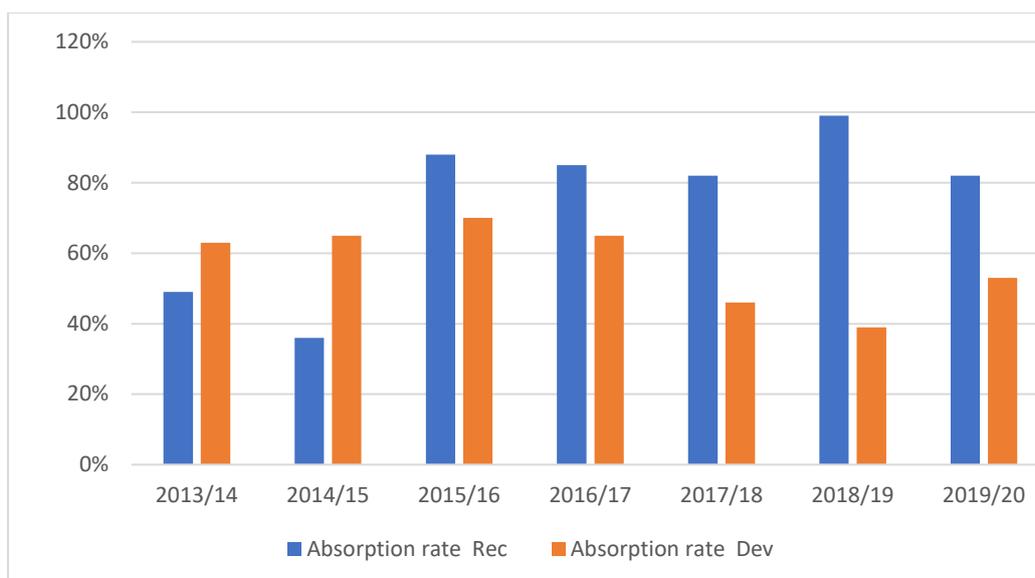
**41.** The county recorded the highest expenditure of 82.49% in FY 2019/20 compared to all the previous financial years. The Department of Tourism Culture and Natural Resources recorded the highest absorption rate of 104% while the Office of the Deputy Governor recorded the least absorption of 26%. The month of June 2020 recorded the highest expenditure for both recurrent and development accounting for 37.9% of total expenditure.

**Table 5: Turkana County Budget Allocations and Actual Expenditures.**

<b>Financial Year</b>	<b>Budget Allocations (Millions)</b>			<b>Actual Expenditure</b>			<b>Absorption rate</b>	
	<b>Rec</b>	<b>Dev</b>	<b>Total</b>	<b>Rec</b>	<b>Dev</b>	<b>Total</b>	<b>Rec</b>	<b>Dev</b>
2013/14	3,757	4,387	<b>8,144</b>	1,849	2,758	<b>4,607</b>	49%	63%
2014/15	2,086	6,716	<b>8,802</b>	750	4,381	<b>5,131</b>	36%	65%
2015/16	3,149	8,865	<b>12,014</b>	2,766	6,165	<b>8,931</b>	88%	70%
2016/17	5,474	8,878	<b>14,352</b>	4,630	5,749	<b>10,379</b>	85%	65%
2017/18	7,840	4,310	<b>12,150</b>	6,430	1,985	<b>8,415</b>	82%	46%
2018/19	9,600	5,324	<b>14,924</b>	9,486	2,073	<b>11,559</b>	99%	39%
2019/20	10115	4726	<b>14841</b>	9733	2510	<b>12243</b>	82%	53%

Source: Turkana County Treasury.

**Figure 8: Absorption rates trends FY 2013/14-FY 2019/20**



Source: Directorate of Budget

### Proposed Vertical Division of Revenue for FY 2020/21

**42.** The National Treasury proposes that County Governments be allocated an equitable share of revenue of Kshs. 326,500 billion in the FY 2021/2022. This will translate into a negative deviation of Kshs. 3.796 billion compared to FY 2020/21 allocation of KES 330,296.5 billion as per Budget Policy Statement 2021. Additionally, counties will receive specific conditional allocations distributed based on their objectives, criteria for selecting beneficiary counties and distribution formula. This can be clearly seen in the table 7 below.

**Table 6: Proposed Allocation to counties, FY 2016/17-FY 2021/22**

Type/level of allocation	2017/18	2018/19	2019/20	2020/21	2021/22
County equitable share	302,000	314,000	316,500	316,500	343,897
Additional conditional allocations, of which:					
<i>Free maternal healthcare</i>	-	-	-	-	-
<i>Leasing of medical equipment</i>	4,500	9,400	7,000	6,205	7,205
<i>Supplement for construction of county headquarters</i>	605	605	300	300	332
<i>Allocations from loans and grants</i>	12,541.4	33,241.9	39,089.9	23,838.3	32,344
<b>Total County Allocations</b>	<b>319,646.4</b>	<b>357,246.9</b>	<b>362,889.9</b>	<b>346,843.3</b>	<b>383,778</b>

Source: National Budget Policy Statement 2021

### Horizontal Division of Revenue among Counties

**43.** In September 2020, Parliament determined and approved the Third Basis for allocating among the Counties, the share of national revenue that is allocated annually to the County

level of government. The Third Basis formula which will be applicable from FY 2020/21 to FY 2024/25 has considered the following parameters;

**Table 7: Summary of Revenue Sharing Formulae**

Indicator	Approved 3 <sup>rd</sup> Basis Formula
Population	18%
Health Index	17%
Agriculture Index	10%
Urban Index	5%
Poverty Index	14%
Land Area Index	8%
Roads Index	8%
Basic Share index	20%
<b>TOTAL</b>	<b>100%</b>

Source: CRA

44. The horizontal distribution of County Governments' equitable revenue share allocation of Ksh 343.9 billion for FY 2021/22 shall be based on the Third Basis Formula. On the other hand, each additional conditional allocation shall be distributed based on its objectives, criteria for selecting beneficiary Counties and distribution formula. Accordingly, in FY 2021/22, the Counties will share an estimated Ksh 383.8 billion. Table 9 shows the projected transfer to each County in FY 2021/22.

**Table 8: MTEF Projection of Revenue by Source for Turkana County**

REVENUE STREAM	BPS Allocation	Projected Revenue	
	FY 2021/2022	FY 2022/23	FY 2023/24
<b>1. National Revenue</b>			
a) Equitable share	11,451,770,100.00	12,596,947,110.00	13,856,641,821.00
b) Equalization fund	-	-	-
c) Compensation for User Fees			
d) Leasing of Medical Equipment	153,297,872.00	168,627,659.20	185,490,425.12
e) Roads Maintenance Levy Fund			
f) Village Polytechnics			
g) Transforming Health Systems			
h) National Agricultural and Rural Inclusive Growth Project			
i) Agricultural Sector Development Support Programme			

j) Drought Resilience Programme			
DRPNK			
k) Kenya Devolution Support Programme Level I			
l) Kenya Urban Support Programme-UDG			
m) Kenya Urban Support Programme-UIG			
n) DANIDA Grant for Universal Health			
<b>Loans and Grants</b>	650,310,118.00	715,341,129.80	786,875,242.78
<b>2. Own Revenue Sources</b>	180,000,000.00	198,000,000.00	217,800,000.00
a) Projected Revenue from Local Sources			
<b>TOTAL</b>	<b>12,435,378,090.00</b>	<b>13,678,915,899.00</b>	<b>15,046,807,488.90</b>

Source: National Budget Policy Statement 2021 and Turkana County Directorate of Revenue

45. The projected own source revenue to be collected from the internal sources of the County is estimated to be in the region of KES 180,000,000.00 as classified in Table 10 below.

**Table 9: Projected Own Source Revenue**

REVENUE STREAM	FY 2019/20	TARGETS	
		FY 2020/21 Revised	FY 2021/22
CESS (Transport, Hide & skin, Fish cess, charcoal cess, firewood, miraa cess, Handicraft cess, exhauster services & cess)	48,979,085.00	34,614,240.00	53,876,993.50
TRANSPORT OPERATION FEE (Taxi, Bodaboda, Matatu, Canter, Lorry, and buses)	2,868,570.00	4,764,752.00	3,155,427.00
SLAUGHTER/AUCTION FEE (Small and Big animals, Meat insp. fee)	5,518,290.00	3,798,128.00	6,070,119.00
ADVERTISEMENT (Sign post, sign boards)	459,780.00	849,408.00	505,758.00
PARKING FEE (all vehicles), exhauster fee	1,060,420.00	3,278,912.00	1,166,462.00
LAND SURVEY/APPLICATION/ BUILDING APPROVAL, school reg. fee, holding ground fee, Burrow pit fee, Toilet fee, Land transfer fee	13,294,441.80	21,175,695.20	14,623,885.98
HOUSE RENT/KIOSKS/STALLS	2,082,100.00	2,322,360.00	2,290,310.00

ROYALTY (Murrumbidgee, hardrock sand, ballast, Exploitation)	27,095,051.90	25,048,765.60	29,804,557.09
CORPORATES	5,127,110.80		5,639,821.88
LIQUOR LICENCES (Liquor SBP and Application Fee)	5,523,784.00	4,000,000.00	6,076,162.40
HEALTH (Public health & cost sharing)	26,600,210.00	33,949,389.60	29,260,231.00
SINGLE BUSINESS PERMIT	31,825,690.00	32,070,696.00	35,008,259.00
MARKET FEE (Barter, fish, market stall fees, offloading)	3,524,980.00	2,995,032.00	3,877,478.00
WEIGHTS AND MEASURES	1,163,860.00	1,403,800.00	1,280,246.00
TRADE FAIR	4,743,807.00	-	5,218,187.70
OTHER FEES AND CHARGES (Hides and Skins), tenders,	2,099,010.70	4,728,821.60	2,308,911.77
ENVIRONMENT	5,000.00	-	5,500.00
<b>TOTAL</b>	<b>181,971,191.20</b>	<b>175,000,000.00</b>	<b>200,168,310.32</b>

Source: Directorate of Revenue.

#### **OSR shortfall.**

- 46.** Challenges continue to hamper full realization of internal revenues targets towards financing the budget with a fiscal gap ranging between 14-20% between 2018/2019-2019/2020 with the worst performance of internal revenues achieving 77.5% of the revised targets for the financial year 2018/19 turning into a deficit of 22% as a proportion of total projected revenue.
- 47.** In this regard, the government will enhance revenue mobilization; by finalizing revenue automation project through system integration, networking and acquisition of relevant equipment e.g. POS machines and computers. Finally enhancing enforcement mechanisms, identification of new revenue streams and improvement of service delivery.

## **CHAPTER 5: FISCAL FRAMEWORK, 2021**

### **Fiscal Implications**

- 48.** The County Fiscal Strategy Paper (CSFP) focuses broadly on socio-economic issues in the Medium Term, key priorities and programs goals and a summary of the County Government's spending plans with a basis of 2021/22 budget.
- 49.** The County Government has achieved milestones in development for the past six years. The government will strategize and invest maximally on various priorities like wealth creation, livelihood, and provide access to capital to reduce unemployment in the county.
- 50.** The Budget Policy Statement for the year 2020/2021 has been prepared to address the Big Four Agenda which includes Universal health care, Improved Housing, Infrastructure and Food Security. The four national pillars are objectively implemented to improve the lives of all Kenyans in the forty-seven (47) counties. Therefore, the Turkana County CFSP has been aligned to these broad pillars.

### **Fiscal Responsibility**

- 51.** The PFM Act 2012 stipulates the following guidelines on resource allocation of available resources, the approved expenditure of a County Assembly will be allocated as per senate's recommendations, the County Government wages shall be contained at thirty-five (35) percent of the County Government total revenue in the medium term. From the total budget, 30 percent will be allocated for development purposes. In the previous years, the allocation for development has been at an average of 35 per cent and its projected that it will increase to 40 per cent by 2022.

### **Compliance with Fiscal Responsibility Principles**

- 52.** The county government will adopt a balanced budget for FY 2021/2022. Any forthcoming deficit the county government will take prudent measures to reduce appropriations or increase revenues with minimal effects on public service delivery.
- 53.** Expenditure pressures related to the rising wage bill resulting from personnel emoluments. Currently the wage bill is amounting to Ksh. 4.8 Billion which is 39 percent of the budget taking up a substantial amount of the county revenue. The county has put in place austerity measures to ensure that the wage bill is sustainable by halting recruitment and promotions as the bloating wage bill poses a big risk to the stability of the budget for 2021/2022 and in the mid-term if the situation is not contained.

54. In the short term the County will thrive to stick its expenditure and commitments based on the actual cash flow. In the medium term, balanced budget will be supported with relevant legislative frameworks by embracing completion of stalled and on-going projects to enable the County Government implement critical programmes that will accelerate socioeconomic development thus providing budget support.
55. The County fiscal policy 2021, aims at increasing own source revenue as well as prudently managing expenditures. The created fiscal space will avail resources to scale up investments in the county's priority areas of Water, Food Security, Health, Education, infrastructure, as captured in the CFSP 2021.

### **External Financing**

56. The County Government of Turkana has promoted development partners relationships in order to support Key Sectors (Health, Agriculture, Water and Education). Under this unified effort, UNHCR is committed to support KISEDIP project in Turkana west. The County also partners with the national Government in the implementation of the Kenya Urban Support Programme (KUSP). UNICEF and other partners like Save the Children, EGPAF have been on the forefront in supporting health programmes geared towards improving Child and Maternal health Care.

### **Fiscal Structural Reforms.**

57. The County Government of Turkana has implemented measures to increase and meet revenue targets through automation of revenue systems to enable the County to implement its development agenda.
58. The development of Monitoring and Evaluation Policy and Bill plays a key role in establishing Turkana county integrated monitoring and evaluation system to monitor and evaluate the implementation of county policies, programmes and projects in order to promote transparency, accountability, good governance and sustainable development.
59. The County has already implemented of Integrated Financial Management System (IFMIS) on payment and procurement processes to improve efficiency and effectiveness on financial matters. The County Government of Turkana uses e-sourcing to procure goods and services.

60. Audit committee has also been established to promote transparency, accountability and adherence to the PFM Act 2012 on budget making process. County Budget and Economic Forum (CBEF) has already been constituted as per the PFM Act 2012.
61. The County Government of Turkana has passed the Finance Bill to guide on matters regarding to economic growth at the county level.
62. The County Government of Turkana has established resource mobilization Directorate in order to bridge the budget deficit and coordinate partners implementing projects across Turkana County including Kalobeyei Integrated Socio-Economic Development Programme (KISEDPA), National Agricultural Rural Inclusive Growth Projects (NARIGP), Kenya-Uganda Joint Programme among others.

### **Risks**

63. Delayed cash flows and Low absorption rate. The low budget absorption rate is necessitated by delayed transfers from national Treasury. When this happens, implementation of activities is hampered. Over reliance on National Government transfers is one of the financial risks that undermines the budget implementation during the financial year.
64. The County's high wage bill has led to funds otherwise meant for development be reallocated for purposes of meeting promotion needs of its staff. Climate change may affect the normal operation of the county Government. The weather pattern may be unfavorable. This means that when there are unforeseen occurrences like floods, drought or locust, funds may be reallocated.

## ANNEXES

Table 2 below outlines strategies and intended outcomes for Turkana County as part of the efforts of COVID-19 socio-economic recovery.

**Table 10: Turkana County Socio Economic Recovery plan**

Sector	Strategies	Expected Outcome	Implementing Agency	Cost
<b>County Revenue Policy</b>	Lift the various waivers instituted on revenue streams;	Increase in OSR and county revenues to enable smooth implementation of county projects.	Turkana County Government	5M
	Seek for more funding from development partners		Turkana County Government	
	Inform of conditional grants		Turkana County Government	
<b>County Expenditure Reforms; Pending Bills</b>	Increase expenditure in health sectors and other non-administrative functions such as water, trade, ICT, education, agriculture while systematically reducing expenditure on non-administrative functions	County expenditure that is people-centred and focussed on growth-creating sectors such as health, education, water, infrastructure, ICT etc	Turkana County Government	
	Reduce the approved budget-actual expenditure gap by fully implementing PFM recommendations and conducting annual expenditure reviews	County expenditure in line with existing National Government and County Government laws	Turkana County Government	
	Restructure county functional expenditure classification to encompass stand-alone emerging ICT functions	Fully fledged stand-alone ICT department with a budget	County and National Governments development partners	
<b>Agriculture</b>	Subsidies on fast-maturing vegetable seeds, expansion of area under sustainable irrigation	County residents eat more nutritious food	Turkana County Government	50M

Sector	Strategies	Expected Outcome	Implementing Agency	Cost
	Attracting private partnerships in the county; Strengthen agricultural extension services; Enhance farmers training and farmers information services; Enhance collaboration with research institutions	Transformation of smallholder value chains in the county	Turkana County Government	30M
	Construction of storage and cooling facilities in the County	Enhanced food security in the County	County and National Governments development partners	15M
	Building capacities of farming households and agri-food sector labourers in modern agricultural technologies; Investment in digital infrastructure (e.g. data systems)	Digitized marketing, advisory and information, financial and agricultural government advisory and information, financial and agricultural government operations at the county	County and National Governments development partners	2M
	Establish programmes for surveillance of disasters such as extreme weather conditions at the County level equipped with relevant technical specialists and finances to effectively prevent, prepare, respond and prevent risks; Institutional capacity development; Carry out vulnerability analyses and updates; Invest in monitoring and early warning systems. conduct public education	Enhanced food security in the County	County and National Governments development partners	1M

Sector	Strategies	Expected Outcome	Implementing Agency	Cost
	Partner with development partners such as the National Government, Private Sector, DFIs and NGOs, in availing access to affordable formal agricultural finance to small holder farmers in the county	Access to agricultural finance will improve farmers access to support services and commodities e.g. access to affordable formal finance will enhance: - access to high end output markets; access to modern technologies and modern inputs; enhanced opportunities for agroprocessing and value addition; resilience to climate change etc	County and National Governments development partners	10M
<b>Manufacturing and MSMEs</b>	Establish a Fund/Establish a budget line to support Innovative activities in the County	Increased county revenues; Increasing levels of employment; Increasing use of new business models	County and National Governments development partners	8M
	Attract private partnerships and other stakeholders in the county	Increased project undertaken by partners	County and National Governments development partners	5M
	Build capacity and skills of traders and businesses persons	Increased productivity; More revenues	County and National Governments development partners	10M
	Establish administrative units in the county to address the counterfeit challenge	Increased County competitiveness	County and National Governments development partners	5M
<b>Water and Sanitation</b>	Develop and rehabilitate water infrastructure	Increased access to clean and safe water	County and National Governments development partners	150M
	Develop and rehabilitate sanitation infrastructure	Increased access to improved sanitation	County and National Governments development partners	50M
<b>Solid waste management</b>	Sensitive communities on importance of safe solid waste collection management and disposal	Increased access to clean environment	County and National Governments development partners	50M

<b>Sector</b>	<b>Strategies</b>	<b>Expected Outcome</b>	<b>Implementing Agency</b>	<b>Cost</b>
<b>Environment and Natural Resources Conservation</b>	Plant trees and increase area under forest	Increased forest cover	County and National Governments development partners	10M
<b>Droughts and floods control</b>	Construct dams and dykes to control floods	Increase safety from the effects of floods and droughts	County and National Governments development partners	30M
<b>Transport</b>	Construct NMT infrastructure across key roads in the County	Increased modal split in fav or of NMT	County and National Governments development partners	10M
	Improve public transport vehicle design to address social distancing and hygiene	Reduced exposure and infection rates attributed P SV use	County and National Governments development partners	10M
	Improve quality of the unpaved road infrastructure using labour-based techniques	Improved accessibility and reduced vehicle operation costs	County and National Governments development partners	5M
	Improve quality of road network using appropriate technology - Low Volume Sealed Roads (LVSR) for rural roads	Improved accessibility and reduced vehicle operation costs	Turkana County Government	2M
	Implement green roads design to protect road infrastructure while controlling storm water and harvesting flood water for domestic and commercial use	Resilient road infrastructure that can withstand floods with controlled damage	County and National Governments development partners	5M
	<b>Information and Communication Technology (ICT)</b>	Collaborate with private sector to enhance household acquisition of acquired ICT assets and technologies, e.g. smart phones and laptops	Increased use of ICT for domestic and commercial purposes	County and National Governments development partners
Programme to ensure ubiquitous access to reliable and affordable internet (internet everywhere)		Increased use of ICT for domestic and commercial purposes	County and National Governments development partners	3M

Sector	Strategies	Expected Outcome	Implementing Agency	Cost
	Community access to ICT infrastructure and services in public primary schools	Improved access to ICT infrastructure and services	County and National Governments development partners	3M
	Extending the NOFBI project to ensure internet connectivity in public spaces, markets, commercial zones and public buildings	Increased use of e-commerce to boost trade	County and National Governments development partners	5M
	Designate ICT as a stand-alone Ministry in Turkana County Government structure and deploy requisite personnel and capability	Enhance prominence of ICT plans, programmes and projects	County and National Governments development partners	3M
	Formulate and implement cyber security policies and procedures and pursue ISO certification on Information Systems Security	Enhanced detection, mitigation and reporting of cyber security incidents	County and National Governments development partners	2M
<b>Urban Development and Housing</b>	Fastrack implementation of the affordable housing programme with a focus on improving living conditions in informal settlements	Enhanced quality in informal settlements due to improved housing conditions	County and National Governments development partners	30M
	Map flood risk settlements and implement flood disaster mitigation plans including relocation and re-settlement of households	Reduced flood risk and disaster incidents in human settlements	County and National Governments development partners	5M
	Enhanced household use of clean energy and technology for cooking: distribution of clean cookstoves and clean energy alternatives to charcoal, kerosene and firewood	Increased number of households with access to clean energy and technology for cooking	County and National Governments development partners	3M

<b>Sector</b>	<b>Strategies</b>	<b>Expected Outcome</b>	<b>Implementing Agency</b>	<b>Cost</b>
<b>Tourism</b>	Tourism sector development master-plan; Rehabilitate infrastructure leading to tourism attraction sites	Growth in revenue generation from tourism	County and National Governments development partners	10M
	Niche tourism product developed, marketing incorporating aspects of COVID-19.	Diversified tourism experiences / product; Sanitation standards in tourism upheld	County and National Governments development partners	5M
<b>Health</b>	Provide appropriate antenatal care	Improved health condition of pregnant women	County and National Governments development partners	20M
	Promote additional funding to the health sector	Health infrastructure development	County and National Governments development partners	50M
	Recruit high number of public health officers	Efficient and effective service delivery	County and National Governments development partners	30M
	Enhance Medical Supplies	Increase % of availability of essential Medical products	County and National Governments development partners	30M
	Improve immunization coverage in the County	Reduced mortality	County and National Governments development partners	5M
	Enhance construction of latrines	Increased latrine coverage	County and National Governments development partners	4M
	Drill boreholes at County health centres and public areas	Improved access to safe water in public places	County and National Governments development partners	15M
	Pollution control; Improvement in Veterinary services Construction of latrines	Improved service delivery	County and National Governments development partners	5M
	Health promotion including health information; Micro-nutrient deficiency control; Infection prevention and control	Reduced mortality rate	County and National Governments development partners	2M
<b>Education</b>	Promote infrastructure development	Improved training environment	County and National Governments development partners	10M

<b>Sector</b>	<b>Strategies</b>	<b>Expected Outcome</b>	<b>Implementing Agency</b>	<b>Cost</b>
	Train teachers on how to instruct remotely	Improvement in teaching skills	County and National Governments development partners	3M
	Recruitment of ECDE teachers	Efficient and effective service delivery	County and National Governments development partners	8M
	Capacity building of school Board of management	Improvement in the management capacities	County and National Governments development partners	1M
	Disbursement of bursaries	Increase of school attendance	County and National Governments development partners	5M
	Promote school feeding programmes	Increase in number of students attending schools	County and National Governments development partners	5M
	Enhance back to school campaigns	Increase in number of students attending schools	County and National Governments development partners	1M
	Provide surgical masks to students; Provide PPE to school employees	Reduction in cases of COVID-19	County and National Governments development partners	15M
	Promote guidance and counselling in schools	Promote guidance and counselling in schools	County and National Governments development partners	1M
<b>Social Protection</b>	Provide medical insurance coverage	Reduction in treatment cost during emergencies	County and National Governments development partners	20M
	Enhance cash transfer to vulnerable groups	Reduced poverty level	County and National Governments development partners	50M
<b>Human Resource</b>	Provide adequate personal protective equipment for employees	Reduced cases of COVID-19 in workplaces	County and National Governments development partners	25M
	Implement policy guidelines on skills development among the staffs; Training and capacity building of staffs on use ICT in service delivery	Improvement in remote working	County and National Governments development partners	5M
	Train workers on safety and health	Increased control of COVID-19 transmission	County and National Governments development partners	5M

Sector	Strategies	Expected Outcome	Implementing Agency	Cost
	Provide adequate personal protective equipment for employees	Reduced cases of COVID-19 in workplaces	County and National Governments development partners	7M

## ANNEX 2

### DEPARTMENTAL CEILINGS

Entity	Recurrent	Development	Total	Percentage
Governance	276,147,887	67,840,722	343,988,609	2.80%
Office of the Deputy Governor	40,778,423	6,000,000	46,778,423	0.38%
County Attorney	126,114,404		126,114,404	1.03%
Finance and Economic Planning	580,445,634	123,114,450	703,560,083	5.72%
Water Services, Environment and Mineral Resources	131,711,641	351,671,929	483,383,570	3.93%
Health & Sanitation Services	482,417,949	774,202,550	1,256,620,499	10.21%
Trade, Gender and Youth Affairs	190,396,637	300,357,793	490,754,430	3.99%
Education, Sports and Social Protection	406,108,836	341,098,094	747,206,929	6.07%
Public Service, Administration. & Disaster Management	4,899,385,406	13,408,394	4,912,793,800	39.93%
Infrastructure Transport & Public Works	79,020,612	344,622,627	423,643,239	3.44%
Agriculture, Pastoral Economy & Fisheries	116,439,443	859,734,763	976,174,206	7.93%
Tourism, Culture and Natural Resources	94,116,055	145,471,553	239,587,608	1.95%

Lands, Energy, Housing & Urban Areas Mgt.	134,647,915	160,723,032	295,370,947	<b>2.40%</b>
Lodwar Municipality	47,389,531	48,039,591	95,429,122	<b>0.78%</b>
County Assembly	867,192,392	200,000,000	1,067,192,392	<b>8.67%</b>
County Public Service Board	93,650,266		93,650,266	<b>0.76%</b>
<b>Total</b>	<b>8,565,963,030</b>	<b>3,736,285,498</b>	<b>12,302,248,528</b>	<b>100.00%</b>
	<b>69.63%</b>	<b>30.37%</b>		

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