



# COUNTY GOVERNMENT OF KAJIADO

MEDIUM TERM

---

# 2018 COUNTY FISCAL STRATEGY PAPER

---

*“Fostering Socio-economic development for sustainable growth”*

February, 2018

## **FORWARD**

The 2018 Kajiado County Fiscal Strategy Paper provides a framework for the 2018/19 FY budgeting and the medium term. This is aimed at achieving the Medium Term theme '*Fostering social economic development for sustainable Growth*' which will be realized through the implementation of the priority outcomes/transformations. The strategic outcomes will entail investment in: agriculture and livestock production; Improved water access, sanitation and environment; and infrastructural development to spur economic growth.

The programmes and projects to be implemented in 2018/19 FY will be aligned to the Kajiado 2018-2022 CIDP and the 2018/2019 ADP to ensure that priority outcomes/transformations are achieved. The policy for operationalization/ completion of on-going projects still stands to ensure the planned outcomes are achieved thus benefiting the community at large.

This CFSP is organized into four sections. Section I provides the Recent Economic Developments and the Policy Outlook providing an overview of the recent economic development and fiscal outlook at the Global, National and the County Levels, information on the macroeconomic variables, update of fiscal performance and emerging challenges and the risks to the outlook; Section II gives the County strategic blueprint which sets the pace and the direction of the document; Section III explains the fiscal policy and budget framework; and Section IV covers the medium term expenditure framework and further outlines the priorities to be funded in the medium term.

The proposed total resource envelop for FY 2018/19 is estimated at Kshs8.4 billion with a proposed recurrent expenditure of Kshs5.7 billion and the development expenditure of Kshs2.6 billion. The expenditure ceilings observes all provisions in the PFM Act, 2012, the requisite regulations as well as the Commission on Revenue Allocation provisions.

**MR. MICHAEL SEMERA**

**CEC-M HEAD COUNTY TREASURY**

## **ACKNOWLEDGEMENT**

This CFSP is the first to be prepared by the second administration of the Kajiado County Government in line with the Public Finance Act, 2012. It highlights the broad strategic macroeconomic issues and medium term fiscal framework in addition to the summary of the County Government of Kajiado spending plans, as a basis of the 2018/19 FY budget. It is the wish of the Government that this document improve the public's understanding of the county's public finances and guide public participation on economic development matters as mandated by the constitution of Kenya 2010.

This document was prepared through a participatory approach where much of the information in this report was obtained from the County Departments and Agencies. It was also prepared in pursuit of provisions of the Constitution of the Kenya and the PFM Act, 2012. We appreciate the invaluable contributions of all the stakeholders.

I wish to acknowledge the Governor of Kajiado County, H.E Joseph Ole Lenku and His deputy H.E Martin Moshisho for their invaluable support and leadership throughout the preparation of this document. Special thanks go to the County Executive Committee Members (CECM) in charge of various county government entities for their contribution and support to the process. Special acknowledgement goes to the CECM for the County Treasury, Mr. Michael Semera, for his guidance in the development of this strategy paper. I recognize the effort, support, and advice of the County Assembly through the leadership of the Hon. Speaker Mr. Johnson Osoi and the House Committee in charge of Budget and Appropriation lead by Mr Henry Kimiti.

A core team in the County Treasury spent a significant amount of time in putting together this Paper. We are grateful to the Director and the entire staff at the department of Budget and Economic Planning, the Macro working Group for their continuous effort. I take this opportunity to thank the entire staff of the CGK for their dedication, sacrifice and commitment to public service.

Finally, I wish to appeal the readers and our stakeholders to send us comments for improvement in the preparation of the next CFSP.

**MORRIS P. KAAKA**  
**CHIEF OFFICER – COUNTY TREASURY**

## Table of Contents

FORWARD.....	ii
ACKNOWLEDGEMENT .....	iii
Abbreviations.....	vi
2018 COUNTY FISCAL STRATEGY PAPER LEGAL BASIS .....	viii
Outline of County Fiscal Strategy Paper.....	ix
I.    RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK .....	10
1.1 Overview .....	10
Global and regional economic overview .....	10
Domestic Economic Developments.....	10
1.3 Budget Out-turn.....	12
1.4 Fiscal Policy .....	14
1.5 Economic Policy Outlook .....	15
II FOSTERING SOCIO-ECONOMIC DEVELOPMENT FOR SUSTAINABLE GROWTH .....	16
2.1 Overview .....	16
2.2 County’s Strategic Outcomes.....	18
Agriculture and livestock development:.....	18
Improved water access, sanitation and environment .....	19
Improved health care access and quality .....	20
Infrastructural development to support economic growth.....	20
III.    FISCAL POLICY AND BUDGET FRAMEWORK FOR FY 2018/19 .....	22
3.1 The 2018/19 FY Budget Framework and the Medium Term.....	22
Revenue Projections .....	23
Expenditure Projections.....	23
3.2 Fiscal Balance .....	24
3.3 Fiscal Structural Reforms.....	25
IV.    MEDIUM TERM EXPENDITURE FRAMEWORK .....	27
4.1 Resource Envelope .....	27
4.2 Spending Priorities .....	27
4.3 Medium Term Expenditure Estimates.....	27
4.4 Finalization of Spending Plans.....	32
Challenges .....	41

**List of Tables**

Table 1: Cumulative Budget Outturn, July – December 2013..... 13

Table 1: Kajiado County FY 2018/2018 and the Medium Term Budget Framework..... 24

Table 2: Medium Term Expenditure Framework- 2018/98 to 2020/21 ..... 29

## **Abbreviations**

ADP	Annual Development Plan
AfDB	African Development Bank
AI	Artificial Insemination
BPS	Budget Policy Statement
CA	County Assembly
CARA	County Allocation of Revenue Act
CBROP	County Budget Review Outlook Papers
CEC	County Executive Committee
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CGK	County Government of Kajiado
CIDP	County Integrated Development Plan
CPSB	County Public Service Board
CRA	Commission on Revenue Allocation
DMS	Debt Management Strategy
ECDE	Early Childhood Development Education
FGM	Female Genital Mutilation
FY	Financial Year
GDP	Gross Domestic Product
ICT	Information Communication Technology
KDSP	Kenya Devolution Support Programme
LAN	Local Area Network
LPDP	Local Physical Development Plan
M&E	Monitoring and Evaluation
MCA	Members of the County Assembly
MCH	Mother and Health Care
MTEF	Medium Term Expenditure Framework
NT	National Treasury
OM	Operations and Maintenance
PDP	Physical Development Plan
PE	Personnel Emoluments

PFM	Public Finance Management
PPPs	Private Public Partnerships
PTAs	Parent Teacher Associations
PWD	Persons Living with Disability
R&D	Research and Development
RMLF	Roads Maintenance Levy Fund
SMC	School Management Committees
SMEs	Small and Medium Enterprises

## 2018 COUNTY FISCAL STRATEGY PAPER LEGAL BASIS

Under Section 107 of the *PFM Act 2012* and Regulations 26, 27 and 28 of the *PFM Regulations 2014*, the County Treasury is required to prepare the County Fiscal Strategy Paper. They also set out the content requirements for the CFSP which must:

- a. Align itself with the national objectives contained in the Budget Policy Statement;
- b. Apply fiscal responsibility principles under Section 107 in the management of public finances.

Namely:

- **Balanced Budgets are mandatory:** The County Government's expenditure shall not exceed its total revenue;
- **Thirty percent of all expenditure is dedicated to development expenditure:** Over the medium term a minimum of thirty percent of the County Government's budget shall be allocated to the development expenditure;
- **Limit county wage bill to thirty five per cent of the County Government's total revenue:**

The County Executive Member for Finance can set the percentage of the County Government's expenditure on wages and benefits for its public officers provided it does not exceed thirty five per cent of the County Government's total revenue, excluding revenues from extractive natural resources such as coal, oil etc. as prescribed in the Regulations and approved by the County Assembly;

- **County debt financing only used for development:** 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;
- **Sustainable debt:** The county's debt shall be maintained at a sustainable level not exceeding fifteen percent of the County Government's total revenue as approved by the County Assembly; 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;
- **Prudent risk management:** Fiscal risks shall be managed prudently. That is the CEC Member for Finance should outline key areas of uncertainty that may have a material effect on the fiscal outlook and the potential policy decisions they may portend.



- **Predictable taxes:** A reasonable degree of predictability to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.
- **Include a statement of fiscal risks in line with prudent management of risks.** This must outline potential policy decisions and key areas of uncertainty that may have a material effect on the county’s fiscal outlook.

### **Outline of County Fiscal Strategy Paper**

Section I presents the preamble of the 2018/19 -2020/21 theme, “Fostering Socio-economic development for sustainable growth”. Section II provides an overview of the recent economic development and fiscal outlook at the Global, National and County Levels. It also reviews the latest information on the macroeconomic variables, gives update on Fiscal Performance and Emerging Challenges, Revised Estimates, Economic Policy and Outlook as well as Risks to the Outlook. Section III presents the fiscal policy and budget framework. Section IV covers the medium term expenditure framework. It highlights the total resource envelope, Spending Priorities, Medium Term Expenditure Estimates, Baseline ceilings, Finalization of spending plans, Details of Sector Priorities.

## **I. RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK**

### **1.1 Overview**

1. The country's economic performance was largely satisfactory in 2017, despite the adverse weather condition and the uncertainty resulting from a rather long electioneering period. The subdued rains contributed to lower agricultural output including the food commodities like maize, the government however instituted measures to cushion consumers on the maize flower prices. Inflation in the last was recorded at 4.5 percent remaining with the government target of below double digit. Short-term interest rates have also eased in line with the drop in inflation, while the shilling exchange rate remained stable against major currencies.

### **Global and regional economic overview**

2. The global economy is projected to grow to 3.8 percent in 2018 having performed at 3.6 percent in 2017 and 3.2 percent in 2016 mainly attributed to expanding domestic market in advanced economies and emerging economies.

3. The sub-Saharan Africa economic performance is expected to grow to 3.4 percent in 2018 from 2.6 in 2017 and 1.4 percent in 2016. However most of the strong economies in the region continue to be driven by public spending, with debt levels and the cost of credit rising.

4. Economic growth within the East Africa region stabilized at 5.4 percent in 2016 and 2017. The region was really affected by the prolonged drought and this affected production in the year especially in the agricultural sector which continues to be the economic mainstay in the region. Growth prospects in 2018 are positive, estimated at 5.9 percent supported by a stable macroeconomic environment, infrastructural investment and increased consumption.

### **Domestic Economic Developments**

5. The country's economic performance indicates a slowdown growth estimated at 4.8 in 2017 percent from 5.8 percent in 2016. Decline in the economic growth is attributed to the uncertainty with the prolonged electioneering period and the adverse weather conditions where most areas in the country recorded less rains Overall, the economy enjoyed a conducive

macroeconomic environment supported by the heavy investment in the public infrastructure and recovery in key sectors like tourism.

6. Growth in nonagricultural sector has contributed to the resilience of our economy, having recorded a growth of 6.7 percent in 2016 from 5.4 percent in 2013 and continues to be the main source of growth. The service sector grew from 5.0 percent in 2012 to 6.8 percent in 2016 supported by favorable performance of ICT, real estate, wholesale and Retail Trade, Transport and Storage and accommodation and restaurants. Accommodation and restaurant recorded the fastest growth from 3.1 percent in 2012 to 13.3 percent in 2016.

7. The financial and insurance sector registered an increased growth from 6.0 percent in 2012 to 9.4 percent in 2015. The sector recorded a sluggish growth of 6.9 percent in 2016 due to a decline in interest income and low credit access to the private sector.

8. The industry sector recorded a slow growth in 2016 and 2017 mainly due to low performance of the manufacturing sector and in electricity and water supply as a result of the prolonged drought.

9. The agricultural sector recorded a positive growth from 2.8 percent in 2012 to 5.5 percent in 2015. However, growth in sector declined to 3.1 percent as a result of the prolonged drought from the last quarter of 2016.

10. Inflation rate remained with the targeted range during the period. However, in 2017 inflation was volatile as a result of the prolonged drought that affected food prices. This prompted for government intervention like allowing duty free food items like maize and wheat and subsidizing the maize floor prices. This measures resulted to average month on month inflation of 4.5 percent in December which was within the target.

23. Exchange rate of our local currency remained broadly stable against major international currencies. As at December 2017, the shilling exchange rate against the Dollar was at Ksh103.1 from Ksh102.1 in December 2016. Against the Euro and the Sterling pound, the Shilling weakened to Ksh122.0 and Ksh138.2 in December 2017 from Ksh107.7 and Ksh127.7 in December 2016, respectively.

11. The interest rate cap was maintained as a way to manage inflation expectations. The interbank rate was low at reached 7.7 percent in December 2017, which depicted a low lending rate across the region.

## **1.2 Fiscal Performance**

12. The FY 2017/18 budget was the last estimates to facilitate implementation of the 2013-2017 CIDP. The first two quarters of the FY 2017/18 were marked by a lag in the implementation of the budget due to the prolonged electioneering period, of which activities were minimal as the county administration was being established.

13. The total budget amounted to Kshs.6.2 billion with a recurrent budget of Kshs.4.6 billion and a development budget of Kshs.1.8 billion. The allocations represented a 30 percent allocation to development expenditure and 70 percent allocation to recurrent expenditure, which is in compliance with the PFM Act, 2012 on fiscal responsibility principles. However, Personnel Emolument allocations was high at 42 percent in the year mainly due to the salary increment awards to the medical personnel occasioned by the frequent industrial actions in the year.

14. Mobilization of local revenue in the first two quarters in the FY was below target as a result of underperformance of the main revenue streams. Revenue performance in the first quarter was dismal recording 26 percent of the targeted revenue. There was some improvement in the second quarter where Kshs.73 million was collected against a target of Kshs.247 million reflecting a performance of 30 percent against targeted revenue.

15. Expenditure on the other hand was also slow especially on development, whereby the county recorded a total expenditure of Kshs.361 million representing 19 percent of the total development budget in the first quarter of FY 2017/18. Recurrent expenditure in the same period was Kshs.1.4 billion representing 33 percent absorption.

## **1.3 Budget Out-turn**

16. The cumulative revenue receipts amounted to Ksh.1.48 billion, against a target of Ksh.3.1 billion resulting in an underperformance of KSh.1.63 billion. The underperformance was in respect

of Ksh.1.15 billion from equitable share, Ksh.356 million from local revenue collection and Ksh.115 million from conditional grant.

17. The overall shortfall resulted from the slow economic performance after the announcement of the repeat presidential elections covering up to the second quarter of the FY. This delayed exchequer releases from the National Treasury and local revenue collection due to the uncertainty.

18. Expenditure execution has lagged behind in the first six months of the financial year on account of lower absorption of funds for development activities. Total expenditure on development amounted to Ksh.361 million against a target of Ksh.935 million. This reflected an overall under-spending of Ksh.574.5 million. The recurrent expenditures was below target by Ksh.755 million (Table 1).

**Table 1: Cumulative Budget Outturn, July – December 2013**

Revenue Summary	Dec 2017		Deviation	June 2018
	Target	Actual Performance		
Equitable share	2,505,722,719.00	1,346,210,597.00	-1,159,512,122.00	5,011,445,438.00
Local Revenue	495,397,167.00	138,540,579.25	-356,856,587.75	990,794,334.00
Conditional Grants	115,959,046.00	0.00	-115,959,046.00	231,918,092.00
<b>Total</b>	<b>3,117,078,932.00</b>	<b>1,484,751,176.25</b>	<b>-1,632,327,755.75</b>	<b>6,234,157,864.00</b>
<b>Expenditure Summary</b>				
Recurrent Expenditure	2,181,518,573.00	1,425,921,568.55	-755,597,004.45	4,363,037,146.00
Development	935,560,359.00	361,016,599.50	-574,543,759.50	1,871,120,718.00
<b>Total</b>	<b>3,117,078,932.00</b>	<b>1,786,938,168.05</b>	<b>-1,330,140,763.95</b>	<b>6,234,157,864.00</b>

19. The FY 2017/18 revised estimates have been informed by the need to consider the approved revenue allocations to the county governments in line with the County Allocation of Revenue Act, 2017 (CARA) which was approved in July 2017. The county was allocated Kshs.754 of the equitable share above the estimated revenue. In addition, the revised estimates also incorporated the balance brought forward from the FY 2016/17 of Kshs.997 million. Further, having inaugurated a new administration after the August general elections, there was need to align the budget to the new structure of government for efficient service delivery and achieve the set objectives.

20. The total revenue target in the 2017/18 budget amounts to Kshs.8.18Billion. This comprises of Equitable Share totaling to Kshs.5.76Billion and Local Revenue totaling Kshs.1.04Billion. Conditional grants for health department totals to Kshs.123Million while the Roads Maintenance Fuel Levy (RMLF) is Kshs.188Million. The Kenya Devolution Support Programme amounts to Kshs.42Million. Youth polytechnic grants amounts to Kshs.26.9 million. The balance brought forward in the previous FY is Ksh.997.9Million.

21. The total 2017/18 supplementary budget amounts to Ksh.8.18 Billion comprising of both Recurrent and Development Expenditure. Recurrent budget totals to Kshs.5.0 Billion which is 61 percent of the total budget, Operations and Maintenance (O/M) is allocated Kshs.2.37Billion, equivalent to 29 percent while Personal Emoluments (P/E) takes Kshs.2.61Billion equivalent to 32 percent of the total budget. Development Expenditure amounts to 3.18 Billion which is 39 percent of the total county budget.

**Table 2. Revised Fiscal Framework (Kshs)**

<b>Revenue Summary</b>	<b>Approved Estimates</b>	<b>Revised Estimates</b>
	<b>2017/18</b>	<b>2017/18</b>
Equitable share	5,011,445,438.00	5,768,200,000.00
Local Revenue	990,794,334.00	1,040,794,334.00
Conditional Grants	231,918,092.00	381,102,715.00
Balance B/F	0	997,910,841.00
<b>Total</b>	<b>6,234,157,864.00</b>	<b>8,188,007,890.00</b>
<b>Expenditure Summary</b>		
Personnel Emoluments	2,610,416,858.00	2,625,416,858.00
Operations and maintenance	1,752,620,288.00	2,378,505,687.00
Development	1,871,120,718.00	3,184,085,345.00
<b>Total</b>	<b>6,234,157,864.00</b>	<b>8,188,007,890.00</b>

#### **1.4 Fiscal Policy**

22. The fiscal policy stance for the FY 2018/19 and the medium term aims at enabling a sustainable social economic growth to all the county residents and to contribute to the national growth as well. The county administration is aimed at fostering growth especially to the key sectors through investments that support an equitable growth in both urban and rural areas.

23. The fiscal policy underpinning the FY 2018/19 budget and MTEF will sustain the revenue projections in line with recent mobilization trends in order to maintain fiscal predictability. The County will formulate policies and laws that facilitate sustainable local revenue mobilization. This will ensure a conducive environment for growth especially for the informal sector.

24. Currently, the CG has instituted rigorous administrative reforms by restructuring local revenue collection. Four directorates have been created; Compliance and enforcement of revenues, Licensing and permit revenues, User fees and sales revenues, Lands and natural resources revenues. This effort is aimed at ensuring efficiency and effectiveness in local revenue collection. Revenue performance reporting and audit is also a critical area that ensures that the county keeps track.

### **1.5 Economic Policy Outlook**

22. The Kenya economic growth forecasts for the FY 2018/19 to 2020/21 Medium Term Expenditure Framework is drawn on the basis of the global and the sub Saharan economic recovery. This further considers the government's strategies and objectives as defined in the Medium Term Plan III and the Vision 2030. The economy is expected to expand by 5.9 percent in FY 2018/19, 6.3 percent in FY 2019/20 and 6.8 percent in FY 2020/22. Investment in infrastructure, robust agricultural production due to improved weather conditions, buoyant services sector, continued recovery in tourism, increased investor and consumer confidence, and macroeconomic stability are expected to result to positive economic performance thus yielding the targeted growth.

23. The county government will benefit from the macroeconomic environment set to ensure that her policies are well targeting to spur the growth. The county will therefore invest in agriculture and livestock production to ensure food security and enhance household incomes, water access to support agricultural production, improvement of health services and sanitation and investment in infrastructure especially roads, subsistence irrigation, water reticulation, and street lighting.

## **II. FOSTERING SOCIO-ECONOMIC DEVELOPMENT FOR SUSTAINABLE GROWTH**

### **2.1 Overview**

24. The 2018 Kajiado County Fiscal Strategy Paper (CFSP) is the first to be prepared by under the current administration, following the general elections in August 2017. This strategy paper spells out specific county priorities and how they will be implemented. It further provides the funding requirement for the specified priority programmes to enable the county administration achieve her objectives with the available resources. This 2018 CFSP further lays out the broad fiscal framework and strategic macroeconomic issues.

25. The 2018 CFSP sets out the strategies towards realizing the objectives of the 2018-2022 County Integrated Development Plan (CIDP) in the context of Medium Term Expenditure Framework (MTEF).

26. During the last five years, the county government administration focused on major thematic areas namely Investing in agricultural transformation and food security; Creation of a suitable business environment; Investing in Environment, Water and Sanitation; Promoting quality education and skills development; Promoting quality education and skills development; Investing in quality healthcare; and Investing in infrastructure. Significant achievements made during the 2013-2017 period therefore lays out the foundation for the devolved government.

27. The country's economy grew at an average of 5.5 percent per year during the 2013-2017 medium term period compared to the average growth rate of 4.7 percent in 2008-2012 period. This translated to an increase in the value of goods and services produced, therefore an increase in the per capita income.

28. Investments on infrastructure contributed greatly to the ease of doing business across the county. Opening of rural roads, grading and upgrading of roads made it easier for movement of goods. Construction of markets across the county, rehabilitation and construction of sale yards enhanced the trading environment. The livestock disease control and surveillance contributed



greatly in ensuring quality livestock produce and enhanced income to farmers. Introduction of the youth and women aiming at providing affordable capital to small scale business operators.

29. The county government invested heavily in developing the health sector and education infrastructure; market development; maintenance and upgrading of roads. Construction of dispensaries, equipping and upgrading of existing facilities, Hiring of medical personnel, expanding the ambulatory services by acquiring additional five more fully equipped ambulances and the expanded access to maternal health care are major milestones in the health sector. Development in the education sector included construction and equipping of classrooms and hiring of ECDE care givers. Refurbishment, equipping and construction of youth polytechnics and hiring of instructors. The government also launched the bursary fund to help needy students access education. The county also introduced the disability fund to target Persons Living with Disability (PWD). To improve livestock production the county invested in vigorous livestock disease control.

30. The new county administration has outlined her development agenda that will be embedded on the foundation set in the first phase of devolution in Kajiado. The policies and strategies indicated in the County Integrated Development Plan (CIDP) (2018-2022) forms the basis of the county government priorities in the medium term.

31. The Medium Term Expenditure Framework (MTEF) is being prepared at the backdrop of a recovering economy, after a lengthy electioneering period and prolonged drought in the county. In this regard, this CFSP sets forth economic policies and structural reforms as well as sector-based expenditure programmes that the CGK intends to implement over the next three financial years in order to achieve development agenda of this Administration. The FY 2018/19 budget will allocate resources in favour of:

- a. Agriculture and livestock development;
- b. Improved water access, sanitation and environment;
- c. Improved health care access and quality.
- d. Infrastructural development to support economic growth

32. Investment in the four main areas will be aligned to the three pillars of **Economic; Social; and Political or Governance**. The four main areas of focus are aimed at improving livelihoods,

creating jobs, enhancing household incomes among residents to alleviate poverty and to support stronger private-sector investment in pursuit of new economic opportunities. The county administration will create an enabling environment in order to deliver on the above priorities: promote a conducive environment by instituting the required reforms within government especially in the public service, land and natural resource management.

## **2.2 County's Strategic Outcomes**

33. The county government administration strategies to achieve socio-economic development and sustainable growth are outlined as follows:

### **Agriculture and livestock development:**

34. The sector remains the key mainstay in supporting economic growth. It accounts for more than 22 percent of GDP at the national level. Livestock production is a major activity in the county accounting for over 60 percent of the county household incomes. However, investment in this sector has been minimal, with the trade being threatened by effects of climate change; uncontrolled land use pattern and lack of value addition. These challenges have greatly affected the quality and quantity of the livestock produce thereby earning meagre incomes for the farmers.

35. Crop production is mainly at small scale and subsistence agri-business level. This is an area with great potential due to the market proximity and availability of land. However, the sector has not been fully exploited with main challenges being access to water, crop pests and diseases and over reliance on traditional farming methods.

36. Diversification in the sector has overall remained minimal whereas there are great opportunities in subsectors like fish farming, and adoption of other crops.

37. In the 2018/19 -2020/21 MTEF, the County administration main focus will be to enhance agricultural and livestock production in designated areas through irrigation and water conservation. Diversification in production of alternative foods and sources of income will be another area of focus. These will be aimed at boosting food security, and promotion of value

addition, increased earnings for the farmers and ensuring improved living standards for the county residents. Specifically, interventions in the sector will include:

- a) Investment in hay production and fodder conservation
- b) Develop policies to support various sectoral programs such as agri-business policy.
- c) Develop and strengthen livestock value chains- investments in modern abattoirs and processing of beef, hides, skins, bones and hoofs
- d) Develop and strengthen agricultural produce value chains such as tomatoes, onions, maize and horticulture.
- e) Support livestock extension services
- f) Establishment of a County Drought Early Warning System (DEWS)
- g) Incorporate Private Public Partnerships (PPPs) for the creation of high value export markets for fresh and processed agricultural produce
- h) Support irrigation fed agriculture to enhance food security in collaboration with the Water, Irrigation, Environment and Natural Resources sector.
- i) Development of the cooperative subsector for enhanced production and market linkages.

### **Improved water access, sanitation and environment**

38. The county is semi-arid with limited access to clean and adequate water for domestic, livestock, industrial and irrigation use, the water supply infrastructure is also not sufficient to serve the growing population and livestock. The sanitation situation is greatly affected by lack of water supply and investment in sewerage infrastructure especially in the urban areas.

39. Through this outcome the county intends to enhance investment in areas that will increase access to water to the residents for domestic, livestock and industrial use. Investment in irrigation infrastructure will ensure availability of water for farming. Investment in sanitation facilities, water and solid waste management will be financed by promoting partnerships to access funding.

40. During the medium term, the county government will partner with stakeholders to construct three mega dams along the main seasonal rivers, expand access to the Noolturesh water pipeline to Kajiado residents, improve waste management systems in major towns, enhance access to clean water in schools and health facilities (drilling and equipping of boreholes, water piping etc),

advocate for adoption of better environmental management practices and review of county laws and policies on natural resources management. Investment in Research and Development (R&D) on the improvement of natural resources management will be critical to attain sustainable use water and natural of resources.

### **Improved health care access and quality**

41. Overall economic development in the county will be achieved by first ensuring a healthy and productive population. The county administration will focus in promoting preventive health care at the community level. Other strategic investment in the sector; upgrading Kajiado hospital to a level 5 facility, upgrading the sub county hospitals to level 4 status and equipping of health centers and dispensaries, construction of a sub county hospital in Kajiado West. The county will strengthen human resource management for effective service delivery.

42. The department of health services will in the medium term enhance outreach programs to promote primary health care at the community level. Ambulatory and referral systems will also be enhanced.

43. In the medium term, the county department of health services will not invest in construction of new facilities, priority will be to ensure all incomplete facilities are fully operational and providing the needed services. All the stalled health facilities in the rural areas especially those financed under African Development Bank (AfDB).

### **Infrastructural development to support economic growth**

44. In order to drive economic growth, the county administration will focus on investing in infrastructural development mainly the rural and urban roads, construction of bypasses in major towns, lighting of towns and urban areas, and investment in e-government. The county will mobilize development partners to develop bus parks and parking bays, modern markets and investment in green energy, construction of a county headquarters complex. The county will formulate policies to guide sectoral programs. Additionally, the government will provide resources to implement programmes that aim at mitigating drought emergencies.

45. The county is working in collaboration with the World Bank to establish municipalities in Kajiado town and Ngong. The two towns will in the medium term have operational management boards and requisite infrastructure such as modern markets, bus parks, street lights and municipal road infrastructure.

### **III. FISCAL POLICY AND BUDGET FRAMEWORK FOR FY 2018/19**

46. This section provides the budgetary framework for 2018/19 FY, fiscal reforms and policies to be executed. One of the key goals of the County Government is to ensure there is a continuous stable macroeconomic environment in the Medium Term. Hence, this chapter lays out the key policies, strategies and programs to be implemented in regards to expenditure management, revenue administration reforms, and 2018/19 FY budget priorities. This chapter will also include measures that the County Government has set on revenue enhancement that will be administered during the Medium Term period.

#### **3.1 The 2018/19 FY Budget Framework and the Medium Term**

47. Allocation and prioritization of resources is prepared on the basis of the key development strategic agenda in the 2018 -2022 County Integrated Development Plan (CIDP), Annual Development Plan (ADP) 2018/19, and departmental strategic plans. The CFSP therefore outlines the medium term fiscal framework, policies and strategic objectives for the FY 2018/19 budget.

48. The budget framework adheres to the fiscal responsibility principles outlined under section 107 of the Public Finance Management Act, 2012. The macroeconomic context and its relevance to the county economy is used to estimate the revenue. The equitable share is informed by the projections estimated in the national Budget Policy Statement (BPS).

49. Projections of the local revenue is greatly informed by the previous revenue trends and the prevailing economic environment in the county, the current revenue reforms and policies targeting to grow specific revenue streams. County government policies that are aimed at triggering growth of specific sectors are important in estimating local revenue.

50. The spending levels on various county programmes will determine the capacity of different county entities in absorption of funds. Allocations are carefully determined by first establishing the total cost of completing ongoing projects. New project proposed against the policy priorities are allocated resources to facilitate implementation. The non -discretionary expenditure like salaries and wages and repayment of debt are given a first priority. The budget framework considers prevailing fiscal assumptions and risks during the medium term.

## **Revenue Projections**

51. The total estimated resource envelope for the County Government will amount to Kshs.8.4billion. 2018/19 FY projected resource will comprise of the National Government equitable share of Kshs.6.7billion. Local revenue is estimated at Ksh.1.2billion and is expected to grow at 5 percent rate in the medium term. The county will rely on the current revenue administrative reforms that will seal leakages that accounted for revenue loss in the past. In addition, the county expects resources from conditional grants amounting to Kshs.363 billion, to finance the budget.

## **Expenditure Projections**

52. There are two categories of expenditure: recurrent expenditure –which include Personnel Emoluments (PE) and Operations and Maintenance (OM) and development expenditure. The 2018/19 FY budget estimates must adhere to the principles of fiscal responsibility under the PFMA, 2012.

### **1. Recurrent Expenditure**

53. The 2018/19 FY recurrent expenditure estimates amount to Kshs.5.7 billion, which is 68 percent of the total estimated budget. This reflects a 1:1 ratio allocated to PE and OM respectively which implies a 34 percent for each against the entire county budget.

### **2. Development Expenditure**

58. The projected development expenditure for 2018/19 FY is Kshs.2.6 billion, a 32 percent of the total expenditure. The County Government has complied with the PFMA, 2012 requirement, which calls for a minimum of 30 percent allocation of development budget of the total budget.

59. Programs and project allocation will be informed by the targets set in the 2018-2022 CIDP. Specific project identification will be done through public and sectoral consultation forums whereby ward projects will be allocated 28 percent, sector projects that are identified on the basis of high impact and coverage will be allocated 60 percent while conditional grants will constitute

16 percent of the total development allocation. The county government will set aside funds to facilitate emergency expenditure in line with the PFM Act, 2012 section 110.

**Table 3: Kajiado County FY 2018/2018 and the Medium Term Budget Framework**

Revenue Summary	Approved Estimates	Budget Estimates	Projections	
	2017/18	2018/19	2019/20	2020/21
Equitable share	5,768,200,000.00	6,794,829,025.91	6,961,876,785.41	7,329,025,760.44
Local Revenue	1,040,794,334.00	1,248,953,200.80	1,311,400,860.84	1,376,970,903.88
Conditional Grants	381,102,715.00	363,504,329.00	381,102,715.00	381,102,715.00
Balance B/F	997,910,841.00	0	0	-
<b>Total</b>	<b>8,188,007,890.00</b>	<b>8,407,286,555.71</b>	<b>8,654,380,361.25</b>	<b>9,087,099,379.32</b>
<b>Expenditure Summary</b>				
Personnel Emoluments	2,625,416,858.00	2,887,958,543.80	2,974,585,948.74	3,123,315,246.18
Operations and maintenance	2,378,505,687.00	2,828,996,314.09	2,872,346,407.47	3,015,963,727.85
Development	3,184,085,345.00	2,690,331,697.83	2,807,448,005.04	2,947,820,405.29
<b>Total</b>	<b>8,188,007,890.00</b>	<b>8,407,286,555.71</b>	<b>8,654,380,361.25</b>	<b>9,087,099,379.32</b>

Source: Kajiado County Treasury

### 3.2 Fiscal Balance

60. In 2018/19 financial year, the county government will operate on a balanced budget as per the provisional projections. However, in case of any unforeseen budget deficit, the county government will take efficient austerity measures to reduce expenditures prudently and to increase revenue collection to enhance budget implementation.

61. The 2018 Debt Management Strategy outlines the strategies to manage potential budget deficits over the medium term. The County Government will therefore enact a legislation to borrowing over the medium term. Meanwhile, the county can access borrowing through the framework agreed upon by the National Treasury and the Central Bank, where NT acts as a guarantor. County Governments will access up to 5 percent of the annual audited revenues.

62. During the 2013-2017 period, the County Government was able to finance the debt that had been inherited from the defunct Olkejuado County Council in acquisition of heavy plant and machinery.



### **3.3 Fiscal Structural Reforms**

63. The fiscal structural reforms will be implemented in line with the fiscal responsibility principles outlined in the PFMA, 2012 107 (2). The County Treasury will spearhead institution of various fiscal reforms.

64. To enhance collection of the County Owns Source of Revenue, efficient measures have been put in place. Restructuring of the revenue office has been done with introduction of four directorates: Licensing and permits revenues; Lands and natural resources revenues; User fees and sales revenues; Compliance and enforcement revenue. Accounting for revenue is facilitated by regular system audit and reporting.

65. The County will benefit from the capacity building program under the National Treasury and the Kenya Devolution Support Programme (KDSP) on revenue forecasting and tax analysis to enable us develop realistic Own Sources Revenue targets.

66. The County Government will prepare and review existing legislations to govern property rates, trade licenses, and land rates among others. The county department of Lands and Physical Planning will speed up finalization of the valuation roll, validation of towns and digitization of land records to have accurate data on the number of plots and land ownership. This will be the basis for estimating the plot rent and land rate revenue stream.

67. Revenue automation has been implemented gradually over the years, the current administration will hasten the process to digitize revenue collection and reporting to avail real time information for decision making.

68. The department will enhance compliance among the county residents through regular monitoring, public awareness campaigns, enforcement instituting fines and penalties to defaulters.

69. To increase efficiency in expenditure, control measures will be administered to avoid wasteful and unproductive expenses. The County Executive will issue regular guidelines if and when required to apply austerity measures.

70. The County government will ensure accountability in budget implementation process by ensuring compliance to provisions of the Appropriation Act, 2018 where all Accounting Officers will be required to spend within the approved budget.

71. Institutionalization of Monitoring and Evaluation (M&E) will be enhanced. This will ensure that government policies, programs and projects are implemented within the specified timeline, it will further enable the government to realize her objectives by delivering value and communicate appropriately.

72. The County Treasury will further develop a framework to guide programme and project identification and implementation that will be aligned to the M&E. The framework will include the procedure for managing project/programs especially the transformative projects.

## **IV. MEDIUM TERM EXPENDITURE FRAMEWORK**

### **4.1 Resource Envelope**

73. The total budget for 2018/19 is estimated to amount to Kshs.5.4 billion based on projections provided in the 2018 Budget Policy Statement (BPS). The County Allocation of Revenue Act (CARA) 2018 will provide the final allocation to the county governments.

### **4.2 Spending Priorities**

74. The County Government resource allocation will be aligned to achieving the development programs under the current medium term theme ‘fostering socio-economic development for sustainable growth. The following specific areas will receive more emphasis in the 2018/19 MTEF:

- i. Agriculture and livestock development;
- ii. Improved water access, sanitation and environment;
- iii. Improved health care access and quality;
- iv. Infrastructural development to support economic growth.

75. Allocation towards agriculture and livestock development in the 2018/19 estimates is allocated 6.7 percent of the total budget an improvement from FY 2017/18 allocation of 4.2 percent. Water, Environment and Natural resources is allocated 4.3 percent. Health care has a total allocation of 10.3 percent while Roads and Public Works department is allocated 5.2 percent.

76. The County Assembly will be allocated 8.6 percent of the entire County Government budget, while the Office of the Governor and the Deputy Governor will have 1.7 percent of the total County Government budget allocated. Service delivery across all the county government departments will be financed to ensured continued provision service provision to the public.

### **4.3 Medium Term Expenditure Estimates**

77. The 2018/19 to 2020/21 Medium Term Expenditure Framework (MTEF) is informed by the priorities set out in section II of this CFSP. County Government departments/entities are allocated ceilings in accordance to priorities to be implemented in the year and the medium term.

Allocation to the County Assembly and the County Executive is guided by the ceilings provided by the Commission on Revenue Allocation (CRA) estimates.

78. To determine the recurrent allocation, the departmental personnel emoluments and the requisite operations and maintenance spending trends have been considered. Development expenditure ceilings is determined by the priorities identified for implementation in FY 2018/19 MTEF. The criteria also includes financing of all incomplete and ongoing projects that must be completed to achieve their desired outcomes. Where the county is expected to complement financing of donor funded projects, funds shall be allocated and to implement strategic interventions that have high impact especially in poverty reduction and employment creation.

79. The 2018/19 MTEF is outlined in the table below by county government department/entity. The conditional grants have been excluded from the respective departmental ceilings for clarity in budgeting.

**Table 4: Medium Term Expenditure Framework- 2018/98 to 2020/21**

DEPARTMENT/ SECTOR	Vote Type	Final Approved Estimates	Ceilings	Projections		Approved Estimates	Ceilings	Projections	
		2017/18	2018/19	2019/20	2020/21	2018/17	2018/18	2018/19	2019/20
OFFICE OF THE GOVERNOR AND THE DEPUTY GOVERNOR	<b>SUB-TOTAL</b>	<b>473,210,002.00</b>	<b>206,643,871.40</b>	<b>216,976,064.97</b>	<b>227,824,868.22</b>	<b>5.01</b>	<b>1.70</b>	<b>1.79</b>	<b>1.79</b>
	<b>PE. Gross</b>	64,058,512.00	64,058,512.00	67,261,437.60	70,624,509.48	0.78	0.76	0.80	0.84
	OM. Gross	134,514,490.00	142,585,359.40	149,714,627.37	157,200,358.74	1.65	1.70	1.79	1.79
	Dev. Gross	274,637,000	-	-	-	3.36	-	-	-
COUNTY PUBLIC SERVICE BOARD	<b>SUB-TOTAL</b>	<b>110,140,628.00</b>	<b>114,096,428.00</b>	<b>119,801,249.40</b>	<b>125,791,311.87</b>	<b>0.81</b>	<b>0.83</b>	<b>0.88</b>	<b>0.88</b>
	<b>PE. Gross</b>	44,210,628.00	44,210,628.00	46,421,159.40	48,742,217.37	0.54	0.53	0.55	0.55
	OM. Gross	65,930,000.00	69,885,800.00	73,380,090.00	77,049,094.50	0.81	0.83	0.88	0.88
	Dev. Gross	-	-	-	-	-	-	-	-
EDUCATION AND VOCATIONAL TRAINING	<b>SUB-TOTAL</b>	<b>604,444,596.00</b>	<b>580,109,941.80</b>	<b>609,115,438.89</b>	<b>639,571,210.83</b>	<b>4.45</b>	<b>4.03</b>	<b>4.25</b>	<b>4.25</b>
	<b>PE. Gross</b>	241,171,325.00	241,171,325.00	253,229,891.25	265,891,385.81	2.95	2.87	3.02	3.02
	OM. Gross	121,673,271.00	97,338,616.80	102,205,547.64	107,315,825.02	1.49	1.16	1.22	1.22
	Dev. Gross	241,600,000.00	241,600,000.00	253,680,000.00	266,364,000.00	2.96	2.87	3.03	3.03
MEDICAL SERVICES, PUBLIC HEALTH AND SANITATION	<b>SUB-TOTAL</b>	<b>2,119,257,894.00</b>	<b>2,165,120,896.56</b>	<b>2,273,376,941.39</b>	<b>2,387,045,788.46</b>	<b>10.02</b>	<b>10.28</b>	<b>10.83</b>	<b>10.83</b>
	<b>PE. Gross</b>	1,300,651,036.00	1,300,651,036.00	1,365,683,587.80	1,433,967,767.19	15.92	15.47	16.30	16.30
	OM. Gross	493,265,966.00	522,861,923.96	549,005,020.16	576,455,271.17	6.04	6.22	6.55	6.55
	Dev. Gross	325,340,892.00	341,607,936.60	358,688,333.43	376,622,750.10	3.98	4.06	4.28	4.28
YOUTH, SPORTS, GENDER AND SOCIAL SERVICES	<b>SUB-TOTAL</b>	<b>152,187,260.00</b>	<b>162,520,492.10</b>	<b>170,646,516.71</b>	<b>179,178,842.54</b>	<b>1.48</b>	<b>1.56</b>	<b>1.64</b>	<b>1.64</b>
	<b>PE. Gross</b>	31,431,367.00	31,431,367.00	33,002,935.35	34,653,082.12	0.38	0.37	0.39	0.39
	OM. Gross	62,555,893.00	43,789,125.10	45,978,581.36	48,277,510.42	0.77	0.52	0.55	0.55
	Dev. Gross	58,200,000.00	87,300,000.00	91,665,000.00	96,248,250.00	0.71	1.04	1.09	1.09

DEPARTMENT/ SECTOR	Vote Type	Final Approved Estimates	Ceilings	Projections		Approved Estimates	Ceilings	Projections	
		2017/18	2018/19	2019/20	2020/21	2018/17	2018/18	2018/19	2019/20
AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVE DEVELOPMENT	<b>SUB-TOTAL</b>	<b>339,569,443.00</b>	<b>559,557,781.00</b>	<b>587,535,670.05</b>	<b>616,912,453.55</b>	<b>4.16</b>	<b>6.66</b>	<b>7.01</b>	<b>7.01</b>
	<b>PE. Gross</b>	174,027,753.00	174,027,753.00	182,729,140.65	191,865,597.68	2.13	2.07	2.18	2.18
	OM. Gross	112,941,690.00	135,530,028.00	142,306,529.40	149,421,855.87	1.38	1.61	1.70	1.70
	Dev. Gross	52,600,000.00	250,000,000.00	262,500,000.00	275,625,000.00	0.64	2.97	3.13	3.13
WATER, IRRIGATION ENVIROMENT AND NATURAL RESOURCES	<b>SUB-TOTAL</b>	<b>381,933,363.00</b>	<b>399,969,519.38</b>	<b>419,967,995.35</b>	<b>440,966,395.12</b>	<b>4.15</b>	<b>4.25</b>	<b>4.48</b>	<b>4.48</b>
	<b>PE. Gross</b>	42,864,090.00	42,864,090.00	45,007,294.50	47,257,659.23	0.52	0.51	0.54	0.54
	OM. Gross	108,269,273.00	114,765,429.38	120,503,700.85	126,528,885.89	1.33	1.37	1.44	1.44
	Dev. Gross	230,800,000.00	242,340,000.00	254,457,000.00	267,179,850.00	2.82	2.88	3.04	3.04
ROADS, TRANSPORT,PU BLIC WORKS, HOUSING AND ENERGY	<b>SUB-TOTAL</b>	<b>482,631,012.00</b>	<b>506,688,006.40</b>	<b>532,022,406.72</b>	<b>558,623,527.06</b>	<b>5.06</b>	<b>5.21</b>	<b>5.49</b>	<b>5.49</b>
	<b>PE. Gross</b>	68,870,266.00	68,870,266.00	72,313,779.30	75,929,468.27	0.84	0.82	0.86	0.86
	OM. Gross	67,379,142.00	74,117,056.20	77,822,909.01	81,714,054.46	0.82	0.88	0.93	0.93
	Dev. Gross	346,381,604.00	363,700,684.20	381,885,718.41	400,980,004.33	4.24	4.33	4.56	4.56
PUBLIC SERVICE, ADMINISTRATIO N AND CITIZEN PARTICIPATION	<b>SUB-TOTAL</b>	<b>419,247,272.00</b>	<b>435,536,672.00</b>	<b>457,313,505.60</b>	<b>480,179,180.88</b>	<b>5.13</b>	<b>5.18</b>	<b>5.46</b>	<b>5.46</b>
	<b>PE. Gross</b>	147,757,272.00	147,757,272.00	155,145,135.60	162,902,392.38	1.81	1.76	1.85	1.85
	OM. Gross	271,490,000.00	287,779,400.00	302,168,370.00	317,276,788.50	3.32	3.42	3.61	3.61
	Dev. Gross	-	-	-	-	-	-	-	-
COUNTY TREASURY	<b>SUB-TOTAL</b>	<b>581,255,513.00</b>	<b>607,346,572.70</b>	<b>637,713,901.34</b>	<b>669,599,596.40</b>	<b>7.11</b>	<b>7.22</b>	<b>7.61</b>	<b>7.61</b>
	<b>PE. Gross</b>	128,904,518.00	128,904,518.00	135,349,743.90	142,117,231.10	1.58	1.53	1.62	1.62
	OM. Gross	347,350,995.00	368,192,054.70	386,601,657.44	405,931,740.31	4.25	4.38	4.61	4.61
	Dev. Gross	105,000,000.00	110,250,000.00	115,762,500.00	121,550,625.00	1.29	1.31	1.38	1.38
TRADE, CULTURE,	SUB-TOTAL	<b>150,912,893.00</b>	<b>204,226,705.00</b>	<b>156,667,518.00</b>	<b>164,500,893.90</b>	<b>1.17</b>	<b>1.77</b>	<b>1.87</b>	<b>1.87</b>
	<b>PE. Gross</b>	55,019,545.00	55,019,545.00			0.67	0.65	-	-

DEPARTMENT/ SECTOR	Vote Type	Final Approved Estimates	Ceilings	Projections		Approved Estimates	Ceilings	Projections	
		2017/18	2018/19	2019/20	2020/21	2018/17	2018/18	2018/19	2019/20
TOURISM AND WILDLIFE	OM. Gross	29,471,440.00	44,207,160.00	46,417,518.00	48,738,393.90	0.36	0.53	0.55	0.55
	Dev. Gross	66,421,908.00	105,000,000.00	110,250,000.00	115,762,500.00	0.81	1.25	1.32	1.32
LANDS AND PHYSICAL PLANNING	<b>SUB-TOTAL</b>	<b>172,203,305.00</b>	<b>210,768,002.60</b>	<b>221,306,402.73</b>	<b>232,371,722.87</b>	<b>1.16</b>	<b>1.59</b>	<b>1.67</b>	<b>1.67</b>
	<b>PE. Gross</b>	77,290,153.00	77,290,153.00	81,154,660.65	85,212,393.68	0.95	0.92	0.97	0.97
	OM. Gross	42,930,388.00	51,516,465.60	54,092,288.88	56,796,903.32	0.53	0.61	0.65	0.65
	Dev. Gross	51,982,764.00	81,961,384.00	86,059,453.20	90,362,425.86	0.64	0.97	1.03	1.03
COUNTY ASSEMBLY	<b>SUB-TOTAL</b>	<b>755,153,111.00</b>	<b>726,131,089.10</b>	<b>762,437,643.55</b>	<b>800,559,525.73</b>	<b>9.24</b>	<b>8.64</b>	<b>9.10</b>	<b>9.10</b>
	<b>PE. Gross</b>	249,160,393.00	249,160,393.00	261,618,412.65	274,699,333.28	3.05	2.96	3.12	3.12
	OM. Gross	354,629,065.00	376,970,696.10	395,819,230.90	415,610,192.44	4.34	4.48	4.72	4.72
	Dev. Gross	151,363,653.00	100,000,000.00	105,000,000.00	110,250,000.00	1.85	1.19	1.25	1.25
TOTAL	OM. Gross	2,378,505,687.00	2,845,568,007.12	2,872,346,407.47	3,015,963,727.85	29.11	33.85	33.19	33.19
	Dev. Gross	3,167,022,345.00	2,673,760,004.80	2,807,448,005.04	2,947,820,405.29	38.76	31.80	32.44	32.44
	PE. Gross	2,625,416,858.00	2,887,958,543.80	2,974,585,948.74	3,123,315,246.18	32.13	34.35	34.37	34.37
<b>GRAND TOTAL</b>		<b>8,170,944,890.00</b>	<b>8,407,286,555.72</b>	<b>8,654,380,361.25</b>	<b>9,087,099,379.32</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

80. The baseline ceilings indicates the 2017/18 approved estimates currently under implementation. The 2018/19 ceiling is the projected estimates that will inform the 2018/19 budget. Two outer financial years are represented, that is 2019/20 and 2020/21.

81. The ceilings considers the non-discretionary expenditure that include the personnel emolument estimates, allocated 34 percent of the total budget. The operations and maintenance budget is also 34 percent of the entire county government budget. The county wage bill shall be managed prudently so as not to exceed 35 percent of the total budget. Development expenditure is expected to increase over the medium term from 32 percent in 2018/19 to 34 percent in 2020/21. Over the medium term, the county intends to leave within its means and therefore shall endeavor to operate a balanced budget.

#### **4.4 Finalization of Spending Plans.**

82. The County Government departments and entities will be guided to prepare and finalize their respective budgets after the approval and adoption of the 2018 CSP. Departments/entities will be expected to align their spending plans to the strategies set out in section II and IV of this CFSP. The County Treasury will ensure adherence to the set ceilings and the final estimates provided after the approval of the County Allocation (CARA). However, in the event there are additional resources, the County shall prioritize investment in programmes/ projects that are geared towards poverty reduction and employment creation which are in line with the FY2018/19 budget theme.



#### 4.5 Details of Sector Priorities

83. The table below provides a description of the government's priorities by each of the county government entity/department and how it will be funded.

<b>Office of the Governor and the Deputy Governor</b>	
Department's Mandate	To provide overall policy and leadership direction in the management of public affairs for county and national prosperity.
Key Department's Achievements	During the 2013 -2017 period, the office spearheaded policy formulation and implementation; public participation forums; and in celebration of national public holidays. The state of the county address was presented in different sub county headquarters each year. The office facilitated cordial working relationship with the vital national government agencies especially the National Treasury, Commission on Revenue Allocation and the Controller of Budget among other national government Ministries, Departments and Agencies.
Department's Medium Term Plans	This office intends to consolidate the gains made through devolution. Coordination of all government services to attain social, economic and political development, foster unity, cohesion and enhance service delivery.  The office will spear head delivery of special programs and the implementation of flagship/ transformative projects.
Department's Resource Usage	To continue discharging its mandate the office has been allocated Ksh.206 million in the FY2018/19.
<b>County Assembly</b>	
Department's Mandate	Kajiado County Assembly plays the role of representation, legislation and oversight so as to promote equitable and sustainable political, social and economic development countywide
Key Department's Achievements	In the previous plan period, the County Assembly passed County Assembly Acts, Regulations and Policies while other draft bills are at different stages of discussions. It also successfully conducted public forums county wide over various issues and legislations.
Department's Medium Term Plans	The County Assembly will fast track construction of the new assembly chambers which is a rolling project. The CA will conduct staff trainings and induction courses especially for the Members of the County Assembly (MCA).
Department's Resource Usage	The County Assembly is allocated Ksh.626 million to continue discharging its functions of oversight, legislation and representation. Development budget allocation of Kshs.100 million for construction of the new chambers.
<b>County Public Service Board</b>	

Department's Mandate	To transform the county public service to be professional, efficient and effective through adequate provision, management and development of human resources for the realization of Kajiado County development goals.
Key Department's Achievements	The Public Service Board has over the last plan period recruited personnel at different cadres across the county departments. Promotion of staff targeting all county staff was successfully implemented.
Department's Medium Term Plans	The CPSB will continue to discharge its mandate in line with the County Government Act, 2012.
Department's Resource Usage	The County Public Service Board has an allocation amounting to Ksh.114 Million for the FY2018/19.
<b>County Treasury</b>	
Department's Mandate	To provide leadership in financial management, economic policy formulation, planning and coordination of all sectors.
Key Department's Achievements	<p>During the 2013-2017 plan period, the County Treasury successfully implemented IFMIS further decentralized to all the county departments. The county also embraced cashless payment and rolled out e-Procurement. The department also facilitated revenue automation which is currently ongoing.</p> <p>Implementation of annual budgets and reporting has been achieved. Preparation of finance and other legislations that continually streamline the local revenue collection.</p> <p>Audits were conducted and reports shared with different departments. The procurement department conducted trainings targeting suppliers on public procurement. Meanwhile all the statutory documents such as ADPs, CBROPs, CFSP, DMS and budget estimates were prepared.</p>
Department's Medium Term Plans	<p>The County Treasury intends to fully comply with the provisions of the Public Finance Management Act;</p> <p>Revenue automation, administration, and monitoring of revenue collection; Budget implementation; regular audit; and facilitate procurement of goods, services and works</p> <p>Policy formulation to guide public investments, monitoring and evaluation and coordination of stakeholders</p> <p>Prepare the 2018-2022 CIDP; 2018/19 ADP; 2018 CFSP; 2018 DMS and 2018 CBROP</p>

Department's Resource Usage	<p>To continue discharging its critical role, the County Treasury has been allocated Ksh.607 million during the FY2018/19 and a development budget of Kshs.50 million.</p> <p>The County Treasury will ensure allocation of resources towards the Emergency Fund; Bursary Fund; Youth and Women Fund and the Disability Fund.</p>
<b>Health Services, Public Health and Sanitation</b>	
Department's Mandate	To promote the provision of sustainable, accessible, quality and equitable healthcare that is evidence based, technology driven and client centered.
Key Department's Achievements	<p>The department has invested in infrastructural development to upgrade existing county hospitals; most of which are at different completion stages. These facilities includes construction of the Loitokitok MCH, Kajiado referral MCH, Ongata Rongai Health Center, and Matasia Health Center. In addition, the department also undertook the construction, renovation, upgrading, rehabilitation, and equipping of a total of health centres and dispensaries across the county.</p> <p>Out reaches were conducted by health facilities and the Beyond Zero Campaign to increase access to health services.</p> <p>In an effort to reduce the incidences of preventable diseases, children were fully immunized, while HIV positive mothers were given prophylaxis to boost their immune system.</p> <p>The department also facilitated construction of toilet blocks in urban areas within the county.</p>
Department's Medium Term Plans	<p>The sector shall invest in projects that will make health care accessible and affordable: Upgrading of Kajiado Hospital to level 5 status; upgrading of all the sub-county hospitals, construction of Kajiado West sub county hospital. Enhancing human resource efficiency in service delivery. Completion of stalled and other incomplete projects.</p> <p>The county will invest in promoting a sustainable environment by investing in sanitation infrastructure like sewerage systems while promoting hygiene within the community.</p>
Department's Resource Usage	The Health Sector has been allocated Ksh.2.16 billion for the FY 2018/19
<b>Education, and Vocational Training</b>	
Department's Mandate	To provide quality, and equitable education and vocational training for sustainable education through promotion of culture, youth empowerment and sports.
Key Department's Achievements	During the 2013-2017, the department constructed and equipped ECDE classrooms in various parts of the county to improve the learning environment and welfare of ECDE learners. The department also constructed administration blocks, toilets, dormitories, and ablution blocks

	<p>in primary and secondary schools and fencing. In addition, laboratories in secondary schools and renovation of primary schools was done.</p> <p>Under vocational training has initiated construction and rehabilitation of 4 polytechnics; Oloolua, Ole Kasasi, Kware, Bondeni.</p>
Department's Medium Term Plans	<p>The department is focused on enhancing retention of learners at by introducing a school feeding programme and the school <i>shamba</i> food security project.</p> <p>Education awareness campaigns through the Parent Teacher Associations (PTAs), School Management Committees (SMCs).</p> <p>The department will continue to administer the school bursary fund in collaboration with stakeholders</p> <p>Skills development through youth vocational training</p> <p>The department will coordinate construction of the Kajiado Technical University with other partners.</p>
Department's Resource Usage	The department is allocated Ksh.580 Million to implement programs in the FY 2018/19
<b>Trade, Culture, Wildlife and Tourism</b>	
Department's Mandate	To promote the trade, market development, SMEs, tourism and wildlife.
Key Department's Achievements	<p>The Department constructed various markets across the county; Bulbul, Kiserian, Kimana, Matasia, Kajiado, Mile 46, Entasopia, Oloitokitok, Isinya and Namanga.</p> <p>In trade promotion, the department disbursed loans to traders, the total repayment was Kshs.848, 927/-. Through the Weights and Measures unit, the department has been able to promote fair trade</p>
Department's Medium Term Plans	<p>The department plans complete all the ongoing markets, promote fair trade targeting the livestock traders by installation of weighers at various sale yards and weighbridges.</p> <p>The department develop and promote culture and initiate the <i>Ushanga</i> program with the aim of enhancing women empowerment.</p>
Department's Resource Usage	The department has been allocated Ksh.204 million in the FY 2018/19 estimates.
<b>Land and Physical Planning</b>	

Department's Mandate	To provide sound and effective framework for sustainable land use
Key Department's Achievements	<p>The department formulated the land policy which was to provide guidelines on land management in the county. Preparation of the County Spatial Plan was also initiated during the 2013-2022 plan period. Planning of various towns was done including; Illasit, Enkaroni, Oloosuyian, Ibissil and Olekasasi towns.</p> <p>Validation of towns was done within 4 trading centres including Oloosirkon, Isinya, Kisaju and Noonkopir and Kajiado.</p> <p>Digitization of plot allocations in county land registry was also facilitated.</p>
Department's Medium Term Plans	<p>Dispute resolution will be prioritized and capacity building of communities and group ranch management committees.</p> <p>The department intends to fast track completion of the spatial plan for multi sector use; Planning of towns and issuance of lease titles; preparation of local physical development plans; development control; conversion of freehold titles to freehold.</p> <p>The department will coordinate survey and beaconing of all public lands, roads and other utilities.</p> <p>Establishment of municipalities and urban areas; management boards and committees.</p>
Department's Resource Usage	The department shall be allocated a budget of Kshs.210 million in the 2018/19 budget.
<b>Agriculture, livestock, fisheries cooperative development</b>	
Department's Mandate	To promote modern and commercially oriented agriculture, livestock, fisheries for improved livelihoods and food security.
Key Department's Achievements	<p>During the 2013-2017 plan period, the department coordinated extension services to farmers, trainings and demonstrations were conducted on various aspects like pasture bulking <i>Ipomea</i> control;</p> <p>In livestock value addition the department completed construction of Imbirikani slaughter house whereby electricity was installed and also installed tanning machines in Isinya Mini Tannery.</p> <p>Under animal disease control sub-programme, the department vaccinated livestock against Trans-boundary livestock diseases. Mass treatment and deworming of Livestock was undertaken; The department also constructed vaccination crushes to effectively administer vaccines.</p>

	<p>Livestock sales were constructed and rehabilitated;</p> <p>Distribution of fertilizer to farmers with the support of the national government; promotion of traditional high value crops to farmers; and promoting soil and water conservation, Plant disease control was also a priority.</p> <p>Promotion of fish farming in the county was conducted; construction of fishponds targeting and trainings on appropriate fish farming techniques.</p> <p>Promotion of cooperative development, new cooperative societies were revived.</p>
Department's Medium Term Plans	<p>The department plans to enhance food and livestock feed security by investing in hay production and conservation measures. Development of irrigation infrastructure to promote crop production and creation of market linkages. It also intends to mainstream disaster risk reduction strategies in its operations.</p> <p>The department will promote pastoral training to facilitate capacity of pastoralists; enhancement of the AI services</p> <p>Completion of the grain drier project in Kajiado South; Construction of sale yards and promotion of fish farming.</p> <p>Supporting the cooperative movement and formation of new ones to enhance production and incomes to farmers.</p>
Department's Resource Usage	<p>This sector has been allocated Ksh.559 million total budget estimate in the 2018/19 budget.</p>
<b>Water, Irrigation, Environment and Natural Resources</b>	
Department's Mandate	<p>This department ensures accessibility to clean, safe water services in urban and rural areas and access to water for irrigation and county and sustainable environment and natural resources.</p>
Key Department's Achievements	<p>The department facilitated water piping in Kajiado town, Other projects completed in the period: Endoinyo-Enkampi pipeline, Loitoktok water project; Olkirinyi pipeline and Esonorua water project pipeline. Drilling and equipping of boreholes and construction of boreholes</p> <p>Construction of Enkaji Naibor and Impiro canals were completed adding more of irrigation land.</p> <p>Rehabilitation of various dumpsites to enhance management of solid waste, regular town clean ups were some of the activities implemented during the plan period. Tree planting initiatives were also carried out despite the long dry spells that hamper the survival of trees.</p>

Department's Medium Term Plans	<p>The department intends construct 3 mega dams; Drilling and equipping of boreholes targeting schools, hospitals and surrounding communities; Irrigation infrastructure; Reviving Noulturesh water supply to Kajiado and other area.</p> <p>Solid waste management- Procurement of garbage trucks,</p> <p>Advocacy in environmental management technics</p> <p>Research and development; formulation of policies on natural resource management</p>
Department's Resource Usage	This department has an allocation of Ksh.399 million in the 2018/19 budget estimates.
<b>County Public Service, Administration and Citizen Participation</b>	
Department's Mandate	The department plays a key role in administration, management of human resource and coordination of citizen participation.
Key Department's Achievements	<p>The department coordinates human resource management on behalf of the county departments. Trainings were coordinated for various cadres, Employee remuneration through payroll and pension schemes, medical cover for staff, issuance of staff identity cards and rolling out of the car loan and mortgage fund for staff were successfully implemented.</p> <p>The Kajiado County Public Participation Act was enacted during the period. The department continues to spearhead citizen engagement in all matters of the county administration.</p> <p>The department is also critical in coordination and enforcement of county government laws.</p>
Department's Medium Term Plans	The department plans to roll out a comprehensive performance management system, staff welfare schemes and run more effective county administration for better service delivery.
Department's Resource Usage	The department has been allocated Ksh.435 million for the FY2018/19 to continue discharging its mandate.
<b>Roads, Public Works, Energy, Transport and Housing</b>	
Department's Mandate	To design, develop and sustain county public infrastructure and also manage the energy and transport sub sector.
Key Department's Achievements	<p>The department facilitated grading, gravelling and murraming of roads; Opening of drains, construction of culverts; construction of new and opening of roads.</p> <p>Construction of parking bays at Ngong (lot II) covering 180m of cabro works; the Kitengela bus park, market stalls have been built within the bus park and in use.</p> <p>Installation of street lights and floodlights in major towns; installation of solar street lights in Ngong.</p>

	The firefighting department received additional 6 No. fire engines and further recruited 60 No. firemen.
Department's Medium Term Plans	<p>The department intends to formulate policies and guidelines to guide operations; Construction of road network in urban areas including bypasses; increase connectivity in the wards and sub counties. Rehabilitation and regular maintenance of road infrastructure; construction of bridges, culverts and drainage systems; Purchase of heavy plant and machineries.</p> <p>Street lighting in major urban areas; fire emergency response and establishment of fire stations, acquisition of new fire engines, transport and fleet management; Establishment and equipping of a county modern garage; maintenance of heavy plant and machinery.</p> <p>Construction of county headquarters; coordination, control and enforcement of building development; construction, management and maintenance of government houses and offices; and slum upgrading programme.</p>
Department's Resource Usage	This Sector has been allocated Ksh.506 million in the FY2018/19 budget estimates.
<b>Youth, Sports, Gender and Social Services</b>	
Department's Mandate	The department coordinates youth development, sports, gender and disability mainstreaming and other social services.
Key Department's Achievements	<p>The County Website is fully operational and continues to be updated; this has improved connectivity and service delivery in addition to the operationalization of the Local Area Network (LAN) at the County Headquarters.</p> <p>The department rolled out the youth and women fund to support groups undertake income generating activities. Held the county youth forum where youths actively participated</p> <p>Under sports and sports competitions, construction of Ngong stadium was started, Other stadiums that were fenced and levelled include Nakeel and Ole Kasasi. The county participated in various sport competition held within and outside the county.</p> <p>The department developed two policies; Gender Mainstreaming and the Anti-FGM policies, which are awaiting approval; Economic empowerment trainings were held The department participated in the devolution conferences to facilitate exposure to business opportunities and ideas, networking, and collaboration. The department held the International Day of Zero tolerance to FGM and The Day of the African Child to enhance sensitization of the community.</p> <p>In the control of liquor; outlets were licensed and raided; The Kajiado Talent Bila Drugs session was held. Betting and casinos were mapped across the county.</p>



Department's Medium Term Plans	<p>The department will coordinate activities in line with the department's mandates. Women and youth empowerment will be coordinated; Establishment of model community development centres to include youth entrepreneurship incubation; recreation and sport; talent development and prevention of substance abuse.</p> <p>Completion of the Ngong stadium</p> <p>Management of the Youth and women fund; Disability fund, social welfare and child protection.</p>
Department's Resource Usage	<p>This department has been allocated Ksh.162 million to facilitate program implementation in the FY 2018/19 budget.</p>

### Challenges

84. In the just concluded MTEF, the county has registered a number of challenges, among them:

- i. Under collection of local revenue resulting to under performance in budget implementation;
- ii. Delays in disbursement of funds to the county, causing delay in budget implementation and execution of development projects.
- iii. Lack of a supportive ICT infrastructure;
- iv. Insufficient capacity to supervise all the planned projects;
- v. Lack of an institutionalized performance management system;
- vi. Lack of sustainability of the community water projects;
- vii. Numerous unresolved land issues and conflicting land uses;
- viii. Under exploitation of the local tourism sector;
- ix. Education and health departments have many facilities that are still under equipped and under staffed therefore numerous non-operational facilities in both schools and health sector;
- x. Lack of an institutionalized monitoring and evaluation system;
- xi. Vastness of the county thus posing a challenge in service delivery.

85. In conclusion, the new administration will anchor its development agenda on the foundations set during the 2013-2017 plan period. In order to attain social economic and political development for sustainable growth, the county government will implement policies, programs and projects that are aligned to the 2018/19 to 2020/21 MTEF priorities. The county government will therefore ensure rigorous collection of own sources of revenue to facilitate effective budgetary financing. The county will in the medium term take leadership in mobilizing resources from the National Government and development partners to compliment financing of the county transformative projects.