



Republic of Kenya



County Government of Wajir

DEPARTMENT OF FINANCE AND ECONOMIC
PLANNING

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

SEPTEMBER 2014

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To Obtain copies of the document, please contact:

County Chief Officer,
Finance and Economic Planning
Wajir County

P.O BOX 9 – 70200

Wajir

Tel:

Fax:

FOREWORD

This County Budget Review Outlook Paper is the second to be prepared since the county government came into place and is prepared according to the Public Financial Management Act, 2012. It highlights the county macroeconomic performance and actual fiscal performance of the 2013/14 Financial Year. In addition, it gives updates on macroeconomic and financial forecasts on order to show the changes with the latest County Fiscal Strategy Paper.

The paper also presents the fiscal outcome for FY 2013/14 and how it affects the county compliance with the fiscal responsibility principles and the financial objectives as detailed in the C-FSP 2014.

The county has continued to allocate more resources in investment of key sectors in the county in order to improve the economy of the county and spur growth. Particularly the county will continue to allocate more funds to infrastructure projects especially roads; water projects; agriculture projects and investment on health projects. These efforts are geared to improving the living standards of the county citizens as well as reduce the poverty levels.

The county will implement sound economic management and establish structures geared to increasing the local revenue collection which will be diverted towards capital investment.

We will ensure that a stable macroeconomic environment is maintained and that implementation of the set strategies and priorities is done with high level of transparency and accountability in management of public funds in the County.

SALAH ABDI

COUNTY EXECUTIVE MEMBER - FINANCE AND ECONOMIC PLANNING

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ABBREVIATIONS AND ACRONYMS

AiA	Appropriation-In-Aid
ASAL	Arid and Semi-Arid Land
BPS	Budget Policy Statement
CA	County Assembly
CBR	Central Bank Rate
C-BROP	County Budget Review and Outlook Paper
C-FSP	County Fiscal Strategy Paper
CG	County Government
CIDP	County Integrated Development Plan
FY	Financial Year
GDP	Gross Domestic Product
GoK	Government of Kenya
IFMIS	Integrated Financial Management Information System
MDG	Millennium Development Goals
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
PERs	Public Expenditure Review
PFM	Public Finance Management
PPP	Public Private Partnership
SWG	Sector Working Groups
VAT	Value Added Tax
V2030	Vision 2030

Legal Basis for the Publication of the County Budget Review and Outlook Paper

The County Budget Review and Outlook Paper is prepared in accordance with Section 118 of The Public Financial Management Act, 2012. The law states that:

- 1) County Treasury shall prepare a County Budget Review and Outlook Paper (C-BROP) and submit the paper to the County Executive Committee for approval by the 30th September in each financial year, which should include:
 - (a) The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
 - (b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
 - (c) Information on any changes in the forecasts or how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
 - (d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.
- 2) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.
- 3) Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall:
 - (a) Arrange for the Paper to be laid before the County Assembly; and
 - (b) As soon as practicable after having done so, publish and publicise the Paper.

Fiscal Responsibility Principles in the Public Financial Management Law

Public Financial Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of county public resources. The PFM Act (Section 107 subsection 2) states that:

- a) The county government's recurrent expenditure shall not exceed the county government's total revenue;
- b) Over the medium term a minimum of 30% 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, taking into account any tax reforms that may be made in the future.

1. INTRODUCTION

Objective of the C-BROP

This is the second County Budget Review and Outlook Paper (CBROP) to be prepared in Wajir County. It provides a review of the 2013/14 fiscal performance and how this impacts the financial objectives and fiscal responsibility principles set out in the last County Fiscal Strategy Paper(C-FSP). The CBROP highlights the macroeconomic outlook which provides the basis for revision of the current budget in form of supplementary budget estimates and the broad fiscal parameters guiding the next budget and the medium term. The next C-FSP will however strengthen the details of the fiscal framework and the medium term policy priorities.

The CBROP is a key document in linking policy, planning and budgeting. The County Government prepared a five year County Integrated Development plan (CIDP) meant to guide budgetary preparation and programming from 2013 onwards. This is vital in the preparation of annual budgets, management of public resources and prioritization of resources to key sectors. The sector ceilings for the second year of the MTEF are provided in C-FSP 2014 and will form the indicative baseline sector ceilings for the next budget of 2015/16 though following the fiscal outcome of 2013/14 and the updated macroeconomic framework these sector ceilings have been modified as indicated in the annex of this CBROP.

The rest of the paper is organised as follows: the next section provides a review of the fiscal performance in FY 2013/14 and its implications on the financial objectives set out in C-FSP 2014 submitted to the County Assembly in February 2014. Brief highlights of the recent economic developments and updated macroeconomic outlook are highlighted in Section III. Section IV provides the resources allocation framework; and finally Section V gives the conclusion.

II. REVIEW OF FISCAL PERFORMANCE IN 2013/14

A. Overview

The fiscal performance in 2013/14 was generally satisfactory despite slow start brought by delayed disbursement of funds by the National Treasury, shortfall in local revenue collection and mounting expenditure pressures as the new dispensation took shape. Due to economic challenges and limited revenue base during the financial year, the local revenue target fell short of projected amount of Kshs 120M and by January a total of Kshs 21.27M had been collected which was a deficit of Kshs 38.73M and hence this led to the target been reviewed downwards to Kshs 70M.

On the expenditure side the government had to incurred higher expenses as the county structures were been established which included salaries for new staff, establishment and equipping of offices and purchase of motor vehicles. Adjustments to the original budget were approved by County Assembly in March in the context of the Supplementary Estimates.

B. 2013/14 Fiscal Performance

Tables 1 & 2 below present the fiscal performance for the FY 2013/14 and the deviations from the Original and Revised budget estimates.

Table 1: Fiscal Performance FY 2013/14				
Department	FY 2013/14		Deviation (Kshs)	% growth / change
	Revised (Kshs)	Target (Kshs)		
1. TOTAL REVUNUE & GRANTS	5,363,623,130	5,413,561,682	49,938,552	0.9
a. Revenue				
Equitable Share	5,294,531,000	5,294,531,000	0	0
Local revenue collection	69,092,130	70,000,000	907,870	1.3
b. Grants				
Partners grants	0	552,468,891	552,468,891	100

2. TOTAL EXPENDITURE	5,365,511,178	5,413,561,682	48,050,504	0.9
a. Recurrent				
Compensation to employees & Use of goods and services	2,089,177,364	2,697,961,682	608,784,318	22.6
b. Development	3,276,333,814	2,715,600,000	-560,733,814	120

Table 2: Estimates as per the County Departments				
Department	FY 2013/14		Deviation (Kshs)	% growth
	Actual Kshs(M)	Revised Kshs(M)		
Agriculture, Livestock and Livestock Development	552,721,640	475,540,890	77,180,750	-14
Roads Transport and Public works department	1,304,851,640	1,320,003,401	-15,151,761	1.2
Trade, Industrialization, Co-Operative Development	296,018,640	166,743,333	129,275,307	-43.7
Public Health, Medical Services and Sanitation	719,798,640	759,678,640	-39,880,000	5.5
Education, Youth, Gender and Social Services	208,655,640	228,173,690	-19,518,050	9.4
Water, Energy, Environment and Natural Resources	749,171,000	924,504,726	-175,333,726	23.4
Lands, Housing and Physical Planning	96,827,572	36,170,572	60,657,000	-62.6
Information Communication and E-Government	214,018,640	206,748,105.00	7,270,535	-3.4
Finance and Economic Planning	200,778,780	258,437,535	-57,658,755	28.7
County Executive	568,694,464	530,476,680	38,217,784	-6.7
County Assembly	400,428,626	394,554,220	5,874,406	-1.5
Public Service, Labor and Decentralized Unit	101,596,400	64,479,386	37,117,014	-36.5

Revenue

Total cumulative local revenue collection including AiA amounted to Ksh 69.092 million compared to the target in the revised budget of Ksh 70 million and in the original budget a target of Ksh 120 million. This represents a revenue shortfall of Ksh 907,870 (or 1.3 % deviation from the revised target). This is an indication that the target was met however comparing with the original target it reflects an underperformance of 73.7%. Going forward therefore, there is need to improve on the local revenue collection.

Expenditure

Total expenditure amounted to Ksh 4.468 billion against a target of Ksh 5.366 billion, representing an under spending of Ksh 897.2 million (or 16.7 per cent deviation from the revised budget). The shortfall was attributed to lower absorption in both recurrent and development expenditures by the county departments attributed to slow release of funds by the National Treasury and long procurement procedures as shown in Table 3 below.

	FY 2013/14			%
	Actual	Target	Deviation	Change
Recurrent	1,906,250,633	2,089,177,364	182,926,731	-8.8
Development	2,562,098,358	3,276,333,814	714,235,456	-21.8
TOTAL EXPENDITURE	4,468,348,991	5,365,511,178	897,162,187	-16.2

Recurrent expenditure amounted to Ksh 1.906 billion against a target of Ksh 2.089 billion, representing an under-spending of Ksh 182.9Million (or 8.8 per cent deviation from the approved recurrent expenditure). Development expenditure incurred amounted to Ksh 2.562 billion compared to a target of Ksh 3.276 billion. This represented an under-spending of Ksh 714.2 million (or 21.8 per cent deviation from the approved development expenditure). The underperformance in development expenditure reflects low absorption by departments; delay in procurement; and under reporting of externally funded donor projects.

Overall balance and financing

11. Analysing the above performance in revenue and expenditure, the budget was balanced and hence fully funded, though it should be noted that the funding from development partners within the county was not reported due to failure by the partners to disclose their contribution towards the county budget and development. Overall, a total of Kshs was not spent by the end of the financial year.

C. Implication of 2013/14 fiscal performance

12. The performance in the FY 2013/14 has affected the financial objectives set out in the February 2014 C-FSP as well as FY 2014/15 Budget as follows: (i) the base for revenue and expenditure projections has changed implying the need for adjustment in the fiscal aggregates for the current budget and the medium-term; and (ii) To accommodate the slow execution of the FY 2014/15 budget by County Departments, the baseline ceilings of county agencies will be adjusted accordingly in the next County Fiscal Strategy Paper in February 2015.

Nationally, the economic growth is still resilient and it's expected that the economy will as well be resilient. The country's GDP grew by 4.7% in 2013 up from 4.6% in 2012. This was a lower growth than projected rate of 5.6% which was caused by poor rains which affected agriculture sector, comparably high interest rates, reduced spending by government agencies during transition, insecurity concerns and decline in exports hence worsening trade balance. The macroeconomic stability witnessed in 2013 continued into the first quarter of 2014 and is likely to be maintained to the rest of the year.

The inflation rate declined from 9.4% in 2012 to 5.7% in 2013 which was largely attributed to improved supply of basic foodstuffs and stable domestic prices of petroleum products. At the Medium term Inflation is expected to stabilize at around 5 %.

At the county level, the macroeconomic environment will be stable reflecting the national economic environment and will be witnessed by stability of most of commodity prices as

well as stability in supply of goods. In addition, the revenue projections will remain in line with the initial projected target and will take into account the revised revenue base indicated through the County Public Finance Bill 2014. The MTEF ceilings provided in the C-FSP will reflect the macroeconomic forecast though there will be slight adjustments to the ceilings.

The under-spending witnessed by most of the departments in FY 2013/14 has implication on the base to be used to project expenditures in FY 2014/15 and the medium term. Appropriate revisions have been undertaken through this C-BROP, taking into account the budget outturn for FY 2013/14. The County Treasury will however work closely with county agencies to improve the absorption of the available resources.

Efforts already put in place by the county government to improve infrastructure, to embark on value addition in agriculture and livestock as well as create enabling environment for businesses to thrive will boost investment as well as consumption and hence stimulate growth in different sectors in the county.

Table 4 below provides comparison between C-FSP 2014 and C-BROP 2014 for FY 2015/16 and the medium term

Table 4 : County government fiscal projections FY 2013/14 – 2016/17							
Department	2014/15			2015/16		2016/17	
	Budget 2014/15	C-FSP'14	C-BROP'14	C-FSP'14	C-BROP'14	C-FSP'14	C-BROP'14
	Kshs	Kshs(M)	Kshs(M)	Kshs(M)	Kshs(M)	Kshs(M)	Kshs(M)
Agriculture, Livestock and Livestock Development	568,468,411	607.97	653,738,672.65	668.77	751,799,473.55	735.64	864,569,394.58
Public works Roads & Transport	1,565,134,332	1,566.0	1,799,904,481.80	1,722.6	2,069,890,154.07	1,894.86	2,380,373,677.18
Trade, Industrialization, Co-Operative Development	211,170,000	304.75	232,287,000.00	335.23	255,515,700.00	368.75	281,067,270.00
Public Health, Medical Services and Sanitation	1,514,088,026	863.76	1,741,201,229.90	950.14	2,002,381,414.39	1,045.15	2,302,738,626.54
Education, Youth, Gender and Social Services	293,820,584	229.57	323,202,642.40	252.53	355,522,906.64	277.78	391,075,197.30
Water	992,801,178	953	1,141,721,354.70	1,048.3	1,312,979,557.91	1,153.13	1,509,926,491.59
Energy, Environment and Natural Resources	95,950,000	-	110,342,500.00	-	126,893,875.00	-	145,927,956.25
Lands, Housing and Physical Planning	215,850,000	111.36	248,227,500.00	122.5	285,461,625.00	134.75	328,280,868.75
Information Communication and E-Government	375,886,987	235.42	413,475,685.70	258.97	454,823,254.27	284.86	500,305,579.70
Finance and Economic Planning	452,177,469.40	241	520,004,089.81	265.1	598,004,703.28	291.61	687,705,408.77
County Executive	294,568,636.00	654	309,297,067.80	719.4	324,761,921.19	791.34	341,000,017.25
County Assembly	341,025,887.00	472.5	358,077,181.35	519.75	375,981,040.42	571.73	394,780,092.44
Public Service, Labor and Decentralized Unit	205,139,040.00	132.1	225,652,944.00	145.31	248,218,238.40	159.84	273,040,062.24
Town administration	135,792,000	150	142,581,600.00	165	149,710,680.00	181.5	157,196,214.00

III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

The County's performance is largely dependent on the formulation and implementation of prudent policies to guide service delivery. The county macroeconomic environment remains stable and going forward the macroeconomic outlook remains favourable however, the County's performance will highly depend on the country's economic performance which has been highlighted here below.

A. Recent Economic Developments

A number of positive and negative factors shaped Kenya's economic performance in 2013. On the positive side, the country experienced a relatively low and stable inflation, moderate interest rates and a stable Shilling against major trading currencies. The country's Gross Domestic Product (GDP) is estimated to have expanded by 4.7 per cent in 2013 compared to a growth of 4.6 per cent in 2012 and inflation rate eased from 9.4 per cent experienced in 2012 to 5.7 per cent in 2013. During the year, weighted commercial banks' lending interest rates gradually declined from 18.13 per cent in January to 16.99 per cent in December 2013 which was in line with the review of the Central Bank Rate (CBR) from 11.0 per cent that prevailed in December 2012 to 9.5 per cent in January 2013 and further to 8.5 per cent in May 2013.

In 2014, national macroeconomic stability will be supported by a projected stable low inflation, moderate interest rates and a possible restraint in domestic government borrowing and thus create a conducive environment for improved economic growth. Private consumption is also likely to improve given the stable interest rates and low inflation regime. The economy is still faced with a number of potential internal and external risks. Domestic oil retail prices are on a downward trend since August and the trend is expected to continue as the global prices ease downwards. The weather pattern has so far been erratic and poses a threat to the agriculture sector which is heavily dependent on rain

fed farming. Insecurity concerns remain a key obstacle to the tourism industry and might therefore lead to underperformance of the sector.

Implementation of 2014/15 budget progress

The implementation of FY 2014/15 budget started in a slow pace due to delays by the National Treasury to release funds. The local revenue collection for the July and August was Kshs 14.716 million which was below the target of Kshs 20 million by Kshs 5.3 million. The County Public Finance Bill 2014, which is currently with the County Assembly and once approved the county revenues, will increase as a result of the expansion of tax rates.

B. Macroeconomic outlook and policies

Growth prospects

Growth in the county will be propelled by production in livestock, value addition in agriculture and livestock, completion of key infrastructure projects (such as roads and energy), enabling business environment as witnessed by construction of market stalls and fresh produce market and finally the oil prospects in the county.

Inflation outlook

The prices of most of the commodities are expected to be stable over the year as the prices of petroleum products are on a downward trend. The transport infrastructure is improving which will lead to lower cost of transporting commodities. This will lead to lower or stable commodity prices. This is not to say that there are no threats to commodity prices, as the supply side shocks remain a threat to price stability.

C. Medium Term Fiscal Framework

We will continue to pursue prudent fiscal policy with the aim of striking an appropriate balance between support for economic growth as well as fast track the establishment of all county structures. The county government aims at reinforcing county revenue collection in order to allocate more funds for development projects. The measures to ensure increased

revenue streams include: automated revenue collection system, expansion of the tax base and continued monitoring to close revenue leakages.

The Public Finance Bill currently with the County Assembly aims at simplifying and modernising as well as provide for raising of additional resources through expansion of the tax base, increased efficiency in tax collection and the sealing of leakages in our revenue collection system.

On the expenditure side, the Government will continue with expenditure management reforms to improve efficiency and reduce wastage. This will be made possible by the Integrated Financial Management Information System (IFMIS) already in place in the County Treasury. Finally, The Government will institute measures to avoid wastage of public funds and through the County Treasury release needed resources for development funding in time and help the departments in spending their budgets in a timely manner hence increase the absorption rate of funds.

D. Risks to the outlook

The risk to the outlook for 2014 and the medium term include: uncertainty of fuel prices; wages and recurrent expenditure pressures; slow implementation of the budget by departments; drought leading to disruption of livelihood; and unpredicted inter-clan clashes leading to migration of communities. The county government will be prepared to undertake appropriate measures to ensure macroeconomic stability should these risks materialize.

IV. RESOURCE ALLOCATION FRAMEWORK

A. Adjustment to 2014/15 Budget

Given the FY 2013/14 performance and the updated outlook, the risks to the county economy therefore include uncertainty of fuel prices caused by uncertainty in international oil market; wages as well as recurrent expenditures pressures. Slow implementation of the budget by departments; drought due to failed rains and hence livestock loss. In addition, unpredicted inter-clan clashes leading to displacement of communities. The government will monitor the risks closely to ensure they are attended to in a timely and appropriately manner in the context of the next Supplementary Budget.

The 2013/14 budget adjustments will take into account actual performance of expenditure currently and absorption capacity in the remainder of the financial year. Concerning expenditure pressures, the Government will rationalize by cutting non-priority expenditures. For resources allocated for development purposes will be utilized in the said projects and none, whatsoever, can be expended as recurrent. Finally, utilization of the Contingency Fund will be within the criteria specified in the PFM law.

Concerning the local revenues, the Revenue Collection Section in Finance and Economic Planning Department will ensure the implementation of Public Finance Bill once approved by the County Assembly. This will lead to increased revenue collection from rentals and collection of property rates and hence strengthening the revenue base

B. Medium-Term Expenditure Framework

Going forward MTEF budgeting will focus on cutting down less productive expenditures and redirecting thereafter the resultant savings to capital projects. The County government will continue creating an enabling environment for strong private sector activity.

This will enable achievement of objectives set out in the County Integrated Development Plan which include: Encourage domestic and foreign direct investment in the key County projects identified in the County Integrated Development Plan; Stepping up investment especially in infrastructure – roads, energy which can be financed through Public-Private Partnership (PPP); Expanding investment on physical infrastructure to improve transport, access to electricity, water, sanitation and housing; Enhancing quality of education and skills development through vocational and technical training; Enhancing food security through mega irrigation and protecting livelihoods of the poor and the most vulnerable in the society; and Improving business environment especially for youth and women by providing grants, revolving funds and training on business skills and empowerment through cooperatives.

The CIDP (2013-2017) which was launched in November 2013 and given limited resources to the county will guide resources as follows:

- The priority social sectors of health and education will continue to receive adequate resources. It should be noted that both sectors are already receiving a significant share of resources in the budget. These sectors, however, will be required to utilize the allocated resources more efficiently to generate fiscal space to accommodate strategic interventions in their sectors;
- With the Government committed to improving infrastructure countywide, the share of resources going to priority physical infrastructure sector, such as roads, energy, and ICT will continue to rise over the medium term in addition to water and irrigation sectors. This will help the sector provide reliable and affordable energy, as well as increased access to water and development of irrigation projects countywide;
- The economic sectors including Agriculture, Livestock and Trade will receive increased share of resources to boost agricultural productivity with a view to dealing with the recurrent food security problems in the county;

- Other priority sectors include Disaster Management, youth and gender, which have received a significant boost in resources.

Referring back to the above medium-term expenditure framework, table 5 below provides the tentative projected baseline ceilings for the 2015 MTEF, classified by County Departments.

Department	Estimates 2014/15	Ceiling 2015/16	Projections 2016/17
Agriculture, Livestock and Livestock Development	568,468,411	653,738,672.65	751,799,473.55
Public works Roads & Transport	1,565,134,332	1,799,904,481.80	2,069,890,154.07
Trade, Industrialization, Co-Operative Development	211,170,000	232,287,000.00	255,515,700.00
Public Health, Medical Services and Sanitation	1,514,088,026	1,741,201,229.90	2,002,381,414.39
Education, Youth, Gender and Social Services	293,820,584	323,202,642.40	355,522,906.64
Water	992,801,178	1,141,721,354.70	1,312,979,557.91
Energy, Environment and Natural Resources	95,950,000	110,342,500.00	126,893,875.00
Lands, Housing and Physical Planning	215,850,000	248,227,500.00	285,461,625.00
Information Communication and E-Government	375,886,987	413,475,685.70	454,823,254.27
Finance and Economic Planning	452,177,469.40	520,004,089.81	598,004,703.28
County Executive	294,568,636.00	309,297,067.80	324,761,921.19
County Assembly	341,025,887.00	358,077,181.35	375,981,040.42
Public Service, Labor and Decentralized Unit	205,139,040.00	225,652,944.00	248,218,238.40
Town administration	135,792,000	142,581,600.00	149,710,680.00
		8,219,713,950.11	

C. 2015/16 Budget framework

The 2015/16 budget framework is set against the background of the updated medium-term framework set out above. The county economy is set to assume an upward trend assuming normal weather pattern during the year and improved investor confidence in the economy. Inflation is expected to remain low and stable, reflecting stable food and oil prices as well as low cost of doing business.

Revenue Projections

The 2015/16 Budget targets total revenue of Kshs 8.71. This will include Kshs 8.6 billion from equitable share, Kshs 21.3 million from partners and finally Kshs 122.7 million from local revenue collection. The local revenue performance will be enhanced by the proper implementation of the revenue collection laws.

Expenditure Forecasts

In 2015/16 budget the overall expenditure are projected at Kshs 8.71 billion up from estimated Kshs 7.3 billion in 2014/15 budget. The recurrent expenditure will be Kshs 3.5 billion while development expenditure will be Kshs 5.2 billion which is 40% and 60% respectively of the total expenditure. A total of Kshs 100 million will be set aside for emergency fund.

Overall Deficit and Financing

The overall budget for 2015/16 is balanced and hence fully financed, though it should be noted that this can be affected by the performance of local revenue collection as well as the total contribution from donors.

V. CONCLUSION

The FY 2013/14 fiscal outcome in addition to the updated macroeconomic forecast has implications on financial objectives highlighted in C-FSP presented to County Assembly in February 2014. Therefore, the set of policies outlined in this C-BROP reflect the changed circumstances and are broadly in line with the fiscal responsibility principles outlined in the PFM law and consistent with Vision 2030, MTP II and Wajir County Integrated Development Plan.

The department ceilings annexed herewith will guide the county departments in preparation of the 2015/16 Budget. The next County Fiscal Strategy Paper will be prepared and finalised by 28th February 2015.

Annex Table 1 : Revenue Analysis for FY 2013-2014

REVENUE STREAM	2013						2014						TOTALS
	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	
Stock Auction fees	588,520.00	465,520.00	480,900.00	578,200.00	349,900.00	833,450.00	727,960.00	621,250.00	393,800.00	269,500.00	396,660.00	1,226,100.00	6,931,760.00
Stock Export fees	237,150.00	203,200.00	164,800.00	188,800.00	105,600.00	305,000.00	310,990.00	189,000.00	123,000.00	109,900.00	168,000.00	493,800.00	2,599,240.00
Slaughter fees	87,900.00	95,100.00	110,300.00	151,840.00	142,700.00	133,400.00	152,600.00	144,000.00	129,500.00	173,550.00	136,100.00	153,200.00	1,610,190.00
Hides &Skin	48,700.00	10,300.00	43,160.00	94,900.00	22,000.00	37,000.00	-	23,900.00	46,400.00	52,400.00	54,250.00	60,000.00	493,010.00
Arabic Gum	168,500.00	80,580.00	98,200.00	154,900.00	52,200.00	78,000.00	51,800.00	137,350.00	66,000.00	46,000.00	-	-	933,530.00
Miraa Cess	930,000.00	900,000.00	900,000.00	920,000.00	1,433,000.00	2,049,000.00	1,942,600.00	2,046,000.00	1,872,300.00	1,685,000.00	1,720,000.00	3,667,600.00	20,065,500.00
Single Business Permit(SBP)	233,500.00	1,594,500	36,000.00	83,500.00	35,000.00	163,500.00	2,983,400.00	1,502,500.00	864,100.00	300,700.00	760,400.00	639,000.00	9,196,100.00
Septic Tank	168,000.00	89,000.00	244,000.00	252,000.00	206,000.00	110,000.00	-	30,200.00	400,000.00	465,000.00	117,000.00	200,000.00	2,281,200.00
Conservancy	23,300.00	24,000.00	134,500.00	37,500.00	33,250.00	36,400.00	130,150.00	526,150.00	114,200.00	97,200.00	80,000.00	144,200.00	1,380,850.00
Land Rent	124,250.00	379,300.00	229,650.00	103,090.00	136,220.00	165,910.00	228,050.00	183,110.00	167,200.00	200,000.00	414,800.00	667,950.00	2,999,530.00
House Rent	6,000.00			-	-	-	-	157,900.00	26,000.00	28,200.00	20,300.00	20,000.00	258,400.00
Water								182,000.00	84,100.00	20,700.00	87,400.00	47,000.00	421,200.00
Building Materials	238,300.00	268,550.00	395,400.00	410,100.00	309,200.00	388,350.00	360,300.00	487,300.00	2,055,000.00	2,465,100.00	2,320,050.00	1,376,300.00	11,073,950.00
Market gate fees(fresh produce)								7,500.00	421,500.00	44,700.00	83,000.00	89,800.00	646,500.00
Scrap metal	5,000.00	16,000.00	2,000.00	8,000.00	38,000.00	5,000.00	-	2,000.00	7,000.00	-	-	-	83,000.00
Cereals	249,500.00	110,100.00	183,700.00	179,700.00	175,000.00	104,240.00	76,440.00	1,184,200.00	341,400.00	407,050.00	415,050.00	415,700.00	3,842,080.00
Development permission	90,000.00			-	-	104,600.00	-		1,000.00	-	-	-	195,600.00
Allotment(for schools)	4,500.00			36,000.00	9,000.00	-	-	10,000.00	-	-	-	-	59,500.00
Charcoal				3,000.00	750.00	-	-	1,450.00	3,700.00	-		575,410.00	584,310.00
Cost sharing											456,480.00	-	456,480.00
Clearance certificate				1,200.00	-	-	-	-	-	-	-	-	1,200.00
School registration					15,000.00	15,000.00	-	5,000.00	60,000.00	-	-	-	95,000.00
Approval of Building Plan(Safcom)					18,000.00		-		150,000.00	-	-	-	168,000.00
Advertisement							-	18,000.00	-	-	-	388,000.00	406,000.00
Sale of tender documents							501,000.00	348,000.00	733,000.00	228,000.00	500,000.00	-	2,310,000.00
MONTHLY TOTALS	3,203,120	4,236,150	3,022,610	3,202,730	3,080,820	4,528,850	7,465,290	7,806,810	8,059,200	6,593,000	7,729,490	10,164,060	69,092,130

Annex Table 2: County Government Operations

Wajir County Government Operations 2013/14-2016/17 (Kshs.)				
Department	Printed estimates FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
1. TOTAL REVENUE	7,261,872,550.42	8,714,247,060.50	9,585,671,766.55	10,544,238,943.21
Equitable share	7,141,872,550.42	8,570,247,060.50	9,427,271,766.55	10,369,998,943.21
Local revenue collection	102,290,000.00	122,748,000.00	135,022,800.00	148,525,080.00
Donor funds	17,710,000.00	21,252,000.00	23,377,200.00	25,714,920.00
2. TOTAL EXPENDITURE	7,261,872,550.42	8,714,247,060.50	9,585,671,766.55	10,544,238,943.21
Recurrent	2,896,389,988.40	3,475,667,986.08	3,823,234,784.69	4,205,558,263.16
Development	4,365,482,562.02	5,238,579,074.42	5,762,436,981.87	6,338,680,680.05

Annex Table 3: Department Ceilings MTEF Period 2015/16-2016/17

Departmental Ceilings			
Department	Estimates 2014/15	Ceiling 2015/16	Projections 2016/17
Agriculture, Livestock and Livestock Development	568,468,411	653,738,672.65	751,799,473.55
Public works Roads & Transport	1,565,134,332	1,799,904,481.80	2,069,890,154.07
Trade, Industrialization, Co-Operative Development	211,170,000	232,287,000.00	255,515,700.00
Public Health, Medical Services and Sanitation	1,514,088,026	1,741,201,229.90	2,002,381,414.39
Education, Youth, Gender and Social Services	293,820,584	323,202,642.40	355,522,906.64
Water	992,801,178	1,141,721,354.70	1,312,979,557.91
Energy, Environment and Natural Resources	95,950,000	110,342,500.00	126,893,875.00
Lands, Housing and Physical Planning	215,850,000	248,227,500.00	285,461,625.00
Information Communication and E-Government	375,886,987	413,475,685.70	454,823,254.27
Finance and Economic Planning	452,177,469.40	520,004,089.81	598,004,703.28
County Executive	294,568,636.00	309,297,067.80	324,761,921.19
County Assembly	341,025,887.00	358,077,181.35	375,981,040.42
Public Service, Labor and Decentralized Unit	205,139,040.00	225,652,944.00	248,218,238.40
Town administration	135,792,000	142,581,600.00	149,710,680.00

Annex Table 4: County Government Fiscal Projections FY 2013/14 – 2016/17

Fiscal Projections							
Department	2014/15			2015/16		2016/17	
	Budget 2014/15	C-FSP'14	C-BROP'14	C-FSP'14	C-BROP'14	C-FSP'14	C-BROP'14
	Kshs	Kshs(M)	Kshs	Kshs(M)	Kshs	Kshs(M)	Kshs
Agriculture, Livestock and Livestock Development	568,468,411	607.97	653,738,672.65	668.77	751,799,473.55	735.64	864,569,394.58
Public works Roads & Transport	1,565,134,332	1,566.0	1,799,904,481.80	1,722.6	2,069,890,154.07	1,894.86	2,380,373,677.18
Trade, Industrialization, Co-Operative Development	211,170,000	304.75	232,287,000.00	335.23	255,515,700.00	368.75	281,067,270.00
Public Health, Medical Services and Sanitation	1,514,088,026	863.76	1,741,201,229.90	950.14	2,002,381,414.39	1,045.15	2,302,738,626.54
Education, Youth, Gender and Social Services	293,820,584	229.57	323,202,642.40	252.53	355,522,906.64	277.78	391,075,197.30
Water	992,801,178	953	1,141,721,354.70	1,048.3	1,312,979,557.91	1,153.13	1,509,926,491.59
Energy, Environment and Natural Resources	95,950,000	-	110,342,500.00	-	126,893,875.00	-	145,927,956.25
Lands, Housing and Physical Planning	215,850,000	111.36	248,227,500.00	122.5	285,461,625.00	134.75	328,280,868.75
Information Communication and E-Government	375,886,987	235.42	413,475,685.70	258.97	454,823,254.27	284.86	500,305,579.70
Finance and Economic Planning	452,177,469.40	241	520,004,089.81	265.1	598,004,703.28	291.61	687,705,408.77
County Executive	294,568,636.00	654	309,297,067.80	719.4	324,761,921.19	791.34	341,000,017.25
County Assembly	341,025,887.00	472.5	358,077,181.35	519.75	375,981,040.42	571.73	394,780,092.44
Public Service, Labor and Decentralized Unit	205,139,040.00	132.1	225,652,944.00	145.31	248,218,238.40	159.84	273,040,062.24
Town administration	135,792,000	150	142,581,600.00	165	149,710,680.00	181.5	157,196,214.00

Annex Table 5 : Budget Calendar for the FY 2015/16 MTEF Budget

NO.	ACTIVITY	RESPONSIBILITY	TIMELINE
1	Develop and issue MTEF guidelines	County Treasury	30 th August 2014
2	Development of Annual Development Plan	County Economic Planning	30 th September 2014
3	Draft County Budget Review and Outlook Paper (CBROP)	Macro Working Group	30 th September 2014
4	Submission and approval of CBROP by County Executive Committee	CEC Finance & Economic Planning	15 th October 2014
5	Submit Approved CBROP to County Assembly for approval	CEC Finance & Economic Planning	30 th October 2014
6	Launch of Sector Working Groups	County Treasury	30 th October 2014
7	Preparation of MTEF budget proposals	All CECs for County Departments	15 th December 2014
8	Draft County Fiscal Strategy Paper (C-FSP)	Macro Working Group	30 th January 2015
9	Submission of County Fiscal Strategy Paper to the County Executive Committee for approval	CEC Finance & Economic Planning	16 th February 2015
10	Submission of County Fiscal Strategy Paper to County Assembly for approval	CEC Finance & Economic Planning	28 th February 2015
11	Develop and issue final guidelines on preparation of 2015/16	County Treasury	28 th February 2015
12	Submission of Budget Proposals to County Treasury	All Departments	15 th March 2015
13	Review of Draft Budget Proposals	County Treasury	25 th March 2015
14	Consideration and approval of Draft Budget Estimates (Itemized and Programme Based Budget)	County Executive Committee	30 th March 2015
15	Consolidation of the Draft Itemized and	County Treasury	1 st April 2015

	Programme Based Budget Estimates		
16	Submission of Draft Budget Estimates to County Assembly	County Treasury	30 th April 2015
17	Review of Draft Budget Estimates by County Assembly (Itemized and Programme Based Budget)	County Assembly	20 th May 2015
18	Report on Draft Budget Estimates from County Assembly	County Assembly	30 th May 2015
19	Consolidation of the Final Budget Estimates	County Treasury	15 th June 2015
20	Submission of Appropriation Bill to County Assembly	County Treasury	15 th June 2015
21	Submission of budget statement to County Assembly	County Treasury	15 th June 2015
22	Submission of Vote on Account to County Assembly	County Treasury	30 th June 2015
23	Consideration and Passage of Appropriation Bill	County Assembly	30 th June 2015