



COUNTY GOVERNMENT OF WAJIR

2020/21

WAJIR COUNTY PROGRAMME BASED BUDGET ESTIMATES 2020/21

JUNE 2020

COUNTY BUDGET - CAPITAL & CURRENT

Table 1: Summary of Budget by Vote and Category 2020/21 (KShs)

| NO. | DEPARTMENT | COMPENSATION TO EMPLOYEES | USE OF GOODS & SERVICES | TOTAL RECURRENT | DEVELOPMENT | TOTAL ALLOCATION |
|-----|---|---------------------------|-------------------------|----------------------|----------------------|-----------------------|
| 1 | County Assembly | | | 830,194,403 | 40,000,000 | 870,194,403 |
| 2 | County Executive | 241,215,059 | 169,410,000 | 410,625,059 | | 410,625,059 |
| 3 | Finance and Economic Planning | 227,349,158 | 392,971,483 | 620,320,641 | | 620,320,641 |
| 4 | Agriculture and Livestock Development | 164,309,058 | 30,433,931 | 194,742,989 | 571,368,127 | 766,111,116 |
| 5 | Public Health, Medical Services and Sanitation | 1,647,961,988 | 418,116,987 | 2,066,078,975 | 831,091,191 | 2,897,170,166 |
| 6 | Roads & Transport Department | 72,574,260 | 68,584,000 | 141,158,260 | 901,155,024 | 1,042,313,284 |
| 7 | Water Department | 100,416,637 | 233,310,820 | 333,727,457 | 655,141,508 | 988,868,965 |
| 8 | Energy, Environment and Natural Resources | 51,113,704 | 11,479,200 | 62,592,904 | 257,038,124 | 319,631,028 |
| 9 | Public Service, Special Programs and Decentralized Unit & Town Administration | 302,837,914 | 422,935,674 | 725,773,588 | 39,796,592 | 765,570,180 |
| 10 | Education, Youth, Gender and Social Services | 385,838,178 | 130,706,761 | 516,544,939 | 225,495,312 | 742,040,251 |
| 11 | ICT, Trade, Industrialization, Co-operative Development | 156,265,080 | 25,440,500 | 181,705,580 | 40,681,809 | 222,387,389 |
| 12 | Public works, Lands, Housing and Physical Planning | 56,259,558 | 39,656,400 | 95,915,958 | 75,100,000 | 171,015,958 |
| 13 | WAJWASCO | 98,522,868 | 39,300,000 | 137,822,868 | 437,000,000 | 574,822,868 |
| 14 | CPSB | 54,669,616 | 30,300,000 | 84,969,616 | | 84,969,616 |
| 15 | Municipality | 167,619,386 | 40,730,877 | 208,350,263 | 224,643,500.0 | 432,993,763 |
| | TOTAL | 3,726,952,464 | 2,053,376,633 | 6,610,523,500 | 4,298,511,187 | 10,909,034,687 |
| | Proportion % | 34.2% | 18.8% | 60.6% | 39.4% | |

Compliance with the Legal Framework

This Budget is prepared in accordance with section 129 of the Public Finance management Act 2012 and other relevant laws.

Section 129 2(b) and 130 1 (iii) of the Public Finance management Act 2012 requires the County Executive Committee Member to ensure that the estimates submitted in are in accordance with the resolutions adopted by County Assembly on the County Fiscal Strategy Paper. Unfortunately, the county treasury has not received the resolution of the county assembly on the county Fiscal Strategy Paper 2020 by the time of coming up with the estimates and therefore this section could not be complied with.

Further, budget is prepared in accordance with the Government of Kenya budget classification and standard chart of accounts issued by the National Treasury as required by section 40 of the Public Finance management (County Government Regulation, 2015).

Budget Policies

The total expenditure for the financial year is projected to total to 10,909,034,687 of which 60.6% (6,610,523,500) will be for recurrent and 39.4% (4,298,511,187) will be for development . The allocation for each department is captured in the detailed votes.

| No | Item | Budget estimates FY 2020/21 |
|-----------|---------------------|------------------------------------|
| 1 | Total Recurrent | 6,610,523,500 |
| 2 | Total Development | 4,298,511,187 |
| | Total Budget | 10,909,034,687 |

The county projects to receive total revenue of 10,909,034,687 as shown in the table below

| REVENUE SOURCE | FY 2020/21 |
|-----------------------|-------------------|
| Equitable Share | 8,545,500,000 |
| Local Revenue | 150,000,000 |

| | |
|---|-----------------------|
| THS- World Bank | 98,763,532 |
| DANIDA | 24,300,000 |
| User Fees Forgone | 15,784,997 |
| Fuel Levy | 254,698,172 |
| KDSP Grant level 1 | 45,000,000 |
| Kenya Climate Smart Agriculture Project | 320,674,320 |
| Development of Youth Polytechnics Conditional Grant | 14,074,894 |
| EU Grant on Instrument for Devolution Advice and Support Programme (IDEAS) | 15,626,168 |
| Agricultural Sector Development Support Programme 11 | 17,532,329 |
| Water and Sanitation Development Project- World Bank | 350,000,000 |
| FUEL Levy for 2019/20 | 242,569,688 |
| COVID-19 Fund from National Treasury 2019/20 | 38,268,000 |
| ASDSP 2019/20 | 21,048,494 |
| DANIDA balance from 2019/20 | 9,450,000 |
| KDSP Grant level 1 & 2 balance from 2019/20 | 125,000,000 |
| KUSP UIG and UDG | 175,643,500 |
| Balance brought forward from 2019/20 | 445,100,593 |
| TOTAL | 10,909,034,687 |

The total expenditure equals the total revenue project and therefore the county does not expect to borrow in the medium term.

Fiscal Responsibility Principles and Financial Objectives

The budget proposal has complied with the requirement of Section 107 of the PFM Act on Fiscal Responsibility Principles as follows.

- *the county government's recurrent expenditure shall not exceed the county government's total revenue;*

The Recurrent expenditure accounts for 60.6% of the County Government total projected revenue.

- *Over the medium term, a minimum of thirty (30) per cent of the budget shall be allocated to the Development Expenditure.*

In the current year, 39.4% of the budget will be allocated to Development Expenditure.

- *The Government's expenditure on wages shall not exceed a percentage of 35% of the County total revenue.*

Expenditure on wage is projected to be 34.2% of the total budget.the county is on the upper limit of this requirement and will institute measures to ensure the ratio does not go above the current point.

- *Over the medium term, the Government's borrowing shall be used only for purpose of financing development expenditure and not for recurrent expenditure.*

Since there is no legal framework developed for county borrowing, we do not intend to borrow. We will engage the national treasury to provide guidance on the acquisition of long term assets to generate income. The same will be discussed with the county assembly in order to improve local revenue collections.

- *The county debt shall be maintained at a sustainable level as approved by County Assembly.*

The County has not borrowed since there are no laws approved by the county assembly to enable the county to borrow. This is caused by lack of legal framework for county borrowing.

- *The fiscal risks shall be managed prudently and all mitigation measures indicated will be put in place to manage all identified and emerging risks.* Fiscal risks identified in the County Fiscal Strategy paper 2020 have all mitigation measures identified and implemented for each one of them.
- *The County Government shall maintain a reasonable degree of predictability with respect to the level of tax/ levy rates and bases shall be maintained, taking into account any tax reforms that may be made in the future.*

The County Government of Wajir will ensure there are no significant change in the rates but will rather strive to improve the tax base by broadening the tax bracket.

The budget does not deviate from the broad county Fiscal objectives in the County Fiscal Strategy paper 2020 and remain as follows;

- Enhance food security by investing in appropriate systems; we will invest development of irrigation infrastructure to increase food production. We are also financing Climate Smart Agriculture to improve resilience to climate change. Animal disease control through establishment of veterinary laboratory is a top priority for the county government.
- Improve access to universal health care to guarantee quality and affordable health for all; we are investing in provision of health care services and develop health infrastructure required for universal health coverage. Will have allocated the highest budget to the department of health.
- Enhance cohesion and integration through equity and inclusivity for all; the resource sharing is based on the wards and we have ensured the major projects are scattered across the sub-counties while all programmes will run in all the wards.
- Improve Road, Transport, Energy and Communication Infrastructure to Spur Investment and ease of doing business; we have allocated significant resource to develop the much needed infrastructure to spur growth.
- Improve early childhood education, and youth, women and marginalized groups empowerment; we have provision for bursary, cash transfer for the disabled to ensure the vulnerable groups are protected.
- Improve access to adequate portable water, and ensure clean and safe environment; and
- Promoting clean energy by tapping into solar and wind energy.

Implementation of the recommendations made by the county assembly with respect to the budget for the previous financial year.

1. Deviation from the County Fiscal Strategy paper 2020

A: RECURRENT

| NO. | DEPARTMENT | CFSP 2020 Ceiling | Budget estimates 2020-21 | Variance | Proportion of variance (%) |
|-----|-------------------------------|-------------------|--------------------------|-------------|----------------------------|
| 1 | County Assembly | 765,523,601 | 830,194,403 | 64,670,802 | 8.45% |
| 2 | County Executive | 484,914,265 | 410,625,059 | -74,289,206 | -15.32% |
| 3 | Finance and Economic Planning | 603,045,236 | 620,320,641 | 17,275,405 | 2.86% |
| 4 | Agriculture and Livestock | 220,368,140 | 194,742,989 | -25,625,151 | -11.63% |

| | Development | | | | |
|----|---|----------------------|----------------------|--------------------|--------------|
| 5 | Public Health, Medical Services and Sanitation | 1,704,208,397 | 2,066,078,975 | 361,870,578 | 21.23% |
| 6 | Roads & Transport Department | 140,198,114 | 141,158,260 | 960,146 | 0.68% |
| 7 | Water Department | 187,957,721 | 333,727,457 | 145,769,736 | 77.55% |
| 8 | Energy, Environment and Natural Resources | 68,941,044 | 62,592,904 | -6,348,140 | -9.21% |
| 9 | Public Service, Special Programs and Decentralized Unit & Town Administration | 679,258,074 | 725,773,588 | 46,515,514 | 6.85% |
| 10 | Education, Youth, Gender and Social Services | 578,501,111 | 516,544,939 | -61,956,172 | -10.71% |
| 11 | ICT, Trade, Industrialization, Co-operative Development | 216,469,021 | 181,705,580 | -34,763,441 | -16.06% |
| 12 | Public works, Lands, Housing and Physical Planning | 79,350,831 | 95,915,958 | 16,565,127 | 20.88% |
| 13 | WAJWASCO | 143,841,873 | 137,822,868 | -6,019,005 | -4.18% |
| 14 | CPSB | 86,179,866 | 84,969,616 | -1,210,250 | -1.40% |
| 15 | Municipality | 206,787,881 | 208,350,263 | 1,562,382 | 0.76% |
| | TOTAL | 6,165,545,175 | 6,610,523,500 | 444,978,325 | 7.22% |

The Variance in the total recurrent is 7.22% from the CFSP 2020 ceilings. The department that received lower than their ceiling is because the savings from this departments were used to finance universal health Coverage programme that required health allocation to be at least 30% of total county budget while the reason for increase in allocations to departments is explained below;

County Assembly

The Increase of about 65 million is as a result of pending bill arising from the unreceived June disbursement. The amount was added to the current allocation to cater for the planned expenses for the month of June including salaries.

Finance and Economic Planning

The Department has carried forward an allocation for Kenya devolution Support programme for the previous year amounting to kshs. 30,000,000. The department has actually received lower the ceiling for the current year in order to finance health budget.

Public Health, Medical Services and Sanitation

The Department has received 361 Million above the ceiling. These include 9.45 Million of Danida funds carried Forward, 38.268 million carried forward for COVID interventions and increase in allocation to finance universal Health Coverage Requirement of 30% budget allocation to health.

Water Services.

The department has received 145 Million above the ceiling. The allocation is as a result of pending bills for water trucking and maintenance of vehicle totaling to 240 Million. The department has actually received below the ceiling for the current year activities.

Public Service, Special Programme and Devolved units

The department has received 46 million above the ceilings. This was necessitated by increase premium for comprehensive Health insurance for the county employees.

Lands and Public Works

The Department has received 16 million above the ceiling as a result of unpaid bills for the land Tribunal allowance relating to the previous year.

B:Development

| NO. | DEPARTMENT | CFSP 2020 Ceiling | Budget estimates 2020-21 | Variance | Proportion of variance (%) |
|-----|---|-------------------|--------------------------|--------------|----------------------------|
| 1 | Finance and Economic Planning | 10,535,000 | | (10,535,000) | -100% |
| 2 | County Assembly | 0 | 40,000,000 | 40,000,000 | 100% |
| 3 | Agriculture and Livestock Development | 424,893,677 | 571,368,127 | 146,474,450 | 34% |
| 4 | Public Health, Medical Services and Sanitation | 499,285,000 | 831,091,191 | 331,806,191 | 66% |
| 5 | Roads & Transport Department | 855,932,422 | 901,155,024 | 45,222,602 | 5% |
| 6 | Water Department | 610,350,000 | 655,141,508 | 44,791,508 | 7% |
| 7 | Energy, Environment and Natural Resources | 169,485,000 | 257,038,124 | 87,553,124 | 52% |
| 8 | Public Service, Special Programs and Decentralized Unit & Town Administration | 80,060,000 | 39,796,592 | (40,263,408) | -50% |

| | | | | | |
|----|---|----------------------|----------------------|--------------------|------------|
| 9 | Education, Youth, Gender and Social Services | 284,123,324 | 225,495,312 | (58,628,012) | -21% |
| 10 | ICT, Trade, Industrialization, Co-operative Development | 91,922,500 | 40,681,809 | (51,240,691) | -56% |
| 11 | Public works, Lands, Housing and Physical Planning | 138,725,000 | 75,100,000 | (63,625,000) | -46% |
| 12 | WAJWASCO | 328,137,500 | 437,000,000 | 108,862,500 | 33% |
| 13 | Municipality | 226,321,750 | 224,643,500 | (1,678,250) | -1% |
| | TOTAL | 3,719,771,173 | 4,298,511,187 | 578,740,014 | 16% |

The proposed total allocation to the development vote differ with the ceiling by the CFSP 2020 by 16%. The increase in the total development is as a result of donor funds carried forward and balance brought forward from the previous year. The department that received below their ceilings had lower pending bills than those who had experienced enhanced allocations.

2. Adoption of Programme Based Budget

The County treasury has Adopted Programme Based Budget for the Finance year 2020/21. programme were costed and allocated resources on priority basis.