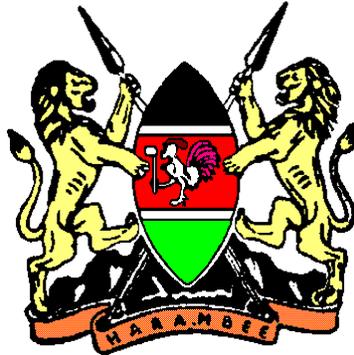


REPUBLIC OF KENYA



**COUNTY GOVERNMENT OF KERICHO
FINANCE AND ECONOMIC PLANNING**

**MEDIUM TERM
COUNTY FISCAL
STRATEGY PAPER
2016**

FEBRUARY 2016

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Foreword

This Fiscal Strategy Paper, the third since the operationalization of the County Governments, sets out county policy goals and strategic priorities that will be the basis for formulation of County's Financial Year 2016/17 budget and the Medium Term. The Paper is prepared in accordance with the Public Finance Management Act, 2012.

The County priorities and goals outlined herein are based on the County Integrated Development Plan 2013/17, the Annual Development Plan 2016/17 and the Strategic Plan with emphasis on investment in: Agriculture and food security, Infrastructure, accessibility of water, accessible health care and education. These priorities shall form the basis for formulation of FY 2016/17 budget and the Medium Term. The paper therefore links county planning and policies to Budget which is the main objective of the Medium Term Expenditure Framework.

The fiscal framework presented in the paper ensures a sustainable financing while allowing continued spending on priority programmes. It also reviews the fiscal performance of financial year 2014/2015; highlights of the recent economic developments and the economic outlook;

Hon. Patrick Mutai
County Executive Committee Member for Finance and Economic Planning
and Head of County Treasury.

Acknowledgement

The County Fiscal Strategy Paper (CFSP) will be tabled in the County Assembly under Section 117 of the Public Finance Management Act, 2012. It outlines the broad strategic macroeconomic issues and fiscal framework, together with a summary of County Government spending plans, as a basis of 2016/17 budget and the medium-term. We expect the document to improve the public's understanding of the County's public finances and guide public debate on economic and development matters.

The preparation of the 2016 CFSP continues to be a collaborative effort. Much of the information in this report was obtained from the County Departments. We are grateful for their inputs. We are also grateful for the comments from the Public Participation Hearing of February 2016 and the 2015 County Budget Review and Outlook Paper (CBROP), which provided inputs to this 2016 CFSP.

Leah Chirchir (Mrs.)
Chief Officer Finance and Economic Planning.

ABBREVIATIONS AND ACRONYMS

ADP	-	Annual Development Plan
CFSP	-	County Fiscal Strategy Paper
CIDP	-	County Integrated Development Plan
CRA	-	Commission on Revenue Allocation
CSP	-	County Strategic Plan
ECDE	-	Early Childhood Development Education
ERP	-	Enterprise Resource Planning
FIF	-	Facility Improvement Fund
FY	-	Financial Year
HDU	-	High Dependency Unit
ICU	-	Intensive Care Unit
ICT	-	Information Communication Technology
IFMIS	-	Integrated Financial Management Information System
MTEF	-	Medium Term Expenditure Framework
MTP	-	Medium Term Plan
NHIF	-	National Hospital Insurance Fund
NSSF	-	National Social Security Fund
O&M	-	Operation and Maintenance
PFM A	-	Public Finance Management Act, 2012
PBB	-	Program Based Budgets

Legal basis for the publication of County Fiscal Strategy Paper

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

(1) The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.

(2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.

(3) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.

(4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

(5) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of—

- (a) the Commission on Revenue Allocation;
- (b) the public;
- (c) any interested persons or groups; and
- (d) any other forum that is established by legislation.

(6) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments.

(7) The County Treasury shall consider any recommendations made by the county assembly when finalising the budget proposal for the financial year

Fiscal Responsibility Principles for the County Government

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

(1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.

(2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles—

- (a) the county government's recurrent expenditure shall not exceed the county government's total revenue;
- (b) over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
- (c) the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;
- (d) over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- (e) the county debt shall be maintained at a sustainable level as approved by county assembly;
- (f) the fiscal risks shall be managed prudently; and
- (g) a reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

(3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.

(4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.

1. BUDGET THEME: ECONOMIC AND SOCIAL TOOL FOR CITIZEN EMPOWERMENT

1.1 INTRODUCTION

1. The County Fiscal Strategy Paper 2016 is the third fiscal strategy paper to be prepared by the County Government of Kericho. Public Finance Management Act, 2012 Section 117 requires County Treasury to prepare and submit the policy document to County Assembly.

1.2 CFSP Process Overview

2. The county Fiscal strategy paper 2016 will be a prime policy document for the county government as it reveals and specifies its priorities, how it will implement them through a number of programmes and the amount of funds it will dedicate towards financing these programmes to achieve its priorities and within the context of limited resources.
3. The county Fiscal Strategy Paper 2016 will be submitted to the County Assembly by 28th February for review by the budget and appropriation committee. Once the county Assembly approves and Adopts the policy document it shall form the basis of expenditure ceilings specified in the fiscal framework.

1.3 Outline of the CFSP

4. The County Fiscal Strategy Paper has seven chapters, that is: the County Budget Theme; Recent Economic and Fiscal Developments, Forward Economic and Fiscal Outlook, Strategic Priorities and Interventions, Fiscal Policy and budget Framework and the Medium Term Expenditure Framework.

2.0 RECENT ECONOMIC AND FISCAL DEVELOPMENTS

5. Its imperative to analysis the recent economic development and policy outlook since this direct correlations with the equitable revenue share from the national government. Any condition at national level whether stable or unstable impact positively or negatively on the functionality of county governments.

2.1 National Economic and Fiscal Overview.

6. According to Economic Survey 2015, Kenya's economy is estimated to have expanded by 5.3 per cent in 2014, compared to a growth of 5.7 per cent in 2013. A number of factors influenced the country's economic performance during the review period. From the demand side, government and private final consumption increased by 2.7 per cent and 5.5 per cent, respectively. The demand side was mainly driven by a resilient private final consumption and a robust growth in fixed assets. Investment in fixed assets expanded rapidly on account of a vibrant growth in real estate sector, the on-going mega infrastructure projects and increased investments in air transport equipment. There was an increase of 7.0 per cent in exports of goods and services. However, imports of goods and services expanded more rapidly resulting to a widening of the current account deficit.
7. From the supply side, the major drivers of the economy were agriculture, forestry and fishing; construction; wholesale and retail trade; education; and finance and insurance with respective contributions of 14.5, 11.1, 9.8, 9.7 and 9.1 per cent to the growth. The accommodation and food services (hotels and restaurants) sector contracted for the second year in a row while all the other sectors recorded positive growths but of varying magnitudes during the review period.

8. During the year, the main macroeconomic indicators remained relatively stable. The Kenya Shilling generally held firm against the major trading currencies despite its depreciation against the US dollar, Sterling pound and Euro. The Shilling's stability was mainly due to proceeds from the successful international sovereign bond floated by the government in June 2014 and increased Diaspora remittances. A significant decline in the international tourism earnings and a widening trade deficit worked against the Shilling over this period.
9. Weighted average commercial banks' leading rate remained relatively high but stable to reach a maximum of 15.99 per cent in 2014 from 16.99 per cent in 2013. This was despite the Central Bank Rate (CBR) remaining moderately low at 8.5 throughout the year. The 91-day Treasury bill rate eased downwards to settle at 8.58 per cent in December 2014 from 9.52 per cent in December 2013. The central bank introduced Kenya Banks' Reference Rate (KBRR) in early July 2014, which was expected to significantly bring down the cost of borrowing. The KBRR was initially set at 9.13 per cent and replaced the base lending rate, which commercial banks previously used to guide their pricing of loans and advances.
10. The Balance of Payments position improved to a surplus of Kshs 126.1 billion in 2014 from that of Kshs 31.8 billion in 2013 mainly on account of proceeds from the sale of the Eurobond. However, the current account deficit worsened due to deterioration in trade deficit. The widening of the trade deficit emanated from a fast growing import bill against a slower growth in export earnings. Government fiscal policies in the 2014/15 national budget, focused on increased revenue mobilization and containment of growth in recurrent expenditure. Consequently, the share of the development expenditure increased to 44 per cent of the total budget in 2014/15 fiscal year from 33 per cent in 2013/14.

11. Performance of the labour market remained modest with employment growing at 5.9 per cent to an estimated 14.3 million jobs in 2014. Employment within the informal sector dominated the job creation resulting in an increase in its share of total employment to 82.7 per cent during the year.

**2.2 County Economic and Fiscal Overview, FY 2014/2015 and July
– December 2015 and emerging challenges**

12. In the Financial Year 2014/2015, the county's total revenue was Kshs 4.814 billion comprising of equitable share from national government amounting to Kshs 3.930 billion, county own revenue of Kshs 386 million and conditional grants from Danish Agency of Kshs 20 million. There was also unspent balance of Kshs 480 million brought forward from the financial period 2013/2014 which had to be appropriated before expensing. It's important to note that county own revenue is generated from the various sources identified in the Finance Act including funds generated from health facilities under the Facility Improvement Fund (FIF). In the last financial year, the county surpassed its own revenue collection by Kshs 27 million. This is composed of Kshs 9 million from health facilities and Kshs 18 million from as local revenue.
13. During the fiscal year 2014/2015, the county received a total of Kshs.4.412 Billion as total approved requisition.

Expenditure

14. In terms of expenditure, the total expenditure incurred during the period under review was Kshs 4.410 billion. Recurrent expenditure amounted to Kshs. 3.042 Billion and development expenditure was Kshs. 1.367 Billion translating to 69% and 31% of total expenditure respectively. More specifically the two tables below provides an overview of the budgeted amounts against actual expenditure for both recurrent and development votes.

RECURRENT EXPENDITURE, IN (KSHS)

Vote	2014/2015		
	Target	Actual	Deviations
1. Recurrent grants	3.117 Billion	3.042 Billion	74 Million
Total Expenditure	3.117 Billion	3.042 Billion	74 Million

Source: Kericho County Treasury

DEVELOPMENT EXPENDITURE, IN (KSHS)

Vote	2014/2015		
	Target	Actual	Deviations
2. Development Grants Development/Projects	1.697 Billion	1.367 Billion	330 Million
Total Expenditure	1.697 Billion	1.367 Billion	330 Million

Source: Kericho County Treasury

Overall, the total expenditure against the total revenue is 91.6% absorption rate. The unspent amount of Ksh 404 million comprising Ksh 74 million and Ksh 330 million under recurrent and development expenditure respectively will be budgeted for in the current financial year 2015/2016.

15. In the current fiscal year 2015/2016, the county's projected revenue is estimated at Kshs. 5.081 billion comprising of Kshs. 4.505 billion from the national government equitable share base, conditional grants of Kshs. 22.6 Million and Ksh.553 million on projected local revenues. The revenue will increase to Kshs 5.182 billion due to disbursement of conditional grants for user fees forgone, free maternity for health facilities and Road Maintenance Levy Fund (RMLF) amounting to Kshs 173,760,149 which will be factored during the supplementary budget for FY 2015/2016.
16. During the first quarter of this financial period 2015/2016, the county received a total of Kshs 822 million and expended Kshs 801 million. The total amount received in the quarter was approved in three tranches in July, August and September respectively and spent against approved recurrent and development expenditure allocations. The county collected total revenues amounting to Ksh.44 million approximately 8% of the budgeted local revenues of Ksh.553 million.
17. The county gross recurrent expenditure for the 1st quarter ended 30 September, 2015 for all sectors was Kshs. 511 Million which translates to 16% absorption level of total approved recurrent budget while the development expenditure was Kshs. 309 Million representing 17% of approved development budget.

3.0 FORWARD ECONOMIC AND FISCAL OUTLOOK

3.1 National Economic and Fiscal Outlook

18. Kenya's economy gained some steam in the third quarter of last year, growing an annual 5.8% (Q2: +5.6% year-on-year). Q3's pickup was sustained by healthy gains in agriculture, construction, financial services and commerce. The acceleration underlines that the economy proved to be fairly resilient to headwinds such as a prolonged drop in tourism, security concerns related to

terrorism, currency depreciation and monetary policy tightening. Recent data suggest that Kenya remains on a solid footing: the PMI remained in expansionary territory in December and the shilling was stable in the outset of 2016.

19. GDP growth remained robust in 2013 at 5.7% based on rebased statistics and stood at 4.4%, 5.8% and 5.5% in the first three quarters of 2014 compared with 6.4%, 7.2% and 6.2% in comparable quarters of 2013. According to the central bank's economic monthly review of November 2014, growth was mainly supported by expansion in construction, manufacturing, finance and insurance, information, communications and technology, and wholesale and retail trade. The economy slowed in the third quarter of 2014, partly due to a sharp drop in tourism following terrorist attacks in the country. Overall GDP growth is expected to amount to 6.6% and 6.3% in 2015 and 2016, respectively. Consumer price index (CPI) inflation is expected to remain in the single digits, at around 5%, during the same period.

4.0 STRATEGIC PRIORITIES AND INTERVENTIONS

4.1 Overview

20. The County had prepared the County Integrated Development Plan (CIDP) for the period 2013-2017 which has taken into account public input through the countywide CIDP consultative meetings and the Medium Term Plan (MTP) II priority programmes covering the period 2013-2018. The county also held public participation forums at sub county level whose input form part of the priority programmes for implementation. Development expenditures are shared out on the basis of the County Integrated Development Plan (CIDP).

4.2 Strategic Priorities

21. The ultimate goal of the county government is to improve the quality of life for the residents of Kericho County. To attain this goal the county government has to achieve the following outcomes;

- Enhanced Service Delivery
- Improved Socio- Economic Development for the County Residents
- Increased Investments in the County
- Sustainable Environment in the County
- Improved County Governance

22. The strategic pillars for improved quality of life will include;

4.2.1 Socio-economic Development

Strategic Objectives:

- i) Access to quality Education
- ii) Access to quality Health care
- iii) Sustainable Agriculture
- iv) Sustainable Livestock and Fisheries
- v) Access to affordable Financial Services

4.2.2 Service Delivery

Strategic Objectives:

- i) Access to quality services
- ii) Develop ICT infrastructure and access
- iii) County Planning
- iv) Promote Cultural Activities
- v) Enhance Public Works and Services
- vi) Control of drugs abuse and pornography
- vii) Disaster Management

4.2.3 Investments

Strategic Objectives:

- i) Promotion and regulation of Trade
- ii) Provide Markets
- iii) Regulate Transport
- iv) Improve Infrastructure
- v) Promote Industrial development
- vi) Promote Tourism

vii) Control of mining

4.2.4 Sustainable Environment

Strategic Objectives:

- i) Increase access to Water
- ii) Improve Sanitation
- iii) Control pollution
- iv) Increase Forest cover
- v) Promote Conservation

4.2.5 County Administration

Strategic Objectives:

- i) Build an effective Public service
- ii) Enhance Citizen Participation
- iii) Protection of Marginalized, women and youth

5.0 FISCAL POLICY AND BUDGET FRAMEWORK FOR 2016/17 – 2018/19

5.1 Overview

23. The priorities outlined in the Medium Term Plan of Kenya Vision 2030 and the County Integrated Development Plan will guide the development of sector priorities, policies, plans and monitoring and evaluation processes for FY 2016/17 - 2018/19 County MTEF budget.

5.2 Fiscal Policy Framework

24. The Fiscal policy underpinning the FY 2016/17 Budget and MTEF aims at revenue target 520 Million from Local Sources, 5.1 Billion from equitable share and Conditional Grants of 196 Million and need for containing growth of total expenditure over the medium term. This will translate to a total of Kshs 5.825 Billion for the financial year 2016/17.

5.2.1 Fiscal Responsibility Principles

25. In compliance with section 107 of the PFM Act, 2012 the County Treasury shall;

(1). Manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.

(2). In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles-

(a) the county government's recurrent expenditure shall not exceed the county government's total revenue;

(b) over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;

(c) the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;

(d) over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;

(e) the county debt shall be maintained at a sustainable level as approved by county assembly;

(f) the fiscal risks shall be managed prudently; and

(g) a reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

5.2.2 Fiscal and Public Financial Management Reforms

26. The Public Procurement System in Kenya has evolved from a crude system with no regulations to an orderly legally regulated procurement system. The Government's Procurement system was originally contained in the Supplies Manual of 1978, which was supplemented by circulars that were issued from

time to time by the Treasury. The Director of Government Supply Services was responsible for ensuring the proper observance of the provisions of the Manual. The Manual created various tender boards for adjudication of tenders and their awards. The county government has also adopted the e-procurement system as required by the national government, this will in turn help curb loop holes in the procurement system.

5.2.3 Debt Management Strategy

27. In regard to deficit financing and borrowing, the County Government is aware of the provisions of PFM Act, 2012 and adherence to the requirements of these laws is ensured. Section 107(3) (4) of the PFM Act provides as follows:

- For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.

28. The county government shall continue to pay its debts as outlined in the county debt management strategy paper. These debts were inherited from the defunct local governments.

5.3 FY 2016/17 Budget Framework

29. The 2016/17 budget framework is set against the background of the medium term fiscal framework, the government's strategic objectives and priorities as outlined in the CIDP and broad development policies of the new administration. The projected growth assumes normal economic condition during the year and in the medium term.

30. The programmes and projects spelt out in County Integrated Development Plan 2013 – 2017, County Strategic Plan 2015-2017 and the Annual development Plan 2015/2016 will form the framework for the budget 2016/17.

5.3.1 Revenues projections

31. The 2016 Medium-Term Fiscal Policy aims at supporting rapid economic growth and ensuring the debt position remains sustainable while at the same time supporting the devolved system of Government for effective delivery of public goods and services in a sustainable manner. Specifically, the Fiscal policy underpinning the FY 2016/17 Budget and MTEF aims at revenue target 520 Million from Local Sources, 5.1 Billion from equitable share and Conditional Grants of 196 Million and need for containing growth of total expenditure over the medium term. Further, the policy aims at shifting more public resources from recurrent to capital investment so as to promote sustainable and inclusive growth.

5.3.2 Expenditure Forecast

32. Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure. The County Government is committed to reducing the recurrent expenditure to devote more resources to development. The County Government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County Government revenue as prescribed by the regulations.

33. Fiscal risks shall be managed prudently. The County Government has improved its macroeconomic forecasts and regularly reviews the impact of macroeconomic projections and its implications for the budget. The Government also takes into account the fiscal risks arising from contingent liabilities, impact of the Public Private Partnership and Financial Sector Stability

34. The baseline estimates reflects current spending priorities in social programmes and infrastructural development in Roads and bridges, Water,

Education and Health will receive significant allocation. Other priority areas are in Tourism and Enterprise development. However, in the expenditure plan, the government recognizes that *Non-discretionary expenditures* takes first charge and includes payment of statutory obligations such as salaries and allowances of state officers and public officers and related deductions.

35. The table below shows the estimates for the 2016/17 budget and projections of the medium term. Table 5.7 and 5.8 show the projections for recurrent and development respectively.

Global budget estimates (consolidated)

Department and Entity Name	2015/16		2016/17	2016/17		2017/2018	2018/2019
	Approved	2016/17	Revised Estimates 1	Revised Estimates 2	Variance	Projections 12%	Projections 8%
		Approval by County Assembly Estimates					
County Assembly Services	558,037,314	559,827,854	536,035,170	592,298,695	56,263,525	627,007,197	677,167,772
Finance & Economic Planning	344,325,912	607,052,732	602,052,734	552,052,734	(50,000,000)	686,619,059	741,548,584
Agriculture, Livestock Development & Fisheries	325,376,626	355,359,277	370,206,508	366,079,966	(4,126,542)	404,722,390	437,100,182
Health Services	1,503,299,619	1,618,834,500	1,588,164,500	1,610,180,859	22,016,359	1,751,494,640	1,891,614,211
Education, Youth, Children, Culture & Social Services	486,742,349	505,545,512	564,059,827	557,772,480	(6,287,347)	572,930,973	618,765,451
Land, Housing & Physical Planning	118,023,100	132,733,998	132,733,998	130,224,642	(2,509,356)	149,782,078	161,764,644
Public Works, Roads & Transport	802,736,779	950,575,105	701,604,006	697,783,511	(3,820,495)	1,071,364,117	1,157,073,247
Water, Energy, Natural Resources & Environment	209,878,010	266,512,603	263,268,372	260,333,826	(2,934,546)	305,214,116	329,631,245
Public Service & Administration	287,626,929	332,015,309	334,565,309	330,836,045	(3,729,264)	378,577,146	408,863,317
County Public Service Board	43,027,950	66,202,939	63,389,315	62,682,740	(706,575)	62,947,291	67,983,075

Office of the Governor and Deputy Governor	144,451,074	164,937,927	163,428,065	161,606,399	(1,821,666)	191,450,478	206,766,516
Trade, Industrialization, Tourism, Wildlife & Cooperative Development	165,509,364	175,341,647	167,889,626	166,018,229	(1,871,397)	203,102,644	219,350,856
Information, Communication & E-Government	92,029,011	90,062,861	96,235,188	95,762,493	(472,695)	118,790,404	128,293,636
Kenya Devolution Support Programme				27,177,381	27,177,381		
GRAND TOTAL	5,081,064,037	5,825,002,259	5,583,632,619	5,610,810,000	27,177,382	6,524,002,533	7,045,922,736

5.4 Recurrent Expenditure

Department and Entity Name	2015/16	2016/17	2016/17			2017/2018	2018/2019	2019/2020
	Approved	Approval by County Assembly Estimates	Revised Estimates 1	Revised Estimates 2	Variance	Projections 12%	Projections 8%	Projections 5%
County Assembly Services	538,037,314	559,827,854	536,035,170	592,298,695	56,263,525.00	627,007,197	677,167,772	727,327,316
Finance & Economic Planning	299,937,168	444,385,149	439,385,149	389,385,149	(50,000,000.00)	504,431,364	544,785,873	585,136,362
Agriculture, Livestock Development & Fisheries	159,602,571	178,343,486	178,343,486	174,166,944	(4,176,542.00)	206,464,704	222,981,881	239,538,368
Health Services	1,330,473,247	1,473,372,737	1,473,372,737	1,495,389,096	22,016,359.00	1,554,977,465	1,679,375,662	1,803,873,919
Education, Youth, Children, Culture & Social Services	202,642,938	219,851,254	400,851,254	394,563,907	(6,287,347.00)	252,953,405	273,189,677	293,426,954
Land, Housing & Physical Planning	43,783,324	49,420,786	49,420,786	46,911,430	(2,509,356.00)	62,071,280	67,036,983	72,002,639

Public Works, Roads & Transport	54,930,615	69,453,231	69,453,231	65,632,736	(3,820,495.00)	84,507,619	91,268,228
Water, Energy, Natural Resources & Environment	69,317,442	83,081,611	83,081,611	80,147,065	(2,934,546.00)	99,771,405	107,753,117
Public Service & Administration	277,357,725	303,045,673	306,045,673	301,866,409	(4,179,264.00)	346,131,153	373,821,646
County Public Service Board	43,027,950	66,202,939	63,389,315	62,682,740	(706,575.00)	62,947,291	67,983,075
Office of the Governor and Deputy Governor	144,451,074	164,937,927	162,928,065	161,606,399	(1,321,666.00)	191,450,478	206,766,516
Trade, Industrialization, Tourism, Wildlife & Cooperative Development	78,805,537	87,333,102	87,333,102	85,461,705	(1,871,397.00)	104,533,075	112,895,721
Information, Communication & E-Government	24,214,048	36,146,756	36,146,756	35,674,061	(472,695.00)	41,604,367	44,932,717
GRAND TOTAL	3,266,580,953	3,735,402,502	3,885,786,336	3,885,786,336	0	4,138,850,803	4,469,958,867

5.5 Development Expenditure

Department and Entity Name	2015/16		2016/17			2017/2018	2018/2019	
	Approved	Approval by County Assembly Estimates	Revised Estimates	Revised Estimates 2	Variance	Projections 12%	Projections 8%	Print
County Assembly Services	20,000,000	0	0	0		0	0	1%
Finance & Economic Planning	44,388,744	162,667,585	162,667,585	162,667,585	0	182,187,695	196,762,711	2%
Agriculture, Livestock Development & Fisheries	165,774,055	177,015,791	191,913,022	191,913,022	0	198,257,686	214,118,301	9%
Health Services	172,826,372	145,461,763	114,791,763	114,791,763	0	196,517,174	212,238,548	10%
Education, Youth, Children, Culture & Social Services	284,099,411	285,694,257	163,208,573	163,208,573	0	319,977,568	345,575,774	16%
Land, Housing & Physical Planning	74,239,776	83,313,212	83,313,212	83,313,212	0	87,710,798	94,727,662	4%
Public Works, Roads & Transport	747,806,164	881,121,212	632,150,775	632,150,775	0	986,856,498	1,065,805,018	41%
Water, Energy, Natural	140,560,568	183,121,873	180,186,761	180,186,761	0	205,442,711	221,878,128	8%

Resources & Environment									
Public Service & Administration	10,269,204	28,969,636	28,969,636	28,969,636	0	32,445,992	35,041,672	1%	
County Public Service Board	0	0	0	0	0	0	0	0%	
Office of the Governor and Deputy Governor	0	0	0	0	0	0	0	0%	
Trade, Industrialization, Tourism, Wildlife & Cooperative Development	86,703,827	88,008,544	80,556,524	80,556,524	0	98,569,570	106,455,135	5%	
Information, Communication & E-Government	67,814,963	53,916,104	60,088,432	60,088,432	0	77,186,037	83,360,920	4%	
Kenya Devolution Support Program				27,177,381	27,177,381				
GRAND TOTAL	1,814,483,084	2,089,599,757	1,697,846,283	1,725,023,664	27,177,381	2,385,151,730	2,575,963,869	100%	

6.0 MEDIUM-TERM EXPENDITURE FRAMEWORK

6.1 overview

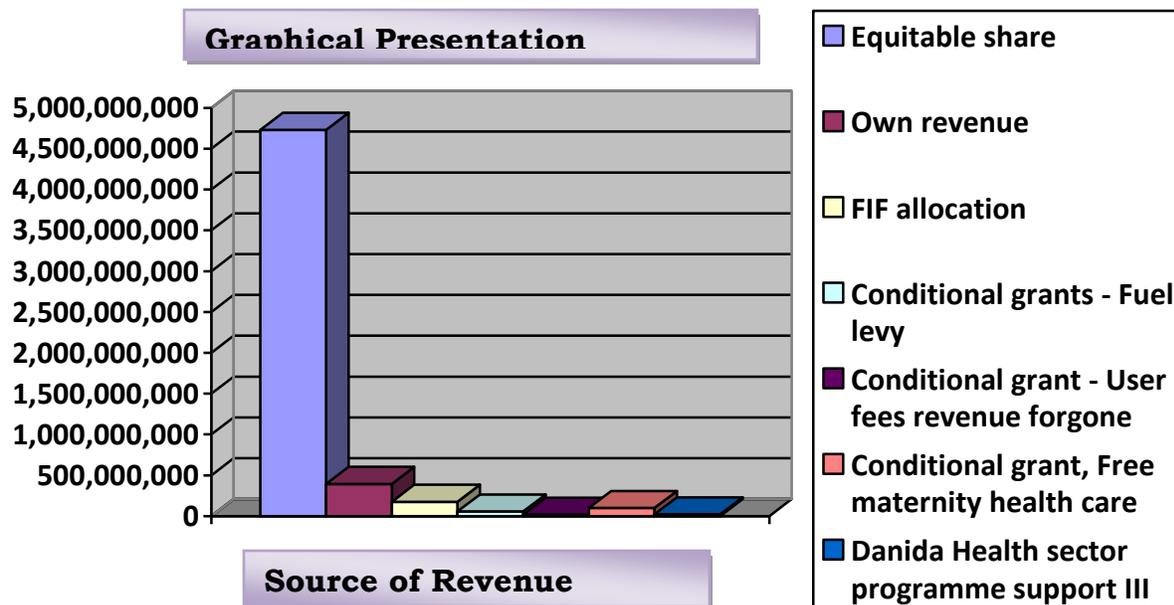
36. This chapter provides the details for resource envelope and spending priorities of the county government. It also describes the sectoral spending priority programmes and project for the remaining MTEF period.

6.2 Resource Envelope and Allocation Criteria

37. Financial Year 2016/2017 will realize a slightly increased county revenue due release of conditional grants for road works and health facilities. The estimated revenue for the fiscal year 2016/2017 is Kshs 5,583,632,619 which reflects an increase of Kshs 502,568,582 from current revenue estimate of Kshs 5,081,064,037. These fund will utilized to meet both recurrent and development expenditure in a ratio of 70% and 30% respectively. The stated estimated revenue for the current financial period excludes unspent balances for the financial year 2014/2015.

38. The table below provides a summary of all expected sources of revenue and the amounts: -

Source of revenue	Estimated amount	Ratio %
Equitable share	4,861,021,578	87.7
Own revenue	345,000,000	6
FIF allocation	175,350,000	3
Conditional grants - Fuel levy	74,689,564	1
Conditional grant - User fees revenue forgone	18,313,556	0
Conditional grant, Free maternity health care	89,327,921	2
Danida Health sector programme support III	19,930,000	0.3
Sub total	5,583,632,619	100



6.3 Overall Spending Priorities

39. The 2016/2017 Annual Development Plan spells out priority activities, projects and programmes to be undertaken by the various departments during the plan period. This is key in terms of informing allocation of resources to various sectors, projects and programmes.

6.4 Medium- Term Expenditure Baseline Ceilings

40. The baseline estimates reflect the current departmental spending levels in sector programmes. In the recurrent expenditure category, non-discretionary expenditures take first charge and include payment of statutory obligations such as salaries, pension, NHIF and NSSF. These expenditures are projected to account for about 35 percent of the expected total revenue receipts as earlier indicated.

On-going projects: emphasis is given to completion of on-going projects and in particular infrastructure projects and other projects with high impact on poverty reduction and equity, employment and wealth creation.

Strategic policy interventions: priority is also given to policy interventions covering the entire county, social equity and environmental conservation and priorities of the county government

6.5 Sector/Departmental Priorities

6.5.1 Public Works, Roads and Transport

41. The department is among other devolved units of the County Government of Kericho, it is made up of three sections: Roads, Public works and Transport, its devolved function is mainly to promote welfare services amongst the people. The Department is guided by among other policy instruments, departmental development plan, county medium plan, Constitution of Kenya 2010, Governor's manifesto and county integrated development plan (CIDP 2013-2017) that are developed by Kericho County Government as a blue print for development of the county. The department after the transition, inherited most of the defunct local authorities functions.

42. The department under the roads sector has also acquired more heavy earth moving machines like tippers and excavators though more are needed since most of the equipment from the former authorities are old, may require repairs that are expensive and maybe inefficient.

1.1. Sector Vision and Mission

43. The vision of the sector is *"A World class provider of cost-effective physical infrastructure facilities and services"*.

The mission is *"To provide efficient, affordable and reliable infrastructure for sustainable economic growth and development through construction, modernization, rehabilitation and effective management of all infrastructure facilities"*

FISCAL PERFORMANCE FOR FY 2014/15

44. The department executed several gravel road projects, Buildings and drainage structures, despite several challenges that would be listed later in this submission. The total development budget was Kshs. 738million. KShs.106,568,775 was spent on in-house projects, whereas

KShs.579,137,657 was used on contracted projects. There are other costs incurred as pending bills carried forward from previous years.

45. A total number of 34 earth roads all summing to 115.72 km were procured in the first quarter, these roads have been successfully evaluated and awarded to the contractors. It should be noted challenges facing procurement of these projects were earlier encountered despite documentation being done on time. Some of the challenges faced in implementation of the plans are listed later in this submission.

46. Considerations were duly made to the special groups like the Women, The Youth and The Disable, these contractors have been awarded the contracts and most of them have started the works. The numbers of projects to the Special groups that have been awarded are 12 NO Road projects, the remaining lot of the projects have been awarded to general contractors.

47. The department has managed to roll out 118 roads for construction. The tendering process for the road projects is in progress. The department is currently preparing to do evaluation process for the roads. It is expected that the award and commencement of the works will be done by mid-February 2015.

Completion of the remaining works

48. The remaining works from the last financial year are on completion. The department is doing its level best to complete the remaining projects in the current financial year.

Emergency works

49. The department in implementation of budget and work plan, has made arrangements to execute works that required immediate attention to be rehabilitated on emergency basis. Several of these works occurred after the short rains that swept away the road drainage structures and damaged the roads. Some of the works that were done were done are listed below. Some

projects that were done in quarter one have spilled over to quarter two, some of these projects may have in one way delayed in execution.

In-house works

50. The department has acquired plants and machinery so as to execute some works quickly without long procurement processes. In this financial year, more machinery have been hired so as to meet the rising demand and increased amount of works. It has however managed to ensure that the projects spread throughout the county, and that all citizens are served equally.
51. The department with the help of the county assembly has successfully drafted the transport and Roads policy and has now been enacted to be law, the policy has not been in place hence the move is expected to strengthen service delivery and improve revenue collection. The policy making exercise involved the department's executive as the team leader, the members of the county assembly roads committee, the legal officers and the technical team from the department.

Mechanical sector

52. The sector is under the department of Public Works, Roads and Transport, it controls and facilitates maintenance, repair and service vehicles that belong to the various Departments of Kericho County Government. The following are some of the details captured on the complete rehabilitation maintenances and repairs of the plants in the first quarter.

Challenges

- i. **Supervision tools**-this challenge has spilled over to this quarter. Inadequate inspection tools and equipment like inspection vehicles and record keeping tools, the sector needs well equipped offices and office equipment, in addition survey equipment are required to capture field data and precise surveying for setting out. The department requires surveyors to be assigned to do specific specialized works.

- ii. **Quality workmanship**-The department plays a key role in the inspection and supervision of all the structural and civil works being executed in the county since it has qualified personnel and resources. It is therefore a responsible for quality work and workmanships that is achieved through proper supervision of works, in contrary, the department on several occasions has not been involved in supervision of building projects and development projects related to our functions e.g. Buildings in main centers that are being constructed without proper approval, supervision and monitoring of use of quality materials for construction. It should also be noted that other department continue to execute civil works without proper consultations hence poor quality of works leading to possible collapse of structures.
- iii. **Unpredictable weather conditions**-unforeseen heavy rains that affects the implementation of the planned projects. It means that constructions activities would be seasonal.

2016/2017 PROPOSED PROJECTS

PROGRAM: INFRASTRUCTURE, ROADS AND TRANSPORT - DEVELOPMENT VOTE									
SUB- PROGRAM-ROAD REHABILITATION									
OUTCOME(S):Properly designed road infrastructure and improved accessibility of county roads									
SUB-PROGRAM	OBJECTIVES	OUTPUTS	TARGET	DESCRIPTION OF ACTIVITIES	FY2014/15	FY2015/16	Target 2016/17	PROGRAM	ESTIMATED COST
Construction of roads and bridges	To open up all rural roads	-Inspection team for quality assurance	-Site Progress Inspection reports	Construction of bridges and opening of roads	300KMs	450KMs	520KMs	020201	730,121,873
	To construct bridges across all bridges	-Needs identified	-Number of sites identified in Meetings	Construction of bridges and opening of roads					
		Projects tendered and awarded	-Adverts on Media, tender meeting minutes & number awarded		300KMs	400KMs	450KMs		
		Design & execute the Roads projects Network	-Designs & plans		Designs made for 300KMs	Designs made for 400KMs	Designs made for 450KMs		

		and Bill of Quantities							
			Copies of design plans						
			-number of Graveled road with progress photos						
Rehabilitation of roads and Bridges	- To maintain the Gravel roads	- Inspection team for quality assurance	-Site Progress Inspection reports		-	-	-	020202	-
Roads development, Roads routine maintenance with acquisition of Equipment	-Rural, Urban& Roads within Market Centers	Make County roads all-weather roads	-Accessibility to all Areas					020203	15,000,000
	-Sufficient Trucks and Equipment	- Equipment to assist in construction and maintenance	-Tender Documents, Invoices, LSO						
Development of Air transport infrastructure (Feasibility study towards Upgrading of Kerenga Airstrip)	Accessibility to Air Transport	The county linked to the Outside	-Feasibility study report					020401	60,000,000
Design of roads and bridges with Inventory Surveys	Targeted no. of Roads &Bridges to be Surveyed & designed	Existing Roads connected across streams and rivers	-linkages across streams &rivers					020204	56,000,000
			-Data collected after the Inventory Survey						
Roads Transport and Safety	Targeted projects done	Safety Improved	Roads repaired					020303	20,000,000.00
			Emergency works Done						
								TOTALS DEVELOPMENT Kshs.	881,121,873

6.5.2 Agriculture, Livestock development and Fisheries

53. The sector is critical to economic growth, employment and poverty reduction, contributing about 70% of employment. The challenges facing the sector include high cost of agricultural inputs such as fertilizer, agrochemicals, drugs, animal feeds and poor infrastructure. Other challenges facing the are poor planning, inadequate warning systems, low value addition and

competitiveness and low access to financial services as well access to affordable credit.

54. Major activities undertaken in 2014/15 include;

Project/Programme name	Objectives	Targets (No. of Beneficiaries)	Description of activities	Output(s)	Project and Programme Cost
Soin Agricultural Training Centre Modernization Project	To improve farmers access to new agricultural skills and technologies through provision of training facilities	600	Construction of water pan, Fencing of ATC farm and Kitchen/dining Hall construction.	At least 600 farmers trained on modern agricultural skills	20 m
Agricultural Mechanization & Technology Development Project	To improve the efficiency and effectiveness in land preparation and water conservation structures for increased agricultural yields	Give a new facelift to the working environment	Renovation of offices and construction of a road.	Office renovation and rehabilitation of access road to the office	2 m
Horticulture Development Support project	To increase incomes and reduce poverty among the poor rural households	2,000	Supply of 30,000 passion fruit seedlings, 16,000 bananas, avocado, and mango seedlings.	At least 2,000 farmers adopt and expand mangoes, bananas, avocado, and passion fruit.	4.6 m
Sweet potato packhouse	Value addition		Construction		4 m
Roret Pineapple plant	Value addition		Construction		11 m
Tick control	Dip rehabilitation	4,000	Countywide(all Sub Counties)	37 dips rehabilitated	11 m
	Supply of acaricides to dips	12,600	Countywide(all Sub Counties)	9,590lt bought and supplied to various communal dips	11 m
Disease and pest control	Vaccinations	24,000	Countywide(all Sub Counties)	FMD 50,000 Rabies 7,000	4.59 m
	Stray dog destruction	10,000	Countywide(all Sub Counties)	247 Dogs/cats killed	0.3 m
Meat inspectorate	Refurbishment of slaughter houses	36,000	Countywide(all Sub Counties)	6 slaughter houses	4.8 m
Livestock breeding	Procurement of bull semen and liquid nitrogen	74,000	Countywide(all Sub Counties)	Bull 18,548 doses LN2 9,000lt	8.26 m

55. The major activities for the current financial year 2015/2016 include;

Project/Programme name	Objectives	Targets (No. of Beneficiaries)	Description of activities	Expected Output(s)
Industrial Crops Development project	To improve competitiveness of the industrial crops sub sector by promoting increased production, processing and marketing	1,600	Construction of coffee pulping station at Kipkelion west, Supply of coffee seedlings and materials for coffee nursery establishment is under procurement process,	Increase area and Productivity of coffee, sugarcane and pyrethrum by at least 20%
Horticulture	To increase incomes	8,000	Supply of 10,000	At least 8,000

Development Support project	and reduce poverty among the poor rural households		passion fruit seedlings,10,000 bananas, avocado, and mango seedlings to Materials for fruit tree nursery establishment is under procurement process, GH, vehicle, computers	farmers adopt and expand irish potato, banana, avocado, mango, passion fruit, tomato, pineapple production, value addition and marketing
Food Security Enhancement Project	To increase nutritional security by improving the quality and quantity of food products consumed within the county	20,000	Purchase of sweet potato vines (450,000 pieces) Seed potatoes (400 bags var. Desiree/Dutch Robin) and All Grains/legume (maize, beans, sorghum & millets) seeds for demonstration in all Sub Counties are under procurement process.	At least 20,000 farmers adopt and expand sweet potato, finger millet, sorghum and pumpkin production
Smallholder Development (SIDP) Irrigation Project	To open up the marginal areas of the county for maximum exploitation of the existing agricultural potential	2,000	Supply, installation and testing of irrigation pipeline and construction of 3 tanks (Makiche project) are under procurement process.	At least 2,000 ha put under intensive production of high value crops
Agricultural Mechanization & Technology Development Project	To improve the efficiency and effectiveness in land preparation and water conservation structures for increased agricultural yields	200	Procurement of farm tractor and farm implements is ongoing.	To equip the station with new machinery (baler, mower, rake, plough and a tractor)

56. In the medium term, the sector will focus its efforts on promoting an innovative, commercially oriented and modern agriculture by transforming key institutions in the sector, increasing productivity, and promoting better land use policies. Research and development plays a critical role in terms of providing farmers with modern farming technologies that include use of high yield varieties of tea, coffee, maize seeds, potatoes, and control of livestock diseases among others. This will help increase yields; reduce food poverty and hence improve overall quality of life in the county.

57. The major activities in the remaining MTEF period include;

Financial Year ~ 2016/17				
	Name of Priority Projects/Programme	Location	Target/Activity Description	Objective
1.	Horticulture Production, Processing and Marketing Project	Countywide	<p>(i) Sixty (60) demo plots established and maintained to train farmers in commercial horticulture.</p> <p>(ii) Sixty (60) field days conducted successfully.</p> <p>(iii) Seven (7) “ward-branded” products developed and commercialized (Avocado, Pineapple, Irish potato, Banana, Tomato, African Leafy Vegetables-ALV and Passion fruit).</p> <p>(iv) 8,000 farmers benefit directly through regular trainings, field days and input supply centres.</p> <p>(v) 8,000 farmers adopt and/or expand production, value addition and marketing of selected horticulture crops.</p> <p>(vi) 1,000 farmers adopt smallholder shed net and green house horticulture production;</p> <p>(vii) Value added horticulture products introduced and commercialized through structured market linkages</p>	<p>(i) To increase incomes and reduce poverty among the poor rural households for which horticultural crops are important sources of livelihood and;</p> <p>(ii) Improve the health and welfare of inhabitants of Kericho County by improving the quality and increasing the quantity of horticultural produce and products consumed within the county.</p>
2.	Kericho County Food Security Enhancement Project	Countywide	<p>(i) 20,000 farmers benefit directly through regularized Farmer Field School trainings, food</p>	<p>(i) To ensure adoption by the county inhabitants of other food crops (e.g. Millet,</p>

			<p>crop demonstrations and planting material supplies.</p> <p>(ii) 20,000 farmers adopt and/or expand Irish potato, Sweet Potato, Finger Millet, Sorghum and Pumpkin production,</p> <p>(iii) 2,000 farmers get linked to better market outlets for their farm produce;</p> <p>(iv) Production of at least 3 ‘new’ food crops improved by 20% from the current baseline.</p>	<p>Sorghum, Sweet potato, Pumpkins etc) that can be conveniently grown on small parcels of land;</p> <p>(ii) To increase incomes and reduce food poverty among the poor rural households through production of diverse food crops and;</p> <p>(iii) Increase the nutritional security of inhabitants by improving the quality and increasing the quantity of food products consumed within the county.</p>
3.	Smallholder Irrigation Development Project (SIDP)	<p>Countywide</p> <p>[Soin /Ainamoi /Kipkelion dry Belt]</p>	<p>(i) 2,000 hectares of land put under intensive production of high value crops.</p> <p>(ii) Six (6) demos established and maintained to train farmers on commercial horticulture production under irrigated farming system.</p> <p>(iii) 4,000 farmers benefit directly through regular trainings, field days and demonstration plots.</p> <p>(iv) 2,000 new farmers adopt and/or expand commercial production of high value horticultural crops.</p> <p>(v) 500 farmers adopt smallholder <u>shed net</u> and <u>green house</u> horticulture production;</p>	<p>(i) To introduce commercial production of high value crops under irrigated farming for high end markets;</p> <p>(ii) To open up the marginal areas of the county for maximum exploitation of the existing agricultural potential</p>
4.	Kericho Industrial Crops Development Programme	Soin, Ainamoi, Kipkelion West,	(i) Land under coffee, Sugarcane and pyrethrum increased by at least 20%.	(i) To improve competitiveness of the industrial crops sub-sector by promoting

		Kipkelion East	<p>(ii) Productivity of industrial crops e.g. Coffee, Pyrethrum, Sugarcane and Tea increased by 20%.</p> <p>(iii) Alternative market outlets established through promotion of product diversification</p>	increased production, processing and marketing
5.	Livestock Breeding Programme	Countywide	<p>(i) Sixty (60) private AI service providers trained and licensed to complement County Government intervention.</p> <p>(ii) Breeding diseases reduced by 50% through reliable, disease free and well performing insemination system.</p> <p>(iii) Mortality rate of young stock reduced by 40%.</p> <p>(iv) Reliable database on existing genetic material established for planning and management of the livestock sector.</p> <p>(v) At least 50% of livestock farmers benefit directly through regular AI services and back-up trainings.</p> <p>(vi) Improved productivity in key livestock outputs e.g. average milk yield by at least 50% above the current baseline of 5 litres per cow per day.</p> <p>(vii) In-breeding reduced by 60% among small-scale farmers in the county.</p>	<p>(i) To improve livestock productivity and thereby increase income and reduce poverty among the poor rural households in Kericho County.</p> <p>(ii) Improve the genetic make-up of the livestock resources in the county.</p>
6.	Livestock Pests and Diseases Control Programme	Countywide	<p>(i) Dip management revolving fund established in at least 80% of all the dips in the county.</p> <p>(ii) Sixty (60) private Animal Health Service</p>	<p>(i) To improve livestock productivity and thereby increase income and reduce poverty among the poor rural households in Kericho County;</p>

			<p>Providers trained and registered to complement the public services provided by the county.</p> <p>(iii) Incidences of pest and diseases reduced by at least 50% through reliable and well performing pest and disease control system.</p> <p>(iv) Livestock mortality rate from pests & diseases reduced by 40%.</p> <p>(v) At least 50% of livestock farmers benefit directly through regular pest & disease control services and back-up trainings.</p> <p>(vi) Improved productivity in key livestock outputs e.g. average milk yield by at least 50% above the current baseline of 5 litres per cow per day.</p> <p>(vii) Trans-boundary pest and disease incidences reduced by at least 80% through sustained surveillance.</p> <p>(viii) Reduction of occurrence of zoonotic diseases e.g. Rabies, RVF, Anthrax by 40%.</p>	<p>(ii) To increase the health and welfare of inhabitants of Kericho County by improving the quality of livestock products consumed;</p> <p>(iii) To contribute to the penetration and competitiveness of Kericho County livestock products in both regional and international markets.</p>
7.	Livestock Feeds and Products Processing Project	Countywide	<p>(i) Raise productivity of livestock enterprises such as dairy cows by at least 100%. The current per capita milk yield is averaging 5 litres per cow. This will be raised to at least 10 litres.</p> <p>(ii) The county average laying percentage for grade chicken is estimated to be about 50%. The project intends to raise this to about 80% through improved availability of quality feeds at the small-scale farmer level.</p> <p>(iii) The project will increase the level of milk, hides and Skins processing by 20% from the</p>	<p>(i) To improve access to high quality livestock feeds through farm level processing of feeds and supplements.</p> <p>(ii) To increase market penetration and competitiveness of livestock-related products through processing and other value adding techniques.</p>

			<p>current status.</p> <p>(iv) Quality of meat improved by 40% through regular inspection of abattoirs and Flaying hygienic conditions.</p>	
8.	Fish Farming and Utilization Project	Countywide	<p>(i) Sixty (60) demo ponds established and maintained to train farmers in commercial fish farming.</p> <p>(ii) Sixty (60) field days conducted successfully.</p> <p>(iii) At least 3,000 farmers benefit directly through regular trainings, field days and input supply centres.</p> <p>(iv) At least 3,000 farmers adopt and/or upscale fish production, value addition and marketing.</p> <p>(v) Value added fish products produced and commercialized through structured market linkages;</p> <p>(vi) At least 20 on-farm fish feed formulation units established to “manufacture” feeds for easy access by farmers.</p>	<p>(i) To increase incomes and reduce poverty among the poor rural households in Kericho County and;</p> <p>(ii) Increase the health and welfare of inhabitants of Kericho County by improving the quality and increasing the quantity of cholesterol free animal protein consumed.</p>
9.	Agricultural Mechanization & Technology Development Programme	Countywide	<p>(i) One (1) new earthmover/Dozer acquired for land development services</p> <p>(ii) Equipment/Machinery Workshop improved to provide effective repair services</p> <p>(iii) Revenue collection improved by at least 30% above the current level.</p> <p>(iv) Mechanized land preparation increased by 20%</p> <p>(v) Pilot local fabrication of farm tools initiated</p>	<p>(i) To improve the efficiency and effectiveness in land preparation for increased agricultural yields.</p> <p>(ii) To increase labour productivity on the farms by promoting energy-efficient farm tools & equipment.</p> <p>(iii) To facilitate development of irrigation and land development infrastructures for commercial agricultural production.</p>

10.	Soin Agricultural Training Centre Modernization Project	Soin/Sigowet	<ul style="list-style-type: none"> (i) Revenue collection increased by at least 50% above the current level. (ii) Number of “out-bound” seminars and trainings reduced by 30%. (iii) At least 10 adaptation trials for new agricultural technologies conducted. (iv) At least 1,000 farmers trained on modern agricultural skills. (v) 10 crop demonstration established for technology transfer (vi) 4 Livestock and 2 fish farming demonstrations established 	<ul style="list-style-type: none"> (i) To improve farmers’ access to new agricultural Skills and technologies through provision of training facilities. (ii) To provide a facility for Government staff trainings and workshops. (iii) To provide source for revenue to the County Government through hiring of training facilities to the private sector.
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6.5.3 Water, Environment, Energy, Forestry and Natural Resources

58. The sector plays a very important role in providing a clean, secure and sustainable environment, in addition to developing natural resource that form critical linkage with other sectors of the economy. Prospects for the county's long term growth are therefore dependent on effective management of these resources.

59. The sector objective is to promote, conserve and protect the environment and improve access to water and enhance sustainable use of Natural resources. The sector plays a key role in ensuring that every citizen has access to portable water in a clean and secure environment. Efficient use of natural resources is central to economic social and cultural development. Due to the finite nature of these resources they should be conserved and utilized in a sustainable manner. The County shall undertake strategies aimed at conserving the environment and natural resources and also ensure provision of reliable and affordable energy through exploration of environmentally friendly and renewable energy sources; and rehabilitation and protection of water resources.

60. In the financial year 2014/15 the department undertook water tank construction projects, dam rehabilitation projects installation and distribution of water pipes, masonry break pressure tanks across the county amounting to Kshs. 70.4 Million;

61. In the current financial year 2015/16 the department has been able to pay 10million to settle bills at Bomet Water Company which supplies water to Tililbei Water Company. Solid waste management projects have also been completed at Ngoina, Londiani, Kipkelion town, Chepsir and Roret market centers.

62. Over the MTEF period the sector aims to achieve expansion of water coverage and sewerage facilities; scaling up water storage to improve water security; conservation and management of catchment areas; mitigation and adaptation measures on climate change; enforcement of sector laws and regulations; mineral mapping and exploration.
63. To achieve these goals, the department has been allocated a total budget of Kshs 272 Million equivalent to 5% of total expenditure for the FY 2016/17 to undertake these activities. Development Expenditure set aside amounts to Kshs. 183 Million.
64. Some of the major activities in the 2016/17 MTEF period include; increasing tree cover, water projects and supply, drilling of boreholes, power supply, hydro power generation plant and solid waste management.

6.5.4 Trade, Industrialization, Tourism, Wildlife and Cooperative Management

65. The Sector plays a vital role in creating an enabling environment for trade development; promotion of industrial development and investment, promotion of sustainable tourism and marketing; preservation of national heritage and culture.
66. To facilitate sustainable trade, investment and tourism, vibrant industrial base, preservation of national heritage and culture for sustainable development, the sector will, in the medium term, focus on undertaking policy, legal and institutional reforms for the development of the sector; improving business environment for trade, tourism and investment; supporting entrepreneurship, industrial development, reviving of dormant cooperatives and SACCOs research, and innovation.

67. In the financial year 2014/15 the department was able to construct market sheds across the county to a tune of Kshs. 20 million. The Kericho enterprise fund used to help start up income generating activities across the county was also distributed. A total of Kshs 75 million from the fund was distributed to various individuals, women and youth groups. The only challenge in distributing the amounts was because of the high number of applications received across the county. Conservation and Improvement of Tourist Sites at Fort Ternan, Londiani, Ainamoi and Chebulu was also factored in the budget. Fort tenan Museum was completed at a tune of kshs1.7 million. Revival of dormant cooperatives was also undertaken to the tune of Kshs1.6 million.

DETAILS OF SECTOR PERFORMANCE IN THE CURRENT FINANCIAL YEAR (2015/2016).

No .	Section	Project Location	Project Name	Project Activity	ESTIMATE
1	Trade	Ainamoi	Ainamoi market	Construction of market shed	1,122,177
2	Trade	Cheboin	Cheborge market	purchase of land & construction	2,000,000
3	Trade	Chemosot	Chemosot Market	Construction of market shed	1,122,177
4	Trade	Cheplanget	Butuik market	Construction of market shed	1,122,177
5	Trade	Cheplanget	Kibwastuyo Market	Construction of Toilet Block Type B	893,550
6	Trade	Chepseon	Chesinende market	Chainlink Fence	1,232,280
7	Trade	Chepseon	Chesinende market	Construction of market shed	1,122,177
8	Trade	Chepseon	Chesinende market	Construction of Toilet Block Type A	1,436,274
9	Trade	Chilchila	Fort Ternan market	Chainlink Fence	934,290
10	Trade	Chilchila	Fort Ternan market	Construction of market shed	1,122,177
11	Trade	Chilchila	Fort Ternan market	Construction of Toilet Block Type A	1,436,274
12	Trade	Kabianga	Chebiriabei market	Chainlink Fence	1,500,000
13	Trade	Kamasian	Kamasian market	purchase of land & construction	2,000,000
14	Trade	Kapkatet	Kapkatet market	Construction of market shed	1,122,177
15	Trade	Kapkatet	Kapkatet market	Construction of market shed	1,122,177
16	Trade	Kapkatet	Kapkatet market	Construction of Toilet Block Type A	1,436,274
17	Trade	Kapkelek	Kapkelek market	Excavation and Marrum	500,000

No	Section	Project Location	Project Name	Project Activity	ESTIMATE
18	Trade	Kapkugerwet	Brooke market	Construction of market shed	1,122,177
19	Trade	Kaplelartet	Sondu market clothe	Construction of Toilet Block Type A	1,436,274
20	Trade	Kaplelartet	Sondu market veges	Construction of Toilet Block Type A	988,470
21	Trade	Kapsaos	Kapsaos market	Chainlink Fence	1,965,957
22	Trade	Kapsoit	Kapsoit market	Chainlink Fencing/ masonry wall	1,826,307
23	Trade	Kapsuser	Kapsuser market	Chainlink Fencing/ masonry wall	2,000,000
24	Trade	Kapsuser	Kapsuser market	Construction of market shed	1,122,177
25	Trade	Kedowa/Kim ugul	Kedowa market	Chainlink Fence	1,600,000
26	Trade	Kedowa/Kim ugul	Londiani market	Construction of market shed	1,122,177
27	Trade	Kericho Town	Kericho Town market	Renovation of main Market	2,500,000
28	Trade	Kipkelion	Barsiele market	purchase of land & construction	2,000,000
29	Trade	Kisiara	Roret market	purchase of land & construction	-
30	Trade	Kunyak	Tuiyo market	Chainlink Fence	1,700,000
31	Trade	Kunyak	Kotetni market	Construction of market shed	1,122,177
32	Trade	Litein	Litein market	Completion of main Market	3,000,000
33	Trade	Londiani	Jagoror market	Construction of market shed	1,122,177
34	Trade	Londiani	Jagoror market	purchase of land & construction	2,000,000
35	Trade	Sigowet	Sigowet market	purchase of land & construction	2,000,000
36	Trade	Soin	Kipsitet market	Chainlink Fence	1,484,000
37	Trade	Soliat	Kaitui market	Chainlink Fence	1,000,000
38	Trade	Soliat	Kapsorok market	Chainlink Fence	1,600,000
39	Trade	Soliat	Kapsorok market	Construction of Toilet Block Type C	502,603
40	Trade	Sorget/Tendeno	Illoti market	Construction of market shed	1,122,177
41	Trade	Sorget/Tendeno	Illoti market	Construction of Toilet Block Type B	893,550
42	Trade	Tebesonik	Kibugat market	Construction of market shed	1,122,177
43	Trade	Tebesonik	Kibugat market	Construction of Toilet Block Type B	893,550
44	Trade	Waldai	Sosiot market	Construction of market shed + Toilet completion	1,200,000
45	Trade	Cheboin	Cheborge market	COMPLETION OF MARKET SHED SLAB	-
46	Trade	Kabianga	Chebirirbei market	COMPLETION OF MARKET SHED SLAB	-
47	Trade	kapsaos	Kapsaos market	COMPLETION OF MARKET SHED SLAB	-
48	Trade	Kapsoit	Kapsoit market	COMPLETION OF MARKET SHED SLAB	-
49	Trade	Tendeno/Sorget	Kiamwingi II market	COMPLETION OF MARKET SHED SLAB	-

No	Section	Project Location	Project Name	Project Activity	ESTIMATE
50	Trade	Waldai	Sosiot market	COMPLETION OF MARKET SHED SLAB	-
			SUB-TOTAL(Kshs.)		59,670,131
1	Cooperatives	Kipkelion East	Ruskebee FCS Ltd	Construction of cooling plant House	2,376,371
2	Cooperatives	Kipkelion East	Kichawir FCS Ltd	Construction of Coffee pulper house	800,000
3	Cooperatives	Kipkelion East	Momoniati FCS	Completion of cooling plant House	350,000
4	Cooperatives	Kipkelion West	Kipsinende FCS Ltd	Construction of Coffee bag store	911,168
5	Cooperatives	Ainamoi	Mosop FCS Ltd	Construction of Office block	1,327,792
6	Cooperatives	Belgut	Sosiot FCS ltd	45 - litre aluminium milk cans 30 pieces	327,792
7	Cooperatives	Belgut	Kaplemeiywet FCS ltd	Construction of Office block	1,322,792
8	Cooperatives	BURETI	NGOINO FCS	Two - Disc Coffee Pulping Machine closed with pre-grader, Re-passer, Rotary feeder, stone separator, Low speed diesel engine with accessories to run the machine.	1,000,000
9	Cooperatives	Kipkelion West	Kasheen Farmers Cooperative Society	1. ONE Two machines of One disc coffee pulper C/W V-Pulley, Cherry Hopper, stand frame, hand pulping and motorized.	360,000
				2. Construction of Coffee pulper house	800,000
10	Cooperatives	Kipkelion West	Saoset FCS	1. One disc coffee pulper C/W V-Pulley, Cherry Hopper, Stand frame, hand pulping and motorized.	180,000
				2. Construction of Coffee pulper house	800,000
11	Cooperatives	Kipkelion West	Sereng Farmers' Cooperative Society	One disc coffee pulper C/W V-Pulley, Cherry Hopper, Stand frame, hand pulping and motorized.	180,000
12	Cooperatives	Kipkelion East	Subukia Farmers' Cooperative Society	45 - liter aluminum milk cans 50 pieces	350,000
13	Cooperatives	BURETI	CHEBORGE FCS	45 - liter aluminum milk cans 50 pieces	350,000
14	Cooperatives	BURETI	CHEPLANGET FCS	Construction of Office block	1,000,000
14	Cooperatives	AINAMOI	BUCHENGE FCS	purchase of land & construction	2,050,000
15	Cooperatives	AINAMOI	AINABTANY FCS	One disc coffee pulper C/W V-Pulley, Cherry Hopper, stand frame, hand pulping and motorized.	180,000
16	Cooperatives	KIPKELION WEST	SOYMINGIN FCS	25 KVA * 3 Phase , Standby diesel Generetor , water cooled	600,000
17	Cooperatives	KIPKELION WEST	KIMOLOGIT FCS	1. One disc coffee pulper C/W V-Pulley, Cherry Hopper, stand frame, hand pulping and motorized.	180,000
				2. Construction of Coffee pulper house	800,000
18	Cooperatives	Soin/Sigowet	Chepkemel FCS	Construction of Office block	1,280,000
19	Cooperatives	Soin/Sigowet	Kosiachtany FCS	Construction of Office block	1,327,792
20	Cooperatives	KIPkelion west	Menet FCS	Construction of Coffee bag store	911,168
21	Cooperatives	KIPKELION WEST	Kunyak Fcs/ Kimorio	One disc coffee pulper C/W V-Pulley, Cherry Hopper,	180,000

No	Section	Project Location	Project Name	Project Activity	ESTIMATE
22	Cooperatives	AINAMOI	TORSOGEK FCS	Construction of Coffee bag store	911,168
23	Cooperatives	KIPKELION EAST	CHESINENDE FCS	Construction of Office block	1,280,000
			SUB-TOTAL(Kshs.)		19,764,875
	Section	Ward	Project Location	Project	2015/16
1	Tourism	Ainamoi	Reresik Caves	Construction of office Block	1,000,000
2	Tourism	Ainamoi	Reresik Caves	purchase of land & construction	2,629,250
3	Tourism	Chilchila	Fort Ternan Museum	Chainlink Fence	2,258,500
4	Tourism	Chilchila	Fort Ternan Museum	EXHIBITION HALL	0
5	Tourism	Ainamoi	Bagao Caves	purchase of land & construction	0
6	Tourism	Ainamoi	Bagao Caves	Construction of Toilet Block Type A	0
7	Tourism	Kaplelartet	Chebulu Conservancy	Construction of Tourism Facilities	5,629,250
8	Tourism	Londiani	Tulwap Psigis	Construction of Tourism Facilities	3,000,000
			SUB-TOTAL(Kshs.)		14,517,000

68. Major Activities proposed in the remaining MTEF period include;

Activity	Indicator	Unit	Baseline Value	2016/2017	Agency Responsible for Reporting
Enhanced Tourism	Tourism Earnings	M/Kshs.	-		Tourism Division
	Tourist attraction sites developed	No.	4	4	Tourism Division
Preserved Heritage and Culture	Historic sites and monuments developed	No.	4	1	Tourism Division
Improved Sports Tourism	Sports tourist arrivals	No.	-	-	Tourism Division
Enhanced Trade Investment and Enterprise Development	Market stalls constructed for traders	No.	400	30	Trade Division
	Loans issued to boost working capital for MSMEs	M/Kshs.	400 Million	50 million	Trade Division
Enhanced Growth and Development of Cooperatives	New Cooperatives Societies registered	No.	-	4	Cooperatives Division
	Dormant Cooperatives revived	No.	32	10	Cooperatives Division
	Sacco's offering financial service	No.	-	20	Cooperatives Division
	Trade fairs and shows carried out.	No.	-	1	Cooperatives Division
Increased Industrial Development and Investments	Industrial Parks established	No.	30	-	Industrialization Division

69. To achieve the above objectives, the ceiling allocated to the Sector in the budget for FY2016/17 to undertake these programmes amounts to Kshs. 181 Million, which is equivalent to 3% of total departmental expenditures.

6.5.5 Health Sector

70. The sector mandate is to promote and participate in the provision of integrated and high quality curative, preventive and rehabilitative services that is equitable, responsive, accessible and accountable to county residents. The sector faces a number of challenges including inadequate infrastructure, shortage of qualified health personnel and medicines and medical supplies. In the medium term the sector will seek to address these challenges through continued investment in training of health professionals, medical services healthy and sanitation infrastructure and improvement in the working condition of the medical practitioners.

71. The department in the financial year 2014/2015 managed to renovate and refurbish a total of 112 facilities. Most of the level 2 and level 3 facilities were supplied with medical equipment worth Kshs. 52,823,298. The main challenge faced was late disbursement of funds to the facilities. Under Recurrent expenditure, for FY 2016-17, the following will be key expenditure areas:

- a) Health workers pay for the services they render at level 2, 3 and 4 health facilities will amount to Kshs. 954,039,393. This caters for automatic annual salary increments as well as recruitment of additional staff. Without staff, the sector cannot perform its core mandate.
- b) Purchase of essential medical commodities will stand at Kshs. 351,196,284. These are medical drugs, non-pharmaceuticals, lab reagents, X-ray supplies, safety gear, food and rations for patients, chemicals and medical gases, amongst others. These are essential items for healthcare delivery.
- c) Trainings : Various trainings at an estimated cost of Kshs. 10,245,798 ;will be rolled out in the FY 2016-17 for the health staff in the current staff establishment, ranging from short courses to long term courses both locally and internationally. There is also need to train the health

facility management committees on the basics of overseeing management at level 2 and 3.

- d) Other operating expenses: This encompasses cost areas such as utilities (electricity, water), maintenance of buildings, maintenance of plant, machinery and equipment, civil works, maintenance of vehicles, fuel costs, stationeries, daily subsistence costs, travel and accommodation costs, contracted services such as cleaning and guarding, amongst others. The projected cost under this item will be Kshs. 83,991,772.

72. Under the Development vote, estimated at Kshs. 175,461,763, the following priority areas shall be focused on:

- i) Kericho County Hospital –

Replacement of carcinogenic asbestos roofs at Kshs. 15M

Completion and furnishing of the CCC and administration block at Ksh.11M

Facility facelift at Kshs. 2M

- ii) Kapkatet Hospital –

Expansion of Water supply works at Kshs. 7M to alleviate frequent water shortage and disconnection

Equipping of the new casualty wing at Ksh.5M

Facility facelift at Kshs. 2M

- iii) Londiani Sub County Hospital

Equipping of the newly constructed modern mortuary at Ksh.12M

- iv) Fort-Tenan Sub County Hospital

Equipping of operating theatre at Ksh.9M

- v) Roret Sub County Hospital

Equipping of operating theatre at Ksh.9M

- vi) Completion of level 2 and 3 health facility construction works at Kshs. 43.5M (1.5M per ward)

- vii) Equipping of level 2 and 3 health facilities with assorted medical equipment at a cost of Kshs. 27.4M

- viii) Purchase of one ambulance for out of the county referrals. This is estimated to cost Kshs. 7M

6.5.6 Education, Youth, Culture and Social Services

73. Human resource development is a key foundation for national and county socioeconomic transformation. The overall goals of the sector are to provide access to quality education, and training in an equitable manner at all levels, manpower development, employment creation and enterprise competitiveness.

74. The sectors main challenges include inadequate infrastructure and staffing, low ICT levels and low transition rates to tertiary institutions. In the medium term, the Sector's priorities include: enhancing access, equity, quality and relevance of education at all levels. Institutionalizing human resource development within employment with emphasis on learning to deepen technological knowledge; strengthening linkages between industries and training/research institutions to promote demand driven training responsive to industry requirement and promote entrepreneurship development and competitiveness of Micro and Small Enterprises.

75. In the financial year 2014/15 the department was able to distribute bursary to the tune of Kshs 74million to various schools. A total of kshs90 million was also budgeted for and utilized in the completion of the existing ECDE centers. Upgrading and equipping existing youth polytechnics was also carried out to a tune of Kshs 10 million.

76. In the current financial year 2015/16 bursaries disbursed was kshs25 million by end of December 2015 out of the budgeted 150 Million in the current year. The table below summaries the current activities

77.

ACTIVITY/PROGRAMME/ PROJECT	2015/16 Costs
Procurement and Purchase of youth polytechnic training tools and equipment	9.6M
CONSTRUCTION OF ECDE CLASSROOMS IN ECDE CENTERS	94M
EDUCATION SCHLARSHIP BURSARY SCHEME	130M
EMPLOYMENT OF 200 ECDE CARE TAKERS.	200
	22M
CONSTRUCTION OF YOUTH POLYTECHNIC CENTERS OF EXELLENE IN TECHNICAL AREAS	19.6M
EMPLOYMENT / COFIRMATION OF YOUTH POLYTECHNIC INSTRUCTOR UNDER CONTRACT.	36 GIVEN EXTENSION OF THEIR CONTRACT. 6.5M
UPGRADING/ CONSTRUCTION OF KERICHO GREEN STADIUM.	3,569,411
CONSTRUCTION OF CULTURAL HERITAGE CENTER AT TULWAP KIPSIGIS.	3,500,000
CONDUCT THE SPORTS CHAMPIONSHIP ON BALL GAMES, ATHLETICS,	12M
CONDUCT A REGIONAL CULTURAL FESTIVALS AT THE COUNTY LEVEL.	1.4M
STAFF TRAINING AND CABACITY BUILDING.	2M
PROCURE AND PURCHASE ONE MOTOR VEHICLE FOR	4.3M
YOUTH TRADE SHOWS, CABACITY BUILDING	1.4M
MONITORING AND EVALUATION OF PROJECTA AND PROJECTS,	350,000
PROVIDE SUBSIDIZED YOUTH POLYTECHNIC TUITION FUND FOR THE TRAINEES IN YOUTH POLYTECHNICS.	0
PROCUREMENT AND PURCHASE OF TEACHING AND LEARNING MATERIALS FOR THE ECDE CENTERS.	0

78.For the financial year 2016/17, Kshs. 511 Million has been set aside; this translates to 9% of the total expenditure. Bursaries in the 2016/17 period have been set aside at Kshs.102 Million which translates to 2% of total budget as required by the Bursaries Act. The table below summaries the proposed activities for 2016/17

ACTIVITY/PROGRAMME/ PROJECT	2016/17
Procurement and Purchase of youth polytechnic training tools and equipment	15M
construction of ecde classrooms in ecde centers	87M
education scholarship bursary scheme	108M
Employment of 200 ecde care takers.	17M
construction of youth polytechnic centers of excellence in technical areas	25M
Employment / confirmation of youth polytechnic instructor under contract.	15 TO BE EMPLOYED. 4.5M
Upgrading/ construction of Kericho green stadium.	15M
Construction of cultural heritage center at tulwap kipsigis.	7M
conduct the sports championship On ball games, athletics,	12M
Conduct a regional cultural festivals at the county level.	1.4M
Staff training and capacity building.	2.5M
procure and purchase one motor vehicle for	4.3M
youth trade shows, capacity building	1.6M
monitoring and evaluation of projects	400,000
Provide subsidized youth polytechnic tuition fund for the trainees in youth polytechnics.	10M
Procurement and purchase of teaching and learning materials for the ecde centers.	40M

6.5.7. Lands, Housing and Physical Planning

78. Part of the mandate of this department is to formulate and implement land policy, undertake physical planning, register land transactions, undertake land surveys and mapping, land adjudication, settlement, valuation and administration of state and trust land.

79. In the financial year 2014/15 the department carried out the following major projects

S/NO	DESCRIPTION	LOCATION	STATUS
1	Renovation of 22No. County residential houses in Moi Estate (Ainamoi sub-county)	Moi estate	Completed
2	Additional floor to County Headquarters- Office of the Governor	County Headquarters	Completed
3	Building works to Governor's office extension	County Headquarters	Ongoing
4	Construction of Governor's car park and driving way	County Headquarters	Contract awarded but to await completion of Governor's annexe building
5	Security Fencing by use of precast concrete posts and chain link complete with galvanized barbed wire	Ainamoi Sub county	Proposed
6	Reroofing of all the previously asbestos roofed residential houses	Ainamoi Sub county	42 units Completed
7	Repairs and renovations to transport office at County Headquarters	County Headquarters	Completed
8	Partitioning works to Deputy Governor's Office & repairs to the executive Washroom	County Headquarters	Completed
9	Partitioning works to County procurement office	County Headquarters	Completed
10	Renovation works to department of LHPP building/Formerly Public works building	Public works Building	Ongoing
11	Painting Works to External walling at County Headquarters building	County Headquarters	Completed

80. In the current financial year the department is undertaking;

S/NO	DESCRIPTION	LOCATION	STATUS
1	Preparation of Local Physical Development Plan (Geoplan Consultants)	<ul style="list-style-type: none"> • Sondu • Kabianga • Londiani • Litein 	Ongoing
2	Preparation of Local Physical Development Plan (Departmental Activity)	<ul style="list-style-type: none"> • Ainamoi • Kapkugerwet • Kapkatet • Kiptere • Fort Ternan 	Ongoing

3	Completion of County Land Inventory and Registration Project	The whole County	Ongoing
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81. Within the medium term, the sector's budget is expected to increase and its projected to 133.7 million by 2016/2017 financial.

82. The Department of Housing, Physical Planning and Lands will receive an allocation of 2 per cent. This is all to ensure that the Valuation Rolls and Spatial Plans of key towns are upgraded so as to generate more revenue in terms of Land Rents and rates.

Major services/outputs to be provided in MTEF period 2016/17 – 2018/19

S/NO	Project Name	Project Location	Objectives	Description of Activities	Project Cost	Implementation status (for on-going projects)
1	Preparation of County spatial plan	The whole County	To come up with a plan to guide development in the county.	Data collection and Field survey.	60 Million	50%
2	Preparation of County Land Valuation Rolls	All rateable land in major towns in the sub counties	To increase revenue collected from land rates; To assist in the process of plan approval	Data collection & validation of the existing valuation roll, Field survey.	50 Million	25%
3	Completion of County Land Inventory and Registration Project (2014-15)	Rateable land in the county	To have a register of all land properties in the county; To assist in conflict resolution.	Secondary & Primary data collection, Field land survey.	10 Million	50%
4	Establishment of data infrastructure framework (GIS laboratory and studio for geo-information in the county)	Land & Physical Planning Office	To digitise all infrastructure data in the county for ease of analysis; To ease update of data; For easy transfer of data between departments	Purchase of the required equipment and training of staff, data collection of all infrastructure, digitizing existing data	20 Million	Proposed Project
5	Routine maintenance of Residential and office buildings (Non Residential)	All major estates & offices across the County	To renovate all the houses owned by the county	Identification of houses & offices to be renovated, Preparation of bill of quantities, tendering and award of tenders	20 Million	Proposed Project
6	Urban beautification programs (Landscape Designs and models , Fountains, Monuments)	Kericho town and Litein town	To improve the aesthetic value of the towns; To enhance organization of the town		5 Million	Proposed Project

7	Purchase of Lift	Governor's office	To hasten movement	Measurement of the area proposed for lift	10 Million	Proposed Project
8	Construction of ramps	Kericho town C.B.D	To ease movement for people with disability	Data collection to establish areas for installation	2 Million	Proposed Project

6.5.8 Public Service Management

83. The department is mandated to guide the county human capital in human resource policies provisions and guidelines both at the county headquarters and the devolved units down to the village level.

84. In the financial year 2014/2015 the department together with the county public service board was able to do a staff rationalization as required by the national government. The department was also able to procure a fire engine at a cost of 6.8 million which will be fabricated and help the available fire units to fight fire emergencies across the county.

85. In the current financial year the department is planning to construct two ward offices at Tendeno and Chilchila wards to promote service delivery to the people of Kericho County. These ward offices are estimated to cost the department a total of 5 million.

86. The sector's strategic objectives over the MTEF period include: promoting public sector reforms, inter county integration and cooperation, public service integrity, county unity, developing policies and creating a conducive environment for fair, competitive and sustainable private sector participation and development, human resource management and development, better service delivery, efficient public finance and enterprise management, policy formulation, coordination and implementation, and county monitoring and evaluation.

87. For FY 2016/17, Kshs. 338 Million has been set aside for the department. The department also intends to construct new ward offices in 10 wards at a cost of Kshs 30 Million. It also intends to construct a Fire Station at a cost of Kshs 10 Million.

6.5.9 Finance and Economic Planning

88. The Department of Finance and Economic Planning derives its mandate from the Constitution of Kenya 2010 and other related subordinate laws including Public Management Finance Act, 2012, County Government Public Finance Management Transition Act, 2013 and County Government Act, 2012 and is responsible for finance and economic planning of the County. The department's plays pivotal role in the coordination of development planning, mobilization of public resources and ensuring effective accountability for use of the resources for the benefit of Kericho County.

89. The county received Ksh.4.412 billion as for the financial year 2014/2015 and expensed Ksh.4.410 billion to meet its county services and goods representing 99% absorption level of funding received for the 2014-2015 financial period. The expenditure includes transfers amounting to Kshs. 278 Million to funds created and adequately legislated by both arms of the county government. The county ordinary collections were estimated at Kshs. 413 million translating to 107% of the total projected revenues for the year of Kshs 386 million.

90. In the current financial year 2015/2016 The county has received Kshs. 2.415 Billion as at the end of December 2015 and expensed Kshs. 2.068 Billion to meet its county services and goods representing 85% absorption level of funding received for the half year.

91. Over the medium term, priority areas for the Sector include: policy formulation and implementation of the CIDP; development of an economic and structural reform programme which will have, among others, the following elements: deepening of public sector and structural reforms; development and implementation of a comprehensive financial sector reform programme, strengthening public finance management, and entrenching Programme-Performance Based Budgeting (PBB); operationalize the Public Private Partnership and promotion of investments.
92. The department has been allocated a total of Kshs. 613 Million. Bulk of the allocation goes towards funding of mortgages and car loans to both state and public officers. The department has also set aside Kshs 158 Million for Emergency Fund.

6.5.10 Governor's Office

93. In the medium term, the county will ensure and coordinate the participation of communities and locations in Governance at the county level and assisting communities and locations to develop the administrative capacity for the effective exercise of the functions and powers and participation in Governance at the local level.
94. Public participation in financial matters is a key requirement in the budget making process. This is enshrined in the Constitution and the Public Finance Management Act, 2012. As such, the office of the Governor together with the department of finance and economic planning shall ensure that the public is engaged in all financial matters and budget preparation.
95. For the office of the governor, a total of Kshs. 170M will be spent during the financial year 2016/17. This will go towards ensuring all activities in the sector are carried out.

6.5.11 Public Service Board

96. The County Public Service Board (CPSB) is an independent county board established by law and is in charge of handling all matters of human capital of the county. It ensures that all the sectors have qualified and adequate staff. Further the County will promote best labour practices in recruitment, allocating, motivating and effectively utilizing human resources for improved public service delivery and promote public service integrity.

97. The department has been allocated Kshs 56 Million to undertake its activities in the financial year 2016/17.

6.5.12 Information Communication and E- Government

98. The mandate of the Department of Information, Communication and E-Government in County Government of Kericho is to position itself in order to grow a knowledge-based economy in line with Mid Term Sustainable Development Goals and aspiration of Kenya's Vision 2030. Towards this end, and for the county to achieve its vision and goals, it will require leveraging the potential of Information and Communication Technologies (ICTs) in operations and programming implementation. This therefore makes ICT & e-Government a cross-cutting sub-sector, expected to contribute to the implementation of selected strategies to enhance service delivery in Kericho County.

99. In the financial year 2014/15 the department was able to carry out development activities to the tune of 20.9 Million. Some of these projects included; Biometric Access Control County Wide Area Network Londiani ICT Centre Networking Kapkatet ICT Centre.

100.The major activities to be under taken in the MTEF period include;

ICT sub-sector	costs			
ICT centers in the entire county	42,000,000	No of ICT centers established.	Site meeting minutes, Reports from PWO	Proposed
Development and Installation of GIS Platform for Kericho County	10,000,000	To Map Business Locations, & Inform. On Economic, Political & Social Issues	Feasibility Study, Analysis and Development of Kericho GIS	New
Development of Kericho County Wide Area Network. To interconnect the Sub-Counties	12,000,000	To Interconnect all Sub-counties	Feasibility Study Civil works. BQ and Interconnection's	New
Development of ERP for Kericho County. Revenue ERP, HR ERP, Payroll ERP, Procurement ERP	12,000,000	To Bring Efficiency, Transparency, Accountability in County Operations	Feasibility Study, Analysis, System Development and System Implementation and Testing	Proposed
Licensing of All ICT software. Applications and System Software	5,000,000	To Comply with Statutory Requirement	Check Statutory Regulations Under Kenya ICT Bill 2012	New
Systems Security	2,000,000	Feasibility study and Security System Implementation	Check the System Vulnerability	New
Branding of Kericho County	1,000,000	Feasibility study and Security System Implementation	Quality Branding	New
TOTAL COST	84,000,000			

7.0 CONCLUSION

101.The current economic conditions call for caution in fiscal dispensation.

Macroeconomic stability will be critical to supporting growth. This should be complemented with deeper structural reforms to strengthen the county's resilience and raise growth to a higher trajectory while ensuring that the benefits of growth are shared by all.

102.Expansion of infrastructure investment, while maintaining reasonable growth on social development continues to be a priority. Allocations to sectors reflect

an equitable sharing of county resources for the betterment of the county residents.

103. The set policies outlined in this BPS reflect the changed circumstances and are broadly in line with the fiscal responsibility principles outlined in the PFM law. They are also consistent with the county strategic objectives pursued by the Government as a basis of allocation of public resources. These strategic objectives are provided in the county Government priorities.

8.0 APPENDICES

8.1: BUDGET FORECAST UNDER MTEF FOR FY 2016 TO 2019

Global budget estimates (consolidated)

Department and Entity Name	2015/16	2016/17	2016/17	2017/2018	2018/2019	%age share of total		
		Estimates				Estimates	2015/16	2016/17
	Approved		Estimates	Projections 12%	Projections 8%	Printed	Estimates	2017/2018
County Assembly Services	558,037,314	559,827,854	536,035,170	627,007,197	677,167,772	11%	10%	
Finance & Economic Planning	344,325,912	607,052,732	607,052,734	686,619,059	741,548,584	7%	11%	
Agriculture, Livestock Development & Fisheries	325,376,626	355,359,277	370,256,508	404,722,390	437,100,182	6%	6%	
Health Services	1,503,299,619	1,618,834,500	1,588,164,500	1,751,494,640	1,891,614,211	30%	27%	
Education, Youth, Children, Culture & Social Services	486,742,349	505,545,512	564,059,827	572,930,973	618,765,451	10%	9%	
Land, Housing & Physical Planning	118,023,100	132,733,998	132,733,998	149,782,078	161,764,644	2%	2%	
Public Works, Roads & Transport	802,736,779	950,575,105	701,604,006	1,071,364,117	1,157,073,247	16%	16%	
Water, Energy, Natural Resources & Environment	209,878,010	266,512,603	263,268,372	305,214,116	329,631,245	4%	5%	
Public Service & Administration	287,626,929	332,015,309	335,015,309	378,577,146	408,863,317	6%	6%	
County Public Service Board	43,027,950	66,202,939	63,389,315	62,947,291	67,983,075	1%	1%	
Office of the Governor and Deputy Governor	144,451,074	164,937,927	157,928,065	191,450,478	206,766,516	3%	3%	
Trade, Industrialization, Tourism, Wildlife & Cooperative Development	165,509,364	175,341,647	167,889,626	203,102,644	219,350,856	3%	3%	
Information, Communication & E-Government	92,029,011	90,062,861	96,235,188	118,790,404	128,293,636	2%	2%	
GRAND TOTAL	5,081,064,037	5,825,002,259	5,583,632,619	6,524,002,533	7,045,922,736	100%	100%	

5.4 Recurrent Expenditure

Department and Entity Name	2015/16 Approved	2016/17		2017/2018 Projections 12%	2018/2019 Projections 8%	%age share of tot		
		Estimates	Estimates			2015/16	2016/17	2018/19
						Printed	Estimate s	projec
County Assembly Services	538,037,314	559,827,854	536,035,170	627,007,197	677,167,772	16%	15%	1
Finance & Economic Planning	299,937,168	444,385,149	444,385,149	504,431,364	544,785,873	9%	12%	1
Agriculture, Livestock Development & Fisheries	159,602,571	178,343,486	178,343,486	206,464,704	222,981,881	5%	5%	5
Health Services	1,330,473,247	1,473,372,737	1,473,372,737	1,554,977,465	1,679,375,662	41%	38%	3
Education, Youth, Children, Culture & Social Services	202,642,938	219,851,254	400,851,254	252,953,405	273,189,677	6%	6%	6
Land, Housing & Physical Planning	43,783,324	49,420,786	49,420,786	62,071,280	67,036,983	1%	1%	1
Public Works, Roads & Transport	54,930,615	69,453,231	69,453,231	84,507,619	91,268,228	2%	2%	2
Water, Energy, Natural Resources & Environment	69,317,442	83,081,611	83,081,611	99,771,405	107,753,117	2%	2%	2
Public Service & Administration	277,357,725	303,045,673	306,045,673	346,131,153	373,821,646	8%	8%	8
County Public Service Board	43,027,950	66,202,939	63,389,315	62,947,291	67,983,075	1%	2%	2
Office of the Governor and Deputy Governor	144,451,074	164,937,927	157,928,065	191,450,478	206,766,516	4%	5%	5
Trade, Industrialization, Tourism, Wildlife & Cooperative Development	78,805,537	87,333,102	87,333,102	104,533,075	112,895,721	2%	3%	3
Information, Communication & E-Government	24,214,048	36,146,756	36,146,756	41,604,367	44,932,717	1%	1%	1
GRAND TOTAL	3,266,580,953	3,735,402,502	3,885,786,336	4,138,850,803	4,469,958,867	100%	100%	

5.5 Development Expenditure

Department and Entity Name	2015/16 Approved	2016/17 Estimates	2017/2018 Projections 12%	2018/2019 Projections 8%	%age share of total expenditure			
					2015/16 Printed	2016/17 Estimates	2018/19 projections	2018/19 projections
County Assembly Services	20,000,000	0	0	0	1%	0%	0	0
Finance & Economic Planning	44,388,744	162,667,585	182,187,695	196,762,711	2%	8%	8%	8%
Agriculture, Livestock Development & Fisheries	165,774,055	191,913,022	198,257,686	214,118,301	9%	8%	8%	8%
Health Services	172,826,372	114,791,763	196,517,174	212,238,548	10%	8%	8%	8%
Education, Youth, Children, Culture & Social Services	284,099,411	163,208,573	319,977,568	345,575,774	16%	13%	13%	13%
Land, Housing & Physical Planning	74,239,776	83,313,212	87,710,798	94,727,662	4%	4%	4%	4%
Public Works, Roads & Transport	747,806,164	632,150,775	986,856,498	1,065,805,018	41%	41%	41%	41%
Water, Energy, Natural Resources & Environment	140,560,568	180,186,761	205,442,711	221,878,128	8%	9%	9%	9%
Public Service & Administration	10,269,204	28,969,636	32,445,992	35,041,672	1%	1%	1%	1%
County Public Service Board	0	0	0	0	0%	0%	0%	0%
Office of the Governor and Deputy Governor	0	0	0	0	0%	0%	0%	0%
Trade, Industrialization, Tourism, Wildlife & Cooperative Development	86,703,827	80,556,524	98,569,570	106,455,135	5%	4%	4%	4%
Information, Communication & E-Government	67,814,963	60,088,432	77,186,037	83,360,920	4%	3%	3%	3%
GRAND TOTAL	1,814,483,084	1,697,846,283	2,385,151,730	2,575,963,869	100%	100%	100%	100%

8.4 PUBLIC SECTOR HEARINGS

The Constitution provides that the public should be involved in the budget making process through public participation.

The County Treasury organized public hearings for FY 2016/17 and the medium term budget in 4th and 5th February 2016 in all the six sub-county.

The public applauded the county government for investing massively in the infrastructural development and in the medium term the county economy will improved through opening new market frontier, boost in tourism and an improved social development.

Finance & Economic planning sector

In the financial year 2015/2016 the county had a budgeted to raise Kshs 5.081billion in form of revenue from both national government and own revenue collection. Out of the totals amount realized of Kshs 4.410billion was fully utilized representing 100% absorption.

Further in the financial year 2016/17 the county anticipate to raise Kshs 5.446 billion, which shall be allocated to sectors based on their priorities.

General Economic and Commercial Affairs Sector (trade department)

The public raised the issue of market shade being erected in the market center especially the one in Ainamoi where they were concern about the cost and completion time.

The cost of single business permit was high and needed to be reduced.

On the expensive business permit they were informed before they were set public participation was carried out and also changes in the economy warrants that they are increased relative to the current economic trend.

On market shades construction has been spread across the county evenly, and progressively they will be improved to the required standards.

Agriculture, Rural and Urban Development Sector

Concern were raised on:

Concern over the erection of slaughter slab in the middle of Ainamoi market center.

Provision of subsidized fertilizer for the farmer.

Why are farmer charged for A.I services while they had been promised that it will be free.

The county government to provide quality bull semen to the farmer in time.

The provision of acaracide to cattle dips which have not been completed in terms of refurbishment yet the acaracide have shelf life. Supply of fertilizer is carried out by national cereal & produce board and not department of agriculture, which only help in identification of farmers. Provision of AI services is subsidized and not free. The county will endure to provide semen to farmers as part of extension work.

Health Sector

Concerns were raised on:

Upgrading of Kericho district hospitals to referral level, where they felt could lead to raise of charges and as citizen they may not benefit.

Contracted worker at rural health facilities going for several month with pay.

Sanitation of the market center and food kiosk were also raised, and likelihood of disease outbreak.

Considering that health is a devolved function the County are in charge of the health workers whereas national government builds capacity and make policies through the intergovernmental body. The county government is in the process of promoting health as an incentive to retain and motivate the health workers.

The public was concerned with the situation in hospitals where treatment is withheld until you pay and some of the cases could be emergency cases where it is not possible to pay. It was explained that the Health Bill provides for people in emergency situations and no one is to be denied treatment on the basis of no money.

On sanitation issue garbage collection has been contracted however necessary supervision will be enhance to ensure the contractors entrusted with collection of garbage to carry out their work as per the terms of contract.

Infrastructure and ICT Sector

Concern was raised on:

The youth access to information communication technology should be spread to rural shopping Centre through encouragement of development of cybercafé.

Education Sector

Concerns were raised on:

Financing Early Childhood Development (ECD) infrastructure as well as equipping them to make them conducive for the young learners.

Confirmation of ECDE caretaker into permanent and pension terms.

Inadequate scholarship through County bursary scheme.

The transition rate to secondary and college came into focus where there is need for the county to contribute the tuition fees for students in technical and vocational training by the county government.

It was reported that free primary education remains government priority and allocation is increased annually to reach set target.

On the scholarship fund, the education department and county assembly were reviewing of the current bursary Act to conform with the constitutional requirement as well as incorporate H.E.L.B (Higher education loan board) terms so that more students to benefits.

Water, environment forestry & natural resources.

Concerns were raised on:

Incomplete water projects,

Complete pipeline but dry taps.

High cost of implementing water projects.

On the incomplete water projects the county intention is to complete all the water projects it has initiated in the medium term since supply of water is their basic right, right fully also the completed pipeline water projects are always handed over the water service agency who are to carry out maintenance. In regard to high cost it was explain that in doesn't only involve infrastructure but also cost of prefeasibility study as well.