



REPUBLIC OF KENYA

COUNTY GOVERNMENT OF MERU

FISCAL STRATEGY PAPER

FEBRUARY 2016

KENYA 
VISION 2030
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Foreword

This Fiscal Strategy Paper 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 and the Governor's Manifesto, with emphasis on investment in: Accessibility of water, Agriculture and food security, Infrastructure, , accessible health care, education, increased investor and business confidence necessary to encourage investment, growth and employment creation. 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 paper covers the following broad areas in review of the fiscal performance of financial year 2015/2016; highlights of the recent economic developments and the economic outlook; broad strategic priorities and policies for the Medium Term and the Medium Term Fiscal Framework.

The fiscal framework presented in the paper ensures a sustainable financing while allowing continued spending on priority programmes. Achievement of the set objectives calls for greater transparency, effectiveness and efficiency in public financial management in order to ensure fiscal discipline.

CEC KIRERA

CECM MEMBER

COUNTY GOVERNMENT OF MERU

Acknowledgement

The 2016 County Fiscal Strategy Paper is part of the Meru County Government effort to ensure effective linkages between policies, plans and budgets. It provides an essential resource envelop and presents the fiscal framework for the 2016/17 budget and subsequent budgets falling within the Medium Term Expenditure Framework.

The FSP 2016 is aligned with the national objectives as set out in the budget policy statement. The paper provides specific expenditure ceilings for county departments, units and agencies and details guidelines that aim at structuring the pattern of county government expenditure towards priority areas for investment. These priorities are derived from sectoral reports which have recommendations from expenditure reviews.

The preparation of this fiscal paper was a collaborative effort. Much of the information in this report was obtained from various county departments, units and agencies. We are indeed also grateful for the collaboration and the comments received from the Macro working groups, Public sector Hearing, SWGs, Members of the County Executive Committee, technical staff of County Departments and other stakeholders for their much valued input.

A core team in the Department of Finance/Treasury spent a significant amount of time to put together this report. In this regard, we are grateful to: Miss Dinah Gaceri and Mr. Fredrick Mutembei who headed the team comprising of staff of the County Department of Finance including, in particular Mr. Antony Gitobu, Mr. Eric Muriuki, Mr. Ruteere Kenneth, Miss Fridah Karimi, Mr. Kuria John, Ms. Doris Gakii and Mr. Mukuria Gabriel for their tireless effort in ensuring that this document was produced in time and of high quality. Since it would not be possible to list everybody individually in this page, I would like to take this opportunity to thank the entire staff of the Finance and Economic Planning department for their dedication, sacrifice and commitment to public service.

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**Ag. Chief Officer Finance/Treasury
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Abbreviation

AiA	Appropriation in Aid
BPS	Budget Policy Statement
CARPS	Capacity Assessment and Rationalization of Public Service
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CPSB	County Public Service Board
FY	Financial Year
MTEF	Medium Term Expenditure Framework
PFMA	Public Finance Management Act
PPP	Private Public Partnership
VTCs	Vocational Training Centers

Annexes

Annex 1: Public Sector Hearings

Annex Table 1: Summary of Expenditure by Programmes, 2015/16-2018/19(Ksh. M)

Annex Table 2: Revised Projection-Full LAEs vs Original Budget

Annex Table 3: Total Departmental/ Programme Ceilings

Annex Table 4: 2015/16 Budget Estimates Vs 2016/17 Budget Estimates

1.1 Introduction

1. The 2016 Fiscal Strategy Paper (FSP), the third to be prepared under the Devolution, it points to the continued implementation of CIDP (2013-2017), ADP 2016/2017 and County Government Acts that are the guiding structure for transformation for economic prosperity in the County. The developments are implemented around the economic agenda that includes:

- (i) Creating a conducive business environment for job creation;
- (ii) Investing in sectoral transformation to ensure broad based and sustainable economic growth with a major focus on agricultural transformation to ensure food security;
- (iii) Investing in infrastructure in areas such as transport, energy;
- (iv) Investing in environment, water and sanitation and natural resources;
- (V) investing to promote youth, women and marginalized groups participation in the economy;
- (vi) investing in quality and accessible health care services and quality education as well as strengthening the social safety net to reduce the burden on households and promote shared prosperity; and
- (vii) Further consolidating gains made in devolution in order to provide better service delivery and enhanced economic development.

2. The implementation of the devolution agenda is expected to raise efficiency and productivity in the County thereby sustaining growth. This will create opportunities for productive jobs for residents and visitors. This CFSP, therefore, reiterates the ongoing County's priority projects, programmes and structural transformation measures to be implemented during the period FY 2016/17 – 2018/19.

1.2 County Fiscal Strategy Paper Process Overview

3. 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.

4. County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.

5. 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.

6. 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 finalizing the budget proposal for the financial year concerned.

8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the county assembly.

1.3 Outline of the CFSP

Recent Economic & Fiscal Developments

9. The next section (II) outlines the economic context in which the 2016/17 county budget is prepared. It provides an overview of the recent County economic developments covering the domestic scene.

Forward Economic and policy Outlook

10. The next section (III) outlines the forward economic context that will guide preparation of 2017/18 and 208/19 budgets. It provides an overview of the forward County economic developments covering the domestic scene.

Strategic Priorities and Interventions

11. Section IV outlines the overall County priorities based on the ADP (2016/17) and CIDP (2013-2017).

Fiscal policy and Budget Framework

12. Section V outlines the fiscal framework that is supportive of the realization of the growth over the medium to long term as well as the fiscal strategies for the realization of the county's economic prospects. It sets out a framework for sustainable public finances management, while managing vulnerability to economic and fiscal risks

Medium-Term Expenditure Framework

13. Section VI presents the resource envelope and spending priorities for the proposed 2016/17 MTEF budget and the medium term. Sector achievements and priorities are also reviewed, along with costing of the devolved functions for the 2016/17 MTEF period.

2. RECENT ECONOMIC AND FISCAL DEVELOPMENTS

2.1 National Economic and Fiscal Overview

a. National Recent Economic Developments

14. At the national level, the economy grew by 5.4 percent in 2015 and is projected at 5.7 percent in 2016, 6.0 percent in 2017 and 6.5 percent in the medium term. This growth has been supported by significant infrastructure, including railways, roads and energy investments, construction, mining, and improvement in agriculture following improved weather.

15. Macroeconomic stability has been preserved with inflation remaining on average within target. Overall month on month inflation has remained a single digit figure. However prices increase in some of food items outweighed the decreases as well as increase in the Alcoholic Beverages, Tobacco & Narcotics index.

16. The Kenya Shilling exchange rate has stabilized following increased foreign exchange inflows in the money market and the monetary and fiscal policies implemented by the CBK in 2015. Short term interest rates have declined following improved management of monetary policies and conditions that led to increased liquidity in the money market.

2.2 County Economic and Fiscal Overview

a. County Economic overview

Growth Update

17. With devolution more investments have been made in the areas under county mandates, thus creating an opportunity for increased economic growth and sustainability in agriculture, infrastructure, hospitality, wholesale and retail trade.

18. The private sector also made significant contribution to the county economy, thus fueling economic growth. This improvement is despite the miraa ban by some key miraa consuming countries.

Private Sector Credit

19. Private Sector Credit continued to grow with initiatives to attract investors in all sectors of the county economy.

Interest rates

20. Prevailing commercial interest rates by the banks did not deter investors from borrowing and investing.

The Kenya shilling Exchange Rate

21. The Kenya Shilling continued to be within the desired strength zone and was of greater boost to the market in the county which grew tremendously.

b. Recent Fiscal Development

22. Implementation of the budget for FY 2015/16 has progressed well despite challenges in the first quarter and second quarter. Revenues collection has greatly underperformed in the first quarter and second quarter and equitable share releases for the first half year fell short. These two combined effects disrupted smooth flow of funds for development and general government operations in the first quarter and second quarter thus slowing down expenditures.

23. By the end of December 2015, equitable share disbursement amounted to Ksh2.257 billion against a target of Ksh3.958 billion implying a shortfall of Ksh.1.701 billion. Local revenue collection in the First and 2nd quarter amounted to Ksh. 207.945 million against a target of Ksh 408.983 million recording a shortfall of Ksh. 201.083 million.

24. The combined effect of local revenue and A.I.A shortfalls implied cumulative expenditures were below target by end of second quarter. The total cumulative expenditures for the first half of the financial year amounted to Ksh 2,384.9billion against a target of Ksh4.248 billion. The shortfall of Ksh1, 863.1 billion was attributed to prolonged negotiations at the county assembly with regards to creation of the ward fund which was against the law hence a delay in approving the budget.

25. There were a number of problems that were exhibited in the county that made developments to slow down; they included unwarranted delays in remittance of money caused by transition into IFMIS and E-procurement systems.

2.3 Conclusion

26. Global external shocks were favorable and therefore did not affect the counties. Market lock ups of miraa caused market shrink up and reduced earnings to farmers. Transition to devolved units caused structural friction on the mandates such that some county functions had not yet been devolved and therefore were not allocated resources.

3.0 Forward Economic and Fiscal outlook

3.1 National Economic Outlook

Kenya's Growth outlook

27. The economic growth prospects for FY 2016/17 takes into account developments in the global environment and internal risks while accommodating the Government's national strategic objectives as outlined in the second Medium Term Plan (MTP) for the period 2013-2017 of Vision 2030 and the broad devolution agenda. Real GDP is estimated to expand by 6.3 percent in FY 2015/2016 and 6.4 percent by FY 2018/19.

3.2 County Economic and Fiscal outlook

County Economic outlook

28. The broad investments in the County will go a long way in implementing the projects and programmes outlined in the CIDP. These will be geared towards efficient infrastructure network particularly at the ward level, provision of water and sanitation services, improving health care, education, planning of urban centers and facilitating conducive land tenure in the county. Continued renovation of sports facilities is also expected to improve youth's talents and sporting activities thus injecting additional economic gains in the county.

29. This investment is expected to trigger and sustain production in agriculture, enhance local tourism and increase investments through local economic integration. The private sector participation in the local economy is expected to grow with enhanced investor confidence. The projected outlook assumes conducive political climate in FY 2016/2017.

County Forward Fiscal outlook

30. The County Government has instituted various measures aimed at aligning the expenditures with the revised resource envelope. These include: measures to curb non priority expenditures and to free resources for more productive purposes.

31. The table below shows a summary of the fiscal outlook data between the approved supplementary and the original Printed Estimates for the FY 2015/16.

Summary of Fiscal Outlook between supplementary budget and Printed Budget estimates for the FY 2015/16

	DEPARTMENT	APPROVED 2015/16 BUDGET	PRINTED 2015/16 BUDGET	VARIANCE
001	COUNTY ASSEMBLY	906,186,903.05	881,186,903.05	25,000,000.00
002	GOVERNOR	268,215,089.00	269,715,089.00	(1,500,000.00)
003	TREASURY	713,679,795.88	1,626,648,795.88	(912,969,000.00)
004	AGRICULTURE	564,899,083.89	509,399,083.89	55,500,000.00
005	WATER	831,214,992.98	747,914,992.98	83,300,000.00
006	EDUCATION	711,236,178.04	469,236,178.04	242,000,000.00
007	HEALTH	1,961,885,277.66	1,919,185,277.66	42,700,000.00
008	PLANNING	260,606,852.38	252,306,852.38	8,300,000.00
009	PUBLIC SERVICE	631,893,006.90	618,893,006.90	13,000,000.00
010	TRANSPORT	962,935,510.12	559,435,510.12	403,500,000.00
011	COOPERATIVES	370,142,963.21	326,142,963.21	44,000,000.00
012	CULTURE	270,606,766.88	272,437,766.88	(1,831,000.00)
013	PUBLIC SERVICE BOARD	14,617,589.14	14,617,589.14	-
014	TOWN ADMINISTRATION	27,030,085.00	28,030,085.00	(1,000,000.00)
	TOTALS	8,495,150,094.13	8,495,150,094.13	-

32. In as much, the treasury department reviews a variance of about 913 million. Water, education, and especially transport had the highest benefitting factor by 403.5 million as compared to all other departments.

3.3 Conclusion

33. Public expenditure pressures, especially recurrent expenditures, continue to pose fiscal risk to the Meru County Government. The county government endeavors to undertake appropriate measures including cutting costs on recurrent expenditures, this will go a long way to stabilize the County economy

4. STRATEGIC PRIORITIES AND INTERVENTIONS

4.1 Overview

34. The county government details its priorities as per its county integrated development plan and as emphasized in the annual development plan. Interventions in these initiatives will be through funding from the national government, county own revenue collections and other resources mobilized from partners using the private-public partnership model (PPP).

35. In summary, the government approximates to use Kshs.8.402 billion during FY 2016/17 in endeavor to fulfill its promise to the people of Meru. Departments will address strategic development priorities within their mandates.

4.1 Priority 1: Continued investment in Infrastructure

36. Infrastructure is key to achieving investment, increased production, access to essential services and overall economic growth.

37. The county will address infrastructure challenges by accelerating ongoing development, maintaining, and rehabilitating facilities. This will be achieved through provision of significant resources to support road expansion, installation of floodlights, upgrading of road networks to pro-base standards, and murraming of markets.

4.2 Priority 2: Provision of water and sanitation

38. The county government will ensure increased access to water through expansion of water schemes, drilling of shallow water wells, boreholes, and development of water storage facilities through construction and supply of tanks. Finally, ensure sanitation improvement.

4.3 Priority 3: Healthcare

39. In line with vision 2030, the county shall ensure provision of equitable and affordable healthcare. In the medium term, the county government will seek to address health related challenges through continued investment in training of health professionals, providing high quality preventive, curative, and rehabilitative healthcare services to all, sanitation and infrastructure improvement in the working condition of medical practitioners. Emphasis will also be laid to preventive health which is crucial to control of diseases.

40. Achievement of this will involve; construction and upgrading of health facilities, procurement of health medical inputs, management of children illnesses through sensitization, immunization, and awareness creation campaigns.

4.4 Priority 4: Promotion of Education, Youth Empowerment and Social Protection

41. Over the medium term, the county is committed to provide quality early childhood education through subsidized cost of education and training of ECD staff. The county government will ensure renovation and construction of new ECD centers in the rural areas and youth polytechnic workshops, ensuring improved and effective youth participation in the county economy.

42. In order to achieve access, equity and relevance at all levels of education and training, the government recognizes the importance of developing competency-based education and training for VTCs to revitalize them.

Achievements

The Government through the department of finance has been able to create the County Microfinance Corporation that is intended to provide business training and related capacity building support services to SMEs in its striving of being the lender of last resort.

In place are the Saccos for the youth, women and the general traders that have been able to register more than 100,000 members already saving and benefiting from the financial services.

Inasmuch, once the requirements by CBK are met, the microfinance is intended to become a deposit taking and eventually will be able to offload shares to the members.

Further, the CMC (County Microfinance Corporation) has endeavored towards offering soft-credit as compared to other Saccos.

5. FISCAL POLICY AND BUDGET FRAMEWORK

5.1 Overview.

43. During the FY 2016/17 County Government of Meru will adopt a Fiscal policy framework that is finely balanced to achieve economic prosperity and other objectives as envisioned in the county's Integrated Development plan, and ADP.

44. In order to achieve this; efforts must be put in place to facilitate rapid growth through the improvement and modernization of infrastructure, improving connection and accessibility of water for domestic and irrigation purposes, revitalizing of value-added agriculture as well as commercialization of high value crops in the county while still being responsive both to the demands of the population for basic public services and the potential downside risks that may emerge.

45. The county government shall adopt a Fiscal Framework that influences macroeconomic conditions. Attempts shall be made towards job and wealth creation particularly through County investment Corporation and County Micro Finance Corporation.

46. The government shall adopt prudent management of public sector finances by developing and implementing public expenditure management strategy, improving budgetary discipline and supporting sound and sustainable conduct of public finances remains one of the critical fiscal governance objectives of the County Government of Meru.

5.2.1 Fiscal Responsibility Principles

47. In line with the Constitution, the new Public Finance Management (PFM) Act, 2012, and in keeping with the prudence and transparent management of public resources, the Government has adhered to the fiscal responsibility principles as set out in the statutes as follows:

- Over the medium term, a minimum of 30% of the County Budget shall be allocated to development expenditure.
- The County government's expenditure on wages and benefits for public officers shall not exceed a percentage of the total revenue as prescribed by the regulations.

- Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
- Public debt and obligations shall be maintained at a sustainable level as approved by County Assembly (CA) and guaranteed by the National Government.
- Fiscal risks shall be managed prudently.

5.2.2 Fiscal Reforms

48. The Fiscal Policy underpinning the FY 2016/17 Budget and MTEF aims at achieving and sustaining a strong revenue performance over the medium term and containing growth of total expenditure. Further, the policy aims at shifting more public resources from recurrent to capital investment so as to promote sustainable and inclusive growth. The fiscal policy will undertake reforms on the following areas, namely:

I. Enhancing resource mobilization, including relooking revenue administration to widen revenue base, improve billing and automation of collections, optimize prices charged for services offered and use of county assets to make money.

II. Expenditure efficiency and effective implementation of budget programs through enforcement of cost benchmarks for all projects and consumables. There will further be enforcement of a project implementation performance benchmark, expenditure tracking and value for money audits to ensure efficiency and effectiveness in use of resources. Project planning and management will be strengthened.

III. With the on-going use of Plan to Budget, E-procurement and Record to report Integrated Financial Management System (IFMIS) modules as an end-to-end transaction platform, efficient resource allocation, improved financial controls, established effective accounting and financial management will be realized.

a. Revenue Policies

49. To achieve the revenue targets for the FY 2016/17 and the medium term we will employ the following revenue policies:

- County Revenue Board will reengineer procedures with emphasis on risk control, integrated management and development of intelligence and simplification of payment procedures.
- Reforms to rationalize exemptions and incentive structures shall also be put in place through necessary objective criteria for granting waivers. New schemes will therefore be introduced to protect the revenue base.
- Continued automation of revenue collection, review of fees and charges and timely passing of county finance bills.

b. Expenditure Policies

50. The County Government of Meru is focused on structuring its expenditure in favor of priority Programmes, including infrastructure and flagship projects in sectoral plans and the CIDP. Recurrent expenditure will be structured to decrease over time as capital expenditure increase in relative terms. Some of the approaches adopted to achieve this include:

- Reducing the wage bill - such as through closely linking wage increases to productivity, while harmonizing wages and consolidating allowances; performance contracting and flexibly allowing for recruitment of more qualified personnel in order to achieve the optimum level for the services offered by various county government entities.
- Reducing the stock of pending bills - such as by implementing a strict commitment control system, paying up and closing the genuine stocks identified and completion of stalled projects that are likely to lead to pending bills.

51. In an attempt to reign in on recurrent and non-essential spending, the County Government will further focus on eight main areas namely:

a) Vehicle maintenance: all county vehicles shall have minor repairs done at the county yard and all major maintenance shall first obtain inspection report from the transport department.

b) Foreign travel: to be restricted to essential travel with limited number of staff and controlled use of business class.

c) Domestic travel: the number of officials travelling will be managed.

d) Refurbishment of building will be restricted.

e) Consultancy services will be better managed and fees controlled.

f) Advertising cost: we will limit advertising and make use of website advertisement with a view to better manage cost.

g) Utility Supplies: Putting in place measures for energy conservation and water management.

h) Office and General Supplies: Reduce spending on stationery by introducing & adopting paperless communication and recycling used printing papers.

52. Expenditure pressures have remained a challenge over the past one year, care will be taken to achieve improvements across all departments in financial management. The County Treasury is finding ways to achieve savings and eliminate waste. Effort to see much better accountability and discipline in the stewardship of public resources is doubling. Wasteful expenditure is being limited and variation beyond 10 per cent for any vote for any department, unit or agency is not allowable except with approval from the County Assembly.

5.3 Budget Framework

53. The medium term fiscal framework for the FY 2016/17 is set based on the strategic priorities and intervention as mentioned in part 4 of this document.

c. Revenue projections

54. The FY 2016/17 budget revenue targets revenue inflow of 8.402 billion which will be inclusive of 587 million own revenue and 7.815 billion appropriation-in-Aid (conditional grants included). The performance of own revenue will be underpinned by effective administration and enforcement of the finance bill.

d. Expenditure projections

55. Total expenditure for the FY 2016/17 is projected at Ksh 8.402 billion from the estimated Ksh 8.495 billion in the FY 2015/16 budget. Recurrent expenditures are

expected to amount to 5.45 billion as compared to Ksh 5.107 billion in the 2015/16 FY budget.

56. The wage bill for the County Government (inclusive of Government entities) is projected as 3.263 billion

57. Expenditure ceilings on goods and services for sectors/ministries amount to Ksh 2.043 billion in the FY 2016/17. The figure having taken into account one-off expenditures in FY 2015/16, an adjustment factor is applied to take into account the general increase in prices.

58. The ceiling for development expenditures amounts to Ksh 2.951 billion in the FY 2016/17. Most of the outlays are expected to support critical infrastructure, water connectivity and health equipment and infrastructure development.

6.0 MEDIUM TERM EXPENDITURE FRAMEWORK

6.1 Overview

59. The Medium Term Expenditure Framework is based on the outlook of the respective sectors with regard to the services and goods they plan to deliver.

6.2 Resource Envelope

PROJECTED RESOURCE ENVELOPE FOR THE FY 2016/2017		
Item	Amount	
Equitable share		7,467,643,202.00
Grant and Donations		
Danida Facility Improvement Fund	20,590,000.00	
Conditional Funding for Level 5 Hospital	244,318,286.00	
Road Maintenance Fuel Levy	82,490,349.00	347,398,635.00
County Own Revenue(Inclusive of Hospital FIF and Alcohol Board)		587,000,000.00
TOTAL		8,402,041,837.00

6.4 Medium Term Expenditure Sector Baseline Ceilings classified by sector Table

							% SHARE OF TOTAL EXPENDITURE			
MTEF SECTOR CEILINGS FOR THE PERIOD 2016/17-2018/19										
	SECTOR		PRINTED	CFSP	PROJECTIONS		PRINTED	CFSP	PROJECTIONS	
			ESTIMATES	CEILING	2017/18	2018/19	ESTIMATES	CEILING	2017/18	2018/19
			2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19
1	Agriculture Rural and Urban Development	Sub_Total	825.70	724.88	784.93	850.12	9.72%	8.63%	8.65%	8.68%
		Rec. Gross	425.50	414.56	443.58	474.63	5.01%	4.93%	4.89%	4.85%
		Dev.Gross	400.20	310.32	341.35	375.49	4.71%	3.69%	3.76%	3.83%
2	Energy, infrastructure and ICT	Sub_Total	962.90	800.42	876.88	960.73	11.34%	9.53%	9.66%	9.81%
		Rec. Gross	104.30	119.47	127.83	136.78	1.23%	1.42%	1.41%	1.40%
		Dev.Gross	858.60	680.95	749.05	823.95	10.11%	8.10%	8.25%	8.41%
3	General Economic, Commercial and Labour Affairs	Sub_Total	370.20	337.85	368.88	394.71	4.36%	4.02%	4.06%	4.03%
		Rec. Gross	87.60	91.68	98.10	104.96	1.03%	1.09%	1.08%	1.07%
		Dev.Gross	282.60	246.17	270.79	289.74	3.33%	2.93%	2.98%	2.96%
4	Health	Sub_Total	1,961.70	1,968.87	2,115.62	2,263.72	23.09%	23.43%	23.30%	23.11%
		Rec. Gross	1,620.00	1,671.16	1,788.14	1,913.31	19.07%	19.89%	19.70%	19.54%
		Dev.Gross	341.70	297.71	327.48	350.40	4.02%	3.54%	3.61%	3.58%
5	Education	Sub_Total	710.30	699.54	754.89	814.76	8.36%	8.33%	8.31%	8.32%
		Rec. Gross	466.10	486.71	520.78	557.23	5.49%	5.79%	5.74%	5.69%
		Dev.Gross	244.20	212.83	234.11	257.52	2.87%	2.53%	2.58%	2.63%
6	Public Administration and Intergovernmental Relations	Sub_Total	2,534.40	2,873.50	3,086.84	3,316.33	29.84%	34.20%	34.00%	33.86%
		Rec. Gross	2,208.00	2,467.12	2,639.82	2,824.61	25.99%	29.36%	29.08%	28.84%
		Dev.Gross	326.40	406.38	447.02	491.72	3.84%	4.84%	4.92%	5.02%
7	Social Protection, Culture and Recreation	Sub_Total	270.60	246.16	268.92	293.82	3.19%	2.93%	2.96%	3.00%
		Rec. Gross	59.20	61.94	66.28	70.92	0.70%	0.74%	0.73%	0.72%
		Dev.Gross	211.40	184.22	202.64	222.91	2.49%	2.19%	2.23%	2.28%
8	Environmental Protection, Water and Housing	Sub_Total	858.30	751.12	822.10	899.90	10.10%	8.94%	9.05%	9.19%
		Rec. Gross	135.40	137.59	147.22	157.53	1.59%	1.64%	1.62%	1.61%
		Dev.Gross	722.90	613.53	674.88	742.37	8.51%	7.30%	7.43%	7.58%
	Total	TOTAL	8,494.10	8,402.34	9,079.07	9,794.07	100.00%	100.00%	100.00%	100.00%
		Rec.Gross	5,106.10	5,450.23	5,831.75	6,239.97	60.11%	64.87%	64.23%	63.71%
		Dev.Gross	3,388.00	2,952.11	3,247.32	3,554.11	39.89%	35.13%	35.77%	36.29%

6.5 Sector Priorities

Agriculture Rural and Urban Development Sector

60. The goal of this sector is to attain food security. Sustainable land management, affordable housing and sustainable urban infrastructure development.

61. During the 2016/17-2018/19 MTEF period focus will be directed on crop development, crop value addition input supply support and agribusiness development, animal husbandry, livestock market access improvement, animal diseases management and control, Fish hatchery development and fish breeding, Fish hatchery development and fish breeding, Local fish feed manufacture, Improvement and rehabilitation of machinery at AMS Mitunguu, Improvement of training facilities and farm development at ATC Kaguru, Digital topographical mapping and integrated strategic spatial plans, Planning and survey of market centres, Land Adjudication.

62. In order to implement the prioritized programmes, the Sector has been allocated Ksh 724.6 million, Ksh. 775.3 million, Ksh. 829.6 million for the FY 2016/17, 2017/18 and 2018/19 respectively. Recurrent expenditure allocation is Ksh. 414.6 million, Ksh. 443.6 million, Ksh. 474.6 million for FY 2016/17, 2017/18 and 2018/19 respectively, whereas development expenditure for the same period is Ksh. 310 million, Ksh.341 million, Ksh. 357.1 million respectively.

Energy, Infrastructure and ICT

63. The sector aims at providing safe, quality and adequate infrastructure facilities for social-economic development. The programmes prioritized in the MTEF period 2016/17-2018/19, intends to facilitate provision of clean, sustainable, affordable, reliable and secure energy, quality, and accessible transport infrastructure, efficient, reliable and affordable ICT services that supports socio-economic transformation in Kenya.

64. In order to implement the prioritized Programmes, the Sector has been allocated Ksh 800.4 million, Ksh. 856.4 million, Ksh. 916.4 million for the FY 2016/17, 2017/18 and 2018/19 respectively. Recurrent expenditure allocation is Ksh. 119.5 million, Ksh. 127.8 million, Ksh. 136.8 million for FY 2016/17, 2017/18 and 2018/19 respectively, whereas development expenditure for the same period is Ksh. 680.9 million, Ksh.749 million, Ksh. 823.9 million respectively.

General Economic and Commercial Affairs

65. The goal of the sector is to facilitate orderly growth and development of financial services, cooperatives, trade and enterprises in the county while improving accommodation facilities and preservation of touristic attractions flora and fauna.

66. During the 2016/17-2018/19 MTEF period the sector will focus on implementing the following Programmes: General Administration and Planning; Tourism promotion and development; Trade and Enterprise Development and Cooperatives Development.

67. In order to implement the prioritized programmes, the Sector has been allocated Ksh 337.9 million, Ksh.361.5 million, Ksh. 386.8 million for the FY 2016/17, 2017/18 and 2018/19 respectively. Recurrent expenditure allocation is Ksh. 91.7 million, Ksh. 98.1 million. Ksh. 1045.0 million for FY 2016/17, 2017/18 and 2018/19 respectively, whereas development expenditure for the same period is Ksh. 246.2 million, Ksh.270.8 million, Ksh. 289.7 million respectively.

HEALTH SECTOR

68. The sector's goal is to ensure residents of Meru County are healthy through implementation of Promotive and preventive health interventions, and improved access to and utilization of quality curative services.

69. Key projects to be implemented in the MTEF period include: Communicable disease control, Non-communicable conditions Prevention; New dispensaries constructed & equipped; Health centers rehabilitated & equipped; Model health center constructed; Theatres equipped; Cancer center established and Health legislative and regulatory frameworks reviewed and implemented.

70. In order to implement the prioritized programmes, the Sector has been allocated Ksh 1.969 billion, Ksh.2.107 billion, Ksh. 2.254 billion for the FY 2016/17, 2017/18 and 2018/19 respectively. Recurrent expenditure allocation is Ksh. 1.671 billion, Ksh. 1.788 billion. Ksh. 1.913 billion for FY 2016/17, 2017/18 and 2018/19 respectively, whereas development expenditure for the same period is Ksh. 297.8 million, Ksh.327.5 million, Ksh. 250.4s million respectively.

EDUCATION

71. The sector's goal is to facilitate provision of quality education, training, mentorship, research and innovation for capacity building and prosperity.

72. During the 2016/17-2018/19 MTEF period, focus will be directed on Early Childhood Education, Basic Education, Technical Vocational Education and Training, General Administration, Planning and Support Services and Quality Assurance and Standards

73. In order to implement the prioritized programmes, the Sector has been allocated Ksh 699.5 million, Ksh.748.5 million, Ksh. 800.9 million for the FY 2016/17, 2017/18 and 2018/19 respectively. Recurrent expenditure allocation is Ksh. 486.7 million, Ksh. 520.8 million, Ksh. 557.2 million for FY 2016/17, 2017/18 and 2018/19 respectively, whereas development expenditure for the same period is Ksh. 212.8 million, Ksh.234.1 million, Ksh. 257.5 million respectively.

PUBLIC SERVICE ADMINISTRATION AND INTERGOVERNMENTAL RELATIONS SECTOR

74. To promote the principles of good governance to reflect the aspirations, Interests and welfare of the people of Meru County, To provide globally competitive workforce to all departments in the county, Coordinate mobilization and prudent utilization of available resources, Appoint persons to hold or act in offices of the county public service and facilitate the development of coherent, integrated human resource , Promote democracy, good governance, unity, cohesion and peace and order within the county.

75. The priority activities in 2016/17-2018/19 the MTEF period include: Publicity and awareness creation on devolved governance; Construction of Nkubu and Maua Fire stations, Procurement of fire engines, Provide assurance on adequacy and efficiency of internal controls, Facilitation of microfinance corporation and Meru investment and development corporation, Legislative Oversight and Representation, Efficient monitoring and Evaluation system, Reduced litigations concerning county affairs, Recruitment and Induction of various officers.

76. In order to implement the prioritized activities, the Sector has been allocated Ksh 2.873 billion, Ksh.3.075 billion, Ksh. 3.290 billion for the FY 2016/17, 2017/18 and 2018/19 respectively. Recurrent expenditure allocation is Ksh. 2.467 billion, Ksh. 2.640 billion Ksh. 2.825 billion for FY 2016/17, 2017/18 and 2018/19

respectively, whereas development expenditure for the same period is Ksh. 406.4 million, Ksh.447 million, Ksh. 491.7 million respectively.

SOCIAL PROTECTION, CULTURE AND RECREATION SECTOR

77. The sector is mandated to address the issues on promotion and exploitation of the Counties'; development and promotion of sports; promotion of cultural and sports tourism; regulation and development, research and preservation of music in the country.

78. During the 2016/17 – 2018/19 MTEF period, the sector priorities will aim at implementing the following activities: Rehabilitation of stadia and public play grounds; Establishment of sports Academy; Establishment of sports clubs, social and cinema halls; Rehabilitation and Equipping of community libraries; Establish and Supporting children rehabilitation; Rehabilitation and completion of Cultural Centre's; Erection of heroes monument and renaming of Meru streets; and Renovations of Njuri Ncheke shrines.

79. In order to implement the prioritized activities, the Sector has been allocated Ksh 246.2 million, Ksh.263.4 million, Ksh. 281.8 million for the FY 2016/17, 2017/18 and 2018/19 respectively. Recurrent expenditure allocation is Ksh. 61.9 million, Ksh. 66.3 million Ksh.70.9 million for FY 2016/17, 2017/18 and 2018/19 respectively, whereas development expenditure for the same period is Ksh.184.2 million, Ksh.202.6 million, Ksh. 222.9 million respectively.

ENVIRONMENT PROTECTION, WATER AND NATURAL RESOURCES

80. The Environment Protection, Water and Natural Resources sector comprises three sub-sectors namely: Environment and Natural Resources' Water Services and Housing. The sector's mission is to manage water services; environment and natural resources sustainably.

81. For the 2016/17 – 2018/19 MTEF period the sector has prioritized Programmes intended to promote sustainable utilization and management of the environment and natural resources for socio-economic development. These Programmes include: Environment Management and Protection, Alternative energy Technologies, Irrigation and Drainage Infrastructure, Water Resource Management and General Administration, Planning and Support Services.

82. In order to implement the prioritized activities, the Sector has been allocated Ksh 751.1 million, Ksh.803.7 million, Ksh. 860 million for the FY 2016/17, 2017/18 and 2018/19 respectively. Recurrent expenditure allocation is Ksh. 137.6 million, Ksh. 147.2 million Ksh.157.5 million for FY 2016/17, 2017/18 and 2018/19 respectively, whereas development expenditure for the same period is Ksh.613.5 million, Ksh.674.9 million, Ksh. 742.4 million respectively.

ANNEX 1: PUBLIC SECTOR HEARINGS

The constitution provides that the public should be involved in the budget making process through public participation. The National Treasury organized public hearings for FY 2016/17 and the medium term budget in November, 2015.

The public applauded government for impressive allocations to security sector for the past 5 years. However, concerns were raised on the high cost of living despite low inflation and the cash flow problem experienced in the first quarter of FY 2015/16. The government reassured the public on its commitment to maintain low inflation rate and to improve revenue collections.

Specific issues raised by members of the public to the sectors included:

1. Social Protection, Culture and Recreation Sector

The public raised issues including capacity building for the youth and women on matters concerning financial management with regard to Saccos, drugs and substance abuse, HIV|AIDs; consideration of persons with disability; establishment of cultural centers; establishment of technical institutions for the sole purpose of identifying various talents amongst the youth.

Over the medium term, the public endeavors the county to express commitment towards providing quality early childhood education through subsidized cost of education and training of ECD staff; renovation and construction of new ECD centers in the rural areas and youth polytechnic workshops, ensuring improved and effective youth participation in the county economy; developing competency-based education and training for VTCs to revitalize them.

2. Agriculture, Rural and Urban Development Sector

The public raised the issue of inadequate fertilizers and the supply of certified seeds such as maize, beans etc. There is a need to establish increased numbers of fish ponds as fish farming would be rampant; fruit, dairy, and poultry farming; registration of public lands; issuing of title deeds to all public entities; demarcation of public lands; issuing of more officers and surveyors.

The sector reassured the public that it will work hand in hand with the county government to assess, reevaluate, and monitor actions taken to solve and promote the interests of the public.

3. Environment Protection, Water, and Natural Resources Sector

The public raised the issues including rehabilitation of existing market areas/places; installation of floodlights so as to promote the levels of security; Afforestation and reforestation; protection of water sources and water catchment areas. The county government will ensure increased access to water through expansion of water schemes, drilling of shallow water wells, boreholes, and development of water storage facilities through construction and supply of tanks. Finally, ensure sanitation improvement.

On housing, there is a need for renovation and remodeling of existing dilapidated houses, construction of new houses; planning and design and demolition for renewal.

4. Energy, Infrastructure, and ICT Sector

The issues raised included the need for installation of floodlights especially in the market areas, construction of bridges in various parts of sub-counties, gravelling and murraming of roads and expansion and road grading; building of culverts. On ICT matters, the public wishes to have ICT centers located in various parts of the county to enhance capacity on digital forums. However, it was noted that internet services should be installed in the ward offices of all sub-counties including the construction of computer labs in schools.

5. Public Administration and Intergovernmental Relations

The issues raised by the public included: purchase of fire engines and equipment; establishment of police posts in various localities; installation of electricity in agriculture and ward administration offices; recruitment of meat inspectors and A.I. Officers; construction of ward offices; assembly proceedings at the county to be on air; and the establishment of a revenue center.

6. Health

During public participation, the sector was able to identify some of the issues from the public. They include: the need for stocking more drugs in dispensaries and as much addition of existing dispensaries in the wards; establishment of maternity wards to cater for the pregnant women and efficient services; establishment of mortuaries, ambulance services; the building of a perimeter wall at the hospitals, health centers and dispensaries; construction of more health centers to promote

efficient and effective healthcare and the enhancement of laboratory services in dispensaries.

Further, the sector has assured the public that it will continue to work in collaboration with the county to address health related challenges, provide high quality rehabilitative healthcare services to all and infrastructure improvement to promote working conditions of medical practitioners.

7. General Economic, Commercial and Labor Affairs

During public participation, some of the issues raised by the public were; addition in the amount of the loans given to Saccos; several groups have been formed and have not received the loans yet; capacity building on youth and women groups; provision of milk coolers to dairy farmers in several wards; better market for their crops; renovation and completion of stalled market constructions.

8. Education

The issues raised under this sector include:

More ECDE teachers to be deployed in schools, completion of stalled classes, construction and equipping of polytechnics, recruitment of polytechnic instructors, construction of classrooms in needy primary schools in all the wards. Establishment of home craft centers and rehabilitation of existing ones.

ANNEXURE TABLE 1: Summary of Expenditure by Programmes, 2015/16-2018/19(Ksh)

SECTOR	2015/16 ESTIMATES			2016/17 CEILINGS			2017/18 PROJECTIONS			2018/19 PROJECTIONS		
	CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL	CURRENT	CAPITAL	TOTAL
AGRICULTURE,RURAL AND URBAN DEVELOPMENT												
1	Department of Agriculture,Livestock & Fisheries											
P1.General, Planning & Support Services	319,820,573.00	-	319,820,573.00	342,208,013.11	-	342,208,013.11	366,162,574.03	366,162,574.03	732,325,148.06	391,793,954.21	391,793,954.21	783,587,908.42
P2.Livestock Development		23,253,466.00	23,253,466.00		25,000,000.00	25,000,000.00	-	26,750,000.00	26,750,000.00	-	28,622,500.00	28,622,500.00
P3.Aquaculture Development		16,253,475.00	16,253,475.00		25,032,841.52	25,032,841.52	-	26,785,140.43	26,785,140.43	-	28,660,100.26	28,660,100.26
P4.Agriculture Development	825,490.00	115,642,576.00	116,468,066.00	1,000,000.00	130,676,110.88	131,676,110.88	1,070,000.00	140,893,438.64	141,963,438.64	1,144,900.00		1,144,900.00
P.5 County Owned Enterprises (ATC &AMS)		13,253,465.00	13,253,465.00		14,578,811.50	14,578,811.50	-	15,599,328.31	15,599,328.31	-	16,691,281.29	16,691,281.29
P.6 Animal Disease Management		25,253,466.00	25,253,466.00		28,283,881.92	28,283,881.92	-	30,263,753.65	30,263,753.65	-	32,382,216.41	32,382,216.41
Total	320,646,063.00	193,656,448.00	514,302,511.00	343,208,013.11	223,571,645.82	566,779,658.93	367,232,574.03	606,454,235.06	973,686,809.08	392,938,854.21	498,150,052.16	891,088,906.37
2	Department of Lands,Economic, Physical Planning & ICT											
P1.General, Planning & Support Services	87,772,806.80	-	87,772,806.80	71,350,346.17	-	71,350,346.17	76,344,870.40	76,344,870.40	152,689,740.80	81,689,011.33	81,689,011.33	163,378,022.65
P.2. Spatial,planning,survey and mapping		63,200,000.00	63,200,000.00		62,379,034.42	62,379,034.42	-	66,745,566.83	66,745,566.83	-	71,417,756.51	71,417,756.51
P.3. Economic Survey, Data Collection and Community Empowerment		4,000,000.00	4,000,000.00		19,082,161.28	19,082,161.28	-	20,417,912.57	20,417,912.57	-	21,847,166.45	21,847,166.45
P.4. ADP, CIDP and Sectoral Plans Updating		4,750,000.00	4,750,000.00		5,000,000.00	5,000,000.00	-	5,350,000.00	5,350,000.00	-	5,724,500.00	5,724,500.00
P.5. ICT Development		18,500,000.00	18,500,000.00	16,857,647.04	30,000,000.00	46,857,647.04	18,037,682.33	50,137,682.33	68,175,364.67	19,300,320.10	53,647,320.10	72,947,640.19
P.6 Housing Development		-	-	18,100,000.00	113,140,000.00	131,240,000.00	19,367,000.00	140,426,800.00	159,793,800.00	20,722,690.00	150,256,676.00	170,979,366.00
Total	87,772,806.80	90,450,000.00	178,222,806.80	106,307,993.21	229,601,195.70	335,909,188.91	113,749,552.73	359,422,832.13	473,172,384.86	121,712,021.42	384,582,430.38	506,294,451.80

TOWN ADMINISTRATION												
P.6 Town Administration & Management	24,530,085.00	2,500,000.00	27,030,085.00	22,430,085.00	5,000,000.00	27,430,085.00	5,350,000.00	29,350,190.95	34,700,190.95	5,724,500.00	31,404,704.32	37,129,204.32
Total	24,530,085.00	2,500,000.00	27,030,085.00	22,430,085.00	5,000,000.00	27,430,085.00	5,350,000.00	29,350,190.95	34,700,190.95	5,724,500.00	31,404,704.32	37,129,204.32
Grand-Total	4,983,480,545.51	2,987,188,472.41	7,970,669,017.92	5,450,225,504.24	2,951,816,333.06	8,402,041,837.30	2,651,395,514.71	8,879,500,954.53	11,163,832,063.75	2,835,969,969.51	9,349,286,810.77	11,793,521,097.64
Note: The current Estimates have grown by 5.41%												

ANNEXURE TABLE 2: REVISED PROJECTION-FULL LATEST ANNUAL ESTIMATES VS PRINTED ESTIMATES					
	DEPARTMENT		Printed Estimates	Supplimentary Budget	Variance
			FY 2015/16	FY 2015/16	
1	<i>County Assembly</i>	SUB-TOTAL	881,186,903.05	906,186,903.05	25,000,000.00
		Rec. Gross	767,116,982.44	792,116,982.44	25,000,000.00
		Dev.Gross	114,069,920.61	114,069,920.61	-
					-
2	<i>Governor</i>	SUB-TOTAL	269,715,089.00	251,919,457.00	(17,795,632.00)
		Rec. Gross	269,715,089.00	268,215,089.00	(1,500,000.00)
		Dev.Gross		-	-
					-
3	<i>Treasury</i>	SUB-TOTAL	1,626,648,795.88	713,679,795.88	(912,969,000.00)
		Rec. Gross	524,261,289.15	511,292,289.15	(12,969,000.00)
		Dev.Gross	1,102,387,506.73	202,387,506.73	(900,000,000.00)
					-
4	<i>Agriculture</i>	SUB-TOTAL	509,399,083.89	564,899,083.89	55,500,000.00
		Rec. Gross	323,175,707.70	329,675,707.70	6,500,000.00
		Dev.Gross	186,223,376.19	235,223,376.19	49,000,000.00
					-
5	<i>Water</i>	SUB-TOTAL	747,914,992.98	831,214,992.98	83,300,000.00
		Rec. Gross	117,556,698.51	110,856,698.51	(6,700,000.00)
		Dev.Gross	630,358,294.47	720,358,294.47	90,000,000.00
					-
6	<i>Education</i>	SUB-TOTAL	469,236,178.04	711,236,178.04	242,000,000.00
		Rec. Gross	332,955,267.77	466,955,267.77	134,000,000.00
		Dev.Gross	136,280,910.27	244,280,910.27	108,000,000.00
					-
7	<i>Health</i>	SUB-TOTAL	1,919,185,277.66	1,961,885,277.66	42,700,000.00
		Rec. Gross	1,622,489,495.84	1,620,189,495.84	(2,300,000.00)
		Dev.Gross	296,695,781.82	341,695,781.82	45,000,000.00
8	<i>Planning</i>	SUB-TOTAL	252,306,852.38	260,606,852.38	8,300,000.00
		Rec. Gross	96,655,800.70	95,655,800.70	(1,000,000.00)
		Dev.Gross	155,651,051.68	164,951,051.68	9,300,000.00
					-
9	<i>Public Service Administration</i>	SUB-TOTAL	618,893,006.90	631,893,006.90	13,000,000.00
		Rec. Gross	589,944,379.87	621,944,379.87	32,000,000.00
		Dev.Gross	28,948,627.03	9,948,627.03	(19,000,000.00)
					-
10	<i>Transport</i>	SUB-TOTAL	559,435,510.12	962,935,510.12	403,500,000.00
		Rec. Gross	105,846,018.22	104,346,018.22	(1,500,000.00)
		Dev.Gross	453,589,491.90	858,589,491.90	405,000,000.00
					-
11	<i>Co-operatives, Tourism & Enterprise</i>	SUB-TOTAL	326,142,963.21	370,142,963.21	44,000,000.00
		Rec. Gross	88,597,301.41	87,597,301.41	(1,000,000.00)
		Dev.Gross	237,545,661.80	282,545,661.80	45,000,000.00
					-
12	<i>Culture, Gender and Sports</i>	SUB-TOTAL	272,437,766.88	270,606,766.88	(1,831,000.00)
		Rec. Gross	60,170,327.17	59,170,327.17	(1,000,000.00)
		Dev.Gross	212,267,439.71	211,436,439.71	(831,000.00)
					-
13	<i>Public Service Board</i>	SUB-TOTAL	14,617,589.14	14,617,589.14	-
		Rec. Gross	14,617,589.14	14,617,589.14	-
		Dev.Gross		-	-
14	<i>Town Administration</i>	SUB-TOTAL	28,030,085.00	27,030,085.00	(1,000,000.00)
		Rec. Gross	25,530,085.00	24,530,085.00	(1,000,000.00)
		Dev.Gross	2,500,000.00	2,500,000.00	-
					-
	<i>Recurrent Sub-Total</i>		4,938,632,031.92	5,107,163,031.92	168,531,000.00
					-
	<i>Development Sub-Total</i>		3,556,518,062.21	3,387,987,062.21	(168,531,000.00)
					-
	Total		8,495,150,094.13	8,495,150,094.13	-

ANNEX TABLE 3: TOTAL DEPARTMENTAL / PROGRAMME CEILINGS FOR THE MTEF PERIOD 2016/17-2018/19					
	SECTOR		CEILING	PROJECTIONS	
			FY 2016/17	2017/18	2018/19
1	<i>Agriculture Rural and Urban Development</i>	SUB-TOTAL	724,591,200.80	775,312,584.86	829,584,465.80
		Rec. Gross	414,558,359.28	443,577,444.43	474,627,865.54
		Dev.Gross	310,032,841.52	341,036,125.67	375,139,738.24
2	<i>Energy, infrastructure and ICT</i>	SUB-TOTAL	800,413,978.25	856,442,956.73	916,393,963.70
		Rec. Gross	119,468,943.04	127,831,769.05	136,779,992.89
		Dev.Gross	680,945,035.21	749,039,538.73	823,943,492.60
3	<i>General Economic, Commercial and Labour Affairs</i>	SUB-TOTAL	337,849,739.51	361,499,221.27	386,804,166.76
		Rec. Gross	91,679,112.51	98,096,650.38	104,963,415.91
		Dev.Gross	246,170,627.00	270,787,689.70	289,742,827.98
4	<i>Health</i>	SUB-TOTAL	1,968,861,906.02	2,106,682,239.44	2,254,149,996.20
		Rec. Gross	1,671,156,167.71	1,788,137,099.45	1,913,306,696.41
		Dev.Gross	297,705,738.31	327,476,312.14	350,399,653.99
5	<i>Education</i>	SUB-TOTAL	699,542,042.49	748,509,985.47	800,905,684.45
		Rec. Gross	486,709,948.51	520,779,644.91	557,234,220.05
		Dev.Gross	212,832,093.98	234,115,303.38	257,526,833.72
6	<i>Public Administration and Intergovernmental Relations</i>	SUB-TOTAL	2,873,505,269.49	3,074,650,638.36	3,289,876,183.04
		Rec. Gross	2,467,120,853.36	2,639,819,313.10	2,824,606,665.01
		Dev.Gross	406,384,416.13	447,022,857.74	491,725,143.52
7	<i>Social Protection, Culture and Recreation</i>	SUB-TOTAL	246,157,163.48	263,388,164.93	281,825,336.47
		Rec. Gross	61,941,130.57	66,277,009.71	70,916,400.39
		Dev.Gross	184,216,032.91	202,637,636.20	222,901,399.82
8	<i>Environmental Protection, Water and Housing</i>	SUB-TOTAL	751,120,536.40	803,698,973.95	859,957,902.12
		Rec. Gross	137,590,988.28	147,222,357.46	157,527,922.48
		Dev.Gross	613,529,548.12	674,882,502.93	742,370,753.23
	<i>Recurrent Sub-Total</i>		5,450,225,503.27	5,831,741,288.50	6,239,963,178.69
	<i>Development Sub-Total</i>		2,951,816,333.18	3,246,997,966.50	3,553,749,843.09
	Total		8,402,041,836.45	8,990,184,765.00	9,619,497,698.55

ANNEXURE TABLE 4: REVISED PROJECTION-FULL LATEST ANNUAL ESTIMATES VS PRINTED ESTIMATES						
	DEPARTMENT		Printed Estimates	Proposed Budget Estimates	Variance	% age Increase/D decrease
			FY 2015/16	FY 2016/17		
1	<i>County Assembly</i>	SUB-TOTAL	906,186,903.05	898,781,321.77	(7,405,581.28)	(0.82)
		Rec. Gross	792,116,982.44	847,565,171.00	55,448,188.56	7.00
		Dev.Gross	114,069,920.61	51,216,150.77	(62,853,769.84)	(55.10)
					-	
2	<i>Governor</i>	SUB-TOTAL	251,919,457.00	291,079,475.35	39,160,018.35	15.54
		Rec. Gross	251,919,457.00	291,079,475.35	39,160,018.35	15.54
		Dev.Gross	-	-	-	
					-	
3	<i>Treasury</i>	SUB-TOTAL	690,981,510.80	847,242,232.05	156,260,721.25	22.61
		Rec. Gross	490,981,510.80	626,404,046.35	135,422,535.55	27.58
		Dev.Gross	200,000,000.00	220,838,185.70	20,838,185.70	10.42
					-	
4	<i>Agriculture</i>	SUB-TOTAL	514,302,511.00	566,779,658.93	52,477,147.93	10.20
		Rec. Gross	320,646,063.00	343,208,013.11	22,561,950.11	7.04
		Dev.Gross	193,656,448.00	223,571,645.82	29,915,197.82	15.45
					-	
5	<i>Water</i>	SUB-TOTAL	770,399,222.00	592,450,451.40	(177,948,770.60)	(23.10)
		Rec. Gross	104,199,222.00	97,060,903.28	(7,138,318.72)	(6.85)
		Dev.Gross	666,200,000.00	495,389,548.12	(170,810,451.88)	(25.64)
					-	
6	<i>Education</i>	SUB-TOTAL	606,462,044.00	699,542,043.48	93,079,999.48	15.35
		Rec. Gross	461,262,044.00	486,709,949.50	25,447,905.50	5.52
		Dev.Gross	145,200,000.00	212,832,093.98	67,632,093.98	46.58
					-	
7	<i>Health</i>	SUB-TOTAL	1,934,793,264.74	1,968,861,906.02	34,068,641.28	1.76
		Rec. Gross	1,607,877,168.74	1,671,156,167.71	63,278,998.97	3.94
		Dev.Gross	326,916,096.00	297,705,738.31	(29,210,357.69)	(8.94)
8	<i>Planning</i>	SUB-TOTAL	178,222,806.80	335,909,188.91	157,686,382.11	88.48
		Rec. Gross	87,772,806.80	106,307,993.21	18,535,186.41	21.12
		Dev.Gross	90,450,000.00	229,601,195.70	139,151,195.70	153.84
					-	
9	<i>Public Service Administration</i>	SUB-TOTAL	601,458,776.02	810,977,240.32	209,518,464.30	34.84
		Rec. Gross	597,458,776.02	676,647,160.66	79,188,384.64	13.25
		Dev.Gross	4,000,000.00	134,330,079.66	130,330,079.66	3,258.25
					-	
10	<i>Transport</i>	SUB-TOTAL	917,563,509.71	753,556,331.00	(164,007,178.71)	(17.87)
		Rec. Gross	101,139,080.00	102,611,296.00	1,472,216.00	1.46
		Dev.Gross	816,424,429.71	650,945,035.00	(165,479,394.71)	(20.27)
					-	
11	CO-OPERATIVE, TOURISM & ENTERPRISE DEVELOPMENT	SUB-TOTAL	341,050,950.40	337,849,739.51	(3,201,210.89)	(0.94)
		Rec. Gross	73,505,288.60	91,679,112.51	18,173,823.91	24.72
		Dev.Gross	267,545,661.80	246,170,627.00	(21,375,034.80)	(7.99)
					-	
12	<i>Culture, Gender and Sports</i>	SUB-TOTAL	223,177,977.45	246,157,163.57	22,979,186.12	10.30
		Rec. Gross	56,952,060.55	61,941,130.57	4,989,070.02	8.76
		Dev.Gross	166,225,916.90	184,216,033.00	17,990,116.10	10.82
					-	
13	<i>Public Service Board</i>	SUB-TOTAL	13,120,000.00	25,425,000.00	12,305,000.00	93.79
		Rec. Gross	13,120,000.00	25,425,000.00	12,305,000.00	93.79
		Dev.Gross	-	-	-	
14	<i>Town Administration</i>	SUB-TOTAL	27,030,085.00	27,430,085.00	400,000.00	1.48
		Rec. Gross	24,530,085.00	22,430,085.00	(2,100,000.00)	(8.56)
		Dev.Gross	2,500,000.00	5,000,000.00	2,500,000.00	100.00
					-	
	<i>Recurrent Sub-Total</i>		4,983,480,544.95	5,450,225,504.25	466,744,959.30	9.37
	<i>Development Sub-Total</i>		2,993,188,473.02	2,951,816,333.06	(41,372,139.96)	(1.38)
	Total		7,976,669,017.97	8,402,041,837.31	425,372,819.34	5.33