

COUNTY GOVERNMENT OF WEST POKOT



Department of Finance & Economic Planning

14th June 2018

SPEECH BY KITELAUYAN FRANCIS, COUNTY EXECUTIVE COMMITTEE MEMBER FOR FINANCE ON BUDGET ESTIMATES FOR THE FY 2018/2019- FY 2020/21 MTEF PERIOD

-Speaker of the County Assembly

-Hon. Members of the County Assembly

-Invited Guests

-Ladies & Gentlemen

Good Afternoon;

The budget estimates for FY 2018/2019-FY2020/2021 MTEF period have been prepared in accordance with the provisions of the Constitution of Kenya and the Public Finance Management (PFM) Act, 2012. The FY 2018/19 – 2020/21 MTEF budget has been anchored on the county government's economic and transformation agenda as enshrined in the County Integrated Development Plan (2018-2022), the third Medium Term Plan of Kenya Vision 2030, Sustainable Development Goals and the Governor's Manifesto. The manifesto is premised on the 3E's pillar framework of Education, Equity and Economy for sustainable, inclusive development and shared prosperity.

Madam Speaker, the estimates sets out the new administration's priority programs using programme based approach. Programme based budgeting is a process through which inputs or resources are linked to results proposed. It makes explicit the purposes of spending and the results to be achieved. Further, Programmes are designed to ensure strong linkage between policy, planning and budgeting.

The county fiscal policy will continue to support poverty reduction efforts while undertaking the functions of county government within a context of sustainable public financing. The fiscal policy will therefore focus on: strengthening internal revenue collection; containing growth of total recurrent expenditures through expenditure rationalization, reprioritization and budget cuts and ensuring a significant shift in resource allocation towards county priority social and economic sectors. Expenditure allocations have also been aligned to the New County Government Structure, Composition and Policy Priorities.

Madam Speaker, by implementing the programs and policies under the County Economic Transformation Agenda, we are laying a solid foundation for County's industrialization as envisaged in the Vision 2030. Building on the progress made this far, we aim to address the remaining bottlenecks that continue to hold our economy from achieving its full potential by focusing on "The 3E's" Plan over the next five years. The plan targets to;

- i. Increase access, retention and completion levels in pre-primary education, primary, secondary and post-secondary education by at least 100 percent by 2022;
- ii. Support value addition and contribute the manufacturing sector's share to GDP to 15 percent by 2022. This will accelerate economic growth, create jobs and reduce poverty;
- iii. Focus on initiatives that guarantee food security and nutrition to all residents by 2022 through expansion of food production and supply, reduction of food prices to ensure affordability and support value addition in the food processing value chain;
- iv. Ensuring equity in all socio-economic opportunities and protection of marginalized groups;
- v. Support provision of Universal Health Coverage thereby guaranteeing quality and affordable healthcare to all County residents.

Madam Speaker, The new leadership of West Pokot County is committed to ensuring the success of devolution having been elected on the promise of zero tolerance to corruption. In this regard, the need for fiscal discipline and prudent utilization of public resources is emphasized to all. This therefore calls for greater transparency and accountability in public finance management.

Madam Speaker, The overall total projected revenue for FY 2018/2019 is estimated at Kshs.5, 645,490,960.00. This projected revenue comprise of the equitable share of Kshs.4, 929,800,000.00 which will finance 87.4 % of the total budget.

Conditional allocation from the national government revenue amounts to Kshs.170, 810,825.00 constituting 3% of the total budget. This comprise of Kshs. 28,885,000.00 conditional allocation for rehabilitation of polytechnics, Kshs. 12,128,484.00 conditional allocation for compensation for user fees foregone and Kshs.129, 797,341.00 conditional allocations is provided from Roads Maintenance Fuel Levy Fund to enhance county government's capacity to repair and maintain county roads. Other conditional allocations financed by proceeds of external loans or grants from development partners amounts to Ksh. 419, 206,096.00 representing 7.4 percent of county budget. The loans/ grants are a Ksh.100 million loan to finance Transforming Healthcare Systems for Universal Care Project, Ksh. 117 million loan to finance Kenya Climate Smart Agriculture Project, Ksh.42,917,546.00 grant for Kenya Devolution Support Programme, Ksh.76,696,150.00 loan for Kenya Urban Support Project, Ksh.15,896,250.00 DANIDA grant to finance Universal Healthcare in Devolved System Program and Ksh.70 million European Union Grant to finance Instruments for Devolution Advice &Support (Nasukuta abattoir project).

Madam Speaker, Internal revenue target is projected to grow to Kshs 122, 370,189 in FY2018/19 from Ksh.111, 245,626.00 in FY 2017/18. This growth projection represents an increase of 10 percent from the previous target. This target will be achieved by increasing the number of revenue streams, sealing existing leakages and loopholes in the collection and administration of internal revenue and revenue automation. Other measures that have been put in place to ensure that the internal revenue projection target is met include:

- ✚ Implementation of the county valuation roll where plot owners in urban areas are required to pay land rates.
- ✚ Strengthening enforcement unit to include approval of all building plans.
- ✚ A new team of revenue officials have been deployed to sub-counties to supervise revenue collection.
- ✚ Opening of new markets

The highest revenue stream contributors are expected from royalties at 20.3%, Cess (20.3%), and health cost sharing (20.2%).

Madam Speaker, the summary of expenditure allocation in the FY 2018/2019 is as follows;

| DEPARTMENT | RECURRENT ESTIMATES | DEVELOPMENT ESTIMATES | TOTAL ALLOCATION | % |
|---|-------------------------|-------------------------|-------------------------|------------|
| THE COUNTY EXECUTIVE | 330,244,054.17 | 30,643,476.00 | 360,887,530.17 | 6.39 |
| FINANCE AND ECONOMIC PLANNING | 206,861,516.52 | - | 206,861,516.52 | 3.66 |
| PUBLIC WORKS, TRANSPORT AND INFRASTRUCTURE | 68,316,116.60 | 303,967,763.58 | 372,283,880.18 | 6.509 |
| HEALTH , SANITATION AND EMERGENCY SERVICES | 1,282,724,868.10 | 257,906,907.00 | 1,540,631,775.10 | 27.29 |
| EDUCATION AND TECHNICAL TRAINING | 664,736,743.47 | 187,233,944.00 | 851,970,687.47 | 15.09 |
| AGRICULTURE AND IRRIGATION | 78,134,449.00 | 186,928,026.33 | 265,062,475.33 | 4.70 |
| PASTORAL ECONOMY | 84,597,734.00 | 146,819,316.55 | 231,417,050.55 | 4.10 |
| TRADE, INDUSTRIALISATION AND COOPERATIVE DEVELOPMENT | 35,239,160.50 | 76,532,768.64 | 111,771,929.14 | 1.98 |
| LANDS, HOUSING, PHYSICAL PLANNING AND URBAN DEVELOPMENT | 81,773,313.50 | 134,080,252.00 | 215,853,565.50 | 3.82 |
| WATER , ENVIRONMENT AND NATURAL RESOURCES | 91,462,049.20 | 189,350,000.00 | 280,812,049.20 | 4.97 |
| YOUTHS, SPORTS, TOURISM, GENDER AND SOCIAL SERVICES. | 51,691,485.56 | 100,669,040.00 | 152,360,525.56 | 2.70 |
| WEST POKOT COUNTY ASSEMBLY | 520,251,629.35 | 123,000,000.00 | 643,251,629.35 | 11.39 |
| PUBLIC SERVICE, ICT AND DECENTRALIZED UNITS | 161,075,215.48 | 2,100,000.00 | 163,175,215.48 | 2.89 |
| SPECIAL PROGRAMMES AND DIRECTORATES | 214,151,130.44 | 35,000,000.00 | 249,151,130.44 | 4.41 |
| TOTAL | 3,871,259,465.90 | 1,774,231,494.10 | 5,645,490,960.00 | 100 |
| PERCENTAGE | 68.57% | 31.43% | 100.00% | |

Madam Speaker, from the expenditure classification, Personnel Emoluments (Wage Bill) constitutes an estimated 34.99 percent of the total revenue estimates. Development expenditure allocation is projected at 31.42 percent while Operations and Maintenance estimates is estimated at 33.49 percent of the total budget revenue estimates. Clearly, the county government is still on path to ensuring that fiscal responsibility principles are realized.

Madam Speaker, the Expenditure Priorities of each department is as follows;

Special Programmes and Directorates

This is the governors strategic delivery unit in the implementation of his manifesto. This delivery unit is composed of directorates of cash crops development, dairy development, emergency and disaster response, investment and cooperative development, peace building and reconciliation, and resource mobilisation & donor coordination. This strategic delivery unit has been allocated Ksh. 214.2M and Ksh. 35M for recurrent and development expenditure respectively to support strategic implementation of new administration manifesto. Some of these strategic interventions include the cooperative development fund which has been allocated Ksh.60 Million, provision of Ksh.15 million for purchase of seedlings for cash crops development (coffee, tea, sisal, pyrethrum, cotton, sunflower, aloe vera, onions & horticulture crops) and Ksh. 20 Million for purchase of improved animals and breeding stock for dairy development. In addition, Ksh. 40.6 million has been allocated for emergency and disaster response.

Department of Finance & Economic Planning

Madam Speaker, The County department of Finance and Economic Planning is charged with the responsibility of formulating sound economic and fiscal policies that facilitate sustainable socio - economic development.

In FY 2018/19, a total of Kshs206.8M has been allocated to the department. Over the medium term the subsector priorities include: ensuring coordination, preparation and timely implementation of the county budget, improving internal revenue collection, develop and implement effective and efficient county procurement systems for improved service delivery and value for money, undertaking effective financial

management and strengthen internal control systems in the county to safeguard public resources.

Under the Kenya Devolution Support Programme, We shall procure a new revenue system, an integrated ICT communication infrastructure system to enhance the coordination and management of human resources in the county. We shall also take a total of 150 county staff for Supervisory, Senior Management and Strategic Leadership Development Courses at the Kenya School of government.

Department of Public Service Management,ICT and Decentralized Units

Madam speaker,this department is strategic in providing sound leadership through coordination of county public service. In FY 2018/19, a total of Kshs 163.18M has been allocated to the department. This allocation will help the department to recruit 103 village administrators and facilitate promotion of over fifty per cent of county staff, facilitate training and capacity development in all departments, promote ICT mainstreaming in all county processes, coordinate devolved public service delivery, public participation and civic education.Ksh.30.6 Million has been allocated for the construction of a modern public service department office complex.

Department of Education and Technical Training

Madam Speaker, The success of turning Kenya into a globally competitive and a prosperous nation is dependent on the performance of the Education Sector. Therefore, this sector has a responsibility of facilitating the process of inculcating knowledge and skills necessary for uplifting the country to a globally competitive country.

In the FY 2018/19, the department has been allocated Ksh.664.7M and Ksh.187.2M for recurrent and development expenditure respectively. The sub-sector medium term priorities includes provision of Ksh.370Million to school bursary fund for needy students, recruitment of 300 ECDE additional teachers, 400 tutors to support provision of basic and adult education in the county, 20 instructors for VTC and 5 ECDE Supervisors, Ksh. 99.2 Million to support the construction of 169 new model ECDEs classes and complete another 11 classrooms that require completion across the whole county, Ksh. 30 million to support primary and secondary school infrastructure improvement and Ksh. 8 million for ECDE school feeding program.

Ksh. 14 million has also been allocated for construction of new polytechnics in Alale, Totum, Endugh and Tamugh. A further Ksh. 30 million has been allocated for completion of Kanyerus,Katikomor and Akulo border peace schools in the FY 2018-2019.

Department of Trade, Industrialization, Investment & Cooperative Development

Madam Speaker, Trade sub-sector programmes are geared towards creating an enabling business environment and other core poverty programmes that provide affordable business credit and entrepreneurial business development services to Micro and Small Enterprises (MSEs) with the aim of reducing poverty and unemployment.

The department has been allocated Ksh.35.2M and Ksh.76.5M for recurrent and development expenditure respectively. The sub-sector financial plan for FY 2018/19 includes among others an allocation of Ksh.30M and Ksh.20M for the construction of milk processing and Mango juice processing plant respectively. Other priorities are construction of 3 market shades at Karas, Sina and Kamelei markets, construction of Bodaboda shades at Ortum and Kanyarkwat.

Department of Agriculture, Irrigation & Pastoral Economy

Madam Speaker, Livestock production is the major economic activity of West Pokot County. It is the main contributor in enhancement of food security and promotion of the local economy. The mandate of this department is to disseminate technologies and information through extension services in collaboration with other service providers and research institutions. Further, it is mandated to ensure control of diseases in livestock through provision of veterinary services.

The sector has been allocated Ksh.162.7 Million and Ksh.333.7 Million for recurrent and development expenditure respectively. The livestock sub-sector's medium term priorities include promotion of improved livestock breeds, improvement of market infrastructure and value addition, control of livestock diseases, provision of extension and training services, and establishment of strategic livestock feed reserve, re-seeding programmes, and promotion of fish farming. Ksh. 83.2 Million has been allocated for the completion of Nasukuta export abattoir.

In addition to the above medium term priorities, the livestock sub-sector also target to construct 13 cattle dips in the FY 2018/19. The cattle dips are Kapketot, Seretow, and Roruk in Batei ward, Kapsimotwo and Ngingiat in Chepareria ward. Others are Kokwoptorir, Murkusian, Tampalal, Kamuino, Kaghot, Parayon and Kokwopsis.

Five metallic crushes will also be constructed. These metallic crushes are Kasistot, Chepsurum, Kanyingey, Ompolin and Kodich. 3 modern dairy units will be

constructed to 3 dairy farmers in Mnagei ward .The department will further support the renovation of 2 other cattle crushes,3 cattle dips and 1 hayshade.

Under agriculture & Irrigation, **Madam Speaker**, Ksh. 23,728,026 has been provided to support establishment of 6 Irrigation schemes in Weiwei, Sekerr, Mnagei and Sook Wards, 2 furrow irrigation system in Weiwei and Lomut wards. Others priorities are allocation of 1.5 million for construction structures for water and soil conservation, Ksh.10M for purchase of certified crop seed for Maize, Onions, Green grams, Millet, Sorghum to be distributed to farmers in all Wards.

Ksh. 1M has also been provided for Construction of Irish potatoes cold storage in Kamelei, Ksh 1.5M for plant clinics, 4.5 million for agricultural extension and diseases surveillance and Ksh.3 M for army worm control, Ksh 16M to subsidize the cost of fertilizers to be supplied to farmers, and Ksh.3.5M for purchase of generators for irrigation in Kasei,Lomut and Masol Ward

Department of Water, Environment & Natural Resources

Madam Speaker, Approximately 25% of households use improved sources of water, with the rest relying on unimproved sources in West Pokot County. To address water challenges, the department has been allocated Ksh. 91.5M for recurrent and Ksh.189.4M for development expenditure. The development expenditure allocation will be used for drilling of 22 boreholes, upgrading of 25 existing boreholes to solar power, construction of 8 Water Supply Projects,8 Piping Systems,construction of 11 sub-surface dams,4 Water Projects Intakes and completion of one water project across the County.

Madam Speaker, forest coverage in the county is low at 3.8 percent. To improve this, Ksh. 9 million has been allocated for land reclamation/ rehabilitation and forestry development in the county. The department is further expected to provide leadership and coordination in mainstreaming of climate change adaptation and mitigation measures.

Department of Health, Sanitation and Emergency Services

Madam Speaker, although a lot of progress has been made in the health sector, many indicators are below the national average. Full immunization coverage, malnutrition rates or stunting level and family planning uptake are at 43 percent, 39.9 percent and 12.2 percent respectively. The percentage of women who attended 4 antenatal care stands at 21.3 percent while maternal mortality rate in the county is 434 per 100,000 live births which compares poorly to the national estimate of 362 per 100,000 live births.

To address these challenges among others, the department has been allocated Ksh.1.3 Billion and Ksh.257.91M for recurrent and development expenditure respectively. In the FY 2018/19 and over the MTEF period, health sector will strive to address health related challenges through; provision of improved preventive, curative, and rehabilitative health care services, investment in infrastructural development both for health facilities and sanitation, timely procurement of medical supplies and equipment and continued staffing and training of health professionals to improve human resource manpower as well as enhance efficient service delivery to county residents. In addition, priority will be given to development of sectoral plan, upgrading of the ICT system in Kapenguria County Referral Hospital, upgrading of sub county hospital and strengthening of the emergency and referral services

On Health Infrastructure Development, priority has been given to Completion of 8 dispensaries at Shalpogh and Propoi in chepareria ward, Kriich in Endugh ward, Chepsken in Kodich ward and Moruongor in Suam. Others include Takar, Tampalal and 1 maternity wing at Paraywa, Construction of 2 staff house at Kapkaremba dispensary (Batei ward) and Sostin dispensary (Sook ward), Construction of 21 dispensaries. These dispensaries are Opol, Chepelion, Lemolol, Morkorio, Chesuswon and Kangoletiang in Kasei ward. Others are Chewarany, Tilak, Kaprom, Ameler, Losam, Pusian, Chemoror, Manian, Chemaltin, Chepkieny, Mortome, Tororo, Nasuret and Akiriamet.

Priority has also been given to construction of a modern mortuary and an Amenity ward at Kapenguria County Referral Hospital, completion of ICU and Casualty at Kapenguria hospital and an eye unit at Kacheliba sub county hospital, Renovation of

the Kapenguria Referral Hospital sewerage system (Lagoons and Toilets), Repair and maintenance of 4 dispensaries in Kodich ward and 1 dispensary and staff houses in Riwo ward, fencing of 2 dispensaries in Alale and Kapchok ward, purchase of cold room equipment for the mortuary and blood bank Unit at KCRH, Equipping of kaprech dispensary in Siyoi ward and purchase of one utility vehicle for county and sub county support.

Department of Tourism, Culture, Sports and Social Development

Madam Speaker, The tourism sub-sector remains one of the leading foreign exchange earners and a major contributor of employment in Kenya, contributing about 10% of the GDP and also providing a market for goods produced in other sectors and is thus key to attainment of the economic pillar goals of Vision 2030.

The department has been allocated Ksh.51.7M and Ksh.100.7M for recurrent and development expenditure respectively. In the FY 2018/2019, the sub-sector priorities are: tourism and culture promotion, youth talent development, empowerment of Persons Living With Disabilities, development of sporting and other social amenities, supporting and marketing women cottage industries products and implementation of the County Community Service Programme which has been allocated Ksh.50 million.

Roads, Public Works and Transport

Madam Speaker, an efficient and effective infrastructural system is an engine for socio-economic transformation. This sub-sector aims at providing efficient, affordable and reliable infrastructure and road network for sustainable growth and development.

The department has been allocated Ksh.68.3M and Ksh.303.97M for recurrent and development expenditure respectively. The strategic direction for the ministry during the MTEF period will include development of a safe and efficient road transport system that facilitates easy mobility of goods, services and people through routine maintenance of existing infrastructure and construction of new roads.

In the FY 2018/19, an estimated 680Km of new roads will be opened up, graded/murramed and gravelled and 350 Km of existing roads maintained in the entire county. These roads will be financed from the ward development and fuel levy funds.

Department of Lands, Physical Planning, Urban Development and Housing

Madam Speaker, the main goal of this department is to ensure that there is sustainable management of the land resource and land tenure security, maintaining high standards of county development by developing appropriate planning tools and systems and providing support and accurate information on the county land ownership.

The department has been allocated Ksh.81.8M and Ksh.134.1M for recurrent and development expenditure respectively. This allocation will be used for land adjudication programmes, cadastral surveys of public land, resolution of boundary disputes, preparation of part development plans, town beautification, construction of public toilets at Chesegon Trading Centre(Lomut Ward) and Barua(Batei Ward).

For development of Kapenguria-Makutano Municipality, Ksh.40 million has been allocated for the development of county urban planning & development control bill & bylaws, municipality local physical development plans & urban integrated development plan. In addition, Ksh.13 million has been allocated for purchase of modern solid waste refuse truck, Ksh.10 million for purchase and installation of business container Kiosks for development of Small & Medium Enterprises, Ksh.5.8 million for construction of fire station and Ksh.7.8 Million for opening of municipality access roads and control of storm water.

Madam Speaker, an additional Kshs. 55.6M has also been provided for tarmacking of Kacheliba, Kabichbich, Chepareria and Ortum towns roads.

County Assembly

The County Assembly is the arm of the County Government that makes legislation, represents the people and provides oversight on county resources. The assembly has been allocated Ksh.520.2M and Ksh.123M for recurrent and development expenditure respectively. This allocation will be used for; enactment of county laws, representation of the people, oversight and staff training. On capital development, Ksh.80 million has been allocated for the ongoing construction of ultra-modern county assembly chambers and Ksh. 43 million for the construction of official residence of the County Speaker.

Finally **Madam Speaker**, allocations to all departments have been reviewed and rationalized to ensure that wasteful and non- priority expenditure are not allocated

funds. I call upon all our stakeholders to continue supporting us on the basis of mutual respect, cooperation and consultation.

I would like to thank H. E the Governor, Prof. John Lonyangapuo, the Deputy Governor, Dr. Nicholas Atudonyang, the County Executive Committee Members and Chief Officers for dedicating their time to provide leadership and policy direction in the entire budget preparation process and for their input. Special thanks also go to a technical team at the County Treasury that spent a substantial amount of time putting together budget documents. I'm particularly grateful to them for their tireless efforts in ensuring that the documents have been produced on time and are of high quality. We are also grateful to members of County Assembly, the technical staff, development partners and other stakeholders for their support and advice throughout the process.

Thank you all. God bless Kenya, God bless West Pokot County

