



NAROK COUNTY GOVERNMENT

FINANCE AND ECONOMIC PLANNING

MEDIUM TERM

**COUNTY FISCAL
STRATEGY PAPER**

FEBRUARY 2023

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FOREWORD

The 2023 County Fiscal Strategy Paper (CFSP) is the first to be prepared under the new Administration, it sets out the Governor’s priority programs, policies and reforms to be implemented in the Medium-Term Expenditure Framework (MTEF). The 2023 CFSP comes at a time when the County is finalising the preparation of the County Integrated Development Plan (CIDP 2023-2027), that will prioritize implementation of economic recovery strategies of the new Administration to re-position the County on a steady and sustainable growth trajectory.

The 2023 CFSP is framed against a backdrop of global economic slowdown underpinned by the ongoing Russia-Ukraine conflict, elevated global inflation, and the lingering effects of the COVID-19 pandemic and climate change related supply chain disruptions. As the effects of COVID-19 pandemic started to fade away, the Kenyan economy bounced back recording a GDP growth rate of 7.5 percent in 2021. However, the momentum has been disrupted again by the Russia-Ukraine conflict that has disrupted global trade with increased fuel, fertiliser and food prices. The Kenya’s economy is projected to rebound to 6.1 percent in 2023 from the estimated 5.5 percent in 2022.

The policy paper is to guide the preparation of budget estimates for implementing policy goals, priority programs and fiscal framework for FY 2023/24 and the medium term period. As a result, the policy goals, priority programs and fiscal framework in this CFSP are revised to reflect emerging realities and priorities for promotion of growth and development in the county.

The 2023 CFSP also analyses the global, regional, national and county finance and economic trends. The trends are applied to inform policy direction, actions and strategies which will be used to inform the budget preparation for F/Y 2023/24. The policy paper re-emphasizes the county’s’ administration commitment on achieving the county’s vision of becoming “the premier county of choice in diversity and opportunities for prosperity.” This will be actualized by focussing on six thematic areas namely: (i) Economic Empowerment; (ii) Tourism Development and Promotion; (iii) Social Development; (iv)

Water Resources Management; (v) Industrial Development and Physical Planning and (vi) Economic Enablers.

To achieve the policy intents in this 2023 CFSP, the county will continue adhering to the fiscal responsibilities of ensuring recurrent expenditure doesn't exceed the county government's total revenue and that a minimum of thirty percent of the county governments' budget is allocated to the development. This will ensure that sustainable inclusive growth is attained in FY 2023/24 and in the medium term period. To finance expenditures set out in this paper, the county will continue to maximize revenue collection by strengthening and reforming the revenue collection system already in place and through structural reforms.

This paper is prepared in accordance with the provisions set out in section 117 of PFM Act 2012 and is aligned with the national objectives contained in the Budget Policy Statement (2023 BPS). The sectoral ceilings are set on the basis of reviewed expenditures in FY 2021/22, the first and Second quarter of F/Y 2022/23, priorities in sector reports, ADP for FY 2023/24 and priorities in the draft third generation CIDP 2023-2027. The proposals contained in this paper have benefited from wide consultations in accordance with the principle of openness and inclusivity.

HON. DAVID MUNTET
CEC MEMBER FOR FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENT

The preparation of this policy paper was a collaborative effort among various departments of the County Government of Narok. We are grateful for their inputs. We thank all the sector working groups for participation in various forums and for providing timely information necessary in the finalization of this policy document in addition to comments from several other stakeholders. The 2023 Budget Policy Statement (BPS) from the national treasury was a useful reference document on key issues and policy direction.

As we finalize County budget for FY 2023/2024 and the medium term, I wish to emphasize that resources are limited while at the same time, the County is confronted with significant expenditure demands including financing the first year of the County Integrated Development Plan CIDP 2023-2027 which captures the aspirations of the Governors Manifesto. This calls for proper prioritization to ensure that we focus on critical expenditures with the highest positive impact on the well-being of Narok Citizens. For this reason, the County will continue to prudently manage the use of public resources over the 2023/24-2025/26 Medium Term Expenditure Framework (MTEF).

We also acknowledge that the successful completion of this 2023 CFSP was made possible due to the leadership provided by the county executive member for Finance and Economic Planning Hon. David Muntet. His advice, direction and facilitation in carrying out the exercise is much appreciated.

A core team in Finance and Economic Planning spent substantial amount of time putting this document together. The technical team members worked tirelessly to ensure that this document was produced in time. Our many thanks also goes to the entire staff of the County Finance and Economic Planning department for their dedication, sacrifice, commitment and assistance during this process. We sincerely appreciate them.

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Plan
ASDSP	Agricultural Sector Development Support Programme
BPS	Budget Policy Statement
BROP	Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
GCP	Gross County Product
GDP	Gross Domestic Product
ECDE	Early Childhood Development Education
FY	Financial Year
HIV	Human Immune-Deficiency Virus
ICT	Information and Communication Technology
IFMIS	Integrated Financial Management Information Systems
IGFR	Intergovernmental Fiscal Relations
KDSP	Kenya Devolution Support Program
KIPPRA	Kenya Institute for Public Policy Research Analysis
KNBS	Kenya National Bureau of Statistics
KRB	Kenya Roads Board
RMNCAH	Reproductive, Maternal, New-borne Child and Adolescent Health
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
NARIGP	National Agriculture and Rural Inclusive Growth Project
OSR	Own-Source Revenue
PFM	Public Financial Management
PPP	Public Private Partnership
RMLF	Road Maintenance Fuel Levy Fund
SMEs	Small and Micro Enterprises
SWG	Sector Working Groups
UHC	Universal Health Coverage

Legal Basis for the Publication of Narok County Fiscal Strategy Paper

Narok County Fiscal Strategy Paper (CFSP 2023) is prepared in accordance with Section 117 (1) of the Public Financial Management Act, 2012. The law states that:

(1) The County Treasury shall prepare and submit to the County Executive Committee the CFSP 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 CFSP with the national objectives in the Budget Policy Statement (BPS).

(3) In preparing the CFSP, 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 CFSP 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 CFSP, the County Treasury shall seek and take into account the views of the Commission on Revenue Allocation (CRA); the public; any interested persons or groups; and 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 CFSP within seven days after it has been submitted to the County Assembly.

Fiscal Responsibility Principles

Section 107 of PFM Act of 2012 requires the County Treasury to manage its public finances in accordance with the principles of fiscal responsibility. In managing the County government's public finances, the County Treasury has adhered to the fiscal responsibility principles set out in the statutes as follows: -

- (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.

Further, the 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.

I. INTRODUCTION

1.0 Overview

1. The 2023 County Fiscal Strategy Paper (CFSP) is the tenth to be prepared since the commencement of County Government of Narok in 2013. The period of preparation of 2023 CFSP coincides with the finalization of third generation County Integrated Development Plan (CIDP 2023-2027) for Narok and the Fourth Medium Term Plan (MTP) of the Kenya Vision 2030. The policy paper seeks to continue implementing far reaching socio- economic policies and structural reforms for economic prosperity. Specifically, the strategic priorities for 2023 CFSP are underpinned in six thematic areas that includes;

- a) Economic Empowerment aimed at empowering the citizen of Narok County to participate in, contribute to, and benefit from growth processes;
- b) Social Development to achieve healthy lives and an empowered human capital;
- c) Tourism Development and promotion with a view of positioning Narok County as the global premier tourist destination of choice;
- d) Water Resource Management to protect, conserve, manage and increase access to clean and safe water for socio-economic development;
- e) Urban Development and physical planning for sustainable development in the urban areas;
- f) Strengthening of enablers that support economic and social development

2. In line with the devolved functions of the County Governments, the CFSP has identified priority programs to be implemented in F/Y 2023/24 and in the medium term period. The policy paper has been firmed up with an updated National economic outlook to reflect changes in Global, National economic and financial conditions.

3. The CFSP is aligned to 2023 Budget Policy Statement (BPS) for national government. The 2023 BPS submitted to National Assembly on 15th February 2023 is framed against a

backdrop of global economic slowdown occasioned by the ongoing Russia-Ukraine conflict, elevated global inflation, lingering effects of the COVID-19 pandemic, persistent supply chain disruptions and the food security and climate effects. The need to address these challenges, bolster resilience while building on successes realized overtime forms the basis of the Kenya Kwanza Government's Bottom-Up Economic Transformation Agenda. The Agenda is geared towards economic turnaround and inclusive growth. Special focus will be placed on increased employment, more equitable distribution of income, social security while also expanding the tax revenue base, and increased foreign exchange earnings.

4. Further, guiding the FY 2023/24 policy focus is challenges and lessons learnt during the First (CIDP 2013-2017) and Second generation (CIDP 2018-2022), which forms an integral base upon which the FY 2023/24 and medium term policies and programmes are designed and implemented. The 2023 CFSP is framed against a background of expected slowdown of Global growth to 2.9 percent in 2023 from the estimated at 3.4 percent in 2022 mainly driven by sluggish growth in advanced economies. The advanced economies are projected to decline from the estimated 2.7 percent in 2022 to 1.2 percent in 2023 reflecting slowdown in the growth in the USA, Euro Area and United Kingdom.
5. Nationally, economy demonstrated remarkable resilience and recovery from COVID-19 shock due to the diversified nature of the economy and the proactive measures by the Government to support businesses. The economy expanded by 7.5 percent in 2021, a much stronger level from a contraction of 0.3 percent in 2020
6. Inflation rate eased to 9.0 percent in January 2023 from 9.1 percent in December 2022 and 9.5 percent in November 2022 due to a decline in food prices as a result of favorable rains and lower global commodity prices particularly for edible oils and wheat with the easing of international supply chain disruptions. However, this inflation rate was higher than the 5.4 percent recorded in January 2022. Overall annual average inflation increased to 7.9 percent in January 2023 compared to the 6.1 percent recorded in January 2022.

1.2 CFSP Process Overview

7. The County Government Act mandates that county funds be spent according to approved planning framework as stipulated in various sections of the acts as below;

- i) Section 104, (1), (4); public funds cannot be “...appropriated outside a planning framework developed by the county....”
- ii) Section 107 (2), “The county plans shall be the basis for all budgeting and spending in a county”
- iii) Section 115 (1) “Public participation in county planning process shall be mandatory and....”

8. In addition, the PFM Act section 117 stipulates the process to be followed in the preparation of the CFSP. With regard to section 115 (1) of the County Government Act Narok County has ensured public involvement in planning, budget preparation and budget execution.

9. The rationale of public participation is to enhance value in decision-making, policy formulation and resource allocation in order to ensure that the budget addresses needs identified and prioritized by the affected public. Specifically, public participation enables citizens to:

- Follow up on accountability issues.
- Identify and communicate priority needs and preferences in the community
- Help in building ownership and draw support in the implementation of projects, programmes.
- Enhance transparency in the use of public resources

Notable concerns from members of the public which calls for immediate prioritization in the budgets were;

- i. Construction and maintenance of roads
- ii. Enhance immunization coverage and promote reproductive health
- iii. Support Vocational Training Programme
- iv. Fast-track the school feeding program
- v. Empowerment of PWDs, Women and Youth,
- vi. Constant supply of drugs in hospital
- vii. Improve access to healthcare
- viii. Addressing livestock disease and outbreak
- ix. Supply of certified seeds, farm chemicals and fertilizer
- x. Improve support in extension services

- xi. Improve farming practices and the management of harvest to ensure consistent supply of food in the county
- xii. Environmental protection and conservation
- xiii. Increase the supply of safe and affordable water for domestic use
- xiv. Improve on the access to education for early school going children, the youths and adults
- xv. Lands and development of urban areas, street lighting
- xvi. Promote tourism development and trade

1.3 Outline of the 2023 County Fiscal Strategy Paper

10. The rest of the paper is organised as follow; Section II outlines the economic context in which the 2023/2024 county budget is prepared. It provides an overview of the recent global and national economic developments and the macroeconomic outlook relevant to county budget process.

11. Section III outlines the fiscal policy and budget framework for the F/Y 2022/2023 that is supportive of strategic growth over the medium and long term sustainable development.

12. Section IV deals with intergovernmental fiscal relations that outlines the relationship between the national and county governments, transfer of functions and challenges encountered by the county governments in public finance management.

13. Section V outlines Medium Term Expenditure Framework (MTEF) for FY 2023/24 with county resources envelope, spending priorities and proposed MTEF ceilings over the same period.

II. RECENT ECONOMIC DEVELOPMENTS

14. This section provides an update of the economic performance and emerging issues likely to affect the outcome of national and county development goals. The section begins by focusing on the economic outlook at the global and regional level. The paper basically captures the outlook as signified in the BPS 2023 and other national policy documents like the budget policy

review and outlook paper 2022, the Kenya Economic Survey 2022 by Kenya National Bureau of Statistics (KNBS), and Kenya Economic Report 2022 by Kenya Institute for Public Policy Research Analysis (KIPPRA). Thereafter an analysis of the national outlook and impact on county economy and linkages is provided.

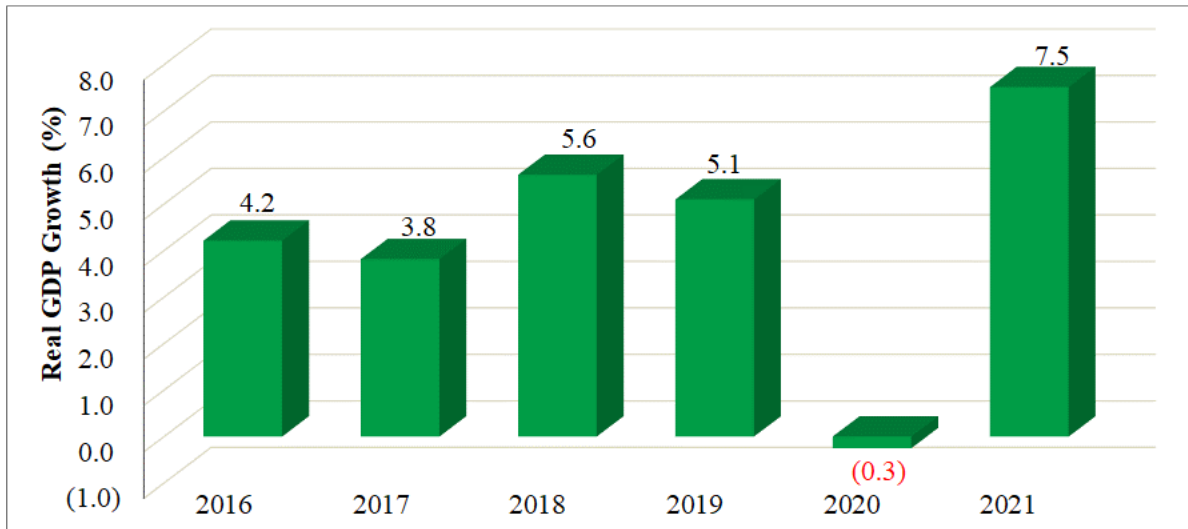
15. The County's performance is largely dependent on the formulation and implementation of prudent policies to guide service delivery. The performance will also depend highly on the country's economic performance as the County's largest share of revenue is obtained through transfers from the National Government.

2.1 National Economic Outlook Overview

16. The Kenyan economy demonstrated remarkable resilience and recovery from COVID-19 shock due to the diversified nature of the economy and the proactive measures by the Government to support businesses. The economy expanded by 7.5 percent in 2021, a much stronger level from a contraction of 0.3 percent in 2020. The growth momentum continued in the first three quarters of 2022 averaging 5.5 percent despite subdued performance in agriculture and weaker global growth. The economy grew by 6.7 percent in the first quarter and 5.2 percent in the second quarter compared to a growth of 2.7 percent and 11.0 percent in similar quarters in 2021.

17. In the third quarter of 2022, the economy grew by 4.7 percent compared to a growth of 9.3 percent in the corresponding quarter of 2021. Most sectors posted slower growths owing to the significantly high growth rates recorded in the third quarter of 2021 that signified recovery from the impact of the COVID-19 pandemic. The growth in the third quarter of 2022 was mainly supported by the service sectors, particularly; Accommodation and Food Service activities, Wholesale and retail trade, Professional, Administrative and Support services, Education and Financial and Insurance activities. The growth was, however, slowed by declines in activities of the Agriculture, Forestry and Fishing, and Mining and Quarrying sectors.

Figure 1: Annual Real GDP Growth rates



Source Data: The National Treasury

2.1.1 Growth Update

18. The economy continued to expand in 2022, albeit at a slower pace than the 7.5 percent recorded in 2021. Real GDP is expected to have grown by 5.5 percent in 2022 supported by the services sector despite subdued performance in agriculture and weaker global growth. The economy is projected to rebound to 6.1 percent in 2023, reinforced by the Government’s Bottom – Up Economic Transformation Agenda geared towards economic turnaround and inclusive growth.

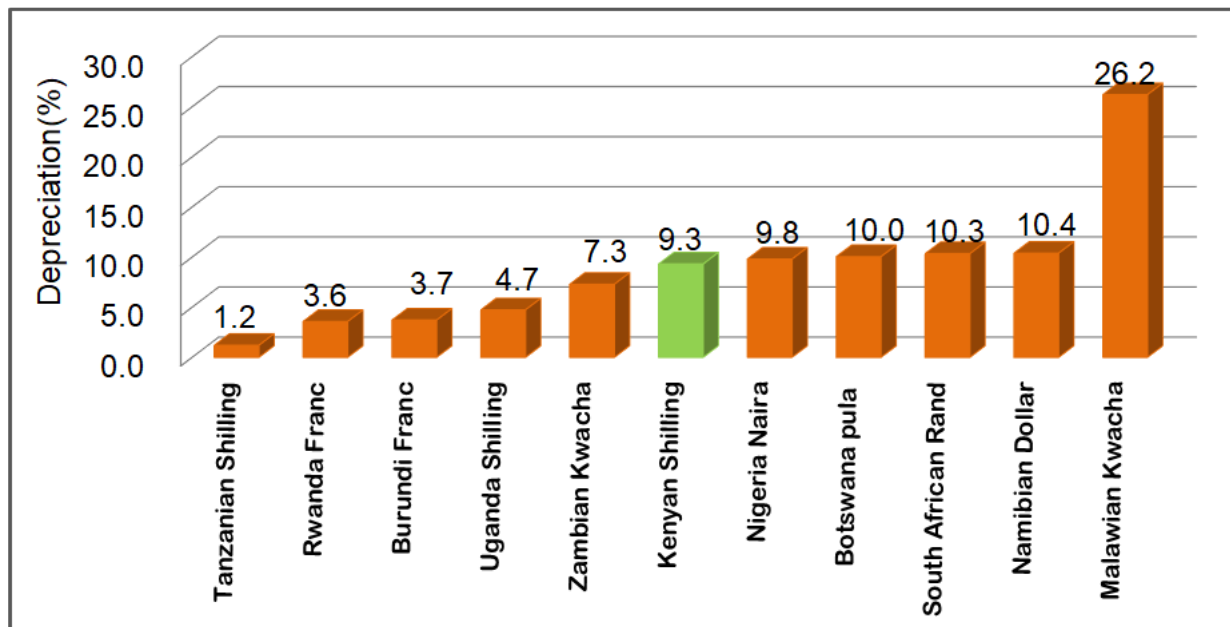
19. The external sector has remained stable despite the tight global financial conditions attributed to strengthening of US Dollar and uncertainties regarding the ongoing Russian-Ukraine conflict. Due to the strong dollar, the exchange rate to the Kenya shilling, like all world currencies, has weakened but strengthened against other major international currencies. The current account deficit was generally stable at 5.2 percent of GDP in the 12 months to November 2022 compared to 5.4 percent of GDP in November 2021 on account of improved receipts from service exports and resilient remittances. The official foreign exchange reserves at 4.2 months of import cover in November 2022 continues to provide adequate buffer against short term shocks in the foreign exchange market.

20. The fiscal policy continues to pursue growth friendly fiscal consolidation to preserve debt sustainability. This will be achieved through enhancing revenue collection and curtailing non-core expenditures while prioritizing high impact social and investment expenditure. As such, fiscal deficit is projected to decline from 5.7 percent of GDP in FY 2022/23 to 4.4 percent of GDP in FY 2023/24.

2.1.2 Kenya Shilling Exchange Rate

21. In comparison to Sub-Saharan Africa currencies, the depreciation of the Kenya Shilling exchange rate has remained relatively low at 9.3 percent against the US Dollar in January 2023 (Figure 2). The depreciation rate of the Kenya Shilling was lower than that of Botswana pula, South African Rand, Namibian Dollar and Malawi Kwacha. The stability in the Kenya Shilling was supported by increased remittances, adequate foreign exchange reserves and improved exports receipts.

Figure 2: Performance of Selected Currencies against the US Dollar (January 2022 to January 2023)..

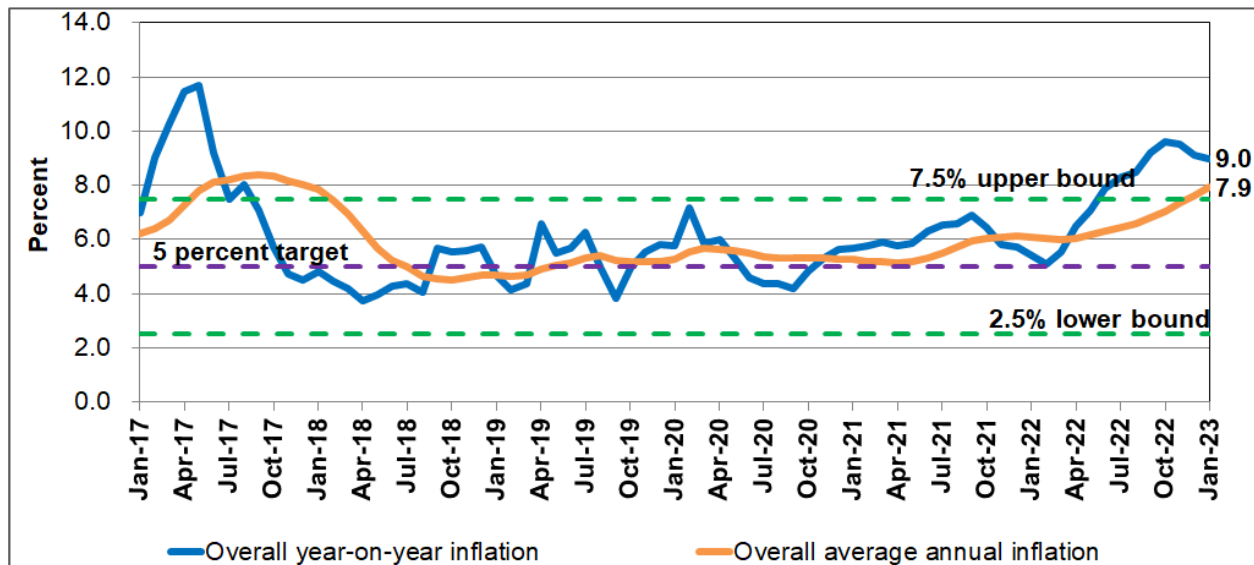


Source Data: National Central Banks

2.1.3 Inflation Rate

22. The year-on-year inflation rate eased for the third consecutive month in January 2023 but was still above the 7.5 percent upper bound target. Inflation rate eased to 9.0 percent in January 2023 from 9.1 percent in December 2022 and 9.5 percent in November 2022 due to a decline in food prices as a result of favourable rains and lower global commodity prices particularly for edible oils and wheat with the easing of international supply chain disruptions (Figure 3). However, this inflation rate was higher than the 5.4 percent recorded in January 2022. Overall annual average inflation increased to 7.9 percent in January 2023 compared to the 6.1 percent recorded in January 2022.

Figure 3: Inflation rate in Kenya

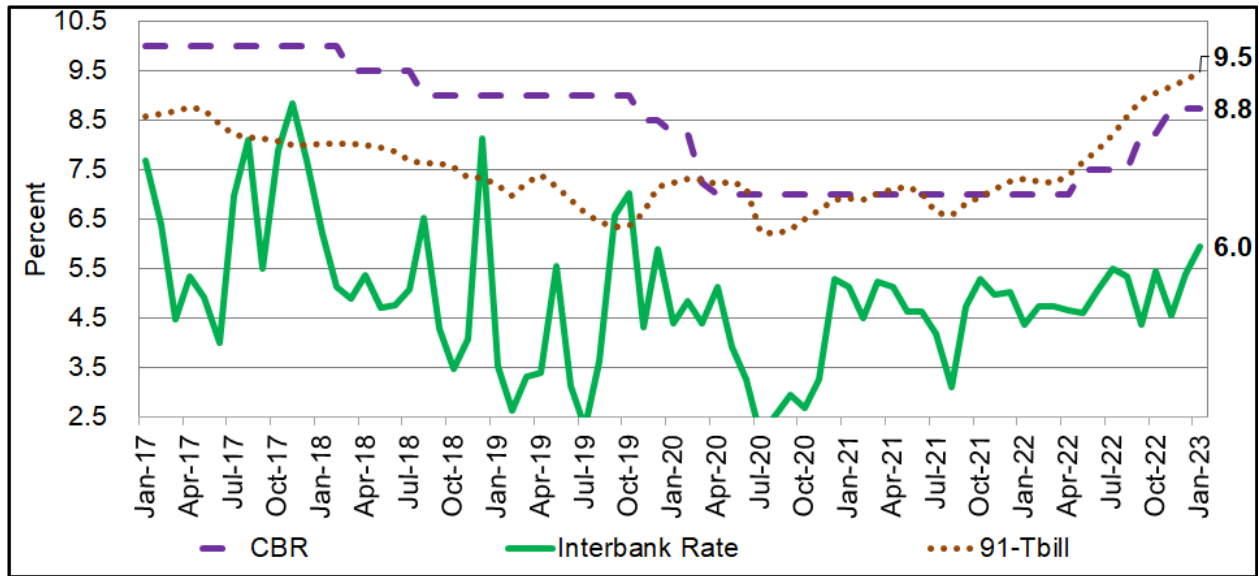


Source of Data: Kenya National Bureau of Statistics

2.1.4 Interest rates

23. Monetary policy stance remains tight to anchor inflation expectations due to the sustained inflationary pressures, the elevated global risks and their potential impact on the domestic economy. In this regard, the Central Bank Rate was raised from 8.25 percent to 8.75 percent in November 2022 and retained at the same rate on 30th January 2023. (Figure 4). The interbank rate increased to 6.0 percent in January 2023 compared to 4.4 percent in January 2022 while the 91-day Treasury Bills rate also increased to 9.5 percent compared to 7.3 percent over the same period due to tight liquidity conditions.

Figure 4: Short-Term Interest Rates, Percent



Source of Data: Central Bank of Kenya

2.2 Global Growth Outlook

24. Global economic outlook has become more uncertain - reflecting the impact of the ongoing Russia-Ukraine conflict, elevated global inflation, lingering effects of COVID-19 pandemic, and persistent supply chain disruptions. Global growth is projected to slow down to 2.9 percent in 2023 from the estimated at 3.4 percent in 2022 mainly driven by sluggish growth in advanced economies. The advanced economies are projected to decline from the estimated 2.7 percent in 2022 to 1.2 percent in 2023 reflecting slowdown in the growth in the USA, Euro Area and United Kingdom.

25. Growth in the emerging markets and developing economies are projected to rise modestly to 4.0 percent in 2023 from an estimated 3.9 percent in 2022 mainly driven by recovery of activities in China with the full reopening in 2023. China economy is projected to improve to 5.2 percent from 3.0 percent in 2022. In the sub-Saharan Africa region, growth is projected to

remain moderate at 3.8 percent in 2023. This outlook reflects Nigeria's rising growth in 2023 due to measures to address insecurity issues in the oil sector.

2.3 Domestic Growth Outlook

26. The Kenyan economy demonstrated remarkable resilience and recovery from COVID-19 shock due to the diversified nature of the economy and the proactive measures by the Government to support businesses. The economy expanded by 7.5 percent in 2021, a much stronger level from a contraction of 0.3 percent in 2020.

27. The agriculture sector recorded a contraction of 0.6 percent in the third quarter of 2022 compared to a growth of 0.6 percent recorded in the corresponding quarter of 2021. The slowdown in performance of the sector was mainly attributed to unfavourable weather conditions that prevailed in first three quarters of 2022. The decline was reflected in vegetable exports and milk intake by processors. The sector's performance was cushioned from a steeper contraction by improved production in fruits, coffee and cane.

2.4 Linkages between National and County Economic Outlook

28. The performance of the economy at the national level directly and indirectly affects the economic behaviour at the county level. Variations in economic indicators in the national economy have a direct effect on the performance of the economy at the county. Therefore, this paper is prepared in consideration that the policies at the national level inform the outcome at the county level.

29. For instance, a rise or decline in inflation raises or lowers the cost of living at both levels of government. At the county government, the rise in cost of goods directly impacts on the cost at which the county units obtain services from suppliers. Subsequently, this reduces the overall outlay available for expenditure.

30. On the other hand, depreciation in local currency stimulates exports and discourages importation. This depreciation encourages more visits by foreign tourists into the country. As the home of the famous Maasai Mara Game Reserves the increase in tourist arrivals as a result of the depreciation would lead to gain in terms of increased revenues. The contrary happens when the currency appreciates.

31. Regulatory monetary policy to reduce money supply in the economy at the national level has a counterproductive effect – raises interest’s rates- which discourages borrowings. This is likely to reduce business activities leading to unemployment. This impacts on revenue collection thereby affecting the shareable revenues and timely transfers to the county governments, thus affecting service delivery.

32. Similarly, increase in internal government borrowing crowds out private investment. This increases unemployment, decreased productivity in all sectors and ultimately the realized revenues. The removal of interest rates capping is expected to generate results that are favourable to the county economy if the access to credit from financial institutions is made available to small and medium size enterprises.

33. These macro-economic variables are measured by institutions at the national government with a trickle down effects in the counties. In view of the above, this paper proposes policies that are strategic in mitigating adverse effects likely to depress economic performance in the county.

2.5 Fiscal Performance of County Governments

34. County Governments are required to allocate a minimum of 30 percent of their budget over medium-term to development expenditure as provided for under Section 107 (2) (b) of the PFMA, 2012. All the County Governments except Nairobi City County and Kiambu complied with this legal requirement and allocated at least 30 percent of their approved budget to development in FY 2021/22 (2023 BPS).

35. Even though most County Governments allocate a minimum of 30 percent to development expenditure, a majority of them do not meet this requirement in terms of actual expenditure on development. During the FY 2021/22, only 12 County Governments were able to utilize at least 30 percent of their total expenditure on development. The County Government of Marsabit spent 41.8 percent, Uasin Gishu 37.1 percent and Nakuru 35.3 percent. On the other hand, a total of 35 County Governments spent less than 30 percent on development in FY 2021/22. Nairobi City County Government had the lowest expenditure at 10.7 percent while Narok and Garissa Counties spent 12.6 percent and 12.5 percent respectively

36. County Governments are required under Regulation 25(1) (b) of the PFM (County Governments) Regulations, 2015 to ensure that expenditure on wages and benefits does not exceed 35 percent of their total revenue. A report by the Controller of Budget on review of County Government's budget implementation for FY 2021/22 shows that only 11 County Government's expenditure on wages and benefits were within the legal threshold. The County Governments of Tana River, Mandera and Isiolo had the lowest expenditure on wages and benefits at 28% percent. The report further revealed that 36 County Governments spent beyond the legal threshold. Machakos spent 62 percent followed by Garissa at 60 percent and Kisii at 58 percent.
37. During the FY 2021/22 County Governments were able to raise a total of Ksh 35.9 billion in Own Source Revenue (OSR) against an annual target of Ksh 60.4 billion. This represents 59 percent of the annual OSR target in FY 2021/22.
38. A report of the County Governments by the Commission on Revenue Allocation on Comprehensive Own Source Revenue Potential and Tax Gap published in June 2022, estimates the revenue potential of all the 47 County Governments at Ksh. 215.6 billion against the current OSR collections of Ksh 35.9 billion in FY 2021/22. In order to improve on their OSR collections, the report recommends the adoption of automatic and cashless payments systems as well as streamlining of taxation and fees structure by the County Governments.
39. In order to support the County Governments to enhance their Own Source Revenue, the National Treasury in consultation with the County Governments and other stakeholders developed the National Rating Bill and the County Governments (Revenue Raising Process), Bill. The objective of the National Rating Bill is to unlock more revenues for the County Governments from property taxes. On the other hand, the County Governments (Revenue Raising Process), Bill outlines the process to be followed by counties in exercising their power under Articles 209 and 210 of the Constitution to impose, vary or waiver taxes, fees, levies and other charges. (BPS, 2023).

2.6 Fiscal Performance of the Narok County Budget

2.6.1 Overview

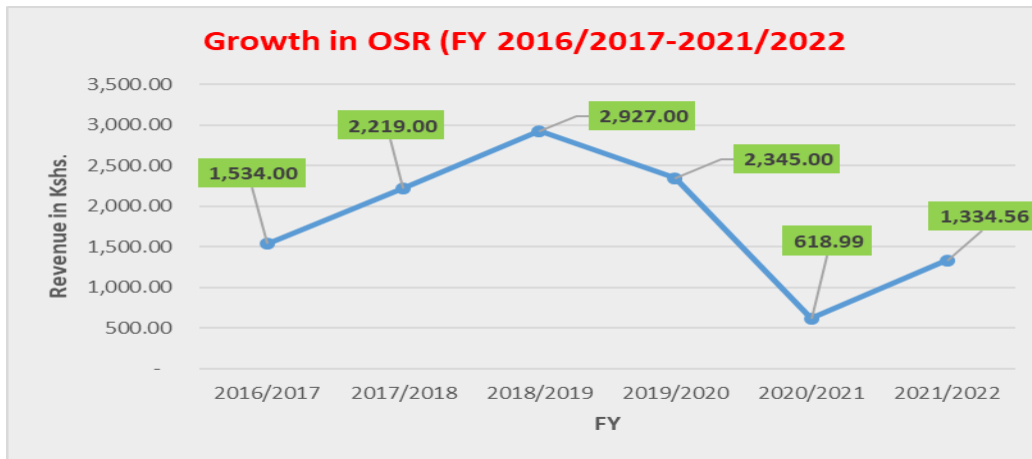
40. The review of fiscal performance in the current and previous years is a critical basis for determining future allocations and forecasts. A broad analysis of fiscal performance is particularly important given that the life of this strategy paper is coinciding with the finalization of the third generation CIDP for the period 2023-2027.

41. Thus to put the implication of the fiscal performance into proper perspective this section begins with the review of the fiscal performance focusing on FY 2022/23 which is currently under implementation. Then the focus shifts to a backward reflection to highlight the findings of the fiscal performance of CIDP II implementation.

2.6.2 Fiscal Performance of the Narok County Budget

42. In FY 2020/2021, Collection of Own sources of revenue was KES 618,992,782.90. The revised target for the year FY 2021/2022 was KES 2,354,426,170.90, the actual was KSh. 1,334,563,665.95. Thus there was a shortfall of KSh. 1,019,862,504.95 which is equivalent to 43.31%. The shortfall was attributed to the impacts of COVID 19. The pandemic necessitated the revision of targets in view of the prevailing economic environment.

Figure 4: Trend in Own Source Revenue



43. Recurrent expenditure amounted to KES. 9,261,250,796.45 against a revised target of KES. 9,344,768,104.00. Thus, the total expenditure on recurrent at the close of FY 2021/22 represents 99.1% rate of absorption when compared against the revised estimates on expenditures for recurrent. Development expenditure amounted to KSh. 1,442,790,427

compared to a revised target of KSh. 4,007,344,783. This represents 36.00% rate of absorption when compared against the revised estimates on expenditures for development.

44. The implementation of the budget for FY 2022/23 is progressing well. By the end of January 2023, total cumulative revenue (Transfers from the national government and local own revenue sources) amounted to KSh. 4.8 billion equivalents to the amount on the expenditure side of the budget.

3 FISCAL POLICY AND BUDGET FRAMEWORK FOR THE F/Y 2023/2024

45 This section presents the fiscal policy upon which the F/Y 2023/2024 budget and the medium-term programmes are to be based. The County Government's fiscal policy seeks to improve service delivery for accelerated socio-economic and environmental advancement. It aims to promote and support a higher level of investment and expansion in Tourism and Trade, Health, Education, and agriculture while enabling Government to finance public services, redistribution and development in an affordable and sustainable budget framework.

46 The county government shall continue with prudent public finance management and ensuring it adheres to the fiscal responsibilities in accordance to the PFM law. This is expected to enhance prudent and transparent management of public resources. This will help in maintaining county development expenditure above the 30% threshold provided in the PFM law. Prudent financial management and creating of a conducive business environment is also expected to boost both investors and creditors confidence culminating to much needed investment in the county.

47 Towards ensuring that more resources are devoted for development, the County government of Narok remains committed in ensuring that discretionary expenses are reduced. Reforms in the expenditure management and revenue administration will continue to be implemented so as to increase efficiency, reduce wastages and increase revenues collected. This is expected to create fiscal space for spending on development programmes within the budget.

3.1 The 2023/24 Budget Framework

48 In FY 2023/24 prioritization of resource allocation will be based on the preliminary considerations in the draft Narok County Integrated Development Plan (CIDP 2023-2027), recommendations gathered during the public consultative forums on 17th and 21st October 2022, Sectoral reports, departmental strategies, Post-COVID 19 Socio-economic Reengineering and Recovery Strategy, programmes and broad development policies of the national government including the big four agenda.

3.1.1 Fiscal Responsibility Principles

49 The County Government of Narok recognizes that policy decisions made today on usage of public resources will affect future generations. This fiscal standpoint is taken to safeguard the lives of future generations with regard to sustainable use of available resources.

50 Therefore, in line with the Constitution, the Public Finance Management (PFM) Act, 2012, and in keeping with the prudence and transparent management of public resources, the County government will adhere to fiscal responsibility principles.

51 In FY 2023/24, approximately 33 percent has been allocated for development. In FY 2021/22 the county utilized approximately 13.5 percent on development compared to an allocation of approximately 37 percent.

52 Although the County Government envisages maintaining a balanced budget where total revenue equal total expenditure, it will seek to adhere to borrowing guidelines if need arises. The amounts realised from the borrowing will be applied in financing development projects only.

53 On fiscal risks the County Government will continue to put measures in place to enhance revenue collection, majorly through automation and widening of revenue base.

3.1.2 Fiscal and Public Financial Management Reform

54 The County Government will continue pursuing its policy objectives within the financial context established by fiscal responsibility principles. The progress made in the context of

strategic priorities will continue to be regularly reviewed to establish the parameters for the Budget, with a continued focus on the level of expenditure on County development.

55 The fiscal policy will be geared towards enhancing revenue administration and efficiency in collection, by formulating revenue administration regulations and reviewing legislations for charges and fees in order to simplify and modernize them. This is expected to increase revenue collection in the medium term.

56 The County Government will continue its prudent approach to budgeting through expenditure rationalization and optimal resource allocation as a measure of realizing quicker socio-economic growth.

57 It is therefore imperative to reform and modernize the revenue systems to ensure stability of revenue, while at the same time continuing to restructure expenditure systems to ensure efficiency and create fiscal space required to meet the county budgetary needs.

3.1.3 Revenue Projections

58 According to the 2023 Budget Policy Statement (BPS), Narok County is to receive an allocation of KSh. 9.2 billion as equitable share. The allocation includes Kshs. 13.96 million as transfers for Library services whereby the payroll of Library staff will be transferred to counties. The County government of Narok will also receive an approximately KSh. 896.03 million as conditional allocations. These will include allocations for funds for leasing of medical equipment's, Loans and grants for various programmes. In addition to the equitable share and conditional funds, Narok County is to receive an estimated KSh. 100,000,000 to operationalize the national Government's programme on aggregated industrial parks.

59 Further, the County generates its own revenues from property rates, entertainment taxes and other taxes that the county is authorized to impose by an Act of Parliament as well as user fees and charges to be authorized in the Finance bill for FY 2023/24. The County projects to collect revenue amounting to KSh. 3.9 billion from local own revenue sources.

60 The total revenue for FY 2023/24 is therefore projected at KSh.14.2 billion as shown in table 1.

Table 1: Revenue Projections, (In million KSh.)

	Baseline	Estimates	Projections	
Financial Year	2022/23	2023/24	2024/25	2025/26
Equitable share	8,844.79	9,200.56	9,570.64	9,914.83
Additional Conditional Allocations	833.61	896.03	963.11	1,035.22
Leasing medical equipment		159.89	171.86	
Local Collections	2,430.83	3,915.62	4,503.36	4,564.49
TOTAL	12,109.22	14,172.10	15,208.97	15,514.54

Source: Narok County Treasury

61 The county will endeavour to implement structural reforms supportive of revenue raising measures to be contained in the Finance Bill 2023. This shall be in accordance with the provision in PFM Act 2012 section (132) (1&2) which require the County Executive member for finance to make pronouncement of the revenue raising measures for the county government with the approval of the County Executive Committee.

3.1.4 Expenditure Projections

62 Considering the limited resources against competing needs for programme funds, priorities for funding in FY 2023/24 has been given to projects/programmes that focus on county strategic interventions. These programmes are geared towards promotion of service delivery that supports social development, economic growth and transformation of the County. They are also in line with the draft County Integrated Development Plan (CIDP 2023-2027), Third Medium Term Plan of the vision 2030, and other policy provisions for transitioning from CIDP 2018-2022 to CIDP 2023-2027 and from MTP III to MTP IV. Recurrent expenditure has been structured to decrease over time as capital expenditure increases in relative terms.

63 Further, the county government shall ensure that recurrent expenditure does not exceed 70 percent of county government's total revenue. The county government shall also observe a reasonable degree of revenue predictability.

3.1.5 Recurrent Expenditure Projections

64 In expenditure projections for FY 2023/24 and in the medium term, it is expected that allocation of resources will be on programmes and projects that are prioritized in the MTP IV 3and draft third generation CIDP for Narok County. Thus, departments will be required to follow this criterion in identification and allocation of resources during the preparation of budget estimates.

65 Total recurrent expenditures in FY 2023/24 is estimated at KSh.9.4 billion representing 67 percent of the total budget.

3.1.6 Development Expenditure Projections

66 The overall development expenditure for FY 2023/24 is projected at KSh.4.6 billion as shown in Table 2.

Table 2: Allocation for development and recurrent (In Million KSh.)

	Baseline	Estimates	Projections	
Financial Year	2021/22	2022/23	2023/24	2024/25
Expenditure				
Recurrent	8,208.88	9,490.76	10,301.89	10,614.58
Development	3,900.36	4,681.37	4,874.08	4,906.96
TOTAL	12,109.23	14,172.10	15,208.97	15,514.54
% Allocation				
Recurrent	67.79%	100.00%	100.00%	100.00%
Development	32.21%	66.97%	67.74%	68.42%
TOTAL	100%	33.03%	32.05%	31.63%

Source: Narok County Treasury

67 The projections in Table 2 indicate that in FY 2023/24, percentage allocation to development is 33 percent. The PFM Act section 107(2b) requires that over the medium term a minimum of thirty percent of the county government’s budget shall be allocated to the development expenditure.

68 In order to contain non-essential spending in recurrent and non-priority expenditure in development, Narok County Government will focus on the following areas of intervention.

- a) Full operationalization of the Governors Service Delivery Unit (GDU) to breed efficiency

- b) Instituting austerity measures on non-priority expenditures
- c) Promote innovative cost cutting service delivery practices
- d) Consultancy services will only be of last resort with a full credible proof that the county doesn't have capacity to undertake activity which consultancy is sought for.

3.1.7 Overall deficit and financing

69 To ensure fiscal discipline, Narok County Government will run a balanced budget whereby the revenue is equal to expenditures. In effect, the FY 2023/24 county budget shall be financed through transfer from the National Government and own revenue collected from own sources such as fees and charges, rates, among others allowed by the governing Acts.

4 INTERGOVERNMENTAL FISCAL RELATIONSHIP

4.0 Overview

70 The fiscal strategy paper will be applied in guiding the budget policies for FY 2023/24 and the medium-term period. It's worthy to note that 2015/16 was the final transition year as defined in the Sixth Schedule of the Constitution and in the Transition to Devolved Government Act, 2012. From an intergovernmental fiscal relations standpoint, substantial progress has been made in terms of laying the legal, institutional and administrative foundations for successful fiscal decentralization.

71 The National Treasury in consultation with the County Governments and other stakeholders developed the National Rating Bill and the County Governments (Revenue Raising Process), Bill to support the County Governments to enhance their Own Source Revenue. The objective of the National Rating Bill is to unlock more revenues for the County Governments from property taxes. On the other hand, the County Governments (Revenue Raising Process), Bill outlines the process to be followed by counties in exercising their power under Articles 209 and 210 of the Constitution to impose, vary or waiver taxes, fees, levies and other charges.

72 The description in the 2023 BPS indicates that the two bills lapsed in the 12th Parliament, the National Rating Bill has been republished by Parliament while the County Governments (Revenue Raising Process), Bill has been resubmitted to Cabinet to consider and approve its re-submission to the 13th Parliament for enactment into law.

4.1 Division of Revenue between the National and the County Governments

73 In order to arrive at County Governments' equitable share of revenue for FY 2023/24, The National Treasury proposes that County Governments be allocated an equitable share of revenue raised nationally of KSh. 370 billion in the FY 2023/24. This will translate into a growth of Ksh. 16.9% for the FY 2022/2023 as per the BPS 2022.

74 Based on ordinary revenue projection of Ksh 2,571.2 billion in FY 2023/24, Ksh 2,177.9 billion has been allocated to National Government, Ksh 385.4 billion to County Governments as equitable revenue share to the two levels of Government and Ksh 7.9 billion to the Equalization Fund. The allocation to County Governments' equitable revenue share of Ksh 385.4 billion in FY 2023/24 is informed by the following prevailing circumstances

75 The proposal to increase the equitable share to Ksh 385.4 billion in the FY 2023/24 is equivalent to 24.5 percent of the last audited accounts (Ksh. 1,573.42 billion for FY 2019/20) and as approved by Parliament. The proposed allocation therefore meets the requirement of Article 203(2) of the Constitution. This allocation of Ksh 385.4 billion represents 15.0 percent of the projected revenue in the FY 2023/24 and is higher than the initial proposal of Ksh 380.4 billion or 14.8 percent of projected revenue in the FY 2023/24 and complies with the minimum allocation as per the requirements of Article 203(2) of the Constitution.

76 High level of debt financing, requirement in the contest of limited avenue to financing from domestic and international financial markets.

77 Increased Government expenditure need relating to drought intervention, fertilizer subsidy and the Hustlers Fund;

78 In the medium term, sharing of resources will be pegged on the financing constraints and not on the budget. Availability of resources is key and it should be remembered that National Treasury did not disburse Kshs 29.6 billion to County Governments in the FY 2021/22 due to financial constraints. This amount was however disbursed to the County Governments in FY 2022/23; and

79 The fact that the National Government continues to solely bear shortfalls in revenue in any given financial year while County Governments continue to receive their full allocation despite the budget cuts affecting the National Government entities. (Table 3). Each additional conditional allocation is distributed based on its objectives, criteria for selecting beneficiary Counties and distribution formula.

Table 3: Total allocations to County Governments

Allocation		Amount in million KSh.			
Type/Level of Allocation		2020/21	2021/22	2022/2023	2023/2024
County Equitable Share (to 47 counties)		316,500	370,000	370,000	385,425
Additional conditional allocations, of which:					
ii	Leasing of Medical equipment	6,205	7,205	5,200	5,862
iv	Supplement for construction of county headquarters	300	332	454	454
vi	Aggregated Industrial Parks Programme				4,700
ix	Allocations from Loans and Grants	30,204	32,344	31,382	33,192
Total		353,209	409,871	407,036	429,633

Source: BPS 2021

- A total of KSh. 7.867 billion has been set aside in the 2023 BPS as Equalization Fund. The allocation is to be managed by Equalisation Fund Advisory Board established in accordance with the PFM (Equalisation Fund Administration) Regulations 2021.
- Counties will also benefit from an allocation of KSh. 4.7 billion as a conditional grant in FY 2023/24. Each county government has been allocated Ksh 100 million to operationalize the national government’s programme on aggregated industrial parks.

5.0 MEDIUM TERM EXPENDITURE FRAMEWORK

5.1 Resource Envelope

80 The law provides for several sources wherefrom counties can generate revenues namely, transfers from national government (Article 202 & 204), local collection and borrowing (Article 212). The sources of revenue for Narok County Government in the past four years have been from all of the above sources except borrowing. The transfers from national government comprise the equitable share (Article 202 (1) and additional conditional resources including grants (Article 202 (2) and Equalization fund (Article 204).

5.1.1 Equitable Share

81 This is the county allocation from the national government which is equitably shared between national government and the county governments (vertically) and horizontally among the forty-seven counties. The sharing criterion is in accordance to Commission on Revenue Allocation (CRA) formula with an approval of the senate. In the FY 2023/24, Narok County is allocated a total of KSh. 9.2 billion equivalent to 75.93% of the total county budget. The allocation includes KShs. 13.96 million as transfers for Library services whereby the payroll of Library staff will be transferred to counties.

5.1.2 Additional Transfers from National Government

82 To supplement the equitable share, the County Government will also receive a total of KSh. 896.03 million in conditional grants as shown in table 4. Conditional allocations will be transferred for leasing medical equipment amounting to KSh. 159.89 million. In addition, the county expects to receive a total of KSh. 736.14 million in form of loans and grants. There will be a new conditional grant of KShs. 100 million to operationalize the national Government's programme on aggregated industrial parks.

83 These additional conditional resources are normally predetermined in amount and purpose within the 2023 BPS and cannot be reallocated by the county treasury.

5.1.3 Local collection

84 Other than the equitable share and additional conditional funds, the County Government will generate a total of KSh 3.91 billion in domestic revenues through specific county revenue

raising measures. Table 4 shows a breakdown of various sources of revenue projections in the Narok Count.

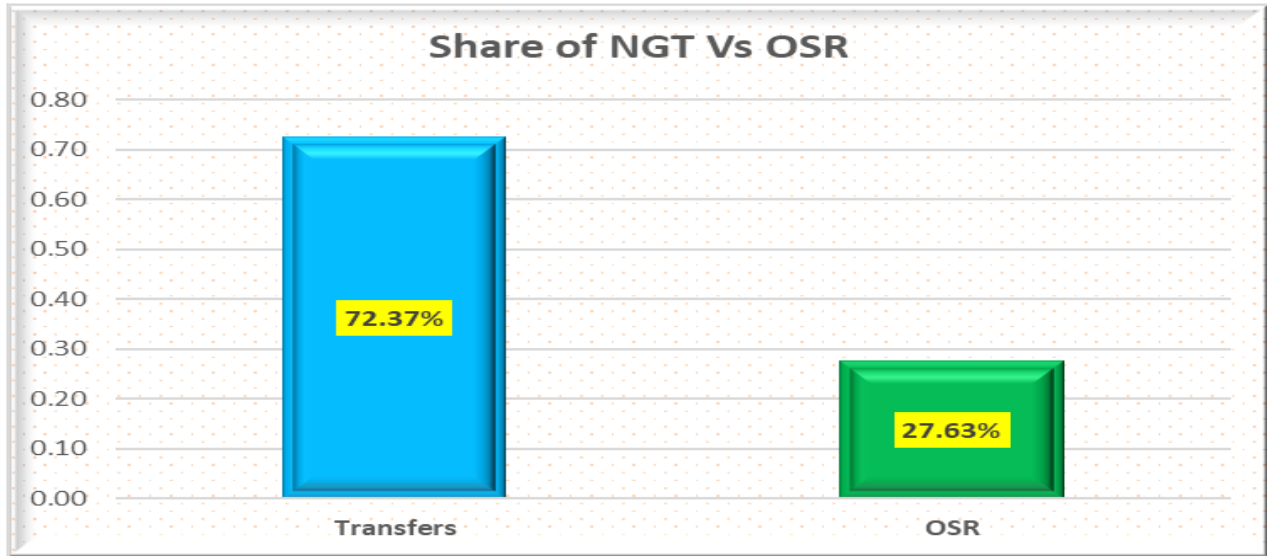
Table 4: Narok County Resource Envelop (In Million KSh.)

COUNTY GOVERNMENT OF NAROK REVENUE ESTIMATES						
Sources	2021/22		2022/23	2023/24	2024/25	2025/26
	(Revised) Targets	Actual	Approved Budget	Estimates	Projections	
CENTRAL GOVERNMENT TRANSFERS						
Equitable Share	8,844.79	8,137.21	8,844.79	9,200.56	9,570.64	9,914.83
Village Polytechnic			-	-	-	-
Road Maintenance Levy Fund	-	-	-	-	-	-
Compensation for user fees forgone	-	-	-	-	-	-
leasing medical equipment				159.89	171.86	
Grants	799.26	477.62	833.62	896.03	963.11	1,035.22
B/F	-	-	-	-		
Sub-Totals	9,644.05	8,614.83	9,678.41	10,256.48	10,705.61	10,950.05
REVENUE FROM LOCAL SOURCE						
Single Business Permit	133.50	31.77	136.66	63.91	96.6	105.81
CESS Revenue	176.13	57.51	180.31	216.27	259.4	270.13
Markets & Slaughterhouses	139.07	43.27847	92.13	110.5	132.54	140.98
Housing/ Stall Rent	20.00	2.96	20.47	24.55	29.45	35.32
Conservancy & Solid Waste Disposal	2.20	1.82	2.25	2.7	3.24	3.88
Parking Fees - Street Parking & Bus Parks	100.00	7.94	102.37	122.79	147.27	156.65
Property Rates & Rents	189.59	46.62	194.08	232.79	279.21	285.9
Miscellaneous/Others	105.50	69.10	158.23	189.79	227.64	231.03
Maasai Mara Game Reserve Fees	1508.56	1,073.56	1,544.31	2,952.30	3,328.01	3,334.79
Sub-Totals	2374.55	1,334.57	2,430.81	3,915.60	4,503.36	4,564.49
TOTAL REVENUE	12018.60	9,949.40	12,109.22	14,172.08	15,208.97	15,514.54

Source: Narok County Treasury

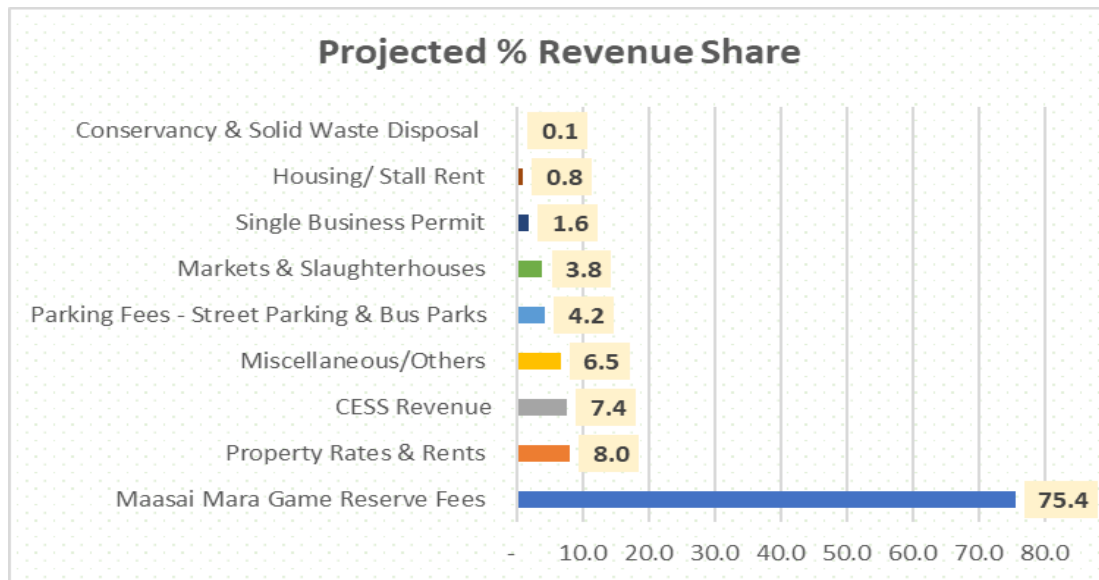
85 Figure 4 compares the revenue targets for FY 2023/24 from the central government transfer and the collection from local sources. The targets for local revenue will be realised based on Finance Bill 2022.

Figure 4: Comparison of Share of National Government Transfers to Own Source Revenue



86 At the local level, collection from Maasai Mara Game reserve accounts for 75.4% of total revenue collected from various streams at the county level, (Figure 5)

Figure 5: Own Source Revenue



Source: County Treasury

87 The county can also engage Public Private Partnership in accordance to PPP Act 2013 as provided in the PFM Act section 146 and or resort to borrowing provided the national government guarantees with an approval from the county assembly to finance development projects.

88 Grants and donations from development partners that is contemplated in section 138 and 139 of the PFM Act, 2012 is another likely source of revenue.

89 In addition to the equitable share and conditional grants, Narok County is to benefit from approximately KSh. 455.09 million as equalization fund. This is the fund established in accordance with article 204 of the constitution of Kenya 2010, into which one half per cent of all the revenue collected by the national government each year is paid. The amount is calculated on the basis of the most recent audited accounts of revenue received, as approved by the National Assembly.

90 This approximate figure is 6.08 per cent of KSh. 7.485 billion shared horizontally among 14 counties considered to be marginalized in the country. The money is aimed at improving infrastructure development in these areas with an objective of bringing the counties at par with the rest of the counties. In Narok County the funds will go towards supporting access to basic services including health, roads and water through infrastructural development. The implementation of the fund which is managed through a national steering group, started through the first disbursement in FY 2017/18.

5.1.4 Resource Allocation Framework

91 With the overall resource envelope derived largely from national government transfer, the key features of resource allocation by spending units for the FY 2023/2024 involve:

- Identifying sectoral priorities from the reviewed County Integrated Development Plan 2023-2027.
- Ranking priorities in terms of their contribution to achieving objectives set out in the CIDP and budget preparation guidelines.
- Establish an enabling environment targeting women, youth and vulnerable groups to improve their livelihood through income generating activities.
- Creating an enabling environment for investors from local and abroad to invest in diverse areas of interest in line with Kenya Vision 2030 and the CIDP 2023-2027.

92 In view of the constitutional requirement and in accordance to provisions in part XI of the County Government Act the county government has ensured that the main priorities in MTEF budget framework have been considered in the third-generation County Integrated Development Plan (CIDP 2023-2027). The priorities are to be firmed-up during the 2023 public hearings forums on the budget for FY 2023/2024

5.3 Apportionment of the Baseline Ceilings

93 The baseline estimates reflect the current departmental spending levels and proposed programmes in the sectors. In the recurrent expenditure category, non-discretionary expenditures take first charge. These include payment of statutory obligations such as salaries for permanent county staffs, rents and utilities.

94 Development expenditures have been shared out on the basis of the CIDP priorities and strategic interventions. The following criteria were used in apportioning capital budget:

- *Compliance with Regulation:* Priority for financing projects has be given to those projects that are in full compliance with the Government regulations and priorities as outlined in the CIDP and which are fully justified for financing.
- *On-going projects:* emphasis has been given to completion of on-going capital projects and in particular infrastructure projects with high impact on poverty reduction, equity and employment creation.
- *Economic impact:* priority was also given to programmes and projects with higher socio-economic impact in terms of job creation and improvement of citizen’s welfare.
- *Strategic policy interventions:* priority was also given to policy interventions covering the entire county integration, social equity and environmental conservation.
- Interventions identified in the county integrated development plan (CIDP 2023-2027)
- *Counterpart funds:* priority was also given to adequate allocations for projects with counterpart funding. Donor counterpart funds are the portion that the Government must finance in support of the projects financed by development partners.

5.2 Medium-Term Expenditure Estimates Ceilings

Table 5: Proposed ceilings for FY 2023/24 (Amount in millions KSh.)

		SECTOR BUDGET CEILINGS					%SHARE OF TOTAL EXPENDITURE			
Sector	Sub-Sector		Baseline	Estimates	Projections		Baseline	Estimates	Projections	
			F/Y 2022/23	F/Y 2023/24	F/Y 2024/25	F/Y 2025/26	F/Y 2022/23	F/Y 2023/24	F/Y 2024/25	F/Y 2025/26
Public Administration and International Relations (PAIR)	Total		3,154.86	3,863.58	4,236.49	4,431.49	26.05%	27.26%	27.86%	28.56%
	County Assembly	Sub-Total	856.89	1,035.76	1,070.17	1,085.56	7.08%	7.31%	7.04%	7.00%
		Rec	776.89	885.76	920.17	925.56	6.42%	6.25%	6.05%	5.97%
		Dev	80	150	150	160	0.66%	1.06%	0.99%	1.03%
	County Executive	Sub-Total	140.87	184.89	420.23	450.97	1.16%	1.30%	2.76%	2.91%
		Rec	140.87	184.89	420.23	450.97	1.16%	1.30%	2.76%	2.91%
		Dev	0	0	0	0	0.00%	0.00%	0.00%	0.00%
	Public Service Management & Labour	Sub-Total	1,025.33	1,174.46	1,211.03	1,304.32	8.47%	8.29%	7.96%	8.41%
		Rec	790.1	773.8	800.07	823.31	6.52%	5.46%	5.26%	5.31%
		Dev	235.23	400.66	410.96	481.01	1.94%	2.83%	2.70%	3.10%
	Public Service Board	Sub-Total	95.58	92.12	95.82	106.35	0.79%	0.65%	0.63%	0.69%
		Rec	95.58	92.12	95.82	106.35	0.79%	0.65%	0.63%	0.69%
		Dev	0	0	0	0	0.00%	0.00%	0.00%	0.00%
	ICT and E-Govt	Sub-Total	0	228.41	222.83	243.05	0.00%	1.61%	1.47%	1.57%
		Rec	0	123.3	132.26	142.34	0.00%	0.87%	0.87%	0.92%
		Dev	0	105.11	90.57	100.71	0.00%	0.74%	0.60%	0.65%
	Finance and Economic Planning	Sub-Total	1,036.19	1,147.94	1,216.41	1,241.24	8.56%	8.10%	8.00%	8.00%
		Rec	831.41	1,069.99	1,125.80	1,135.25	6.87%	7.55%	7.40%	7.32%
		Dev	204.78	77.95	90.61	105.99	1.69%	0.55%	0.60%	0.68%
Environmental Protection And Water	Total		652.45	677.95	790.54	850.77	5.39%	4.78%	5.20%	5.48%
	Env. Protection Water & Natural Resources	Sub-Total	652.45	677.95	790.54	850.77	5.39%	4.78%	5.20%	5.48%
		Rec	268.06	257.93	306.69	357.77	2.21%	1.82%	2.02%	2.31%
		Dev	384.39	420.02	450.85	500	3.17%	2.96%	2.96%	3.22%
Education, Social Protection, Culture & Recreation	Total		1,463.59	1,675.73	1,532.88	1,685.18	12.09%	11.82%	10.08%	10.86%
	Education Youth Affairs Development	Sub-Total	1,463.59	1,675.73	1,532.88	1,685.18	12.09%	11.82%	10.08%	10.86%
		Rec	1,113.18	1,169.20	1,221.22	1,300.78	9.19%	8.25%	8.03%	8.38%
		Dev	350.41	506.53	311.66	384.4	2.89%	3.57%	2.05%	2.48%

		SECTOR BUDGET CEILINGS					%SHARE OF TOTAL EXPENDITURE			
Sector	Sub-Sector		Baseline	Estimates	Projections		Baseline	Estimates	Projections	
			F/Y	F/Y	F/Y	F/Y	F/Y	F/Y	F/Y	F/Y
			2022/23	2023/24	2024/25	2025/26	2022/23	2023/24	2024/25	2025/26
Roads, Transport & Infrastructure		Total	1,028.54	1,608.97	1,655.52	1,700.88	8.49%	11.35%	10.89%	10.96%
	Roads, Public Works and Transport	Sub-Total	1,028.54	1,608.97	1,655.52	1,700.88	8.49%	11.35%	10.89%	10.96%
		Rec	349.67	548.14	580	585.8	2.89%	3.87%	3.81%	3.78%
		Dev	678.87	1,060.83	1,075.52	1,115.08	5.61%	7.49%	7.07%	7.19%
Health		Total	3,763.21	4,259.78	4,341.82	4,044.11	31.08%	30.06%	28.55%	26.07%
	Health And Sanitation	Sub-Total	3,763.21	4,259.78	4,341.82	4,044.11	31.08%	30.06%	28.55%	26.07%
		Rec	2,781.81	3,300.03	3,491.11	3,543.20	22.97%	23.29%	22.95%	22.84%
		Dev	981.4	959.75	850.71	500.91	8.10%	6.77%	5.59%	3.23%
Agriculture Rural & Urban Development		Total	1,233.97	1,388.42	1,668.69	1,885.62	10.19%	9.80%	10.97%	12.15%
	Agriculture, Livestock And Fisheries	Sub-Total	782.3	957.39	1110.6	1312.99	6.46%	6.76%	7.30%	8.46%
		Rec	301.63	357.14	400.11	412.3	2.49%	2.52%	2.63%	2.66%
		Dev	480.67	600.25	710.49	900.69	3.97%	4.24%	4.67%	5.81%
	Land, Housing, Physical Planning And Urban Development	Sub-Total	451.67	431.03	558.09	572.63	3.73%	3.04%	3.67%	3.69%
		Rec	232.64	231.01	257.8	266.68	1.92%	1.63%	1.70%	1.72%
		Dev	219.03	200.02	300.29	305.95	1.81%	1.41%	1.97%	1.97%
General Economic and Commercial Affairs (GECA)		Total	812.62	697.7	983.03	916.49	6.71%	4.92%	6.46%	5.91%
	Trade, cooperative, Industrialization, Tourism And Wildlife	Sub-Total	812.62	697.7	983.03	916.49	6.71%	4.92%	6.46%	5.91%
		Rec	527.04	497.45	550.61	564.27	4.35%	3.51%	3.62%	3.64%
		Dev	285.58	200.25	432.42	352.22	2.36%	1.41%	2.84%	2.27%
GRAND TOTAL		TOTAL	12,109.24	14,172.13	15,208.97	15,514.54	100.00%	100.00%	100.00%	100.00%
		Rec	8,208.88	9,490.76	10,301.89	10,614.58	67.79%	66.97%	67.74%	68.42%
		Dev	3,900.36	4,681.37	4,874.08	4,906.96	32.21%	33.03%	32.05%	31.63%

Source: Narok County Treasury

Table 5 is explained in detail in the succeeding sections.

5.4 Details of Sector Priorities

95 Budgetary allocation of financial resources for the FY 2023/24 and over the medium term period is based on sector's priorities identified in the Sector Working Groups (SWGs) meetings which contains priorities in the County Integrated Development Plan (CIDP 2023-27). The proposals also take cognizance of the input gathered during the public consultative meetings to be held on 18th of February 2023 at all sub-counties within the county.

96 The priority areas have also been aligned with flagship projects in the Fourth Medium Term Plan (MTP IV) of Kenya Vision 2030 and the strategic policy initiatives of the national government. The succeeding section therefore describes the details of seven MTEF sectors goals, priorities and resource allocation and a schedule of sector proposals is provided as an Annex IV.

Public Administration and External Relations (PAER)

97 The Sector comprises five sub-sectors in executive arm of the government, County administration, public service management, public service board, Finance, economic planning, ICT and e-Government. On legislative arm there is County Assembly. The sector is instrumental in providing overall policy, leadership and oversight in economic development, management of devolution process at the county level, oversees county legislation, resource mobilization and implementation of County policies and programmes and oversight on use of public resources and service delivery

98 County Assembly plays a crucial role in representation, legislation and oversight with respect to public expenditures. The Economic planning department has been instrumental in guiding socio-economic development in the county through the tracking of the implementation of the County Integrated Development Plan for the period 2023-2027. This tracking formed a critical foundation for the mid-term review of the second generation CIDP for the period 2023-2027. The department has also been apt in the preparation and timely submission of the annual development plans, county budget review and outlook paper, the county fiscal strategy paper and the annual budget.

99 In the 2023-24 – 2025/26 MTEF period, and based on the recommendations by the sector, members of the public and key stakeholders, the sector will be implementing programmes which are aimed at transforming public service delivery and enhancing County's image. Special emphasis will be placed on improving infrastructure, enhancing effective coordination of county programmes, enhancing policy advisory functions of the executive, effective monitoring and evaluation of the projects and supporting other county departments in executing their mandates.

100 The county assembly will be introducing a number of bills, motions and statements. The assembly will also prioritize the construction and renovation of ward offices, speaker's residence

and mortgage. It is also expected to continue providing oversight on public resources and preparing reports on public hearings on varied county policies and bills.

101 Public administration will continue to streamline operations and meet objects of devolution and decentralization, ensure smooth administrative operations of the county government, capacity enhancement of all staff for optimal performance, ensure that county administrative concerns are attended to, ensure compliance with ethics, and train communities beginning with disaster prone areas on disaster preparedness. The department intends to use the technology to keep track of the workforce and assess their productivity and in the process eliminate ghost workers. The department intends to retrain some of our personnel already on payroll, so that they can be redeployed to departments in need. This will assist in curbing the ballooning wage bill. The executive further has plans to train personnel on customer service and communication skills to improve and enhance service delivery.

102 Finance and economic planning will endeavour to improve work environment, implement the Public Finance Management Act (2012), ensure efficient and effective budget formulation and control, ensure financial standards, principles and guidelines are adhered to appropriately. reporting decentralize financial and planning services, strategize on debt management, enhance statistical development capacity, engage an integrated revenue management system in revenue collection, and improve project monitoring and evaluation in Narok county

103 In the ICT sector, the County Government, will endeavour to build relationships with ICT firms aimed at establishing outreach programmes. Further, the county will partner with the private sector to ensure adequate ICT infrastructure exists which include the strengthening of mobile telephone networks in areas that are not yet/well covered. The County will also continue to adopt ICT to keep up with modern, efficient ways of public service delivery.

104 To implement these programmes, PAER has been allocated a total of Ksh 3.776 billion in 2023/24 financial year. The County Assembly has been allocated Ksh. 922.05 million, County Executive Ksh 155.89 million, Public Service Board Ksh. 92.12 million, Finance and Economic Planning Ksh. 1.147 billion while the Public Service Management has been allocated Ksh. 1.190 billion.

105 The allocation to the county assembly is informed by the guidelines from the National Treasury and the Commission for Revenue allocation giving ceiling for recurrent expenditure for both county executive and assembly. The total allocation is expected to gradually increase in FY 2024/25 and FY 2025/26 to KSh. 1,064.19 million and 1,045.27 million respectively.

Environment Protection, Water and Natural Resources Sector

106 The Environment Protection, Energy, Water and Natural Resources sector comprises four sub-sectors namely: Environment, Natural Resources; Water and Irrigation. The county government recognizes the crucial role played by this sector in ensuring sustained economic growth and development through conservation of environment and promoting use of green and renewable energy. In this regard, the county has laid focus on key priorities programmes for the sector aimed at ensuring sustainability of economic growth.

107 Performance in the sector has been affected by weak monitoring and evaluation, inadequate resource allocation, competing interest among stakeholder and development partners, low levels of awareness on environmental conservation, lack of coordination among implementing partners, and climate change.

108 In the 2023-24 – 2025/26 MTEF period the sector will endeavour to complete key sector projects and programmes initiated in the FY 2022/23 as well as new development priorities for FY 2023/24 as recommended by the sector, members of the public and key stakeholders. The prioritized programmes intended to promote sustainable utilization and management of the environment and natural resources for socio-economic development. Review and harmonization of sector's Acts, statutes, policies, rules and regulations in the sector, increase tree cover, recovery of illegally acquired forest land, increased access to clean water, reduce poaching incidences and human-wildlife conflict, flood control in Narok town, waste management and pollution control. In energy sector the intention is to increase clean energy access by at least 30% and establishing waste collection and treatment systems. In water sub-sector, priority will be to increase access and availability of safe water by investing in water supply infrastructure development and rehabilitation. It will also seek to continue collaborate with the national government, commissions and authorities on implementation of a wide range of high impact programmes in the sector.

109 To implement these programmes, the sector has been allocated a total of Kshs 736.95 million in FY 2023/24 out of which recurrent is Kshs 257.93 million and development is Ksh 479.02 million. The sector allocation will increase in medium term period to reach Ksh. 790.54 and 850.77 million in the FY 2024/25 and 2025/26 respectively.

Social Protection, Culture and Recreation Sector

110 The sector comprises the following sub sectors; education, youth affairs, sports and talent development and also cultural and social services. The sector is mandated to address the issues on promotion and exploitation of Kenya's diverse culture for a peaceful co-existence; promotion of pre-primary education and development of youth polytechnics; enhancing reading culture in the county; development and promotion of sports; promotion of cultural and sports tourism; regulation, development and promotion of the film industry; research and preservation of music in the county. The sector is also tasked with ensuring there is adequate social development.

111 Some of the challenges in the sector included poor attitudes towards vocational training; inadequate sporting facilities and the existing facilities do not match with the modern requirements as per modern technologies in the world; poor and negative attitudes towards the development and preservation of cultural values and practices which are perceived as outdated and of no value.

112 In the FY 2023/24 and over the medium term period the county will endeavour to complete key sector projects and programmes initiated in the FY 2022/23 as well as new development priorities for FY 2023/24 as recommended by the sector, members of the public and key stakeholders. The county will continue prioritizing expansion of learning institutions at pre-primary school level, creating an enabling environment for development and promotion of rich Maasai cultural heritage. The county will also continue allocating funds to sports related programmes and empowerment of the vulnerable groups. The government will also seek to expand allocation of bursary schemes to caution pupils and students from dropping out school.

113 The sector intends to construct ECDE classrooms equipped with furniture; Increase transition rate from ECDE to primary to secondary through collaboration with the national

government. Secure scholarships and provide mentorship programme for the best performed KSCE students; improve vocational training centres and village polytechnics (TVETs). This programme will involve general renovations and face – lifting of VTCs including, construction of classrooms, workshops, male and female hostels, and procurement of tools and equipment. The sector intends to enhance the provision for routine maintenance of Narok Stadium, develop a culture and youth empowerment centres, provide financial support for the USHANGA initiative, for the economic empowerment of women, as well as exploring cultural ornaments for economic gain.

114 Additionally, the County in conjunction with National Government’s Youth and Gender Departments and development partners including the International Labor Organization (ILO), are working on a programme to empower skilled youths in their areas of specialization (from certificate, diploma, degree and masters) and linking to investors within the county to secure opportunities for them by providing them with internship programmes.

115 In order to implement these programmes, the Sector has been allocated Ksh 1.459 billion in the financial year 2023/24, Ksh 1.565 billion and Ksh 1.685 billion for the financial years 2024/2025 and 2025/2026 respectively. Breaking down the allocations for recurrent and development expenditures in the financial year 2023/24 is Ksh 1,169.20 million and Kshs 290.53 million for recurrent and development expenditure respectively.

Infrastructure and Information, Communication and Technology Sector

116 This sector is key as it aims to provide efficient, affordable and reliable infrastructure for sustainable economic growth and development. The county continues to invest on road construction works; maintaining existing roads and open access roads in rural areas. Due to cost of time in construction, repair and maintenance of county roads, the county Government of Narok opted to purchase own road construction machines. The rationale is this decision is that the equipment will ensure value for money, makes it easy to supervise and monitor progress (through tracking system), provide employment to locals, make it easy to centrally maintain and manage the machines and enhance the ability to monitor the use of fuel to achieve efficiency.

117 The various factors that affects performance in this sector includes huge maintenance backlog of the roads networks implying that the scarce resources allocated to the county cannot meet the target for new roads. Other challenges are; high cost/delays in the relocation of utilities and services along road transport corridors and numerous reported cases of encroachments of roads reserves.

118 Over the 2023-24 – 2025/26 MTEF period, ongoing, and pending projects from FY 2021/22 that are yet to be completed or undertaken due to either inadequate funds or lack of provision will be prioritized. Also to be implemented are new development priorities for FY 2023/24 as recommended by the sector, members of the public and key stakeholders. The sector will focus on expansion of road networks in the county to minimise the cost of doing business while also enhancing mobility. The sector will require the establishment of laboratory for materials’ testing to improve and achieve quality roads, acquisition of more equipment to enable sub-counties have full sets of machines, develop infrastructures, designing, developing and maintaining roads/ bridges and box culverts within the county, facilitating the completion of ongoing road projects within the county, managing and maintenance of equipment, Assessment and quality control of road works, liaising with KeNHA, KURA and KeRRA in planning and designing of roads and bridges. The sector will also be involved in Mapping out road networks in the county, opening up new road networks within the county, routine maintenance of existing roads.

119 In FY 2023/24 the transport sector has been allocated a total KSh. 1.643 billion to achieve the above outputs. Out of this amount KSh 1.095.83 million is for infrastructure development. A total of KSh. 548.14 million has been allocated for recurrent expenditure including operation and maintenance of the own road construction equipment. The ICT sector has been allocated Kshs. 198.41 million in the same period.

Health Sector

120 The sector vision is to have an efficient and high-quality health care system that is accessible, equitable and affordable for everyone. It comprises of county departments of medical services, public health and sanitation, research and development. In response to sector vision, the sector aims at providing essential health care that are affordable, equitable, accessible and

responsive to client needs; minimizing exposure to health risk by strengthening health promoting interventions that address risk factors to health.

121 Key achievements in the sectors includes; the county Government of Narok is upgrading Narok county referral hospital to level five (5) referral hospital through the construction of the New Hospital Block, Mortuary and Medical School at Narok County Referral Hospital. The project which is on the adjacent ground to the existing referral hospital is at about 50% level of completion.

122 To improve emergence referral systems, the county procured 11 ambulances through a lease agreement with Kenya Red Cross Society. The ambulances stationed in the six sub-counties have been critical in responding to emergencies which has subsequently reduced deaths related slow and weak emergency and referral system.

123 In the FY 2023/24 and over the medium term the county government will endeavour to complete key sector projects and programmes initiated in the FY 2022/23 as well as new development priorities for FY 2023/24 as recommended by the sector, members of the public and key stakeholders on the basis of Narok CIDP III and other strategic plans. The sector intends to invest in six thematic programmes; Reproductive, maternal child and adolescent health; disease prevention and control; environmental health; health promotion and nutrition; community health services; and human resource development and management. Among the key programmes includes completion of Narok County Referral Hospital to a level 5 health facility. The project is expected to transform the health care delivery service in the county in a great way. The achieve the foregoing, the project targets to increase the bed capacity by 400 from the current capacity of 200 beds to 600. The mortuary capacity will also be enhanced from 9 body to 60 capacity. The project plan integrates a 250-bed capacity medical training school. The school will be linked to the new hospital to form a modern state of the art healthcare facility as envisioned in the County Integrated Development Plan (CIDP 2023-2027).

124 The other planned activities for FY 2023/24 includes the completion of the construction of ongoing health facilities; procurement and distribution of essential commodities to reduce stock-outs; Improving women health & reduced morbidity due to cervical cancer; Enhancing RMNCAH services; increasing number of fully immunized children; procurement of

specialized equipment and supplies; employment and deployment of health staff, full operationalization of the Narok Health Insurance Scheme and strengthening monitoring and evaluation and Health Information System

125 Among the challenges the sector has continued to face are; Limited resources and delay in disbursement; Shortage of Technical staff; Regular stock out for essential commodities; Industrial actions; lack of organized and coordinated healthcare waste management system; and lack of office space, specialized equipment's and incinerators.

126 In order to implement prioritized programmes and address the highlighted challenges, in this sector, a total of Kshs 4.322 billion has been allocated in the FY 2023/24. The share of recurrent vote is Kshs 3.329 billion representing 23.49% while the allocation for development is Kshs 993.46 million representing 7.01% of the total allocation. By taking cognizance of the imminent closure of some donor funded programmes such as Transforming Health Systems (THS), Universal Healthcare in Devolved Systems (UHDS), and Global Alliance for Vaccine and Immunization (GAVI), the county government will adopt an aggressive intervention to fill anticipated gap in donor funding by applying a targeted scaling-up of budgetary allocation towards the affected programmes including immunization.

Agriculture, Urban Development Sector

127 Article 43 on the Bills of Rights under the Constitution of Kenya, provides for accessibility of adequate food of acceptable quality and accessible and adequate housing which is consistent with the aspirations of third MTP (2023- 2027) of Vision 2030. This sector aims to attain food security, sustainable land management, affordable housing and sustainable urban infrastructure development.

128 This sector lays emphasis on: increasing market access and adoption of technologies, production and productivity through value addition, commercialization of the sector activities; creating an enabling policy and legal framework, improving efficiency and effectiveness of sector institutions; effective administration and management of land and land-based resources and enhancing urban development.

129 In the years under review the sector continued to facilitate communities in value addition through the various value chains under the NARIG Project which include cow milk, local poultry, Irish potato and Tomatoes. Under the NARIGP project, the sector has also developed proposals for macro-projects across the county.

130 Among the key challenges affecting the sector are; Severe land degradation and decrease in productive land sizes due to poor land systems and subdivisions, climate change, prolonged dry spells, and inadequate extension staff.

131 During the 2023-24 – 2025/26 MTEF period, focus will be directed towards completing ongoing projects prioritized in 2022/23 budgets together with increasing agricultural production and productivity, improved animal genetics and vaccine administration; enhancing County food security through increasing and expanding strategic food reserves, establishing agriculture and livestock drought mitigation measures, livestock and crop farming research priorities for FY 2023/24 as recommended by the sector, members of the public and key stakeholders.

132 Additionally, there will be continued improvement to market access with extension services being made available and improvement of marketing infrastructure; entrenching institutional reforms, Land reforms, completion of establishment of County spatial data and development of social and physical urban infrastructural facilities in all urban areas in the County. There will also be improvement and development of agricultural mechanization services through acquisition of farm machinery.

133 To achieve the above, the sector has been allocated a total of Kshs 1.516 billion in the FY 2023/24. Agriculture sub-sector is allocated Kshs 1,020.39 million out of which Kshs 357.14 million is recurrent and Kshs 663.25 million is for development. Lands, Housing Physical Planning and Urban development sub-sector has been allocated Kshs 496.02 million, Kshs 231.01 million recurrent and Kshs 265.02 million is for development.

General Economic and Commercial Affairs (GECA) Sector

134 The sector consists of four main sub- sectors namely; trade and industrialization, cooperative development, Tourism and wildlife. The sector vision is to have a globally

competitive economy with sustainable and equitable socio-economic development. The sector is very important to the county not only in revenue collection but also in sustainability of many livelihoods. It contributes more than 80% of local revenue and more than 30% of the county annual budget.

135 Tourism related infrastructure development and improvement of the sector including tourism promotion. With regard to trade, efforts were directed at creating a conducive environment for investment, promoting industrial development, consolidating and strengthening cooperative societies and supporting development of micro, small and medium enterprises, investment promotion and value addition for locally produced goods.

136 Notable challenges included; Human-Wildlife Conflicts, and rampant land subdivision and fencing of wildlife corridors restricting the movement of wildlife freely. In trade and industrialization there has been weak policy framework for investment.

137 During the 2023-24 – 2025/26 MTEF period the sector will endeavour to complete key sector projects and programmes initiated in the FY 2022/23 as well as new development priorities for FY 2023/24 as recommended by the sector, members of the public and key stakeholders. Among them is promotion of Narok as a tourist attraction destination, strengthening cooperative societies and investment in value addition for locally produced goods. The sector will also endeavour to create a conducive investment environment for new investors as well as developing the policy framework for investment and efficient service delivery.

138 Further, improving transport and communication network; Renovation and Improvement of staff houses in MMNR; Introduction of new tourist destination and circuit, wildlife monitoring programme and Promotion of the Maasai culture and tradition, Renovation of entry points, Capacity Building, among others in tourism and wildlife sub-sector.

139 In trade, cooperatives and industrializations are promotion of County based Value Chain Co-operatives; establishment of agro-processing and rejuvenating housing co-operative Societies; modernization, upgrading and expansion of markets and enhance access to financial support through revolving funds, train SMEs and technical staffs.

140 To implement the prioritized programmes, the Sector has been allocated a total of Kshs 715.69 million in the FY 2023/24. Out of this total tourism sub-sector has been allocated a Kshs 212.58 million, Kshs 170.07 million recurrent and Kshs 42.52 million development. Trade, Industrialization and co-operative sub-sector is to get Kshs 503.11 million. Kshs 327.38 million being for recurrent and Kshs. 175.73 million for development. Over the medium term, the sector is expected to continue receiving funding so as to continue implementing its medium and long strategic priorities.

6.0 CONCLUSION

141 The overall expenditure in this 2023 CFSP as outlined MTEF has grown moderately taking into account the envisioned moderate economic growth. However, the critical social areas will continue to receive a significant share of resources as well as capital investments as contributions to the growth objectives. County entities have shared resources on basis of agree criterion where by socio- economic sectors have been allocated a relatively higher amount.

142 Projects with higher socio- economic impact as well as on-going projects have been prioritized in projects financing. Recurrent expenditure has been structured in such a way that it will continue to proportional decrease in medium term as the development expenditure increases in relative terms.

143 The policies outlined in this CFSP largely re-emphasize the economic growth for sustained development agenda outlined in the considerations contained in the reviewed Narok CIDP II. They are also consistent with the overall national strategic objectives pursued by Jubilee Government including the four pillars for development. These strategic objectives are also adequately informed by the policies in the draft MTP III of the vision 2030, SDGs, DRR, EDE and climate change.

ANNEXES

Annex I: Summary of Sector priorities

A. Health and Sanitation

Sector Priorities	Strategies
Increase access to quality curative and rehabilitative health services	<ul style="list-style-type: none"> Construction and equipping of specialized units in level 4 and 5 hospitals Construction and equipping of new health facilities Renovation and upgrading of the existing health facilities Emergency evacuation and Referral services Capacity building of HCWs on emergency preparedness and response Procure ambulance services Enhance efficiency in pharmaceutical services procurement of Health products and technologies (HPTs) Enhanced diagnostic services Promote rehabilitative services
Improve preventive and promotive health services	<ul style="list-style-type: none"> Promote Immunization Promote Family planning Promote Adolescent sexual reproductive health Promotion antenatal and postnatal care Promote hygiene and sanitation Halt and reverse non-communicable diseases Promote Communicable disease control Promote Community health services Enhance health promotion Enhance primary health care
Improve general administration, planning and support services	<ul style="list-style-type: none"> Recruitment and deployment of human resources for health. Construction, renovation and upgrading of health facilities Procurement and maintenance of motor vehicles and cycles. Monitoring and evaluation Health information system Policy development, planning and research

B. Agriculture, Livestock and Fisheries

Sector Priorities	Strategies
Increase Crop production and productivity	<ul style="list-style-type: none"> Undertake agricultural extension services Crop Protection (pests and disease control) Improved Access to farm inputs (certified seed, fertilizer, support to the vulnerable) Support development of Irish Potato value chain Promote cash crops and emerging crops development: e.g. Avocado, Macadamia, coffee, pyrethrum, sorghum, tea, wheat, barley, oil crops, chia and Temperate/Tropical fruits promotion Develop Agribusiness and Information Management System Develop crop Infrastructures - Irrigation, Cereal and horticultural produce processing plants, stores and Markets Commercialization of crop-based enterprises Food Security, safety and Value Chain development Climate Smart Agriculture and Alternative Livelihoods
Increase Livestock Production And Productivity	<ul style="list-style-type: none"> Livestock feeds development Beef Sector development Poultry development Livestock and Livestock Products commercialization and Management Dairy Sector Development Sheep and Goats development Apiculture development Development of emerging livestock enterprises (Pigs and Rabbits) Livestock Diseases and pests control and management Animal health & meat processing Infrastructure development Animal Genetics development: A.I, Breed improvement Food safety and Value Chain development Animal welfare services Livestock emergencies contingency fund

Increase fisheries production and productivity	Undertaking fish and fish products promotion Development of fish hatcheries/fish seed bulking sites Fish pond development Expansion of existing water bodies Fish feeds development Fish disease and pests control Fish and fish products commercialization Food safety and value chain development
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C. Public Works, Roads and Transport

Sector Priorities	Strategies
Road network connectivity	Opening, Upgrading, and maintenance of roads Construction of bridges/ box culverts and footbridges
Transport services	Reducing congestions in towns Improving transport service through construction of modern garage, construction of by passes, enactment of policies and laws and maintenance of airstrips and airports Building motorcycle sheds
Development Control	Local, physical and land use development plan Designing, maintenance and inspection of buildings

D. Water, Environment, Natural Resources and Climate Change

Sector priorities	Strategies
Increase access to water services in terms of quality, quantities ,affordable with reduced distances to water points	<ul style="list-style-type: none"> Developing, rehabilitation and expansion of Water supply infrastructure Mobilization, of financial resources for projects implementation Development of Narok County Water Master Plan and Narok County Water strategic plan Capacity Building of all water management committee members Procure water bowsers for water trucking services Hiring of water technical staff.
Increase access to sanitation services	<ul style="list-style-type: none"> Developing sewerage system and sanitation blocks infrastructure Resource mobilization Sensitize community members on achieving ODF status

Enhance Environmental Sustainability	<ul style="list-style-type: none"> • Increase county tree cover • Catchment protection and conservation • Implementation and operationisation of environmental plans, and legislative framework.to manage the natural resources • Mobilization, of financial resources for implementation of Environmental Sustainability projects (e.g.- Solid waste recycling, land fill,) • Survey and mapping of County natural resources • Development & operationalize a county waste management strategic plan • Zoning for Reduction of pollution of Soil, water and air.
Increase Climate change mitigation and adaptation.	<ul style="list-style-type: none"> • Operationalize climate change frameworks; • Implementation of locally-led climate actions; • Resource mobilization and Promotion of partnerships in addressing climate change issues; •
Increase access to modern affordable and reliable Energy sources	<ul style="list-style-type: none"> • Development of Solarized of water supplies • Promoting the use of renewable energy sources • Mobilization, of resources for implementation of renewable sources of energy projects • Increase power supply from national grid access to unserved community Households and institution in rural areas • Empowering the community through alternative income generating activities

E. Education, Sports, Culture & Social Services

Sector priorities	Strategies
ECDE	
Increase Access, retention, and completion.	<ul style="list-style-type: none"> • Increase enrollment rate • provision of appropriate infrastructure and learning materials. • Intensified sensitization programs

TVET	
<ul style="list-style-type: none"> To increase access and retention to quality VTCs 	<ul style="list-style-type: none"> Expansion of Infrastructural facilities. Personnel employment and development Provision of bursaries grants and subsidies
Social services	
To improve social welfare of all the vulnerable groups in the society	<ul style="list-style-type: none"> Disability mainstreaming Economic empowerment of vulnerable groups. Orphans and vulnerable children (OVCs) care and support.
Gender and youth	
Social economic empowerment and sensitization.	<ul style="list-style-type: none"> Social and economic empowerment. Community sensitization Response to GBV
Culture and arts	
Preserve and promote Culture	<ul style="list-style-type: none"> Development preservation and promotion of culture Cultural infrastructural development Documentation and digitization of indigenous knowledge (DoDi) Beadwork enterprise Mapping and gazettelement of all cultural sites places
Sports development	
Promote and nurture sports talent in the county	<ul style="list-style-type: none"> Nurturing of sports talents at the grassroot Development and management of sport facilities.

F. Land, Housing, Physical Planning and Urban Development

Sector Priorities	Strategies
Ensure an increase in sustainable land use planning and proper management of our urban centres	<ul style="list-style-type: none"> Local Physical and land use development plans approved Verification and validated of planned centers Valuation rolls developed
Enhance registration, titling of land and resolving land issues.	<ul style="list-style-type: none"> Digitization of Development Plans / Automation of plot records Survey, beaconing and mapping

	<ul style="list-style-type: none"> • Lease title issued • Issuance of new generation allotment letters
Affordable and decent government housing	<ul style="list-style-type: none"> • Construction of new staff quarters • Renovation of already existing quarters • Affordable housing programme
Improved physical and social infrastructure in Narok and Kilgoris towns	<ul style="list-style-type: none"> • Solid waste management • Rehabilitation of Koonyo park • Disaster management • Central sewer system • Establishment of Kilgoris Municipality

G. Trade, Cooperative Development, Tourism and Wildlife

Sector Priorities	Strategies
Enhance growth of cooperative societies	<ul style="list-style-type: none"> <i>i.</i> Establish policy and legislation to improve management of cooperative societies <i>ii.</i> Enhance capacity building of cooperatives through trainings, benchmarking, supply of equipment and infrastructure including trainings on governance and accountability, Annual audit and enforce compliance, increase cooperative awareness campaigns including information on market access <i>iii.</i> Revive and operationalize dormant cooperative societies, conduct mapping and establish status of all cooperative societies in the county and increase registration of new cooperative societies <i>iv.</i> Establishment of the Cooperative Development Fund
Enhance industrial development	<ul style="list-style-type: none"> <i>i.</i> Construct an industrial park and aggregation centers for value addition and promotion of cottage industries <i>ii.</i> Rehabilitation of MSEs Worksite Infrastructure development and Management (Jua Kali sheds) <i>iii.</i> Development of Industrial and Investment Policy
Poor access to market opportunities	<ul style="list-style-type: none"> <i>i.</i> Improve market infrastructure through construction of modern markets and creation of new markets and market channels including ICT infrastructure <i>ii.</i> Carry out inspection and verification and create

	<p>awareness on consumer rights</p> <p><i>iii.</i> Conduct trade fairs and exhibitions and undertake awareness campaigns and capacity building of traders/entrepreneurs including women in Ushanga trade</p> <p><i>iv.</i> Development of the Trade and Licensing Policy and Bill</p>
Wildlife conservation and Security	<p>i. Development of policy and legal frameworks</p> <p>ii. Human wildlife conflicts Management</p> <p>iii. Wildlife Management and operation</p>
Tourism Development and promotion	<p>i. Tourism Promotion and marketing</p> <p>ii. Tourism product development and diversification</p> <p>iii. Tourism infrastructure development</p> <p>iv. Promotion and development of ushanga Initiative</p>

H. Public Service Management and Administration

Sector Priorities	Strategies
Enhance Service Delivery	<ul style="list-style-type: none"> ➤ Organizational policies and guiding manuals. ➤ Infrastructure development ➤ Employee occupation safety and wellness ➤ Human resource management system
Disaster Mitigation and Management	<ul style="list-style-type: none"> ➤ Disaster management infrastructure ➤ Policy and Legal Framework ➤ Training and Development
Alcoholic Drinks and Substance Control	<ul style="list-style-type: none"> ➤ Alcohol and Drug Regulation ➤ Research / Policy on Alcohol ➤ Training and Development ➤ Resource Mobilization ➤ Alcohol and Drug Rehabilitation
To provide legal services	<ul style="list-style-type: none"> ➤ Litigation of county legal matters ➤ Development of legislation and frameworks ➤ Conduct of departmental legal audits to ensure compliance ➤ Engage in community legal aid (pro-bono legal

services)

I. Finance And Economic Planning

Sector Priorities	Strategies
Improve Public Finance Management in the County	<ul style="list-style-type: none"> • Enhancement of Resource mobilization, • Effective and efficient budget formulation and management
Safeguard County assets	Develop Asset Management Policy and electronic Asset Management System (EAMIS)
Improve Economic Policy and County Planning	Promote public policy formulation, planning, coordination, implementation, monitoring and evaluation of public projects and programmes for county development

J. Information Communication and Technology

Sector Priorities	Strategies
Leveraging ICT for service delivery and development.	<ol style="list-style-type: none"> i. Digital Infrastructure: Ensure ubiquitous, robust, efficient and sustainable Digital infrastructure ii. Digital Government Services, Products and Data Management: Provision of E-government information and Services for improved productivity efficiency, effectiveness and governance. iii. Digital Skills: Enhance ICT human capacity for increased efficiency and effectiveness iv. Data Protection and Cyber Management: Enhance cyber security management in the County v. Digital Innovation, Entrepreneurship and Digital Business: Create and promote a digital innovation and entrepreneurship

	<p>culture</p> <p>vi. Policy, Legal and Regulatory Framework: To establish a conducive policy, legal and regulatory framework that promotes implementation of ICT and communication initiatives to support county service delivery</p> <p>vii. Communications: Enhance the visibility of County initiatives</p>
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Annex I: Equitable Share Allocation to Counties

S/No.	County	2022/2023					2023/2024					Transfers for Library Services	GRAND TOTAL
		0.5 (Allocation Ratio)		Share-0.5		Total Equitable Share	0.5 (Allocation Ratio*)		Share**+0.5		Total Equitable Share****		
		Allocation ratio	Equitable Share	Allocation ratio	Equitable Share		Allocation ratio	Equitable Share	Allocation ratio	Equitable Share			
		column A	column B	column C	column D	column E = B-D	column F	column G	column H	column I	column J = G-I		
1	Baringo	1.61	2,547,825,000	1.8	3,821,569,592	6,369,394,592	1.61	2,547,825,000.00	1.80	4,092,281,963	6,640,106,963	24,613,310	6,664,720,273
2	Bomet	1.74	2,753,550,000	1.86	3,937,549,118	6,691,099,118	1.74	2,753,550,000.00	1.86	4,216,477,473	6,970,027,473	8,846,856	6,978,874,329
3	Bungoma	2.81	4,446,825,000	2.93	6,212,610,192	10,659,435,192	2.81	4,446,825,000.00	2.93	6,652,699,880	11,099,524,880	6,865,428	11,106,390,308
4	Busia	1.9	3,006,750,000	1.97	4,165,412,009	7,172,162,009	1.9	3,006,750,000.00	1.97	4,460,483,148	7,467,233,148	-	7,467,233,148
5	Elgeyo Marakwet	1.22	1,930,650,000	1.26	2,675,882,480	4,606,532,480	1.22	1,930,650,000.00	1.26	2,865,437,483	4,796,087,483	5,795,078	4,801,882,561
6	Embu	1.36	2,152,200,000	1.4	2,973,043,762	5,125,243,762	1.36	2,152,200,000.00	1.40	3,183,649,363	5,335,849,363	8,163,074	5,344,012,437
7	Garissa	2.22	3,513,150,000	2.08	4,414,062,254	7,927,212,254	2.22	3,513,150,000.00	2.08	4,726,746,603	8,239,896,603	19,694,322	8,259,590,924
8	Homa bay	2.13	3,370,725,000	2.09	4,434,628,300	7,805,353,300	2.13	3,370,725,000.00	2.09	4,748,768,563	8,119,493,563	-	8,119,493,563
9	Isiolo	1.34	2,120,550,000	1.22	2,589,838,265	4,710,388,265	1.34	2,120,550,000.00	1.22	2,773,297,620	4,893,847,620	7,025,011	4,900,872,631
10	Kajiado	2.03	3,212,475,000	2.24	4,742,293,229	7,954,768,229	2.03	3,212,475,000.00	2.24	5,078,229,510	8,290,704,510	-	8,290,704,510
11	Kakamega	3.29	5,206,425,000	3.39	7,182,987,168	12,389,412,168	3.29	5,206,425,000.00	3.39	7,691,818,035	12,898,243,035	19,061,018	12,917,304,053
12	Kericho	1.7	2,690,250,000	1.77	3,740,414,924	6,430,664,924	1.7	2,690,250,000.00	1.77	4,005,380,025	6,695,630,025	16,797,733	6,712,427,758
13	Kiambu	2.98	4,715,850,000	3.31	7,001,675,720	11,717,525,720	2.98	4,715,850,000.00	3.31	7,497,661,080	12,213,511,080	13,607,579	12,227,118,659
14	Kilifi	3.3	5,222,250,000	3.03	6,419,342,941	11,641,592,941	3.3	5,222,250,000.00	3.03	6,874,078,173	12,096,328,173	17,405,946	12,113,734,119
15	Kirinyaga	1.34	2,120,550,000	1.45	3,075,627,952	5,196,177,952	1.34	2,120,550,000.00	1.45	3,293,500,668	5,414,050,668	-	5,414,050,668
16	Kisii	2.46	3,892,950,000	2.36	5,001,324,509	8,894,274,509	2.46	3,892,950,000.00	2.36	5,355,610,518	9,248,560,518	8,557,807	9,257,118,325
17	Kisumu	2.16	3,418,200,000	2.18	4,607,939,240	8,026,139,240	2.16	3,418,200,000.00	2.18	4,934,356,635	8,352,556,635	19,735,914	8,372,292,549
18	Kitui	2.79	4,415,175,000	2.82	5,978,795,413	10,393,970,413	2.79	4,415,175,000.00	2.82	6,402,322,530	10,817,497,530	4,701,081	10,822,198,611
19	Kwale	2.46	3,892,950,000	2.06	4,372,635,516	8,265,585,516	2.46	3,892,950,000.00	2.06	4,682,385,233	8,575,335,233	4,903,510	8,580,238,742
20	Lakipia	1.32	2,088,900,000	1.44	3,047,365,679	5,136,265,679	1.32	2,088,900,000.00	1.44	3,263,236,345	5,352,136,345	15,738,878	5,367,895,223
21	Lamu	0.82	1,297,650,000	0.85	1,807,999,643	3,105,649,643	0.82	1,297,650,000.00	0.85	1,936,075,398	3,233,725,398	20,155,949	3,253,881,346
22	Machakos	2.45	3,877,125,000	2.5	5,285,179,232	9,162,304,232	2.45	3,877,125,000.00	2.50	5,659,571,160	9,536,696,160	-	9,536,696,160
23	Maluani	2.34	3,703,050,000	2.09	4,429,733,562	8,132,783,562	2.34	3,703,050,000.00	2.09	4,743,528,370	8,446,578,370	-	8,446,578,370
24	Mandera	3.23	5,111,475,000	2.87	6,078,907,598	11,190,382,598	3.23	5,111,475,000.00	2.87	6,509,527,663	11,621,002,663	2,737,805	11,623,740,467
25	Marsabit	2.14	3,386,550,000	1.84	3,890,454,032	7,277,004,032	2.14	3,386,550,000.00	1.84	4,166,046,005	7,552,596,005	5,373,662	7,557,969,667
26	Meru	2.54	4,019,550,000	2.59	5,474,307,338	9,493,857,338	2.54	4,019,550,000.00	2.59	5,862,097,458	9,881,647,458	23,880,620	9,905,528,078
27	Migori	2.14	3,386,550,000	2.18	4,618,470,448	8,005,020,448	2.14	3,386,550,000.00	2.18	4,945,635,180	8,332,185,180	3,624,996	8,335,810,176
28	Mombasa	2.23	3,528,975,000	1.91	4,038,379,061	7,567,354,061	2.23	3,528,975,000.00	1.91	4,324,451,288	7,853,426,288	13,732,919	7,867,159,207
29	Muranga	1.99	3,149,175,000	1.9	4,030,980,855	7,180,155,855	1.99	3,149,175,000.00	1.90	4,316,528,643	7,465,703,643	13,019,070	7,478,722,713
30	Nairobi	5.03	7,959,975,000	5.33	11,289,702,414	19,249,677,414	5.03	7,959,975,000.00	5.33	12,089,446,083	20,049,421,083	8,859,455	20,058,280,538
31	Naituru	3.31	5,238,075,000	3.68	7,788,041,323	13,026,116,323	3.31	5,238,075,000.00	3.68	8,339,733,485	13,577,808,485	14,033,063	13,591,841,548
32	Nandi	1.69	2,674,425,000	2.04	4,316,444,041	6,990,869,041	1.69	2,674,425,000.00	2.04	4,622,212,585	7,296,637,585	5,047,663	7,301,685,248
33	Narok	2.54	4,019,550,000	2.28	4,825,239,456	8,844,789,456	2.54	4,019,550,000.00	2.28	5,167,052,020	9,186,602,020	13,956,754	9,200,558,774
34	Nyamira	1.52	2,405,400,000	1.29	2,729,940,036	5,135,340,036	1.52	2,405,400,000.00	1.29	2,923,324,490	5,328,724,490	-	5,328,724,490
35	Nyandarua	1.54	2,437,050,000	1.53	3,233,394,228	5,670,444,228	1.54	2,437,050,000.00	1.53	3,462,443,023	5,899,493,023	5,730,418	5,905,223,440
36	Nyeri	1.71	2,706,075,000	1.66	3,522,653,555	6,228,728,555	1.71	2,706,075,000.00	1.66	3,772,192,593	6,478,267,593	24,582,673	6,502,850,265
37	Samburu	1.46	2,310,450,000	1.45	3,060,896,037	5,371,346,037	1.46	2,310,450,000.00	1.45	3,277,725,670	5,588,175,670	-	5,588,175,670
38	Siaya	1.83	2,895,975,000	1.92	4,070,532,531	6,966,507,531	1.83	2,895,975,000.00	1.92	4,358,881,008	7,254,856,008	15,637,939	7,270,493,947
39	Taita Taveta	1.34	2,120,550,000	1.29	2,721,624,698	4,842,174,698	1.34	2,120,550,000.00	1.29	2,914,420,018	5,034,970,018	12,335,620	5,047,305,638
40	Tana River	1.85	2,927,625,000	1.7	3,600,783,765	6,528,408,765	1.85	2,927,625,000.00	1.70	3,855,856,540	6,783,481,540	-	6,783,481,540
41	Tharaka Nithi	1.24	1,962,300,000	1.06	2,251,898,593	4,214,198,593	1.24	1,962,300,000.00	1.06	2,411,418,225	4,373,718,225	-	4,373,718,225
42	Trans Nzoia	1.82	2,880,150,000	2.03	4,306,007,670	7,186,157,670	1.82	2,880,150,000.00	2.03	4,611,038,345	7,491,188,345	-	7,491,188,345
43	Turkana	3.33	5,269,725,000	3.47	7,339,580,994	12,609,305,994	3.33	5,269,725,000.00	3.47	7,859,504,195	13,129,229,195	-	13,129,229,195
44	Uasin Gishu	2	3,165,000,000	2.32	4,903,858,318	8,068,858,318	2	3,165,000,000.00	2.32	5,251,239,760	8,416,239,760	20,521,280	8,436,761,040
45	Vihiga	1.47	2,326,275,000	1.29	2,741,081,827	5,067,356,827	1.47	2,326,275,000.00	1.29	2,935,256,075	5,261,531,075	-	5,261,531,075
46	Wajir	2.7	4,272,750,000	2.46	5,201,976,151	9,474,726,151	2.7	4,272,750,000.00	2.46	5,570,474,283	9,843,224,283	19,853,614	9,863,077,897
47	West Pokot	1.58	2,500,350,000	1.79	3,796,934,329	6,297,284,329	1.58	2,500,350,000.00	1.79	3,856,251,868	6,566,251,868	-	6,566,251,868
	Total	100	158,250,000,000	100	211,750,000,000	370,000,000,000	100	158,250,000,000	100.00	226,750,000,000.00	385,000,000,000.00	424,616,047	385,424,616,047

