REPUBLIC OF KENYA

COUNTY GOVERNMENT

OF ISIOLO

COUNTY ANNUAL PROGRESS REPORT (CAPR) 2016/17

AUG 2017

VISION

A secure, just, integrated and prosperous county where all enjoy full potential and high quality of life.

MISSION

Facilitation of an inclusive participatory engagement in development; creation of vibrant and welcoming environment that allows optimal utilization of available resources

2016/17 COUNTY ANNUAL PROGRESS REPORT

1.0) INTRODUCTION

The chapter provides a review of County government resource and expenditure estimates in Financial Year 2016/17.
Prioritization of resource allocation was based on the County Integrated Development Plan 2013-2017, broad development policies of the County Government as well as the medium term priorities identified during the County-wide public consultative forums held at all the ten wards in February 2015.
In pursuit of the theme of the budget for financial year 2016/17, the development objectives stipulated in the 2016 CFSP identified the following key development priority areas that cover;

a. Promotion of Livestock and Crop Productivity;
b. Investment in both Surface and Underground water resources;
c. Provision of Reliable, Adequate and Quality Road Infrastructure Network;
d. Improvement of Access, Quality and Affordable Health Services;
e. Promotion of Tourism including opening of new Conservancies and new Game Reserves; and
f. Investment in Early Childhood Development, Youth and Women Empowerment, and Vocational and Technical Training.

1.1 FISCAL PERFORMANCE

The fiscal performance was fair but faced numerous challenges in the implementation of the 2016/17 budget. First, Local revenue collection was weaker than projected, reflecting mainly lower-than-expected revenues; this was greatly attributed by continued declining income from the Tourism sector and continued leakages. In addition, there were pressures on other spending; reflecting to a large extent the need for higher debts-related outlays in response to previous years pending bills.

1.11 RESOURCE ENVELOPE

Revenue Source Estimates		**FY2016/17**
National Equitable Share		3,298,073,210
Local Revenue		250,000,000
Medical equipment		95,744,681
Road Maintenance Fuel levy		50,674,874
Free Maternity		22,181,866
User fee foregone		3,514,477
A.I.A		
Balance B/F		-
Grants	Danida(Health Sector Support Programme)	3,985,000
	World Bank(Kenya Health Sector Support Project)	22,247,373
Total County Revenue		**3,746,421,481**

Table 1Fiscal Out run in FY 2016/17

	REVENUE BUDGET	APPROVED ESTIMATES 2015/16	ACTUALS 2015/16	2015/16 DEVIATION	% PERFORMANCE	APPROVED ESTIMATES 2016/17	ACTUALS 2016/17	2016/17 DEVIATION	% PERFORMANCE
A	**EXTERNAL REVENUE ESTIMATES**								
	EQUITABLE SHARE	**3,150,201,842**	**3,056,565,534**	**-93,636,308**	-3%	**3,298,073,210**	**3,298,073,210**	**-**	100
	General Provisions (Equitable Share)	3,150,201,842	3,056,565,534	-93,636,308	-3%	3,298,073,210	3,298,073,210	-	100
	CONDITIONAL ALLOCATIONS FROM NATIONAL GOVERNMENT REVENUE ACCOUNT	**161,121,606**	**60,888,725**	**-100,232,881**	-62%	**172,115,898**	**74,424,350**	**-97,691,548**	43
	Funds Received from Road Maintenance Levy Fund	38,827,547	38,828,547	1,000	0%	50,674,874	50,674,873	-1	100
	Funds Received from Health Care Services Fund (User fee foregone)	3,340,178	3,340,178	-	0%	3,514,477	3,514,477	-	100
	Medical equipment	95,744,681	-	-95,744,681	-100%	95,744,681	-	-95,744,681	-
	Free Maternity Fund	23,209,200	18,720,000	-4,489,200	-19%	22,181,866	20,235,000	-1,946,866	91
	Supplement for Construction of County Headquarters	-	-	0		-	-	-	-
	conditional allocation for development of youth polytechnic	-	-	0		-	-	-	-
	CONDITIONAL ALLOCATIONS FROM DEVELOPMENT PARTNERS	**16,698,052**	**16,698,052**	**-**	**0%**	**26,232,373**	**26,232,373**	**-**	100
	Current Grants from Foreign Governments Danida	7,970,000	7,970,000	0	0%	3,985,000	3,985,000	-	100
	Kenya Devolution Support Programme (KDSP) World bank	-		0		-	-	-	-
	world bank loan to supplement financing of county health facilities	8,728,052	8,728,052	0	0%	22,247,373	22,247,373	-	100
	world bank loan for transforming health systems for universal care project	-		0		-	-	-	-
	GROSS COUNTY EXTERNAL REVENUE ESTIMATES	**3,328,021,500**	**3,134,152,311**	**-193,869,189**	**-6%**	**3,496,421,481**	**3,398,729,933**	**-97,691,548**	97
								-	-
B	**INTERNAL COUNTY OWN REVENUE ESTIMATES**							**-**	-
	RECEIPTS FROM ADMINISTRATIVE FEES AND CHARGES	**-**	**-**	**-**	**-**	**2,000,000**	**-**	**-2,000,000**	-
	other land revenue (Plot Application/Transfer/Sub-Division					2,000,000		-2,000,000	-
	LAND RATES	**70,200,000**	**14,131,202**	**-56,068,798**	**-3**	**70,200,000**	**9,863,425**	**-60,336,575**	14
	Land Rent & Rates - Current year	30,000,000		-30,000,000	-100%	30,000,000	9,863,425	-20,136,575	33
	Penalties Rent & Rates	200,000		-200,000	-100%	200,000		-200,000	-

	REVENUE BUDGET	APPROVED ESTIMATES 2015/16	ACTUALS 2015/16	2015/16 DEVIATION	% PERFORMANCE	APPROVED ESTIMATES 2016/17	ACTUALS 2016/17	2016/17 DEVIATION	% PERFORMANCE
	Land Rent & Rates – Arrears	40,000,000	14,131,202	-25,868,798	-65%	40,000,000		-40,000,000	-
	CESSES	**18,000,000**	**13,545,207**	**-4,454,793**	**-1**	**18,000,000**	**6,551,520**	**-11,448,480**	36
	Livestock Auction	6,000,000	4,769,905	-1,230,095	-21%	6,000,000		-6,000,000	-
	Sand Cess	10,200,000	7,583,450	-2,616,550	-26%	10,200,000	5,655,000	-4,545,000	55
	Murrum	300,000	300,000	0	0%	300,000		-300,000	-
	other cess (Produce Cess/ Barter/Murram/ Cheque Clearance)(included tractor) 2016/17	1,500,000	891,852	-608,148	-41%	1,500,000	896,520	-603,480	60
	OTHER MISCELLANEOUS RECEIPTS	**244,800,000**	**66,164,288**	**-178,635,712**	**-11**	**132,800,000**	**58,375,319**	**-74,424,681**	44
	Miraa Export	5,000,000	3,133,664	-1,866,336	-37%	5,000,000	4,514,128	-485,872	90
	Miscellaneous Charges			0		-	1,898,624	1,898,624	-
	S.B.P Fees/Promotion	6,500,000	5,326,815	-1,173,185	-18%	6,500,000	4,024,770	-2,475,230	62
	Liquor License	3,000,000	1,834,900	-1,165,100	-39%	3,000,000	716,440	-2,283,560	24
	Public Works /Other Charges	600,000	-	-600,000	-100%	600,000		-600,000	-
	Stand Premiums	1,500,000	375,200	-1,124,800	-75%	1,500,000		-1,500,000	-
	Clearance & Consents	500,000	395,000	-105,000	-21%	500,000		-500,000	-
	Plot Transfer Approval	2,000,000	4,617,500	2,617,500	131%	-		-	-
	Lease Extension	100,000	-	-100,000	-100%	100,000		-100,000	-
	Planning & Survey	8,500,000	15,000	-8,485,000	-100%	8,500,000		-8,500,000	-
	Livestock/Veterinary Inspection (meat)	2,000,000	482,563	-1,517,437	-76%	2,000,000		-2,000,000	-
	Weights and Measure	600,000	3,000	-597,000	-100%	600,000		-600,000	-
	tender documents	2,000,000	84,000	-1,916,000	-96%	2,000,000	-	-2,000,000	-
	Hides and skins	400,000	106,150	-293,850	-73%	400,000	-	-400,000	-
	Fisheries	500,000	-	-500,000	-100%	500,000	-	-500,000	-
	Public Health Charges	1,000,000	-	-1,000,000	-100%	1,000,000	-	-1,000,000	-
	impounding fees	600,000	3,000	-597,000	-100%	600,000		-600,000	-
	Certificate of Transport	-	28,910	28,910					-
	Movement permit	-	10,065	10,065					-
	Tractor Hire	-	201,815	201,815		-	-	-	-
	ATC			0		-	-	-	-
	Game Entrance & Royalties	210,000,000	49,546,706	-160,453,294	-76%	100,000,000	47,221,357	-52,778,643	47
	MARKET/TRADE CENTRE FEE	**500,000**	**207,160**	**-292,840**	**-1**	**500,000**	**155,670**	**-344,330**	31
	market stalls rent -Kiosks & Stalls	500,000	207,160	-292,840	-59%	500,000	155,670	-344,330	31
	VEHICLE PARKING FEES	**6,000,000**	**6,480,070**	**480,070**	**0**	**6,000,000**	**4,407,520**	**-1,592,480**	73
	street Parking Fees	6,000,000	6,480,070	480,070	8%	6,000,000	4,407,520	-1,592,480	73
	HEALTH FACILITIES OPERATIONS SERVICE FEES	**15,000,000**	**12,440,362**	**-2,559,638**	**0**	**15,000,000**	**8,567,912**	**-6,432,088**	57

	REVENUE BUDGET	APPROVED ESTIMATES 2015/16	ACTUALS 2015/16	2015/16 DEVIATION	% PERFORMANCE	APPROVED ESTIMATES 2016/17	ACTUALS 2016/17	2016/17 DEVIATION	% PERFORMANCE
	Hospital Cost Sharing	15,000,000	12,440,362	-2,559,638	-17%	15,000,000	8,567,912	-6,432,088	57
	SLAUGHTER HOUSES ADMINISTRATION FEES	**1,500,000**	**1,724,405**	**224,405**	**0**	**1,500,000**	**-**	**-1,500,000**	-
	Slaughter Fees	1,500,000	1,724,405	224,405	15%	1,500,000		-1,500,000	-
	WATER SUPPLY ADMINISTRATION -METERED WATER CHARGE	**3,000,000**	**1,406,410**	**-1,593,590**	**-1**	**3,000,000**	**1,163,723**	**-1,836,277**	39
	4%Water Levies IWASCO	3,000,000	1,406,410	-1,593,590	-53%	3,000,000	1,163,723	-1,836,277	39
	TECHNICAL SERVICES FEES	**1,000,000**	**174,696**	**-825,304**	**-1**	**1,000,000**	**75,390**	**-924,610**	8
	Building Plan Approvals	1,000,000	174,696	-825,304	-83%	1,000,000	75,390	-924,610	8
	GROSS INTERNAL REVENUE ESTIMATES	**360,000,000**	**116,273,800**	**-243,726,200**	**-16**	**250,000,000**	**89,160,479**	**-160,839,521**	36
	A.I.A	22,708,709	0	-22,708,709	-100%				-
	Balance B/F	24,648,652	24,648,652	0	0%				-
	GROSS COUNTY REVENUE ESTIMATES	**3,735,378,861**	**3,275,074,763**	**460,304,098**	**-12%**	**3,746,421,481**	**3,487,890,412**	**258,531,069**	93

Internal Revenue

The cumulative revenue collection from local sources for the period between July 2016 and 30th June 2017 amounted to Kshs 89,160,479 compared to a target of Kshs. 250,000,000. This represented a negative deviation of 64.34 percent (Kshs. 160,839,521) in local revenue collection. The poor performance in revenues collection was largely below the revised target in almost all revenue categories largely on account of unrealistic revenue targets and leakages. Only revenues from plot application, transfer and subdivision and livestock veterinary recorded higher revenues than set targets.

Lease extension, planning and survey recorded zero revenues returns. The tourism sector which was once our major revenue source continued to record low revenues at 31 percent of the target revenue and this was majorly due low tourists visits to our game reserves due to insecurity concerns in our parks during the period under consideration that continued to impact negatively to our tourism sector.

The County government needs to come up with new strategies of enhancing local revenue sources. This can be achieved by widening the internal revenue base through diversification of internal revenue streams and sealing leakages by scaling up secure revenue collection channels, enhanced enforcement, supervision and regular field spot checks of revenue clerks.

Table 2 Local Revenue Collection for Financial Years 2013/14 - 2016/17

Revenue Source	2013/14 Budgeted Millions	2013/14 Actual Millions	2014/15 Budgeted Millions	2014/15 Actual Millions	2015/16 Budgeted Millions	2015/16 Actual Millions	2016/14 Budgeted Millions	2016/17 Actual Millions
County Own Revenue Collection	360.	125.06	452.70	133.7	360	116.03	250	89.16

External Revenue

By end of the Fiscal period 2016/17 the National Government, had released a total disbursements of Kshs. 3,398,729,933 whose breakdown are: Kshs. 3,298,073,210 from the equitable share, Proceeds from conditional grants from development partners totaling to Ksh. 26,232,373 (Danida Ksh 3,985,000 World Bank Kshs. 22,247,373), Ksh. 74,424,350 Conditional Grant from National Government Revenue Account (Kshs.50, 674,873 from Kenya Road Board Maintenance Fuel levy Fund. Kshs. 3,514,477 and Kshs. 20,235,000 from foregone user fees and free maternity respectfully. The deficit from external revenue was Ksh 95,744,681Million and Kshs 1,946,866 Million from Medical Equipment allocation Ksh and Maternity.

Expenditure Performance

Total cumulative expenditure for the period under review amounted to Kshs. 3,484.10 Million against an overall budget of Kshs. 3,746.41Million. Representing an under spending of Kshs 262.31Million (7 percent deviation from the revised budget). These under spending were attributed to unrealized internal revenue, external revenue from Medical Equipment allocation of Ksh 95.74 Million which was captured in the county budget but was not realized as it was cut at the source and delays by the national treasury to release World Bank funds to County Treasury also delayed payment of contractors. This shortfall affected both recurrent and development expenditures in line spending units leading to accumulation of pending bills. Table 3 below shows various County Departmental breakdown Expenditures performance i.e. targets vis-à-vis realized actual.

Expenditure Estimates

VOTE TITLE	RECURRENT	DEVELOPMENT
County Assembly	377,924,581	157,724,584
Office of the Governor	194,782,721	90,956,246
County Public Service Board	64,010,080	
Office of the County Secretary	11,652,000	
County treasury and Planning	325,352,304	245,018,115
Roads, Housing and Works	25,522,000	152,000,000
Lands Development	34,709,000	50,500,000
Agriculture	56,986,417	35,000,000
Livestock and Fisheries	77,991,740	110,000,000
Cohesion and Intergovernmental relations	16,850,000	-
Education and Vocational training	151,143,793	86,000,000
Sports, Youth and Culture	9,952,120	33,000,000
Tourism, culture and Social services	49,600,000	50,000,000
Public Service Management and ICT	81,456,000	49,000,000
Water and Irrigation	56,801,120	177,500,000
Environment and Natural Resources	34,019,760	45,500,000
Medical Services	352,850,000	54,183,000
Public Health	307,821,000	101,950,000
Trade, Industriliazation	25,359,900	32,000,000
Town Administration	9,305,000	12,000,000
TOTAL	**2,264,089,536**	**1,482,331,945**

A graph of Vote Title percentages of recurrent and development estimates for FY2016/17

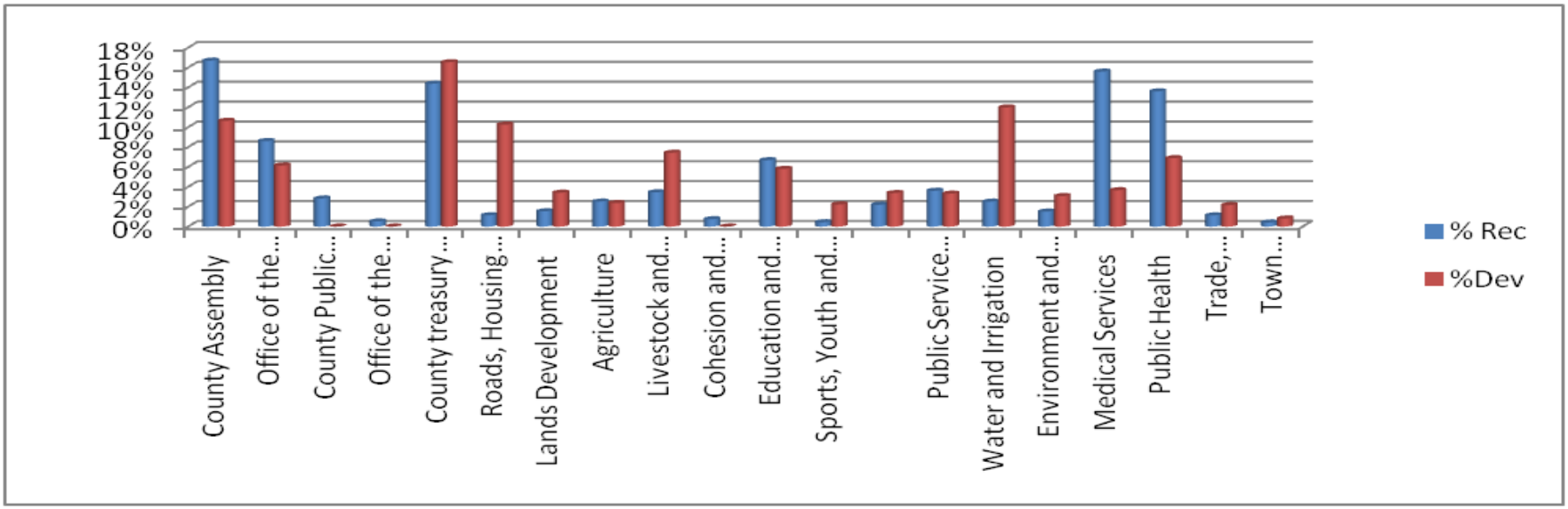

Table 3: Expenditure Performance

Department	Revised Budget Allocation (Kshs. Millions) 2015/16			Actual Expenditure (Kshs. Millions) 2015/16			Absorption rate (%) 2015/16			Revised Budget Allocation (Kshs. Millions) 2016/17			Actual Expenditure (Kshs. Millions) 2016/17			Absorption rate (%)		
	Rec	Dev	Total	Rec	Dev		Rec	Dev	Total	Rec	Dev	Total	Rec	Dev	Total	Rec	Dev	Total
County Assembly	367.93	98	465.93	341.22	53.39	394.61	92.74	54.48	84.69	377.92	207.72	585.64	377.87	147.1	524.97	100%	71%	90%
Office of the Governor	232.38	128	360.38	210.58	116.53	327.11	90.62	91.04	90.77	213.13	161.42	374.54	206.79	158.74	365.54	97%	98%	98%
County Public Service Board	55.61	0	55.61	49.86	0	49.86	89.66		89.66	59.78	-	59.78	53.21	-	53.21	89%		89%
Office of the County Secretary	11.09	0	11.09	8.51	0	8.51	76.74		76.74	15.35	-	15.35	12.76	-	12.76	83%		83%
County treasury and Planning	283.34	265	548.34	273.53	154.32	427.85	96.54	58.23	78.03	335.02	137.86	472.87	314.29	131.2	445.48	94%	95%	94%
Lands Development	34.94	40.87	75.81	27.55	39.31	66.86	78.85	96.18	88.19	30.55	30.5	61.05	27.21	40.85	68.06	89%	134 %	111 %
Roads, Housing and Works	24.05	282	306.05	21.92	212.95	234.87	91.14	75.51	76.74	26.19	202.06	228.25	24.23	206.18	230.41	93%	102 %	101 %
Agriculture	49.69	19.36	69.05	45.09	16.28	61.37	90.74	84.09	88.88	59.36	25	84.36	53.71	18.09	71.8	90%	72%	85%
Livestock and Fisheries	109.44	91.5	200.94	83.53	87.32	170.85	76.32	95.43	85.03	78.09	99	177.09	75.83	100.07	175.9	97%	101 %	99%
Cohesion and Intergovernmental relations	19.23	43.86	63.09	16.94	49.39	66.33	88.09	112.61	105.14	15.5	-	15.5	15.35	-	15.35	99%		99%
Education and Vocational training	132.82	42	174.82	132.7	28.33	161.03	99.91	67.45	92.11	149.79	77.85	227.64	144.53	71.5	216.02	96%	92%	95%
Sports, Youth Department	11.28	35.59	46.87	8.03	37.5	45.53	71.19	105.37	97.14	9.51	33	42.51	6.59	32.93	39.52	69%	100 %	93%
Tourism, Culture	50.98	56.35	107.33	48.46	45.63	94.09	95.06	80.98	87.66	52.31	44	96.31	51.42	26.85	78.27	98%	61%	81%
Public Service Management and ICT	140.89	7.1	147.99	140.76	7.09	147.85	99.91	99.86	99.91	76.39	40	116.39	39.99	37.38	77.36	52%	93%	66%

Department	Revised Budget Allocation (Kshs. Millions) 2015/16			Actual Expenditure (Kshs. Millions) 2015/16			Absorption rate (%) 2015/16			Revised Budget Allocation (Kshs. Millions) 2016/17			Actual Expenditure (Kshs. Millions) 2016/17			Absorption rate (%)		
Water and Irrigation	56.4	158.31	214.71	55.51	94.07	149.58	98.42	59.42	69.67	59.42	155.7	215.12	57.03	139.13	196.17	96%	89%	91%
Environment and Natural Resources	35.09	53.66	88.75	32.43	47.64	80.07	92.42	88.78	90.22	32.37	45.5	77.87	30.91	45.5	76.41	95%	100 %	98%
Medical Services	339.14	63.97	403.11	324	64.18	388.18	95.54	100.33	96.3	373.69	41.58	415.28	365.23	26.61	391.85	98%	64%	94%
Public Health	277.8	36.03	313.83	264.55	28.4	292.95	95.23	78.82	93.35	318.27	99.3	417.57	304.54	82.03	386.57	96%	83%	93%
Trade, Industrialization	30.87	10.69	41.56	27.06	12.41	39.47	87.66	116.09	94.97	24.61	16.97	41.58	21.11	17.46	38.58	86%	103 %	93%
Town Administration	16.13	24	40.13	15.24	23.91	39.15	94.48	99.63	97.56	9.71	12	21.71	7.85	12	19.85	81%	100 %	91%
Total	**2,279.09**	**1,456.27**	**3,735.36**	**2,127.49**	**1,118.64**	**3,246.12**	**93.35**	**76.82**	**86.9**	**2,316.96**	**1,429.45**	**3,746.41**	**2,190.47**	**1,293.62**	**3,484.10**	95%	90%	93%

Source:IsioloCountyTreasury

Cumulative Recurrent Expenditure

Recurrent expenditure amounted to Kshs. 2,190.47 Million against an approved revised budget estimates of Kshs. 2,316.96 Million representing under spending on recurrent budget of Kshs. 126.49 Million (absorption rate of 95.00 percent) as shown in the table 4 above.The revised allocation for recurrent activities accounts for 61.01 percent and this conforms with PFM Act fiscal responsibility principle which requires that over the medium term, a maximum of seventy per cent of the County Government's budget shall be allocated to development activities.

Analysis of recurrent outlay indicates that on average all Departments accounted for over 70 percent absorption of the revised approved budget apart from youth, sport and gender; and administration, public service and ICT.

Cumulative Development Expenditure

Development expenditure was Kshs 1,293.62 Million compared to an approved revised budget of Kshs. 1,429.45. This represented development budget under absorption of Kshs. 135.83 Million (Absorption rate of 90.5 percent as shown in the table 4 above. The revised allocation for development activities accounts for 38.16 percent and this conforms with PFM Act fiscal responsibility principle which requires that over the medium term, a minimum of thirty per cent of the County Government's budget shall be allocated to development activities.

Analysis of development outlay indicates that the Departments of Cohesion, youth sports and Gender, Trade and Enterprise Development and Town Administration accounted for the over expenditures against their revised budgets this was largely due delays of Supplementary Budget prior to approval by the County Assembly for more than three months leading to incurrence of commitments and continuity of spending by the above departments on initial approved budgets that we're not contemplated in the revised budget.

Challenges

Local revenues streams have not corresponded well with projected targets. The collection was less than optimal revenue yield vis-a-vis potential. In terms of spending, compensation of employees continued to claim the lion's share of County budgetary resources. In Financial Year 2016/17 for instance, the County devoted about of 35.62 percent of its actual realized revenue towards personnel-related spending and this is expected to continue to rise in this year's budget due revised salary schemes and expected new recruitments for technical staff.

There is also a major concern on the pending payments. The bulk of this amount was pending accounts payable, most of it related to construction of buildings and civil works, and supply of goods and services.

Frequent labor strikes by health workers that interrupt the health sector service delivery and lack of effective monitoring and evaluation framework. Absence of internal audit committees

Remedies

Some of the remedies to address these challenges include: Enhancing local revenue through enactment of the reviewed County Finance Bill to give effect to new revenue streams, Review of valuation roll and embarked on alternative sources for supporting the capital budget that include PPP and joint ventures; Tightening enforcement across all revenue sources;

Adherence to the law that requires alignment of Supplementary Budgets to exchequer issues, expenditure, and commitments to eliminate instances of over issues;

Executive Committee members responsible for finance and economic planning to designate a person responsible for administering each established County Funds in line with Section 116 of the PFM Act, 2012;

To strengthen the capacity of county government employees through proper training and recruitment of qualified staff.

Establish effective monitoring and evaluation units to enhance oversight and reporting on development projects;

Formulate clear strategies to address the labor issues in the Health Sector; and

Finally thorough Scrutiny and cleaning of the County payroll.

2.0 ANALYSIS OF SECTOR PERFORMANCE IN FY 2016/17

2.2.1 Agriculture, Livestock, Fisheries and Irrigation

Sector Strategic Priorities

i. Enhance food and nutrition security;
ii. Improve market access and linkages; and
iii. Increase production and productivity of agricultural produce.

Analysis of planned versus allocated budget

The sector provides a summary of what was planned in the ADP 2016/17 and what was achieved in terms of budgetary allocation

Sector	Planned	Budgeted
Agriculture Livestock and Fisheries	245.60M	271.79M
Total	245.60M	271.79M

Summary of Sector/Sub-sector Programmes (2016/17)

Table 4: Summary of Sector/Sub-sector performance Programmes (2016/17)

Programme/Sub-Programme	Key Outcomes/outputs	Key performance indicators	Baseline	Planned Targets in ADP	Achieved Targets in the budget	Remarks*
Programme : Crop production and Management						
Objective: Improve production and productivity in small holder farmers and off-farm sectors						
Outcome: Enhanced food security						
promotion of drought resistant crop , fruits and vegetables productivity in small holder farmers and off-farm sectors	Farmers Trained on adoption drought resistance	No of farmers trained	300	500	12,000	Surpassed targets due to donor support.
Outcome: Enhanced food security	Training of farmers on land management. Soil testing Purchase of farming /land management tools	No of farmers trained	5	6 MT	0	
land management & soil fertility improvement	Training of farmers on land management. Soil testing	No of farmers trained	600	500	3000	Surpassed targets due to donor support.
	Purchase of farming /land management tools	No of tools and implements	8	Assorted tools	0	
Agricultural mechanization services	Provision of tractor hire services	No of acres under crop production	-	10,000 acres	12,000 acres	use of county tractors

Programme/Sub-Programme	Key Outcomes/outputs	Key performance indicators	Baseline	Planned Targets in ADP	Achieved Targets in the budget	Remarks*
Programme : Market Development and Value addition						
Objective: Increase income through Agriculture commercialization in smallholder farmers						
Outcome: Improved income at household level.						
Value addition	Construction of agro processing plant.	number of agro processing plant in place	0	1	0	
	Promotion of Technologies	No of technologies promoted	5	3	15	
	Training of farmers on value addition	No of farmers trained	500	500		
	Procurement of equipment	No of equipment procured	0	Assorted	4	
Access to market information	Training of farmers on market	No of farmers accessing and utilizing market	1000	500	3000	Surpassed targets due to donor support.
Promotion of extension services	Refurbishment of Isiolo ATC	No of halls/hostels refurbished,	0	1	0	
Programme P1: Livestock Resource Management and Development **Objectives To promote and facilitate the livestock industry for socio-economic development and industrialization.**						
Livestock Production and Management	Rangeland management-Reseeding of bare lands	51Ha	100Ha	Nil	51Ha	funds Not allocated
	Training of livestock producers	No of trained livestock producers	4500	1000	5000	supported by partners
Livestock products value addition and marketing	completion of Isiolo abattoir	% completion of Isiolo abattoir infrastructure	90%	100%	98%	on-going requires funds for equipping
	Establishment of market yards	No of market yards developed	5	10	9	funds were Not enough
Animal health and Disease Management and Control	Establishment of Livestock disease free zone (DFZ)	No of DFZ under establishment	1	1	1	Part development of DFZ structures
	Massive vaccination of livestock, strategic deforming and treatment	No of livestock vaccinated	300,000	500,000	498286	vaccinations for goats and sheep's
	Deworming	No of livestock	90,000		82,700	

Programme/Sub-Programme	Key Outcomes/outputs	Key performance indicators	Baseline	Planned Targets in ADP	Achieved Targets in the budget	Remarks*
		dewormed		120,000		
livestock identification	Branding of livestock	No of branded livestock	25,000	25,000	19000	
Breed improvement	purchase of breeding males, and AI services	No of inseminations	0	10	0	Not funded
livestock policy development and Capacity Building	Establishment of livestock policy, strategic plan	No of livestock productivity	0	1	0	Policy at draft stage
Apiculture promotion	capacity building of honey producers on new production technologies	No of honey production	3000	3000	2000	
Promotion of Non-ruminants and Emerging livestock Enterprises	Field days and stakeholders forum, training of farmers, Show/Exhibitions	No of Non ruminants enterprises established	0	2	0	
Programme : Fisheries Development and Productivity						
Aquaculture Development (Fish Demonstration Ponds)	Construction of fish ponds	No of operational Fish Ponds	10	20	0	Change of projects to improvement of Isiolo fish farm
Market Development and Value Addition	Establishment of fish markets and outlets(fish holding ponds)	No of Fish outlets	2	1	1	In 2017/18 budget
Field Extension Support	Capacity building of fish vendors , farmers and traders	No Fish Producers and traders trained	160	200	180	On-Going

Challenges in the Implementation of the Sector Programmes

Challenges	Specific Mitigation Measures
Inappropriate legal and regulatory framework.	To develop appropriate regulatory, policy and legal framework
Heavy livestock losses due to diseases and pests.	Improved disease surveillance and control
Low absorption/Uptake of modern technology.	Improve adoption of agricultural technologies among the farmers by triggering demand for the technologies through extension and training
Inadequate budgetary allocation.	Increased investment and budgetary allocation to the sector
Weak Extension services	Strengthen extension services and agricultural institutions;

Challenges	Specific Mitigation Measures
low agribusiness enterprise	Encourage growth of agribusiness enterprises and private sector investment

2.2.2 Water, Environment & Natural Resources

Strategic Priorities

- Improving access, adequate and reliable water supply for household use, livestock and farms;
- Conservation and protection of environment
- Promotion of green energy, and promoting exploitation of natural resources of economic value

Analysis of planned versus allocated budget

Sub-Sector	Planned	Budgeted
Water and Irrigation	193.36m	182.68m
Energy, Environment and Natural Resources Management	70m	46.775m
Total	**263.36m**	**229.45m**

Table 5 Summary of Sector/Sub-sector Programmes performance 2016/17

Programme/ Sub Programme	Key Outcomes/ outputs	Key performance indicators	Baseline	Planned Targets in ADP	Achieved Targets in the budget	Remarks*
Programme Name: Water Resource Management						
Objective: Provision of clean and safe to use water to residents of Isiolo county						
Outcome: Increased access to clean and safe water supply						
Water Supply infrastructure Development	Increased total number of HH connected to urban water supply	No of HH connected	6314	17,875	7,500	Poor water quality hampering achievement
	Increased Proportion of rural population with access to clean and safe water	%age of rural population accessing clean and safe water	3,000	15,000	5,000	
	Increased total number of water supply Rehabilitated	No of water supplies rehabilitated		16	11	
Water trucking Support services	Improved time of responses to water need during drought	Number of Water truck in place	1	2	1	purchased by Northern water service board
Water supply support (solar installations)	Increased number of boreholes connected to solar energy	No of boreholes connected to solar energy	5	10	7	
Irrigation Infrastructure	Water Policy Development and Management	No of hectares under irrigation	600Ha	1470Ha	650Ha	
Water Policy Development and Management	Improved planning system	Sector Plan in place	1	1	1	

Programme/ Sub Programme	Key Outcomes/ outputs	Key performance indicators	Baseline	Planned Targets in ADP	Achieved Targets in the budget	Remarks*
Programme :Environmental Conservation						
Objective: To conserve and protect the environment for sustainable use						
Outcome: Clean environment free of environmental pollution						
Control of invasive species (Mathenge)	Reduced menace of invasive species in urban and in irrigation schemes	No of acres reclaimed	-	0	0	
Protection of Water Catchment Areas	Protected water catchment areas	No of water catchment areas protected	5	10	1	lack of enough funding
Grave yards protection	Reduced grabbing of public land	No of Grave yards fenced	-	5	3	lack of enough funding
Solid waste management	purchase of waste collection truck	number of waste collection trucks in place	1	2	0	

The Key Achievements

Under Water Resources Development and Management Programme there were increased supply of water through drilling of more bore holes and laying of pipes to cater for human as well as livestock use. This reduced the drought related disasters in the county.

Challenges in the Implementation of the Sector Programmes

Challenges	Specific Mitigation Measures
Inadequate key staff to manage some of our core sections e.g. water technicians Environmentalists, Surveyors, Draughts men, energy engineers etc.	Employment of these key staff
Inadequate Transport since the department has few operational vehicle	Provide funds for servicing of grounded vehicle/ motor bikes and procure new ones
Erratic weather condition which hampers Implementation of some projects e.g. dams &pans.	Work plan to be prepared in line with the weather patterns in mind such that de silting of dams are done during dry weather periods
Long procurement procedures	Decentralize procurement to the department
Spreading resources for water projects thinly	Engage in flagship projects as well as ward projects

2.1.3 Health Services

Strategic Priorities

- Elimination of Communicable diseases
- Provision of Essential Health Care
- Provision of adequate and appropriate health infrastructures

Analysis of capital planned versus allocated budget

Sub-Sector	Capital Planned	Capital Budgeted
Medical Services	121m	131.7M
Public Health	94M	192.7M
Total	**215M**	**324.4M**

Table 6 Summary of Sector/Sub-sector performance Programmes (2016/17)

Sub Programme	Key Outcomes/ outputs	Key performance indicators	Baseline	Planned Targets in ADP	Achieved Targets in the budget	Remarks*
Programme Name: Programme P1 : Preventive Health Services						
communicable and Non communicable Disease control	Construction of staff houses in 5 rural health facilities	No of staff houses Constructed		5	2	
	Purchase of 2 ambulances	No of ambulances bought		2	0	
	Purchase of public health equipment	No of public health equipment		Assorted	Assorted	
Free Primary Health Care	Construction of 5 new health facilities	No of health facilities constructed		5	5	
	Purchase of KEPI fridges	No of fridges		10	**10**	
Programme 2. Curative health services						
County hospital services	Equipping of Isiolo and Garbatulla hospitals with modern facilities	No of equipment purchased		2		
Surgery and specialized medical services	Purchase of dialysis machine	No of operationalised health care facilities		1		
	Refurbishment of Isiolo county Hospital	Refurbished of Isiolo hospital		1		
	Supply of X-Ray Machine	No of X- ray machines purchased		2		
Programme P3 : Reproductive Health						
Maternity and Child Health Services	Construction of Child ward	Infant mortality rate		3		
	Construction of maternity ward	Maternal mortality rate		3		

Achievements

Purchase of health equipment

Challenges in the Implementation of the Sector Programmes

Challenges	Mitigation measures
Inadequate finances to implement various projects and activities	Provision of adequate funds
Dilapidated Infrastructures	Rehabilitation of dilapidated infrastructures
Ineffective monitoring and evaluation	strengthening of M&E
Delay of completion of projects on time	Adherence to annual work plans

2.1.4 Lands, Physical Planning, Surveying and Housing, roads and public works

Strategic Priorities

To have well planned and organized spaces with clearly defined land uses and boundaries

To improve accessibility and movement in the county

Analysis of planned versus allocated budget

Sub-Sector	Planned	Budgeted
Lands and Urban Planning	83M	12M
Roads, Housing and Public Works	332M	133.2M
Total	**415M**	**145.2M**

Summary of Sector/Sub-sector Programmes (2016/17)

Sub Programme	Key Outcomes/ outputs	Key performance indicators	Baseline	**Planned Targets in ADP**	**Achieved Targets in the budget**	Remarks*
Programme 1: Land survey and Mapping						
County land Planning and Spatial development	Enhanced land use management	No of Land use plans and resource maps	2	1 (Garbatulla spatial)	1	
County land survey and mapping, boundaries and fencing (Isiolo ,Merti ,Oldonyiro ,Ngaremara, Kinna Garbatulla and Modogashe)	Digital Mapping and Planning of Bulla Pesa 2, Bula Pesa 3, Burat, & Kinna, urban centres	No of land survey mapping boundaries	7	3	0	
Programme 1: Road Improvement and Upgrading						
Design and Construction of Urban Roads and Bridges	Increased number of km of Paved Standards Roads	No of km Paved Standards Roads	2km	0.8km	0	
	Increased number of kilometres of urban roads maintained and rehabilitated	No of kilometres of roads maintained & rehabilitated		assorted	assorted	
Rural Roads maintenance and upgrading to all weather roads and construction of Bridges	Increased number of kilometres of rural roads maintained and rehabilitated to	No of km of all-weather roads	assorted	-	-	

Sub Programme	Key Outcomes/ outputs	Key performance indicators	Baseline	**Planned Targets in ADP**	**Achieved Targets in the budget**	Remarks*
	all-weather roads					
	Ngarendare and Garbatulla	No of 3 Bridges constructed	1	2	0	Project Not implemented funds diverted for maintenance of roads

Key Achievements

Opening and grading of county access roads across which led to greater accessibility of the rural areas, Preparation of drawings, bills of quantities and supervision for all projects being undertaken by the County Government.

Challenges in the Implementation of the Sector Programmes

Challenges	Specific Mitigation measures
Inadequate qualified/technical staff in the department	Propose to the Board need for additional qualified personnel
Manual land information system: Use of the manual system has become ineffective especially with the increase in the number of land records	Introduce automated land data management systems
Land disputes due to boundary encroachments and multiple allocations of plots; inconclusive land exchange transactions; unplanned and surveyed land and trading centres	Conflict resolutions on land
Inadequate housing stock, poor housing condition, high cost of construction materials and ineffective legislation	Encourage construction of housing units by the private sector
Inadequate budgetary provision for the proposed projects	Additional funding for projects
Implementation of non-budgeted items	Strict implementation of the budget Items
Lack of capacity of local contractors	Empowerment and training of contractors
Lack of supervisory vehicles	Purchase of supervisory vehicles

2.1.5 Tourism and Wildlife Trade, Cooperatives Industry and Enterprise Development

Strategic Priorities

- To increase tourists' arrivals and earnings to the county.
- Trade enhancement
- Enhancement of cooperative development
- Enhancement of fair trade practices
- Industrial development

Analysis of planned versus allocated budget

Sub Sector	Planned Budget	Budgeted
Tourism	**69M**	**32M**
Trade Cooperative And Enterprise Development	**79M**	**46.5M**
Total	**148M**	**78.5M**

Summary of Sector/Sub-sector Programmes (2016/17)

Sub Programme	Key Outcomes/ outputs	Key performance indicators	Baseline	Planned Targets in ADP	Achieved Targets in the budget	Remarks*
Programme: Tourism Development and Promotion						
Tourism Promotion and Marketing	Marketing of county game reserve and game hotels				0	
	Promotion local culture as a tourist activity,	No of new tourism activities	0	3	0	on-going
Tourism Infrastructure Development	Development of two new conservancies	No of conservancies developed		2	2	on-going
	Rehabilitation and maintenance of game reserves roads	No of parks rehabilitated roads	2	2 game reserves	1	on-going
	Opening of new roads in	No of new roads opened	2	2 game reserves	1	on-going
Programme: Trade Development and Promotion						
Local Markets Development	Local Markets Development	No of Trade shades Constructed	0	20	0	Budget was reallocated
	Well-functioning sanitation and drainage systems	No of washrooms constructed	1	2	0	Budget was reallocated
Enterprise Training and Development	Trained entrepreneurs	No of youths and women trained	1200	1500	1600	Target achieved
	new entry traders trained	No of new entry traders trained	22	32	38	Target achieved
Programme: Co-operative Development						
Cooperative Revolving Funds	increased cooperative movements	No of new cooperative registered	58	61		ongoing
Programme: Industrial Development						
Street and Artisan	SME parks developed	No of SME parks developed	0	1	0	Not budgeted

Sub Programme	Key Outcomes/ outputs	Key performance indicators	Baseline	Planned Targets in ADP	Achieved Targets in the budget	Remarks*
Industrial Support						for

***Remarks**: The variation of planned VS achieved targets was due to budget constraints due to wage bill dynamics and weak development partner's support.

Achievements

Under Tourism Development and Promotion Programme the key achievement was development of two new conservancies in Oldonyiro and Chari; and Rehabilitation and maintenance of game reserves roads

Under the **Trade and Development Promotion Programme**, the key achievements in the periods under review include: completion of trade office

Under the **Cooperative Development and Management Programme**, the key achievements include: Registration of two new cooperative societies; revival of one dormant society; 32 societies audited.

Challenges in the Implementation of the Sector Programmes

The Department experienced a myriad of challenges in this period which include

Challenges	Specific Mitigation Measures
Limited human resource capacity	Propose to the board the need for additional staff
Limited financial resource allocation	Increase budgetary allocation
Inadequate/Unreliable transport	Purchase of motor vehicles
Erratic disbursement of funds.	Timely disbursement of funds
Lack of clear policy, legal and institutional framework.	development of of clear policy, legal and institutional framework

2.1.6 Education, Youth Affairs, Gender and Social Services

Strategic Priorities

- To increase access to early childhood education
- To empower the Youth, women and people living with disability
- To engage the youth in sports and vocational training
- To cushion vulnerable groups to meet basic human needs

Analysis of planned versus allocated budget

Sub-Sector	Planned	Budgeted
Education and Vocational Training	100M	65.2M
Youth, Sports and Gender	151.2M	89.2M
Total	**251.2M**	**154.4M**

Summary of Sector/Sub-sector Programmes (2016/17)

Sub Programme	Key Outcomes/ outputs	Key performance indicators	Baseline	Planned Targets in ADP	Achieved Targets in the budget	Remarks*
Programme P1: Administration, Planning and Support Services						
Finance Services (bursary)	Increased number of Students enrolled in secondary and tertiary institution	No of students benefited	-	5,000	0	budgeted for 30M
Programme P2:Early Childhood Development						
Child Care /Nursery Infrastructure and Development Facilities	Construction of 30 ECDE Class rooms	No of ECDE centres	-	30	10	on-going
Teacher Training and Curriculum Development	Training of ECDE teachers	No of teachers trained	-	300	0	Not budgeted for
ECDE Furniture Support	Purchase of modern furniture	No of learning tools and equipment delivered	-	40 ECDE centres		on-going
Tools and other Equipment for ECD support	Purchase of ECDE learning tools and equipment	No of ECDE school accessing learning tools and equipment	-	1		on-going
Programme P3: Technical Vocational Training						
Technical Training Colleges Development	Equipping of Merti polytechnic	No Enrolment of Students per Year	0	1	0	Not budgeted for after assembly review
Programme P1: Empowerment Support						
Sports Promotion	Sponsoring Youths for county, Regional, National and international sports events	No of Youths sponsored	-	40 teams	0	on-going

Sub Programme	Key Outcomes/ outputs	Key performance indicators	Baseline	Planned Targets in ADP	Achieved Targets in the budget	Remarks*
	Equipping sports Stadia	No of equipped sports Stadia	0	1	0	-
	Rehabilitation of sports facilities	No of rehabilitated stadiums	0	4	0	
Youth Empowerment Support	Capital grants to Youth groups	No of youth groups benefiting from grants	-	200	0	Waiting Legislation
	Training of youths on entrepreneurship skills	No of youth youths trained	-	200	0	Budgeted but n
Women Empowerment Support	Women trainings on empowerment Trainings	No of women group trained	-	100	0	On-Going
Disabled empowerment	Disabled on empowerment Trainings	No of disabled empowered with capital grants	-	100	0	Budgeted

Remarks: Not all projects were realised cause of budget constraints due to revenue shortfalls.

Achievements (CIDP Implementation Milestones)

i. Under ECDE Programme 10 ECD classrooms were constructed.
ii. Vocational Education and Training Development Programme the achievement are provision Bursaries worth Kshs 30 million were awarded to secondary school students in various Learning institutions.

Challenges in the Implementation of the Sector Programmes

Challenge	Mitigation Measures
Delayed Project Execution	Adherence to the Procurement Plan for Timely Execution
Limited Office Space and Equipment	Construction of Offices
Shortage of Staff	Hiring of more Staff

2.1.7 Finance and Economic Planning

Strategic Priorities

i. Ensuring of accountability and prudent financial management for county public resources
ii. Enhancing economic policy management for county development
iii. Enhancement of own county revenue

Analysis of planned versus allocated budget

Sub-Sector	Planned	Budgeted
Finance and Economic Planning	170M	17M
Total	**170M**	**17M**

Summary of Sector/Sub-sector Programmes (2016/17)

Table 7; Summary of Sector/Sub-sector Programmes (2016/17)

Sub Programme	Key Outcomes/ outputs	Key performance indicators	Baseline	Planned Targets in ADP	Achieved Targets in the budget	Remarks*
Programme P1 : Economic and Financial Policy Management						
Economic Policy and County Development Plans	County Annual Development Plan 2018	2018 CADP	4	1	1	Done
	County Budget Review and Outlook Paper(CBROP)	2017 CBROP	4	1	1	Done
	County Fiscal Strategy Paper (CFSP)	2018 CFSP	4	1	1	done
	Budget estimates for 2018/19	Budget estimates				On-Going
	Preparation Sectoral plan	Sectoral plan	0	1	0	To be done in partnership with USAID
	Capacity building trainings of the public on effective planning	No of trainings	0	6	2	Training of sector working group
County Monitoring and Evaluation system	Develop county integrated monitoring and evaluation system	M& E System	0	1	0	Not Done
	Field visits to project sites/programmes	No of M and E Reports	2	4		on-going
	Rehabilitation of the county planning office	Rehabilitated planning office	0	1	ongoing	on-going
Programme 2: Public Finance Management						
Infrastructure development	Fencing of county treasury	Fence done	0	1	0	On going
Programme 3: Revenue Generation and Enhancement						
Modern Market Complex	Construction of Isiolo modern complex market		0			on-going
Programme 4: General Administration						
construction of county head quarters						On going

Remarks: Not all projects were realised cause of budget constraints due to revenue shortfalls

Key Achievements

Under the **Economic planning and budget services Programme**, the department achievements during the period include:

i. Preparation of the county's ADP

ii. Preparation of the 2016 County Budget Review and Outlook Paper

iii. Preparation of the 2017 County Fiscal Strategy Paper

iv. Successful preparation of the Budget for 2017/18 financial year

v. Preparation of monitoring and evaluation project status report

Challenges in the Implementation of the Sector Programmes

The department faced a number of challenges including

Challenges	Strategies/Mitigation measures
Shortage of technical staff in almost all the sub - sector which negatively affected service delivery	Recruitment of relevant staff and establishing infrastructure associated with their delivery of services; this includes Capacity building for staff and the community they serve.
Limited vehicles for M&E, Lack of legislative framework for revenue collection	Develop revenue collection framework and purchase vehicles for M&E activities.
Low community ownership/ sustainability of most of the county projects	Continuation of embracing community involvement in participatory programme planning, budgeting and implementation monitoring to promote community ownership
Shortfall in revenue collection from local sources hindering full implementation of planned programmes /projects	Efficient and effective way of sealing internal revenue leakages and setting of realistic targets
low external revenue mobilization	Setting up of donor coordination unit
Delayed release of funds from the National Government to leading to delay in project implementation.	Initiate earlier requisitions from national government
Deviation of sectors spending from annual budgets	policy frameworks in place for allocated funds so that their implementation is carried out as planned in the annual budgetary allocations
Non conformity to procurement rules	putting mechanism that ensures procuring processes adhere to the government procurement regulations

2.1.8 Office of Governor and Deputy

Strategic Priorities

- Provide overall policy and strategic direction for the socio-economic and political transformation of the county
- Attract, retain and develop competent human resource in the public service for efficient and effective service delivery
- Develop modern County ICT infrastructure for sustainable development;

Analysis of Planned Versus Allocated Budget

Sector	planned capital Planned	Budgeted
OFFICE OF THE GOVERNOR AND DEPUTY	122.5M	288M
Total	**122.5M**	**288M**

Summary of Sector/Sub-sector Programmes (2016/17)

Table 8: Summary of Sector/Sub-sector Programmes (2016/17)

Sub Programme	Key Outcomes/ outputs	Key performance indicators	Baseline	Planned Targets in ADP	Achieved Targets in the budget	Remarks*
Programme 1: Government Coordination and Advisory Services						
Develop County Disaster Risk Reduction Strategy	One County Disaster Risk Reduction Strategy developed	Strategy paper	0	1	0	
Programme P2: Leadership and Coordination of County Departments						
County Service Network Management	Improved interdepartmental coordination	No of meetings and forums conducted	0	10	0	
Strategic Human Resource Management	Increased number of staff performance appraisals/audits	No of staff with performance contracts	0	1,000	0	To be done in 2018/19
Administration infrastructure support	3 ward offices	number of ward offices in place	0	3	3	on –going
Programme P3: County Public Service Management, Sourcing and Development						
Human Resource Management	Increased HR guidelines and CPSB bills	No of HR policies and CPSB Bills developed	0	1	0	
	Staff audit and Capacity Assessment and Rationalization Program	No of staff audit, and capacity assessment &	0	1	1	Requires implementation
CPSB Office Block	Decent office accommodation secured for the board	Office block	0	1	0	
Programme P4: ICT infrastructure development and management Programme						
	Website and e-Mail	No of website	0	1	1	Done needs

Sub Programme	Key Outcomes/ outputs	Key performance indicators	Baseline	Planned Targets in ADP	Achieved Targets in the budget	Remarks*
	Communication	& e-mail communication				upgrading

Challenges in the Implementation of the Sector Programmes

Challenges	Strategies/Mitigation measures
Inadequate technical expertise	Capacity build the staff through trainings
Inadequate staffing levels	Employ relevant staff to boost the level of staffing
Inadequate physical infrastructure	Establish necessary infrastructure
Inadequate funds and resources	Adequate budgetary allocation to programmes/projects
Non performing staff	County staff should be put under performance appraisals
Lack legislative framework for ICT	Develop bills on ICT

Performance of Capital Projects) for the financial year 2016/17

Project Name/ Location	Objective/ Purpose	Output	Performance Indicators	Status (based on the indicators)	Planned Cost (Ksh.)	Actual Cost (Ksh.)	Source of funds
construction of Ward offices in Merti, Garbatulla and Oldonyiro	To enhance accessibility and efficiency of service delivery	3 ward offices	No of ward offices constructed	0	16M	12M	CGI
Expansion of ICT Networking Infrastructure	To enhance communication between departments	8 county headquarter offices	No of offices connected	3	4M	8M	CGI

2.1.8 Peace, Cohesion And Conflict Resolution

Strategic Priorities

- Develop Isiolo County Action Plan Countering Violent Extremism
- Tap into inter-county peace blocks

Analysis of Planned Versus Allocated Budget

Sector	Planned	Budgeted
County Cohesion, Intergovernmental Relation, Aid Coordination and Climate Change	44M	32M
Total	**44M**	**32M**

Summary of Sector/Sub-sector Programmes (2016/17)

Sub Programme	Key Outcomes/ outputs	Key performance indicators	Baseline	Planned Targets	Achieved Targets	Remarks*
Programme 1: County Cohesion and Intergovernmental Relations						
Peace and Cohesion	Cohesive and just society	No of Peace dividend projects implemented		**20**		**on-going**
Exchange Programmes	inter-county exchange programmes	No of exchange programmes		6	2	**on-going**
Programme 2: Disaster Management						
Disaster Mitigation	Reduced disaster incidences	No of disaster trainings/ meetings held		12		**on-going**

2.4 Payments of Grants, Benefits and Subsidies (2016/17)

Table 9: Payments of Grants, Benefits and Subsidies (For Department with grants and donor funds Budget) (2017/18)

Type of payment	Budgeted Amount (Ksh.)	Actual Amount paid (Ksh.)	Beneficiary	Remarks*
Education bursary	35M	30M	County Tertiary students From Vulnerable Household	on-going
Trade & Cooperative enterprise grants	15M	0	0	policy in final stage

Table 10 Budget Expenditure Analysis (2016/17)

Name of the Sector	Recurrent (%)	Development (%)
County Assembly Services	14.0	10.0
County Executive	14.6	18.3
Finance And Economic Planning	11.5	16.5
Lands, Urban Planning, Roads, Housing, And Public Works	2.3	9.2
Agriculture, Livestock and fisheries Development	5.5	7.7
Cohesion, Intergovernmental Relations, Aid Coordination, Disaster	2.3	2.0
Education, Vocational training, Youth, Sports And Gender	5.1	5.7
Tourism, Culture And Social Services trade, Industrialization, Cooperative And Enterprises Development	5.5	3.5
Public Service Management and ICT	2.7	1.3
Water, Irrigation, Energy, Environment And Natural Resources	3.4	8.6
Health Services	32.7	12.2
Town Administrator	0.4	5.1
Total Voted Expenditure ... Kshs.	**100.0**	**100.0**

3.0 Implication of 2016/2017 Fiscal Performance on Financial Objectives

The fiscal performance in the Financial Year 2017/16 is not in line with the outcomes in Financial Year 2016/17; as such it affected the financial objectives set out in the February 2016 CFSP and the Budget for Financial Year 2016/17 in the following ways:

a) The macroeconomic assumptions underpinning the 2016/17 budget and the medium term period was slower than the envisaged real County Gross Domestic Product (GDP) growth and the significant increase in inflation rate;

b) The base for revenue and expenditure projections changed, implying the need for adjustment in the fiscal aggregates for the current budget and the medium-term to reflect revisions in the macroeconomic projections as well as revenue performance for the first quarter of Financial Year 2017/18; and

c) The pace of execution of the budget by sectors was awful as a result of capacity gaps due to sectors not adhering to budget provisions.

The baseline ceilings for departmental spending will be adjusted in line with the revised resource envelope under the updated macro framework in the 2016 CFSP and aligning of the revised county budget resource envelop to the County Revenue Allocation Bill 2016. In addition the revisions will take into account the performance in project execution in the Financial Year 2016/17 budget by County Departments and any identified one-off expenditures in the Financial Year 2016/17. The County Government will not deviate from the fiscal responsibility principles, but will make appropriate modification to the financial objectives to be contained in the County Fiscal Strategy Paper 2017 to reflect the changing fiscal environment.

Overall revenue collection in Financial Year 2016/17 was lower than projected, reflecting mainly lower-than-expected revenues realized. In this respect therefore, the fiscal outlook will focus on reforming the local revenue systems to enhance revenue yields, promote compliance, modernizing, simplifying County revenue tax laws through the revision finance act; and facilitate private sector growth and development. These reforms will lock in predictability and enhance compliance with the County revenue source systems.

Fiscal Responsibility Principles

The County Government has adhered to the fiscal responsibility principles as set out in the statutes as follows:

a. The County Government's development as a percent of total revised budget was 38.16 percent in Financial Year 2016/17 and is set to continue stabilizing above the 30 percent minimum threshold set out in the PFM law over the medium term period
b. The law further requires that regulations shall be developed to set a ratio of County Government expenditures on wages and benefits for public officers to County Government revenue that shall not be exceeded. In the meantime, County Government needs to put in place measures aimed at containing the ever rising wage bill.
c. The deviations, in the revision in revenues and expenditures are due to the macroeconomic assumptions contained in this CBROP, which will be firmed up in the context of the 2017 CFSP. The Government will not deviate from the fiscal responsibility principles, but will make appropriate modifications to the financial objectives contained in the latest CFSP to reflect the changed circumstances.

As the County remains vulnerable to risks such as weather-related shocks and potential volatility in capital flows, we shall focus policies on the following priorities so as to help strengthen resilience and support sustained growth:

a) Scaling up infrastructure investment in areas of road maintenance value addition in the livestock sub sector, water and mitigation of weather related vulnerabilities, given our high dependence on rain-fed agriculture. Efforts to mobilize domestic revenue will be enhanced to fund these priorities
b) Strengthening capacity-building in public financial management to ensure that the high expectations linked to devolution are met.
c) Effective natural resource management of County resources e.g. game parks, conservancies. A sound fiscal framework, including transparent management rules and the full integration of these resources into the budget will be done in order to fully realize this potential.

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4.0 RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

A. Overview

2. The County's performance is largely dependent on the formulation and implementation of prudent policies to guide service delivery. Further, the performance depends highly on the county's economic performance. Generally, the county operated under unstable macroeconomic environment especially on tourism sector which was adversely affected by insecurity concerns. Other challenges that affected development include pressures on recurrent related expenditures due to health personnel CBAs that brought revision of the county budget. But this is projected to improve in the coming years.
3. Going forward, the macroeconomic outlook remains favorable although risks remain. Some of the challenges include among others, insecurity, pressures on expenditures especially recurrent related expenditures, human resource capacity gaps that might disrupt economic activities, natural disasters like drought, floods and diseases, external risks particularly on the uncertainty in the market prices of livestock and agriculture products. The county government will therefore closely monitor the developments and undertake appropriate measures to safeguard macroeconomic stability.
4. The County Government Budget Statement for the fiscal year 2016/2017 highlighted the following priority areas**:**
    a. Promotion of Livestock and Crop Productivity;
    b. Investment in both Surface and Underground water resources;
    c. Provision of Reliable, Adequate and Quality Road Infrastructure Network;
    d. Improvement of Access, Quality and Affordable Health Services;
    e. Promotion of Tourism including opening of new Conservancies and new Game Reserves; and
    f. Investment in Early Childhood Development, Youth and Women Empowerment, and Vocational and Technical Training.
    g. Promoting pro-poor development initiatives, building resilience of the communities to adapt to the adverse effects of climate change
5. The three largest expenditure drivers in the Financial Year 2016/17 are Health Services Finance and Economic Planning, Roads and Public Works; Water and Irrigation; Agriculture Livestock, Veterinary and Fisheries.

6. Isiolo County's economy is however, heavily dependent on livestock production, commerce and tourism products. The County still is faced with acute shortage of health facilities such as dispensaries, clinics and health centers. The County government embarked on a comprehensive and deliberate strategy to improve healthcare by rehabilitation of health facilities, Equipping of the facilities with modern equipments, construction of new health facilities and providing adequate staffing to all health facilities.
7. The need for basic office space for the Sub-County and Ward administration as well as transport facilities has resulted in significant resources being allocated to the administration and public service management department. It is envisaged that dedicating significant resources to this sector will mitigate the critical need to support the operations of the devolved units up to village levels.
8. The County has also significantly invested in the Education sector, with budgetary provisions for construction of ECD classrooms per ward.
9. It is important to note that much consideration has been taken to ensure that the distribution of resources is sensitive to equity, as well as demographic distribution. As a result, both equity and efficiency have been one of the guiding principles in county resource allocations.

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