



KISII COUNTY GOVERNMENT

MWANANCHI GUIDE FY2019/2020

27TH JUNE 2019

BUDGET

The PFM Act, 2012 requires the budget for the government to be publicized. This Mwananchi guide therefore, seeks to disseminate information on the budget for the FY 2019/2020 to all the sectors in the society.

Theme: *Rising to the challenge of our ambitions*

County Government's expenditure for the financial year 2019/20 is **KShs. 12.23 Billion** of which:

- **Kshs. 7.02 billion** for recurrent expenditure for the departments under Executive (includes Personnel Emoluments and Operations and Maintenance),
- **KShs. 4.08 Billion** for development expenditure for the departments under Executive,
- **Kshs. 958.15 million** for the County Assembly recurrent expenditure (includes Personnel Emoluments and Operations and Maintenance) and,
- **Kshs. 180 million** for development expenditure for the County Assembly.

Equitable share Kshs.
7.626 Billion

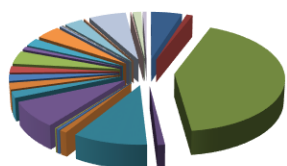
Own Source
Revenue Kshs.
0.5Billion



Conditional Loans
and Grants
Kshs.1.80 Billion

Unspent balances
FY2018/19 Kshs.
2.31 Billion

Source of the 0.5 Billion Own Source Revenue



- Property rates
- Property rates arrears
- Business Permits Current Year
- Plot Transfer Fee
- Miscellaneous income
- Impounding Charges
- Sand, Gravel, and Ballast Extraction Fees
- Quarry Extraction Fees
- County Premises Monthly Rent (Offices, etc.)
- Market Entrance / Gate Fee
- Market Plots Rent

N/B. Conditional Loans and Grants come with spending conditions and are department specific.

Spending priorities as identified by the Fiscal Strategy Paper, 2019 are as follows:

- Water Reticulation,
- Roads Development,
- Healthcare
- Food Security, and,
- Urban development (Kisii Municipality).



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Achievements under the Key priorities in the FY 2018/2019 Budget

The following notable progress has been made on the implementation of the previous budget across the five priority areas:

- To ensure the Kisii residents **Access Water** through water points close to their homes, 9 water schemes were completed while 16 are ongoing. 45 water springs were protected while 9 boreholes were drilled as well. **The County also acquired the drilling rig to ensure reduced costs of drilling boreholes.**
- To enhance **Food Security**, the county initiated 2 fruit processing plants (Banana and Avocado) in collaboration with development partners. The banana factory is at 40% level of completion while the Avocado is estimated at 80%. The projects are implemented in phases and are expected to be complete in FY 2019/20. At the same time, 4,150 farmers in 25 wards were trained on poultry farming and provided with chicks while extension services were extended to 34,000 farmers to improve production levels.
- To strengthen the **Health Systems** and enhance productivity and welfare of the people, nine health facilities were operationalized while Ogembo and Nduru Level 4 hospitals were equipped with diagnostic equipment. Agreements/ protocols for construction of cancer centre were signed while a 250-bed capacity male ward at KTRH and a 50-bed doctors hostel block were completed.
- To ensure adequate and **Efficient Transportation** within the County, 423 km of roads were compacted while 250 were gravelled. 322 km of roads were maintained while 97.5 km of village access roads were opened.
- In **Urban Development**, to ensure proper planning of the urban centres in the county and attract support through development partners, preparation of Urban Development Plans for Ogembo, Kenyena, Mosocho, Nyamarambe and Keumbu were initiated and are expected to be completed FY 2019/20. For enhanced security, street lights were installed in 106 markets across the county while 18km of roads in urban centres were constructed with a drainage system at Keroka completed.

RISING TO THE CHALLENGE OF OUR AMBITIONS-HARNESSING THE ADP 2019

1. Focusing on initiatives that guarantee food security to all Kisii County residents,
2. Mobilizing resources for infrastructure development for accelerated development in the county,
3. Enhancing productivity and welfare of the people through strengthening of health systems in the County,
4. Focusing on initiatives that guarantee access to potable water within the households, and,
5. Proper planning for urban centres for sustainable urban development.



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1. Focusing on initiatives that guarantee food security to all Kisii County residents

The Agriculture sector in the County continues to play a key role towards promotion of food security, poverty reduction and employment creation. In the FY 2019/20, priority will be on:

- i) Generation of farm income and creation of farm and off farm rural employment.
- ii) Intensifying product development
- iii) Enhancing extension services through integrated efforts to improve both crop and animal husbandry
- iv) Intensifying and diversifying livestock production activities

Key allocations for the promotion of food security in agriculture sector in FY 2019/20 include:

- Ksh 96.5Million for Artificial Insemination Programme (AI)
- Ksh 10 Million for local chicken commercialization project
- Ksh 10Million for installation of milk coolers
- Ksh 5Million for completion of Avocado factory (phase 2)
- Ksh 405Million for National Agricultural and Rural Inclusive growth project
- Ksh 13Million for purchase of Aqua-feeds

2. Infrastructure development for accelerated development through creation of jobs and efficient transportation of good and services.

Road Construction

To ease congestion on roads and enhance movement of the County residents and transportation of goods, the following has been allocated:

- Ksh 342 Million for Roads Maintenance Fuel Levy Fund
- Ksh 211 Million for County roads
- Ksh 135 Million for Village roads
- Ksh 180 Million for maintenance of village and County roads

Energy

To ensure access to stable and affordable energy supply, allocations in FY 2019/20 include:

Ksh3Million for Energy Demonstration Centres

Ksh 3Million for transformers for energy reticulation.



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Leveraging on ICT

To further enhance service delivery and open new frontiers for employment creation, **Ksh 107 Million** has been allocated in the FY 2019/20 towards improvement of the County Government ICT infrastructure key among them being:

- Extension of Structure Computer Network and Telecoms Infrastructure
- Deployment and customization of Project Management and Monitoring and Evaluation System
- Development and Implementation of Planning, Budgeting and Public Participation system
- Installation of Blade Servers and virtualization for systems deployment and storage at data center
- Expansion of Communication System and deployment of team collaboration platform

3. Enhancing productivity and welfare of the people through strengthening of health systems in the county.

Priority in health will be as follows:

- Ksh 90 Million for Health systems for universal care,
- Ksh 52 Million for Conditional Allocation for Compensation for User Fee Forgone,
- Ksh 22 Million for DANIDA,
- Ksh 132 Million for Leasing of Medical Equipment ,
- Ksh 330 Million for Kenya Devolution Support Program (KDSP Level II),
- Ksh 515 Million for Conditional Share for Kisii Level 5,
- Ksh 67.5 Million for Infrastructure Development and civil works in Health Centres and Dispensaries,
- Ksh 180 Million for Purchase of medical drugs.

4. Focusing on initiatives that guarantee access to potable water within the households.

The County Government remains committed to the provision of a clean and adequate drinking water for all the county residents. Allocations in FY 2019/20 are as follows:

- Ksh 51.6 Million for construction and rehabilitation of water schemes,
- Ksh 23 Million for construction/drilling of boreholes,
- Kh 104 Million for Spring protection,
- Ksh 9Million for purchase and installation of Two 10M³. storage tanks per ward,
- 23 Million for purchase of Drilling Rig and other equipment.

5. Proper Planning of the urban centres in the County for sustainable urban development



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To ensure that intensive urban growth in the County does not lead to poverty and hindering the County government in rendering services for its entire people, priority has been given in the FY 2019/20 in the following areas for sustainable urban development:

- Ksh 16.3 Million for Integrated Strategic Urban Development Plan-Ogembo Town,
- Ksh 45 Million for street lighting,
- Ksh 7Million for Preparation of physical Development Plans- Masimba, Nyamarambe, Marani, Mosocho,
- Ksh 50 Million for Construction of a fire station,
- Ksh 51 Million for Pedestrian Walk Ways and other Civil works.



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PUBLIC EXPENDITURE TRACKING





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SUMMARY OF PROPOSED REVENUE MEASURES

POLICY AND ADMINISTRATIVE REVENUE RAISING MEASURES

- Make revenue system simpler and fairer through continued modernization and automation of revenue.
- Proper mapping of all revenue streams in each sector of the county so as to determine the potential of each stream upon which targets will be set.
- Strengthening internal revenue administration, control systems and procedures for revenue collection, accounting and reporting.
- New relevant revenue laws while operationalizing the already existing ones.
- Implementation mechanism of gradual elimination of manual receipts.
- Show case trade and investment opportunities in the County to local, regional and international investors while providing mentorship opportunities for our entrepreneurs through interaction with established entrepreneurs.
- Limit the fiscal deficit in order to ensure sustainability of the county debts.
- Pursuance of project financing through public private partnerships.
- Limiting recruitments to critical sectors and undertaking a clean-up of payroll.
- Propose through this budget an intensive and a well-coordinated civic education programme on revenue matters as a way of public participation.

FISCAL MEASURES

- Charges on large cigarette agents/ Dealers to increase by 20% while medium cigarette dealer/agent increase by 12 percent respectively.
- Charges on Beer depots to increase by 33% per year while soda depots to increase by 54%.
- Charges on large general electronic shops and large general merchandize (mali mali) dealers and large footwear dealers to increase by 50%.
- Charges on large cosmetic shops to increase by 43% while charges on Medium cosmetic shops to increase by 50 % and charges on small cosmetics shops to increase by 58%.
- Charges on large and medium executive hair saloons 25% and 30% per year respectively.
- Charges on large glass cutting shops to increase by 50% per year while charges on medium and small shops to increase by 42 percent and 22 percent respectively.



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- Charges on small music stores to increase by 40 percent from KShs. 3,500 to KShs. 4,900 per year.
- Charges on scrap metal dealers to increase by 40% per year.
- Charges on courier and security services to increase by 50%.
- Charges on water bottling plants to increase by 50%.
- Charges on medium and small motor garage premise to be introduced at 20% and KShs. 30% respectively.
- A reduction of 30 % on charges for dealers in new /second hand vehicles.
- A reduction of 50% on charges in large new motor car spare part dealers and 40% and 57% in medium and small scale dealers respectively.
- A reduction of 40% on charges of second hand motor car spares for both large, medium and small scale dealers.
- A reduction of 28% and 12% charges on large and medium scale motorcycle spare part dealers respectively.