

Kerio Center For Community Development and Human Rights

*“Advocating for the people, Advocating with people to empower the people to
advocate on their own”*

**NON-STATE ACTOR’S PARTICIPATION IN PLANNING
AND BUDGETING IN ELGEYO MARAKWET COUNTY
ALTERNATIVE BUDGET PRIORITIES**

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With support from the Center for International Private Enterprise (CIPE)

15

1

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Table of Contents

| | |
|--|----|
| 1. Executive summary | 2 |
| 2. Elgeyo Marakwet County Background information | 3 |
| 3. Summary analysis of main areas of spending, 2014/2015 budget. | 4 |
| 4. Summary Analysis of Budget growth and revenue estimates, 2015/2016 | 5 |
| 4.4. Analysis of approved expenditure and projections and, available resources for allocation for new projects | 6 |
| 4.5. Deficit/Surplus and available resources for allocation to new projects | 6 |
| 5. Areas of concern and recommendations to ensure maximum available resources for new projects | 7 |
| 6. Program Design and Budget transparency | 8 |
| 7. Proposals for Sector and Sub Sector allocations | 9 |
| 8. Conclusion | 17 |
| 9. Annex 1: | 18 |
| 9.1. Sources of information | 18 |
| 10. Annex 2: | 18 |
| 10.1. List of contributing citizen groups | 18 |

1. Executive summary

The budget is governments' most important economic policy tool. Public budgets translate a government's policies, political commitments, and goals into decisions on how much revenue to raise, how it plans to raise it, and how to use these funds to meet the county's competing needs, from bolstering security to [improving health care](#) to [alleviating poverty](#). A budget system that functions well is crucial to developing sustainable fiscal policies and economic growth. In many countries, economic problems are exacerbated by weak budget systems and faulty budget choices. Given its wide-ranging implications for a country's people, the budget should be the subject of significant scrutiny and debate¹.

It is on this note that, Kerio Center and partner organizations with financial support from the Center for International Private Enterprise and technical support from Institute of Economic Affairs (IEA) and International Budget Partnership Kenya wishes to present alternative budget priorities at the Sector level decision making process. Having analyzed the current budget, the CIDP and the economic situation in the County as baseline information that informed the numerous proposals contained in this paper, the same was subjected to public debate to ensure that it aligns to the needs and preference of the people. We are confident that, the proposals reflect the things that the people care most about and would like their government to address.

Brief analysis of the current budget, 2014/2015 indicates that, the projected estimates for the next financial year, 2015/2016 is KES 3.541 billion out of which 3% (KES 120 million) will be financed from local sources while the National transfer through the Equitable Share is estimated to finance the remaining 97% (3.421 billion). As we head to the next financial year, the analysis reveals that, out of the total estimated revenue, KES 3.359 billion is committed to ongoing costs out of which KES 2.117 billion is committed to recurrent expenditure while KES 1.18 billion is committed to ongoing development projects. This indicates that, KES 182 million is available for allocation to new projects in 2015/2016, 5% inflation rate may be taken to account.

The analysis also reveals that, various sub sectors had projected a number of ongoing projects which duplicate existing projects. This requires further clarification from the county. These include construction of administration block for County Assembly and County Headquarters which is projected to be 1 administrative block and 1 County headquarters block in every financial year over the medium term. It is not clear, for example the need for 3 county headquarters or 3 administrative blocks in the assembly are for or whether these are build in stages that stretch over 3 years? These among other such projections could free more resources for allocation to new projects.

¹ <http://internationalbudget.org/getting-started/why-are-budgets-important/>

Our proposal focus is at the sector and sub sector level. We have provided the approved sector estimates for 2014/2015 and propose a change in sector or sub sector funding (increase or decrease in funding) supported with program(s) to justify the decision taken on the same.

2. Elgeyo Marakwet County Background information

- 2.1. According to the CIDP, 57% of the total population lives below the poverty line. The average poverty level is 67% in the lowland while it is 47% in the highlands. This indicates that, people are poor and not working hence minimal economic contribution by the residents and, therefore, for the county to realize its full potential, interventions should be geared towards reducing the poverty levels over the medium term.
- 2.2. Blessed with balanced weather, Agriculture is the main economic activity and source of livelihood support for 76% of the total population. Irrigation supported farming depended upon by 100% of the lowland population which again is about 40% of the total county population through farming and related undertakings and therefore, to explore the full potential of the fertile lowland and reduce the poverty rates especially in lowland where this is very high, irrigation programs and funding should be heightened. In line with this, 90% of the county's workforce is dependent on agricultural undertakings either directly or indirectly. Crop farming, livestock rearing and purchase and selling activity of the products provides employment opportunities for the residents.
- 2.3. The average distance to a health facility is 8km. According to the CIDP, there are six sub county hospitals, Sixteen Health Centers, Ninety Dispensaries, Ten Private Health facilities and one Mission health facility. Average primary health facility visits stands at 23,646 persons per facility including private facilities.
- 2.4. The county's CIDP 2013 – 2018 indicates that, there are 434 ECDE centers with an enrollment of 31,110 with a teacher population of 868 who are purely employed by parents (by the time CIDP was formulated). The teacher to ECDE pupil ratio looks good at 35:1. Research states the importance of early childhood development; Early Childhood Development Education (ECDE) globally and Kenya in particular has been recognized as a crucial program that lays a foundation for a child's holistic and integrated education that meets the cognitive, social, moral, spiritual, emotional, physical and developmental needs², however to justify the need for funding, the education sub sector interventions should focus on improving on the enrolment rates through research and policy formulation in collaboration with National Government. The intervention should include policy that aims to make ECDE a requirement to enter primary education, develop and link the ECDE curriculum to the primary level education otherwise as the low enrollment suggests, it is not a priority that deserve more funding than other programs and sectors.

² <http://www.journalcra.com/article/early-childhood-development-education-kenya-literature-review-current-issues>

2.5. The county currently has a total road network of 1,579.4 km of which 152 km (9.6 percent) is Bitumen (tarmac), 996.2 km is gravel surface (63.1 percent) and 431.2 km is earth (27.3 percent). The county has 2 Airstrips; Tot and Chepsirei, though these airstrips have not been utilized optimally coupled with irregular maintenance. This indicates good road network, most of the bitumen road in the county is a single road passing through to Kabarnet and accessed by minimal percentage of the population who live along this specific road. About 3% of the other bitumen road in the County; Chesongoch to Kapsowar, Eldoret to Kapcherop are yet to be connected to other major tarmac roads to improve the road network to be able benefit the residents. The main roads used to access major amenities such as markets and farm inputs and to connect the residents to major towns are impassable especially during the rainy weather. In order to ensure growth of the local economy, business people and farmers should be able access affordable farm inputs and markets for their produce at reasonable cost of transport and therefore, a balance between planning and budgeting of services sectors and enablers should be considered.

3. Summary analysis of main areas of spending, 2014/2015 budget

3.1. The total County budget is KES 3.3 billion of which recurrent expenditure takes 58% (1.9 billion) while development accounts for 42% (KES 1.4 billion) of the total budget respectively. However with the National treasury promising to increase the total sharable funding for counties from KES 226.660 billion for the financial year 2014/2015 to KES 258 billion in 2015/2016, the county's budget is expected to grow by a bigger margin. In the 2014/2015, the County received 1.26% (KES 2.853 billion) of total sharable revenues based on the previous revenue sharing formula. The revenue sharing formula is being revised and this together with increased funding for counties, this might have an effect on what share of the equitable share the county will get once it takes effect.

3.2. According to allocation from highest to lowest per sector as a percentage of the total budget, the county has allocated resources to the following sectors;

3.2.1. Health services sector has been allocated 27.2% (KES 895.2 million) of total budget.

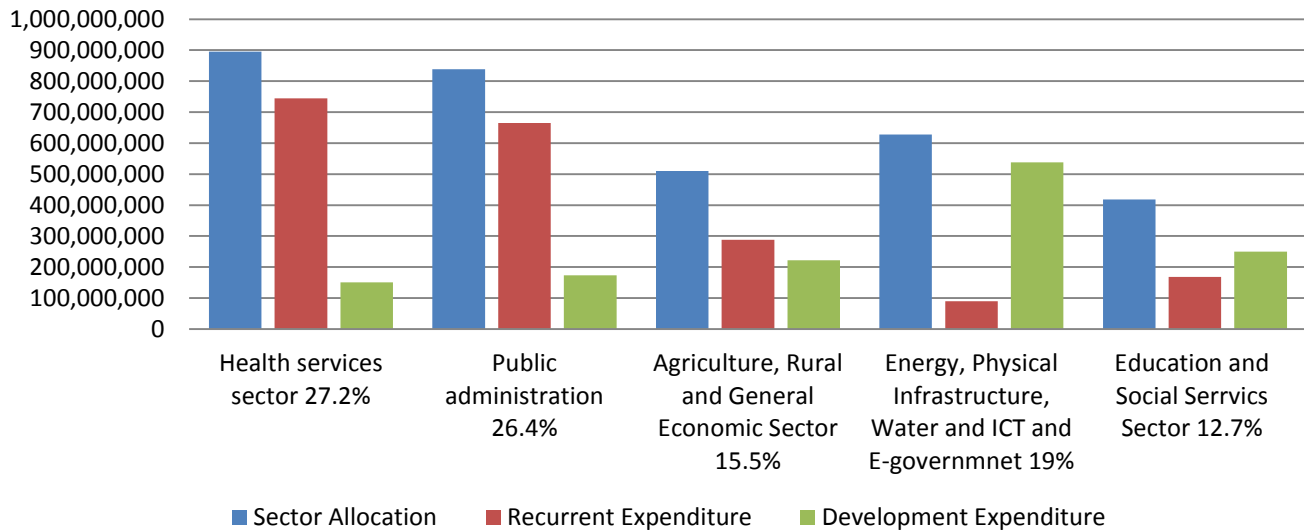
3.2.2. Public administration sector has been allocated 25.4% (KES 838 million) of the total budget.

3.2.3. Agriculture, Rural Development, General Economic, commercial and labor affairs sector has been allocated 15.5% (KES 509 million) of the total budget.

3.2.4. Energy & Water, Infrastructure and ICT and E-government sector has been allocated 19% (KES 627.6 million) of the total budget.

3.2.5. Education, Social protection, Culture and recreation sector has been allocated 12.7% (KES 417.6 million) of the total budget.

Analysis of Sector Allocations, 2014/15 financial year



4. Summary Analysis of Budget growth and revenue estimates, 2015/2016

4.1. Using projected estimates for revenue growth for the next financial year 2015/16, the county estimates to collect KES 120 million from local sources while National transfers is estimated to be KES 3.421 billion. This is an increase of 7.7% (KES 253 million) from the 2014/2015 financial year of KES 3.288 billion to KES 3.541 in 2015/2016. However, the draft Budget Policy Statement found on the National Treasury website³ indicates that, Elgeyo Marakwet is expected to receive 1.26% (KES 3.387 billion) of the total equitable share for counties, inclusive of conditional and other grants. This is short by KES 34 million from the county projection but is within acceptable margins. This again is subject to any effects that may result from the ongoing revision of the revenue sharing formula and final confirmed county share upon enactment of the BPS.

4.2. According to projected expenditure and revenue, the total ongoing cost for all sub sectors is estimated at KES 3.359 billion which implies that, available resources for allocation to new projects is estimated to be KES 148 million.

4.3. Fiscal responsibility principles as enshrined in the Public Finance Management Act, 2012 demands that, at least 30% of the County budget should be allocated towards development expenditure over the medium term. In 2014/2015, the county allocated 36% of the total budget to development expenditure and we expect this to increase over time. However, for the purpose of this proposal, we are proposing that, KES 53.28 million out of the available resources should go to development while the remaining 64% (KES 84.72 million) will be spent on recurrent expenditure including transfers to other agencies. If projection of ongoing costs especially for Use of Goods and Services and projects are

³ <http://www.treasury.go.ke/downloads/2015%20DRAFT%20BUDGET%20POLICY%20STATEMENT.pdf>

carefully reviewed by the County treasury, it is likely that, more resources will be freed for allocation to new projects in coming financial year.

4.4. Analysis of approved expenditure and projections and, available resources for allocation for new projects

Table 1: Analysis of ongoing costs, approved estimates, 2014/2015 and projections, 2015/2016

| Item | Change | | | % |
|---------------------------|----------------------|----------------------|-------------------|--------------|
| | 2014/2015 | 2015/2016 | Change | |
| Compensation | 1,466,091,635 | 1,584,938,939 | 118,847,304 | 8.10% |
| Use of Goods and Services | 329,910,710 | 476,409,721 | 146,499,011 | 44.40% |
| Current Transfers | 103,382,814 | 116,066,697 | 12,683,883 | 12.30% |
| Ongoing Development cost | 1,388,528,243 | 1,181,317,293 | -207,210,950 | -15% |
| Total | 3,287,913,402 | 3,358,732,650 | 70,819,248 | 2.20% |

4.4.1. Analysis of recurrent expenditure indicates an increase of 11.5% (KES 218 million) from the 2014/15 approved estimates of KES 1.9 billion out of which;

- Personnel emolument is projected to increase by 8.1% (KES 118.8 million) from 1.47 billion to KES 1.59 billion in 2015/2016.
- Use of goods and services is projected to increase by 44.4% (KES 146.4 million) from KES 330 million to KES 476 million in 2015/2016.
- A recurrent transfer to other agencies is expected to go up 12.3% (KES 12.6 million) from KES 103.6 million in 2014/2015 to KES 116.6 million in 2015/2016.
- Development expenditure is expected reduce by 15%. This implies that KES 207.2 million will be freed for allocation to new projects in 2015/2015.

4.5. Deficit/Surplus and available resources for allocation to new projects

4.5.1.1. The two main sources of budget financing increased tremendously though has been inconsistent. In 2013/14, both equitable share and local revenue is KES 2.451 billion (Equitable share at 2.39 billion and local sources at 61 million) while in 2014/2015, equitable share increased by 25.5 (KES 600 million), local revenue reduced by 4% (9 million) to KES 52 million. This is projected to increase again in 2015/2016; equitable share by 11.8% (338 million) while local revenue will increase by 17.4% (11 million) to KES 63 million. This indicates an average growth of 16.3% since 2013/2014.

4.5.1.2. When inflation rates, which has been maintained at between 5-7% at National level is taken into consideration at average of 6%, the actual growth of budget financing is 9% which translates to an

increase of KES 277.6 million in revenue from KES 2.9 billion (Equitable share KES 2.85 billion and local sources KES 52 million) to KES 3.161 billion in 2015/2016 in 2014/2015, however, the BPS indicates slightly higher figure for equitable share in 2015/2016 at KES 3.191 billion which when added to revenue from other sources, the total projected revenue is KES 3.5 billion.

4.5.1.3. About KES 340 million in the current budget is not likely to be available for allocation in 2015/2016 as it is balance carried forward from 2013/2014; however, other sources of revenue include KES 32 million from AiA, FIF of KES 30 million and KES 18 million from Danida has been factored in as other sources in the projection and therefore, the projected allocable revenues before conditional grants is KES 3.334.

4.5.1.4. The analysis of recurrent expenditure indicates an increase of KES 217 million from 1.9 billion in 2014/2015 to 2.18 billion in 2015/2016 while the cost of ongoing projects is projected at KES 1.181 billion. This implies that, KES 3.358 billion is required for ongoing costs in the 2015/2016 while available resource for allocation is projected at KES 3.334 billion hence overall deficit of KES 24 million.

4.5.1.5. As stated above in the last point in 4.4.1 above, a number of projects are expected to be completed in current financial year hence, out of the total allocation to development in the current financial year, KES 207.2 million will be freed up for allocation to new projects in 2015/2016, however, as it stand, the increase in recurrent eats into this available resources if not carefully reviewed.

4.5.1.6. Conditional grants are projected to be KES 196 million. It is not clear whether there are new allocations through this allocation, however, a few items provided in the BPS 2015 are also provided for in the CARA 2014 which means it is part of the projected revenues, for example KES 44 million for Health Services and KES 85.3 conditional loans and grants. Assuming none of the other provisions in BPS are new, then, available resources for allocation to new projects and strengthen ongoing costs in 2015/16 is KES 149 million

5. Areas of concern and recommendations to ensure maximum available resources for new projects

5.1. The County Treasury should review and seek justification from sub sectors whose recurrent expenditure projections exceeds 10% increase. A few of these under Use of Goods and Services include; County Assembly (41.6% increase), Office of the Governor (42.3% increase), Administration (58% increase), Roads and County Public Service Board (44.4%) while under Compensation to employees; County Assembly (30%).

5.2. Other areas that require attention of the County treasury are capital projects under various sub sectors. Office of the Office of the governor has been allocated KES 76.2 million for the construction of county and Sub County headquarters and Sub county and Ward offices; however, the performance

measure indicates 1 office block as target for the constructions of County Headquarters complex every financial year over the medium at the cost of KES 81.1 million of which KES 28.3 million has been allocated in the current financial year and projected to cost KES 20.5 in 2015/16 and 32.2 in 2016/17 respectively. In the first instance, this means that, the County intends to build one block every year which is not necessarily sensible. If this is allocation for the same project stretched over the medium term, it is justifiable; however, if this is for same full project, then it is duplication and should be reviewed.

5.3. In connection to the above point, physical infrastructure under Program 3 provided in the County Assembly budget indicates allocation of KES 90.2 million for construction of County assembly administration block. This is distributed to 1 administrative block per financial year of which KES 26.2 million has been allocated in the current financial year while KES 29.8 million is projected cost for the same in 2015/16 and KES 34 million in 2016/17 respectively. Again, this should be looked into to ensure that this is not a duplicate allocation; otherwise if this allocation is for implementation of the same project stretched over 3 years, then it may be justifiable.

5.4. On education, KES 85 million has been budgeted for bursaries to benefit 9,300 beneficiaries over the medium term. KES 25 million has been allocated in the current financial year while KES 30 million has been projected to be allocated in the 2015/16/17 respectively. The allocation for bursaries should be gradually reducing and the resources be allocated towards interventions that address long term economic empowerment. This will ensure that, the population is not depend on the Government but instead contribute to the economic growth for example, since the farming is the main economic activity, interventions such as subsidized farm inputs and credit to expand farming should be given emphasis.

6. Program Design and Budget transparency

6.1. The budget provides a summary narrative, however, there are no tangible reasons given for the choices made with respect to priorities. For example, there is no explanation for why we are putting more money on Health Services sector than Agriculture, Rural Development, General Economic, Commercial and Labor affair sector and so forth.

6.2. The budget overview notes performance in the previous year; achievements, challenges and plans to address them. However, the achievements are abstract rather than reporting on actual achievements, for example under Agriculture, among the achievements includes capacity building agricultural officers. It is not clear how many officers were capacity build and what or how this improved farming. It is therefore difficult to use this information to justify the need for funding over the medium term. Another example is irrigation under Water, Irrigation and Environment which has been allocated 7% of the sub sector budget to line 5000 meters of canal. This is viable project, however, to justify the need for funding and to determine whether the funding is sufficient or not to meet the set targets, the current status of such canals should be noted; what percentage of land is currently covered by existing

canals, how many meters/kilometers of canals are needed to cover 100% of arable land in future and so forth. However in cases where this information is provided in the Sector plans or in detail in the CIDP, the budget will just give summary of this in the description of a program, however, for now this is not provided in the budget or in any publicly available document.

6.3. Program design and organization is good. However, it lacks narrative explanation of what is to be achieved and the means of achieving that. Ideally, a program should aim to achieve an objective which dictates the design of the program. An objective should communicate the desired goods and service to be delivered in order to solve a problem or achieve an objective that has not been met in the past, identifying interventions that will be implemented to address the problem, the expected outputs (goods and Services) out of these interventions and finally the resources (financial and personnel) needed for this to happen.

6.4. Except administrative support services, the rest of the programs in each sub sector/department do not have budget line for compensation to employees. Each program having an objective to meet and allocated resources for that requires human resources to convert inputs (finances) into outputs (goods and services). These must be allocated to the respective program rather than accumulate under administrative support program. For example, a Curative health Services program requires health workers, not administrative support staff only, to deliver outputs. It is also important to provide all the resources necessary for delivery of program outputs for readers to be able to determine whether the resources are sufficient for their delivery.

7. Proposals for Sector and Sub Sector allocations

7.1. In the current financial year 2014/2015, Health services sector has been allocated KES 895.2 million representing 27.2% of total budget to deliver on its objective and outputs. In 2015/2016, we are proposing 27% of the total budget to be allocated to health services.

Table 1: Health Services sector proposal

| Health Service Sector | Approved Sector Allocation 2014/2015 | Executive proposed Sector Funding 2015/2016 | Citizen proposed Funding 2015/2016 |
|-----------------------|--------------------------------------|---|------------------------------------|
| | KES 895.2 million (27.2%) | KES 958,637,592 | KES 982 million (28%) |

Notes:

Our proposal for the sector targets reprioritization within sector spending to free resources that will be used to address immediate concerns with the available resources. Our analysis reveals that, over the medium term, the sub sector has allocated substantial amount of resources towards construction of physical infrastructure including refurbishment of health facilities and construction of Medical Training College at Iten. This is a noble investment, however a number of concerns, especially review of the challenges and the benefits that comes with the investment in Training College;

- ✚ First, this is not a county function according to fourth schedule of the constitution. To continue this investment, the County should collaborate with National Government. Part of 1 (15&16) of the fourth schedule states that National government is responsible for Education policy, standards, curricula, examinations and the granting of university charters and Universities, tertiary educational institutions and other institutions of research and higher learning and primary schools, special education, secondary schools and special education institutions. In this case, the role of the County Government should be provision of the space while National Government constructs and equips the facility.
- ✚ Secondly, as compared to other needs such as medical drugs and services, medical training contributes little to solving the immediate challenges facing the public and therefore, is not a priority. There are qualified health workers out there who could be hired and as such, one of the objectives of the Government to invest in medical training college would have been achieved by doing that.
- ✚ The health workforce requires motivation and incentives to encourage greater services delivery; conducive working environment, availability of necessary supplies and equipment are critical incentives for quality and accessible healthcare and these are the issues that the county should be putting efforts on.
- ✚ Third, at the end, the outcome of this investment comes with challenges which are greater than the benefits. The Government will require large amount of resources to hire the graduating health workers trained which implies that, allocation to other programs or departments will be affected.

To better understand the benefits and challenges that comes with this investment, below are a few questions that we may need to answer in order to seek more appropriate interventions to improve healthcare;

- ✚ **Employment for the medical training college graduates:** How many of the graduates will the county hire out of the annual graduates? How many health workers do we have now and, additional annually? It is possible this policy will widen the unemployment gap hence creating crisis in the name of improving healthcare.
- ✚ There is high chance that, the county will not be able to retain these health workers. First, if these health workers are highly qualified, chances are that, they will seek work elsewhere with better pay and working environment, unless the County Government plans to force them to work in the County facilities. If you take for example the situation in Lamu where doctors resigned from work to seek for greener pastures, it is clear indicator that, your health workers may leave at will and therefore, the focus should be put to retaining and motivating the

existing and adding more personnel by hiring not training.

- ✚ On the other hand, if the college is providing substandard education, chances are that, no county or health facility or institution will employ them but again, it doesn't mean that, they will be employed to work in the County; unfortunately it won't serve the purpose as they will not be useful. This again may not help the county address the situation in the health sector.

Here are proposed measures to ensure access to affordable and quality healthcare;

| Program | Allocation 2014/2014 | Executive proposal 2015/2016 | Proposed funding 2015/2016 |
|---|--|---|--|
| P.1 Health Service Delivery Administration Services | 725.9 (81%) | 762,134,248 | 762 (79.4%) |
| P.2 Preventive & Promotive Health Services | 20 (2.2%) | 21,960,000 | 36 (3.75%) |
| P.3 Curative Health Services | 74 (8.2%) | 91,200,000 | 100 (10.5%) |
| P.4 Health care Infrastructure | 56.9 (6.4%) | 64,923,344 | 40 (4.1%) |
| P.5 Health Sector Program Support (DANIDA FUNDS) | 18.4 (2%) | 18,420,000 | 18.4 (1.9%) |
| Remarks: Part of the proposed increase includes additional KES 25.8 million for maternal healthcare as provided for in the 2015 BPS. | | | |
| In addition, in order to facilitate shift of focus from reliance on cure of disease to preventive and promotive measures, funds cut from the refurbishment of health facilities and construction of medical training college will be reallocated to preventive health services for the provision of medicals drugs, equipment and services, however, the shift should be gradual and as such, there should be balance between the preventive and curative programs. | | | |
| The other strategy that the county should consider over the medium is upgrading lower level facilities to higher level to ease access to services at lowest level possible hence reducing the distance to a health facility. | | | |
| Total | 895.2 (27.2 of the total approved estimates, 2014/2015) | 959 | 982 (28% of the total projected revenue, 2015/2016) |

7.2. Public administration sector, comprising of Office of the Governor and Deputy Governor, Administration, County Assembly, County Public Service Board and Finance and economic planning has been allocated KES 838 million representing 25.4% of the total budget in the current financial year. We have the following proposals for the sector in 2015/2016.

Table2: Public Administration sector proposals

| | | | |
|---|--|--|--|
| Public Administration Sector | Approved Sector Allocation 2014/2015 KES 838 million (25.4%) | Executive proposal sector allocation 2015/2016 KES 983,529,244 | Citizen proposed Sector Allocation 2015/2016 KES 770 (22%) |
| Sub sector | Approved Sub sector allocation, 2014/2014 | Executive Proposal Sub Sector, 2015/2016 | Citizen proposed Sub Sector Allocation 2015/2015 |
| County Assembly | 377.4 (45%) | 456 | 400 (51%) |
| Remarks: The budget for Use of Goods and Service has been projected to increase drastically by 28.5%. This should be reduced to 10%. Other areas to be reduced include construction of administrative block. The performance measurement indicates that, 1 administrative block will be constructed every year over the medium term. | | | |
| Office of the Governor | 194.6 (23.2%) | 210 | 176 (23%) |
| Remarks: This is after KES 34.2 million projected for the cost of Governor's residence and headquarters are removed. What is the need for 3 county Headquarters? In addition, Governor's residence has been allocated KES 12 million in 2014/2015. What is the need for the projected KES 13 million in 2015/2016? This does not have targets as well. | | | |
| Finance and economic Planning | 131.1 (15.6%) | 139 | 144 (18.7%) |
| Remarks: The projected estimate for the sub sector is reasonable. | | | |
| Administration | 89.4 (10.6%) | 113 | 98.34 (12.8%) |
| Remarks: The executive proposes an increase of KES 14.16 million above the required 10%, unless there is reasonable justification for this, the county treasury may reconsider this allocation. | | | |
| County Public Service Board | 32.8 (3.9%) | 52 | 36 (4.6%) |
| Remarks: The projected estimate for the sub Sector will go up by 58% equivalent to KES 52 million from 32.8 million which is unreasonable. What is the justification for this increase? Among the contributing factors may include 100% increase in the cost of Coordination of County administrative function program as indicated in the current budget, what is the justification for this? | | | |
| Office of the Deputy Governor | 12.7 (1.5%) | 14 | 13.7 (1.8%) |
| Remarks: The projected estimate for the sub sector is reasonable. | | | |
| Total | 838 (25.4% of the current budget - baseline) | 989 | 770 (22% of the total projected revenue,2015/2016) |

7.3. Agriculture, Rural Development, General Economic, commercial sector comprises of Agriculture, Trade, Tourism and Co-operative Development, Lands, Housing, Physical Planning. In the current financial year 2014/2015, the sector has been allocated KES 509.7 million representing 15.5% of the total budget in the current financial year. In 2015/2016, we have the following proposals;

Table 3: Agriculture, Rural Development and General Economic sector proposals

| Agriculture and General Economic sector | Approved sector Allocation 2014/2015 | Executive proposal Sector funding, 2015/2016 | Citizen proposed funding, 2015/2016 |
|---|--------------------------------------|--|---------------------------------------|
| | KES 509.7 million (15%) | KES 461,893,697 | KES 640 million (18%) |
| Sub sector | 2014/2015 allocation KES (million) | Executive proposal Sub Sector funding, 2015/2016 | Citizen Sub Sector proposal 2015/2016 |
| Agriculture | 286 (56%) | 284 | 380 (59.3%) |
| <p>Remarks: The budget indicates decrease of crop production from KES 94 million in the current financial year to KES 48 million in 2015/2016. The current financial years' allocations indicates that, the Sub Sector is going the right direction to empower farmers and therefore, we are proposing that, the funding for the program be increased from the current approved allocation to high figure in order to expand the support and promotion of various programs such as; Greenhouses from projected KES 5.7 million to KES 10 million, horticulture support from projected KES 850, 000 to 5 million, value addition of agricultural products which has been projected to be reduced from KES 34 million to KES 8.5 million to be maintained at 34 million. Other areas that require funding and intervention include Livestock and Fisheries.</p> <p>Another major area that requires attention is Agricultural extension support services. Our analysis of the budget reveals that, there is no explicit program or funding for the provision of this service for both Livestock and Crop farmers and therefore, we are proposing that, the sub sector designs a program or sub program and allocate KES 20 million to strengthen extension services or if this is currently offered, the program should expand the to reach to more targeted farmers with farming education and technical support.</p> | | | |
| Trade, Tourism and Co-operative | 124 (24.3%) | 107 | 150 (23.4%) |
| <p>Remarks: The CIDP states that there are about 130 cooperative societies in the County, however, the number being supported to undertake various businesses and offer Agricultural support to farmers is minimal. To effectively support value chain linkages and strengthen the cooperative society movement financing, the target number for support should increase. This has been allocated KES 15 million in the current financial year with target of about an average of 15 Cooperative Societies for various categories of services. We are proposing an allocation of KES 40 million with aim of expanding the target number and strengthening the technical support system.</p> | | | |
| Lands, Housing, | 99 (19.4%) | 72 | 110 (17%) |

| | | | |
|---|--|------------|--|
| Physical Planning | | | |
| Remarks: To continue current projects at about 10% increase. | | | |
| Total | 509 (15% of current budget- baseline) | 462 | 640 (18% of the total projected revenue, 2015/2016) |

7.3.1. Energy and Water, Physical Infrastructure and ICT and E-government sector comprising of; water, Irrigation and Environment, Roads, Public Works and Transport and ICT and E-Government has been allocated KES 627.6 representing 19% in the current financial year.

Table 4: Infrastructure sector proposals

| Physical Infrastructure | Approved Sector allocation 2014/2015 | Executive proposal Sector funding , 2015/2016 | Citizen proposed sector funding, 2015/2016 |
|--|--|---|--|
| | KES 627.6 (19%) | KES 622,863,864 | KES 780 (22%) |
| Sub sector | Approved Sub sector allocation 2014/2015 | Executive proposal Sub Sector 2015/2016 | Proposed Sub Sector funding 2015/2015 |
| Roads, Public Works and Transport | 390.4 (62%) | 386 | 420 (53.8%) |
| Remarks: The projected estimate for the sub sector is KES 385.9 million; however, we are proposing a great balance between the enablers of the economic and social growth with economic stimulant sectors. In 2015/2015, we are proposing an increase of 10% of the sub sector funding to upgrade graded roads to tarmac especially in the County headquarters and other major shopping centers. Over the medium term, the focus should be given to continuous gravelling and grading of roads, however, emphasis should be given to upgrading the already graveled and graded roads to bitumen standard. | | | |
| Water, Irrigation and Environment | 181(28.8%) | 204 | 260 (33.3%) |
| Remarks: The projected estimate for the sector is KES 203.9 million. However, the objectives enumerated in the CIDP of 100% increase in the area under cash crops by 2017, increased food security as well as explore the full potential of the lowland ecological zone will not be realized with current allocation of 7% of budget to irrigation initiatives. Interventions should be geared towards expanding land area under irrigated agriculture in 2015/16 and over the medium term and this means that, the funding for irrigation be increased by over 100% from the approved estimates for the current financial year of KES 17 to about 40 million. Area between Tot to Arror and again Rimoi to Biretwa should be covered at least 60% by 2017. | | | |
| ICT and E-government | 56.2 (10%) | 33 | 100 (12.8%) |

Remarks: The BPS 2015 has identified ICT as key enabler for economic transformation. In 2015/2016, National Government is proposing to develop a policy that aims to ensure that, digital technology is utilized in all used of goods and service and therefore the County should ready for the implementation of policy. In 2015/2016, the sub sector funding is projected to reduce to KES 52 million from current KES 56 million while there is no indication that, the county has put in place necessary infrastructure and software to utilize digital technology and a therefore a contrast to national policy direction. We are proposing about 100% increase to fund automation of information management in revenue collection and revenue streams in order to improve efficiency in revenue collection and increase the local revenue from current KES 63 million targets to higher figure. We are also proposing establishment youth empowerment ICT programs to support youth affairs in the Youth and Sports Sub sector among other sectors that provide support to young people. .

| | | | |
|--------------|---|------------|--|
| Total | 627.6 (19% of the current budget - baseline) | 623 | 780 (22% of the total projected revenue, 2015/2016) |
|--------------|---|------------|--|

7.3.2. Education, Social protection, Culture and recreation sector has been allocated KES 417.6 million representing 12.7% of the total budget in 2014/2015. The sector comprises Education and Youth, Sports and Culture sub sectors. The following are proposed allocation for the sector in the coming financial year.

Table 5: Education and Social Services Proposal

| Education and Social Services | Approved Sector allocation 2014/2014 | Executive proposed Sector funding, 2015/2016 | Citizen proposed Sector funding, 2015/2016 |
|-------------------------------|--|--|--|
| | KES 417.6 (12.7%) | KES 304,021,995 | KES 374 (10.6) |
| Sub sector | Approved Sub sector estimates, 2014/2015 | Executive proposal Sub Sector Funding, 2015/2016 | Citizen proposed sub sector funding, 2015/2016 |
| Education | 265 (63.4%) | 217 | 244 (65.6%) |

Remarks: The projected estimates for the sub sector is KES 216.6 million however,we are proposing KES 244.6 million. The justification for this is to increase funding for youth and women empowerment programs from current allocation of KES 2.5 and 9 million respectively to 15 and 15 million. The youth and women have been marginalized all along and part of the devolution objects was to reduce the marginalization gap across various demographics of which these two groups are constituents.

| | | | |
|------------------------|-------|-----------|-------------|
| Youth, Sports, Culture | 152.5 | 87 | 130 (34.5%) |
|------------------------|-------|-----------|-------------|

Remarks: The projected estimate indicates KES 87.1 million for the sub sector in 2015/2016. We are proposing an increase of about 15 million towards improvement of sports facilities in the county in order to promote local talent and create job opportunities for the young people. Other programs whose funding should increase include hiring of more social workers to provide social support to the elderly and support preventive and promotive healthcare measures.

| | | | |
|--|---|--|---|
| Total | 417.6 (12.7% of the current budget - baseline) | 304 | 374 (10.6% of the total projected revenues, 2015/2016) |
| Summary | | | |
| Sector | Approved allocation 2014/2015(million) | Executive proposed funding, 2015/2016 | Citizen proposed funding 2015/2016 |
| Health services sector | 895 | 959 | KES 982 |
| Public Administration Sector | 838 | 984 | KES 770 |
| Sub Sectors under public administration | | | |
| County Assembly | 377.4 (45%) | 456 | 400 (51%) |
| Office of the Governor | 194.6 (23.2%) | 210 | 176 (23%) |
| Finance and economic Planning | 131.1 (15.6%) | 139 | 144 (18.7%) |
| Administration | 89.4 (10.6%) | 113 | 98.34 (12.8%) |
| County Public Service Board | 32.8 (3.9%) | 52 | 36 (4.6%) |
| Office of the Deputy Governor | 12.7 (1.5%) | 14 | 13.7 (1.8%) |
| Agriculture and general economic sector | KES 509.7 million (15%) | 462 | KES 640 million (18%) |
| Sub Sectors under Agriculture and General economic Sector | | | |
| Agriculture | 286 (56%) | 284 | 380 (59.3%) |
| Trade, Tourism and Co-operative | 124 (24.3%) | 107 | 150 (23.4%) |
| Lands, Housing, Physical Planning | 99 (19.4%) | 72 | 110 (17%) |
| Physical Infrastructure sector | KES 627.6 (19%) | 623 | KES 780 (22%) |
| Sub Sectors under physical Infrastructure | | | |
| Roads, Public Works and Transport | 390.4 (62%) | 386 | 420 (53.8%) |

| | | | |
|---|-----------------------|----------------------|-----------------------|
| Water, Irrigation and Environment | 181(28.8%) | 204 | 260 (33.3%) |
| ICT and E-government | 56.2 (10%) | 33 | 100 (12.8%) |
| Education and social services sector | 417.6 (12.7%) | 304 | 374 (10.6) |
| Sub sectors under Education and Social Services. | | | |
| Education | 265 (63.4%) | 217 | 244 (65.6%) |
| Youth, Sports, Culture | 152.5 | 87 | 130 (34.5%) |
| Total | 3.288 billion. | 3.332 billion | 3.546 billion. |
| | | | |

8. Conclusion

8.1. Role of sector proposals in Budgeting

The sector proposals are bids whose purpose is to provide a justification for how a sector will use available resources, but also to argue for more resources. The bid has two components:

- ✚ A plan for using resources given available funding (as set by the ceiling in CBROP)
- ✚ Actual funding needed to realize sector commitments (as if there was no ceiling)

8.2. What the county treasury should look for in the sectors bids

In reviewing the sector bids, the county treasury should consider the following elements alongside any other set guidelines communicated through the August 30, 2014 circular;

- ✚ Linkage of the programs with objectives of the CIDP, vision 2030 and other policies at the County level.
- ✚ Degree to which program address core poverty interventions as stated under pillar III of the sessional paper No.09/11 of 2012: Equity and Poverty Reduction.
- ✚ Degree to which the programs is contributing to the core mandate of the department or the sector
- ✚ Clarity on Outputs and Outcomes of the programs and linkage to program objectives
- ✚ Backward and forward linkage of program to other programs.

9. Annex 1:

9.1. Sources of information

Elgeyo Marakwet County Budget, 2014/2015

Elgeyo Marakwet County Integrated Development Plan, 2013-2017– popular version

10. Annex 2:

10.1. List of contributing citizen groups

| Sn/No | Name | Organization |
|-------|------------------|--|
| 1. | Edwin Ronoh | Keiyo Community Development Trust Fund |
| 2. | Peter Vincent | Logogo CBO |
| 3. | Kenneth Kimaiyo | IIEO CBO |
| 4. | Mercy Kimosop | Nature Kenya |
| 5. | Rchard Cheptarus | North Rift Human Rights Network |
| 6. | Sharon Jepkemoi | Sosurwo Fonds Kenya |
| 7. | Titus K. Koech | CRESENT NGO |
| 8. | Norah Chepkonga | Ong'etie CBO |
| 9. | Marai Biwott | Ogilgei Youth for change |
| 10. | Evans K Lulei | One4Two enterprise |
| 11. | Cecilia Lokira | Student |
| 12. | Lydia Jemutai | Student |
| 13. | Irene Jepchichir | Student |

CONTACT:

All enquiries and questions related to the Alternative Budget Priorities should be directed to;

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