



# **COUNTY GOVERNMENT OF MOMBASA COUNTY TREASURY**

**MEDIUM TERM**

**CITIZENS BUDGET ESTIMATES FISCAL YEAR  
2021/2022- 2023/2024**

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© June 2021

## **1. ECONOMIC ASSUMPTIONS UNDERLYING THE 2021/22 – 2023/24 BUDGET**

### **Underlying Assumptions**

1. The Country and the World at large is going to normalize and recover from the COVID – 19 Pandemic that has led to lockdown in economies.
2. In 2020, the Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and the swift containment measures, which have not only disrupted the normal lives and livelihoods, but also to a greater extent businesses and economic activities. As a result, our economy contracted by 5.7 percent in the second quarter of 2020 from a growth of 4.9 percent in the first quarter in 2020.
3. The economy is therefore estimated to slow down to a growth of around 0.6 percent in 2020 from the earlier projection of 2.6 percent in the 2020 County Budget Review and Outlook Paper (CBROP). Economic growth is projected to recover to 6.4 percent in 2021 due to in part, the lower base effect in 2020. In terms of fiscal years, economic growth is projected to grow by 3.5 percent in FY 2020/21 and further to 6.2 percent over the medium term.
4. The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate that support exports. Year-on-year overall inflation remained within the Government target range of  $5 \pm 2.5$  percent in December 2020 at 5.6 percent from 5.8 percent in December 2019. This lower inflation was mainly supported by a reduction in food prices.
5. The foreign exchange market has been volatile and partly affected by a significant strengthening of the US Dollar in the global markets and uncertainty with regard to the Covid-19 pandemic. Despite this, the current account deficit is estimated to improve to 5.1 percent in 2020 from 5.8 percent in 2019 mainly supported by an improvement in the trade balance.
6. The outbreak and spread of the Covid-19 Pandemic and the ensuing containment measures have devastated global economies. As a result, the global economy is projected to contract by 4.4 percent in 2020 from a growth of 2.8 percent in 2019. This economic outlook is worse than the growth reported during the 2008 - 2009 global financial crisis.
7. The emerging markets and developing economies are also projected to contract by 3.3 percent in 2020 from a growth of 3.7 percent in 2019. All major economies are projected to contract in 2020 except China which is projected to grow by 1.9 percent, a slowdown

from a growth of 6.1 percent in 2019. Growth in the East African Community (EAC) region is estimated to improve to 6.0 percent in 2020 from 5.6 percent in 2019 mostly supported by the stable macroeconomic environment, rebound in agricultural activities on the backdrop of favorable weather conditions, ongoing infrastructure investments, and strong private consumption.

8. The Sub-Saharan African region has not been spared the negative impact of the pandemic with the region projected to contract by 3.0 percent in 2020 from a growth of 3.2 percent in 2019. The largest impact of the crisis on growth has been for tourism-dependent economies, while commodity-exporting countries have also been hit hard. Growth in more diversified economies will slow significantly, but in many cases will still be positive in 2020.
9. Growth in the East African Community (EAC) region is estimated to slow down to 1.0 percent in 2020 compared to a growth of 6.2 percent in 2019. This growth will be supported by positive growths in Kenya, Tanzania and Rwanda. Economic activities in Burundi and Uganda are expected to contract in 2020.
10. Prior to the outbreak of Covid-19 pandemic, Kenya's economy was strong and resilient despite the challenging global environment. The broad-based economic growth for 2018 and 2019 averaged 5.9 percent outperforming the 5.5 percent for the previous 5 years (2013 to 2017) and the average growth rate of 4.7 percent in the period 2008 to 2012.
11. The 2021/2022 Budget is the fourth to be prepared to implement the County Integrated Development Plan 2018-2022 whose vision is to see Mombasa County as a vibrant modern regional commercial hub with a high standard of living for its residents.
12. The policies supporting the 2021/2022 budget estimates aims to entrench fiscal prudence, value for money and delivery of programs to provide high quality services through transformational leadership by ensuring prudent utilization of resources to foster socio-economic development to the residents of Mombasa.

#### **COUNTY PRIORITY AREAS**

13. Prior to the outbreak of Covid-19 pandemic, Kenya's economy was strong and resilient despite the challenging global environment. The broad-based economic growth for 2018 and 2019 averaged 5.9 percent outperforming the 5.5 percent for the previous 5 years (2013 to 2017) and the average growth rate of 4.7 percent in the period 2008 to 2012
14. The overall objective is to realize sustainable, shared and equitable growth that would in return lead to accelerated job creation and improved livelihoods for the citizenry. The actualization of the key priority areas will complement the "Big Four" agenda and is

expected to accelerate and sustain inclusive growth, create opportunities for decent jobs, reduce poverty and income inequality and ensure that we create a healthy and food secure society in which every Kenyan is guaranteed of affordable and decent housing and provide a better future for the Mombasa Citizenry and the Kenyans at large. The focus of the budget 2021/22 and the Medium-Term Plan is;

15. **Enhanced health services:** The Covid -19 pandemic was a wakeup call for Governments to ensure that health services are given utmost priority. In this regard, the County Government of Mombasa strives to achieve Universal Health care and will endeavor to ensure that its citizens have access to the best possible affordable and quality health services by heavily investing in the sector.
16. The County Government has a social protection strategy in place which prioritizes Universal Health Care thus ultimately reducing the out-of-pocket expenditure on health by advocating the enrolment of the citizens into the National Health Insurance fund.
17. The county hosts the Coast General Teaching and Referral Hospital which is the largest referral facility serving the entire coastal region and offers specialized health services. In order to complement this facility, the county has established satellite level 4 hospitals which have been equipped and upgraded so as to improve accessibility to the citizens and the region at large.
18. **Augment accessibility to safe potable water and sustained food security:** Portable water consumed in the County is managed by the Mombasa Water and Sewerage Company (MOWASCO). This entity obtains its main water supply from Mzima Springs in Taita Taveta County, Marere in Kwale County, Sabaki/Baricho in Kilifi County and also Tiwi Boreholes in Kwale County.
19. The projected water demand for the County is 186,000 cubic meters per day while the current supply is at 42,000 cubic meters. The available supply can only meet about 25% of the demand and thus there is need for concerted efforts to address the water deficit. The establishment of desalination plants that will address the shortfall has been prioritized within the county development plans. A large population relies on borehole water that contains a high percentage of fecal contamination and not safe for domestic use.
20. There are 452 shallow wells spread across the entire county, three permanent springs, four water pans found in the remote areas of the county and a number of boreholes operated by private investors, NGOs and local CBO's. These sources are complemented by the pipe water system. The piping system is rehabilitated in phases by the Coast Water

Services Board with the support of the Water and Sanitation Development Project (WSDP) by the World Bank, as it is a capital-intensive project.

21. The County Government has a dedicated department that addresses all matters food security and harnessing of the blue economy. It has aligned its plans and strategies to address food security so as to complement a major component of the big four agenda and to ensure that there is sustainability in food security within the county.
22. **Public and onsite Infrastructure development:** As the county diversifies its economic activities and positions its self to becoming a preferred destination for investors both local and foreign so as to improve the quality of life for its citizens, it will establish onsite infrastructure. This is will stimulate the ailing economy by providing an enabling environment for investment and delivery of services by acting as a catalyst that ensures amongst others a vibrant 24 hours economy and also a preferred worldwide tourist destination.
23. In infrastructure development, the main interventions will be improvement of access roads, drainage, non-motorized transport, beautification and aesthesis of the County. To empower the SMES the county will continue to improve and set up trading infrastructure within the county.
24. The Department of Health continues to strategize and improve the support it offers to the community units which are manned by community health workers so as to address sanitation, hygiene and health issues as well as stepping up the water and sanitation programme compliance in the county.
25. **Sustainable Waste Management Services:** As the County aligns itself to the Green economy which is a global phenomenon, unstructured waste disposal continues to be the leading cause of environmental degradation due to lack of an efficient and effective solid waste management system. Due to the proliferation of illegal dumpsites witnessed within the county with piles of uncollected garbage littering most estates, the county is embarking on putting up structures and mechanisms so as to address the perennial menace.
26. An exponential amount of untreated sewage is being disposed into the Indian Ocean while solid waste is disposed at the Mwakirunge Dumpsites with only 17 per cent of the County being connected to the sanitation and sewerage system at Kipevu Sewerage plant. In this regard, the County Government is currently embarking on solid waste management initiatives with efforts in place to commission landfills that will adhere to

environmental safeguards. The safe disposal of solid and liquid waste will inhibit disposal of raw and untreated waste into our water bodies.

27. **Integrated Quality Education, Gender empowerment, Youth & Sports improvement:** As the County nurtures a globally competitive workforce that will drive economic growth and spur job creation, rehabilitation and improvement of the Technical and Vocational Training Institutions (TVETs) is paramount.
28. To increase enrolment and retention in Early Childhood Education, the County is investing in construction of modern and state of the art ECDEs as well as rehabilitation and equipping of the existing ones. In addition, the County Government continues to issue bursaries for vocational training sponsorship to School leavers, dropouts and the youth in general.
29. The County intends to exploit and tap into the Youth talents by ensuring we have adequate sporting facilities within the County for them nurture their talents. Provision of a revolving fund with the county's budget will empower Women, Youth and Persons living with disabilities so as to improve their standards of living and their quality of life.
30. **Affordable Housing Services and Land management:** Being the smallest County in land mass within the Country, housing and land management has been prioritized so as to provide a dignified, peaceful and stable coexistence of our citizens through planning, land administration and provision of decent, adequate and affordable housing.
31. The County will continue to work closely with the National Government in Planning and issuance of titles in the medium term and also repossession of all grabbed public land. In this regard, the County will take part in surveying, planning and land mapping to ensure investors and the residents are able to benefit from land as a factor of production.
32. In order to compliment the 'Big Four' agenda, the County has a mega program on Social Housing Units which entails Construction of 3,000 social housing units within the County owned dilapidated Estates.

#### **Growth in the economy/GDP**

33. The Covid-19 Pandemic and the resultant containment measures have adversely affected businesses and economic activities. As a result, our economy contracted by 5.7 percent in the second quarter of 2020 from a growth of 4.9 percent in the first quarter of 2020 largely due to significant contractions in the services and industry sub-sectors.
34. Consequently, growth is projected to bounce back to 6.4 percent in 2021 from the projected 0.6 percent in 2020. The stable macroeconomic environment, turn around in

trade as economies recover from Covid-19 Pandemic and expected favorable weather that will support agricultural output will support this growth outlook.

35. In the first six months of the financial year, revenues collection dipped compared to the same period in the last financial year.
36. In the third quarter we expect a rapid increment in the local revenue collection as some of the major revenue streams have continually shown an increment in collection over the past years this can be attributed to the fact that there is a set deadline of the third quarter before accruing penalties.
37. Mombasa County faces a unique distributional challenge in real GCP per capita due to dynamics in real economic activities as well as evolution of population size including internal migration and floating population coupled with the fact that it is deemed entirely an urban county with bare minimal agricultural activities which ultimately has an implication on public service delivery, including a rise in expenditure to deliver essential services.
38. The county continues to heavily invest in public and onsite infrastructure through expansion of roads, rehabilitation of non-motorized transport (NMTs), unclogging and laying out of major sewer lines, installation and maintenance of street lights and high mast lights and opening up of access roads so as to ease the movement of goods and people within the county.
39. The County is continuously investing in setting up and rehabilitating trading centers and markets, revamping and equipping the cess barriers with the ultimate collective objective of creating an enabling environment conducive for a 24-hour economy.
40. The youth in the County constitutes almost a half of the population and to address their myriad of issues and the persistent perennial problem of unemployment, the County has initiated a youth economic and empowerment revolving fund in addition to rehabilitating social halls and playing fields to pave way for talent tapping. Furthermore, the County has deliberately injected funds for talents development and skills upgrading through bursaries.
41. Blue economy being an avenue that has been recognized internationally as a sector that can not only alleviate hunger but improve the standards of living of the citizens, in this regard the County Government is in the forefront to harness and exploit its resources through purchasing of deep-sea fishing vessels and equipment so as to significantly expand fishing and improve productivity.

42. In addition to the above measures, the County Government will continue to complement the development of industrial infrastructure by setting aside a catalyst fund to support the promulgation of the mega Vision 2030 projects such as the Export Processing Zones (EPZs), Special Economic Zones (SEZs) and industrial parks within the county and more specifically the establishment of the Dongo Kundu SEZs.

### **PROJECTED REVENUES AND EXPENDITURE FY 2021/2022**

REVENUE/EXPENDITURE PROJECTIONS	2021/2022 (KSHS.)	PERCENTAGE
National Government Equitable Share	7,567,354,061	52
Conditional Grants	1,966,315,832	14
<b>Total Exchequer Issues</b>	<b>9,533,669,893</b>	<b>67</b>
County Local Sources	4,966,330,107	33
<b>Total Revenue</b>	<b>14,500,000,000</b>	<b>100</b>
<b>Expenditure</b>		
Personnel	5,339,555,958	37
Operations Repair and Maintenance	3,977,943,992	27
Capital Expenditure	5,182,500,050	36
<b>Total Expenditure</b>	<b>14,500,000,000</b>	<b>100</b>
<b>Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>

### Projected FY 2019/2020 -2021/2022 Revenues and Expenditure

REVENUE/EXPENDITURE PROJECTIONS	ACTUAL 2019/2020 (KSHS.)	2020/2021 (KSHS.)	2021/2022 (KSHS.)
<b>Revenues</b>			
National Government Equitable Share	7,057,950,000	7,437,750,000 *	7,567,354,061
Conditional Grants	1,032,493,924	1,944,381,324	1,966,315,832
<b>Total Exchequer Issues</b>	<b>8,090,443,924</b>	<b>9,382,131,324</b>	<b>9,533,669,893</b>
County Local Sources	3,260,008,335	5,252,448,363	4,966,330,107
<b>Total Revenue</b>	<b>11,350,452,259</b>	<b>14,634,579,687</b>	<b>14,500,000,000</b>
<b>Expenditures</b>			
Personnel	4,460,837,110	5,332,449,007	5,339,555,958
Operations Repair and Maintenance	4,385,962,606	4,376,789,099	3,977,943,992
Capital Expenditure	1,891,011,178	4,925,341,581	5,182,500,050
<b>Total Expenditure</b>	<b>10,737,810,894</b>	<b>14,634,579,687</b>	<b>14,500,000,000</b>
<b>Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Source: County Treasury*

## ITEMIZED LOCAL REVENUE PROJECTIONS

2021/2022 REVENUE PROJECTIONS	Revenue Stream	Amount
TRANSPORT AND INFRASTRUCTURE	Road maintenance fees	231,914,493
TRANSPORT AND INFRASTRUCTURE	Advertisement income	120,664,188
TRANSPORT AND INFRASTRUCTURE	Parking fees	579,006,857
TRANSPORT AND INFRASTRUCTURE-Fire brigade & ambulance fees	Fire brigade & ambulance fees	94,572,460
<b>TOTAL REVENUE</b>		<b>1,026,157,998</b>
COUNTY LAND, PLANNING AND HOUSING	Plot rent & related charges	19,358,612
COUNTY LAND, PLANNING AND HOUSING	Development control income	81,927,203
COUNTY LAND, PLANNING AND HOUSING	Structural Submission/Approval Fees	120,000,000
COUNTY LAND PLANNING AND HOUSING	Land rates and related fees	951,242,723
COUNTY LAND PLANNING AND HOUSING	Housing Estates Monthly Rent	29,208,993
COUNTY LAND PLANNING AND HOUSING	Valuation & Survey Fees	40,772,128
<b>TOTAL REVENUE</b>		<b>1,242,509,659</b>
YOUTH GENDER AND SPORTS	Stadium & other Playing Fields	5,000,000
YOUTH GENDER AND SPORTS	Social halls hire	8,400,000
<b>TOTAL REVENUE</b>		<b>13,400,000</b>
COUNTY EXECUTIVE	Legal department fees	1,504,731
COUNTY EXECUTIVE	General enforcement charges	5,630,146
COUNTY EXECUTIVE	Court Fines	30,180,981
<b>TOTAL REVENUE</b>		<b>37,315,859</b>
TRADE, TOURISM & INVESTMENT	Hotel Levy	37,294,404
TRADE, TOURISM & INVESTMENT	Sand, Gravel, and Ballast Extraction Fees	795,448,650
TRADE, TOURISM & INVESTMENT	Market collection	422,431,080
TRADE, TOURISM & INVESTMENT	Business permit fees	590,950,017
<b>TOTAL REVENUE</b>		<b>1,846,124,151</b>
CHILDREN ( Care, Education, Environment)	Registration of Child Care Facilities	9,559,000
<b>TOTAL REVENUE</b>		<b>9,559,000</b>
AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVES	Meat Inspection/Permit	2,300,000
AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVES	Boat Operations	3,700,000
<b>TOTAL REVENUE</b>		<b>6,000,000</b>

2021/2022 REVENUE PROJECTIONS	Revenue Stream	Amount
FINANCE AND ECONOMIC PLANNING	Tender Documents Sale	1,413,164
FINANCE AND ECONOMIC PLANNING	Financial related income	5,850,277
<b>TOTAL REVENUE</b>		<b>7,263,441</b>
COUNTY HEALTH	Clinic cost sharing charges & Other services.	778,000,000
<b>TOTAL REVENUE</b>		<b>778,000,000</b>
	<b>Total Local Revenue</b>	<b>4,966,330,107</b>
FINANCE AND ECONOMIC PLANNING	Equitable share	7,567,354,061
	<b>GRANTS</b>	
FINANCE AND ECONOMIC PLANNING	Kenya Devolution Support Program - Level 2	156,635,628
<b>TOTAL</b>		<b>156,635,628</b>
TRANSPORT AND INFRASTRUCTURE	CA-Fuel levy fund	221,681,742
<b>TOTAL</b>		<b>221,681,742</b>
AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVES	Agriculture Sector Support Program II	23,499,950
<b>TOTAL</b>		<b>23,499,950</b>
EDUCATION	Conditional Allocation for development of Youth Polytechnics	18,906,170
<b>TOTAL</b>		<b>18,906,170</b>
COUNTY HEALTH	CA-User Fees Forgone	23,385,934
COUNTY HEALTH	Level 5 H	388,439,306
COUNTY HEALTH	DANIDA	15,637,875
COUNTY HEALTH	Transforming Health Systems for Universal Care Project (World Bank-IDA)	18,129,227
<b>TOTAL</b>		<b>445,592,342</b>
COUNTY LAND, PLANNING AND HOUSING	World Bank - Kenya Informal Settlement Improvement Project (KISIP)	300,000,000
<b>TOTAL</b>		<b>300,000,000</b>
WATER, SANITATION & NATURAL RESOURCES	World Bank - Water and Sanitation Development Project	800,000,000
<b>TOTAL</b>		<b>800,000,000</b>
<b>SUB TOTAL</b>	<b>Total Grants</b>	<b>1,966,315,832</b>
<b>Total Exchequer Issues</b>	<b>Total Exchequer Issues</b>	<b>9,533,669,893</b>
<b>TOTAL REVENUE</b>	<b>Total Revenue</b>	<b>14,500,000,000</b>

## **2. FISCAL POLICY AND BUDGET FRAMEWORK**

43. The county shall enhance its revenue base with a view to ensuring we increase own source revenue collection and achieve greater efficiency in terms of cost savings from non-crucial expenditure to ensure priority is given to the set priorities.
44. Maintaining a lean workforce will assist in controlling the wage bill. This will create fiscal space for spending on the key county priorities especially in the social sectors and other development programmes. This will further provide adequate room for future countercyclical fiscal policy in the event of a shock.
45. Fiscal consolidation while ensuring that county resources are adequate to promote growth. The County Government is committed to a reduction in the recurrent expenditure to devote more resources to development. At least thirty percent of the total county revenue shall be used in the implementation of development projects.
46. The county will continuously exploit the public private partnerships, with potential local and foreign investors as well as other development partners to aid in the county's development.

## **3. RESOURCE ENVELOPE**

47. The Mombasa County 2021/2022 financial year budget is a balance budget amounting to 14.5 billion; The budget will be financed by the total exchequer issues of Ksh 9.5 billion and county own source revenue of Ksh 5.0 billion. Locally mobilized revenue will finance about 34 percent of the budget in FY 2021/2022.

### **Revenue Projections**

48. The Mombasa County 2021/2022 financial year budget targets total revenue amounting to 14.5 billion; Total exchequer issues of Ksh 9.5 billion; including equitable share of Ksh 7.6 billion, Conditional grants Ksh 1.9 billion and county own source revenue of Ksh 5.0 billion. This performance will be underpinned by the on-going reforms in revenue administration. The revenue directorate will institute stringent measures to expand the revenue base and curb revenue leakages.

### **Expenditure Forecasts**

49. The County Government's expenditure for the FY 2021/2022 will be guided by the Annual Development Plan (September 2020) which outlines the proposed projects that

will be implemented in the FY 2021/2022 in the realization of the CIDP 2018-2022. The total government expenditure is projected to be Ksh.14.5 billion.

### **Recurrent Expenditure**

50. In the 2021/2022 financial year the total recurrent expenditure is estimated to be Ksh 9.3 billion which is a decrease of Ksh 1.3 billion compared to FY 2020/21 which was at Ksh. 10.6 billion. This is attributed to a reduction in the exchequer issues allocation to the county which has necessitated the county to cut the allocation of operation and maintenance cost across all the departments. The recurrent expenditure ceilings for County departments continues to be guided by the funding allocation for goods and services in the previous year budget as the baseline.

### **Development Expenditure**

51. The County Government endeavors to allocate adequate resources towards development outlays to spur and implement priority programs/projects. The County development expenditure for financial year 2021/2022 is projected at Ksh 5.2 billion.

### **Fiscal Balance**

52. The county government will adopt a balanced budget for FY 2021/2022. In the event of an occurrence of a deficit the county government will take prudent measures to reduce appropriations or increase revenues with minimal effects on public service delivery.

## DEPARTMENTAL CEILINGS ANALYSIS: DEVELOPMENT & RECURRENT FY 2021/22

DEPARTMENTS	CONSOLIDATED REVENUE	PERSONNEL	OPERATIONS AND MAINTENANCE	RECURRENT	DEVELOPMENT	TOTAL EXPENDITURE	PERCENT AGE
County Executive		~	356,491,789	356,491,789	30,000,000	386,491,789	2.7
County Assembly		364,754,583	414,499,809	779,254,392	200,000,000	979,254,392	6.8
Public Service Board		64,606,947	65,393,053	130,000,000	20,000,000	150,000,000	1.0
Finance & Economic Planning	14,500,000,000	172,251,157	461,877,393	634,128,550	326,500,050	960,628,600	6.6
Environment, Solid Waste Management and Energy		345,274,748	266,725,252	612,000,000	305,000,000	917,000,000	6.3
Education, Information Technology & MV 2035		271,027,742	324,972,258	596,000,000	431,000,000	1,027,000,000	7.1
Health Services		2,526,383,682	745,404,172	3,271,787,854	370,000,000	3,641,787,854	25.1
Water, Sanitation & Natural Resources		31,682,905	98,317,095	130,000,000	1,100,000,000	1,230,000,000	8.5
Youth, Gender, Sports and Cultural Affairs		104,865,689	295,134,311	400,000,000	500,000,000	900,000,000	6.2
Trade, Tourism & Investment		288,669,719	156,491,056	445,160,775	400,000,000	845,160,775	5.8
Lands, Housing and Physical Planning		121,133,825	151,866,175	273,000,000	480,000,000	753,000,000	5.2
Transport, Infrastructure & Public Works		262,371,190	247,628,810	510,000,000	680,000,000	1,190,000,000	8.2
Agriculture, Fisheries, Livestock and Co-operatives		130,721,109	142,778,841	273,499,950	230,000,000	503,499,950	3.5
Devolution & Public Service Administration		655,812,661	250,363,979	906,176,640	110,000,000	1,016,176,640	7.0
<b>TOTAL</b>		<b>5,299,555,958</b>	<b>3,957,943,992</b>	<b>9,257,499,950</b>	<b>5,182,500,050</b>	<b>14,500,000,000</b>	<b>100</b>
<b>SURPLUS / (DEFICIT)</b>	<b>0</b>						
<b>REVENUE SOURCES</b>							
Local Revenue	4,966,330,107						
Exchequer Issues	9,533,669,893						
<b>TOTAL REVENUE</b>	<b>14,500,000,000</b>						

## DEPARTMENTAL PROGRAMMES

DEPARTMENT	NO	PROGRAMME	ESTIMATES 2021/22	PERCENTAGE
COUNTY ASSEMBLY	P1	General Administration, Planning and Support Services	649,584,071	6.8
	P2	Legislation, Oversight and Representation	329,670,321	
		<b>Total vote:</b>	<b>979,254,392</b>	
COUNTY EXECUTIVE	P1	Governor's Office & Advisory Services	164,624,673	2.7
	P2	Deputy Governor's Affairs & External Relations	67,274,828	
	P3	Cabinet Affairs, Policy Research and Legal Services	107,875,327	
	P4	Cohesion, Integration and Governance Services	27,000,000	
	P5	Strategic Delivery Unit	19,716,961	
		<b>Total vote:</b>	<b>386,491,789</b>	
PUBLIC SERVICE BOARD	P1	General Administration, Planning and Support Services	150,000,000	1.0
		<b>Total vote:</b>	<b>150,000,000</b>	
FINANCE AND ECONOMIC PLANNING	P1	General Administration, Planning and Support Services	849,967,947	6.6
	P2	Financial Management Services	52,650,000	
	P3	Economic Planning and Policy formulation	58,010,653	
		<b>Total vote:</b>	<b>960,628,600</b>	
ENVIRONMENT, WASTE MANAGEMENT AND ENERGY	P1	General Administration, Planning and Support Services	566,234,748	6.3
	P2	Environment Compliance and Enforcement	126,960,000	
	P3	Solid Waste Management	93,327,252	
	P4	Energy	75,239,000	
	P5	Climate Change	55,239,000	
		<b>Total vote:</b>	<b>917,000,000</b>	
EDUCATION, INFORMATION TECHNOLOGY & MV 2035	P1	General Administration, Planning and Support Services	374,068,830	7.1
	P2	Education	189,211,170	
	P3	Childcare	118,170,644	
	P4	Elimu Fund	161,890,000	
	P5	ICT	183,659,356	
		<b>Total vote:</b>	<b>1,027,000,000</b>	
HEALTH SERVICES	P1	General Administration, Planning and Support Services	2,846,758,158	25.1

DEPARTMENT	NO	PROGRAMME	ESTIMATES 2021/22	PERCENTAGE
	P2	Curative and Rehabilitative services	568,657,057	
	P3	Preventive and Promotive Health services	158,249,239	
	P4	Special Programs	68,123,400	
		<b>Total vote:</b>	<b>3,641,787,854</b>	
WATER, SANITATION & NATURAL RESOURCES	P1	General Administration, Planning and Support Services	933,570,000	8.5
	P2	Sanitation Services and Management	41,750,000	
	P3	Water Supply and Management	170,450,000	
	P4	Natural Resources Management	84,230,000	
		<b>Total vote:</b>	<b>1.230,000,000</b>	
YOUTH, GENDER, SPORTS AND CULTURAL AFFAIRS	P1	General Administration, Planning and Support Services	209,000,000	6.2
	P2	Youth Affairs	95,480,000	
	P3	Gender Affairs and Disability Mainstreaming	35,000,000	
	P4	Sports Development	510,000,000	
	P5	Cultural Affairs	30,900,000	
	P6	Public Recreation and Entertainment	19,620,000	
		<b>Total vote:</b>	<b>900,000,000</b>	
TRADE, TOURISM AND INVESTMENT	P1	General Administration, Planning and Support Services	327,085,886	5.8
	P2	Trade Development	163,787,810	
	P3	Ease of Doing Business	22,158,933	
	P4	Development of Tourism	259,023,064	
	P5	Investment Promotion & Products	73,105,082	
		<b>Total vote:</b>	<b>845,160,775</b>	
LANDS, PLANNING, HOUSING AND URBAN RENEWAL	P1	General Administration	211,583,825	5.2
	P2	Land Administration and Valuation	26,566,174	
	P3	Physical Planning	87,650,001	
	P4	Housing Development & Management	90,350,000	
	P5	Urban Renewal	336,850,000	
		<b>Total vote:</b>	<b>753,000,000</b>	
TRANSPORT, INFRASTRUCTURE AND PUBLIC WORKS	P1	General Administration Planning and Support Services	347,494,701	8.2
	P2	Roads Infrastructure Development	576,400,000	
	P3	Transport Planning, Management and Safety	19,750,000	
	P4	County Public Works	40,780,298	
	P5	Mechanical and Electrical Services	69,375,001	
	P6	Safety, Risk Management and Rescue Services	136,200,000	

DEPARTMENT	NO	PROGRAMME	ESTIMATES 2021/22	PERCENTAGE
		<b>Total vote:</b>	<b>1,190,000,000</b>	
<b>AGRICULTURE, FISHERIES LIVESTOCK AND COOPERATIVES</b>	<b>P1</b>	Administrative Services	169,219,199	<b>3.5</b>
	<b>P2</b>	Crops Management	110,398,491	
	<b>P3</b>	Livestock Production	72,656,206	
	<b>P4</b>	Fisheries Development	71,699,045	
	<b>P5</b>	Veterinary Services	53,414,916	
	<b>P6</b>	Cooperatives	26,112,093	
		<b>Total vote:</b>	<b>503,499,950</b>	
<b>DEVOLUTION &amp; PUBLIC SERVICE ADMINISTRATION</b>	P1	General Administration, Planning and Support services	723,058,253	<b>7.0</b>
	P2	Public Service Management	62,909,194	
	P3	County Administration and Decentralized Services	117,972,796	
	P4	County Public Service Reforms and Delivery	24,636,398	
	P5	Compliance and Enforcement	87,600,000	
		<b>Total vote:</b>	<b>1,016,176,640</b>	
<b>TOTAL BUDGET ESTIMATE</b>			<b>14,500,000,000</b>	<b>100</b>

#### 4. Risks to the Economic Outlook

53. Risks from the global economies relate to persistence of the Covid-19 pandemic and required lockdowns, voluntary social distancing and its effect on consumption, the ability of laid off workers securing employment in other sectors, rising operating cost to make work places more hygienic and safer, reconfiguration of disrupted global supply chains, extent of cross-border spill overs occasioned by weaker external demand and funding shortfalls.

54. On the National front, risks will emanate from weaker external demand, reduced tourist arrivals and containment measures due the Covid-19 pandemic. In addition, the economy will continue to be exposed to risks arising from public expenditure pressures, particularly wage related recurrent expenditures and the erratic weather-related shocks that could have negative impact on energy generation and agricultural output leading to higher inflation that could slow down growth.

55. The County will embark on the implementation of the Economic Recovery Strategy to return the economy on a stable growth path. Additionally, the diversified nature of our economy continues to offer resilience to any global challenges.

56. Other than the frequent late disbursement of exchequer issues, the main challenges that continue to be experienced relate to unrealized projected local revenue collection, bloated wage bill and huge pending bills some of which are statutory deductions that accrue huge interests.
57. The high wage bill continues to be a major challenge in the implementation of the budget. Currently in the 2020/21 financial year the personnel emoluments stand at 36% of the overall county budget which is 1% above the statutory requirement of 35%. Despite the fact that the percentage in personnel emoluments seems to have remained at 36%, there is a continuous increase in absolute figures throughout the FYs. The recruitment of key essential staff and the frequent salary increment for various cadres of staff continues to increase the already bloated wage bill. The various collective bargaining agreements (CBAs) to increase salaries and benefits of various officers also continues to threaten the already bloated wage bill.
58. Non timely disbursement of funds by the national government continues to be a challenge as this leads to delay in execution of planned activities of the County thus compromising service delivery.
59. In the medium term, due to revenue shortfalls, the ever-increasing pending bills and a high wage bill, continues to pose a threat of a budget deficit. Systems are being put in place to improve local revenue performance, following revenue collection reforms and moderation in recurrent expenditure, so as to increase the revenue bases and the fiscal position in the medium term.
60. The Government will monitor the above risks and take appropriate measures to safeguard macroeconomic stability including preparation of supplementary budgets to regularize and align any emerging issues.
61. The 2021 Mombasa County Fiscal Strategy Paper identifies the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for Financial Year (FY) 2021/2022 and the Medium Term. The paper covers the following broad areas: review of the fiscal performance of FY 2019/20, the fiscal performance of first half of the FY 2020/2021; highlights of the recent economic developments and economic outlook; broad strategic priorities and policies for FY 2021/2022 as outlined in the Medium-Term Fiscal Framework and in the Mombasa County Integrated Development Plan (CIDP) 2018-2022.
62. The county will continue reorienting expenditure towards those priority programmes outlined in County's Integrated Development Plan 2018-2022 and as identified in public consultative forums. The strategy will thus implement the priority programmes/ projects

as entailed in the draft CIDP 2018-2022. The critical programmes to be implemented are expected to stimulate the County's socio-economic development. The key County proposed priority areas are;

- ✓ Enhanced health services
- ✓ Sustainable waste management services
- ✓ Augment accessibility to safe potable water and sustained food security
- ✓ Integrated Quality Education, Gender empowerment, Youth & Sports improvement
- ✓ Affordable Housing Services and Land management
- ✓ Public and onsite Infrastructure development

63. The fiscal framework for the financial year 2021/22 entails a deliberate effort to continue exercising prudence in public expenditure management with the principal goal of containing fiscal risks, gradually lowering the fiscal deficit, and adopting austerity measures to deter increase of recurrent expenditures in favor of productive capital spending. To achieve this, the Government endeavors to prioritize expenditure in provision of safe potable water, quality health services, modernized education institutions, improved infrastructure, sanitation and waste management, social protection as well as youth and gender empowerment. The overall objective of this is to realize sustainable, shared and equitable growth that would in return lead to accelerated job creation and improved standards of living for the citizenry.

## CONCLUSION

64. The County fiscal policy 2021, aims at increasing own source revenue as well as prudently managing expenditures. The created fiscal space will avail resources to scale up investments in the county's priority areas of Water, Food Security, Health, waste management, Gender empowerment, Youth and Sports development, Education, infrastructure, Lands and housing services.

## 5. BUDGET CALENDAR FOR THE FY 2021/22 MTEF BUDGET PROCESS

ACTIVITY	PFM DEADLINE	RESPONSIBILITY	REFERENCE
Preparation and issuance of a circular setting out guidelines to be followed by all County Government entities in the budget process	30 <sup>th</sup> Aug	CEC Member Finance	Art 128 (2) PFM Act 2012
Preparation and Submission of the County Integrated Development Plan 2018-2022 to the County Assembly for approval	1 <sup>st</sup> Sept	CEC Member, Planning	Art 220, Kenya Constitution 2010, Art 126 (3) PFM Act 2012
Preparation and Submission of the Annual Development Plan to the County Assembly for approval	1 <sup>st</sup> Sept	CEC Member, Planning	Art 220, Kenya Constitution 2010, Art 126 (3) PFM Act 2012
Publication and publicity of ADP	Within 7 days after submission	CEC Member, Planning	Art 126 (4) PFM Act 2012
Preparation and submission of CFSP to county assembly, after approval by executive	28 <sup>th</sup> Feb	County Treasury	Art 117(1) PFM Act 2012
Consideration and approval of CFSP	Within 14 days after submission	County Assembly	Art 117(6) PFM Act 2012
Publication and publicity of CFSP	Within 7 days after submission	County Treasury	Art 117 (8) PFM Act 2012
Preparation and submission of Debt management Strategy	28 <sup>th</sup> Feb	County Treasury	Art 123 (1) PFM Act 2012
Publication and publicity of DMS, submission to CRA and IGBEC	ASPP after submission	CEC Member Finance	Art 123 (3) PFM Act 2012
Submission of budget estimates, supporting documents and all other bills required to implement budget	30 <sup>th</sup> Apr	CEC Member Finance	Art 129 (2) (a) PFM Act 2012
Preparation and submission of County Appropriation Bill to County Assembly	Upon approval of budget estimates	CEC Member Finance	Art 129 (7) PFM Act 2012
Preparation of annual cash flow projection, submission to controller of budget and copies to IGBEC and National Treasury	15 <sup>th</sup> June	County Treasury	Art 127 (1) PFM Act 2012
Appropriation Law passed	30 <sup>th</sup> June	Count Assembly	Art 131 (1) Act 2012
Preparation of County Budget Review and Outlook Paper and submission to County Executive	30 <sup>th</sup> Sept	County Treasury	Art 118 (1) PFM Act 2012
Consideration and approval of CBROP	Within 14 days after submission	County Executive Committee	Art 118 (4) PFM Act 2012
Submission of CBROP to County Assembly	Within 7 days of approval	County Treasury	Art 118 (4) PFM Act 2012
Publication and publicity of CBROP	ASPP	County Treasury	Art 118 (4) PFM Act 2012

## 6. GLOSARRY (BUDGET TERMINOLOGIES)

<b>ADP</b>	Annual Development Plan
<b>CAPEX</b>	Capital Expenditure
<b>CBEF</b>	County Budget and Economic Forum
<b>CIDP</b>	County Integrated Development Plan
<b>CFSP</b>	County Fiscal Strategy Paper
<b>CGM</b>	County Government of Mombasa
<b>COB</b>	Controller of Budget
<b>COVID -19</b>	Corona Virus Disease of 2019
<b>ECDE</b>	Early Childhood Development
<b>FY</b>	Financial Year
<b>ICT</b>	Information Communication Technology
<b>IFMIS</b>	Integrated Financial Management Information System
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTP</b>	Medium Term Plan
<b>PFM</b>	Public Finance Management