

COUNTY GOVERNMENT OF VIHIGA



DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

2024

COUNTY BUDGET REVIEW AND OUTLOOK PAPER
(CBROP)

SEPTEMBER, 2024

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Finance and Economic Planning

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KENYA

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FOREWORD

The 2024 County Budget Review and Outlook Paper (CBROP) has been prepared against a backdrop of stable Global and National economic outlook. Global growth is projected at 3.2 % in 2024 and 3.3 % in 2025. The global outlook reflects economic recovery in China, Euro areas and the UK despite a slowdown in USA and Japan. At the domestic front the Kenya Economy is currently recovering from negative effects of the COVID-19 Pandemic and its ensuing effects, the ongoing conflicts in Eastern Europe and Middle East. These shocks escalated the cost of essential households' goods and commodities including fuel prices and led to depreciation of the Kenya shillings. However, the economy grew by 5.6% up from 4.9% registered in 2022. The growth was mainly driven by a rebound in the agriculture sub-sector which benefitted from favorable weather conditions coupled with the implementation of the subsidized farm input programme.

Similarly, Vihiga County recorded a Gross County Product (GCP) of Kshs 101.8 billion contributing to 0.8 % of the GDP mainly supported by the agricultural sector and Small, Medium and Micro Enterprises. The growth was mainly driven by a rebound in the agricultural sub-sector. During the F/Y 2023/24 the county government implemented policy measures to mitigate the negative measures and structural reforms realization of sustainable and inclusive growth and development as articulated in the CIDP 2023-2027, the Fourth Medium Term Plan (MTP IV) the Bottom-Up Economic transformation Agenda (BETA). Emphasis has been on job creation and poverty reduction; reducing cost of living; up-scale of good governance and accountability systems; transitioning from subsistence to SMART and commercialized agriculture technologies focusing on selected value chains (Dairy, ALVs, banana, Avocado, Leather). In addition, efforts will be on sustaining the gains made in infrastructure development; health and education subsectors; supporting sports and creative economy as well as transforming Medium, Small and Micro Enterprises as espoused in BETA and the 2025/26 ADP.

In the financial year 2025/26 and the Medium-Term Budget, the county government will continue to implement a fiscal consolidation plan designed towards minimizing expenditure recurrent and reducing the stock of pending bills. Emphasis will be on aggressive resource mobilization including policy measures to enhance Public-Private Partnerships and collaboration. To ensure efficiency in sector/departmental spending the county government will institute austerity measures to reign on non-core expenditures. The County Government will further prioritize expenditures within the overall sector ceilings and strategic sector priorities. Finally, taking into account the constrained fiscal environment the government seeks to adopt a zero-based budgeting approach to guide the sector working groups and departments in prioritization and allocation of the scarce resources to projects and programmes in preparation of the FY 2025/26 budget.

Hon. Dr. Jairus Boston Amayi
County Executive Committee Member,
Finance and Economic Planning

ACKNOWLEDGEMENT

The 2024 CBROP has been prepared in accordance with the Public Financial Management Act (PFM A) 2012 and its Regulations. It provides an overview of the fiscal outturns for the FY 2023/24, macroeconomic outlook over the medium term and the Departmental/Sector ceilings for the FY 2025/26 and the Medium-Term Budget. The preparation of the 2024 CBROP was a collaborative and consultative effort that involved County Government Departments and Agencies, the County Budget and Economic Forum (CBEF), the County Assembly and the County Executive.

Many gratitude to H.E the Governor and Deputy Governor for the policy direction that steered the preparation process of the document. The document incorporated valuable inputs, insights and comments from the County Departments. I sincerely thank all the CECMs, Chief Officers, Directors and Heads of various units and the general public for their immense contributions and insights. Finally, acknowledgment goes to the secretariat team from the Directorate of Economic planning, Budget and M & E for coordinating the compilation and finalization of the Paper.

In conclusion it is my hope that the 2024 CBROP will be an important guide to the SWGs in evaluating the planned activities in setting priorities programmes and projects to be funded in the 2025/26 Medium Term Budget.

CPA Keverenge S. Joseph
Chief Officer, Planning, Budget, Monitoring and Evaluation

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Plan
ALV	African Leafy Vegetable
A.I.A	Appropriation in Aid
BETA	Bottom Up Economic Transformation Agenda
CBROP	County Budget Review and Outlook Paper
CBEF	County Budget Economic Forum
CRA	Commission of Revenue Allocation
CIDP	County Integrated Development Plan
CRF	County Revenue Fund
CFSP	County Fiscal Strategy Paper
COVID-19	Corona Virus Disease of 2019
DEV	Development
FY	Financial Year
FIF	Facility Improvement Fund
GCP	Gross County Product
GDP	Gross Domestic Product
Kshs	Kenya Shillings
KMPDC	Kenya Medical Practitioners and Dentist Council
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Programme
N.H.I.F	National Health Insurance Fund
OSR	Own Source Revenue
O&M	Operations and Maintenance
P.E	Personnel Emolument
PFM	Public Finance Management
REC	Recurrent
SACCO	Savings and Credit Cooperatives
SWG	Sector Working Group
VCRH	Vihiga County Referral Hospital
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics

Legal Basis for the Publication of the Budget Review and Outlook Paper

The County Budget Review and Outlook Paper is prepared in accordance with Section 118 of the Public Finance Management Act, 2012. The law states that:

1. The County Treasury shall prepare and submit to -County Executive Committee for approval, by the 30th September in each financial year, a County Budget Review and Outlook Paper, which shall specify:
 - a. The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
 - b. Updated macro-economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper.
 - c. Information on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the County Fiscal Strategy Paper for that financial year.
 - d. The reasons for any deviation from the financial objectives together with proposals to address the deviation and the time estimated to do so.
2. The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.
3. Not later than seven days after the County Budget Review and Outlook Paper has been approved by Cabinet, the County Treasury shall:
 - a. Arrange for the paper to be laid before the County Assembly.
 - b. As soon as practicable after having done so, publish and publicize the paper.

Fiscal Responsibility Principles in the Public Finance Management Act

In line with the Constitution, the Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM law (Section 107) states that:

1. The County government's recurrent expenditure shall not exceed the county government's total revenue.
2. Over the medium term, a minimum of 30% of the county government's budget shall be allocated to the development expenditure.
3. The county government's expenditure on wages and benefits for public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive Committee for finance in regulations and approved by the County Assembly.
4. Over the medium term, the government's borrowing shall be used only for financing development expenditure and not for recurrent expenditure.
5. The county debt shall be maintained at a sustainable level as approved by county assembly.
6. Fiscal risks shall be managed prudently.
7. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in the future.

EXECUTIVE SUMMARY

The County Budget Review and Outlook Paper (CBROP) 2024 has been prepared pursuant to the Public Financial Management Act (PFMA) 2012 and its Regulations. It provides an overview of the County government's fiscal performance for the FY 2023/24, macroeconomic projections as well as the proposed sector ceilings for the FY 2025/26 and the Medium Term Budget. Moreover, the CBROP presents an overview of how actual performance of the financial year 2023/24 affected compliance in the fiscal responsibility principles and financial objectives outlined in the PFMA 2012. Noteworthy, the 2024 CBROP will form the basis for preparation of the 2025 County Fiscal Strategy Paper (CFSP) that will detail the priorities, programmes and projects that the County Government seeks to implement the F/y 2025/26 County Annual Development Plan (C-ADP).

The Budget execution for the period 2023/24 was impeded by challenges that included delayed disbursement of equitable share from the National and declining partners support leading to cash flow problems and associated build-ups of pending bills. As the county government embarks on preparation of the FY 2025/26 Medium Term Budget framework, emphasis will be on expenditure rationalization and proper prioritization to ensure that expenditure goes to impactful programmes with the highest benefits to the citizens. The fiscal discipline principles will be supported by enhanced own source revenue mobilization strategies that shall include; strengthening OSR enforcement and administration; expansion of the revenue streams; leveraging on technology to revolutionize OSR administration; supporting Departments and Agencies to raise A-I-A through services they offer to the public.

To further strengthen cash management and fiscal reporting, in line with the advisory from the National Treasury, the county government seeks to transition from cash to accrual accounting. The accrual accounting will enable the government to account for all its assets and liabilities. Similarly, the county government seeks to roll out end-to-end e-procurement system with the objective of maximizing value for money and increased transparency in procurement.

INTRODUCTION

Objective of the 2024 County Budget Review and Outlook Paper

1. The 2024 CBROP provides a review of the fiscal performance for the financial year 2023/24 including adherence to the objectives and principles outlined in the 2023 County Fiscal Strategy Paper and the PFM Act, 2012. It also provides a basis for the revision of the current budget and the financial policies underpinning the medium-term plan. The 2024 CBROP will form the basis of the development of the 2024 CFSP that will detail programmes and projects for implementation over the medium term as outlined in the CIDP, Governor's manifesto and the Fourth Medium Term Plan (MTP IV 2023-2027).
2. The 2024 CBROP shall specify; details of the actual fiscal performance in the previous year compared to budget appropriation to that year, updated economic financial forecasts with sufficient information to show changes from forecasts in the most recent County Fiscal Strategy Paper and give information on how actual financial performance for the previous financial year may have affected compliance with fiscal responsibility principles, or the financial objective in the County Fiscal Strategy Paper for that financial year
3. The FY 2023/24 closed on a positive note despite challenges in the flow of Equitable Share of revenue that was largely attributed to the challenges in revenue collections and difficulties in raising resources from the domestic market by the national government. Total own revenue collection by the year to June 2024 grew by 12 percent to amount to Kshs. 335M. This performance was above target by 35 million because of increases registered in all taxes.
4. As required by the PFM Act, 2012, the annual budget process aims to improve the efficiency and effectiveness of revenue mobilization and government spending to ensure adequate budgetary funding, rationalization of expenditures and stimulate economic activities. In this regard, this CBROP provides sector ceilings, which will guide the budget preparation process for the FY 2025/26 and the medium term. The sector ceilings are based on the overall resource envelope that is informed by the medium-term macro-fiscal projections as projected by the national treasury presented in Sections III and IV of this document and the county treasury projections in own source revenue presented in Sections IV. Sector ceilings in this CBROP are aligned to the priorities of the Government that are on acceleration of socio-economic transformative programs, enhance value chain and linkage to Bottom-Up Economic Transformation Agenda and other priority programmes outlined in MTP IV of the Vision 2030 and that support mitigation and adaptation of climate change. There may also be risks that may

arise and may not at the moment, be fully accounted for. This will become clear as information is consolidated.

5. The rest of the document is organized as follows: Section II provides a review of the fiscal performance for the FY 2023/24 and its implications on the financial objectives set out in the 2023 CFSP; Section III highlights the recent economic developments and outlook; Section IV presents the proposed resource allocation framework and Section V provides the conclusion.

II. REVIEW OF FISCAL PERFORMANCE FOR THE FY 2023/2024

A. Fiscal Performance for FY 2023/2024

Revenue Performance

6. Total revenue including grants was Ksh 6.22 billion against a budget target of Ksh 6.68 billion recording a total financing to the budget by 93.06 percent. Own Source Revenue performance, including Appropriation in Aid (A-i-A), was Ksh 335.84 million in FY 2023/24 from Ksh 229.85 million in FY 2022/23, representing a growth of 46.11 percent. Own Source Revenue collection was Ksh 335.84 million against a target of Ksh 300.00 million representing 12 percent increase, as shown in table 2.
7. The growth in revenue collection was recorded in all the broad charge categories. However, the performance of equitable share fell short of the target largely attributed to the failure of the National Treasury to disburse June Exchequer on time. The total Grants received was Ksh 764.45 million against a budgeted allocation of Ksh 841.87 million representing 90.80 percent, a difference of 9.20 percent was due to fluctuation in exchange rate. A summary of Revenue Performance is shown in the table 1.

Table 1: A Summary of Revenue Performance

Revenue Source	Allocated Budget (In Kshs)	Actual Receipts(In Kshs)	Actual Receipts as a percentage of the Budget (%)
Opening balance from CRF A/C	270,395,647	270,395,647	100.00
Equitable Share	5,267,026,885	4,845,664,732	92.00
Leasing of Medical Equipment	124,723,404	124,723,404	100.00
DANIDA Grant-Primary Healthcare in Developed Context Programme	22,812,439	17,612,438	77.21
Transforming Health Systems for Universal Care Project-THS-UHC	521	521	100.00
IDA (World Bank) credit (National Agriculture And Rural Inclusive Growth Project) NARIGP	93,531,672	85,423,631	91.33
Provision of Fertilizer Subsidy Programme	97,662,444	97,662,444	100.00
IDA (World Bank) Credit- National Agricultural Value Chain Development Project (NAVCDP)	200,000,000	195,112,952	97.56
Agriculture Sector Development Support Programme - ASDSP II	6,839,704	6,839,704	100.00
Livestock Value Chain Support Project (LVCSP)	14,323,680		-
Treasury Development -(KDSP)	8,442,092	8,442,092	100.00
Kenya Urban Support Programme - UDG Grant	1,194,955	1,194,955	100.00
Village Polytechnic	6,141,234	6,141,234	100.00
Nutrition International	18,529,528	18,529,528	100.00
Climate Change Fund	73,906,087	73,906,087	100.00

Revenue Source	Allocated Budget (In Kshs)	Actual Receipts(In Kshs)	Actual Receipts as a percentage of the Budget (%)
IDA (World Bank) Credit(Financing Locally Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grants	173,765,059	128,859,023	74.16
Own Source Revenue	300,549,454	335,439,785	111.61
TOTAL	6,679,844,805	6,215,948,177	93.06

Source: Vihiga County Treasury

Table 2: Own Source Revenue from July 2023-June 2024

OWN SOURCE REVENUE FROM JULY 2023-JUNE 2024						
S/N O	STREAMS	Q1 TOTALS (In Kshs.)	Q2 TOTALS (In Kshs.)	Q3 TOTALS (In Kshs.)	Q4 TOTALS (In Kshs.)	GRAND TOTAL (In Kshs.)
1	PARKING FEE	1,198,864	1,167,914	1,964,403	1,434,091	5,765,272
2	BUS PARK	7,932,057	6,705,396	6,446,043	5,802,902	26,886,398
3	MARKETS	4,630,115	3,990,233	3,646,102	3,980,105	16,246,555
4	SINGLE BUSINESS PERMITS	2,315,740	975,840	24,074,163	14,149,444	41,515,187
5	SBP APPLICATION	18,500	-	46,000	53,500	118,000
6	CONSERVANCY FEE	331,000	224,000	2,664,000	2,805,500	6,024,500
7	FINES AND PENALTIES	69,386	106,900	132,100	179,500	487,886
8	LAND RATES	532,776	123,807	778,526	834,061	2,269,170
9	STALL RENT	603,350	996,750	1,404,188	2,508,900	5,513,188
10	HOUSE RENT	579,174	568,848	478,787	876,500	2,503,308
11	SANDMURRAM	50,000	300	222,000	355,870	628,170
12	WATER ADM FEES	57,150	6,650	61,900	43,440	169,140
13	PLAN APP AND APPROVAL	725,100	515,200	914,500	715,000	2,869,800
14	PHYSICAL PLANNING	603,500	921,700	1,303,800	-	2,829,000
15	GROUND/SITE RENT	81,336	32,000	171,050	195,020	479,406
16	ADVERTISEMENT	214,200	124,900	648,200	6,303,830	7,291,130
17	WALL & VEHICLE BRANDING	811,600	241,800	6,251,802	215,820	7,521,022
18	LAND BOUNDARY/DISPUTES	84,000	51,000	153,000	8,000	296,000
19	SLAUGHTER MANAGEMENT	243,350	388,290	491,070	496,630	1,619,340
20	STOCK SALES	1,140,140	957,692	913,450	867,310	3,878,592
21	MOTORBIKE STICKERS	1,162,650	1,268,419	1,363,010	1,285,720	5,079,799
22	WEIGHTS & MEASURES	15,500	56,400	195,600	120,500	388,000
23	SIGNAGE/SIGN POSTS	-	-	1,670,700	33,300	1,704,000
24	WAY LEAVE APPLICATION	-	102,000	169,920	25,200	297,120

OWN SOURCE REVENUE FROM JULY 2023-JUNE 2024						
S/N O	STREAMS	Q1 TOTALS (In Kshs.)	Q2 TOTALS (In Kshs.)	Q3 TOTALS (In Kshs.)	Q4 TOTALS (In Kshs.)	GRAND TOTAL (In Kshs.)
25	VETERINARY & FISHERIES	658,840	519,425	368,660	223,240	1,770,165
26	SEARCH FEES	500	2,000	1,000	-	3,500
27	RENOVATION	124,500	68,000	47,500	19,000	259,000
28	BUILDING INSPECTION FEE	316,200	431,000	264,300	-	1,011,500
29	HIRE OF MACHINES	-	77,840	154,560	30,000	262,400
30	FIRE INSPECTION FEE	123,500	15,500	194,000	598,500	931,500
31	SCRUTINY MECHANICAL	124,000	87,000	109,000	151,000	471,000
32	SCRUTINY ELECTRICAL	215,700	146,500	184,000	165,000	711,200
33	LIQUOR LICENCE FEE	1,257,000	638,500	927,000	-	2,822,500
34	NOISE POLLUTION	15,400	8,800	50,350	44,000	118,550
35	TOILET FEES	162,010	153,200	51,850	192,100	559,160
36	HOARDING	-	-	-	-	-
37	CLEARANCE CERTIFICATE FEE	-	-	-	-	-
38	GROUP REGISTRATION	6,000	-	-	2,000	8,000
39	CHANGE OF USER	-	103,500	20,000	10,000	133,500
40	TEA CESS	454,888	5,532,571	666,381	660,147	7,313,986
43	VIHIGA FM RECEIPTS	28,910	37,000	249,400	1,196,004	1,511,314
41	MISCELLANEOUS INCOME	771,784	174,102	-	8,000	953,886
	SUB TOTALS	27,658,719	27,520,977	59,452,315	46,589,134	161,221,145
42	N.H.I.F RECEIPTS (A.I.A)	26,496,238	14,406,113	28,777,188	34,786,586	104,466,125
44	HOSPITALS- CASH (A.I.A)	17,119,621	15,250,622	19,495,586	10,240,931	62,106,760
45	Unreported revenue from health centres	-			-	
46	PUBLIC HEALTH (A.I.A)	961,730	343,836	1,941,400	855,000	4,101,966
47	LIQUOR LICENCE FEE NEW ACC	-	-	251,000	3,292,790	3,543,790
	SUB TOTALS	44,577,589	30,000,571	50,465,174	49,175,307	174,218,641
	GRAND TOTAL	72,236,308	57,521,548	109,917,489	95,764,441	335,439,785

Source: Vihiga County Treasury

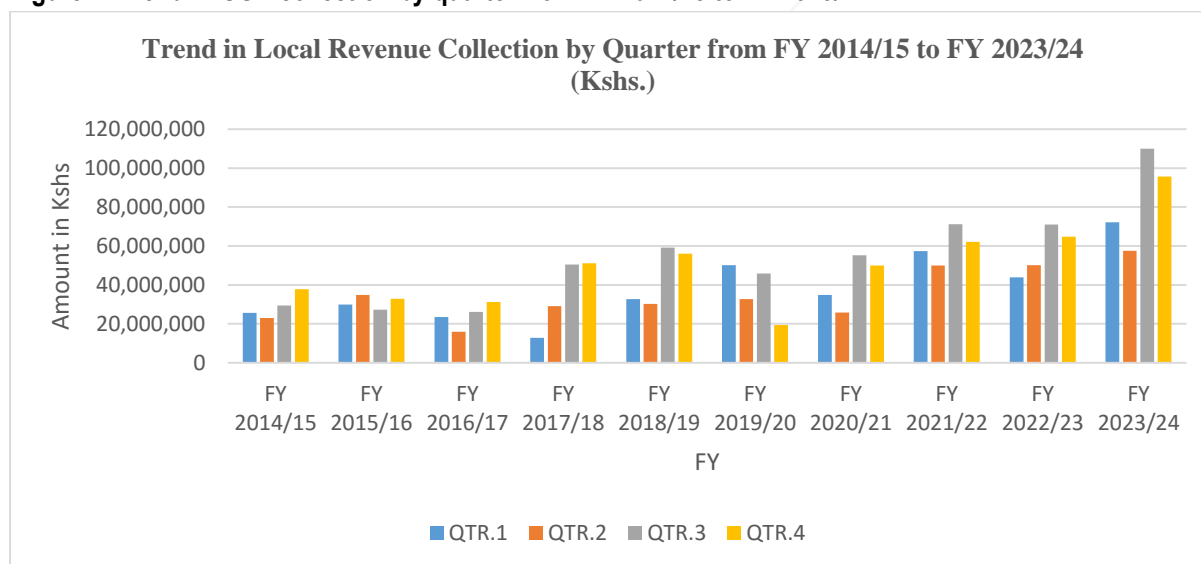
8. The performance of own source revenue in the FY 2023/24 was highest since inception of the county government as shown in table 3. This was attributed to the continuous reforms in own source revenue collection including the automation that was rolled out during the year under review.

Table 3: Own Source Revenue Trend FY 2014/15 to FY 2023/24

PERIOD	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
QTR. 1	25,624,320	29,925,190	23,563,100	12,820,045	32,673,478	50,087,994	34,854,639	57,458,531	43,877,798	72,236,308
QTR. 2	23,095,640	34,891,710	15,954,700	29,069,063	30,214,350	32,738,910	25,811,232	49,983,465	50,133,415	57,521,548
QTR. 3	29,423,870	27,377,470	26,129,400	50,549,434	59,145,673	45,956,975	55,185,886	71,222,296	70,989,412	109,917,489
QTR. 4	37,896,590	32,925,190	31,300,700	51,092,210	56,137,646	19,415,258	50,042,583	62,226,301	64,847,910	95,764,441
TOTALS	116,040,420	125,119,560	96,947,900	143,530,752	178,171,147	148,199,137	165,894,340	240,890,593	229,848,535	335,439,785

Source: Vihiga County Treasury

Figure 1: Trend in OSR collection by quarter from FY 2014/15 to FY 2023/24



Source: Vihiga County Treasury

Expenditure Performance

9. The total expenditure for the period under review amounted to Kshs. 5.35 billion against a budget of Kshs. 6.68 billion as per the approved second supplementary budget FY 2023/24 as shown in table 4. This represented an absorption rate of 80.07 percent. Under absorption was as a result of lower absorption in development budget across most of the sectors.

10. The County Government recurrent expenditure was Kshs.4.21 billion against a recurrent budget of

Kshs. 4.48 billion which represented an absorption rate of 94.08 percent. The below target expenditure in recurrent category was mainly attributed to below target expenditure in operations and Maintenance (O&M).

11. The County Government development expenditure was Kshs.1.14 billion against a development budget of Kshs. 2.20 billion which represented an absorption rate of 51.61 percent. Low absorption was attributed to delayed release of conditional grants due to donor conditionality and also delay in release of funds from the national Government.
12. During the FY 2023/24, The County Government's budgetary allocations for personnel emoluments, operations and maintenance and development was Kshs. 2.89 billion, Kshs. 1.58 billion and Kshs. 2.20 billion respectively. The corresponding expenditures were as follows: personnel emoluments Kshs. 2.80 billion, operations and maintenance Kshs.1.41 billion and development Kshs. 1.14 billion with respective absorption rates been 96.78 percent, 89.15 percent and 51.61 percent.

Table 4: Expenditure by Economic Classification FY 2023/2024

Economic Classification	Budget(In Kshs)	Actual Expenditure(In Kshs)	Performance (%)
PE	2,894,310,403	2,801,041,626	96.78
O&M	1,582,095,787	1,410,407,382	89.15
DEV	2,203,438,615	1,137,273,140	51.61
TOTAL	6,679,844,805	5,348,722,148	80.07

Source: Vihiga County Treasury

13. The Department of Finance and Economic Planning recorded the highest development budget absorption of 86.09 percent whilst the Department of Agriculture, Livestock and Fisheries had the lowest absorption of 21.33 percent. All Departments registered higher absorption rates of their recurrent budgets with expenditure amounting to 80 percent of their allocation as shown in table 5.

Table 5: Expenditure Performance per Department FY 2023/2024

DEPARTMENT	CATEGORY	BUDGET	EXPENDITURE	ABSORPTION
AGRICULTURE, LIVESTOCK AND FISHERIES	REC	169,843,059	141,787,825	83.48
	DEV	483,371,056	103,121,366	21.33
	TOTAL	653,214,115	244,909,191	37.49
PHYSICAL PLANNING, LANDS, HOUSING AND URBAN DEVELOPMENT	REC	109,165,926	97,738,808	89.53
	DEV	110,192,780	91,608,826	83.14
	TOTAL	219,358,706	189,347,634	86.32
TRANSPORT AND INFRASTRUCTURE	REC	98,485,364	88,411,215	89.77
	DEV	432,006,508	331,061,760	76.63
	TOTAL	530,491,872	419,472,975	79.07
COMMERCE , TOURISM AND COOPERATIVES	REC	100,762,130	84,223,078	83.59
	DEV	79,339,097	66,562,080	83.90
	TOTAL	180,101,227	150,785,158	83.72

DEPARTMENT	CATEGORY	BUDGET	EXPENDITURE	ABSORPTION
HEALTH SERVICES	REC	1,389,335,705	1,347,045,670	96.96
	DEV	298,229,542	125,194,646	41.98
	TOTAL	1,687,565,247	1,472,240,316	87.24
EDUCATION & TECHNICAL VOCATIONAL TRAINING	REC	512,366,250	503,836,096	98.34
	DEV	161,252,595	68,943,899	42.76
	TOTAL	673,618,845	572,779,995	85.03
OFFICE OF THE GOVERNOR	REC	241,443,209	218,314,627	90.42
	DEV	-	(3,018,379)	
	TOTAL	241,443,209	215,296,248	89.17
COUNTY ASSEMBLY	REC	720,518,899	660,416,650	91.66
	DEV	15,300,000	14,206,878	92.86
	TOTAL	735,818,899	674,623,528	91.68
FINANCE AND ECONOMIC PLANNING	REC	380,131,595	372,663,620	98.04
	DEV	109,942,092	94,654,405	86.09
	TOTAL	490,073,687	467,318,025	95.36
PUBLIC SERVICE BOARD	REC	71,410,910	57,052,438	79.89
	TOTAL	71,410,910	57,052,438	79.89
PUBLIC SERVICE AND ADMINISTRATION	REC	413,676,622	394,977,718	95.48
	DEV	20,916,685	6,976,646	33.35
	TOTAL	434,593,307	401,954,364	92.49
GENDER, CULTURE, YOUTH, SPORTS AND SOCIAL SERVICES	REC	108,099,880	96,475,661	89.25
	DEV	36,170,480	10,870,295	30.05
	TOTAL	144,270,360	107,345,956	74.41
ENVIRONMENT, WATER, NATURAL RESOURCES AND CLIMATE CHANGE	REC	146,666,641	137,865,017	94.00
	DEV	456,717,780	227,090,718	49.72
	TOTAL	603,384,421	364,955,735	60.48
COUNTY ATTORNEY	REC	14,500,000	10,640,585	73.38
	TOTAL	14,500,000	10,640,585	73.38

Source: Vihiga County Treasury

14. The County Government, however, was not able to absorb all the funds allocated due to the following reasons: Late disbursement of exchequer by the National Treasury for both the equitable share and donor funds; Non-disbursement of the June Exchequer; and Delay in procurement process

Update on Fiscal Performance

15. The Fiscal policy over the medium-term aimed at enhancing revenue mobilization and improving financial management systems at all levels of the County Government. The updated fiscal economic framework is on a positive trajectory, given the improving trends in own source revenue collection through expansion and automation of some revenue streams.

16. Going forward, the County Government will put greater attention in expenditure rationalization to allow more allocation of funds to core services. This will create fiscal space for the implementation of the CIDP 2023-2027, the Governor’s Agenda and “Bottom –Up Economic Transformation Agenda (BETA)”.

Fiscal Responsibility Principles

17. In line with the Constitution, the PFM Act, 2012, the PFM Regulations, and in keeping in line with prudent and transparent management of public resources, the County Government has largely adhered to the fiscal responsibility principles as set out in the statute as follows:

- i. The County Government’s allocation to development expenditures over the medium term has been set above 30 percent of departmental expenditures. In FY 2023/24, the allocation to development in the budget was 32.99 percent of the total expenditures while the actual expenditures were 18.30 percent in Table 6. This performance was below the set threshold on account of failure in full disbursements of conditional grants, failure in completion of undertaken projects and late disbursement of equitable share of revenue.
- ii. The County Government’s share of wages and benefits to the total budget allocation was 43.33 percent of the total budget allocation of Kshs. 6.68 billion. This exceeded the prescribed percentage that stands at 35 percent of the total county’s revenue.
- iii. On the principle of maintaining a reasonable degree of predictability with respect to the level of county revenues, the County Governments Finance Bills have remained stable and predictable. Further, there is continuous effort to reform and automate revenue collection processes to enhance compliance and expand the revenue base.

Table 6: Development Expenditure

DEPARTMENT	CATEGORY	BUDGET	EXPENDITURE	ABSORPTION
AGRICULTURE, LIVESTOCK AND FISHERIES	DEV	483,371,056	103,121,366	21.33
PHYSICAL PLANNING, LANDS, HOUSING AND URBAN DEVELOPMENT	DEV	110,192,780	91,608,826	83.14
TRANSPORT AND INFRASTRUCTURE	DEV	432,006,508	331,061,760	76.63
COMMERCE , TOURISM AND COOPERATIVES	DEV	79,339,097	66,562,080	83.90
HEALTH SERVICES	DEV	298,229,542	125,194,646	41.98
EDUCATION & TECHNICAL VOCATIONAL TRAINING	DEV	161,252,595	68,943,899	42.76

DEPARTMENT	CATEGORY	BUDGET	EXPENDITURE	ABSORPTION
EDUCATION & TECHNICAL VOCATIONAL TRAINING	DEV	-	(3,018,379)	
COUNTY ASSEMBLY	DEV	15,300,000	14,206,878	92.86
FINANCE AND ECONOMIC PLANNING	DEV	109,942,092	94,654,405	86.09
PUBLIC SERVICE AND ADMINISTRATION	DEV	20,916,685	6,976,646	33.35
GENDER, CULTURE, YOUTH, SPORTS AND SOCIAL SERVICES	DEV	36,170,480	10,870,295	30.05
ENVIRONMENT, WATER, NATURAL RESOURCES AND CLIMATE CHANGE	DEV	456,717,780	227,090,718	49.72
	TOTAL	2,203,438,615	1,137,273,140	51.61

Source: Vihiga County Treasury

Pending bills

18. The County Government's Pending Bills stood at Kshs. 1,467,712,151.63 as at 30th June 2023 as shown in table 7.

Table 7: Pending Bills as at 30th June 2023(Opening Balances for FY 2023/24)

Department	Recurrent	Development	Historical Pending Bills	Litigation	Total
Health Services	102,687,005.45	8,594,104.94	30,824,625.00	-	142,105,735.39
Education and Technical Vocational Training	9,826,755.00	66,232,950.00	12,297,805.40	-	88,357,510.40
Agriculture, Livestock and Fisheries	15,455,573.00	15,909,585.90	9,086,523.00	-	40,451,681.90
Public Service Board	6,519,669.00	-	-	-	6,519,669.00
Environment, Water, Natural Resources and Climate Change	23,867,475.00	74,199,882.05	-	-	98,067,357.05
Physical Planning, Lands, Housing and Urban Development	6,370,095.00	5,609,477.80	222,134.00	-	12,201,706.80
Gender, Youth, Sports, Culture and Social Services	4,037,275.00	1,946,200.00	1,333,955.00	-	7,317,430.00
Public Service and Administration	72,687,609.22	3,016,735.27	12,777,022.00	-	88,481,366.49
Transport and Infrastructure	5,754,999.02	231,197,442.70	25,091,808.00	-	262,044,249.72

Department	Recurrent	Development	Historical Pending Bills	Litigation	Total
Commerce, Tourism and Cooperatives	15,905,762.36	21,292,683.41	14,314,989.00	-	51,513,434.77
Finance and Economic Planning	16,515,933.00	197,484,387.53	175,842,007.82	-	389,842,328.35
County Attorney		-	-	262,062,501.76	262,062,501.76
Office of the Governor	-	-	18,747,180.00	-	18,747,180.00
TOTAL	279,628,151.05	625,483,449.60	300,538,049.22	262,062,501.76	1,467,712,151.63

Source: Vihiga County Treasury

19. During the year under review, the County Government allocated a total of Ksh. 561,113,130, which comprised of Ksh. 174,929,719 for recurrent pending bills and Ksh. 386,183,411 as development pending bills as shown in table 8.

Table 8: Pending Bills Allocation FY 2023/2024

VOTE	VOTE TITLE	RECURRENT	DEVELOPMENT	TOTALS
1	Office of The Governor	18,932,723	0	18,932,723
2	Finance and Economic Planning.	16,605,933	100,000,000	116,605,933
3	Agriculture, Livestock & Fisheries	15,455,573	15,909,586	31,365,159
4	Health Services	29,254,127	8,594,105	37,848,232
5	Education & Technical Vocational Training	10,000,000	31,264,438	41,264,438
6	Gender, Culture, Youth, Sports and Social Services	4,661,215	1,946,200	6,607,415
7	Commerce, Tourism and Cooperatives.	23,005,054	21,292,683	44,297,737
8	County Public Service Board	6,519,669	0	6,519,669
9	Environment, Water, Natural Resources and Climate Change	3,439,064	30,000,000	33,439,064
10	Transport & Infrastructure	8,754,999	168,550,186	177,305,185
11	Physical Planning, Lands, Housing & Urban Development	6,370,095	5,609,478	11,979,573
13	Publi Service & Administration	31,931,267	3,016,735	34,948,002
	Total County Expenditure	174,929,719	386,183,411	561,113,130

Source: Vihiga County Treasury

20. As at 30th June 2024, the total pending bill payments for the year under review stood at Ksh. 539,465,286.14, which comprised of a recurrent pending bill payment of Ksh. 95,617,820.43 and Development Pending bill payments of Ksh. 351,040,641.71. Historical pending bills payments amounted to Ksh. 61,376,387. Payments towards pending bills related litigations amounted to Ksh. 31,430,437. The above details are represented in table 9.

Table 9: Pending Bills Payment FY 2023/2024

DEPARTMENT	Recurrent	Development	Historical Pending Bills	LITIGATION	TOTAL
Health Services	17,459,268.05	6,375,694.00	1,143,940.00		24,978,902.05
Education and Technical Vocational Training	2,078,500.00	17,487,401.00	3,055,448.00		22,621,349.00
Agriculture, Livestock and Fisheries	11,568,148.00	15,766,361.90	4,958,835.00		32,293,344.90
Public Service Board	4,713,389.00	-	-		4,713,389.00
Environment, Water, Natural Resources and Climate Change	7,688,872.00	35,121,694.55	-		42,810,566.55
Physical Planning, Lands, Housing and Urban Development	2,248,754.00	5,381,178.80	222,134.00		7,852,066.80
Gender, Youth, Sports, Culture and Social Services	843,940.00	1,946,200.00	-		2,790,140.00
Public Service and Administration	28,575,507.00	-	-		28,575,507.00
Transport and Infrastructure	2,192,023.02	170,591,478.19	-		172,783,501.21
Commerce, Tourism and Cooperatives	6,023,159.36	14,545,963.48	-		20,569,122.84
Finance and Economic Planning	12,226,260.00	83,824,669.79	49,180,545.00		145,231,474.79
County Attorney			-	31,430,437.00	31,430,437.00
Office of the Governor			2,815,485.00		2,815,485.00
TOTAL	95,617,820.43	351,040,641.71	61,376,387.00	31,430,437.00	539,465,286.14

Source: Vihiga County Treasury

Pending bills accrued during the operations of the FY 2023/24 are undergoing a final analysis stage and will be budgeted for during the first supplementary Budget FY 2024/25.

Up-dates on Sector/Departmental Performance in the FY 2023/2024

Agriculture, Livestock and Fisheries

21. The department had a budgetary allocation of Kshs. 169.84 million on recurrent and Kshs 483.37 million on development. The department incurred an expenditure performance of Kshs 141.79 million and Kshs 103.12 million representing an absorption of 83.48 percent and 21.33 percent on recurrent and development respectively.
22. The expenditure was geared towards the realization of the key objectives of the agriculture sector

including food and nutrition security and equity; increasing agricultural production and productivity and income growth especially among smallholders; commercialization and intensification of selected value chains.

23. Key activities and output realized include; expansion of enabling infrastructure that include fencing and construction of ablution blocks at the proposed Musinaka Agriculture Training and Innovation Centre, drilling and equipping of a borehole at Serem Slaughter house, construction of a banana aggregation centre in Banja ward.. others were commercialization of ALVs and Avocado through training of farmers and issuance of assorted seeds to 3000 ALV and 6000 Avocado farmers; conducted 75 on farm demonstrations on Soil fertility management; mass livestock vaccination of 47,915 animals and enhanced disease surveillance, 12 Livestock disease surveillance activities; supply of 18 in-calf heifers to dairy farmers groups; commercialization of local poultry and supply of 4,000 improved local poultry chicks to farmers

Physical Planning, Lands, Housing and Urban Development

24. During the period under review, the department had a budgetary allocation of Kshs. 109.17 million on recurrent and Kshs 110.19 million on development. The department incurred an expenditure performance of Kshs 97.74 million and Kshs 91.61 million representing an absorption of 89.53 percent and 83.14 percent on recurrent and development respectively.
25. The expenditure was to finance key programs and projects aimed at realizing the broad sub-sector goals of strengthening land use systems and ensure rational spatial planning for sustainable land use and management that guarantees orderly development of social amenities and housing for sustainable development.
26. Key achievements realized include; Commenced the preparation of a 10-year County Spatial Plan to guide future development and land use; Prepared the 2023-2027 Departmental Strategic Plan; Risk Management Strategy, and Asset Management Policy 2024; construction of a wetland and bio-digester system in Mbale, behind Mbale Prisons, for improved waste management and environmental sustainability; Conducted surveys in two informal settlements; Mji wa Ajabu in Serem and Mjini in Mbale, as part of the Kenya Informal Settlements Improvement Project (KISIP II); in collaboration with the State Department of Housing and Development undertook a reconnaissance survey aimed at establishing affordable housing program at Lunyerere and Kaimosi University (for student hostels) and completed the construction of the Governor and Deputy Governor residence including a perimeter wall around these residences for enhanced security and privacy. Other key activities undertaken were the reconstituting and gazetted Vihiga Municipal Board and appointment of a Municipal Manager; Prepared the County Urban Institutional Development Strategy (CUIDS) and Commenced the preparation of the Vihiga Municipality Board Strategic Plan.

Transport and Infrastructure

27. During the period under review, the department had a budgetary allocation of Kshs. 98.49 million on recurrent and Kshs 432.00 million on development. The department incurred an expenditure performance of Kshs 88.41 million and Kshs 331.06 million representing an absorption of 89.77 percent and 76.63 percent on recurrent and development respectively.
28. The broad objective of the sub-sector expenditure was to facilitate the provision of adequate and reliable physical infrastructure systems including well maintained road network necessary to increase the county's combativeness.
29. Key activities and output realized during the f/y 2023/24 include; Expansion, maintenance and rehabilitation of 203 km access roads across the county; Construction of 5 No. Bridges, box culverts and river crossings to improve intra county connectivity; maintenance of 10 no. High masts, floodlights and solar streetlights in various market centers and recruitment of 9 technical personnel to strengthen the human resource capacity.

Commerce, Tourism and Cooperatives

30. During the period under review, the department had a budgetary allocation of Kshs. 100.76 million on recurrent and Kshs 79.34 million on development. The department incurred an expenditure performance of Kshs 84.22 million and Kshs 66.57 million representing an absorption of 83.58 percent and 83.9 percent on recurrent and development respectively.
31. The expenditure was geared towards the realization of the broad sector goals of promoting economic efficiency and growth. Accordingly, during the f/y 2023/24 the sector department implemented various activities, programs and projects critical in providing the enabling environment for accelerating investments, industrial development and growth of MSMEs, and revitalization of domestic tourism.
32. Key achievements during the period under review included; Facilitated the acquisition of the land and commencement of the construction of County Aggregation and Industrial Park (CAIP) at Luanda.; Floated Expression of interest for the development of Granite factory in West Bunyore in collaboration with State Department for Mining ; upgraded Luanda market to enhance business environment for traders ; constructed and Installed Six (6) High mast and Flood lights (Essongolo market, stage matope, Nabwani Primary School & tea collection Centres, Chamakanga, Magada and Jebrock market) ; Constructed Seventeen (17) Boda sheds (Magada stage, Esiamatate, Esibila, Esikhuyu

stage,2-Wangulu-Kisatiru stage, Mbale junction, Lunyere, Munoywa, Nadanya, Muhaya stage, Chandumba, Chavakali junction, Kegondi, Chavakali high school and 2-Mwichio stage). Others were the department realized Kshs. 89,766,785 in own source revenue against a target of Kshs. 67,472,877.00; enhanced mobilization of deposits of Kshs. 34.1 Million in the year 2023/2024 in cooperatives; Supported 20 Agricultural based SACCOs with inclusion grant of Kshs. 16,000,000 each SACCO receiving Kshs. 800,000 and construction of the Vihiga Dairy and Sabatia Banana processing plants

Health Services

33. During the period under review, the department had a budgetary allocation of Kshs. 1,389.33 billion on recurrent and Kshs 298.23 million on development. The department incurred an expenditure performance of Kshs 1,347.05 billion and Kshs 125.20 million representing an absorption of 96.96 percent and 41.98 percent on recurrent and development respectively.
34. The expenditure was aimed at financing key programmes and projects geared towards the realization of the sub-sector objectives of ensuring access to high quality and affordable healthcare delivery services to all, protection of the residence from financial risks associated with ill-health and strengthening the responsiveness of health delivery systems in the county.
35. Key activities and outputs and activities undertaken include; expansion of health infrastructure including the completion of the modern funeral home at County referral hospital, continued construction of Hospital Plaza at VCRH (95%), completion of Givigoi, Mulele and Ekamanji dispensaries (Phase one and Jebrongo dispensaries; Renovation and installation of equipment at Emusire Sub-County Hospital Mortuary.; Conducted mass net campaign in which 446,076 long lasting Insecticide Nets (LLIN) were distributed to HHs achieving net coverage of 98.6%. 15,162 (96.4%) under-1 children were also provided with Long Lasting Insecticide Treated Nets (LLITNs); established M&E and research Unit, recruited M&E officer and additional critical health personnel; undertook campaigns on households enrollment in health insurance programme with enrolments in NHIF increasing from 18,000 in 2021/22 to 25,000 in 2023/24.

Education and Technical Vocational Training

36. During the period under review, the department had a budgetary allocation of Kshs. 512.37 million on recurrent and Kshs 161.25 million on development. The department incurred an expenditure performance of Kshs 503.84 million and Kshs 68.94 million representing an absorption of 98.33 percent and 42.76 percent on recurrent and development respectively.
37. The sector is critical in the provision of knowledge, skills and training necessary in attainment of socio-economic development. Accordingly, hence, the expenditure objectives were to finance programmes, activities and education infrastructural development aimed at realization of increased access, equity, quality and relevance of holistic preprimary education and daycare services as well as provision of relevant education, training and market-oriented life-skills for a competitive and sustained economic development in the county.
38. Key outputs realized during the f/y 2023/24 include; Completed construction of 34 ECDE classrooms. Equipping of 11 VTCs with teaching and learning tools and 10 ECDE centres with child friendly chairs for better learning environment; increased capitation where beneficiary trainees in various VTCs totaling 483; Piloted on digital literacy in 50 ECDE centres in collaborated with Futures Infinite ; piloted school feeding and nutrition programme in 42 ECDE centres in collaborated with SOFDI ; Partnered with Stanbic bank working with Generation Kenya, American Towers Corporation (ATC), Master Card and Microsoft Kenya in training 20 ToTs on instructors of ICT in VTCs on digital skills; others were increased Governor's scholarship beneficiaries from 153 in 2022/23 to 160 in 2023/24 and disbursement of Kshs.100 million to beneficiaries of bursaries with each ward receiving Kshs. 4 million and support on co-curricular activities by supporting both ECDE and VTCs in drama, film and music festivals up to National level.

Office of the Governor

39. During the period under review, the department had a budgetary allocation of Kshs. 241.44 million on recurrent, incurring an expenditure performance of Kshs 218.31 million which represented an absorption of 90.42 percent.
40. The expenditure was geared financing the Office of the Governor in executing its key mandate and authority as granted in the Kenya Constitution and County Government Act 2012 The broad objectives entailed provision and coordination of policy direction for accelerated and inclusive growth in the county; representing the county in national and county events, appointing the county executive

committee members, providing leadership in policy and submitting plans and policies for approval and considering and approving bills among others.

41. Key activities and output realized during the f/y 2023/24 include; Establishment of an institutional framework for performance management aimed at strengthening service delivery and implementation of 2023/24 Cycle of Performance Contracting and Performance Appraisals; Promoted Collaborations and partnerships with the National Government and other partners including MOU with the following institutions (Kenya Space Agencies that aims at boosting ties between Vihiga County and KSA in development planning using GIS; KIPPRA- to enhance the counties research capabilities and development, TUPANDE- providing farmers with high quality seeds and fertilizer., Medtronics labs – assisting the county health department in the area of data collection on NCDs using digital gadgets ; West Media-enhancing the county communication of programs and activities; Planet Gold Kenya-ensuring that county artisanal mining activities are done with sound management of mercury and eventual face out of the use of mercury when mining in the county; Financial department deepening (FSD) on matters land information management system; Institute of Certified Public Accountants of Kenya (ICPAK) on enhancing of accountability in public finance management; State department of mining – Establishment of the Granite Factory in Luanda; State department for industry on establishment of County Industrial Park. Others were ; Commenced construction of Kenya School of government campus in Central Maragoli, Vihiga Sub-county; In collaboration with EACC trained the executive staff on anti-corruption strategies including assessment and forming of departmental anti-corruption committees;Coordinated and maintained good relationship with open governance external partners (namely GIZ, TWAWEZA and Rural Outreach Africa program and The Institute of Social Accountability -TISA);coordinated through IGRTC and KENHA the covering of open drainage from Gambogi to Chavakali along Kisumu –Kakamega highway; Constituted the County and Sub county Grievance Redress and Feed Back Mechanism Committees in collaboration with the Institute of Social Accountability (TISA); Developed a tree-planting app called HESABU MITI APP that supports survey on the number of trees in the county; Developed policies and bills including: Record Management Policy, Communication and Public Relations Policy, Disaster management Act 2020 (Amendment Bill), Public participation Act 2020 (Amendment Bill), Gazettement of enforcement committee under the Vihiga County Alcoholic Drinks Act 2014, Vihiga County PSB Bill, Enforcement standing order Bill and Enforcement bill and draft scheme of service for enforcement officers;Produced and disseminated documentaries and newsletters highlighting county's achievements and live streaming on county digital platforms. Promoted good governance practices by holding several senior staff departmental

meetings and workshops; Represented the county and nation in various national and international conferences/meetings on climate change and sustainable development goals.

County Assembly

42. During the period under review, the department had a budgetary allocation of Kshs. 720.52 million on recurrent and Kshs 15.3 million on development. The department incurred an expenditure performance of Kshs 660.42 million and Kshs 14.21 million representing an absorption of 91.66 percent and 92.86 percent on recurrent and development respectively.
43. The expenditure funded the county Assembly activities, programmes and projects aimed at strengthening and enhancing its institutional capacity to undertake its oversight role over the county executive committees and other county executive organs; legislations, approval policies and plans and representation of residents of the county.
44. During the f/y 2023/24 the County Assembly realized the following key activities and outputs; legislated all statutory documents, Plans, Policies and bills in accordance with article 212 of the constitution (ADP2024-25, CFSP 2023, and Budgets 2023/24); Construction and commissioned the speakers residence and boreholes at the County assembly and speaker's residence.

Finance and Economic Planning

45. During the period under review, the department had a budgetary allocation of Kshs. 380.13 million on recurrent and Kshs 109.94 million on development. The department incurred an expenditure performance of Kshs 372.66 million and Kshs 94.66 million representing an absorption of 98.04 percent and 86.09 percent on recurrent and development respectively.
46. The expenditure financed the broad mandate of the Department of Finance and Economic planning of Public financial Management; coordination of county planning and M&E and reporting framework, preparation of County Budget estimates and relevant policy documents, Procurement of goods and services and own revenue resource mobilization and administration.
47. During the f/y 2023/24 the Department undertook the following key activities and outputs; Coordinated the finalization, launching and dissemination of CIDP 2023-27, County Annual Development plan for FY 2024-25, County Annual Progress Report for FY 2022/23 and draft M&E indicator Handbook for the CIDP 2023-27. Others were; preparation of the CBROP, CFSP, Bdget Estimates, Appropriation and Finance bills; Preparation of Quarterly and Annual progress reports Development of a Draft

M&E policy and coordinated the preparation of various policies and plans in other County Departments -Water, CWSSIP under K-WASH); Strategic Plan-Education, Gender, Lands, Environment, Water & Sanitation , Hamisi & Emuhaya Sub-County hospitals , County Urban Institutional Development Strategy(CUIDs, Health Annual Work Plan, Review report of County Nutrition Action plan; Coordinated the subnational Voluntary Local Reporting(VLR) for the SDGs implementation in the county ;Rolled out automated revenue system; undertook capacity building of procurement officers on e-procurement module , undertook and prepared Internal Audit Review Reports; Rolled- out Revenue Automation and instituted reforms in OSR collection leading to an improvement of revenue from Kshs. 229.8M in FY 2022/23 to Kshs. 335.4 in FY 2023/24.

Public Service Board

48. During the period under review, the department had a budgetary allocation of Kshs. 71.41 million on recurrent, incurring an expenditure performance of Kshs 57.05 million which represented an absorption of 79.89 percent.
49. The expenditure financed key responsibilities and mandate of the County Public Service Board as stipulated in Article 235 of the Kenya Constitution and section 49 of the County Government Act 2012 in regard to strengthening its capacity to coordinate and advice the county government executive on issues matters Human Resource Management and development.
50. Key achievements realized during the f/y 2023/24 include; Recruitment and promotion of staff in different carders; conducted an outreach on public awareness and sensitization in regards to National Values and Principals of governance enshrined in Article 10 and 232 of the constitution of Kenya 2010; Capacity built its staff through a 2 weeks training at Kenya School of Government to enhance staff efficiency in service delivery.

Public Service and Administration

51. During the period under review, the department had a budgetary allocation of Kshs. 413.68 million on recurrent and Kshs 20.92 million on development. The department incurred an expenditure performance of Kshs 394.98 million and Kshs 6.98 million representing an absorption of 95.47 percent and 33.35 percent on recurrent and development respectively.
52. The expenditure aimed at financing programmes and projects aimed at strengthening the capacity of the Department of Public Service Management and ICT to undertake its aspiration of having a citizen-centric, well-coordinated public service that provides efficient and quality services to its all clients.

53. During the period under review the Department realized the following key achievements; Operationalized the Human Resource Information System (HRMIS) to improve accountability of individual employees; established an e-platform for sharing of payroll with accounting officers for verification as prescribed under Public Finance Management regulations; established a skills database to inform appropriate deployment and enhancement of professionalism in the County Public Service, succession management, promotions and staff development matters; Constructed Hamisi sub county administration office and commenced construction of Sabatia Sub county office; organized County Dialogue Forum at the Municipal grounds on that preceded the biannual devolution conference held in Eldoret the same month at lion's club; Enhanced the enforcement of the Alcoholic drinks control regulations 2018 thereby exceeded our 2023/24 budget of 5 million on alcoholic drinks licensing fees at 170 % by achieving 8.5 million; Established and trained the County and sub counties corruption committee.

Gender, Culture, Youth, sports and Social Services

54. During the period under review, the department had a budgetary allocation of Kshs. 108.09 million on recurrent and Kshs 36.17 million on development. The department incurred an expenditure performance of Kshs 96.48 million and Kshs 10.87 million representing an absorption of 89.25 percent and 30.05 percent on recurrent and development respectively.

55. The expenditure aimed at financing the broad objectives of the sector that aims at making Vihiga a vibrant, cohesive, empowered based on inclusivity and shared prosperity. Accordingly, the department endeavored to promote, preserve and develop all functional aspects of culture, promote and develop talent, sports and creative arts, mainstreaming gender youth and women issues in the county development agenda, promoting social protection programmes to support vulnerable groups including children, the elderly, women and PWDs.

56. Key activities and outputs realized during the f/y 2023/24 include; upgrade of Mumboha Sports Ground to meet FKF standards and rehabilitated Makuchi playing ground; rehabilitated Avugwi and Esirabe Social Halls by improving community facilities and providing better spaces for social and cultural activities; Commenced the construction of a kitchen and dining hall at Sabatia GBV Rescue Center, enhancing facilities to improve support and services for survivors of gender-based violence; provided financial support to 13 local sports teams including Vihiga Queens and Bunyore Starlets; supported 3 youth football teams to participate in KYISA and Talanta Hela leading to six players selected to represent the country at international levels in Spain; Supported football tournaments in all the 25

wards that created awareness on drug and substance abuse as well as digital skills; Trained 30 coaches leading to award of diploma in coaching by FKF; operationalized PWDs board to address PWD issues; Coordinated fourth edition of the Youth Extravaganza reaching out to 3,000 youths; Enhanced skills and knowledge transfer to 150 youths through capacity-building initiatives leading to improved job readiness and opportunities; organized the Annual Vihiga County Cultural Festivals (Bunyore, Maragoli, Terik, and Tiriki) which enhanced cultural awareness and community engagement; Established the Youth Service Board to champion youth related issues.

Environment, Water, Energy, Natural Resources and Climate Change

57. During the period under review, the department had a budgetary allocation of Kshs. 146.67 million on recurrent and Kshs 456.72 million on development. The department incurred an expenditure performance of Kshs 137.87 million and Kshs 227.09 million representing an absorption of 93.99 percent and 49.72 percent on recurrent and development respectively.
58. The expenditure sought to finance the sector programmes and projects with the broad objectives of increasing access to clean and safe water and sanitation services in stable and sustainable environment. Other priorities included implementation of policies and programmes on conservation and restoration of various ecosystems, wetlands (hill tops, riparian degraded land areas); environmental cleanliness and promotion of sustainable waste management practices, promotion of use of renewable energy; promotion and capacity building of climate change adaptation and mitigation strategies, sustainable management of natural resources and ensuring equitable sharing of the accruing benefits.
59. During the period under review the following key activities and outputs were realized; increased last mile water connectivity to 1,800 households by laying of 21km of pipelines across the county ;initiated various improvements in the running of Amatsi Water Services Company (AWASCO) e.g. implementation of new tariff structure, automation of billing and metering; cquired 12 waste holding skips to support routine cleaning services in 63 markets and urban areas ;on conducted 10 monthly clean-up exercises in: Mbale, Luanda, Chavakali, Esibuye, Majengo, Gambogi, Serem, Mudete, Ekwanda and Kilingili; trained 500 gold artisanal miners on safe gold mining without Mercury; re-afforested 10 acres of Ebusiekwe Hills, protection of four community forests in Hamisi; Jeptoror (0.9475 acres), Gidagadi (0.625acres), Jegereni (0.5175 acres) Gidimo (0.4425 acres), rehabilitation of 75 acres of Maragoli Hills; undertook fencing of Kakamega- Kibiri Forest where 1.2km of the 15km was fenced in collaboration with KFS; implemented second phase of school greening program through

distribution and growing of 12,000 assorted fruit seedlings and 10,000 exotic seedlings in 267 schools; expanded water infrastructure projects (Mudungu, Igogwa, Givole, Wanduati and Ipali) under community climate change resilience program benefitting over 500 households; Participated in COP 28 and Africa Climate Summit in various thematic panel sessions held in Dubai and Nairobi respectively.

Office of the County Attorney

60. During the period under review, the department had a budgetary allocation of Kshs. 14.5 million on recurrent, incurring an expenditure performance of Kshs 10.64 million which represented an absorption of 73.38 percent.
61. The expenditure sought to finance the activities and programmes of the Office of the County Attorney is established under the Office of the County Attorney Act 2020. The key functions and responsibilities of the Office of the County Attorney includes being the principal legal adviser to the county government, attending the meetings of the county executive committee as ex-officio member of the executive committee; representing the county executive in court or in any other legal proceedings to which the county executive is a party, other than criminal proceedings, advice departments in the county executive on legislative and other legal matters, to negotiate, draft, vet and interpret documents and agreements for and on behalf of the county executive and its agencies, be responsible for the revision of county laws, liaise with the Office of the Attorney General; and to perform any other function as may be necessary for the effective discharge of the duties and the exercise of the powers.
62. During the f/y 2023/25 the Office of the County realized the following key achievements; recruited one County Legal Counsel on contract terms in addressing staff shortage; provided advisory and legal input to departments in drafting and developing eighteen policies among them: Vihiga County Child Protection Policy, Vihiga County Gender Based Violence Policy, The Vihiga County Cooperatives Policy, 2023, The Vihiga County Cooperatives Bill, 2023, The Vihiga County Public Service Board Bill, Vihiga County Alcoholic Drinks Control Regulations 2024 . Other outputs realized were; Concluded sixty five court cases that included the following- (Bungoma ELRC Constitutional Petition challenging the appointment of county Executive Committee Members, Kakamega ELRC Petitions numbers E 001 of 2023 in which the appointment of County Chief Officers was challenged: in addition, the Office finalized Legal Audit, which provided the situational analysis/information on status of the county legal services in the county;Vetted/Interpreted/Drafted eleven MOU (Memorandum of Understanding) between the County Government and Stakeholders/Development Partners ; attained zero expenditure

on legal charges/fees from external lawyers: All legal services in the county are currently rendered by the Office and undertook capacity building-County Attorney, County Solicitor, County Researcher and three County Legal counsels at Kenya School of Law in legislative and Policy drafting which has enhanced quality of service delivery in the area.

III.RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

Global Economic Outlook

63. The 2023 Economic Outlook is prepared in the backdrop of stabilized global economy with a projected growth of 3.2 percent in 2024 and 3.3 percent in 2025. The outlook reflects economic recovery in China, Euro area and United Kingdom despite a slowdown in activity in the USA and Japan. The main risk to the global growth outlook relates to further escalation of geopolitics tensions, interest rates remaining higher for even longer in advanced economies and policy uncertainty attributed to changes of Government in some major economies. Global inflation has moderated, with central banks in some major economies lowering interest rates. International oil prices have moderated, but the risk premium from the Middle East conflict has increased following the recent escalation.
64. Global economic output showed resilience in the first half of 2024 with modest growth anticipated in 2024 and 2025 attributed to improved economic activities in the United States, China and India. Global economic growth was estimated at 3.3 percent for 2023 is projected to continue at the same speed in 2024 and 2025. However, the divergence in output across the countries at the beginning of the year narrowed partly due to waning cycling factors and a better alignment of growth with the potential. Even though global headline inflation concerns are diminishing, core inflation remains persistently high. The outlook faces significant downside risks, including escalating conflicts in the Middle East, uncertainties around US elections, and consistently high interest rates in advanced economies.
65. Growth in advanced economies expanded by 1.6 per cent in 2023 compared to 2.6 per cent growth rate experienced in 2022 largely due to tighter monetary conditions within the block and a lower than anticipated growth rate in the Euro Area. It is projected to remain stable at 1.7 percent in 2024 and 1.8 percent in 2025. Growth in the US has been revised downwards by 0.1 percent from World Economic Outlook (WEO) April projections as consumption moderated and labour market eased. The Euro area and UK are projected to grow at 0.9 percent and 0.7 percent respectively in 2024. Growth in Emerging Markets and Developing Economies (EMDEs) is projected at 4.3 percent in 2024 and 2025 reflecting stronger activity in Asia particularly China and India.
66. The Sub-Sahara Africa (SSA) region's economy saw a decline in real GDP growth rate to stand at 3.4 percent in 2023 from 4.0 percent in 2022. Economic growth is projected to rise from 3.4 percent in 2023 to 3.7 percent in 2024 and 4.1 percent in 2025. The growth has been revised downwards by 0.1 percentage points in the World Economic outlook April projections attributed to a weaker growth

outlook in Nigeria due to weaker than expected activity in quarter one of 2024. Nigeria and South Africa are expected to grow by 3.1 percent and 0.9 percent in 2024 respectively.

67. World inflation eased to 6.8 per cent in 2023 from 8.7 percent in 2022 partly due to lower energy prices, easing of the supply chain disruptions and a tighter monetary policy to reduce aggregate demand for goods. Global headline inflation is expected to fall to 5.9 percent and 4.4 percent in 2024 and 2025 respectively which is slower pace due to higher-than-average inflation in services prices. Global trade volume slowed to 0.4 per cent in 2023 compared to 5.2 per cent growth recorded in 2022 and is expected to increase by 3.1 percent and 3.4 percent in 2024 and 2025 respectively. Annual average oil prices and non-fuel commodity prices are projected to increase by 0.8 percent and 5.0 percent in 2024 respectively.

Figure 2: Trend in World GDP Growth



Source: IMF World Economic Outlook, July 2024

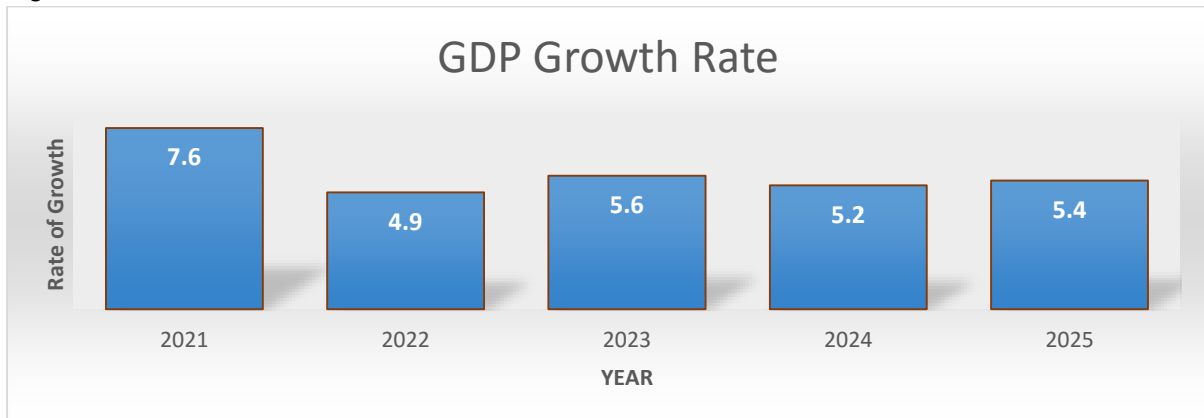
Domestic Outlook

68. Real Gross Domestic Product (GDP) expanded by 5.6 percent in 2023 compared to a revised growth of 4.9 percent in 2022. The growth was notable across most sectors of the economy. The economic performance is projected to remain stable over the medium term with growth expected to moderate from 5.6 percent in 2023 to a forecast of 5.2 percent in 2024 and 5.4 percent in 2025. The growth will benefit from the enhanced agricultural productivity and a resilient service sector. The rebound in Agriculture sector is expected to be largely driven by favorable weather conditions and enhanced productivity interventions by the government in the sector.

69. The industrial sector will see a growth primarily in manufacturing largely driven by reduced cost of production and easing of exchange rates pressures while in construction it will be relatively attributed to increased public spending on affordable housing.

70. The service sector is expected to remain robust with ICT reforms boosting growth in financial services, health and public administration. However, increased fears in both external and domestic environments such as escalation in geopolitics, potential disruption in supply chain networks could negatively affect commodity markets and slow down the expected growth.

Figure 3: Trend in GDP Growth

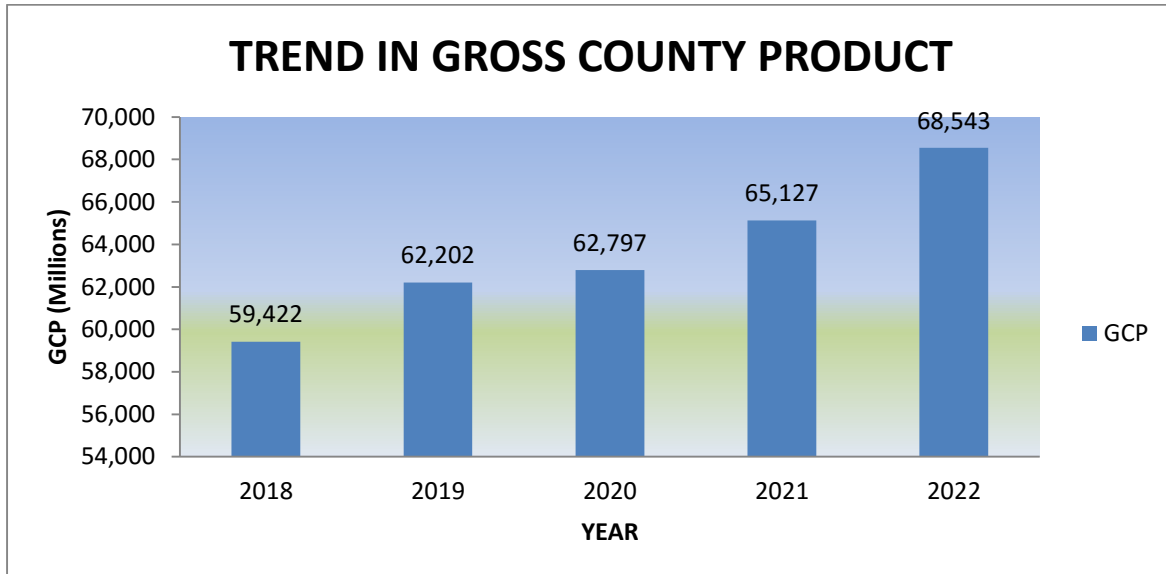


Source: BROP 2024

County Economic Outlook and Growth Prospects

71. The county's economic performance is largely influenced by the fiscal decisions within the global and domestic macroeconomic framework. The Gross County Product (GCP) at constant prices grew from Kshs. 65.127 billion in 2021 to Kshs. 68.543 billion in 2022. In addition, the GCP per capita rose from Kshs. 147,243 billion in 2021 to Kshs. 163,068 billion in 2022. The average growth in real GCP (2018-2022) was 4.7 % relative to the national average growth of 4.6% in Gross Value Added. The county's growth in economy was mainly attributed to improved performance in the agriculture forestry and fishing sector against a background of improved weather conditions, increased government interventions in subsidizing fertilizers and farm inputs as well as investments towards commercialization of agriculture. Other key economic activities with significant contribution to the growth of the County economy include; Wholesale and retail trade, Transport and storage, Construction & Real Estate.

Figure 4: Trend in GCP



Source:

72. Vihiga County projects an upward trajectory in economic growth in the medium term and going into the future. This is expected to be supported by favorable macro-economic and fiscal conditions at the national scene. The exchange rates of Kenya Shilling against the US Dollar, the interest rates and inflation rates have an effect on the grants and loans targeted to support the county. It is expected that the Central Bank of Kenya shall implement monetary policies that make the local currency to be stronger against foreign currencies, adopt favorable interest and stabilize inflation rates. This would make imports cheaper, increase private sector borrowing in-turn spurring local investments and generating demand for goods and services. It is expected that the national treasury shall continue to support the county development agenda through timely release of exchequer issues.
73. The medium term prospects for the county economic growth are stronger with foundation being laid for increased production in Agriculture sector, Trade & industry as well as Mining. This shall be supported by robust investments in value addition and enhancing market participation to farmers, continued development of County Aggregation and Industrial Park, support establishment of granite factory as well as artisanal and cottage firms .

Risks to the Outlook

74. The County has identified the following risks and mitigation measures for the planned objectives and operations

Table 10: Risks to the Outlook

Category	Risk	Risk Implication	Risk Level (Low, Medium, High)	Mitigation measures
Financial	<ul style="list-style-type: none"> • Failure to meet Own Source Revenue targets • Delayed procurement processes. 	<ul style="list-style-type: none"> • Unfunded budget • Delayed programme implementation 	Medium	<ul style="list-style-type: none"> • Prudent financial management and adherence to PFMA • Strengthen resource mobilization strategies • Fully automation of revenue, accounting and auditing processes • Timely initiation of procurement processes.
	<ul style="list-style-type: none"> • Delay in exchequer releases 	<ul style="list-style-type: none"> • Low Absorption of budget by Departments 	• Medium	<ul style="list-style-type: none"> • National Treasury ensure timely disbursement of funds.
Organizational/Administrative risks	<ul style="list-style-type: none"> • Recurrent Expenditure pressure due to expanded programs and increasing wage bills 	<ul style="list-style-type: none"> • Diminishing proportion of development expenditure 	• High	<ul style="list-style-type: none"> • Cuts in recurrent Expenditure and sustainable planning
	<ul style="list-style-type: none"> • Low enforcement of policies 	<ul style="list-style-type: none"> • Weak performance management 	• Medium	<ul style="list-style-type: none"> • Full Implementation of all policies and procedures
	<ul style="list-style-type: none"> • Corruption 	<ul style="list-style-type: none"> • Increased wastage 	• Medium	<ul style="list-style-type: none"> • Enforcement of Code of Ethics • Implementation of audit reports recommendations
Strategic risks	<ul style="list-style-type: none"> • Contingency Liabilities 	<ul style="list-style-type: none"> • Late or non-remittance of statutory deductions. 	• Medium	<ul style="list-style-type: none"> • County to comply with legal requirements on statutory deductions to avoid been surcharged.
Agricultural risks	<ul style="list-style-type: none"> • Climate Change Related risks 	<ul style="list-style-type: none"> • Lowering of tax revenues and increase in public spending to mitigate the disasters 	• Medium	<ul style="list-style-type: none"> • Adapt to green economic considerations • Develop and implement disaster recovery plan
Technological risks	<ul style="list-style-type: none"> • Failure/ Network challenges with IFMIS 	<ul style="list-style-type: none"> • Low 	<ul style="list-style-type: none"> • Delayed transactions on IFMIS 	<ul style="list-style-type: none"> • Upgrading of systems

Source: Vihiga County Treasury

IV. RESOURCE ALLOCATION FRAMEWORK

Implementation of the FY 2024/2025 Budget

75. The implementation of FY 2024/25 budget has been slowed due to the proposed cuts in allocations to County Governments from Kshs.400 billion to Kshs. 380 billion. The proposed cuts have been occasioned by the withdrawal of Finance Bill 2024 of the National Government, which was expected to raise an additional revenue amounting to Kshs. 344.3 billion. During the period own source revenue collection has amounted to Kshs. 46.55 million. To ensure seamless implementation of the FY 2024/25 budget, the County Treasury has embarked expenditure rationalization by focusing on implementation of ward-based projects and containing of procurement of other departmental projects and noncore items. This is aimed at achieving budget cuts across all departments in Supplementary I once the Senate approves revised CARA 2024. The fiscal projections for the 2024 CBROP have been revised from those of the CFSP 2024 estimates taking into account the fiscal outcome of the FY 2023/2024 and the impact of the withdrawal of the Finance Bill 2024 at the National Level.
76. Total revenues for the FY 2024/25 amount to Kshs.6.50 billion with own source revenues projected at Kshs. 340.00 million, donor-funded grants at Kshs. 815.18 million and the County's Equitable Total Share Kshs. 5.34 billion. The County Government was expected to receive Kshs. 890.12 million as exchequer disbursement in the first two months of FY 2024/2025. The County has so far received Kshs. 421.36 million that was the June Exchequer disbursement for FY 2023/2024. Own source revenue collections for the first two months in FY 2024/2025 amounted to Kshs. 46.55 million that was 52.39 percent of the expected target of Kshs. 56.81 million.

Fiscal Policy for FY 2025/2026 and the Medium-Term Budget

77. The fiscal policy stance in the FY 2025/26 and over the medium term aims at supporting priority programmes as outlined in the County Integrated Development Plan (2023-2027), Governor's Manifesto of accelerating socio economic transformation for more competitive, inclusive and resilient economy, the Bottom - Up Economic Transformation Agenda (BETA) and MTP IV. The County Government will continue to pursue a cautious budgetary implementation plan with the overall aim of reducing on pending bills. The strategies will focus on enhancing own source revenue mobilization, reprioritization and rationalization of expenditures while safeguarding priority Government programmes and social spending.
78. To further, strengthen management of public resources, the County Government is in the process of transitioning from cash to accrual basis to improve cash management and enhance financial and fiscal reporting. The accrual accounting will enable the County Government to account for all assets and liabilities. Over the medium term and once adopted by the county governments, the Government will adopt zero based approach in preparing future budgets. To implement Zero Based budgeting,

the County Government will be guided by the National Treasury costing tool in the IFMIS budget module tool, which has incorporated standardized costing methodologies to streamline calculation of budget baselines and prioritization to give credible base for preparation of budget estimates.

Fiscal Projections

79. At the National outlook in the FY 2025/26, the total revenue including the appropriation in aid is projected at Kshs. 3,414.9 billion. Of this transfer to County Governments is projected at Kshs. 432.7 billion. At County, level, own source revenue is projected to grow by 49.11 percent to Ksh.500.79 million up from Kshs. 335.84 million. In the proposed 2025/26 budget, the County Equitable Share is projected to increase by the approval of the new revenue sharing formula proposed by the Commission on Revenue Allocation (CRA). In this regard, the County Government will over the medium term ensure compliance with the fiscal responsibility principles as outlined in the section 107 of the PFM Act 2012 while ensuring budget credibility. The projected resource envelope is as shown in the table 11.

Table 11: Projected Resource Envelope FY 2025/2026

Sources	FY 2024/2025 Budget Kshs	Projections FY 2025/2026 Kshs
County Equitable Share	5,340,712,256	5,340,712,256
Own Source Revenue	340,000,000	500,787,982
Conditional Grants	815,184,940	710,849,568
Total	6,495,897,196	6,552,349,806

Source: Vihiga County Treasury

FY 2025/2026 and Medium-Term Budget Framework

80. The FY 2025/26 and the Medium-Term Framework will focus on the implementation of the CIDP 2023-2027, the Governor's Manifesto of accelerating socio-economic transformation for more competitive, inclusive and resilient economy, the MTPIV and the Bottom-up Economic Transformation Agenda (BETA) as prioritized in the ADP 2025/26 with focus on the following 10-point strategic areas:

- Scaling up of good governance and accountability systems;
- Creation of employment opportunities for youth & women through agribusiness;
- Promotion of an educated, skilled and well-informed society;
- Strengthening primary health care systems towards universal health coverage;
- Provision of reliable public infrastructure, transport systems, and expansion of ICT platforms;
- Upholding green growth, sustain environmental conservation and climate change adaptation
- Promote cohesive society, inclusive governance through Public Participation and Civic Engagement;

- Promotion of climate smart agriculture with emphasis on agribusiness;
- Upscaling provision of clean and safe water and sanitation services; and
- Promotion of trade and enterprise development with emphasis on MSMES.

Criteria for Resource Allocation

81. The County Government is operating under constrained fiscal environment. In view of this, Departments will therefore be required to re-evaluate all the existing/planned activities, projects and programmes to be funded in the FY 2025/2026 and in the Medium Term. In this regard, the principles of efficiency, effectiveness and economy of public spending shall strictly be enforced by ensuring low-priority expenditures give way to high-priority service delivery programmes. Departments should therefore eliminate wasteful expenditures and pursue priorities, which are aimed at safeguarding livelihoods, creating jobs, reviving businesses and economic recovery.
82. The following criteria will serve as the criteria to guide prioritization and final allocation of resources:
- i. Linkage of programmes with the Governor's manifesto and priorities of the Bottom-Up Economic Transformation Agenda;
 - ii. Governor's directives and County Executive Committee decisions;
 - iii. Linkage of the programme with the priorities of Medium-Term Plan IV of the Vision 2030;
 - iv. Linkage of programmes that support mitigation and adaptation of climate change;
 - v. Completion of ongoing projects, viable stalled projects and payment of verified pending bills;
 - vi. Degree to which a programme addresses job creation and poverty reduction;
 - vii. Degree to which a programme addresses the core mandate of the Departments;
 - viii. Cost effectiveness, efficiency and sustainability of the programme; and
 - ix. Requirements for furtherance and implementation of the Constitution.
83. Based on the above broad guidelines, Departments are expected to develop and document specific criteria for prioritization and resource allocation within the resource envelope. To facilitate the finalization of the CBROP 2024 and other policy documents within the stipulated timelines, departments are required to strictly undertake the activities outlined in the budget calendar within the set timeframes as provided in Annex 1.

Public Participation and Involvement of Stakeholders

84. As required by the Public Finance Management (PFM) Act, 2012, this County Budget Review and Outlook Paper 2024 was prepared in an inclusive and participatory process involving various stakeholders. The draft was shared on the County's Website and subsequently, reviewed by CBEF before being presented to the County Executive Committee for approval and finally submitted to the County Assembly.

V. CONCLUSION

85. Global economy has stabilized with global growth projected at 3.2 percent in 2024 and 3.3 percent in 2025 from 3.3 percent in 2023. The outlook reflects economy recovery in China and Euro area. On domestic scene, the Kenyan Economy is currently unwinding from the effects of negative and persistent global shocks that had pushed the economy to its lowest level. Kenyan economy is projected to remain stable over the medium term. Growth is expected to moderate 5.2 percent in 2024 and 5.4 in 2025. The Growth outlook of the County will be largely driven by strong Agricultural productivity aided by policy intervention on seeds and fertilizer to farmers, adequate rainfall, robust service departments and improved commodity prices.
86. The Medium-Term Budget and fiscal projections in the 2024 CBROP have been revised from those of the 2024 County Fiscal Strategy Paper taking into account the budget performance and fiscal outcome of the FY 2023/24 and the impact of the withdrawal of the Finance Bill 2024 at the National Government level. The 2024 CBROP forms the basis for the development of the 2025 CFSP. This will detail the progress in the implementation of priority policies and strategies of the County Government, under the CIDP 2023-2027, Governors Manifesto, BETA and Vision 2030. The Budget Calendar will guide the preparation of the FY 2025/26 and the Medium-Term Budget.
87. Due to the constrained fiscal environment, the County Treasury will guide the prioritization and allocation of scarce resources to all projects and programs in the FY2025/26. Departments will therefore be required to re-evaluate all planned activities, projects and programs to be funded in FY 2025/26 and Medium-Term Budget. Departments should eliminate wasteful expenditures and pursue priorities that are aimed at safeguarding livelihoods, creating jobs, reviving businesses and economic recovery.
88. The Budget Calendar for FY 2025/26 is guided by the timelines provided in the PFM Act, 2012 as shown in annex 1.

ANNEX 1: BUDGET CALENDAR

NO.	Activity	Responsibility	FY 2025/26
			Timeline
1	Develop and issue MTEF guidelines	County Treasury	29 th - Aug-24
2	Launch of Sector Working Groups	County Treasury	9 th -Sep-24
3	Programme Performance & Strategic Reviews	Departments	
	3.1 Review and update of Strategic Plans		
	3.2 Review of Programme Outputs and Outcomes		
	3.3 Review of Expenditure		
	3.4 Review and approval of projects for FY 2025/26	Project Committees	
	3.5 Progress report on Project implementation		
	3.6 Preparation of Annual Plans		
4	Submission of Baseline	Departments	16th - Sep-24
5	Development of Medium-Term Budget Framework	County Sector Working Group	
	5.1 Estimation of Resource Envelope		2 nd -6 th Sep -24
	5.2 Determination of policy priorities		9 th -13 th Sep-24
	5.3 Preliminary resource allocation to Sectors, County Assembly & Other Entities		9 th -13 th Sep24
	5.4 Draft County Budget Review and Outlook Paper(CBROP)		9 th -13 th Sep-24
	5.5 Public participation CBROP		18 th -20 th Sep-24
	5.6 Submission of CBROP to County Budget and Economic Forum CBEF		25 th -27 th Sep-24
	5.7 Submission of CBROP to County Executive Committee		30 th -Sep-24
	5.8 Approval of CBROP by County Executive Committee		9 th -Oct-24
	5.9 Submission of approved CBROP to County Assembly		17 th - Oct-24
6	Preparation of Sector Working Group Reports	Departments	
	6.1 Sector consultative forums and Drafting of Sector Reports ensuring that ecological, social, environmental and institutional issues are well addressed. Launch of Sector Working Groups	Sector Working Group	5 th -8 th Nov-2024
	6.2 Review and incorporation of stakeholder inputs in the Sector proposals	Sector Working Group	26 th -Nov-24
	6.3 Consultative meeting with Sector Working Groups	Sector Chairpersons	29 th -Nov-24

	6.4 Submission of final sector reports to County Treasury ensuring that ecological, Social, environmental and institutional issues are well addressed.	County Treasury	3 rd -Dec-24
7	Draft County Fiscal Strategy Paper(CFSP)	County Sector Working Group	
	7.1 Drafting of County Fiscal Strategy Paper (CFSP 2025) and County Debt Management Strategy Paper.	County Sector Working Group	6 th -31 st Jan-25
	7.2 Public Participation exercise	County Treasury	5 th -7 th Feb-25
	7.3 Consultative meeting with Departments on CFSP	County Treasury	10 th -12 th Feb-25
	7.4 Submission of County Fiscal Strategy Paper (CFSP 2025) to CBEF	County Treasury	13 th -15 th Feb-25
	7.5 Submission of CFSP to County Executive Committee for approval	County Treasury	20 th -Feb-25
	7.6 Submission of the CFSP to County Assembly		26 th -Feb-25
	7.7 Deliberation and approval of CFSP by County Assembly		3 rd -14 th Mar-24
8	Preparation and approval of Final Departments Budgets		
	8.1 Develop and issue final guidelines on preparation of 2025/26 MTEF Budget		11 th -Apr-25
	8.2 Submission of Budget Proposals to County Treasury		17 th -21 st Mar-25
	8.3 Consolidation of Budget Proposals		24 th Mar-4 th Apr-24
	8.4 Public Participation of Budget Estimates		9 th -11 th -Apr-25
	8.4 Consultative meeting with Departments on Budget Estimates		14 th -16 th Apr-25
	8.5 Submission of Budget Estimates to CBEF		17 th -19 th Apr-25
	8.6 Submission to Cabinet for Approval		24 th -Apr-25
	8.7 Submission of Draft Budget Estimates by County Assembly		28 th Apr-25
	8.8 Review of Draft Budget Estimates by County Assembly		1 st May-30 th Jun-25
	8.9 Report on Draft Budget Estimates for County Assembly		1 st May-30 th Jun-25
	8.10 Consolidation of the Final Budget Estimates		6 th -Jun-25
	8.11 Submission of Appropriation Bill to County Assembly		10 th -Jun-25

	8.12 Deliberation and Approval of Budget Estimates FY 2025/26		30 th -Jun-25
9	Appropriation Bill passed		30 th -Jun-25
10	Submission of Finance Bill		6 th -Aug-25
11	Finance Bill Passed		30 th -Sep-25