



COUNTY GOVERNMENT OF BUSIA
P.O.BOX PRIVATE BAG-50400
BUSIA, KENYA
COUNTY TREASURY



COUNTY BUDGET REVIEW AND OUTLOOK PAPER

FINANCIAL YEAR 2020/2021

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

SEPTEMBER 2021



PREFACE

The FY 2020/2021 Budget Review and Outlook Paper is set against the backdrop of a contracting global economy occasioned by the outbreak and the rapid spread of the Covid-19 Pandemic. The Pandemic and the containment measures has led to contraction of the global economy disrupting businesses including international trade and leading to loss of livelihoods for millions of people globally.

This document has been prepared in accordance with section 118 of the Public Finance Management (PFM) Act, 2012 and its Regulations. The document provides the actual fiscal performance for the Financial Year 2020/21, the budget projections and sets the departmental ceilings for the Financial Year 2022/23 and the Medium-Term Budget. The document also provides an overview of how the actual performance of the Financial Year 2020/21 affected the County compliance with the fiscal responsibility principles and the financial objectives spelt out in the PFM Act, 2012.

The Busia County Budget Review and Outlook Paper (CBROP 2021) is the eighth to be prepared under the devolved governance structure. This paper details the actual fiscal performance in the Financial Year 2020/21 compared to the budget appropriation for that year. In this CBROP the County is re-emphasizing the County Government's fiscal policy strategy, which focuses on maintaining a strong revenue effort and shifting composition of expenditure from recurrent to productive capital expenditures and optimally ensuring efficiency and effectiveness in the use of public resources.

In the Financial Year 2020/21, Busia County Government total budget approved by the County Assembly amounted to Ksh. 10.42 Billion. This comprised of Ksh. 5.67 Billion (54 per cent) allocated to recurrent expenditure and Ksh. 4.75 Billion (46 percent) for development expenditure. The County expected to receive Ksh. 6.11 Billion as equitable share, Compensation by National Government for user fee foregone Kshs.16.93 Million, Road Maintenance Fuel Levy Kshs. 182.06 Million, Village Polytechnics Kshs.57.20 Million, Kshs. 733.39 Million as conditional grants, Ksh.1.12 Billion from own source revenue and balance brought forward from Financial Year 2019/20 of Ksh.2.20 Billion.

The proposed budget ceilings and priorities for the Financial Year 2022/2023 will be firmed up in the County Fiscal Strategy Paper 2022. The County Government is committed to ensuring prudent management of public resources in order to ensure the citizens get value for money.



Hon. Phaustine A. Barasa.

**Ag. COUNTY EXECUTIVE COMMITTEE MEMBER – FINANCE AND
ECONOMIC PLANNING**

ACKNOWLEDGEMENT

This Policy document (CBROP) 2020/2021 has been prepared in accordance with section 118 of the Public Finance Management Act, 2012. We are operating under tight resource constraints amidst significant revenue shortfalls occasioned by declining economic activity as a result of the adverse effect of the covid 19 pandemic.

Immense appreciation to His Excellence the Governor and the Deputy Governor for their overall steadfast leadership and guidance to the County Treasury in performing its mandate. May I express my gratitude to the County Executive Committee Member for Finance and Economic Planning for her continued provision of technical guidance and leadership as the head of the County Treasury.

The attainment of this document was made possible with the inputs from the County departments. May I take this chance to thank each member of the department through their respective County Executive Committee Members (CECM) and Chief Officers who provided valuable inputs and comments on the Budget performance for the year under review.

Finally, I take this opportunity to appreciate the efforts of the County Treasury in coordination and compilation of the final document. Special thanks goes to Ag Director of Budget Mr. Evans Wangata for his exemplary leadership during the entire process, Mr. Nicholas Mutua Kiema; Mr. Abdallah Issa Omusugu; Mr. William Chepkwony; Mr. Amos Immo; Mr. Duncan Ijaka; Ms. Jane Njogu; Mr. Paul Kipkirui; Mrs. Maureen Ochieng; Mrs. Sherry Okuku; Mrs. Beverlyne Ote Anyokorit; Ms. Marleen Ajiambo; Mr. Dan Oburai; Mr. Isaac Enaga; Mr. Kevin Omondi and Mr. Jackson Opiyo for their commitment and steadfastness throughout the process of compilation.

I hereby encourage all the departments to make use of the information contained in this document to ensure fiscal discipline during the budget planning, implementation and oversight.



Nicodemus O. Mulaku

Ag. CHIEF OFFICER – FINANCE

TABLE OF CONTENTS

Table of Contents

PREFACE	1
ACKNOWLEDGEMENT	2
TABLE OF CONTENTS.....	3
LIST OF GRAPHS	4
LIST OF TABLES.....	4
LIST OF CHARTS	5
Abbreviations and Acronyms	6
Legal Basis for the Publication of the County Budget Review and Outlook Paper.....	7
Fiscal Responsibility Principles in the Public Financial Management Law	8
I. INTRODUCTION	9
Legal Framework.....	10
II. REVIEW OF FISCAL PERFORMANCE FOR THE FY 2020/2021	11
Financial Analysis of the County Budget for the Financial Year 2020/2021	12
Revenue Analysis	12
Local Revenues.....	13
Expenditure Performance	23
Challenges encountered in the Financial Year 2020/2021 Budget implementation.....	26
III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK.....	27
Recent Economic Developments	27
Analysis of Expenditure by Departments.....	29
County Executive Service	30
County Assembly.....	30
IV. ANALYSIS OF EXPENDITURE PER DEPARTMENT.....	32
1) Agriculture, Livestock and Fisheries.....	32
2) Trade, Investment, Industry and Cooperatives	37
3) Education and Vocational Training	42
4) Finance and Economic Planning	46
5) Sports, Culture and Social Services	49
6) Infrastructure and Energy.....	53

7) Public Service and Administration	58
8) Lands, Housing and Urban Development	61
9) Water, Irrigation, Environment and Natural Resources.	67
10) Health and Sanitation	71
11) County Public Service Board	75
12) Governorship	78
13) County Assembly.....	81
Annex 1: Proposed Departmental Ceilings.....	84

LIST OF GRAPHS

GRAPH 1: MONTHLY LOCAL REVENUE- COLLECTION OVER FIVE FINANCIAL YEARS	14
GRAPH 2: BUDGETED AND ACTUAL REVENUES FOR THE FIVE-YEAR PERIOD	14
GRAPH 3: LOCAL REVENUE ANALYSIS OVER FIVE FINANCIAL YEARS	15
GRAPH 4: ANALYSIS OF ACTUAL LOCAL REVENUES FOR FY 2019/2020 AND FY 2020/2021	21
GRAPH 5: ANALYSIS OF LOCAL REVENUE COLLECTION PER DEPARTMENTS.....	21
GRAPH 6: ANALYSIS OF TOTAL EXPENDITURE	24
GRAPH 7: ABSORPTION ANALYSIS-COUNTY EXECUTIVE AND ASSEMBLY	31
GRAPH 8: ABSORPTION ANALYSIS- AGRICULTURE, LIVESTOCK AND FISHERIES.	36
GRAPH 9: ABSORPTION ANALYSIS- TRADE, INVESTMENT, INDUSTRY AND COOPERATIVES.....	41
GRAPH 10: ABSORPTION ANALYSIS-EDUCATION AND VOCATIONAL TRAINING	46
GRAPH 11: ABSORPTION ANALYSIS - FINANCE AND ECONOMIC PLANNING	49
GRAPH 12: ABSORPTION ANALYSIS- SPORTS, CULTURE AND SOCIAL SERVICES.	53
GRAPH 13: ABSORPTION ANALYSIS- INFRASTRUCTURE AND ENERGY	58
GRAPH 14: ABSORPTION ANALYSIS- PUBLIC SERVICE AND ADMINISTRATION	61
GRAPH 15: ABSORPTION ANALYSIS--LANDS, HOUSING AND URBAN DEVELOPMENT.....	66
GRAPH 16: ABSORPTION ANALYSIS- WATER, IRRIGATION, ENVIRONMENT AND NATURAL RESOURCES.....	71
GRAPH 17: ABSORPTION ANALYSIS- HEALTH AND SANITATION	74
GRAPH 18: ABSORPTION ANALYSIS -COUNTY PUBLIC SERVICE BOARD.....	78
GRAPH 19: ABSORPTION ANALYSIS- GOVERNORSHIP.....	81
GRAPH 20: ABSORPTION ANALYSIS- COUNTY ASSEMBLY.....	83

LIST OF TABLES

TABLE 1: ACTUAL MONTHLY LOCAL REVENUE COLLECTIONS OVER FIVE FINANCIAL YEARS.....	13
TABLE 2: TOTAL COUNTY LOCAL REVENUE ANALYSIS FOR THE FY 2019/2020 AND FY 2020/2021	15
TABLE 3: RECEIPTS FROM NATIONAL GOVERNMENT, DONOR FUNDING AND GRANTS.....	22
TABLE 4: BALANCES BROUGHT FORWARD FOR FY 2018/19 AND FY 2019/20.....	23
TABLE 5: SUMMARY OF THE TOTAL COUNTY EXPENDITURE.....	24
TABLE 6: DEPARTMENTAL BUDGET ALLOCATION AND ABSORPTION FOR THE FY 2020/2021	25
TABLE 7: ALLOCATION ANALYSIS-COUNTY EXECUTIVE AND ASSEMBLY	30
TABLE 8: ABSORPTION ANALYSIS-COUNTY EXECUTIVE AND ASSEMBLY	31
TABLE 9: ALLOCATION ANALYSIS BY ECONOMIC CLASSIFICATION-AGRICULTURE, LIVESTOCK AND FISHERIES..	34
TABLE 10: ABSORPTION ANALYSIS- AGRICULTURE, LIVESTOCK AND FISHERIES.....	35

TABLE 11: ALLOCATION ANALYSIS BY ECONOMIC CLASSIFICATION- TRADE, INVESTMENT, INDUSTRY AND COOPERATIVES	40
TABLE 12: ABSORPTION ANALYSIS- TRADE, INVESTMENT, INDUSTRY AND COOPERATIVES.....	41
TABLE 13: ALLOCATION ANALYSIS BY ECONOMIC CLASSIFICATION-EDUCATION AND VOCATIONAL TRAINING...	45
TABLE 14: ABSORPTION ANALYSIS-EDUCATION AND VOCATIONAL TRAINING	46
TABLE 15: ALLOCATION ANALYSIS BY ECONOMIC CLASSIFICATION-FINANCE AND ECONOMIC PLANNING	48
TABLE 16: ABSORPTION ANALYSIS - FINANCE AND ECONOMIC PLANNING.....	49
TABLE 17: ALLOCATION ANALYSIS BY ECONOMIC CLASSIFICATION-SPORTS, CULTURE AND SOCIAL SERVICES..	51
TABLE 18: ABSORPTION ANALYSIS- SPORTS, CULTURE AND SOCIAL SERVICES.	52
TABLE 19: ALLOCATION ANALYSIS BY ECONOMIC CLASSIFICATION-INFRASTRUCTURE AND ENERGY	56
TABLE 20: ABSORPTION ANALYSIS- INFRASTRUCTURE AND ENERGY	57
TABLE 21: ALLOCATION ANALYSIS BY ECONOMIC CLASSIFICATION-PUBLIC SERVICE AND ADMINISTRATION.....	60
TABLE 22: ABSORPTION ANALYSIS- PUBLIC SERVICE AND ADMINISTRATION.....	60
TABLE 23: ALLOCATION ANALYSIS BY ECONOMIC CLASSIFICATION-LANDS, HOUSING AND URBAN DEVELOPMENT	65
TABLE 24: ABSORPTION ANALYSIS -LANDS, HOUSING AND URBAN DEVELOPMENT.....	66
TABLE 25: ALLOCATION ANALYSIS BY ECONOMIC CLASSIFICATION- WATER, IRRIGATION, ENVIRONMENT AND NATURAL RESOURCES.....	70
TABLE 26: ABSORPTION ANALYSIS- WATER, IRRIGATION, ENVIRONMENT AND NATURAL RESOURCES	70
TABLE 27: ALLOCATION ANALYSIS BY ECONOMIC CLASSIFICATION- HEALTH AND SANITATION	73
TABLE 28: ABSORPTION ANALYSIS- HEALTH AND SANITATION	74
TABLE 29: ALLOCATION ANALYSIS BY ECONOMIC CLASSIFICATION-COUNTY PUBLIC SERVICE BOARD	77
TABLE 30: ABSORPTION ANALYSIS-COUNTY PUBLIC SERVICE BOARD.....	77
TABLE 31: ALLOCATION ANALYSIS BY ECONOMIC CLASSIFICATION- GOVERNORSHIP.....	80
TABLE 32: ABSORPTION ANALYSIS- GOVERNORSHIP	81
TABLE 33: ALLOCATION ANALYSIS BY ECONOMIC CLASSIFICATION-COUNTY ASSEMBLY	82
TABLE 34: ABSORPTION ANALYSIS- COUNTY ASSEMBLY	83

LIST OF CHARTS

CHART 1: ALLOCATION ANALYSIS-COUNTY EXECUTIVE AND ASSEMBLY	31
CHART 2: ALLOCATION ANALYSIS- AGRICULTURE, LIVESTOCK AND FISHERIES.....	35
CHART 3: ALLOCATION ANALYSIS- TRADE, INVESTMENT, INDUSTRY AND COOPERATIVES	40
CHART 4: ALLOCATION ANALYSIS- EDUCATION AND VOCATIONAL TRAINING.....	45
CHART 5: ALLOCATION ANALYSIS -FINANCE AND ECONOMIC PLANNING	48
CHART 6: ALLOCATION ANALYSIS- SPORTS, CULTURE AND SOCIAL SERVICES.	52
CHART 7: ALLOCATION ANALYSIS- INFRASTRUCTURE AND ENERGY	57
CHART 8: ALLOCATION ANALYSIS- PUBLIC SERVICE AND ADMINISTRATION.....	60
CHART 9: ALLOCATION ANALYSIS--LANDS, HOUSING AND URBAN DEVELOPMENT	65
CHART 10: ALLOCATION ANALYSIS- WATER, IRRIGATION, ENVIRONMENT AND NATURAL RESOURCES	70
CHART 11: ALLOCATION ANALYSIS- HEALTH AND SANITATION	73
CHART 12: ALLOCATION ANALYSIS -COUNTY PUBLIC SERVICE BOARD	77
CHART 13: ALLOCATION ANALYSIS - GOVERNORSHIP	80
CHART 14: ALLOCATION ANALYSIS -COUNTY ASSEMBLY.....	82

Abbreviations and Acronyms

ADP	Annual Development Plan
BCRH	Busia County Referral Hospital
CA	County Assembly
CBROP	County Budget Review and Outlook Paper
CEC	County Executive Committee
CFSP	County Fiscal Strategy Paper
CG	County Government
CIDP	County Integrated Development Plan
CILOR	Contribution In Lieu of Rates
ECDE	Early Childhood Development Education
FY	Fiscal Year
GDP	Gross Domestic Product
HELB	Higher Education Loans Board
IFMIS	Integrated Financial Management Information Systems
KDSP	Kenya Devolution Support Programme
M&E	Monitoring and Evaluation
O&M	Operations and Maintenance
PE	Personnel Emoluments
PFMA	Public Finance Management Act
QAS	Quality Assurance Standards

Legal Basis for the Publication of the County 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 30th September** in each financial year, a County Budget Review and Outlook Paper which shall include:
 - a) Actual fiscal performance in the previous financial year compared to the budget appropriation for that year.
 - b) Updated 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 latest County Fiscal Strategy Paper; and the reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing 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 (CBROP) has been approved by the County Executive Committee, the County Treasury shall:
 - a) Submit the paper to the Budget Committee of the County Assembly to be laid before County Assembly and
 - b) Publish and publicize the paper not later than fifteen days after laying the Paper before the Assembly.

Fiscal Responsibility Principles in the Public Financial Management Law

In line with the Constitution, the Public Finance Management (PFM) Act, 2012 sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM Act (Section107) 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 thirty percent 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 Member for Finance regulations and approved by the County Assembly.
- 4) Over the medium term, the County Government's borrowings shall be used only for the purpose of 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, taking into account any tax reforms that may be made in the future

I. INTRODUCTION

Objectives of County Budget Review and Outlook Paper (CBROP)

- 1) The main objectives of the CBROP 2021 are;
 - a) To provide an analysis of actual fiscal performance in the Financial Year 2020/2021 compared to the budget appropriation for that year.
 - b) This 2021 CBROP is a key document in linking policy, planning and budgeting. The department's priority submission is in line with County Integrated Development Plan (CIDP) 2018-2022. This year's CBROP is embedded on the priorities of the County Government while taking on board emerging challenges while implementing the devolved system of Governance.
 - c) As required by the PFM Act, 2012, budget process aims to promote the efficient and effective use of resources, based on evidence and rational deliberation. To achieve this, CBROP 2021 has provided the proposed departmental ceilings as guided by the overall resource envelope. The ceilings sets in motion the budget preparation for the Financial Year 2022/23 and the Medium-Term Expenditure Framework (MTEF).
 - d) To provide updated economic and financial forecasts with sufficient information to show changes from the forecasts in the County Fiscal Strategy Paper 2021(CFSP).
 - e) To provide information on any changes in the forecasts compared with the County Fiscal Strategy Paper; or how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the CFSP 2021; and
 - f) To give the reasons for any deviation from the financial objectives together with proposals to address the deviation and the time estimated to do so.
 - g) Further, the 2021 CBROP details appropriate revisions taking into account the deviations and budget outturn for the Financial Year 2021/2022. In addition, the fiscal outlook contained in this CBROP focuses on reforming the tax and revenue administration systems to enhance revenue collections and promote compliance as indicated in the Financial Year 2021/2022 CFSP.

Legal Framework

- 2) The County Budget Review and Outlook paper (CBROP 2021) is prepared in line with section 118 of the Public Finance Management Act, 2012. The Act requires that every County prepares a CBROP by **30th September** of that financial year and submit the same to the County Executive Committee (CEC). The CEC shall in turn:
 - 1) Within fourteen days after submission, consider the CBROP with a view to approving it, with or without amendments. Not later than seven days after the CEC has approved the paper, 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.

II. REVIEW OF FISCAL PERFORMANCE FOR THE FY 2020/2021

Overview

This section presents an overview of the financial analysis, performance and implementation of the budget for the financial year 2020/2021.

- 3) Revenue collection and expenditure in the FY 2020/2021 continued to be stressed by effects of Covid-19 pandemic, occasioning a mishap in realization of the set objectives in the County Fiscal Strategy Paper 2021 and financial forecasts. The 2021 CBROP thus presents a review of economic and fiscal developments in the FY 2020/2021, taking heed of revenue performance.
- 4) To realize the financial resource requirement for the financial year 2021/2022 and the medium-term budget, the County Government pursued measures aimed at expanding revenue base and ensuring financial prudence. In this regard, this CBROP provides departmental ceilings which will set in motion the budget preparation process for the FY 2022/2023 and the medium-term expenditure framework.
- 5) The departmental ceilings are driven by the County resource envelope that is informed by the macroeconomic and fiscal outlook presented in this document. Budgetary allocations herein are in line with post Covid-19 Economic Recovery Strategy designed to mitigate socio-economic depressions brought about by the pandemic, to bring back the County into economic growth trajectory.
- 6) The 2020/2021 CFSP provided a constrained County resource envelope that was limited against the needs, prompted by revenue slippage in the County own source revenue occasioned by shortfalls in most businesses within the County due to the Covid-19 pandemic. The county treasury however, committed to put more efforts in resource mobilization through revenue administration reforms with an aim of ensuring availability of adequate resources to finance the proposed county priority programmes.
- 7) The County own source revenue performance for the Financial Year 2020/2021 was Kshs.322.56 Million against a revised target of Kshs. 1.12 Billion. This represented 28.8% performance compared to 45% in Financial Year 2019/2020 which was Kshs. 225 Million against a revised target of Ksh. 504 Million. This slippage was as a result of shortfalls in

most businesses operating within the county that were affected by Covid-19 containment measures instituted by the National Government to cushion Kenyans.

Financial Analysis of the County Budget for the Financial Year 2020/2021

Revenue Analysis

- 8) In Financial Year 2020/2021, the total approved budget amounted to Ksh. 10.42 billion. This comprised of Ksh. 5.67 billion allocated to recurrent expenditure translating to 54% and Ksh. 4.75 billion for development expenditure, translating to 46%.
- 9) To finance the budget, Busia County expected Ksh. 6.11 Billion receivable as equitable share revenue from Exchequer, Ksh. 989.58 Million as total conditional grants from the National Government, generate Ksh. 1.12 Billion from local sources, and Balances brought forward from Financial Year 2019/2020 amounting to Ksh. 2.20 Billion.
- 10) The conditional grants for FY 2020/2021 comprised of Ksh. 31.20 Million for World Bank Loan for Transforming Health Systems for Universal Care, Ksh. 182.06 Million from the Road Maintenance Fuel Levy Fund, Ksh. 57.21 Million Grant for Development of Youth Polytechnics, Ksh. 16.93 Million for compensation of User Fees Foregone, Ksh. 17.10 Million from DANIDA, Ksh. 45.0 Million from World Bank (KDSP Level I) capacity building, Ksh. 69.83 Million from World Bank (KDSP Level II) for development, Ksh. 101.07 Million from World Bank for Kenya Urban Support Programme (UDG) Development, Ksh.45.5 Million from World Bank for Kenya Urban Institutional Grant (UIG) , Ksh. 320.23 Million from World Bank for Kenya Climate Smart Agriculture Programme (KCSAP), Ksh. 49.83 Million as Covid-19 Grant, Ksh. 10.0 Million from Nutritional International, Ksh. 14.0 Million for Agricultural Sector Development Support Programme (ASDSP II) and Ksh. 30.13 Million for Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER).
- 11) The total County actual revenue received during the year under review was Ksh 7.10 Billion out of which Ksh 322.56 Million was received as County own generated revenues, Ksh 6.01 Billion received as Equitable share and Ksh. 761.84 Million received as Conditional Grants. The County had Kshs. 2.20 Billion as balance brought forward from

the Financial Year 2019/2020 giving a total revenue of Kshs 9.3 Billion. This indicates a variance of Ksh.1.12 Billion between the actual and budgeted revenue.

Local Revenues

12) The total County annual local revenue target in the Financial Year 2020/2021 was Ksh. 1.12 Billion. During the period under review, the County generated a total of Ksh. 322.56 Million, which is 28.8% of the annual target. The own sources revenue performed distressfully, falling short of target by Ksh. 796.99 Million.

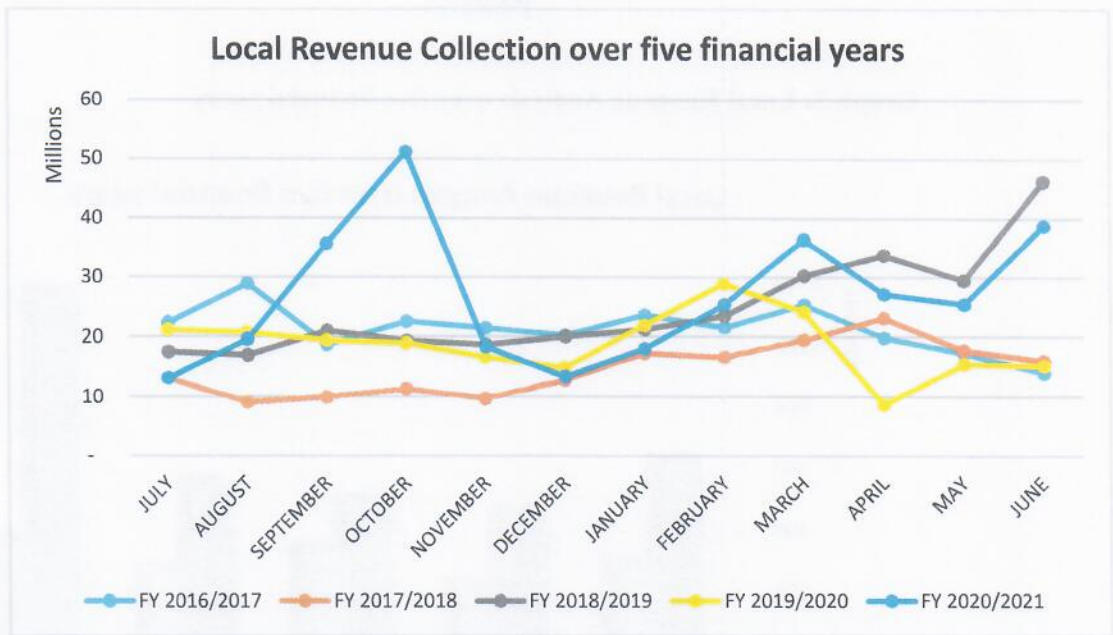
13) The actual monthly local revenue collection over the last five financial years is shown in the table below:

Table 1: Actual Monthly Local Revenue collections over five financial years

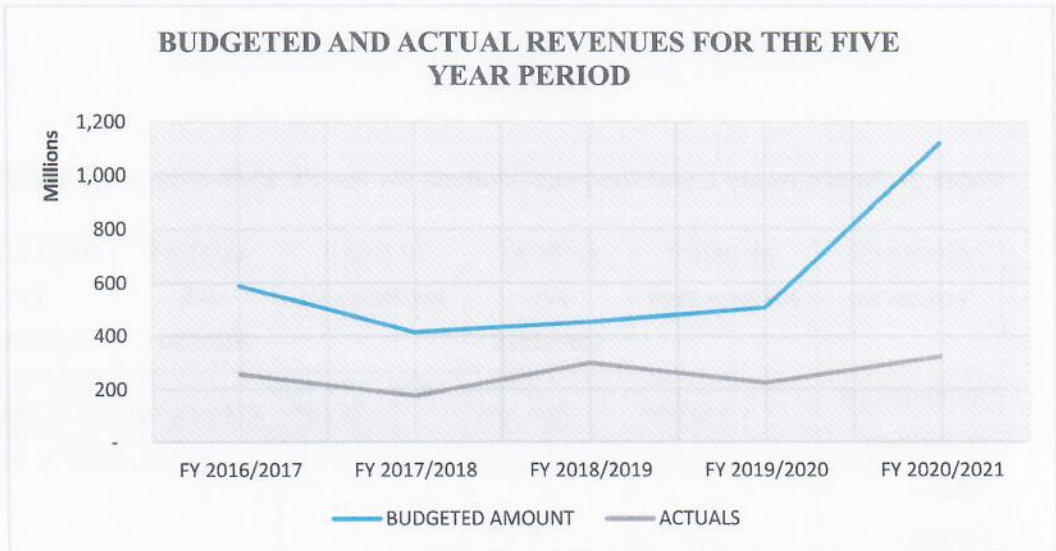
YEARS	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021	Cumulative (5years)
Budgeted Amount	587,510,998	412,055,210	452,519,666	504,500,647	1,119,555,802	3,076,142,323
Actuals						-
July	22,413,657	13,139,612	17,480,088	21,168,937	13,133,412	87,335,706
August	28,898,646	9,109,278	16,944,291	20,705,863	19,614,987	95,273,065
September	18,676,081	9,919,863	21,006,914	19,366,735	35,626,414	104,596,007
October	22,604,110	11,321,202	19,329,469	18,892,193	51,171,308	123,318,282
November	21,483,279	9,701,194	18,698,925	16,615,158	18,399,093	84,897,649
December	20,311,392	12,869,525	20,041,817	14,888,426	13,399,196	81,510,355
January	23,673,021	17,318,875	21,278,420	21,935,527	18,079,242	102,285,085
February	21,596,335	16,630,797	23,514,198	28,865,061	25,386,062	115,992,454
March	25,343,603	19,484,206	30,248,830	24,159,587	36,425,014	135,661,240
April	19,848,252	23,124,329	33,741,945	8,643,723	27,121,820	112,480,069
May	17,318,813	17,699,844	29,444,686	15,407,652	25,452,249	105,323,245
June	13,968,347	15,975,860	46,187,568	15,178,574	38,749,429	130,059,778
Total Revenue	256,135,536	176,294,585	297,917,152	225,827,435	322,558,227	1,278,732,934
Variance	331,375,462	235,760,625	154,602,514	278,673,212	796,997,575	1,797,409,389
Percentage Variance	56%	57%	34%	55%	71%	58%

Source: County Treasury

Graph 1: Monthly Local Revenue- Collection over five financial years



Graph 2: BUDGETED AND ACTUAL REVENUES FOR THE FIVE-YEAR PERIOD



Graph 3: Local Revenue Analysis over five financial years

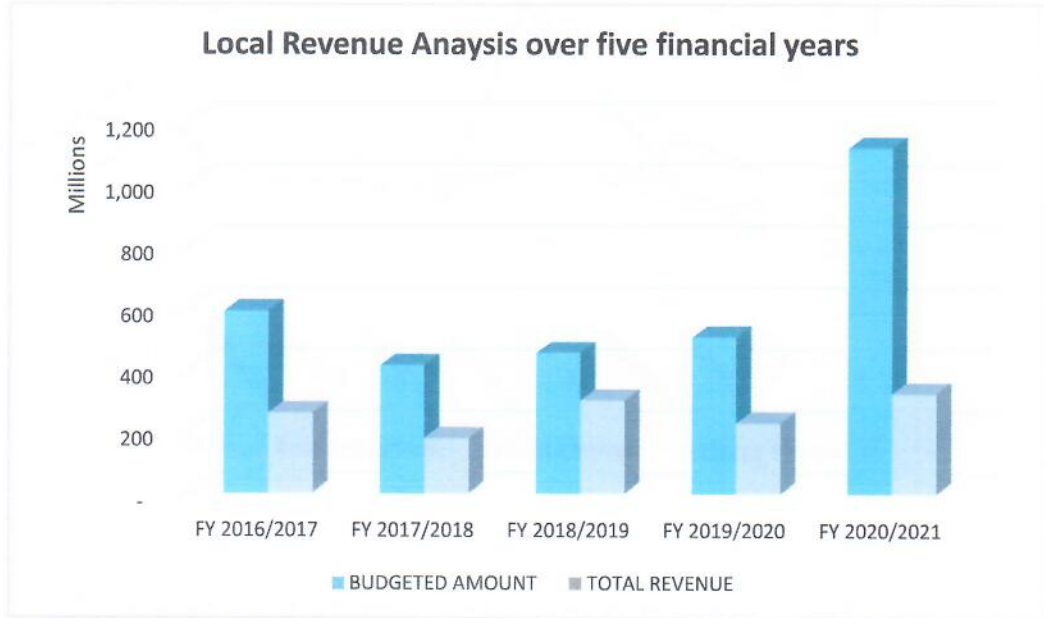


Table 2: Total County Local Revenue Analysis for the FY 2019/2020 and FY 2020/2021

REVENUE SOURCES	BUDGET F/Y2019/2020	ACTUAL F/Y 2019/2020	BUDGET F/Y2020/2021	ACTUAL F/Y 2020/2021	DEVIATION FY 2020/2021	% DEVIATION
Administrative Services	1,738,998	765,700	2,623,167	1,113,360	1,509,807	58%
Admin. Charges	-	-	-	-	-	
Fire Safety	-	559,000	1,258,061	779,100	478,961	38%
Application / Tender	-	-	-	-	-	
Approval / Transfer Fees	63,998	-	-	-	-	
Impounding/ Clamp. Fees	1,675,000	206,700	1,365,106	334,260	1,030,846	76%

REVENUE SOURCES	BUDGET F/Y2019/2020	ACTUAL F/Y 2019/2020	BUDGET F/Y2020/2021	ACTUAL F/Y 2020/2021	DEVIATION FY 2020/2021	% DEVIATION
Rec. Of Interest & Principal	-	-	-	-	-	
Agriculture, Livestock And Fisheries	81,802,767	45,219,091	227,963,707	57,328,772	170,634,935	75%
Sugar Cane Cess	3,950,000	5,501,248	16,495,980	6,413,364	10,082,616	61%
Transit Produce Cess	55,118,988	29,359,020	136,372,566	35,635,870	100,736,696	74%
Tobacco Cess	4,620,157	1,586,053	17,503,081	1,659,668	15,843,413	91%
Fish Cess	6,296,211	2,363,680	18,089,149	707,450	17,381,699	96%
Tractor Hire Services	525,000	-	1,471,416	98,500	1,372,916	93%
Agri. Training College	2,306,917	1,038,865	5,966,657	6,475,570	(508,913)	-9%
Veterinary Services	2,625,000	1,717,800	8,124,840	1,797,570	6,327,270	78%
Stock Sale	4,970,254	2,291,150	17,792,512	3,262,370	14,530,142	82%
Fish Traders License	69,552	322,150	443,082	223,570	219,512	50%
Fish Movement Permit	7,970	12,700	76,146	89,560	(13,414)	-18%
Reg. Of Boats License	38,640	12,600	-	96,450	(96,450)	
Fisherman's License	107,709	118,250	604,752	272,300	332,452	55%
Wakhungu Fish Farm	-	-	-	-	-	

REVENUE SOURCES	BUDGET F/Y2019/2020	ACTUAL F/Y 2019/2020	BUDGET F/Y2020/2021	ACTUAL F/Y 2020/2021	DEVIATION FY 2020/2021	% DEVIATION
Fish Import Permit	163,906	246,900	1,287,416	87,940	1,199,476	93%
Fingerling Sale	-	35,000	-	3,800	(3,800)	
Slaughter Fees	1,002,463	613,675	3,736,111	504,790	3,231,321	86%
Sports, Culture And Social Services	10,497,315	2,003,500	22,396,794	371,200	22,025,594	98%
Hire Of Hall / Office	144,900	51,000	297,962	70,500	227,462	76%
Liquor License	10,350,000	1,950,000	22,071,243	200,000	21,871,243	99%
Group Registration	2,415	2,500	27,589	100,700	(73,111)	-265%
Education And Vocational Training	-	8,000	88,285	-	88,285	100%
Registration Of Ecde	-	8,000	88,285	-	88,285	100%
Nursery Fees	-	-	-	-	-	
Health And Sanitation	134,793,038	63,319,436	289,846,136	120,507,808	169,338,328	58%
Mortuary Fees	778,548	5,528,780	14,675,316	5,571,162	9,104,154	62%
Hospital User Fees	132,000,000	55,948,421	262,295,928	112,287,836	150,008,092	57%
Public Health	1,592,693	1,842,235	12,874,892	2,648,810	10,226,082	79%
Health Sector Fund	421,797	-	-	-	-	

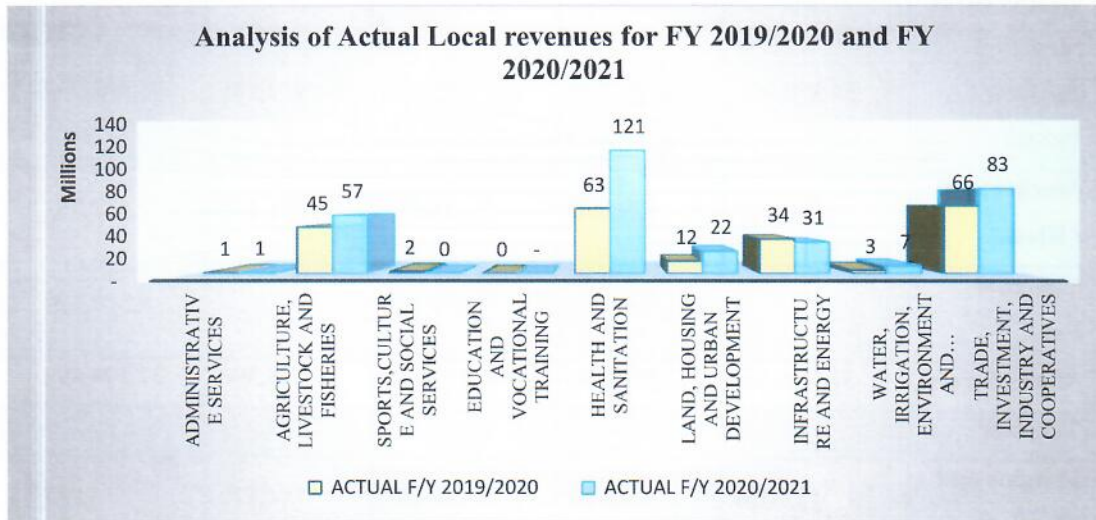
REVENUE SOURCES	BUDGET F/Y2019/2020	ACTUAL F/Y 2019/2020	BUDGET F/Y2020/2021	ACTUAL F/Y 2020/2021	DEVIATION FY 2020/2021	% DEVIATION
Land, Housing And Urban Development	87,767,992	11,927,275	221,145,820	21,951,578	199,194,242	90%
Land Sub-Division	-	-	-	-	-	
Advertisement	6,250,000	3,270,190	27,589,053	8,056,005	19,533,048	71%
Cilor	-	-	-	-	-	
Land Rates	70,706,771	369,401	150,318,114	2,058,600	148,259,514	99%
Land Rates (Arrears)	-	45,664	-	-	-	
Plot Rent	5,200,000	1,649,514	18,792,544	1,045,423	17,747,121	94%
Private Rent. Domestic	654,393	-	-	-	-	
Private Rent. Commercial	35,950	-	-	-	-	
Rent/Gov. Houses		1,328,206	2,207,124	2,400,850	(193,726)	-9%
Application Of Plans	720,878	-	-	307,000	(307,000)	
Title Deeds, Reg. Of Documents	-	-	-	-	-	
Building Plans Approval	4,200,000	5,264,300	22,238,984	8,083,700	14,155,284	64%
Infrastructure And Energy	90,000,000	33,658,026	144,015,869	30,821,429	113,194,440	79%
Trailer Parking Fees	46,000,000	8,673,050	41,336,610	6,244,320	35,092,290	85%

REVENUE SOURCES	BUDGET F/Y2019/2020	ACTUAL F/Y 2019/2020	BUDGET F/Y2020/2021	ACTUAL F/Y 2020/2021	DEVIATION FY 2020/2021	% DEVIATION
Bus Parking Fees	44,000,000	24,984,976	64,294,490	23,786,609	40,507,881	63%
Motor Cycle Fees	-	-	38,384,770	-	38,384,770	100%
Agri. Mach. Service	-	-	-	790,500	(790,500)	
Water, Irrigation, Environment And Natural Resources	5,144,258	3,263,795	39,355,745	7,351,920	32,003,825	81%
Solid Waste	-	644,555	1,448,923	1,846,118	(397,195)	-27%
Sand Cess	1,050,000	463,840	2,770,555	1,334,200	1,436,355	52%
Quarry Cess	-	-	4,478,223	-	4,478,223	100%
Busia Hills Water Supply	849,027	665,189	5,837,684	962,531	4,875,153	84%
Busijo Water Supply	96,600	267,149	1,559,388	376,580	1,182,808	76%
Munana Water Supply	568,435	51,031	62,903	421,003	(358,100)	-569%
Butula Water Supply	1,108,318	417,291	3,208,672	748,271	2,460,401	77%
Port Victoria Water Supply	896,239	518,940	2,316,409	1,281,417	1,034,992	45%
Noise	575,639	154,600	1,679,334	118,800	1,560,534	93%
Water Boozer	-	81,200	15,993,654	263,000	15,730,654	98%
Trade, Investment,	92,756,279	65,662,612	172,120,280	83,112,160	89,008,119	52%

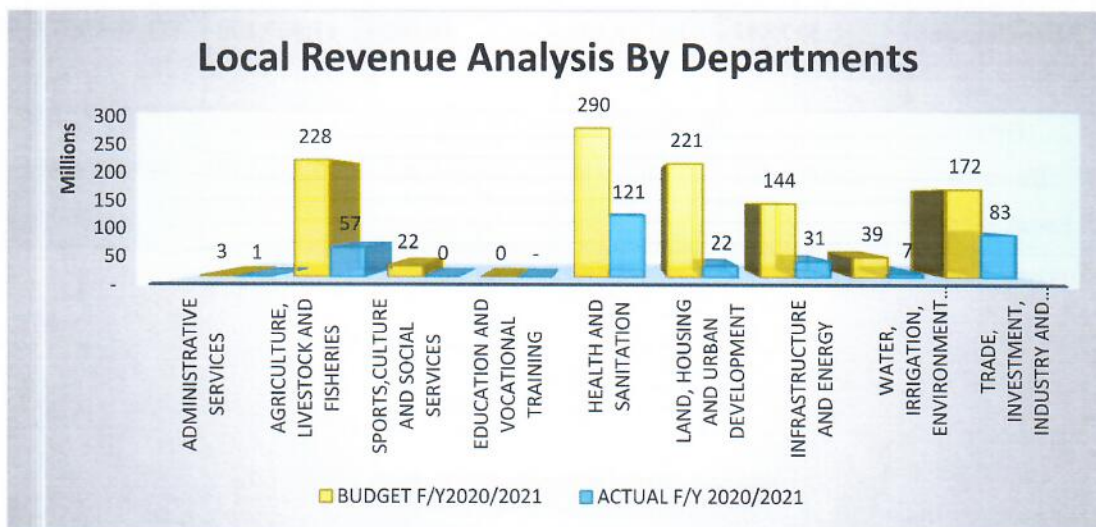
REVENUE SOURCES	BUDGET F/Y2019/2020	ACTUAL F/Y 2019/2020	BUDGET F/Y2020/2021	ACTUAL F/Y 2020/2021	DEVIATION FY 2020/2021	% DEVIATION
Industry And Cooperatives						
Single Business Permit	59,850,000	36,186,400	111,955,579	54,959,591	56,995,988	51%
Market Stall / Kiosk	740,729	629,080	3,203,871	671,110	2,532,761	79%
Charcoal Fees	-	1,320,730	8,519,109	-	8,519,109	100%
Markets Fees	31,500,000	12,957,050	48,172,886	15,778,390	32,394,496	67%
Tourism	7,728	-	-	-	-	
Weights and Measures	123,020	226,630	189,157	184,170	4,987	3%
Co-Op. Audit Fees	16,905	24,220	35,535	9,800	25,735	72%
Other Miscellaneous	517,897	14,318,502	44,142	11,509,100	(11,464,957)	-25973%
Total Revenue Local Source	504,500,647	225,827,435	1,119,555,802	322,558,227	796,997,575	71%

Source: County Treasury

Graph 4: Analysis of Actual Local revenues for FY 2019/2020 and FY 2020/2021



Graph 5: Analysis of local revenue collection per departments



14) In Financial Year 2020/2021 the highest contributor to local revenue was the department of health and sanitation with a contribution of Kshs. 121 Million accounting to 37.4% of the total local revenue, this was followed by the department of Trade with a contribution of Kshs. 83 Million which represented 25.8% and Agriculture with an amount of Kshs. 57 Million representing 17.8% of the total local revenue.

Table 3: Receipts from National Government, Donor funding and Grants.

REVENUE SOURCES	APPROVED BUDGET FY 2020/2021	ACTUAL RECEIVED FY 2020/2021	VARIANCES
1. EQUITABLE SHARE.	6,108,450,000	6,013,500,000	94,950,000
Compensation For User Fee Forgone	16,934,085	16,934,085	-
Village Polytechnics	57,199,894	57,199,894	-
Road Maintenance Levy	182,062,027	182,062,027	-
Grant from Nutritional International	10,000,000	10,000,000	-
Kenya Devolution Support Programme Level "I" Grant	45,000,000	45,000,000	-
Kenya Devolution Support Programme Level "II" Grant	69,825,044	69,825,044	-
Kenya Urban Support Programme (UDG)	101,071,500	14,926,443	86,145,058
Kenya Urban Institutional Support Programme (UIG)	45,000,000	40,802,535	4,197,465
Transforming Health System for Universal Health Care	31,200,000	29,752,242	1,447,758
COVID - 19 GRANT	49,830,000	-	49,830,000
Kenya Climate Smart Agriculture Project(KCSAP)	320,226,100	266,730,087	53,496,013
DANIDA	17,100,000	17,100,000	-
Agriculture Sector Development Support Programme II (ASDSP II)	14,004,970	11,505,863	2,499,107
Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER)	30,127,734	-	30,127,734
SUB-TOTAL	7,098,031,354	6,775,338,219	322,693,135

Source: County Treasury

Table 4: Balances brought forward for FY 2018/19 and FY 2019/20

REVENUE	AMOUNT
County Revenue Fund	1,049,925,197
Transforming Health System for Universal Health Care FY 2019/2020	2,242,720
Transforming Health System for Universal Health Care FY 2018/2019	48,184,179
Kenya Climate Smart Agriculture Project(KCSAP)	133,237,982
Kenya Devolution Support Programme Level "I" Grant FY 2018/2019	47,393,422
Kenya Devolution Support Programme Level "II" Grant FY 2017/2018	168,685,326
Kenya Devolution Support Programme Level "II" Grant FY 2018/2019	111,305,294
DANIDA	6,650,000
Agriculture Sector Development Support Programme II (ASDSP II)	7,878,727
Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER) FY 2019/2020	80,000,000
Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER) FY 2018/2019	80,000,000
Kenya Urban Support Programme (UDG) FY 2018/2019	28,781,242
Kenya Urban Support Programme (UDG) FY 2019/2020	101,071,500
Rehabilitation of Village Polytechnics FY 2019/2020	30,466,746
Road Maintenance Fuel Levy FY 2019/2020	199,036,296
COVID 19 FY 2019/2020	106,464,000
Balance Brought Forward from FY 2018/2019 and FY 2019/2020	2,201,322,630

Source: County Treasury

Expenditure Performance

- 15) The actual expenditure for Busia County in the Financial Year 2020/21 was Ksh. 8.19 billion representing an absorption rate of 79% of the total Budget. This was an increase from an absorption rate of 73% attained in the Financial Year 2019/20.
- 16) Personnel expenditure for the Financial Year 2020/2021 was Ksh. 3.30 billion, representing an absorption rate of 100% of the annual Personnel Emolument budget.
- 17) Operations and Maintenance expenditure for the Financial Year 2020/2021 was Ksh. 2.22 billion, representing an absorption rate of 94% of the annual Operation and Maintenance budget.

18) Actual Development expenditure amounted to Ksh. 2.67 billion, representing an absorption rate of 56% of the annual development budget. The analysis of expenditure by economic classification in the Financial Year 2020/21 is provided in Table below:

Table 5: Summary of the Total County Expenditure

Category	Budget Allocation 2020/2021	Actual Expenditure 2020/2021	Percentage absorption
Recurrent	5,672,187,014	5,518,822,002	97%
Employee Compensation	3,298,758,235	3,297,959,245	100%
Operation and Maintenance	2,373,428,780	2,220,862,757	94%
Development	4,746,722,775	2,670,919,062	56%
Total Expenditure	10,418,909,789	8,189,741,064	79%

Source: County Treasury

Graph 6: Analysis of Total Expenditure

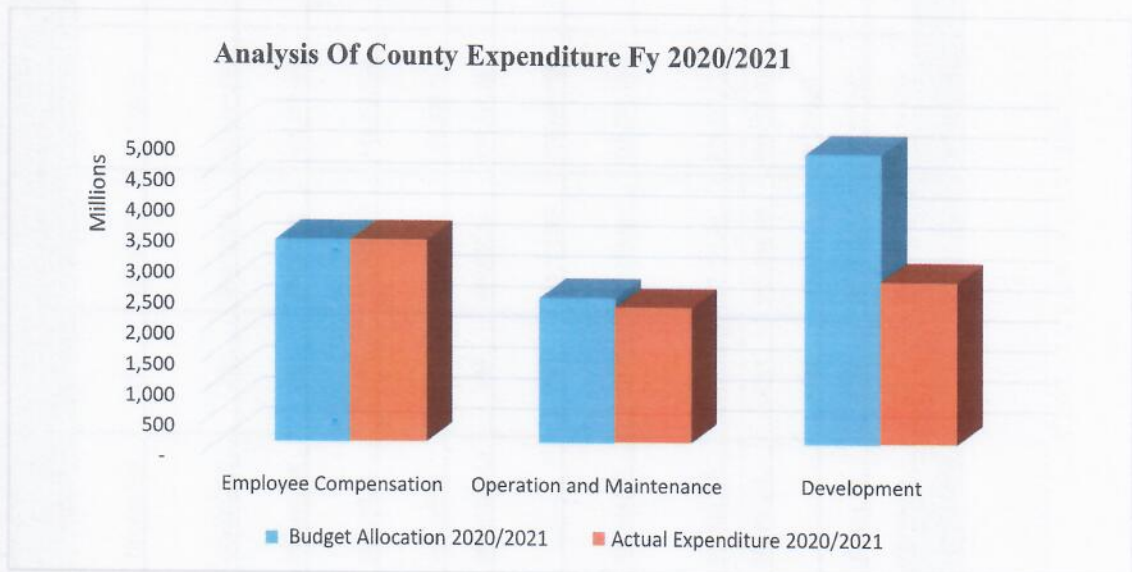


Table 6: Departmental Budget Allocation and Absorption for the FY 2020/2021

Vote Title	Recurrent Budget Allocation and Absorption 2020/21			Operation and Management			Development Budget Allocation and Absorption 2020/21			Total Budget Allocation and Absorption 2020/21		
	Budget	Actual	Absorption	Budget	Actual	Absorption	Budget	Actual	Absorption	Budget	Actual	Absorption
1 Agriculture, Livestock and Fisheries	188,802,115	188,798,938	100%	63,268,238	57,408,289	91%	853,864,863	610,902,535	72%	1,105,935,217	857,109,762	78%
2 Trade, Investment, Industry and Co-operatives	37,651,988	37,593,490	100%	43,610,974	42,127,630	97%	220,154,030	66,720,758	30%	301,416,992	146,441,878	49%
3 Education and Vocational Training	300,036,758	299,999,861	100%	150,041,830	90,581,898	60%	299,366,142	154,389,494	52%	749,444,730	544,971,253	73%
4 Finance & Economic Planning	434,962,620	434,951,319	100%	468,125,453	463,994,715	99%	13,000,000	11,670,572	90%	916,088,072	910,616,606	99%
5 Sports, Culture and Social Services	37,572,775	37,561,974	100%	48,808,585	47,203,490	97%	98,039,200	35,117,222	36%	184,420,560	119,882,686	65%
6 Infrastructure and Energy	69,503,040	69,478,971	100%	68,317,955	64,283,980	94%	1,352,278,636	940,005,994	70%	1,490,099,631	1,073,768,944	72%
7 Public Service and Administration	120,811,116	120,764,557	100%	329,666,372	326,519,446	99%				450,477,488	447,284,003	99%
8 Lands, Housing and urban Development	33,894,392	33,877,072	100%	112,437,422	110,495,590	98%	337,474,248	59,292,459	18%	483,806,062	203,665,121	42%
9 Water Irrigation, Environment and Natural Resources	68,253,335	68,237,104	100%	55,771,853	46,728,901	84%	700,438,715	404,812,135	58%	824,463,903	519,778,140	63%
10 Health and Sanitation	1,404,057,857	1,403,866,189	100%	466,647,969	408,061,759	87%	723,796,941	306,885,656	42%	2,594,502,767	2,118,813,604	82%
11 County Public Service Board	36,636,445	36,377,730	99%	38,318,796	35,981,891	94%				74,955,241	72,359,622	97%
12 The Governorship	135,256,688	135,172,935	100%	220,759,779	219,830,533	100%	82,310,000	15,122,237	18%	438,326,467	370,125,705	84%
13 County Assembly	431,319,106	431,279,105	100%	307,653,553	307,644,635	100%	66,000,000	65,999,999	100%	804,972,659	804,923,739	100%
Totals	3,298,758,235	3,297,959,245	100%	2,373,428,780	2,220,862,757	94%	4,746,722,775	2,670,919,062	56%	10,418,909,789	8,189,741,064	79%

Source: County Treasury

Challenges encountered in the Financial Year 2020/2021 Budget implementation

- 19) Delay in disbursement of the Equitable Share of Revenue, necessitating delay in execution of planned development programmes.
- 20) Underperformance of own source revenue collection streams actual against planned projections. 71.2% of the projected revenue was not realized.
- 21) The county Wage bill remains high and stood at Kshs. 3.30 Billion in Financial Year 2020/2021 compared to Kshs. 3.11 Billion reported in the Financial Year 2019/2020 representing a 6% increment.
- 22) Persistence of the Covid-19 pandemic and lockdowns resulted to voluntary social distancing and its effect on consumption, rising operating costs to make work places more hygienic and safer, and reconfiguration of disrupted supply chains.
- 23) Late approval of key policies brought about by political interference resulting to delays in the implementation of planned programmes.
- 24) Most Grants are either partially or completely non remitted which slows down and affects activities relating to the Grants. This can be noted in Table 3 above on Grants variances.

III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

Recent Economic Developments

- 25) According to the Kenya National Bureau of Statistics, Kenya's economy shrank by 0.6 percent from 5.4 percent in 2019 to 4.8 percent in 2020. The key contributory factors attributed to the decline in economic growth are: floods, invasion of desert locusts and COVID-19 pandemic containment measures.
- 26) Floods; the country experienced increased rainfall during the year which led to the destruction of properties, crops and displacement of citizens.
- 27) Famine; due to invasion of desert locusts majorly in the North East and other parts of the country: these led to the destruction of crops and vegetation resulting in loss of food and income for local families.
- 28) COVID-19 pandemic; this adversely affected the Kenyan economy through supply and demand shocks both externally and internally, hence causing sharp decline in socio-economic activities in the year 2020. The real Gross Domestic Product is estimated to have contracted by 0.3 percent in 2020 (World Bank).
- 29) The overall inflation rate remained low and stable with a slight increase of 1.3 per cent from the Government's target range of 5+/-2.5 percent to 6.3 per cent in June 2021 from 4.6 percent in June 2020, mainly resulting in high food and fuel prices across the country as per Kenya National Bureau of Statistics (KNBS).
- 30) The short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.0 per cent to signal lower lending rates and hence cushion the economy from the adverse effects of the COVID-19 pandemic containment measures and supporting liquidity. The interbank rate remained low but increased slightly to 4.6 per cent in June 2021 from 3.3 percent in June 2020 and the weighted average interest rates for commercial bank loans and advances decreased from 12.24 per cent in 2019 to 12.02 per cent in 2020.
- 31) The foreign exchange market has largely remained stable but partly affected by tight global financial conditions attributed to uncertainty with regard to the COVID-19 pandemic. In this regard, the Kenya Shilling to the US Dollar exchanged at Ksh 107.8 in June 2021 compared to Ksh 106.4 in June 2020.
- 32) The Kenya's Nominal Gross Domestic Product (GDP) had a positive growth index of 4.85 per cent from Kshs.10.26 Trillion in 2019 to Kshs. 10.75 Trillion in 2020. The economic

performance as measured by Real Gross Domestic Product is estimated to have contracted by 0.3 per cent in 2020 compared to a growth of 5.0 per cent in 2019. There was a decrease in Gross Domestic Product Per Capita income from Kshs. 183,664 in 2019 to Kshs. 179,021 in 2020 signifying a negative change of 2.5 per cent (Kenya Economic Survey, 2021).

- 33) In addressing the challenges of poverty and inequality as hampers of economic growth, the County undertook robust programmes aimed at boosting Agribusiness, ending hunger, achieving food security, improving nutrition and promoting sustainable agriculture in the County through issuance of farm inputs and agricultural extension services across the County.
- 34) In the planning year under review, the County made progress in increasing accessibility to safe clean water through solar pumping boreholes that have enhanced the water coverage to 60 percent of the entire population, and thus contributing to Kenya's efforts to achieve Sustainable Development Goal number six on clean water and sanitation. It also contributed a lot in reduction of water borne diseases.
- 35) The water storage capacity has increased by 700,000 liters to cover rural setup. This has also been followed by 40Km to 250Km pipe network extensions to reduce distance taken in fetching water to an average of 1km.
- 36) In the year under review, the County maintained approximately 160 km of roads under fuel levy and upgraded 5.68km of roads to bitumen standards. Moreover, 150km of roads were routinely maintained, 7 box culverts and 2 bridges were constructed.
- 37) To increase access and quality of education in ECDE, the County continued to improve the infrastructure in the ECDE centers by completing the construction of 24 children friendly ECDE classrooms and toilets.
- 38) The recruitment of revenue staff and automation of revenue resulted in an increase in county revenue from the previous year's collection. The electronic revenue management system put in place played a vital role by boosting tax collection, enhancing transparency and helping in sealing revenue leakages.
- 39) The Kenya devolution support programmes grant enabled the completion of a number of commenced projects which included the theatre at Nambale Sub-County hospital, currently ready to offer services. The theatre at Khunyangu hospital and Matayos Sub-County hospital realised significant progress and are at near completion state.

- 40) The male ward at Nambale health centre is also completed and a dental unit at Alupe Sub-County hospital. There was also a significant progress in the construction of the Mother and Child hospital unit at Alupe Sub-County hospital.
- 41) The County has identified several revenue sources from mechanical and transport section through licensing and inspection of motor vehicles in line with Chapter 11 Part 3 of the Constitution. Further, through the establishment of the County Mechanical and Transport Fund/Unit for hiring out of the road construction equipment to the public and other government institutions, the County through the department realized Kshs.1.137 Million collected as revenue.
- 42) The County purchased 29.75 acres of land in various wards for different ward development projects, ranging from dispensaries, Secondary schools, polytechnics, milk parks, markets and water projects.
- 43) The County increased land under irrigation by 40Ha under the Changara Water Pan funded by World Bank.
- 44) The County recruited 776 staff in various Departments and also competitively promoted staff to recognize employee's performance, commitment and to ensure the employees are motivated towards better performance.
- 45) The County procured two modern fire engines although one is still under installation and equipping works by the supplier with the capacity of 9,000 litres of water and 1000 litres of foam which will enable the County to successfully respond and mitigate fire incidences.
- 46) Fresh produce markets have been established in all the sub-counties and this has enhanced hygienic trade in perishable goods among the citizens.
- 47) The County operationalized Trade Development Revolving Fund which has promoted development of small and micro enterprises and developed an institutional framework for coordinating loan disbursements which was rolled out in the year under review.
- 48) The County undertook youth mentorship programs and issued grants to youth and women groups which enabled them to participate in growing the economy as they engaged in various activities. The County also refurbished Busia County stadium to meet the required standards.

Analysis of Expenditure by Departments

This section presents an analysis of the two arms of County Government based on the actual expenditure for the financial year 2019/2020 in comparison to the approved budget.

County Executive Service

- 49) The Executive authority of the County is vested in, and is exercised by the County Executive committee. Article 183 of the constitution provides the functions of the County Executive Committee which includes: implementing National and County legislation as well as managing the functions of the County administration and its departments. Further, Sub- article 3 requires the County Executive to provide comprehensive reports on a regular basis to the County assembly on matters relating to the County.
- 50) In the Financial Year 2020/2021, County Executive allocation increased by 14 per cent from Ksh 8.43 Billion in the Financial Year 2019/2020 to Ksh 9.61 Billion. The actual expenditure for the period July 2020 to June 2021 amounted to Ksh. 7.38 Billion representing an absorption rate of 76.8 per cent.

County Assembly

- 51) The legislative authority of the County is vested in, and exercised by the County Assembly. The roles of the County assembly have been highlighted in Section 8 of the County Government Act 2012, which includes among others; approval of the County budgets in accordance with Article 207 of the constitution, approval of borrowing by the County Government in accordance with Article 212 of the Constitution, approval of County development plans and to perform their legislative and oversight roles as set out under Article 185 of the Constitution of Kenya 2010.
- 52) In the Financial Year 2020/2021, County Assembly budget allocation decreased by 4.6 percent from Ksh 843.6 Million in the Financial Year 2019/2020 to Ksh.804.9 Million. The actual expenditure for the period July, 2020 to June 2021 amounted to Ksh. 804.9 Million representing an absorption rate of 100.0 percent.

Table 7: Allocation Analysis-County Executive and Assembly

No.	Description.	Amount.(Ksh)	Percentage.
1	County Executive	9,613,937,130	92%
2	County Assembly	804,972,659	8%
	TOTAL.	10,418,909,789	100%

Chart 1: Allocation Analysis-County Executive and Assembly

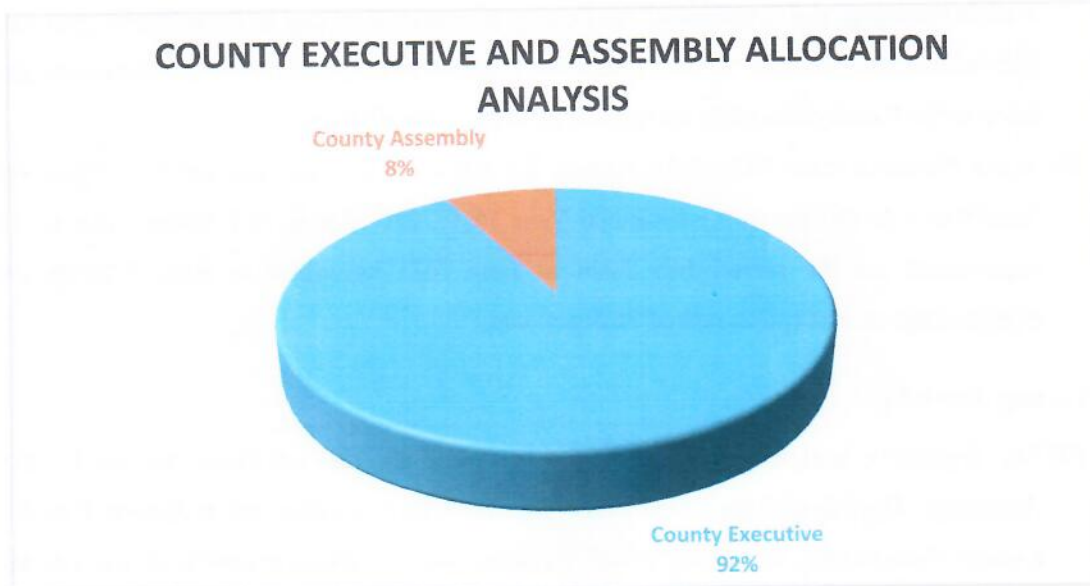
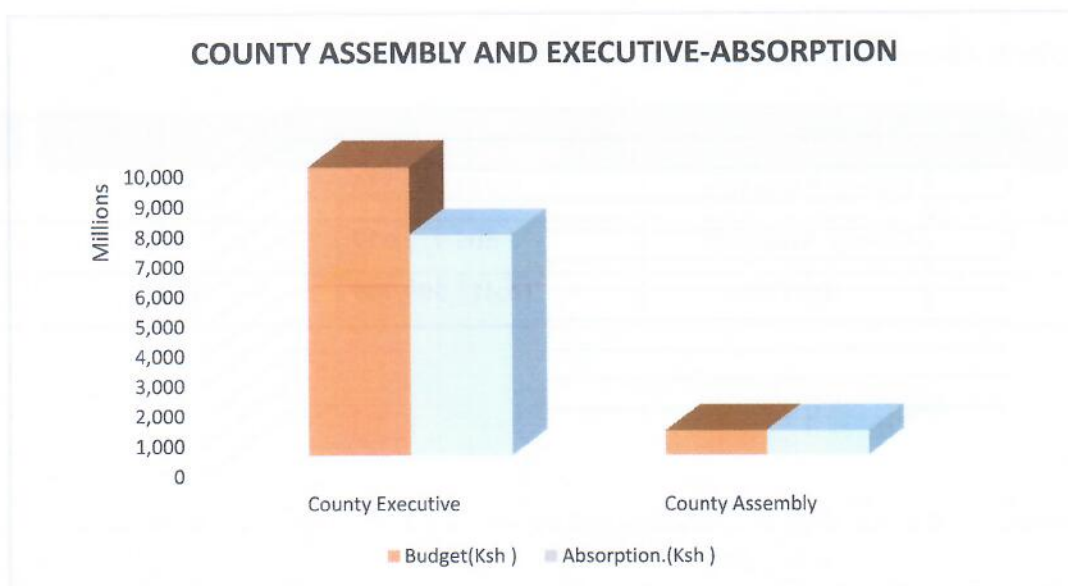


Table 8: Absorption Analysis-County Executive and Assembly

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage
1	County Executive	9,613,937,130	7,384,817,321	76.8%
2	County Assembly	804,972,659	804,923,739	100.0%
	TOTAL.	10,418,909,789	8,189,741,060	78.6%

Graph 7: Absorption Analysis-County Executive and Assembly



IV. ANALYSIS OF EXPENDITURE PER DEPARTMENT

1) Agriculture, Livestock and Fisheries

- 53) The department's vision is to be a Leading County in Food security and sufficiency for sustainable livelihoods. The agriculture sector contributes substantially towards the overall development and transformation of Busia County ensuring food security and improved human health and nutritional status.
- 54) The Departments Mission is to improve the livelihoods of Busia County residents through the promotion of competitive agriculture and provision of support services while ensuring a sustainable natural resource base.
- 55) The department has four directorates namely: Agriculture, Livestock Production, Veterinary and Fisheries.
- 56) In the directorate of Agriculture; a total of 3,468 farmers had their soils tested for PH in the county. The farmers were able to purchase lime for rectifying the situation. This led to an average Yield Increment per acre of 12 bags from 7 bags, totalling to a 17,340 90 Kg Bags of maize. 2,683 acres of land were ploughed at a subsidized fee hence translating 37,562 90Kg-Bags increase to county maize production. The Ploughing services were conducted by ward fund ploughing grant.
- 57) In the same period, 16 Tractors were serviced and maintained, 4 Ploughs were also purchased, 17,500 farmers were reached by trainings, demonstrations and field days on modern appropriate agricultural technologies, trainings of over 100 service providers, spray service providers on safe use and handling of pesticides. Resource poor farmers totalling to 107,500 each received 2 Kg Bags of Certified Maize seeds. This translated to 21,500 acres of land being planted with certified Maize seeds which will translate to increase in maize production by 301,000, 90Kg Bags of Maize.
- 58) Under Veterinary directorate; 100,000 cattle, sheep and goats were vaccinated against Lumpy Skin Disease, Anthrax and Foot and Mouth Disease. This led to reduced incidences of the notable diseases. There was no rabies outbreak reported during the financial year due to the preventive measures as 4000 dogs were vaccinated. 150 poultry farmer groups with approximately 100,000 chickens benefited from the New castle disease vaccine distribution. Loss of poultry due to Newcastle outbreak reduced by over 60% due to the preventive measures. 134 litres of acaricides were procured and distributed to dairy farmer groups and operational crush pens. Over 5000 animals were put into regular spraying activity with acaricides and losses decreased by 50%. 2000 cows were served on Artificial

Insemination with support from development partners and are projected to produce over 1400 crossbreed off springs that will produce over 15,000 extra litres of milk after 18 months.

- 59)** Under Livestock directorate, 327 dairy heifers were procured and distributed to farmer groups across the county through departmental and ward fund. This will contribute to an average of 0.9 Million litres of milk by December 2022 generating Ksh 59.8 Million as income to dairy beneficiaries and thus enhancing county revenue through multiplier effect. In an effort to support livestock feed subsidy, the department procured and supplied 822 kg dairy meal and 7,554 bales of hay across the wards through Ward Development Fund. To increase livestock feed security and increase production, the department-initiated establishment of 2 Dairy parks in Butula and Teso South Sub Counties under Kenya Devolution Support Program (KDSP). Construction works at the said parks are on-going and are 90% complete. Once complete, it will result in production of 0.4 Million litres of milk annually thereby generating Ksh 21.9 Million to the county revenue.
- 60)** Under poultry programme, 2 poultry parks worth Ksh 90.5M in Bunyala and Teso South sub counties were initiated and works on-going through the Kenya Climate Smart Agriculture Project (KCSAP). The project is anticipated to increase access to quality indigenous poultry breeding material and improve market linkages in the Indigenous chicken value chain.
- 61)** The department procured and distributed 503 kg of assorted fodder seeds for establishment of over 100 acres of fodder. 430 acres were established with projected production capacity of 12,900 tonnes of fodder per season. Through the ward fund the department procured and distributed; 30 hives to farmers in Bukhoyo Central, 545 pigs (gilts and boars) and 243 kg of pig feeds (sow and weaner), 4,397 pellets and 5,528 capacity eggs incubator.
- 62)** Over 10,000 farmers countywide were sensitized on livestock husbandry practices and innovations through trainings, farm visits, on-farm demonstrations and field days. This was collaboratively achieved with partners, among them; Agriculture Sector Development Support Programme (ASDSP), KCSAP, Send a Cow, KALRO, FIPS Africa, World Vision and ADS.
- 63)** Construction of modern fish transshipment market at 95% completion and it's expected to improve by 20% value and volume of fish handled at the market. A pelletizer machine was installed at Nasewa fish feed factory and the first 30% fish starter mash produced was supplied to the aqua parks. The department is also in the process of establishing 2

aquaculture parks in Teso South and Butula sub counties and construction of flood control dyke at Bukani in Samia Sub County were approved in the FY 2020/2021.

64) Despite the improvement in service delivery, the department experienced a myriad of challenges. These include;

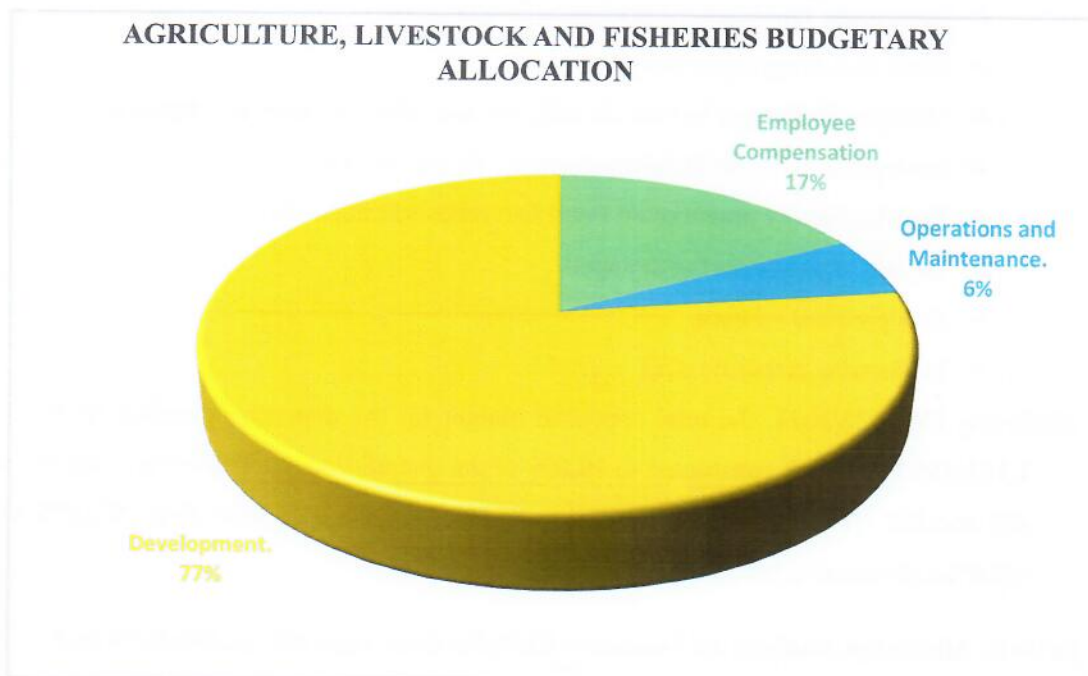
- Inadequate funding for Agriculture Programmes.
- High cost of agricultural inputs.
- Mobility challenges to provide efficient and effective service to farmers.
- Inadequate skills on Pond management by the farmers.
- Poor husbandry practices on Pond fish feeds administration
- Drying of ponds during dry spell
- Fish predator menace
- Inadequate extension staff

65) In the FY 2020/2021, the total approved budget for the department amounted to Ksh **1,105,935,217** which constituted to **10.6%** of the overall budget. This comprised of Ksh **853,864,863 (77.2%)** allocated to development expenditure and Ksh **252,070,354 (22.8%)** allocated to recurrent Expenditure.

Table 9: Allocation Analysis by Economic Classification-Agriculture, livestock and Fisheries.

No.	Description.	Amount.(Ksh)	Percentage.
1	Employee Compensation	188,802,115	17%
2	Operations and Maintenance.	63,268,239	6%
3	Development.	853,864,863	77%
TOTAL.		1,105,935,217	100%

Chart 2: Allocation Analysis- Agriculture, livestock and Fisheries.



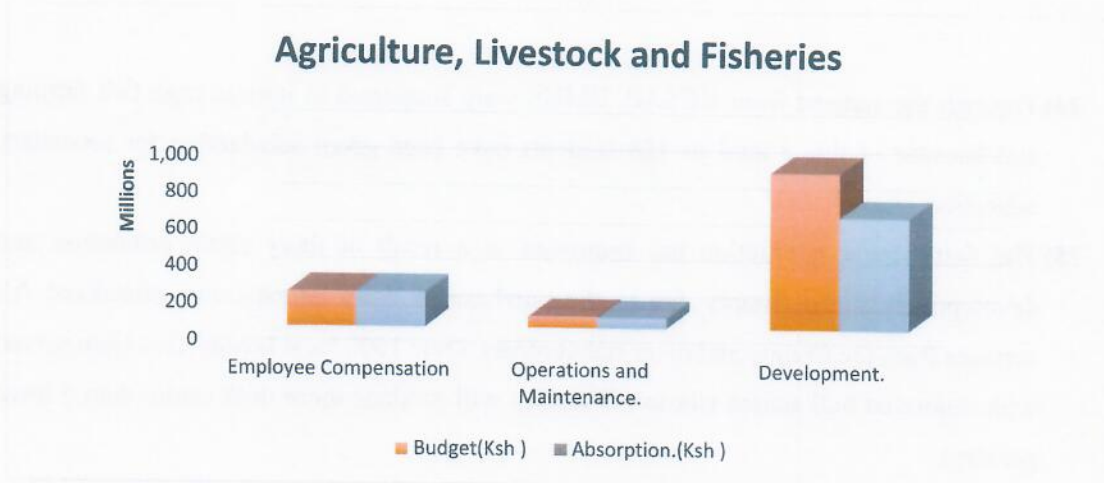
66) Development budget allocation was the highest with an allocation of 77%, Personnel Emolument was second with an allocation of 17%, while Operations and maintenance was the least with an allocation of 6%.

67) In order to Finance the Budget, the Department expected to receive Ksh 320,226,100 as Kenya Climate Smart Agriculture Programme conditional grant and Ksh 14 Million as ASDSP.

Table 10: Absorption Analysis- Agriculture, livestock and Fisheries.

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage.
1	Employee Compensation	188,802,115	188,798,938	100%
2	Operations and Maintenance.	63,268,239	57,408,289	91%
3	Development.	853,864,863	610,902,535	72%
	TOTAL.	1,105,935,217	857,109,762	78%

Graph 8: Absorption Analysis- Agriculture, livestock and Fisheries.



68) The total absorption was Ksh 857.11M representing 78% of the total departmental budget. Development vote absorption was at 72%. The department utilization of the Personnel Emoluments was at 100% while Operations and Maintenance absorption was at 91%.

69) By the end of the FY 2020/2021, the department managed to clear **98%** of its pending bills.

70) The inputs access project targeting the poor and vulnerable farmers in the county has been instrumental in assisting the farmers to realize their agribusiness dreams.

71) The availability of tractor ploughing services has enhanced the land under cultivation thus increasing timeliness and efficiency in land preparation hence increased crop production. Untimely land preparation is associated to 30% losses of the crop yields within the county. This has really assisted the small-scale farmers who form the bulk of the farmers in the County.

72) By the end of the FY 2020/2021, the two dairy parks in Teso south and Butula were 85% and Border transshipment market was 95% complete, the Cassava processing factory in Teso South was complete to be operationalized in the FY 2021/2022.

73) In collaboration with Agricultural Mechanization Research Institute, new cassava technologies have been introduced in the value chain, cassava harvester and cassava solar drier with the aim of strengthening the value chain.

74) Through the support from KCSAP, BMUS were supported to initiate cage fish farming and because of this a total of 428 students have been given scholarship for secondary education.

75) The dairy cattle production has improved as a result of dairy cattle promotion and development in the County due to the purchase of dairy animals and subsidized A.I services from the County and other stakeholders. Over 1500 local breeds have been served with improved bull semen whose off springs will produce more milk (more than 5 litres per day).

76) The following risks are anticipated to the outlook;

- Reduction of budget funds from time to time which interferes with project implementation and operations creating uncertainty in planning for subsequent Financial Year development plans.
- The environmental factors such as animal disease outbreaks and unforeseen drought may affect the expected project performance.
- Political interference
- Vulnerability of Kenyan economy to internal and external shocks still poses as a key development challenge.

2) Trade, Investment, Industry and Cooperatives

77) The department of Trade, Investment, Industry and Cooperatives' vision is to be a leading department in the promotion of trade, cooperative movement and investment.

78) The department's mission is to foster inclusive and sustainable socio-economic development through promoting investment in trade, entrepreneurship, innovations, value addition and cooperative development.

79) The department has four directorates namely; trade, cooperatives, cooperative enterprise development fund and weights and measures. The department facilitates and promotes trade and cooperative development and ensures fair trade practices. The department exists to promote self-reliance through enhanced business, employment and wealth creation. This is achieved through implementation of programs targeting diversification, innovation, value addition, information sharing, market linkages and trade infrastructure support.

- 80) The department aims at creating an enabling business and economic environment that promotes and encourages investment while exploiting the cooperative movement. It discharges its mandates through the directorate of trade, weights and measures, cooperative development and Cooperative Development Enterprise Fund.
- 81) The directorate provided the traders with requisite trade information to facilitate business networks. It oversees and promotes cross-border trade through cross-border committees. This ensured seamless movement of goods and services across the international border and across inter -county borders boosting trading activities and thus improving revenue collection.
- 82) Fresh produce markets have been established in all the sub-counties and this has enhanced hygienic trade in perishable goods among the citizens.
- 83) The directorate operationalized the Busia county trade development revolving fund which has promoted development of small and micro enterprises and developed an institutional framework for coordinating loan disbursements which was rolled out in the year under review.
- 84) In the Financial Year 2020/2021, Ksh. 7 Million was received and disbursed as follows; Kshs. 5 Million to small scale traders and Kshs. 2 Million cooperative societies. The fund grants low interest loans to small traders and cooperative societies with a view to scaling up their activities. Strict evaluation of eligible loan applicants was carried out before funds were disbursed. Stricter monitoring and evaluation of the use of the funds will be carried out throughout the repayment period.
- 85) The Department through the directorate of trade, oversees implementation of ward development projects such as construction of markets, market shades and market ablution blocks and pit latrines in various wards across the county. In the review year, the procurement processes for these projects were initiated and the projects are deemed to be implemented and completed in the current year.
- 86). Under weights and measures, the department ensured fair trade practices within the county. Calibration of weighing scales and fuel pumps at all outlets was carried out by this unit together with elimination of counterfeit goods within the county.
- 87) The directorate of cooperative development spearheads the revamping of cooperatives and registration of new ones. It also enhances cooperative movement and adds value to local

produce for higher returns. Under this directorate the Cooperative Enterprise Development Fund was established to provide affordable credit and capacity build the cooperatives to effectively discharge their mandate.

88) The department did encounter numerous challenges among them; -

- Delay in procurement processes
- Insufficient funds to undertake vast projects,
- High demand for the cooperative enterprise development fund and Trade Revolving fund which surpasses budgetary allocation.

89) In the subsequent financial years, the department will continue discharging its mandates in all the four directorates, complete ongoing projects and implement planned projects in the relevant years.

90) The Recent Economic Development in the department include: -

- Renovation and construction of new markets in the county have increased the revenue for the county as well as the income for the traders.
- The renovation and construction of the markets has provided an ample place to engage in trading, an aspect that has improved the income in people's pockets.

91) Also, the market offers traders with a hygienic area to operate their businesses and as a result disease related to unhygienic environment have been prevented, thus reducing medical cost to traders and their customers.

92) Bodaboda sheds have offered Bodaboda riders with a conducive environment to operate their business. They now have their potential customers at specific points; this has increased their operations and income.

93) Training of traders through trade fairs and exhibitions have impacted traders with skills to do their businesses, this has enabled them to operate their profitable ventures.

94) Cooperative development enterprise fund has enabled people in the county to access cheap loans. Through the loans, more people have explored in development of money generating activities an aspect that has changed the economic position of the people within the county.

95) Weights and Measures have promoted better trade practices and consumer protection.

96) Trade Development Revolving fund has offered loans to small scales traders, these loans have given them an opportunity to expand their business and increase their income.

97) The following are the anticipated risks to the outlook; -

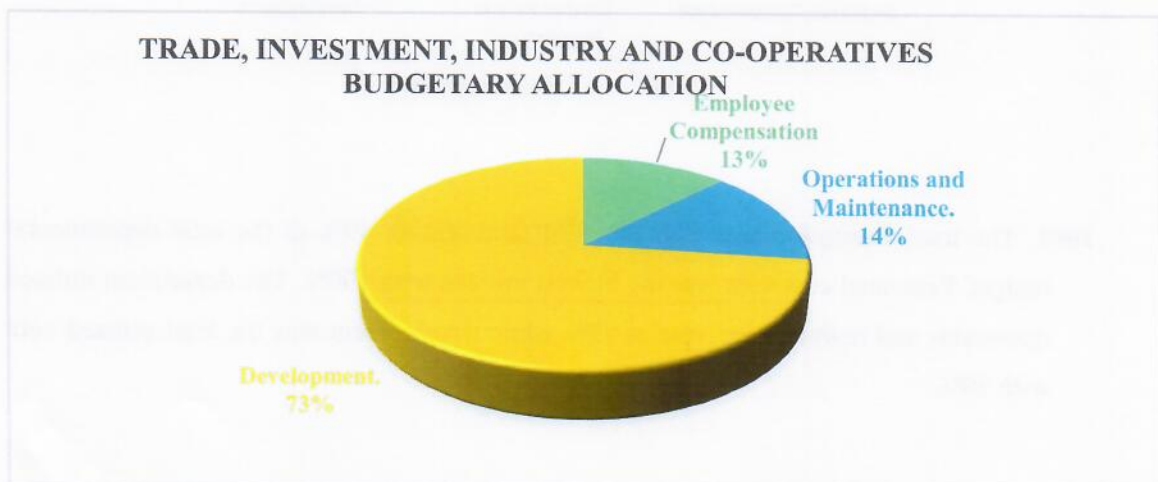
- Covid -19 pandemic and containment measures are likely going to affect the business activities in the county; if the pandemic is not ending anytime soon.
- Budget limitation will hamper the initiation of new and implementation of projects
- Inadequate qualified staff personnel to develop and implement new project.

98) The department was allocated **Ksh. 301,416,992** representing 2.9% of the overall budget. This constituted **Kshs. 220,154,030 (73.0%)** as development allocation and **Kshs. 81,262,962 (27.0%)** as recurrent allocation. The budget for the department was divided as follows:

Table 11: Allocation analysis by economic classification- Trade, Investment, Industry and Cooperatives

No.	Description.	Amount.(Ksh)	Percentage.
1	Employee Compensation	37,651,988	13%
2	Operations and Maintenance.	43,610,974	14%
3	Development.	220,154,030	73%
TOTAL.		301,416,992	100%

Chart 3: Allocation Analysis- Trade, Investment, Industry and Cooperatives

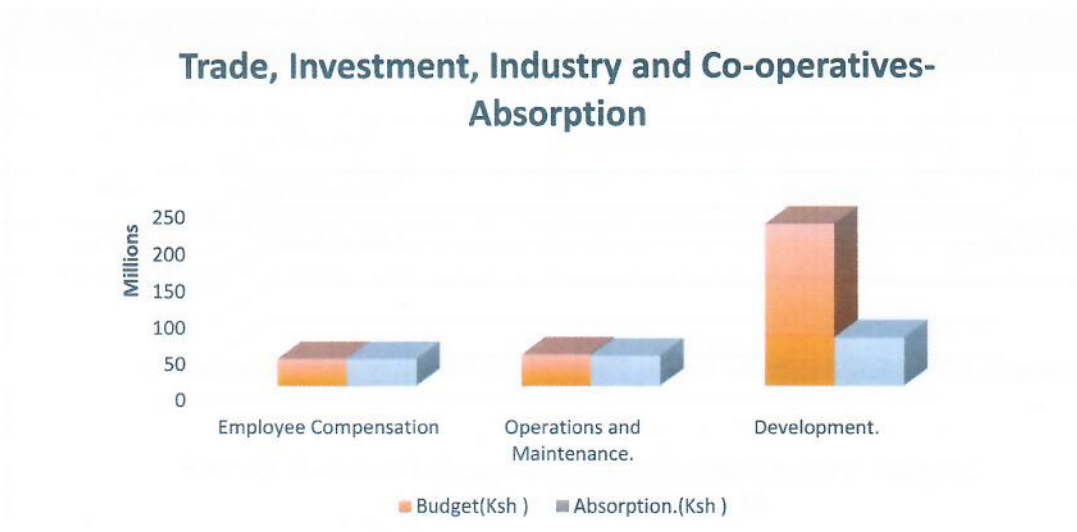


99) Development allocation was the highest with an allocation of 73%. Operations and maintenance got the allocation of 14% as the second ranked beneficiary. Personnel cost (Compensation to employees) got the least allocation of 13%.

Table 12: Absorption Analysis- Trade, Investment, Industry and Cooperatives

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage.
1	Employee Compensation	37,651,988	37,593,490	100%
2	Operations and Maintenance.	43,610,974	42,127,630	97%
3	Development.	220,154,030	66,720,758	30%
	TOTAL.	301,416,992	146,441,878	49%

Graph 9: Absorption Analysis- Trade, Investment, Industry and Cooperatives



100) The total absorption was Ksh.146.44M representing 49% of the total departmental budget. Personnel cost vote was the highest utilized with 100%. The department utilized operations and maintenance vote at 97% while development was the least utilized vote with 30%.

3) Education and Vocational Training

- 101)** The department's vision is to provide quality education and training for all to transform Busia into an intelligent County in the frontline of global progress and innovation.
- 102)** The department's mission is to provide accessible, holistic and quality Education Training to all, for the Socio Economic and Sustainable Development of Busia County and for Self- reliance and innovativeness in an increasingly globalized environment.
- 103)** The Constitution of Kenya 2010 Article 43 guarantees each person the right to education while Article 53 provides for free and compulsory basic education, basic nutrition, shelter and health care to all children. The Sustainable Development Goals (SDGs) were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. SDG number 4 is to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- 104)** The department also takes in cognizance that pre-primary education is a crucial foundation stage for primary education, character formation and lifelong learning. It is in this line that the department through the Directorate of early Childhood Education has made deliberate efforts to ensure that the Pre- primary learners are provided with opportunities to enhance their cognitive, social, emotional and spiritual development by improving infrastructures in ECDE centers, improving teacher to learner ratio (by employing a minimum of 2 teachers per center), provision of learning material and conducting quality assurance and standards assessments.
- 105)** Vocational Training is a key tool for National Development and it is linked to human resource development, thereby, impacting on economic growth and the wider development of individuals and the society. The directorate of Vocational Training has continued to develop an effectively coordinated and harmonized TVET system that is capable of providing quality skilled human resource with the right attitude and values required for growth and prosperity of the County.
- 106)** This has been possible through development of relevant policies, improvement of infrastructure, provision of modern tools and equipment and ensuring that additional qualified instructors are recruited to provide quality training in Vocational Training centers.

107) During the year under review the directorate of Early Childhood education was able to successfully undertake the following programs: -

- To increase access and quality of education in ECDE, the directorate continued to improve the infrastructure in the ECDE centers by completing the construction of 24 children friendly ECDE classrooms and toilets.
- The directorate was also able to supply and deliver chairs, text books and learning material to ECDE Centers.
- The directorate also distributed approved curriculum design to all public ECDE, thus aligning the teaching /learning to the new Competency Based Curriculum (CBC).
- To ensure effective delivery of services, the department developed the Busia County Early Childhood Development Education Bill 2020 which has been enacted into law.

108) The Directorate is aggressively involving the executive to approve funds to facilitate Change of Terms of Service of 575 ECDE teachers from contract to Permanent and Pensionable Terms.

109) The Directorate initiated efforts to seek funds through the County Fiscal Strategy Paper to enable it to provide Milk to ECDE learners. This will boost learners' Nutrition and Concentration.

110) During the Year under review, the Directorate of Vocational Training was able to successfully undertake the following programs: -

- To improve the infrastructure in vocational training centers, the Directorate completed the construction of administration block in Nasira VTC, Completed Phase one of Administration Block at Katakwa VTC, Completed construction of a classroom at Bukoma VTC, Initiated construction of Administration block at Onyunyur and Okisimo VTC.
- Several Vocational training centers were also equipped with relevant and modern tools and equipment.
- Received a Subsidized Vocational Training Support Grant which was disbursed to 24 public Vocational Training Centers to support in the purchase of learning materials, tools and equipment and administration of the Centers.

- To ensure effective delivery of services, the department developed the Busia County Vocational Training Centres Bill, 2020 which has been enacted into law.
- To enhance access and equity in the provision of education to disadvantaged learners, the department continued to issue bursaries to over 8,000 needy students in Secondary school, Middle level colleges and universities.
- Youth unemployment is a major challenge in the world today. The country and by extension the Counties will encounter challenges of coping with the growing number of unemployed youth unless serious measures and alternative strategies are put in place. Bodaboda transport is a form of employment that has given an opportunity to many people, both young and old in the County at a time when the Country is facing serious unemployment problems. The department through the ward bursaries did sponsor bodaboda riders to driving schools to be sensitized on road safety and attain valid rider licenses. This was geared towards improving chances of employment, reducing crime rate and enhancing the safety of the riders and other road users.

111) Some of the Risk to the outlook include: -

- Delay in disbursement of Funds
- Closure of institutions due to the COVID-19 pandemic
- Inadequate resources to meet the demands of the department.

112) Some of the Challenges faced by the department include: -

- High financial expectations against the resource envelope. Limited resources to meet the demands of the department to address challenges of dilapidated infrastructure in both ECDE and Vocational Training Centers
- Poverty levels in some parts of the County have greatly affected enrolment in Vocational Training Centers. Most Parents can hardly afford to pay for Feeding programs, registration fees and examination fees.
- Infrastructure has also posed a challenge to schools. Access to some schools is difficult as a result of poor road network, Inadequate utility Vehicle for field teams to monitor implementation of programs and projects.

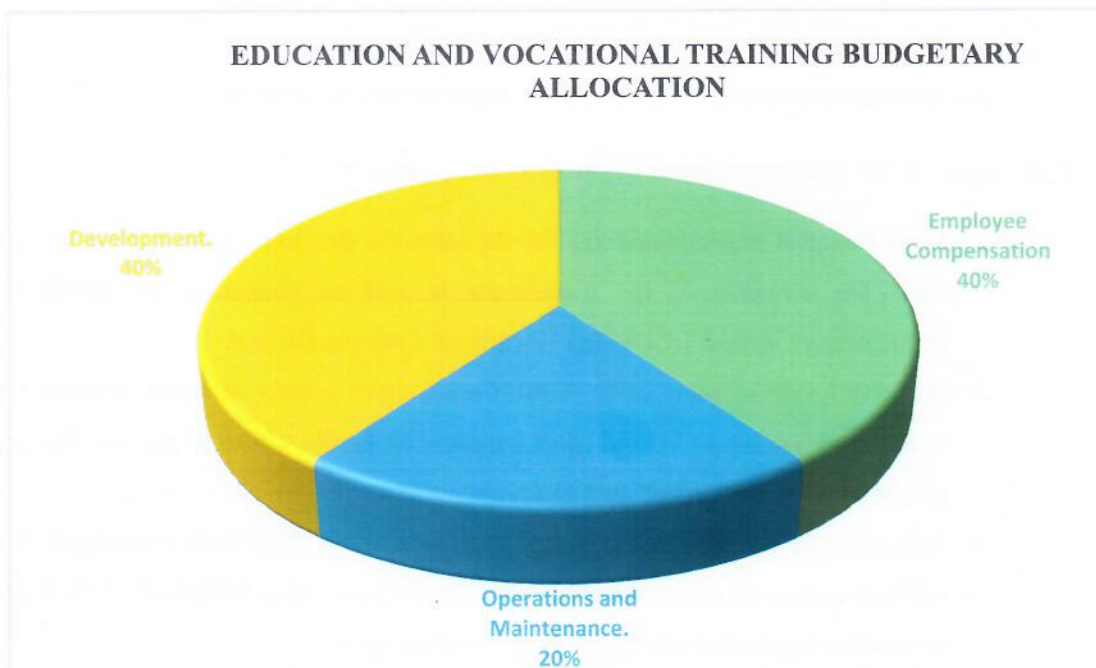
113) The department was allocated **Ksh. 749,444,730** which constituted to **7.2%** of the overall budget. This constituted **Kshs. 299,366,142 (39.9%)** as development allocation

and **Kshs. 450,078,588 (60.1%)** as recurrent allocation. The budget for the department was divided as follows:

Table 13: Allocation analysis by economic classification-Education and Vocational Training

No.	Description.	Amount.(Ksh)	Percentage.
1	Employee Compensation	300,036,758	40%
2	Operations and Maintenance.	150,041,830	20%
3	Development.	299,366,142	40%
TOTAL.		749,444,730	100%

Chart 4: Allocation analysis- Education and Vocational Training

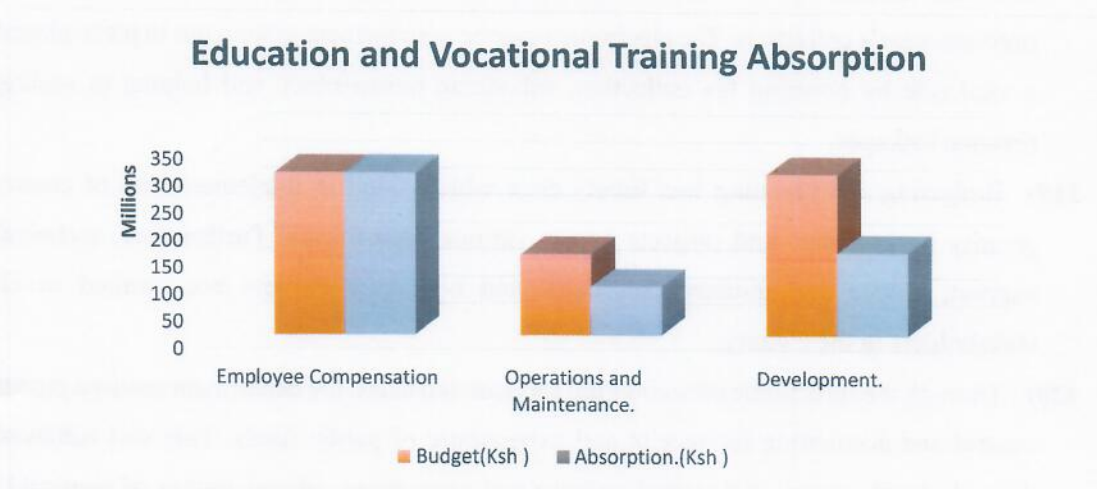


114) Personnel Emolument budget allocation was the highest with an allocation of 40%. Development was second with 40% while Operations and maintenance was the least with an allocation of 20%.

Table 14: Absorption analysis-Education and Vocational Training

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage.
1	Employee Compensation	300,036,758	299,999,861	100%
2	Operations and Maintenance.	150,041,830	90,581,898	60%
3	Development.	299,366,142	154,389,494	52%
	TOTAL.	749,444,730	544,971,253	73%

Graph 10: Absorption analysis-Education and Vocational Training



115) The total absorption was Ksh 544.97M representing 73% of the total departmental budget. Development vote absorption was at 52%. The department utilization of the Personnel Emoluments was at 100% while Operations and Maintenance absorption was at 60%.

4) Finance and Economic Planning

116) The department envisions to be a prosperous county committed to prudent financial management and economic planning. To achieve this, it is made up of six directorates namely; Budget, Economic planning, Accounting services, Audit, Supply Chain Management and Revenue.

117) In the year under review, the department effectively attained its mandates by providing high quality financial, economic and advisory services. The departmental Strategic Plan FY 2021-2025 was developed which sets out the roles and functions for the department

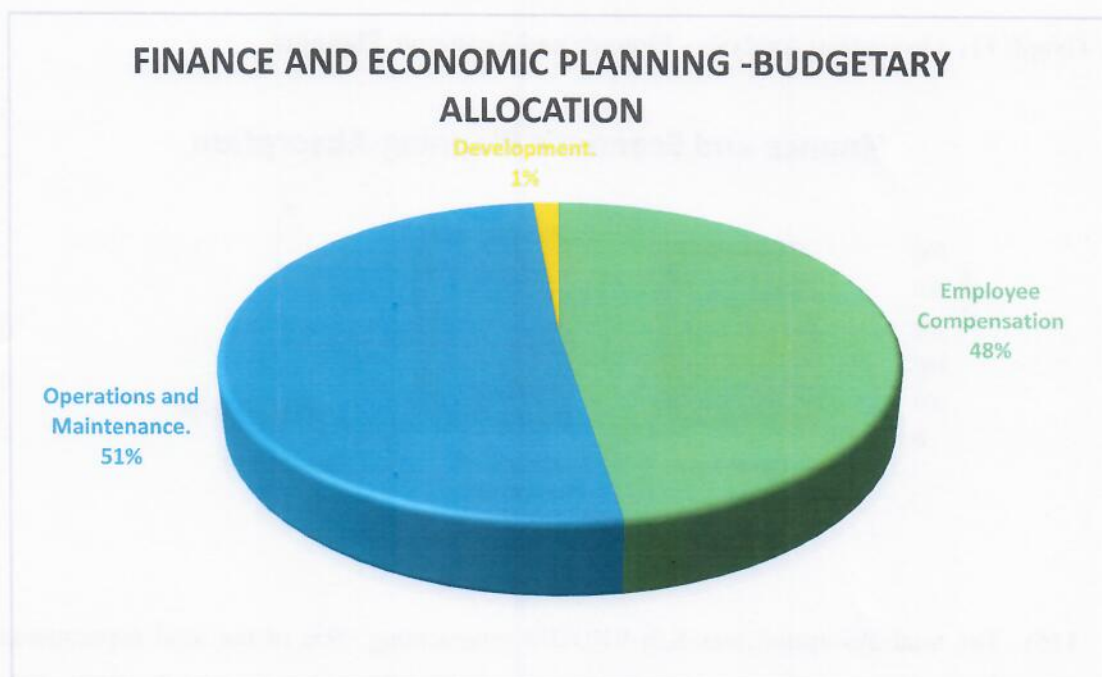
and also acts as a tool for dialogue and collaboration with other county government entities. The five-year Resource Mobilization Strategy was developed to breach the resource gap between the expected revenue and the actual revenue.

- 118) In the period, more staff among them; Accountants, Procurement Officers, Internal Auditors Budget officers, Economists/Statisticians and revenue officers were brought on board to enable the department properly execute its mandates. The recruitment of revenue staff and automation of revenue resulted in an increase in county revenue from the previous year's collection. The electronic revenue management system put in place played a vital role by boosting tax collection, enhancing transparency and helping in sealing revenue leakages.
- 119) Budgeting and planning was timely done which aided in implementation of county priority programmes and projects across various departments. Furthermore, technical support, advice and guidance on fiscal and budgetary matters was availed to all stakeholders in the County.
- 120) Through the directorate of accounting services and audit, the department ensured proper control and accounting for receipt and expenditure of public funds. This was achieved through development of financial policies and procedures, administration of applicable legislation and timely preparation of financial statements and financial reports.
- 121) The department continued to adopt e-procurement in line with government procurement practices. This facilitated the tendering and procurement processes.
- 122) The Monitoring and Evaluation unit was established under the directorate of Economic planning to ascertain the value for money on all county projects through issuance of projects status reports after inspection. The directorate is in the process of operationalizing the policy. The Electronic County Integrated Monitoring and Evaluation System (e-CIMES) was adopted for effective monitoring and evaluation. To monitor progress and performance of the county in execution of the 2nd generation CIDP 2018-2022, the department undertook the mid-term review of the document.
- 123) The department was allocated **Ksh. 916,088,072** which constituted to **8.8%** of the overall budget. This constituted **Kshs. 13,000,000 (2%)** as development allocation and **Kshs. 903,088,072 (98%)** as recurrent allocation. The budget for the department was divided as follows:

Table 15: Allocation Analysis by Economic Classification-Finance and Economic Planning

No.	Description.	Amount.(Ksh)	Percentage.
1	Employee Compensation	434,962,620	48%
2	Operations and Maintenance.	468,125,452	51%
3	Development.	13,000,000	1%
TOTAL.		916,088,072	100%

Chart 5: Allocation Analysis -Finance and Economic Planning

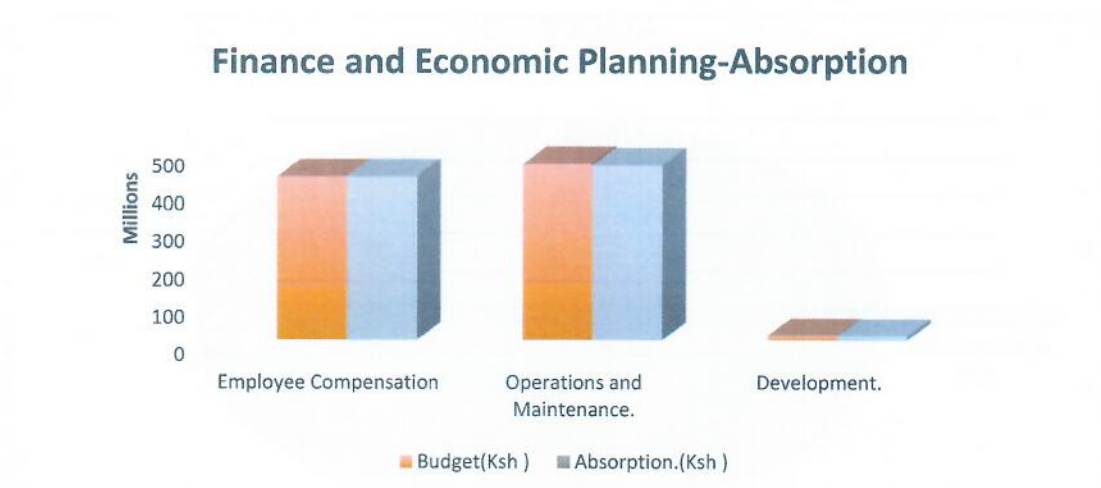


124) Operations and maintenance budget allocation was the highest with an allocation of 51%. Personnel Emolument was second with 48% while Development was the least with an allocation of 1%.

Table 16: Absorption Analysis - Finance and Economic Planning

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage.
1	Employee Compensation	434,962,620	434,951,319	100%
2	Operations and Maintenance.	468,125,452	463,994,715	99%
3	Development.	13,000,000	11,670,572	90%
	TOTAL.	916,088,072	910,616,606	99%

Graph 11: Absorption Analysis - Finance and Economic Planning



125) The total absorption was Ksh 910.62M representing 99% of the total departmental budget. Development vote absorption was at 90%. The department utilization of the Personnel Emoluments was at 100% while Operations and Maintenance absorption was at 99%.

5) Sports, Culture and Social Services

126) The Department's Vision is to ensure Busia County is a socially self-driven and empowered community.

127) The Department's Mission is to mobilize the Busia County Community for Sustainable Social Protection, Talent Nurturing, Heritage Preservation and Creating Equal Opportunities for Children, Youth, Women, Persons Living with Disabilities (PLWDs), Older Persons and other Vulnerable Groups for Holistic Growth and Development.

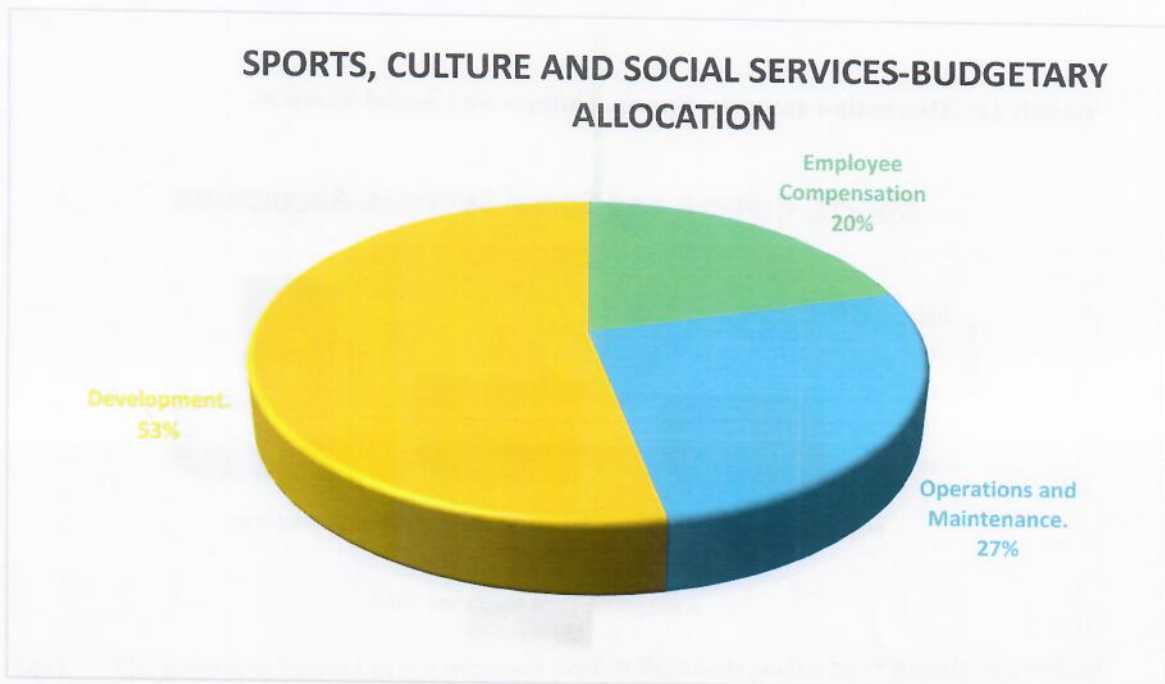
- 128) The department is comprised of seven directorates namely; Sports, Culture, Social Services, Youth, Children, Tourism and Alcoholic Drinks and Drug Abuse Control.
- 129) In the period under review, the department implemented various programmes aimed at empowering the youth and breaking the poverty cycle among the vulnerable groups with the objective of achieving Sustainable Development Goals (SDG'S) (1) (5) and (8).
- 130) The department undertook the following programmes in the year under review: -
- The department undertook youth mentorship programs and issued grants to youth and women groups which enabled them to participate in growing the economy as they engaged in various activities.
 - Through the program of sports promotion and development, the department managed to refurbish Busia County stadium to meet the required standards at a cost of Ksh.3.7M.
 - The directorate of alcoholic drinks and drug abuse control licensed 200 liquor businesses that contributed Ksh.3.748 M to the county revenue kitty.
 - Kakapel cultural centre currently under construction in the Financial Year 2020/2021 ksh.15.4M was allocated, Butula Treatment and Rehabilitation Centre is currently under construction and has been allocated Ksh.5M for Phase 1.
 - The department is developing BQs for the refurbishment of Busia Community Cultural Centre at Mauko and Nambale cultural centre. The County Government purchased land approximately 9.5 acres and the construction of the community cultural centre is on the tendering stage.
 - Samia Community Cultural centre was initiated by the national government through CDF kitty and the department is working on the modalities of refinancing the project to its completion.
 - Nambale Youth Empowerment Centre that is currently under construction and has been allocated Ksh. 5M for Phase 2.
- 131) The department did experience the following challenges: -
- Inadequate resource allocation
 - Delayed release of the funds from the National Government
 - Delayed production of Project Designs and Bill of Quantities (BQS)
 - Under staffing
 - Inadequate means of transport.

- The directorate was not able to implement its activities due to ravage of Covid-19 pandemic. The Covid -19 affected the operation of the Directorate as many bar owners were not able to pay their licenses as required.
 - Lack of Policy legislative frame work to enable the directorate to be fully devolved.
 - The court case that was issued to Bunyala Sub-county liquor committee by nineteen businessmen has made that Sub-county to collect very little money for licenses.
 - Issuing of liquor license online didn't go on well thus the Directorate resorted to issuing the licenses manually.
 - The flooding of smuggled beer from Uganda and Some bar owners using politicians to evade payment of license
 - Lack of cooperation between National Government and the County Government on the issue of enforcement of liquor Act.
- 132) Over the medium term, the department will undertake programmes aimed at creating equal opportunities for youth, women, PLWDs and other vulnerable groups in order to reduce poverty and close inequality gaps.
- 133) The Departments objectives include; - Administrative support services, efficient, effective and coordinated services, Social assistance and development to older persons and PLWDs to self – sustainable order provisions and allow them to participate in economic activities, to promote and empower social development groups to engage in social economic activities, and to promote grass root development for equality across the county
- 134) The department was allocated **Ksh. 184,420,560** which constituted to **1.8%** of the overall budget. This constituted **Kshs. 98,039,200 (53%)** as development allocation and **Kshs. 86,381,360 (47%)** as recurrent allocation. The budget for the department was divided as follows:

Table 17: Allocation analysis by economic classification-Sports, Culture and Social Services.

No.	Description.	Amount.(Ksh)	Percentage.
1	Employee Compensation	37,572,775	20%
2	Operations and Maintenance.	48,808,585	27%
3	Development.	98,039,200	53%
TOTAL.		184,420,560	100%

Chart 6: Allocation analysis- Sports, Culture and Social Services.



135) Development allocation was the highest at 54%, Operation and Maintenance at 27% and Personnel cost (Compensation to employees) at 20% allocation of the total departmental budget.

Table 18: Absorption analysis- Sports, Culture and Social Services.

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage.
1	Employee Compensation	37,572,775	37,561,974	100%
2	Operations and Maintenance.	47,608,585	47,203,490	99%
3	Development.	100,239,200	35,117,222	35%
	TOTAL.	185,420,560	119,882,686	65%

Graph 12: Absorption analysis- Sports, Culture and Social Services.



installations in the Financial Year 2020/2021. All the 3 sub-programs were funded by departmental allocations and ward-based allocations.

- Under the rural Electrification Sub-program, the department designed 42 rural electrification scheme sites across the County worth a total of Kshs. 80.5 million in partnership with REREC. Under the matching fund facility, REREC contributed Kshs. 35 million to the projects while the balance was from ward and departmental allocations. Each of the 42 sites is set to connect an approximate 40 households to main grid power hence scaling the number of the beneficiaries to 1365.
- In the same financial year, the department further installed 43 number units of solar powered mass lights under the installation of new solar mass lights sub-program in a bid to boost security in rural areas trading centers and prolong hours of doing business for small scale evening traders and shopkeepers.
- The maintenance of electrical installations Sub-program allocations both at departmental level and ward-based allocations served in maintaining a total of 54 Solar mass lights spread across the county on need and priority basis.
- In providing immediate efficient and effective domestic lighting solutions for rural households with completely zero access to mains grid electricity, the department through the specific ward allocation procured and distributed portable solar lanterns to 650 low-income households. This goes a long way in changing the households lighting energy from non-renewable to renewable.
- Kenya Power, the department's able development partner in an MoU with the County Government of Busia has erected electricity pole mounted streetlights on its infrastructure in 24 towns and market centers drawn across the county. While Kenya Power owns the construction and the maintenance of the streetlights, the

county community representatives for the sole purpose of creating awareness on proper energy use, current renewable energy technologies and enhancing capacities of the county residents to adapt to ever-emerging new trends in efficient energy use.

148) RVEsol Portugal is currently operating 29 Solar - Micro grid stations across the county and set to roll out 34 others over the next 3 years. This translates to a total of 10 MW once all the schemes are installed. This will mark a great milestone in the energy sector.

149) Some of the key challenges experienced and anticipated are:-

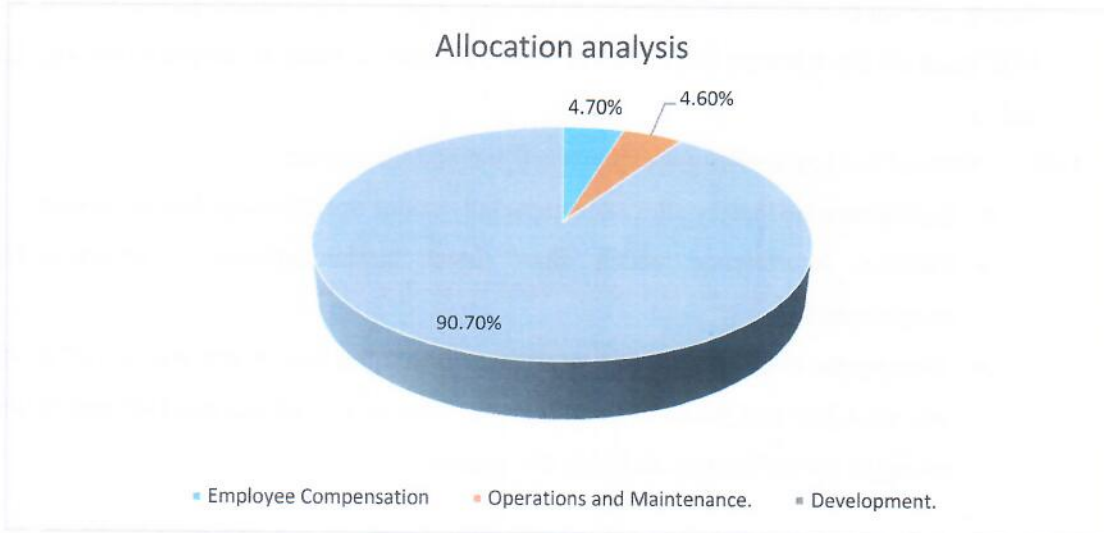
- Insufficient budgetary allocation especially under operations and maintenance
- Political interference which slow down implementation of development programmes
- Inadequate road construction equipment hence the few which are available are overstretched and prone to break downs. This in turn affects the targeted output owing to low efficiency and high down time.

150) The department was allocated **Ksh. 1,490,099,631** which constituted to **14.3%** of the overall budget. This constituted **Kshs. 1,352,278,636 (90.8%)** as development allocation and **Kshs. 137,820,995 (9.2%)** as recurrent allocation. The budget for the department was divided as follows:

Table 19: Allocation analysis by economic classification-Infrastructure and Energy

No.	Description.	Amount.(Ksh)	Percentage.
1	Employee Compensation	69,503,040	4.7%
2	Operations and Maintenance.	68,317,955	4.6%
3	Development.	1,352,278,636	90.7%
TOTAL.		1,490,099,631	100.00%

Chart 7: Allocation analysis- Infrastructure and Energy

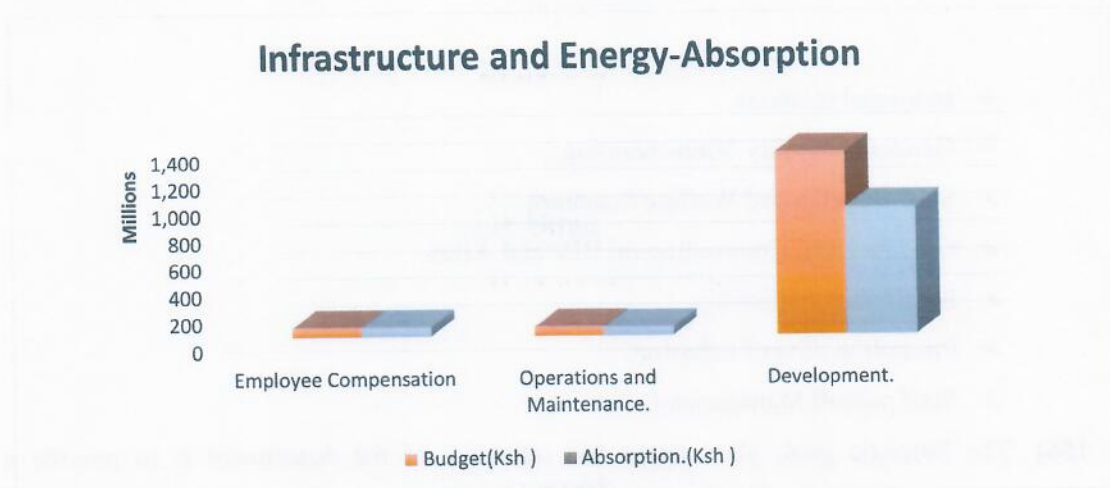


151) The development cost allocation was the highest at 90.7%. Personnel cost (Compensation to employees) was the second highest with a budget allocation of 4.7%. The Operations and Maintenance was the least beneficiary with 4.6%.

Table 20: Absorption analysis- Infrastructure and Energy

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage.
1	Employee Compensation	69,503,040	69,478,971	100%
2	Operations and Maintenance.	68,317,955	64,283,980	94%
3	Development.	1,352,278,636	940,005,994	70%
	TOTAL.	1,490,099,631	1,073,768,944	72%

Graph 13: Absorption analysis- Infrastructure and Energy



152) The total absorption was Ksh 1,073.77M representing 72% of the total departmental budget. Development vote absorption was at 70%. The department utilization of the Personnel Emoluments was at 100% while Operations and Maintenance absorption was at 94%.

7) Public Service and Administration

153) The Vision of the department is to be a benchmark for high performing, dynamic and ethical public service.

154) The Mission of the department is to facilitate a safe environment for an effective and productive work force that guarantees personal growth and sustainable development.

155) The department of Public Service and Administration is composed of three directorates namely; Human Resource Management, Payroll Management and Records Management.

156) In discharging its functions, the department liaises with the County Public Service Board in coordinating Human Resource and Records Management functions.

157) The mandate of the Department as per the Executive order NO.1 OF 2020 is to provide strategic leadership and guidance to the public service on;

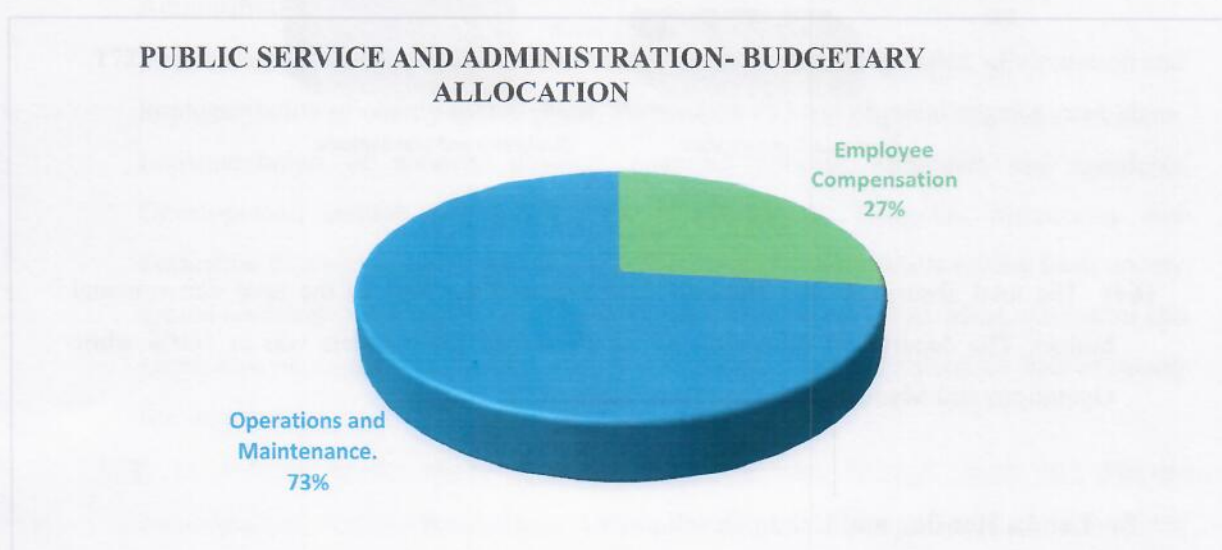
- Human Resource Management and Development.
- Records Management.
- Staff Performance Management.
- Training and Capacity Building.
- Organizational Design and Development.

- Industrial relations.
 - Gender/Disability Mainstreaming.
 - Staff Benefits and Welfare Schemes.
 - Guidance and Counselling on HIV and AIDS.
 - Employee relationship.
 - Promotion of staff cohesion.
 - Staff payroll Management.
- 158) The Strategic goal, plan, target and objective of the department is to provide a conducive environment for an effective and efficient workforce while embracing modern technology for delivery of quality service.
- 159) The PSA department achieved the following:-
- Revamped Contracting Performance in the County
 - Procured Medical Cover with CIC Group of Companies for staff
 - Initiated monthly remittance of gratuity for contractual staff to LAPFUND and LAPTRUST
 - Undertook an Induction Training of new County Chief Officers, Deputy County Secretary and County Public Service Board Members.
 - Achieved the processing of payroll numbers for new staff using the UPN system.
- 160) Constraints and challenges faced by the Department included: -
- Inadequate allocation of resources. The department has planned for programmes to be undertaken in the financial year. However, the resources allocated to actualize the same are inadequate.
 - Untimely release of funds to the department. The department has constantly faced hurdles when requesting for release of funds to enable facilitation and effecting of the planned programmes
 - Inadequate budgetary allocation. The department has a very low ceiling.
- 161) During the year under review, the Department of Public Service and Administration undertook the following programs in the Financial Year 2020/2021: - Performance Contracting Negotiations, Vetting and Performance Contracting Evaluation.
- 162) The department was allocated **Ksh. 450,477,488** which constituted to **4.3%** of the overall budget. The budget for the department was divided as follows:

Table 21: Allocation analysis by economic classification-Public Service and Administration

No.	Description.	Amount.(Ksh)	Percentage.
1	Employee Compensation	120,811,116	27%
2	Operations and Maintenance.	329,666,372	73%
TOTAL.		450,477,488	100%

Chart 8: Allocation analysis- Public Service and Administration



163) Operations and Maintenance had an allocation of 73% while Personnel cost (Compensation to employees) was allocated 27%.

Table 22: Absorption analysis- Public Service and Administration

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage.
1	Employee Compensation	120,811,116	120,764,557	100%
2	Operations and Maintenance.	329,666,372	326,519,446	99%
	TOTAL.	450,477,488	447,284,003	99%

- In a bid to secure these parcels and other purchased lands in the previous financial years, the department is finalizing the registration of the parcels of land. Furthermore, the department has continued to secure Government lands through fencing which has been done on Musoma public land in Kingandole ward and surveying of the Government land to protect them from encroachment by the public, like a case in Saganja market in Namboboto/ Nambuku ward, Ganjala Market and Buloma Market lands.
- The department continues to ensure proper environment for small scale businesses in which Pit latrine at Busibwabo market and Bodaboda shed at Mnazimoja have been completed.
- The department has also focused in providing affordable and adequate housing, prevention of slum growth and effective slum and informal settlements upgrading by renovating Governor's Lounge and offices with the aim of improving housing needs of the staff.
- Infrastructural Development is key in growth of the urban centres and towns. To achieve this, Flood lights have been installed at Maduwa and Siekunya in Nambale Township ward, Trailer and Bus Parks at Malaba and Busia Towns. This in turn will increase the revenue for the County and nation as a whole.
- In a bid to improve and develop Municipality infrastructure and aesthetics, the department through the Municipality of Busia upgraded 7km gravel roads to bituminous standards around Huduma Centre, YMCA, Magharibi-Fish market and police line, installed five (5) 30m high mast flood lights, renovated Municipality offices, installed 300 fixed waste collection bins, 8 non-motorized facilities (bill boards) and Purchased 2 tractors, 2 skip loaders and 7 skip bins for solid waste collection.
- In the Recent Economic Development, the Department has procured 17 parcels of land in various wards for various ward projects in the current financial year. This is intended to move services close to mwananchi.
- The department is committed to continued Solid Waste Management in town centers across the county for clean environment by awarding Contracts to various 21 Youth and Women groups.
- The department is further committed to increasing revenue collection by completion of the Trailer Parks in Busia and Malaba Towns and Bus Park in Malaba town. Furthermore, the department has installed Solar Lights at Kidera

Market and Ojaamong Junction in Amukura East and Chakol South wards respectively.

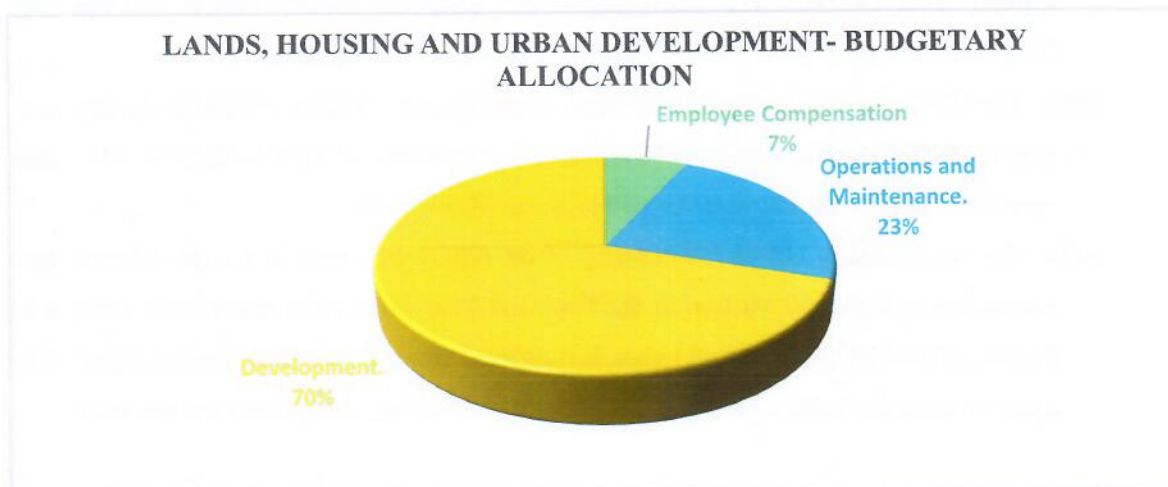
- 175) The department is focused on securing of all County Government parcels of land through surveying, titling and fencing. Further, the department is keen on purchasing more land for county projects, purchase of digital land survey and mapping equipment, servers and soft wares for digitalization of land records.
- 176) The department is set to implement the valuation roll for urban centres in the county which will be done in conjunction with the Busia County Rating Act.
- 177) To continue providing clean environment under the solid waste management and proper County planning, the department will develop Busia County Spatial plan, Develop integrated plans for Busia and Malaba Municipalities, continue with the implementation of the KUSP programs, installation and maintenance of solar mass lights in formal and major bus parks for improved security and extended working hours, construction of County Government offices and Houses, upgrade of County residential units, purchase of digital county management rental houses system, rehabilitation of dumpsites, beautification of public spaces and parks, construction of low housing units, drainage delisting, cleaning and purchase of one double cabin vehicle for building inspection.
- 178) The Department is also expected to receive World Bank funds from Kenya Urban Support Programme (KUSP) which would see improved operations in Busia Town. The KUSP budget would be basically used within the Municipality. This would be into two categories; Urban Development Grant (UDG) and Urban Institutional Grant (UIG).
- 179) The UDG budget would be involved in; - Development, modernization and maintenance of urban roads, Street lighting/mass lighting, Storm water management which would include establishment of pavements and pedestrian paths, setting up of fire station, Establishment and maintenance of sanitation blocks within municipality, Establishment and maintenance of parking lots within municipality.
- 180) The UDG provided by the World Bank would amount to Kshs. 101M for the financial year 2021/2022 and the same will be repeated for the Financial Year 2022/2023. The funds would be used for the above items within Busia Municipality.
- 181) The Municipality Urban Institutional Grant (UIG) will receive a total disbursement amounting to Kshs. 50 Million in the Financial Year 2021/2022 and similar amount in Financial Year 2022/2023 from Urban Institutional Grant (UIG). This fund is expected to cater for capacity building and purchase of office furniture, equipment and stationery.

- 182) The risks to the outlook include; - inadequate budget allocation, prioritization of department's budget by County ex-checker, shortage of skilled staff, limited land for town expansion, insecurity and insufficient documentation.
- 183) The department plans to prepare town development plans through the Municipal Management Board, carry out registration of all public land, prepare slum upgrading action plan and requisition of enhanced budget for skilled staff and modern machines.
- 184) The department was allocated **Ksh. 483,806,062** which constituted to **4.6%** of the overall budget. This constituted **Kshs. 337,474,248 (69.8%)** as development allocation and **Kshs. 146,331,814 (30.2%)** as recurrent allocation. The budget for the department was divided as follows:

Table 23: Allocation analysis by economic classification-Lands, Housing and Urban Development

No.	Description.	Amount.(Ksh)	Percentage.
1	Employee Compensation	33,894,392	7%
2	Operations and Maintenance.	112,437,422	23%
3	Development.	337,474,248	70%
TOTAL.		483,806,062	100%

Chart 9: Allocation analysis--Lands, Housing and Urban Development

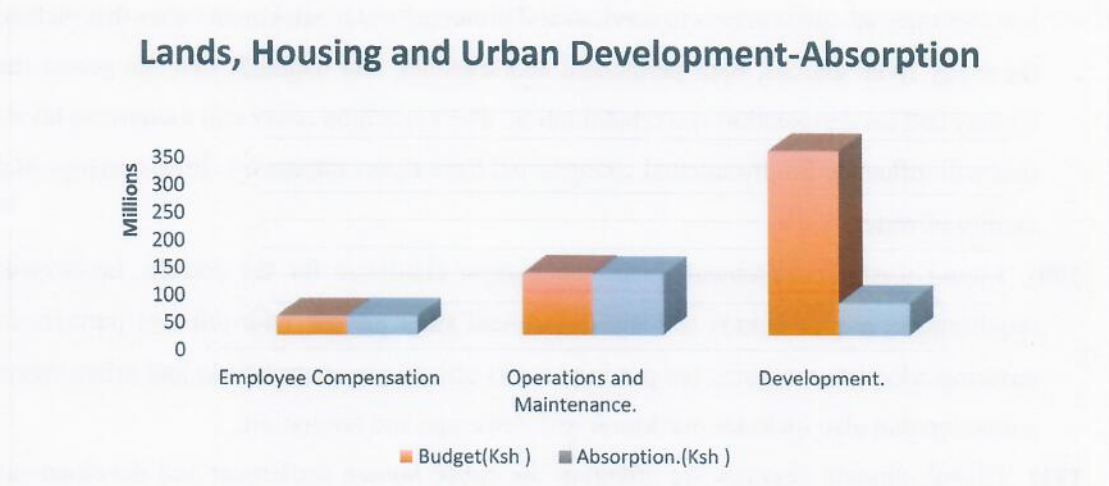


185) The development cost allocation was the highest at 70%. Operations and Maintenance was the second highest with a budget allocation of 23%. Personnel cost (Compensation to employees) was the least beneficiary with 7%.

Table 24: Absorption analysis -Lands, Housing and Urban Development

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage.
1	Employee Compensation	33,894,392	33,877,072	100%
2	Operations and Maintenance.	112,437,422	110,495,590	98%
3	Development.	337,474,248	59,292,459	18%
	TOTAL.	483,806,062	203,665,121	42%

Graph 15: Absorption analysis--Lands, Housing and Urban Development



186) The total absorption was Ksh 203.67M representing 42% of the total departmental budget. Development vote absorption was at 18%. The department utilization of the Personnel Emoluments was at 100% while Operations and Maintenance absorption was at 98%.

9) Water, Irrigation, Environment and Natural Resources.

- 187) The department's vision is to promote a Clean, Secure and Sustainable Environment.
- 188) The mission of the department is to promote, conserve and protect the environment and improve access to clean water for sustainable development.
- 189) The Department is mandated to ensure that the people of Busia County are provided with desired service levels in water provision under secure and sustainable environment. As this is being implemented, the Department will look beyond pure infrastructure investment requirements and introduce interventions for ensuring that the infrastructure addresses challenges of professional service delivery, sustainable operation and maintenance, adequate access to services and protected water catchment zones that include the many river sources, both permanent and seasonal, and wetlands that run across the County and need protection and rehabilitation. The vegetation cover will increase to levels that will influence Environmental changes and have direct impact on climate change and quality of water.
- 190) Liquid waste management forms the biggest challenge for the county. Investment requirements are enormous and the department shall partner with relevant partners in ensuring adequate measures are put in place to effectively control town and urban waste collection that also includes our Municipal Sewerage and Sanitation.
- 191) Global climatic changes are affecting the entire human settlement and development partners. The department in conjunction with other stakeholders will introduce programs under climate smart initiative that will address effects resulting from global warming.
- 192) Water for irrigation has always been a limiting factor for enhancing sustainable irrigation systems. To ensure reliable and efficient irrigation systems the irrigation sub-sector will ensure enhanced water storage, land reclamations and appropriate abstraction from rivers and lake for well managed schemes to produce a variety of crops for food security and to build resilience towards climate change.
- 193) The department has done coverage statistics, water accessibility stands at 60% in the whole county. Improved systems include drilled boreholes, protected shallow wells, protected river intakes, lake sources and roof catchment systems. 82% of the available systems being improved water sources, 18% of the water sources are unimproved, 84% of the improved water sources are functional, 14% of the total water points do not have specific maintenance structures, 95% of the sources have defined ownership as either

Institutional, National Government County Schemes, or Community run. Water quality stands at 78% and distance is 86% of Busia's population that is accessible to safe water take under 1 hour while drawing this commodity.

194) By standards a water point is a developed source either shallow well, piped scheme, protected springs or river weir. The coverage by Sub-County was conducted where people share a water point as follows:- Butula-300, Funyula-800, Teso South -800, Nambale - 800, Teso North -1,200, Bunyala -1,000 and Matayos -300.

195) Under Environment and Natural Resources coverage statistics was conducted, tree cover 4% and 1.04% for forest cover. For Irrigation infrastructure, Busia County has a total of 18 schemes, rehabilitation of one scheme is ongoing, common irrigation system include furrow/sprinkler and drip irrigation systems and storage systems include water pans and dams e.g., Wakhungu, Munana, Sidokho, Bukiri, Matabi, Namuduru, Namalenga, Namboboto, Changara and Ong'aroi.

196) In the year under review, the department undertook the following programs:-

- Increased access to clean and safe water supply by reducing time taken while fetching water and development of alternative water sources e.g., Boreholes, springs, Dams and Shallow Wells. 19 boreholes were drilled and equipped with hand pumps, 19 existing boreholes were equipped with Solar Pumping Systems and 7 springs were protected. 815 water points were also assessed for functionality.
- Acquisition of a county drilling Rig aimed at enhancing operations and maintenance of the over 2000 drilled boreholes that have not been maintained for the last 30 years. This has enhanced reliability and sustainability of water infrastructure.
- Developed an extra 40km pipe network through pipe extension program and construction of 33 communal water points as a pro-poor intervention.
- Increased the storage capacity by additional 700m³ of storage tanks and reduced cost of power consumption by development of 125 Kilowatts solar-tie grid system at Mundika treatment works.
- The department developed hand washing facilities strategically at Busia and Malaba boarder points and distribution of 1500 hand wash stations across wards as a Covid-19 mitigation intervention.
- Increased land under irrigation by 40Ha under the Changara Water Pan funded by World Bank.

- Trained 40 farmers on irrigation water use management. Training of trainers was undertaken to 4 technical staff and 3 on contract management.
- Restoration of degraded areas through afforestation in areas threatened by Sand Harvesting, Quarrying and Erosion. They include Asing'e, Odiado, Odioi and Rwambwa.
- Environmental and climate change Policies were formed to aid in governance. These include the climate change Act, sustainable sand harvesting and utilization bill, forest bill and integrated waste management bill.
- Climate change Directorate and Climate Change Coordination Unit (CCU) were established to oversee matters climate change.

197) While aiming to achieve the departmental mandate, the following challenges were faced:-

- Inadequate Policies and Legal framework to aid in governance,
- Inadequate funding and cash flow delays hinder implementation
- Destruction of infrastructure by other actors
- Dependence on hydro-electric power in major water schemes
- Awareness levels are still very low in matters water, irrigation, environment, climate change and forestry
- COVID-19 pandemic.

198) The department had implication of Financial Year 2020-2021 performance as follows:

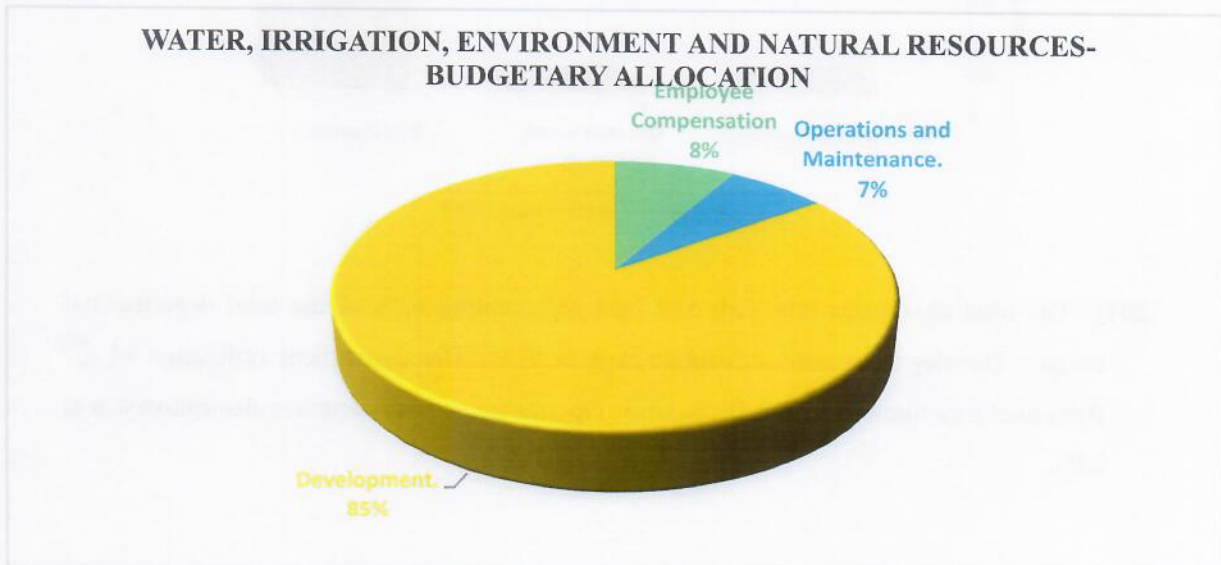
- Automation of revenue in the water supplies, hybridization of water supplies, maintenance of existing boreholes, development of storage facilities, completion and maintenance of 5 irrigation schemes, policy formulation, public education and awareness on our mandate, recruitment and capacity building of staff and creation of additional office space and acquisition of requisite equipment.

199) The department was allocated **Ksh. 824,463,903** which constituted to **7.9%** of the overall budget. This constituted **Kshs. 700,438,715 (85.0%)** as development allocation and **Kshs. 124,025,188 (15.0%)** as recurrent allocation. The budget for the department was divided as follows:

Table 25: Allocation analysis by economic classification- Water, Irrigation, Environment and Natural Resources

No.	Description.	Amount.(Ksh)	Percentage.
1	Employee Compensation	68,253,335	8%
2	Operations and Maintenance.	55,771,853	7%
3	Development.	700,438,715	85%
TOTAL.		824,463,903	100%

Chart 10: Allocation analysis- Water, Irrigation, Environment and Natural Resources

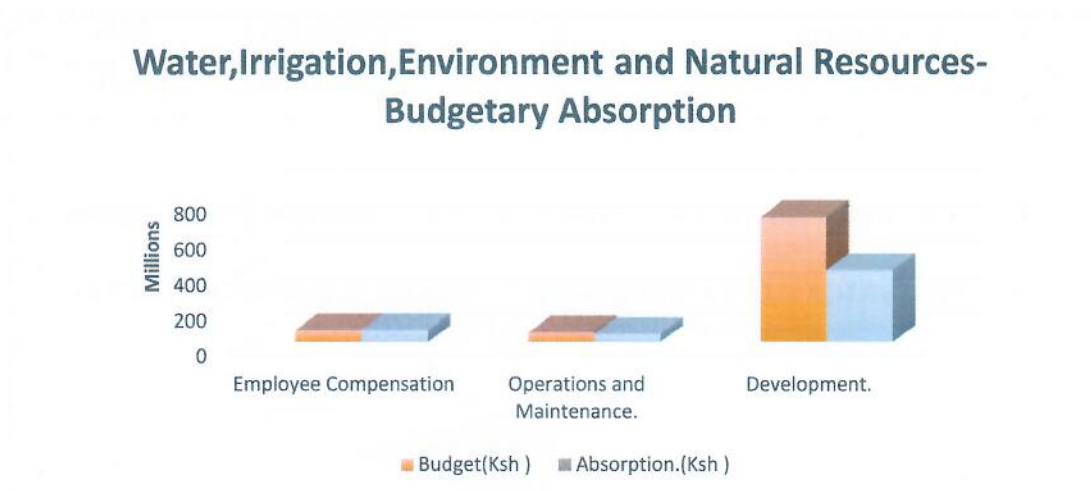


200) The development cost allocation was the highest at 85%. Personnel cost (Compensation to employees) was the second highest with a budget allocation of 8%. Operations and Maintenance was the least beneficiary with 7%.

Table 26: Absorption analysis- Water, Irrigation, Environment and Natural Resources

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage.
1	Employee Compensation	68,253,335	68,237,104	100%
2	Operations and Maintenance.	55,771,853	46,728,901	84%
3	Development.	700,438,715	404,812,135	58%
	TOTAL.	824,463,903	519,778,140	63%

Graph 16: Absorption analysis- Water, Irrigation, Environment and Natural Resources



201) The total absorption was Ksh 519.78M representing 63% of the total departmental budget. Development vote absorption was at 58%. The department utilization of the Personnel Emoluments was at 100% while Operations and Maintenance absorption was at 84%.

10) Health and Sanitation

202) The Vision of the department is to transform the county to a healthy, productive, and internationally competitive County as envisaged in the County Integrated Development Plan 2018-2023 and the County Health Sector and Investment Plan 2018-2023.

203) The department’s mission is to build a progressive, sustainable, technologically-driven, evidence-based and client-centered health system with the highest attainable standards of health at all levels of care in Busia County.

204) In the process of undertaking its mandate, the department implements its programs via 3 areas which are; Administration and Support services, Curative and Rehabilitative Health Services and Preventive and Promotive Health Services. It is responsible for providing quality healthcare services to the people of Busia County and its environs. The department is divided into 2, namely curative services and preventive services, each with a substantive Chief Officer to coordinate both directorates.

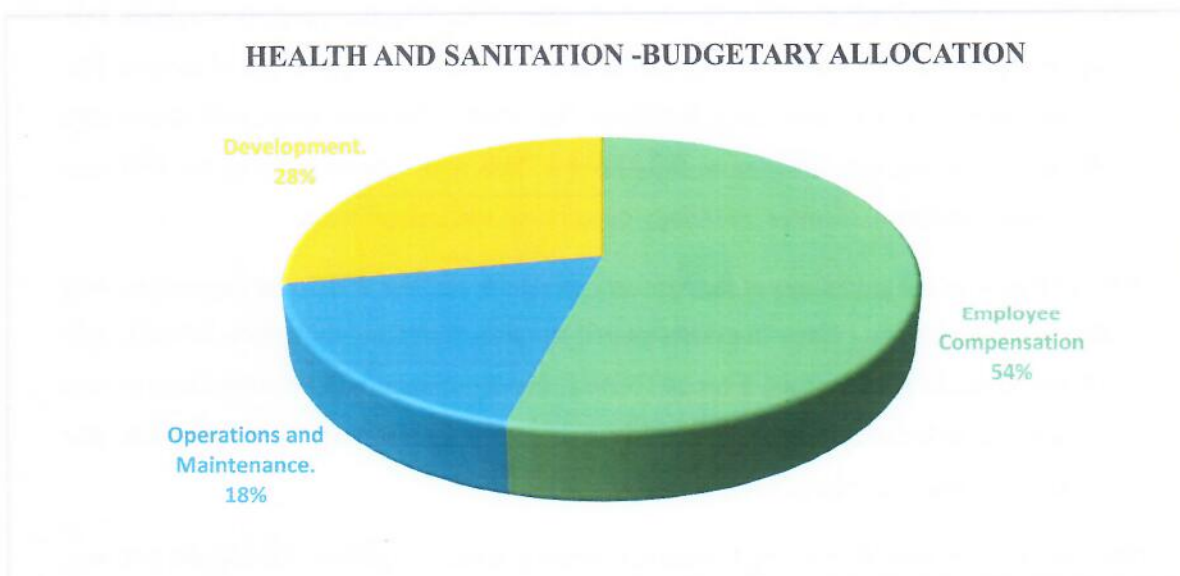
- 205)** The department progressed well in the implementation of the targeted programmes as outlined in the County Fiscal Paper and approved budget 2020/2021. Among the projects that were successfully implemented included Oxygen plant at Busia County Referral Hospital with an ability to produce 250 litres per hour. This will go a long way in complementing Critical care services as it is a key requirement in the treatment process.
- 206)** In the Financial Year 2021/2022 and over the medium term, significant energy will be placed in the investment areas commensurate with the aspirations of Universal Health Coverage one among the President's Big 4 Agenda. The department will also focus on completion of earlier on commenced projects to ensure the programmes as outlined in the County Integrated Development Plan are attained.
- 207)** Additional investment will be laid in the preventive programme, and more so in the sub programs of Disease Surveillance (in light of post Covid recovery), Non-Communicable Diseases, RMNCAH, HIV/AIDS among others. The department will also strengthen the Primary health care services, and will prioritize the implementation of the yet to be enacted Community health Services Bill to improve on primary health.
- 208)** The department will prioritize operationalization of the Flagship projects which include equipping of both the Mother and Child Hospital at Alupe and Upgrading of Amukura to Level 4 status, a key investment in health for the County. The department will also ensure all the level 4 hospitals function as fully level 4. This will include ensuring the facilities 24 - hour operational theatres, radiology department and patient wards.
- 209)** In line with the guidelines of the Ministry of Health and the WHO, the department will also place significant energy in efforts geared towards mitigating the effects of the Covid 19 pandemic. In the Financial Year 2021/2022, the department will prioritize vaccination of the vulnerable populations to ensure all are protected against the pandemic and mitigate its adverse effect on county's population.
- 210)** The risks to anticipate going forward are mainly; Covid 19 effects, inadequate funding, poor cash flow, floods (as experienced in Bunyala sub county), inflation, reduced revenue collection because of poverty and logistical issues, pull out of partners supplementing health services and the frequent industrial actions inherent in the health sector.

211) The department was allocated **Ksh. 2,594,502,767** which constituted to **24.9%** of the overall budget. This constituted **Kshs. 723,794,941 (27.9%)** as development allocation and **Kshs. 1,870,705,826 (72.1%)** as recurrent allocation. The budget for the department was divided as follows:

Table 27: Allocation analysis by economic classification- Health and Sanitation

No.	Description.	Amount.(Ksh)	Percentage.
1	Employee Compensation	1,404,057,857	54%
2	Operations and Maintenance.	466,647,969	18%
3	Development.	723,796,941	28%
TOTAL.		2,594,502,767	100%

Chart 11: Allocation analysis- Health and Sanitation



212) Personnel cost (Compensation to employees) allocation was the highest at 54%. The development cost was the second highest with a budget allocation of 28%. Operations and Maintenance was the least beneficiary with 18%.

Table 28: Absorption analysis- Health and Sanitation

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage.
1	Employee Compensation	1,404,057,857	1,403,866,189	100%
2	Operations and Maintenance.	466,647,969	408,061,759	87%
3	Development.	723,796,941	306,885,656	42%
	TOTAL.	2,594,502,767	2,118,813,604	82%

Graph 17: Absorption analysis- Health and Sanitation



213) The total absorption was Ksh 2.12 Billion representing 82% of the total departmental budget. Development vote absorption was at 42%. The department utilization of the Personnel Emoluments was at 100% while Operations and Maintenance absorption was at 87%.

11) County Public Service Board

- 214)** The Vision of the Busia County Public Service Board is to be a beacon of professionalism, integrity, equity and dedication to quality public service.
- 215)** The Mission of the Department is to provide efficient and effective professional services for the realization of Busia County and National Development Goals through competitive recruitment, planning, developing and managing human capital.
- 216)** The Departments mandate include: - It envisions to be a beacon of professionalism, integrity, equity and dedication to quality public service. To achieve its vision, the sector provided efficient and effective professional services for the realization of Busia County and national development goals through competitive recruitment, planning, developing and managing human capital.
- 217)** The County Public Service Board is also mandated to establish and abolish public offices, appoint and confirm persons to offices, promote public service values and principles, facilitate the development of human resource, exercise disciplinary control, and prepare regular reports.
- 218)** In ensuring institutional professionalism and good governance, The Public Service Board promoted transparency, accountability and adherence to national values and principles through enforcement of Leadership and Integrity Act, 2012, Public Officer Ethics Act, Performance management systems and Training curriculum.
- 219)** To Promote service delivery in the county public service, The CPSB ensured human resource requirements were addressed effectively through Developing an Integrated Electronic Human Resource Database to facilitate HR Planning, Reviewing of existing and developing new HRM/D policies and guidelines, Developing Human Resource in the County Public Service, Developing human resource plans for the county, Exploiting research Technology and innovation, Enhancing capacity of Board members and the Secretariat staff.
- 220)** The recent achievements by the department are as follows;
The Board undertook recruitment of 776 staff in the following Departments:
- Agriculture, Livestock and Fisheries
 - Finance and Economic Planning
 - Education and Vocational Training

- Health and Sanitation
- Enforcement and Security
- Office of the Governor.

221) To recognize employee's performance, commitment and to ensure the employees are motivated towards better performance, the board competitively promoted staff in the following departments:

- Health and Sanitation
- Agriculture, Livestock and Fisheries
- Public Service and Administration
- Sports, culture and social Services
- Trade, Investment, Industry and Co-operatives
- Finance and Economic Planning
- Enforcement and Security Officers
- Water, Irrigation, Environment, and Natural Resources
- Office of the Governor
- Lands, Housing and Urban Development
- Infrastructure and Energy.

222) Putting controls on the recruitment of casual workers, an avenue that used to stretch the wage costs in the county, The Board has developed the following policies which are in draft form awaiting validation by stakeholders: -

- Discipline policy.
- Recruitment and Selection Policy.
- Casuals Handbook.
- Training and Capacity Building.
- Code of Conduct for Board Members for county Public Service Board.

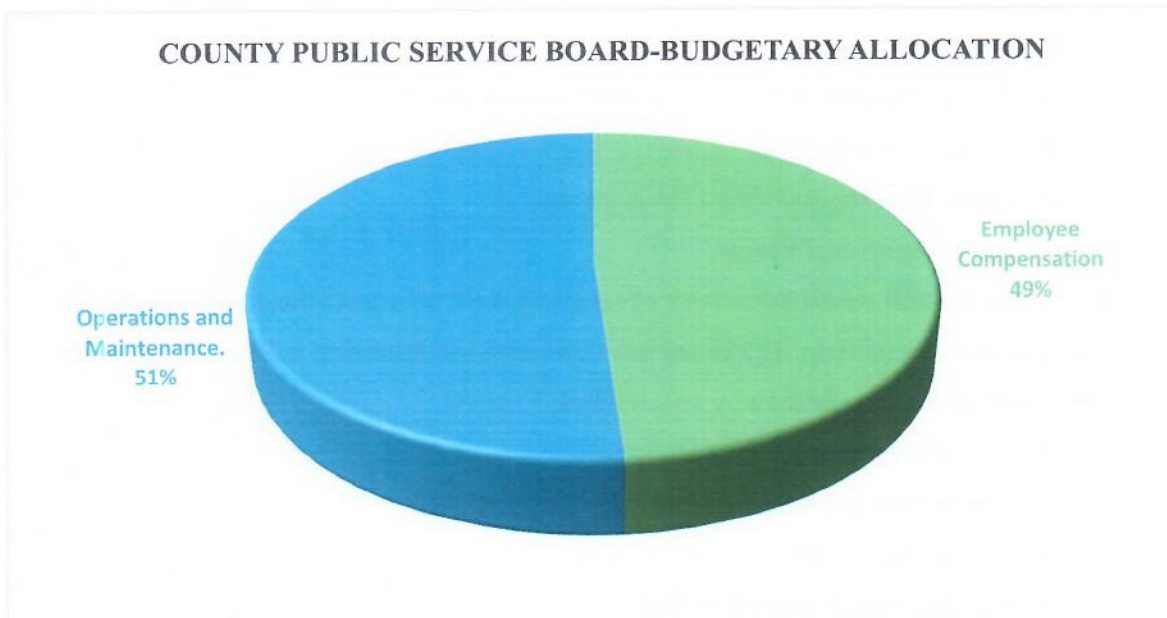
223) Some of the risks to the outlook include: - Inadequate budgetary allocation that hinder implementation of most programs earmarked by the Department, Shortage of Staff, Shortage of Office Space adversely affects staff performance, thus reducing output and the effects of Covid-19 pandemic that has tremendously reduced In-person meetings.

224) The department was allocated **Ksh. 74,955,241** which constituted to **0.7%** of the overall budget. The budget for the department was divided as follows:

Table 29: Allocation analysis by economic classification-County Public Service Board

No.	Description.	Amount.(Ksh)	Percentage.
1	Employee Compensation	36,636,445	49%
2	Operations and Maintenance.	38,318,796	51%
TOTAL.		74,955,241	100%

Chart 12: Allocation analysis -County Public Service Board

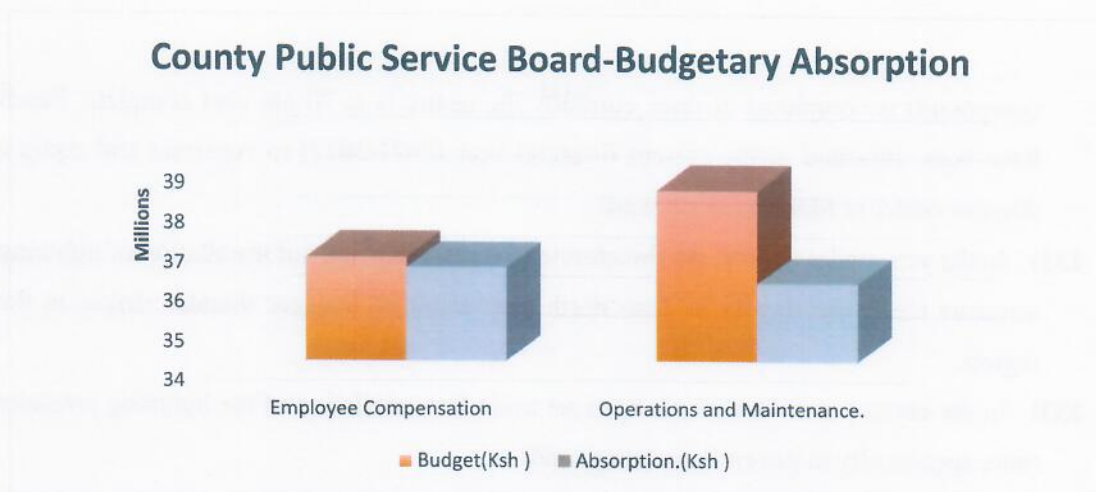


225) Operations and Maintenance allocation was 51%. While Personnel cost (Compensation to employees) was 49%.

Table 30: Absorption Analysis-County Public Service Board

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage.
1	Employee Compensation	36,636,445	36,377,730	99%
2	Operations and Maintenance.	38,318,796	35,981,891	94%
	TOTAL.	74,955,241	72,359,622	97%

Graph 18: Absorption analysis -County Public Service Board



226) The total absorption was Ksh 72.36M representing 97% of the total departmental budget. The department utilization of the Personnel Emoluments was at 99% while Operations and Maintenance absorption was at 94%.

12) Governorship

227) The Governorship is an administrative office mandated to spearhead policy formulation; promotion of the rule of law to enhance order; resource mobilization; coordination and supervision of effective and efficient public service delivery; swift response to critical community needs during disaster occurrences; publicity and branding

228) The office has four directorates namely: Disaster management, Security and Enforcement, Communication and ICT.

229) The directorate of disaster is responsible in mitigating disaster occurrence within the County through; Disaster Management Committee meetings, flood assessment surveys and fire response drills.

230) The directorate has procured two modern fire engines although one is still under installation and equipping works at the port of Mombasa with the capacity of 9,000 litres of water and 1000 litres of foam which will enable the directorate to successfully respond and mitigate fires incidences in the County.

231) The directorate is working within the timeframe to ensure that construction and equipping of disaster management centre at the headquarter (infrastructure and energy

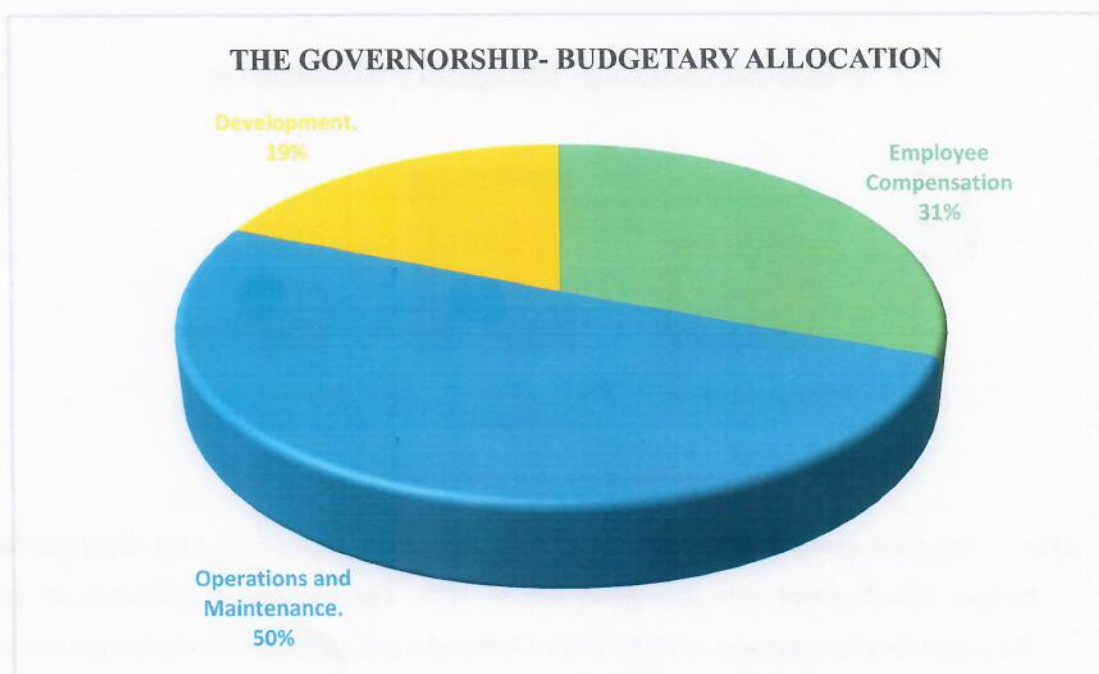
- compound) is completed in time, currently the centre is at 70 per cent complete. Funds have been allocated in the current financial year (2021/2022) to construct and equip a disaster centre at Matayos south ward
- 232) In the year under review, the directorate of disaster carried out installation of lightning arrestors more specifically in Teso north as a result of frequent thunder strikes in the region.
- 233) In the current year funds have been set aside for installation of the lightning arrestors more specifically in government compounds
- 234) The communication directorate has a vital role in information dissemination and publicity, creating awareness on priority programmes and projects implemented and those to be implemented as per the views of the public and stakeholders in the medium term.
- 235) The Directorate of Communication produced a video documentary highlighting the achievements of the County Government, developed editorial policy for the directorate, the directorate has so far broadcasted more than 200 programmes of radio magazine in more than four radio stations, produced more than 98 radio programmes highlighting the achievements across the entire county in the year under review.
- 236) In the medium term, procure production of documentary and Purchase of Communication equipment has been the main priority for the directorate with funds already set aside
- 237) The directorate of ICT did installation and commissioning of structured network for County headquarters and referral hospital
- 238) Implementation of the second phase for the County ERP (Data update); Increase MPLS connectivity to sub counties; establishment of hotspot and Tele centres, Operationalization of Server room, Equipping and Operationalization of ICT Centre in Bukhalalire and CCTV surveillance for departments and referral hospital have been the main priority in the medium term with funds allocated in the approved budget.
- 239) The Enforcement and Security directorate main objective is to enhance compliance on County laws. The directorate trained its personnel on the rule of law so as to ensure that the public has full compliance on the County laws especially; County Finance bill, Land and Environmental bill, Trade bill and Cess bill so as to help boost on the local revenue collection in the County. The directorate will continue with its mandate in the medium term with the facilitation of recurrent funds.
- 240) The department was allocated **Ksh. 438,326,467** which constituted to **4.2%** of the overall budget. This constituted **Kshs. 82,310,000 (19%)** as development allocation and

Kshs. 356,016,467 (81%) as recurrent allocation. The budget for the department was divided as follows:

Table 31: Allocation Analysis by economic classification- Governorship

No.	Description.	Amount.(Ksh)	Percentage.
1	Employee Compensation	135,256,688	31%
2	Operations and Maintenance.	220,759,779	50%
3	Development.	82,310,000	19%
TOTAL.		438,326,467	100%

Chart 13: Allocation Analysis - Governorship

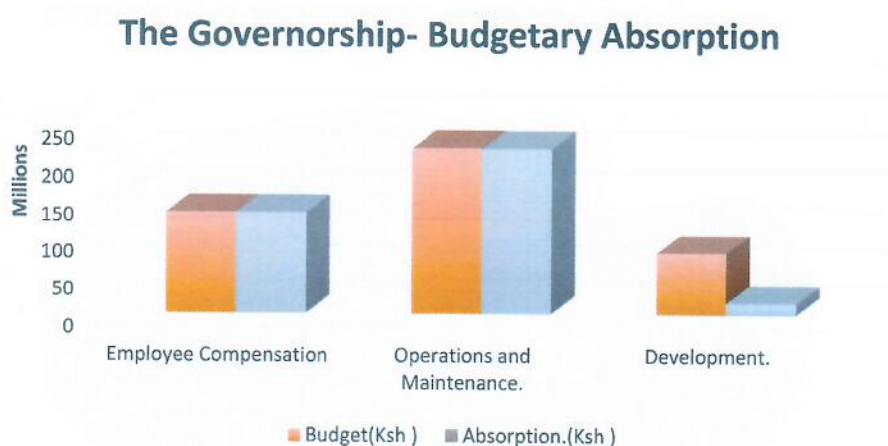


241) Operations and Maintenance allocation was the highest at 50%. Personnel cost (Compensation to employees) was the second highest with a budget allocation of 31%. The development cost was the least beneficiary with 19%.

Table 32: Absorption analysis- Governorship

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage.
1	Employee Compensation	135,256,688	135,172,935	100%
2	Operations and Maintenance.	220,759,779	219,830,533	100%
3	Development.	82,310,000	15,122,237	18%
	TOTAL.	438,326,467	370,125,705	84%

Graph 19: Absorption analysis- Governorship



242) The total absorption was Ksh 370.13M representing 84% of the total departmental budget. Development vote absorption was at 18%. The department utilization of the Personnel Emoluments was at 100% while Operations and Maintenance absorption was at 100%.

13) County Assembly

243) The vision of the County Assembly is to be a modern County Assembly that fulfills its constitutional mandate and effectively serves the people of Busia County. The mission is to build an effective County Assembly that is responsive to the needs of the people and that is driven by the ideals of realizing better quality of life for the people of Busia County.

244) The County Assembly's core function is to develop legislation and perform oversight and representation. It is more committed to building an effective county assembly that is

responsive to the needs of the people that is driven by the ideals of realizing better quality life for the people of Busia County.

245) In collaboration with the Executive, the County Assembly has continued to draft and pass into law various policies and legislations that has accelerated development and improved the livelihood of the people.

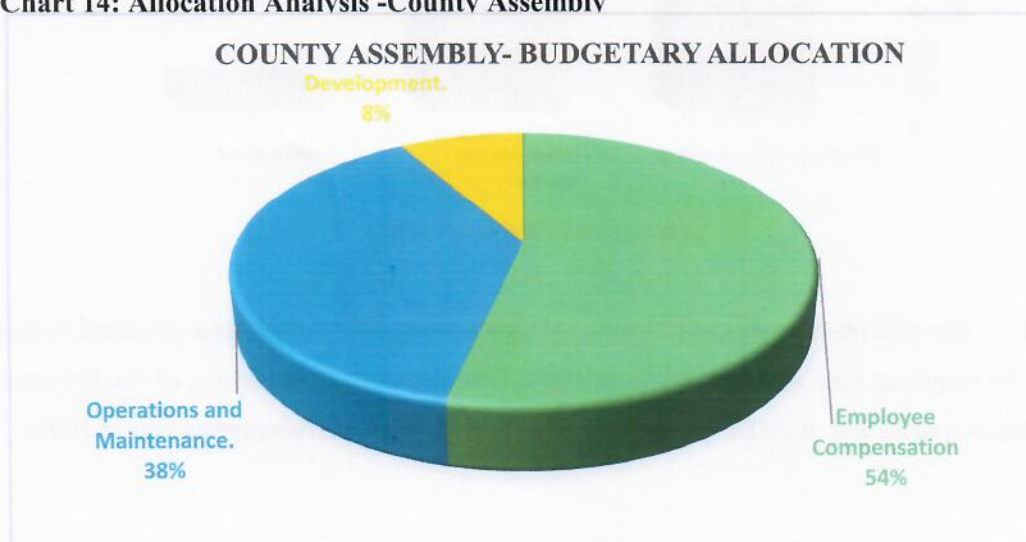
246) During the year under review, the County Assembly was able to continue with phase IV construction of new storey building to house offices for members of the County Assembly and completion of the Speakers official residence.

247) The County Assembly was allocated **Ksh. 804,972,659** which constituted to **7.7%** of the overall budget. This constituted **Kshs. 66,000,000 (8%)** as development allocation and **Kshs. 738,972,659 (92%)** as recurrent allocation. The budget for the department was divided as follows:

Table 33: Allocation Analysis by economic classification-County Assembly

No.	Description.	Amount.(Ksh)	Percentage.
1	Employee Compensation	431,319,106	54%
2	Operations and Maintenance.	307,653,553	38%
3	Development.	66,000,000	8%
TOTAL.		804,972,659	100%

Chart 14: Allocation Analysis -County Assembly

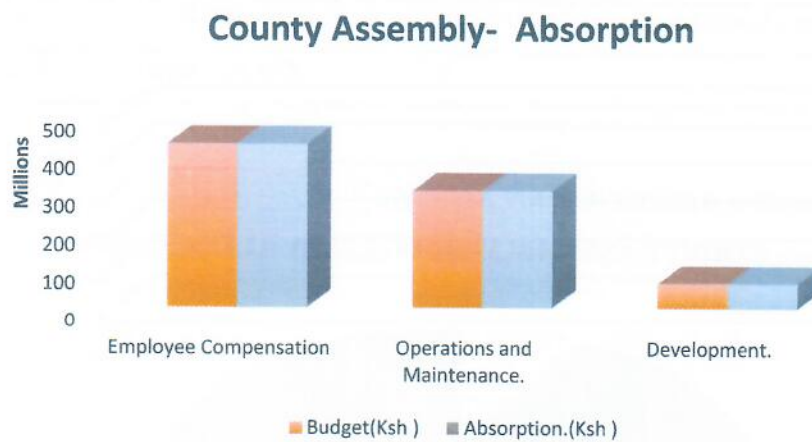


248) Personnel cost (Compensation to employees) allocation was the highest at 54%. Operations and Maintenance was the second highest with a budget allocation of 38%. The development cost was the least beneficiary with 8%.

Table 34: Absorption analysis- County Assembly

No.	Description.	Budget(Ksh)	Absorption.(Ksh)	Percentage.
1	Employee Compensation	431,319,106	431,279,105	100.0%
2	Operations and Maintenance.	307,653,553	307,644,635	100.0%
3	Development.	66,000,000	65,999,999	100.0%
	TOTAL.	804,972,659	804,923,739	100.0%

Graph 20: Absorption analysis- County Assembly



249) The total absorption was Ksh 804.9M representing 100% of the total allocated budget. Development vote absorption was at 100%. The department utilization of the Personnel Emoluments was at 100% while Operations and Maintenance absorption was at 100%.

Annex 1: Proposed Departmental Ceilings

Department	Approved budget	Proposed Ceilings	
	FY 2021/2022	FY 2022/20223	FY 2023/2024
Agriculture, Livestock and Fisheries			
Employee Compensation	188,802,115	207,682,327	228,450,560
Operations and Maintenance	82,412,159	90,653,375	99,718,712
Development	505,650,596	556,215,655	611,837,221
Sub Total	776,864,870	854,551,357	940,006,492
Trade, Investment, Industry and Cooperatives			
Employee Compensation	35,985,751	39,584,326	43,542,759
Operations and Maintenance	36,145,173	39,759,690	43,735,659
Development	104,920,000	115,412,000	126,953,200
Sub Total	177,050,924	194,756,016	214,231,618
Education and Vocational Training			
Employee Compensation	300,036,758	330,040,434	363,044,477
Operations and Maintenance	137,218,895	150,940,784	166,034,863
Development	128,984,126	141,882,539	156,070,792
Sub Total	566,239,779	622,863,757	685,150,132
Finance and Economic Planning			
Employee Compensation	435,838,881	479,422,770	527,365,047
Operations and Maintenance	379,098,484	417,008,333	458,709,166
Development	21,906,750	24,097,425	26,507,168
Sub Total	836,844,116	920,528,527	1,012,581,380
Sports, Culture and Social Services			
Employee Compensation	37,572,775	41,330,053	45,463,058
Operations and Maintenance	50,306,535	55,337,189	60,870,908
Development	77,100,000	84,810,000	93,291,000
Sub Total	164,979,310	181,477,241	199,624,966
Infrastructure and Energy			
Employee Compensation	69,836,678	76,820,346	84,502,380
Operations and Maintenance	88,566,325	97,422,957	107,165,253
Development	738,053,209	811,858,530	893,044,383
Sub Total	896,456,212	986,101,833	1,084,712,016
Public Service and Administration			
Employee Compensation	122,311,116	134,542,228	147,996,450

Department	Approved budget	Proposed Ceilings	
	FY 2021/2022	FY 2022/20223	FY 2023/2024
Operations and Maintenance	234,074,923	257,482,415	283,230,656
Sub Total	356,386,039	392,024,643	431,227,107
Lands, Housing and Urban Development			
Employee Compensation	59,098,958	65,008,854	71,509,739
Operations and Maintenance	79,583,997	87,542,396	96,296,636
Development	308,153,716	338,969,088	372,865,997
Sub Total	446,836,671	491,520,338	540,672,372
Water, Irrigation, Environment and Natural Resources			
Employee Compensation	70,253,335	77,278,669	85,006,535
Operations and Maintenance	63,615,158	69,976,674	76,974,342
Development	281,907,603	310,098,363	341,108,200
Sub Total	415,776,096	457,353,706	503,089,076
Health and Sanitation			
Employee Compensation	1,408,857,857	1,549,743,643	1,704,718,007
Operations and Maintenance	465,085,770	511,594,347	562,753,782
Development	423,485,447	465,833,992	512,417,391
Sub Total	2,297,429,075	2,527,171,982	2,779,889,180
County Public Service Board			
Employee Compensation	36,636,445	40,300,090	44,330,098
Operations and Maintenance	62,399,757	68,639,733	75,503,706
Sub Total	99,036,202	108,939,823	119,833,805
The Governorship			
Employee Compensation	138,606,688	152,467,357	167,714,092
Operations and Maintenance	253,176,615	278,494,276	306,343,704
Development	95,000,000	104,500,000	114,950,000
Sub Total	486,783,303	535,461,633	589,007,796
The County Assembly			
Employee Compensation	522,684,651	506,000,000	556,600,000
Operations and Maintenance	278,725,028	298,000,000	327,800,000
Development	105,000,000	50,000,000	55,000,000
Sub Total	906,409,679	854,000,000	939,400,000

Department	Approved budget	Proposed Ceilings	
		FY 2021/2022	FY 2022/20223
Employee Compensation	3,426,522,009	3,700,221,094	4,070,243,203
Operations and Maintenance	2,210,408,819	2,422,852,170	2,665,137,387
Development	2,790,161,447	3,003,677,592	3,304,045,351
Grand Total	8,427,092,275	9,126,750,856	10,039,425,941