

COUNTY GOVERNMENT OF VIHIGA



MEDIUM TERM COUNTY FISCAL STRATEGY PAPER 2023 (CFSP)

FEBRUARY 2023

Vihiga County Fiscal Strategy Paper 2023

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KENYA

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FOREWORD

This is the 10th County Fiscal Strategy Paper (CFSP) to be prepared by the County Government since the beginning of devolved governance system in 2013. The Paper outlines the budgeting and development framework the County Government seeks to pursue in the 2023/24, 2024/25 and 2025/26 MTEF period.

The FY 2023/24 budget will be geared towards post-COVID -19 Economic recovery strategies in the backdrop of the Covid-19. The pandemic affected the global economies and impacted on lives and livelihoods in the County. The Paper specifies the strategic priorities and policy measures that will guide in attaining balanced development across the county. The document further outlines the current state of the County in terms of budget implementation and specifies the set strategic priorities and policy goals together with a summary of the County government spending plans.

The development framework advances achievement of the key thematic areas envisaged in the 2023-27 CIDP that include; good governance and zero tolerance to corruption, improved access to affordable and quality health care, development of an educated, skilled and knowledgeable society, enhanced access to clean and safe water and improved sanitation services; reliable and functional transport and communication infrastructure and promotion of local industry and agriculture.

As we embark on the preparation of the 2023/24 budget estimates, Departments are expected to take note of the risks with the unfavorable macroeconomic conditions related to COVID-19 pandemic which have adversely affected revenue performance at both national and county level. Departments will also be required to align their proposals to the key fiscal principles and ensure their budget proposals are program based with realistic expenditure and achievable targets.

Furthermore, in light of the reduction in the projected resources vis a vis the development needs of the county, emphasis will be on pursuit of robust resource mobilization strategies including enhanced own source revenue collections and strategic partnerships.

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

ACKNOWLEDGEMENT

The CFSP was prepared in a participatory and consultative process that involved sector departments, the Civil Society Organizations (CSOs), the County Budget and Economic Forum (CBEF), other stakeholders and the general public at large.

I am particularly grateful to His Excellency the Governor and the Deputy Governor and all the CECMs and the County Assembly for providing the policy direction that guided the preparation and subsequent approval of the document.

I wish also to express my gratitude to all the Departments for preparing the Sector Working Group reports that provided valuable input in the document, and the teams from the Directorates of Budget and Economic Planning who collated and edited the Paper.

Finally, it is my sincere belief that with good planning, focused budgeting and timely implementation of set priority programmes, the aspiration of prosperity and improved standard of living of the residents of Vihiga will be attained.

CPA. James Atemba
Ag Chief Officer
Finance and Economic Planning

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ACRONYMS AND ABBREVIATIONS

CECM -County Executive Committee Member CFSP - County Fiscal Strategy Paper

CIDP -County Integrated Development Plan

CRA -Commission on Revenue Allocation

EAC -East African Community

ECD -Early Childhood Development

ECDE -Early Childhood Development Education

EIA -Environmental Impact Assessment

FY -Financial Year

GDP –Gross Domestic Product

GIS -Geographical Information Systems

HDU- High Dependency Unit

ICT- Information and Communication Technology

IFMIS -Integrated Financial Management Information System

KMTC - Kenya Medical Training Centre

KNBS - Kenya National Bureau of Statistics

KPI - Key Performance Indicators

KUSP- Kenya Urban Support Programme

MCA -Member of the County Assembly

MCH –Maternal Child Health

MDG – Millennium Development Goal

MTEF - Medium Term Expenditure Framework

MTP -The Medium-Term Plan

CHAPTER ONE

OVERVIEW OF THE COUNTY FISCAL STRATEGY PAPER

1.0 Introduction

The County Fiscal Strategy Paper (CFSP) is a policy document that lays down the framework for preparation of the FY 2023/24 Budget estimates. The paper lays out the broad strategic priorities and policy goals that guide the County Government in budgeting over the medium-term period.

The document details the broad fiscal parameters for FY2023/24 budget and key strategies and policies for management of revenues and expenditures. In addition, the paper provides the medium-term outlook for the County revenues and expenditures and the nexus between the Budget strategies and the County priorities as provided in the County Integrated Development Plan (CIDP) 2023-2027.

The CFSP-2023 has been aligned to the draft Budget Policy Statement (BPS) 2023, Kenya Vision 2030, the sector plans, the CIDP, Bottom Up Approach and the global Sustainable Development Goals (SDGs). The proposed interventions are geared towards attaining the desired growth and development, prosperity as well as creating resilient communities.

1.1 Legal basis for the preparation of the CFSP

The Vihiga County Fiscal Strategy Paper is prepared in accordance with Section 117 of the Public Finance Management Act, 2012. It states that;

- i) The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County assembly, by the 28th February of each year

- ii) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- iii) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the County government in preparing its budget for the coming financial year and over the medium term.
- iv) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to County government revenues, expenditures and borrowing for the coming financial year and over the medium term
- v) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of
 - a) The Commission on Revenue Allocation;
 - b) The public;
 - c) Any interested persons or groups; and
 - d) Any other forum that is established by legislation
- vi) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the County assembly, the County assembly shall consider and may adopt it with or without amendments.
- vii) The County Treasury shall consider any recommendations made by the County assembly when finalizing the budget proposal for the financial year concerned
- viii) The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly

1.2 Fiscal Responsibility Principles

The Public Finance Management (PFM) Act, 2012 outline the fiscal responsibility principles to ensure Prudence and transparency in the management of public resources. The PFM Act (Section107) states that:

A County Treasury shall manage its public County Treasury to enforce fiscal responsibility principles finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations. In managing the County Government's public finances, the County Treasury shall enforce the following fiscal responsibility principles-The County Government's recurrent expenditure shall not exceed the County Government's total revenue; Over the medium term a minimum of thirty percent of the County Government's budget shall be allocated to the development expenditure; The County Government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the County Government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly

Over the medium term, the Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure; The County debt shall be maintained at a sustainable level as approved by County assembly; The fiscal risks shall be managed prudently; and 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. The regulations in Section 25. (1) States that in addition to the fiscal responsibility principles set out in section 107 of the Act, the following fiscal responsibility principles shall apply in the management of public finances—

- (a) The County Executive Committee Member with the approval of the County Assembly shall set a limit on the County government's expenditure on wages and benefits for its public officers pursuant to section 107(2) of the Act;
- (b) The limit set under paragraph (a) above, shall not exceed thirty-five (35) percent of the County government's total revenue;

- (c) For the avoidance of doubt, the revenue referred to in paragraph (b) shall not include revenues that accrue from extractive natural resources including as oil and coal;
- (d) The County public debt shall never exceed twenty (20%) percent of the County governments total revenue at any one time;
- (e) The County annual fiscal primary balance shall be consistent with the debt target in paragraph
- (f) The approved expenditures of a County assembly shall not exceed seven per cent of the total revenues of the County government or twice the personnel emoluments of that County assembly, whichever is lower;
- (g) Pursuant to section 107(5) of the Act, if the County government actual expenditure on development shall be at least thirty percent in conformity with the requirement under section 107(2)(a) of the Act;
- (h) If the County government does not achieve the requirement of regulation 25(1)(f) above at the end of the financial year, the County executive committee member for finance shall submit a responsibility statement to County assembly explaining the reasons for the deviation and provide a plan on how to ensure annual actual expenditure outturns as well as medium term allocation comply with the provisions of Section 107 (2) (a) of the Act and these regulations in the subsequent years; and the compliance plan above shall be binding and the County executive committee member for finance shall ensure implementation.

1.3 Strategy Articulation Process

The Kenya Vision 2030 seeks to have a people centered and politically engaged open society. The PFM Act 2012 gives credence on effective public participation in planning, budgeting and implementation of public programmes. Consequently, the preparation of the CFSP 2023 was prepared in an all-inclusive and engaging process that involved key stakeholders and actors. The following approach was adopted:

- The CFSP 2023 preparation was spearheaded and guided by the Department of Finance and Economic Planning, all County Departments and the Sector Working Groups.
- Public consultative meetings were held with key stakeholders and general public at ward, sub-county and county levels.
- The draft document was uploaded on the county website and written submissions received from the public.
- Consultative meetings were held with the H.E the Governor, the County Executive Committee and members of CBEF.
- Review meetings were held to develop the zero draft strategies for plan finalization and subsequent completion and forwarding to the Cabinet and the County Assembly for discussion and approval.

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CHAPTER TWO:

RECENT ECONOMIC DEVELOPMENTS

2.1 Overview

Achieving the desired medium-term strategic objectives in the Country and County level is influenced by the performance of the world economies. This section presents an overview of the global, regional and national economic developments and highlights the sector performance for the county for period under review, providing key achievements attained during the medium-term period of FY 2019/2020-2021/2022 and the challenges faced.

2.2 Global, Regional and National Economic Developments

Global economic outlook has become more uncertain - reflecting the impact of the ongoing Russia-Ukraine conflict, elevated global inflation, lingering effects of COVID-19 pandemic, and persistent supply chain disruptions. Global growth is expected to slow down to 3.2 percent in 2022 and is projected to slow down to 2.7percent in 2023 from the earlier forecast of 2.9 percent.

In the sub-Saharan Africa region, growth is projected at 3.7 percent in 2023 from a growth of 3.6 percent in 2022. This outlook is weaker than the growth of 4.7 percent in 2021 reflecting lower trading partner growth, tighter financial and monetary conditions, and a negative shift in the commodity terms of trade.

The Kenyan economy continued to expand in 2022, albeit at a slower pace than the 7.5 percent recorded in 2021. Real GDP is expected to grow by 5.5 percent in 2022 supported by the services sector despite subdued performance in agriculture and weaker global growth. The economy is projected to rebound to 6.1percent in 2023, reinforced by the Government's development agenda geared towards economic turn around and inclusive growth.

2.3 SECTOR PERFORMANCE IN THE MEDIUM-TERM PERIOD 2019/2020-2021/2022

Economic Pillar

1. Agriculture, Livestock and Fisheries

Agriculture sector is critical in accelerating growth and development through utilization of technology, agricultural information, and agro processing and value addition for a food secure county

Agriculture, livestock, fisheries and cooperatives sub sectors is key towards socio economic development in Vihiga County. The sub sector overall goal is to attain food and nutrition security through innovative and commercially oriented agricultural practices.

The Agriculture sector will strive to build on the achievements made during the review period and sustain the growth realized towards the County.

During the MTEF period under review the sector achieved the following;

- Enhanced crop production and value addition through capacity building 8,000 farmers with African Leafy Vegetables (ALVs), fruit tree farming through supply of grafted Avocado and promoted industrial crops by reaching out to 250 tea famers with tea seedlings and the construction of 5 Aggregation centres for bananas.
- Notable achievement under veterinary services include; Effective control of livestock disease outbreaks through vaccination and active disease surveillance, completion and commissioning of Lunyerere and Serem slaughter houses and improved animal breeding through supervision of Artificial Insemination of 8,091 cattle.
- With regard to Fisheries, the Department produced 78,716 quality fingerlings from Mwitoko sold at a subsidized price to farmers and also carried out GIS mapping of most of the fish farmers within the County.

- Under livestock production the subsector increased the dairy breeding stock through supply of 47 in calf dairy cows to farmer groups, bolstered local poultry production through supply of 5,300 chicks and 6 egg incubators to poultry farmers.
- The ASDSP programme achievements include; capacity build 37 service providers to champion roll out of agricultural technologies and innovations, capacity built 4,234 farmers along four value chains and developed County Gender and Social Inclusion Action Plan that guides in the identification and implementation of issues that affect women and youth in the value chains.
- Under the NARIGP program 540 community based micro projects were funded and 12 cooperatives funded under the inclusion grant.
- Great strides were made towards strengthening cooperative movement in the county. Key achievements were strengthened governance systems of 42 cooperatives through capacity building, seven (7) new cooperative societies were registered, and operationalization of cooperative enterprises fund through regulations, cooperative membership increased 27685, share capital to Kshs. 56,644,00, deposits to Kshs. 187, 848,000 and loan portfolio to Kshs. 136, 365,000.

Key challenges included;

- Climate change that has affected ecological conditions and occasioning tropical diseases and pests which has impacted negatively on crop and animal production and productivity.
- High cost of farm inputs and rapid variations in price of commodities has increased production risks and reduced farmers' incomes.
- Limited agriculture extension services due to inadequate field officers.
- Midterm changes in departmental spending priorities and low programme budgets and delayed procurement has dragged implementation of projects and programmes.
- Over-dependence on rain-fed agriculture albeit the erratic and unpredictable rain patterns.

- Diminishing soil fertility and quality due overuse of phosphate fertilizer, over-tillage and growing of eucalyptus trees.

2. Commerce, Tourism and Cooperatives

Commerce sector is one of the key engines of economic growth as it immensely contributes to the growth of the County Gross Domestic Product. Trade, Industry and Entrepreneurship sub sectors are critical drivers of the economy in the County. The sub sectors aspire to broaden growth and development of commerce, tourism, investment and entrepreneurship by facilitating and supporting MSMEs, cooperatives, high value addition ventures, attaining sustainable development goals and contributing to the bottom up economy.

During the MTEF period under review the sector achieved the following;

Developed the trade and market act, trade and enterprise act and the trade license act.

- Construction of 50 (fifty) boda boda sheds
- Construction of fifteen (15) Mama Mboga Stalls
- Installation of 5 (five) high mask lighting
- Installation of street lighting 6(six) markets
- Construction of pit latrines 5 (five)
- Fencing of 4(four) markets
- Training of 2500 Boda boda operators
- Refurbishment of Luanda Omena Market
- Acquisition of 30 acres of land on lease at Kaimosi
- Enactment of weights and measures act 2019
- Loan recoveries of Ksh 13,797,504.00 by the Vihiga Trade and Enterprise fund.
- Digitization of fund operations through Acquiring a **awamo-360** software to ensure data security
- Secured a desk at Huduma Centre for ease of fund operations

- Acquisition of pay bill for easy re-payments
- 37 new cooperatives registered
- Membership in cooperatives increased to 29685
- Capital base increased to 244,494,000
- Loans to members increased to 135,365,000
- Enacting of cooperative Fund Act 2019
- Mapping of five tourism sites
- Development of 6-Signages in the county
- Mapping of tourism products, accommodation facilities, transport providers, home stay facilities
- Mapping of Community based tourism organization

Key challenges included;

- Markets still lack key infrastructure to support retail and wholesale trade.
- Difficulty in securing land for marketing.
- Inadequate information on tourism.
- Constraints in market supervision mobility challenges.

Social Pillar

3. Education, Early Childhood Education and Technical Vocational Training

Education is critical towards having an enlightened society. The County Government has continued to invest in education in order to build a just, cohesive, knowledgeable and skilled society that enjoys equitable socio-economic development.

The county government of Vihiga has envisioned to be a nationally competitive provider of high quality ECDE and child care services, technical and vocational for sustainable development.

During the MTEF period under review the sector achieved the following;

- Initiated the development of the Pre-Primary Education capitation policy and reviewed VET capitation policy.
- Implemented the VET Capitation Policy.
- Initiated the construction of 35 Pre-Primary School classrooms.
- Enrolled 127 students to the Governor’s scholarship programme.
- Increased enrolment in VET from 4642 in 2021 to 5,674 in 2022.
- Increased enrollments in Pre-Primary Education from 44,638 in 2021 to 45,868 in 2022.
- Improved Pre-Primary Education staffing from 814 to 824 in 2022 and in VET to 190 in 2022.
- Improved Pre-Primary Education access: 852 in 2021 to 938 centers in 2022 and Vocational Training Centers from 30 to 34 in 2022.
- Sustainability of the ward-based bursary programmes.

Key challenges included;

- Dilapidated and sub-standard infrastructures in VTCs and ECD institutions.
- Limited space for expansion of VTCs e.g. karandini VTC.
- Limited supply of clean and reliable water to ECDEs.
- Weak linkages with private ECDEs and feeder centers.
- Lack of toilets in some of the education institutions.

4. Health Services

The health sector aims at re-engineering human resource, strengthen the referral system, provide a functional and sustainable infrastructure for comprehensive health services for the people of Vihiga. It aims at institutional reports, scale up of high impact interventions at level one facilities, reduce maternal and neonatal mortality and morbidity. It aims at providing quality and affordable universal health care in line with the Constitution, Vision 2030, Bottom Up Economy Model of Kenya Kwanza, the Governor’s Manifesto and CIDP 2023-2027. The County Government has continued to increase in investments and institute reforms to improve performance of health indicators.

- Increased uptake of iron supplements by pregnant women from 79.3% in FY 2020/21 to 84.4% in FY2021/22.
- Increased malaria testing of 97.8% in FY 2020/21 from 65.8% in FY 2021/22
- Improved maternal healthcare depicted in at least four ANC visits increasing from 50.6% to 61.4 % and skilled deliveries from 68.3% to 71.0% for FY2020/21 and FY2021/22 respectively.
- Immunization coverage increased from 75.8% in FY2020/21 to 78.7% in FY2021/22.
- Established and operationalized 5 bed Intensive care unit (ICU) at VCRH
- Procurement and installation of oxygen plant
- Availability of medical supplies (fill rate) improved from 60% to 78% due to availability of most medical products from KEMSA.
- Health policy framework developed; Health waste management strategy, County Aids Implementation Plan (CAIP), draft County Community Health bill.
- Completion and commissioning of Shamakhokho, Mulele, Kaptis maternity wing and Kimwenge health facilities
- Construction of new health facilities; Ebukoolo, Kisatiru, Ochwore and Epanga health facilities
- Reverse increasing burden as communicable and non-communicable diseases.
- Improve access and delivery of affordable and quality health care.
- Improve maternal and child health care.
- Improved supply and delivery of medical and non-pharmaceuticals items in all health facilities.
- Promoted health education.
- Enhance access to primary and curative health care services.
- Upscale community health care services that include malaria, HIV AIDS and TB prevention.
- Strengthen and establish collaboration of partner, faith based health providers and private health providers.

- Installed and commissioned 32 to 64 slides city scan units.
- Equipping of oxygen concentrators, ventilators and thermo guns.
- Improved boresha mama na watoto (Ottichillo Care).
- Introduced cancer screening and clinics
-

Key challenges included;

- Despite new recruitments of health workers under UHC, there exist staff shortage and inequitable distribution of key personnel in health facilities across the county to address the increasing demand for quality health care services
- Rising disease burden; Malaria, HIV/AIDS, COVID, diabetes, hypertension, cancers, mental health and obesity.
- Low health seeking behavior compounded by high cost of health services, low enrollment to health insurance schemes and low levels of awareness health awareness.
- Limited funding for infrastructure development and other health delivery programmes
- Lack of essential utilities in Most health facilities that includes; tap water, intermittent electricity, sanitation facilities and incinerators.
- Absence of a robust and Integrated Health Information Management System and limited integration of ICT in health care delivery.
- Diminishing collaborations and partnerships to support the health sector programmes.

5. Environment, water and sanitation

The overall objective of the department is to improve the livelihood of the residents by providing safe and clean water for all, sustainable utilization of forestry and natural resources, improvement of waste management, rehabilitation and restoration of degraded landscapes.

During the MTEF period under review the sector achieved the following;

- Developed policies and plans that included; County Environment Action Plan, County Energy Plan, Waste management policy and strategy, County Sand Harvesting Policy.
- In process of developing the county energy plan which is at data collection and analysis stage.
- Drafted county eucalyptus policy.
- Mainstreamed Social Impact Assessment (ESIA) in county development agenda to guide sustainable development.
- Reforestation of Maragoli and Kibiri forest (Planted over 100,000 tree seedlings) and establishment of tree nurseries at Maragoli forest.
- Fenced five community forests and 25 acres of maragoli forest and installation of solar system at maragoli office blocks.
- Completed construction of toilets in Jebrok and Hamisi markets.
- Rehabilitated boreholes; Vigina Primary School, Ebuyalu, Mwibona, Muhudu.
- Enhanced water distribution by laying pipes; triple T up to Esinamutu PAG church, Luanda town Big Ben, Sosiani to Simbi pressed steel elevated tank, Ebunangwe water supply (from Echichibulu tank), Shamakhokho tank to Losengeli Tank, Gaga Water supply, Stand Kisa- Viyalo-Wamage.
- Refilling of a gully at Chamakovero Spring – in Busali Ward and Springs protection and rehabilitation; Kisasi in Shamakhokho ward.
- Expanded and rehabilitated piped water schemes that included; Mugogo water project, Vihiga Water Supply rising main, Hamisi water supply, Chango and Vihiga Water supply.
- Quarterly meetings by the County Climate Change Planning Committee (CCPC) held to adopt and approve the work plans as well as approve the community prioritized ward climate change investments. Bi-Annual meeting of the County Climate Change Steering Committee was held to approve the budget.
- Inauguration of the Ward Climate Change Planning Committees to enable them execute their functions. Twenty-Five ward climate change committees were inaugurated and

certificate of participation in the training awarded in a ceremony presided over by H.E the Governor of Vihiga.

- Conducted radio programs with the aim to increase climate change awareness among residents of Vihiga.
- Conducted community consultation forums in five wards to enable prioritization of climate change investment projects for implementation in line with Section 23 of the *Act*. Five projects were prioritized.
- Meetings of the Ward Climate Change Planning Committees (WCCPCs) in five wards whose agenda in line with the Climate Change Fund Regulations, 2022 to elect officials of the committees. The committees elected their officials and planned for community consultation forums in their wards.
- Meeting of the CCCPC to approve the proposals from the wards. The four proposals approved included: The Solar Powered water projects in Mwibona, West Bunyore and Gisambai Wards and the Buhani Gravity Irrigation Scheme in Mungoma Ward.
- Implementation for Climate Resilience projects in 5 Wards namely Mungoma, Wodanga, Mwibona, West Bunyore and Gisambai. Four of the projects were completed while the Wodanga project was still in progress by the time of reporting.
- Participatory Risk and Vulnerability Assessment Process in partnership with the National Treasury under the FLLoCA Program. The County funded technical committee meetings to prepare the guidelines while the national treasury directly financed ward-based engagements.
- Research process to establish innovative ways on waste management was undertaken.
- Resource mobilization and partnership meetings were up-scaled. Through this efforts, the Christian Aid and ADS Western have pledged to support the directorate on Climate Change advocacy programs.
- Meeting with the Kaimosi Friends University to foster an MoU on establishment of climate change research centre.

Key challenges included;

- Inadequate finance and capacity to implement sector programs and projects.
- Limited supervision of works due to inadequate technical staff.
- Limited stakeholder involvement in the sector programmes.
- Water scarcity, water insecurity due to destruction of water catchments and effects of climate change.
- Water demand outstripping supply due rapid population growth and increasing rate of urbanization.
- Increasing cost of energy for water production in water pumping stations.
- Inadequate structures and engagement frameworks for public private partnership.
- Dilapidated infrastructure leading to high operation and maintenance cost.
- Limited compliance to environment and social safeguards by developers and departments implementing projects.
- Lack of functional liquid and solid waste management in the urban areas.
- Inadequate public awareness on environmental concerns in development projects and programmes.
- Low levels of awareness on climate change among various stakeholders and the public which hard for the directorate to present a case for increased allocation of resources to climate change.
- In the light of competing development needs, climate change is usually considered a less priority despite its potential to reverse development gains made in the other sectors.

6. Physical Planning, Lands, Housing and Urban Development

The sector aims at provision of physical planning services and sustainable use of land resources within the County, provision of decent housing to the County citizens, ensure coordinated and controlled urban development and survey services within the County. Rapid urbanization has been experienced over the period under review increasing demand for better housing and social

amenities in urban areas. The sector endeavors to promote the provision of sustainable land management services, planning for smart urban infrastructure and affordable quality housing in a stable and sustainable environment.

During the MTEF period under review the sector achieved the following;

- Prepared Local Physical Development Plan for Kaimosi /Cheptulu.
- Initiated preparation of Local Physical Development Plan for Luanda. The process is ongoing.
- The County was able to buy three parcel of land for public use.
- On housing development eight units were renovated.
- On development planning control 1000 application were approved

Key challenges included;

- Encroachment of business activities on road reserves and walking pavements.
- Environmental pollution and degradation of quarry sites.
- Inaccessible link roads and poor market infrastructure.
- Destruction of water pipelines during road construction.
- Own source revenue leakages.
- Unplanned settlement increasing pressure on land disaster risks.
- Poor sanitation management and unsafe contaminated water.
- Weak waste disposal plan.
- Destruction of riparian areas due to water scarcity.
- Increase gap between supply and demand for residential houses in urban areas.
- Inadequate investments in the housing sector.

7. Gender, Youth, Sports, Culture and Social Services

The sector is mandated to support research interests particularly in Gender, culture, sports, youth and vulnerable group within our society. The sector contributes immensely to the socio economic development of Vihiga.

During the MTEF period under review the sector achieved the following;

- Facilitation of County teams (Vihiga United team, Vihiga queens, Vihiga volleyball team and Vihiga Netball team) through County Sports Funds.
- Rehabilitation of Goibei primary school play grounds.
- Promotion of cultural heritage through organizing 4 County cultural festivals , supported teams to participate in the Kenya Music and Cultural Festival and the equipping of shiru cultural centre.
- Supported inter County sporting activities (KICOSCA games).
- Improved coordination of youth affairs by enacting the Youth Service Bill.
- Promote talents through the annual youth extravaganza.
- Organized a 16 day campaign against Gender Base Violence (GBV).

Key challenges included;

- Inadequate space
- Increasing cases of gender based violence.
- Limited data on people living with disability.
- Inability to achieve gender equity in terms of opportunities, employment, governance and accessing productive resources.

8. Public Service Administration and Coordination of County Affairs

The mandate and responsibility of the Department of Public Service and Administration is to provide the strategic direction and leadership in the administration and coordination of the County Government activities. The Department is expected to develop adequate capacity to re-engineer service delivery.

During the MTEF period under review, the following key achievements were attained;

- Enhanced initiatives towards complains redress and feedback framework
- Developed the County Government organization structure and service charters in all the departments and directorates.
- Production and dissemination of documentaries and newsletters highlighting county's achievements.
- Facilitated radio talk shows on Vihiga FM covering all the sectors within the County to articulate Government policies and programs. Key among them Covid-19 response talks and civic education on Nutrition, ECDE and TVET programmes.
- Disbursed bursaries and identified potential beneficiaries of Governors scholarships
- Formulated ward development coordination committees

Key challenges included;

- Insufficient budgetary allocations which affect service delivery.
- Weak human resource development framework including absence training and development policies.
- Weak performance management framework.
- Uncoordinated county communication framework.
- Impact of Covid 19 pandemic on human resource and county programme.

- Limited staff and equipment in the County Radio.
- Absence of Administrative Offices at the Ward and sub-county levels.

9. Office of the Governor

The Office of the Governor has strived to diligently execute the functions and exercise the authority provided for in the constitution and legislation. This department has priorities among them, provide policy direction on County development, link County Government to investors both locally and internationally and link the County Government to National Government and other County Government agencies.

During the MTEF period under review, the following key achievements were attained;

- Streamlined operations of the County Government and aligning to existing laws and regulations.
- Drafted and assented various policies, regulation and bills.
- Production and dissemination of newsletters and other review report.
- Established County Attorney's office
- Enhanced stakeholder engagement in county government programmes
- Established an institutional framework for performance management including strengthening of the Service Delivery Unit
- Procured production equipment for coverage of county events, programs and activities.

Key challenges included;

- Political interference and partisan interests on governance and development.
- Inadequate funding and delayed disbursement from the national treasury.
- Delays in policy formulation and weak enforcement of Laws and policies
- Inadequate technical personnel and office space.
- Scanty information and weak linkages among departments and agencies.

10. Public Service Board

The County Public Service Board draws its mandate from Article 235 of the Kenya Constitution 2012 to coordinate and advise the County Government on issues regarding Human Resource Management and development. The County Government Act 2012 provides the framework of uniform norms and standards for staffing. Some of its priorities include; facilitate appointment of persons to work for the County, facilitate human resource planning and development, promote values and core principles of governance for the staffs and exercise disciplinary control.

During the MTEF period under review, the following key achievements were attained;

- The board facilitate recruitment and promotion of staff in different carders.
- Conducted an outreach on public awareness and sensitization in regards to National values and principals of Governance enshrined in Article 10 of the Constitution of Kenya 2010.
- Capacity built its staff and enhance staff efficiency in service delivery.

Key challenges included;

- Political and partisan interference in the recruitment process.
- Missing linkage between departmental request and appointment.
- Disparities in remunerations.

The Enablers

11. Transport and Infrastructure

Development of infrastructure results in stimulating the other sectors by easing movement of goods, services and people thus facilitating trade and commerce.

The County Government of Vihiga has prioritized to develop County road networks, electricity connectivity, ICT and provision of clean and sustainable energy. Infrastructure development and ICT is a critical enabler in achieving the desired economic development in the County.

Investments in key public infrastructure including roads construction shall have a multiplier effect in the economy stimulating growth in other productive sectors like Agriculture and Commerce.

During the MTEF period under review, the sector achieved the following;

- Expanded, maintained and rehabilitated of access roads across the County.
- Constructed bridges, box culverts and river crossings to improve intra-county connectivity.
- Installed High masts, flood lights and solar street lights in various market centers.
- Commenced tarmacking of Gisambai-Shamakhokho Road, Ekwanda–Luanda- Esirulo, Magada –Bukuga, Ebusyubi –Epuche-Esiandumba road, Luanda-Magada-Mbale road, Mago-Mululu-Vokoli-Lusui road under KeRRA and Lunyerere-Munoywa road under KURA.

Key challenges included;

- Poor topography in some areas resulting in slow road maintenance.
- Breakdown of equipment and high cost of maintenance.
- Encroachment of road reserves.
- Poor storm water management.

12. Finance and Economic Planning

The department is tasked with spear heading public finance management as outlined in the PFM ACT 2012.

The department has the following mandate in the County, provision of accounting services, planning services, monitoring and evaluation, reporting, capacity building, auditing, budgeting, own source revenue administration and procurement Services. Attainment of sustainable development requires sound and prudent management of public resources.

During the MTEF period under review, the sector achieved the following;

Key challenges included;

- Network challenges that result to delayed transactions in the IFMIS.
- Lack of sufficient backup and storage of information.
- Lack of capacity building of existing staff.

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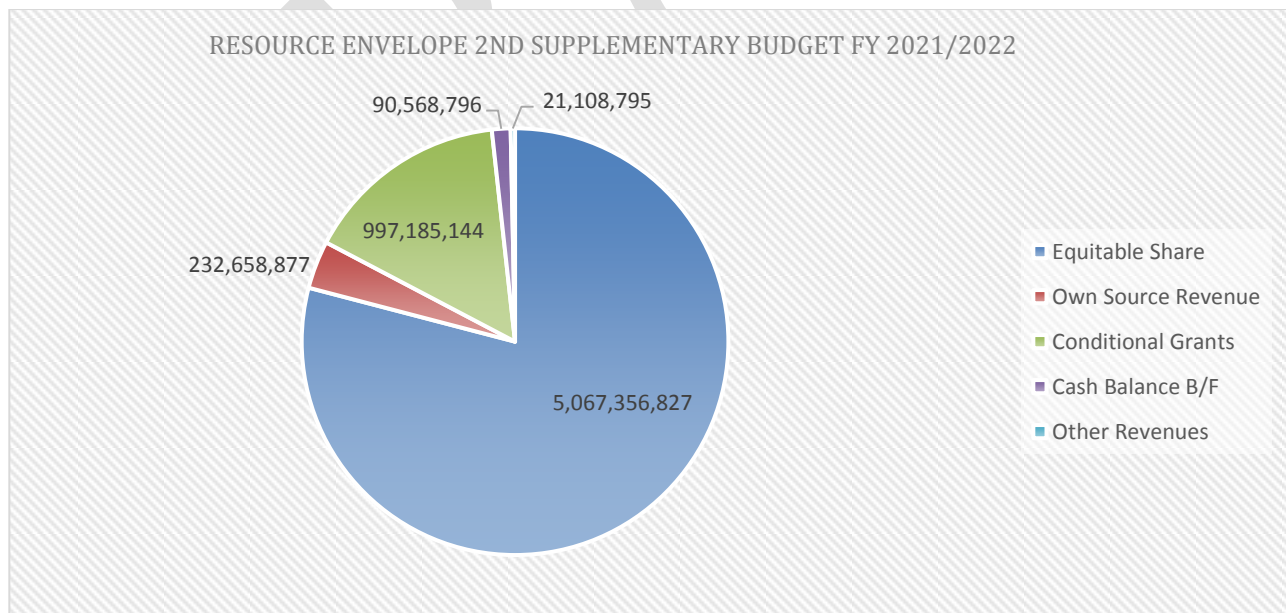
3.0 CHAPTER THREE:

FISCAL PERFORMANCE IN FY 2021/22 AND EMERGING CHALLENGES

3.1 FY 2021/2022 BUDGET

The County's approved second supplementary budget for FY 2021/22 was Kshs.6,408,878,439 billion, comprising Kshs.1,933,650,739 billion (30.2 per cent) and Kshs.4,475,227,701 billion (69.8 per cent) allocation for development and recurrent respectively. To finance the budget, the county expected to receive Kshs.5,067,356,827 (79.07 per cent) as the equitable share of revenue raised nationally, Kshs.997,185,144 (15.56 per cent) as total conditional grants, Kshs.232,658,877 (3.63 per cent) from own sources of revenue, and a cash balance of Kshs.90,568,796 (1.41 per cent) from FY 2020/21. The county also received "other revenues" (Nutrition International) amounting to Kshs.21, 108,795 million that were not contained in CARA.

Figure 1: Vihiga County, Expected Sources of Budget Financing



Source: Vihiga County Treasury

3.2.1 Revenue Performance for FY 2021/22

The County received Kshs. 5,067,356,827 as Equitable Share from the National Government. National Agriculture and Rural Inclusive Growth Project (NARIGP) contributed the most of the total conditional grants received, with a contribution of Kshs. 357,943,746 representing 5.59 percent. The County also received other revenues not captured in CARA, this was a Canadian grant, Nutrition International which amounted to Kshs. 21,108,795 representing 0.33 percent of the total budget amount.

Table 1: Sources of revenue as a percentage of the total 2021/22 2nd Supplementary budget

RESOURCE ENVELOP COMPUTATION		
Revenue Source	2nd Supplementary Budget FY 2021/2022 Kshs.	Percent %
Equitable Share	5,067,356,827	79.07
Road Maintenance Levy	136,928,406	2.14
Leasing of Medical Equipment	153,297,872	2.39
Loans and Grants(Danida)	10,308,375	0.16
Own Resources	232,658,877	3.63
Conditional Grant for Rehabilitation of Village Polytechnics	2,683,734	0.04
Transforming Health Systems for Universal Care Project-THS-UHC	89,309,407	1.39
National Agriculture And Rural Inclusive Growth Project - NARIGP	357,943,746	5.59
Agriculture Sector Development Support Programme - ASDSP II	27,227,602	0.42
Kenya Devolution Support Programme - KDSP	128,574,068	2.01
Kenya Urban Support Programme - UDG Grant	72,685,790	1.13
Kenya Urban Support Programme - UIG Grant	26,144	0.00
Nutrition International	21,108,795	0.33
EU - Water Tower Project Grant	18,200,000	0.28
Balance Brought Forward	90,568,796	1.41
Total Proposed County Expenditure	6,408,878,439	100.00

Source: Vihiga County Treasury

3.2.2 County Own Revenues Sources (ORS).

In 2021/22 FY, the County collected own source revenue amounting to Kshs. 240,890,593 against a target of Kshs.232,658,877 which represented 3.54 percent above target in own source revenue collection. Trends in the OSR since FY 2013/14 show that FY 2021/22 recorded the highest collection. The increased performance can be attributed to the ease of pressure from the Covid-19 pandemic and its effects and improved revenue collection strategies.

Table 2: Vihiga County, Trend in ORS by Quarter from FY 2013/14 to the FY 2021/22

Trend in Local Revenue Collection by Quarter from FY 2013/14 to FY 2021/22 (Kshs.)									
	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
QTR. 1	18,825,000	25,624,320	29,925,190	23,563,100	12,820,045	32,673,478	50,087,994	34,854,639	57,458,531
QTR. 2	17,683,250	23,095,640	34,891,710	15,954,700	29,069,063	30,214,350	32,738,910	25,811,232	49,983,465
QTR. 3	41,034,020	29,423,870	27,377,470	26,129,400	50,549,434	59,145,673	45,956,975	55,185,886	71,222,296
QTR. 4	45,786,700	37,896,590	32,925,190	31,300,700	51,092,210	56,137,646	19,415,258	50,042,583	62,226,301
TOTALS	123,328,970	116,040,420	125,119,560	96,947,900	143,530,752	178,171,147	148,199,137	165,894,340	240,890,593

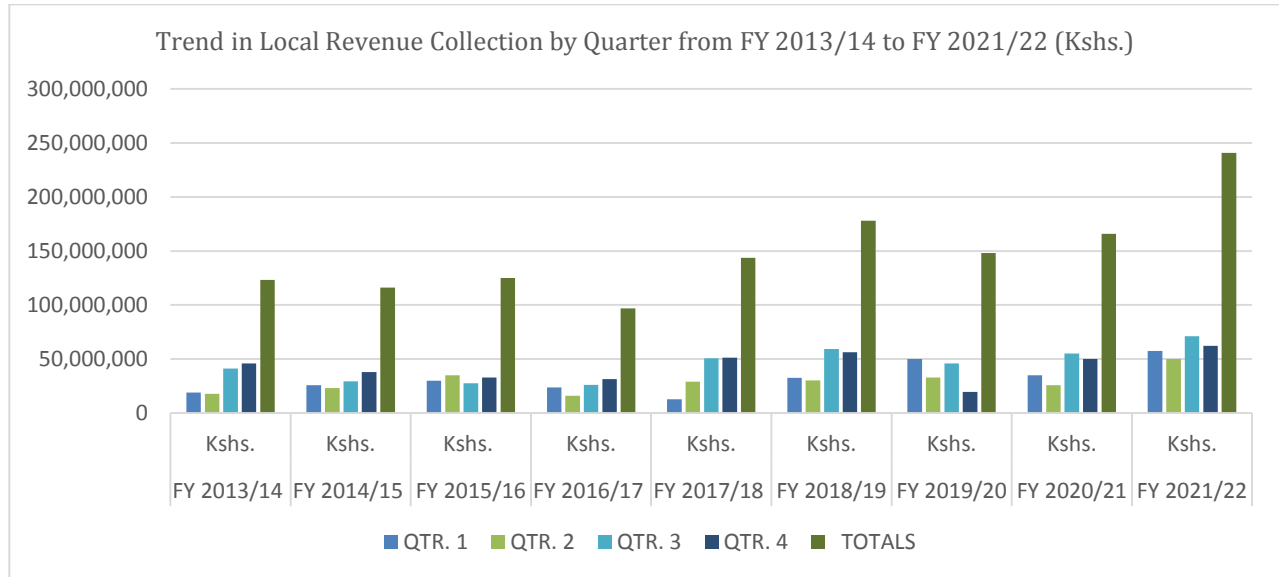
Source: Vihiga County Treasury

From the table above it is observed that collections in all the quarters in FY 2021/2022 recorded the highest collections since FY 2013/2014.

Comparatively, the 1st, 2nd, 3rd and 4th quarter of FY 2021/2022 there was significant increased improvement in collections as compared to same periods in the previous year FY 2020/2021. This increased improvement overall, for the FY 2021/2022 can be attributed to, enhanced collection

strategies that were employed and Covid-19 containment measures which lessened its adverse effects on businesses.

Figure 2: Yearly Trend in OSR Collection from 2013/14 FY to 2021/22 FY



Source: Vihiga County Treasury

Table 3: Performance of revenue per stream FY 2021/2022

No.	STREAM	1 ST QTR Kshs.	2 ND QTR Kshs.	3 RD QTR Kshs.	4 TH QTR Kshs.	TOTAL
1	Bus park and Parking Fees	9,472,750	9,005,337	8,627,590	8,092,341	35,198,018
2	Market and Trade fees	3,752,850	3,845,341	3,462,900	3,563,825	14,624,916
3	Single Business Permits	5,313,331	583,600	11,300,656	5,207,815	22,405,402
4	Land Rates	117,236	1,209,076	847,515	395,436	2,569,263
5	Plot, stall, site and House Rent	1,918,551	2,449,291	2,067,089	1,889,083	8,324,014
6	Plans Inspection/Approval	1,533,800	1,275,320	1,181,900	761,050	4,752,070
7	Advertising and Branding	524,100	470,700	9,476,089	2,754,970	13,225,859
8	Hire of Machines	165,000	0	195,960	45,000	405,960
9	Fertilizer	0	0	0	0	0
10	Inspection and Impound fees	525,900	177,500	471,000	238,900	1,413,300

No.	STREAM	1 ST QTR Kshs.	2 ND QTR Kshs.	3 RD QTR Kshs.	4 TH QTR Kshs.	TOTAL
11	Stock Sales	508,810	642,575	653,140	640,440	2,444,965
12	Weights and Measures	97,500	1,500	111,800	103,500	314,300
13	Hire of Hall	0	0	0	0	0
14	Group Registration	300	0	0	0	300
15	Sand and Murram	4,300	5,200	3,000	4,450	16,950
16	Land Boundary Disputes	56,000	69,000	32,000	183,000	340,000
17	Noise Emission	0	6,600	4,400	2,200	13,200
18	Veterinary services/Fisheries	888,560	783,670	960,670	673,820	3,306,720
19	Water Supply Fees	384,200	700,500	618,850	170,600	1,874,150
20	Liquor License	2,483,400	314,000	600,000	193,570	3,590,970
21	Tea Cess	0	1,383,618	237,004	320,014	1,940,636
22	Vihiga FM Receipts	1,500,200	611,583	199,700	333,148	2,644,631
23	Miscellaneous Income	245,618	99,290	124,770	137,470	607,148
24	N.H.I.F Receipts	13,362,618	13,863,172	16,908,332	24,254,104	68,388,226
25	Hospitals Cash (A.I.A)	13,264,452	11,899,052	12,194,181	11,623,365	48,981,050
26	Public Health Service (A.I.A)	1,339,055	587,540	943,750	638,200	3,508,545
	TOTAL	57,458,531	49,983,465	71,222,296	62,226,301	240,890,593

Source: Vihiga County Treasury

From the table above, the following observations were made:

A number of revenue streams out performed, having surpassed the projected collections contained in the budget. These were as follows;

- Facility Improvement Fund, which includes N.H.I.F Receipts and Hospitals Cash (A.I.A). These revenue streams recorded high collections due to decline in strikes that were observed the previous year.
- Advertising: This revenue stream recorded a high performance as compared to its projected budget, mainly because of enhanced collection strategies which involved the inclusion of payments for wall branding and vehicle branding.

However, a number of revenue streams did not meet the projected targets as contained in the budget. These were as follows:

- Market and Trade Fees: This revenue stream did not reach the projected target, and this can be mainly attributed to the fact that most business people were still recovering from the effects of Covid-19 as seen in the stoppage of a number of imports when the calamity struck.
- Land rates: The huge variance in the land rates was caused by delays in the approval of the Valuation Roll by the County Assembly.
- Livestock Cess: This revenue stream was affected mainly by the outbreak of foot and mouth disease and Covid-19 which led to a decline in collections.
- Public Health Service: This revenue stream was affected mainly because of personnel challenges and leakages. Another reason is the fact that there are many sources of revenue for the above that have not implemented, which if done will see this revenue stream not only achieve its projected budget but surpass.

3.2.3 Disbursement from Exchequer.

During the period under review, the Controller of Budget authorized withdrawal of Kshs.4.90 Billion from the CRF account, which was 76.50 per cent of the Approved second Supplementary Budget FY 2021/22.

3.3 Expenditure Performance for FY 2021/22

3.3.1 Overall Expenditure Review

Total expenditure in the FY 2021/22, amounted to Kshs. 4.89 billion against a budget of Kshs. 6.41 billion as per the approved second supplementary Budget FY 2021/22. This represented an absorption rate of 76.30 percent.

Expenditure in FY 2020/21 was Kshs. 5.75 billion compared to an expenditure of Kshs. 4.89 billion for FY 2021/22 representing an absorption rate of 87.4 and 76.3 percent respectively over same period.

In addition, on recurrent activities a total of Kshs 3.77 billion was spent in FY 2020/21 and Kshs. 4.11 billion spent in FY 2021/2022 representing absorption rates of 92.6 and 78.9 percent respectively. Development expenditure was Kshs 1.98 billion and Kshs 0.77 billion for FY 2020/21 and FY 2021/22 respectively with absorption rates of 91.7 percent and 39.9 percent respectively.

This indicates there was a general reduction in absorption in FY 2021/22 as compared to FY 2020/21, this is represented by a 14.96 percent reduction in absorption.

Table 4: Absorption rates of FY 2020/21 and FY 2021/22 compared in Kshs billion

Expenditure	Budget 2020/21 (Billions Kshs.)	Actuals Expenditure 2020/21 (Billions Kshs.)	Budget 2021/22 (Billions Kshs.)	Actuals Expenditure 2021/22 (Billions Kshs.)	Absorption % 2020/21	Absorption % 2021/22	% Change
Recurrent	4.07	3.77	4.48	4.11	92.6	91.7	9.02
Development	2.51	1.98	1.93	0.77	78.9	39.9	-61.1
Totals	6.58	5.75	6.41	4.89	87.4	76.3	-14.96

Source: Vihiga County Treasury

3.3.2 Recurrent Expenditure

The total recurrent budget for FY 2021/22 amounted to Kshs.4.48 billion comprising of Kshs 2.68 budget for personnel emoluments and Kshs. 1.79 billion budgeted for operations and maintenance as shown in the table below. The total recurrent expenditure was Kshs.4.11 billion comprising of an expenditure of Kshs. 2.77 billion and Kshs.1.34 billion on personnel emoluments and operations and maintenance respectively, representing absorption rates of 103.36 and 74.86 percent respectively.

Table 5: Expenditure by Economic Classification FY 2021/22

Economic Classification	FY 2021/22	FY 2021/22	% Absorption
	Budget Billions Kshs.	Actual Expenditure Billions Kshs.	
Personnel Emoluments	2.68	2.77	103.36
Operations and Maintenance	1.79	1.34	74.86
Development Expenditure	1.93	0.77	39.9
Total	6.41	4.89	76.3

Source: Vihiga County Treasury

3.3.3 Development Expenditure Analysis

The total development budget for FY 2021/22 was Kshs 1.93 billion. The total development expenditure for the financial year under review was Kshs. 0.77 billion representing an absorption of 39.9 percent of the total development budget FY 2021/22. The departments of Trade, Industrialization and Tourism and the department of Education, Science and Technology having the highest development absorption rates of 93.11 and 78.18 percent respectively. The department with the lowest absorption for the development budget was the department of Finance and Economic Planning which had an absorption of 14.3 percent.

3.3.4 Budget Performance by County Department 2021/22(Budget Absorption Rate)

Overall absorption rate for the entire Budget was 76.3 percent. The departments with the highest and lowest absorption rates were, department of Administration and Coordination of County Affairs and department of Agriculture with absorption rates of 94.77 and 46.57 percent respectively.

**Table 6: Vihiga County, Budget Performance by Department in FY 2021/22
(Budget Absorption Rate)**

Department	Budget Allocation (Kshs. Million)		Total Budget	Expenditure in The FY 2021/22 (Kshs. Million)		Total Expenditure in The FY 2021/22 (Kshs. Million)	FY 2021/22 Absorption rate (%)		Overall Absorption rate (%)
	Rec	Dev	(Kshs. Million) Total	Rec	Dev	Total	Rec	Dev	Total
Agriculture, Livestock, Fisheries & co-operatives	200.8	432.35	633.15	147.39	147.48	294.87	73.40	34.11	46.57
Lands, Housing & Physical Planning	101.11	136.39	237.49	83.19	43.25	126.44	82.28	31.71	53.24
Transport & Infrastructure	136.02	402.06	538.07	113.38	243.17	356.55	83.36	60.48	66.26
Industrialization, Trade & Tourism	90.11	32.53	122.63	72.28	30.29	102.57	80.21	93.11	83.64
Health Services	1549.25	261.26	1810.52	1,424.86	94.36	1519.22	91.97	36.12	83.91
Education, Science & Technology	385.03	136.44	521.47	379.24	106.67	485.91	98.50	78.18	93.18
County Executive	246.45	9.51	255.95	227.95	2.07	230.02	92.49	21.77	89.87
County Assembly	659.61	30	689.61	631.55	11.96	643.51	95.75	39.87	93.32
Finance & Economic Planning	343.78	358.6	702.38	327.22	51.73	378.95	95.18	14.43	53.95
County Public Service Board	53.72	0	53.72	49.7	-	49.7	92.52	-	92.52
Administration and Coordination of County Affairs	485.87		485.87	460.44	-	460.44	94.77	-	94.77
Gender, Culture, Youth & Sports	86.7	10.58	97.27	62.08	5.71	67.79	71.60	53.97	69.69
Environment, Water, Natural Resources & Forestry	136.78	123.95	260.73	127.21	34.27	161.48	93.00	27.65	61.93
TOTAL	4475.23	1933.65	6408.88	4,106.49	770.96	4877.45	91.76	39.87	76.10

Source: Vihiga County Treasury

3.4. Fiscal Performance for the first half of FY 2022/23

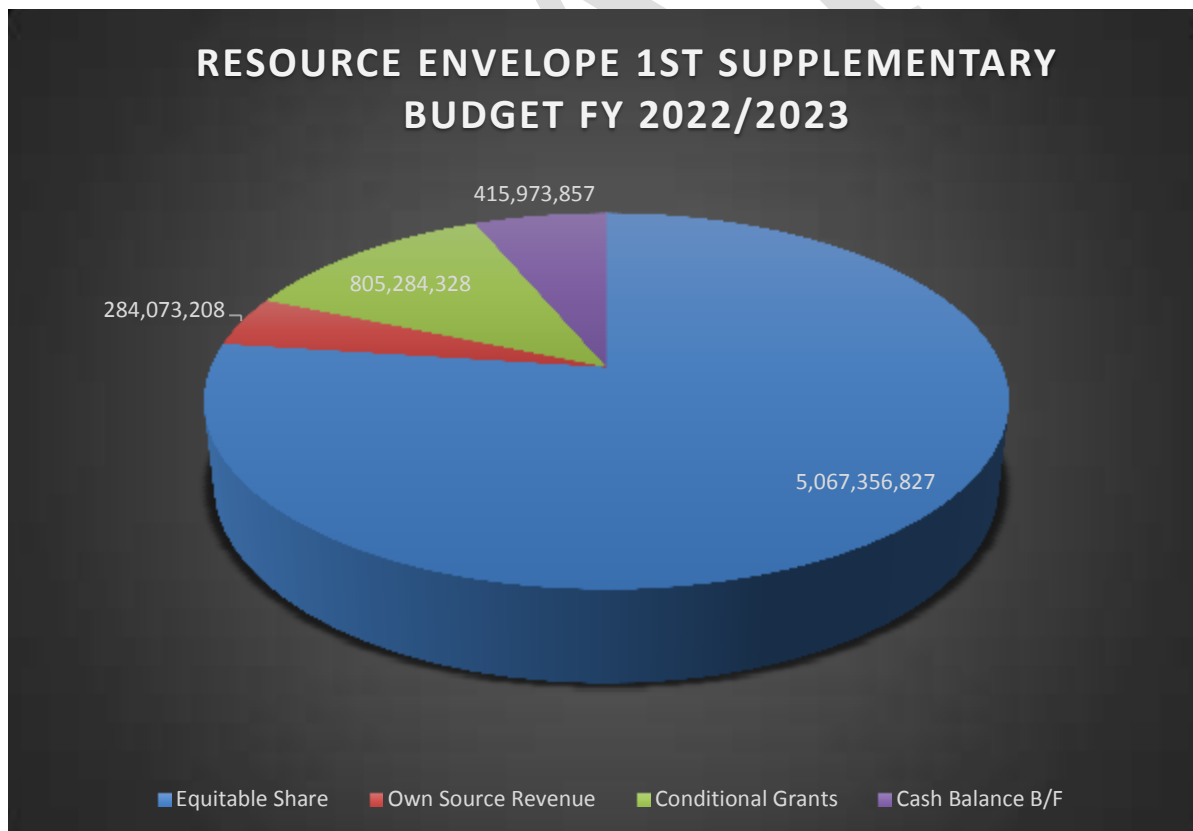
3.4.0 Revenue Performance for the first half of FY 2022/23

3.4.1 Overview of the FY 2022/23 Budget

The County's approved 1st supplementary budget for FY 2022/23 was Kshs. 6,572,688,220, comprising of Kshs. 4,474,727,858 (68.1 per cent) and Kshs. 2,097,960,362 (31.9 per cent) allocations for recurrent and development programmes respectively.

To finance the budget, the County expected to receive Kshs. 5,067,356,827 (77.10 per cent) as Equitable Share of revenue raised nationally, Kshs. 415,973,857 (6.33 per cent) as balance brought forward, Kshs. 805,284,328 (12.25 per cent) as total Conditional Grants and generate KES 284,073,208 (4.32 per cent) from Own Source Revenue.

Figure 3: Vihiga County Expected Sources of Budget Financing in FY 2022/23



Source: Vihiga County Treasury

3.4.2 ORS for the first half FY 2022/23

Table 7 : OSR First Half FY 2022/2023 Revenue Performance

S/NO	OSR Revenue Stream	Amount
1	Parking Fees	15,835,110
2	Land Rates	361,181
3	Plot, Stall, Site Rent	5,334,220
4	Single Business Permits	2,087,497
5	Plans Inspection/Approval	2,138,051
6	Advertising (Billboards)	1,121,492
7	Hire of Machines (Lease and rental of Machines)	85,720
8	Fertilizer	-
9	Market and Trade Fees	7,510,229
10	Tea Cess	2,387,421
11	Livestock Cess	1,389,970
12	Public Health Service	829,080
13	Weights and Measures	127,280
14	Hire of Hall	9,600
15	Facility Improvement Fund	28,637,782
16	Group registration	-
17	Sand And Murram	500
18	Land Boundary Disputes	115,320
19	Fines, Penalties and Forfeiture	-
20	Noise Emission	65,800
21	Veterinary Services	903,060
22	Water supply administration Fees	282,000
23	Miscellaneous Receipts	970,791
24	Liquor license	1,295,050
25	Inspection and Impound Fees	684,700
26	Vihiga FM Receipts	320,280
27	NHIF Receipts	34,592,605
	TOTAL	107,084,739

Source: Vihiga County Treasury

The total Own Source Revenue generated in the first half of FY 2022/23 amounted to KES. 107,084,739 million, which is lower than what was collected in the first half for FY 2021/2022 where collections made amounted to Kshs. 107,441,996.

3.5 Emerging Issues and Challenges on Fiscal Performance

As per the draft BPS 2023, in order to support the County Governments to enhance their Own Source Revenue, the National Treasury in consultation with the County Governments and other stakeholders developed the National Rating Bill and the County Governments (Revenue Raising Process), Bill. The objective of the National Rating Bill is to unlock more revenues for the County Governments from property taxes. On the other hand, the County Governments (Revenue Raising Process), Bill outlines the process to be followed by Counties in exercising their power under Articles 209 and 210 of the Constitution to impose, vary or waiver taxes, fees, levies and other charges.

As part of the implementation of the National Policy to Support County Governments enhance their Own Source Revenue, the Commission on Revenue Allocation (CRA) in collaboration with the National Treasury and other stakeholders is in the process of developing a model tariffs and pricing policy. The County Governments are expected to customize this model policy to develop their respective tariffs and pricing policy in line with Section 120 of the County Government Act, 2012. The tariffs and pricing policy will form the basis for levying fees and charges by the County Governments.

In addition, there is need to strengthen collaboration and data sharing between different organizations and departments within and outside the County Governments in order to enable the counties to monitor their revenue base, evaluate their revenue raising activities and adopt an evidence-based approach to OSR policy decision making.

Moreover, implementation of an integrated revenue management system will eliminate leakages, high costs of collecting revenues by counties and address OSR collection and administration challenges facing county governments. Further, plans are underway to develop principal laws which anchor county revenue measures in line with Article 210(1) of the constitution.

Underperformance of County Government Own Source Revenue (OSR) may cause; Overreliance on equitable share of revenue hence exposure to fiscal shocks occasioned by revenue underperformance at the national level; and delays in disbursement to County Governments resulting from disagreements on revenue sharing formula and division of revenue. The net effect of this is poor service delivery, low budget absorption and delays in submission of statutory deductions

3.6 Risks to the FY 2023/24 Budget Framework

3.6.1 Overview

This section explains anticipated risks that are likely to impact on the implementation of the 2023/24 budgeting framework. Thus it is important to come up with the risk management plan which will outline the mitigation measures to cushion the County against budget disturbances. Additionally, in case the economy performs poorly due to unpredictable external and internal shocks, this will have a negative impact to the County performance in terms of the funds that will be allocated to the County from National Government. Some of the risks the county is likely to encounter include;

Late Disbursement of funds from National Treasury

Late disbursement has had an increase in operating costs at the county as well as continuous accumulation of pending bills. This leads to poor budget absorption, delays in submission of statutory deductions and poor service delivery.

Mitigation measure: The County will tighten its expenditure priorities and also seek short term loans to manage cash flow.

Pending Bills

The issue of Pending debts/bills continues to be a major challenge facing the County government. However, they have undergone verification process and eligible ones paid while ineligible still being addressed.

Mitigation measure: The County Government will ensure that both the level and rate of growth in debt is fundamentally sustainable since high debt portfolio will continue to impact negatively on the County operations. In addition, more funds shall be allocated in the budget for debt serving.

Climate change and natural disasters

The rapid change in climate, global warming and occurrence of calamities may pose a serious threat to the county government development agenda. These effects will have a direct impact on the fiscal position resulting in lowering of tax revenues and increase in public spending to mitigate the disasters. In essence, climate change results in substantial reallocation of resources towards mitigation efforts and adaptation to address emergence of natural disasters.

Mitigation measure: The County will put more emphasis on climate change adaptation and mitigation measures that will exploit green economic considerations and hence put the local economy on a green and climate resilient recovery path; Over the medium term the County Government will prioritize the implementation of environmental conservation programmes including tree planting, reforestation, water harvesting, climate smart agriculture and investment in green energy.

Contingency Liabilities

The County Government has been facing various litigations on different matters. This has had a big impact on the budget as the legal fees keep on increasing as a result of the court cases. Depending on the outcomes of the court cases in some instances the County has been ordered to pay the litigants thus hugely affecting the budget. Late or non-remittance of statutory deductions (e.g. PAYE, withholding VAT, NSSF, etc.) could impact on overall collection of ordinary revenue by the Kenya Revenue Authority (KRA) attracting interest and penalties. These penalties have an impact on the budgetary allocation of the County.

Mitigation Measures: The County will comply with legal requirements on statutory deductions to avoid to penalties and interests as well as empess dispute resolution mechanism/ out of court settlements.

COVID-19 Pandemic

The Covid-19 pandemic has resulted in major economic and social disruptions which have been felt across the globe. Major sectors affected include Health, Education, Agriculture, MSMEs among others. Effects of Covid-19 has had a huge impact on the local economy and is likely to spill over to financial year 2023/24 which will lead to continued underperformance of revenue collection at both levels of government. This may hamper revenue collection or taxation.

Mitigation measures: The County will implement the post COVID re-engineering strategy which will help stimulate the local economy as well as build resilience.

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4.0 CHAPTER FOUR

THE MEDIUM-TERM STRATEGY 2023/24-2025/26

4.1 Overview

The FY 2023/24 and the medium-term budget is based on the Government's policy priorities and macroeconomic policy framework. To support the economic recovery agenda, the Government will continue with the fiscal consolidation plan by containing expenditures and enhancing mobilization of revenues in order to slow down growth in public debt without compromising service delivery. This is expected to boost the country's debt sustainability position and ensure that Kenya's development agenda honours the principle of inter-generation equity.

Revenue Projection

Based on a revenue projection of Kshs. 2,566 billion in FY 2023/24, Kshs. 2,178.5 billion has been allocated to National Government and 380.0 billion to County Governments as equitable revenue share.

4.1.1 County Allocations for FY 2023/24

The Division of Revenue Bill (DoRB), 2023 proposes to allocate to County Governments Kshs. 380 billion as their equitable revenue share. The allocation to County Governments' is informed by the following circumstances:

- a) The proposal to increase the equitable share to Kshs. 380 billion in the FY 2023/24 is equivalent to 26.8 percent of the last audited accounts (Kshs. 1,414 billion for FY 2017/18) and as approved by Parliament. The proposed allocation therefore meets the requirement of Article 203(2) of the Constitution;
- b) High level of financing, and noting that the overdraft at the Central Bank is exhausted. The Government has already reduced borrowing by Kshs. 119 billion in FY 2022/23 in order to ensure public debt is maintained at sustainable levels;

- c) Priority government expenditure relating to drought intervention, fertilizer subsidy and the Hustlers Fund;
- d) In the medium term, sharing of resources will be pegged on the financing constraints and not on the budget. Availability of resources is key and it should be remembered that National Treasury did not disburse Kshs 29.6 billion to county governments in the FY 2021/22 due to financial constraints; and
- e) The fact that the National Government continues to solely bear shortfalls in revenue in any given financial year. County Governments continue to receive their full allocation despite the budget cuts affecting the National Government entities.

Table 8: County Government's' Equitable Revenue Share (KSHS. MILLION)

Type/Level of allocation	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Baseline (i.e. allocation in the previous FY)	314,000	316,500	316,500	370,000	370,000
1. Adjustments for revenue growth	2,500	-	36,100	-	10,000
2. Revenue Share (RMLF, Level-5 Hospital Grant, Compensation for foregone user fees and Rehabilitation of Village Polytechnics)	-	-	17,400	-	-
Computed Equitable Revenue Share Allocation	316,500	316,500	370,000	370,000	380,000

Source: 2022 BPS

Horizontal allocation of revenue among County Governments shall be based on the third basis formula, which was considered and approved by parliament in September, 2020. The third formula takes into account the following parameters; (i) Population (18%); (ii) Health Index (17%); (iii) Agriculture index (10%); (iv) urban Index (5%); (v) Poverty Index (14%); (vi) Land Area Index (8%); (vii) Roads Index (8%) and (viii) Basic Share Index (20%).

Accordingly, in FY 2023/24, the Counties will share an estimated Kshs. 380 billion as equitable share, with the projected transfer for Vihiga County being Kshs. 5,196,806,575.

Table 9: Vihiga County Government Resource Envelope Computations for FY 2023/24

Revenue Source	Proposed Revenue in the 2023 BPS (Kshs.)
Equitable Share	5,196,806,575
Own Resources	300,549,454
Loans and grants cumulative	196,786,368
Total Proposed County Revenue/Expenditure	5,694,142,397

Source: Vihiga County Treasury

4.1.2 Equitable Share

The draft Budget Policy Statement, 2023 proposes that Vihiga County Government will receive Kshs. 5,196,806,575 as equitable share of revenue for the FY 2023/24.

4.1.2 Loans and Grants

These are proceeds from external loans and grants through the National Government, which will finance devolved functions in accordance with the signed financing agreement for each. In FY 2023/24, the National Treasury proposes to allocate Kshs. 32.9 billion as additional allocations to County Governments from proceeds of loans and grants to County Governments. The loans and grants that the county anticipates to receive are shown in the table 11 below:

Table 10: Vihiga County Government Grants as per BPS 2023

GRANTS AS PER BPS 2023	
GRANT	AMOUNT
ASDSP	4,417,622
NARIGP	155,402,308
DANIDA	14,966,438
FFLoCA	22,000,000
TOTAL	196,786,368

4.1.5 Own Source Resource (OSR)

The County Government has projected Own Source Revenue (OSR) to increase by 5.8 percent from Kshs. 284,073,208 FY 2022/23 to Kshs. 300,549,454 FY 2023/24.

The County will put in place the following measures to achieve the set targets:

- The county needs to review the Vihiga County Trade Licensing Act, 2017 so as to charge Single Business Permits in accordance with the respective business activities undertaken by clients.
- The county needs to automate revenue collection process in order to address the challenges associated with revenue leakages.
- The county needs to implement the stipulated house rent rates with respect to county houses so as to realize forecasted revenue from the stream.
- The County needs to hasten the process of preparation of the valuation roll to facilitate efficient collection of revenue from the land rates revenue stream.
- The county needs to engage third parties where necessary to partner in collection of land rates so as to maximize collections in the revenue stream.
- The county needs to undertake refurbishment and renovation of the hall at Sabatia Sub County to attract potential clients.
- The County needs to hire more technical personnel to support enforcement of collections in plans approval, inspections and physical planning revenue streams.
- The county to consider issuing farm inputs at a fee to earn revenue to the county.
- The Directorate of Revenue Administration services embarked on developing post-COVID - 19 recovery strategies to address the drop in revenue collection
- Decentralize collection of noise emission fees by allowing market collectors to collect revenue from the stream together with advertisement fees.
- Undertake further feasibility and revenue stream mapping and institute a OSR enhancement plan.

4.2 Resource Allocation Criteria and Proposed Ceilings for FY 2023/24

4.2.1 Criteria for Resource Allocation

Resources are to be allocated based on the following criteria;

- Extent to which the programme is linked to the Governor’s Manifesto, Bottom Up Approach, MTP IV, CIDP, SDGs and other international commitments
- Cost effectiveness, efficiency and sustainability of the Programme/projects within the MTEF period.
- The extent to which the programme is addressing economic recovery following the effects COVID-19 pandemic.
- Extent to which the Programme and sub programme output and outcome is aligned to the sector goals and departmental core mandate
- Programmes that are co -funded
- Compensation to employees
- Consideration for ongoing projects

4.2.2 Proposed Ceilings for FY 2023/24

As earlier indicated, the BPS 2023 proposes equitable share of revenue to Vihiga County of Kshs. 5,196,806,575 the County Government projects to collect OSR set at Kshs. 300,549,454.

According to the draft BPS 2023, Counties will receive an additional KES 32.9 billion from proceeds of external loans and grants. The distribution of the KES 32.9 billion to Counties has not been done, as the National Treasury is yet to produce the County Governments Additional Allocations Bill, which will highlight the disbursement of conditional grants to counties.

Table 11: Proposed Ceilings for FY 2023/24

DETAILS	BPS 2023 Kshs	PROPOSED 2022/23 CEILINGS (Kshs)
Equitable Share	5,196,806,575	
Own Resources	300,549,454	
Office of The Governor		280,372,321
County Attorney		14,500,000
Finance & Economic Planning		524,492,549
Agriculture, Livestock and Fisheries		312,982,762
Health Services		1,480,249,608
Education and Technical Vocational Training		600,458,432
Gender, Culture, Youth, Sports and Social Services		187,127,499
Commerce, Tourism and Cooperatives		219,393,214
County Public Service Board		50,812,039
Environment, Water, Energy & Natural Resources.		364,103,205
Transport and Infrastructure		300,738,645
Physical Planning, Lands, Housing & Urban Development		233,144,601
County Assembly		604,741,175
Administration and Coordination of County Affairs		324,254,479
Total Grants and Loans	196,786,368	196,786,368
Total County Expenditure	5,694,142,397	5,694,142,397

Source: Vihiga County Treasury

As we finalize the budget for the FY 2023/24 and the medium term, I wish to emphasize that resources are limited while at the same time, the Government is confronted with significant expenditure demands including financing the Flagship Projects contained in the Governor's

Manifesto. This calls for proper prioritization to ensure that we focus on critical expenditures with the highest positive impact on the well-being of Vihiga Residents. For this reason, the County Government will continue to prudently manage the use of public resources over the 2023/24-2025/26 Medium Term Expenditure Framework (MTEF).

Towards this end, while developing the budget proposals for the medium-term, Sector Working Groups (SWGs) undertook a critical scrutiny of individual department's budgets execution reports to curtail growth of recurrent budgets especially budget items under the category referred to as use of goods and services. The SWGs also ensured that funding priority is accorded to completion of ongoing projects, Flagship projects which are supportive to accelerated inclusive growth and development.

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5.0 CHAPTER FIVE

SECTOR/DEPARTMENTAL PRIORITIES FOR FY 2023/2024

5.1 Agriculture Livestock Fisheries and Cooperatives

Agriculture is the bedrock of the County development. In line with the MTP IV and the Governor’s Manifesto, emphasizing on 100% food and nutrition security, the County fosters to achieve food and nutrition security goal, increase farmers income through value addition, lower the cost of food and increase employment especially for women and youth through agribusiness.

Some of the specific prioritized programmes and projects to be under taken in the FY 2023/24 include;

Sub-Programs	Priority Projects	Ranking	Planned Targets
General administrative services	Transport improvement	Procure - 2 New vehicles -10 Motor bikes	2
	Agricultural Training & innovation Centre (ATIC)-at Musinaka	Feasibility study; designs; EIA, fencing; construction works	1
Livestock production	Dairy cow Improvement	-Procure 250 dairy cows -Feed improvement 1000 packets of 1kg fodder seeds -feed conservation 1000 polytubes for silage making -Establish 10 demo sites	1
	Livestock feed formulation inputs	-Procure assorted inputs -procure 5 Pulverizes	2

	Local poultry commercialization	Procure 10,000 breeding flock; Renovate One unit per sub-county	3
	Bee keeping promotion	Procure 200 langstroth hives; 16 harvesting kits	4
	Dairy goat improvement	Procure 250 breeding does and 25 bucks	5
	Pig Promotion	Procure 50 breeding stock; 500 bags of sow and weaner feed	6
Veterinary Services and Extension	Rehabilitation and maintenance of 5 slaughter facilities	Serem lagoons, office and toilet Lunyerere renovations Mahanga, Esibuye renovations	5
	Mass Livestock Vaccination	Vaccinate Black Quarter =50,000 animals x 2 FMD 50000 animals x 2, LSD =50,000 animals Anti-Rabies = 10,000 pets	1
	Establishment of Artificial Insemination centre	Bull semen = 30,000 doses Liquid nitrogen = 96000 liters	3
	Animal Disease control program	-75L acaricides -75 spray pumps -Assorted drugs	2
Promotion of Fish Farming	MWITOKO PROJECT PHASE II: Completion of structures and operationalization of	-construct one admin block (offices & reception; conference facility and boardroom)	1

	farm activities	<ul style="list-style-type: none"> -construct 2 units staff houses -Procure land for staff houses -construction of kitchen and dining facility 	
	Fingerling production and aquaculture training programme (Mwitoko fish hatchery and aquaculture training centre)	<ul style="list-style-type: none"> -procure 6000 kg of assorted fish feeds -procure assorted training and demo equipment's -procure 1pick-up and 1 motorbike -procure stand by generator -procure and install solar lighting system -procure and install roof catchment water storage facilities 	1
	Fish Farming Productivity Programme (Extension)	<ul style="list-style-type: none"> - distribute 250,000 subsidized fingerlings -procure and distribute starter feeds to 250 farmers -capacity building of 250 farmers -support 2 fish feed cottage industries with raw materials 	2
Crop Extension services	Crop development for food and Nutrition security	<ul style="list-style-type: none"> -Procure and distribute assorted African indigenous Vegetable seeds, and organic fertilizer for 3,000 farmers Pawpaw seedlings 20,000 Avocado seedlings 20,000 Procure pesticides worthy for disease control 	1

	Agriculture training Centre	Fence the area and put some structures	6
	Extension and Training	6 Field Days to be held, 1 world food day, 1 exhibition, 4 management meetings , 6 stakeholders forum meeting to be held	2
	Agribusiness promotion and Market development	3 products standardized, 12 Market surveys to be carried out, Farm competition held, Market linkages to be done	3
	Sustainable land management	Establish one fruit tree nursery per sub county, Establish learning sites for resilient crops	4
	Agri-nutrition	5 Trainings to be done on urban agriculture, processing and utilization of foods for nutrition security	5

5.2 Education, Science, Technical and Vocational Training

The education sector is critical in enhancing the Human capital as a critical driver of socio economic development. The county government in recognition of the critical role of the sector will continue investing in Competence Based Early Year Education and the Vocational Training, equipping learners with lifelong skills critical for economic growth.

Some of the specific prioritized programmes and projects to be under taken in the FY 2023/24 include;

Sub-Programs	Priority Projects	Planned Targets	Ranking
General Administration	Purchase of motor vehicles	5	1
	Training of Pre - Primary teachers on CBC	3 (Termly)	1
	Training of VTC Trainers on CBET	3 (Termly)	1

	Enhancement of quality assurance and monitoring for Pre – Primary Schools and VET	408 Pre – Primary Schools 34 VTCs	1
	Implementation of gender and disability mainstreaming in Pre – Primary and VET	25 wards	2
Pre – Primary Schools Development	Construction of Model Pre – Primary Schools	5	1
	Construction of new Pre – Primary classrooms	35	1
	Completion of on- going Pre – Primary classrooms	43	1
	Implementation of the Pre – Primary schemes of service (conversion of Pre – Primary teachers from contract to P&P terms)	824	1
	Employment of additional Pre – Primary teachers	150	1
	Employment of Quality Assurance and Standards Officer	1	1
	Employment of ward coordinators	25	1
	Implementation of Pre – Primary Capitation	408	1
	Provision of sanitation facilities and access to clean and safe water in all Pre – Primary Schools	35	1

	Establish Pre – Primary feeding program	100	1
	ICT Integration in learning	30,000	1
	Provision of play equipment in Pre – Primary Schools	50	1
	Promotion of co-curricular activities in Pre – Primary Schools	46,000	1
Vocational Educational Training Development	Implementation of TVET capitation policy	5,674	1
	Construction and rehabilitation of specialized model VTCs (Centres of Excellence)	5	1
	Equipping of 5 specialized model VTCs (Centres of Excellence)	5	1
	Construction of Muhanda, Kegendirova and Jepkose VTCs	3	1
	Establishment of a VTC at Essunza	1	1
	Acquisition of land for Chanzeywe, Busaina and Essunza VTCs	3 VTCs	1
	Completion of stalled projects at Gavudia, Muhudu, Kabinjari, Shamakhokho, Senende, Busaina and Ebusiratsi VTCs	6 VTCs	1
	Employment of VTC	160	1

	Trainers		
	Employment of Quality Assurance Officer	1	1
	VET business hubs Establish innovation and business hubs within VTCs	5	1
	Promotion of co-curricular activities in VET	33	1
	Promotion of VET Trade Shows and Exhibitions	33 VTCs	1
	ICT Integration in VET Training	10	1

5.3 PHYSICAL PLANNING, LANDS, HOUSING AND URBAN DEVELOPMENT

The department envisions to be the lead provider of urban and physical planning services, prudent land management and decent housing for sustainable development.

It strives to promote efficient, effective and sustainable land use, provide decent and adequate housing for all in a clean and secure environment using appropriate technologies across the county.

Some of the specific prioritized programmes and projects to be under taken in the FY 2023/24 include;

Sub-Programs	Priority Projects	Planned Targets	Ranking
Land Survey and Mapping	Land Banking	County wide	1
	Reclamation of land adjacent to St Claire's Girls Secondary School	Acreage	2
	Purchase of survey equipment	Assorted	3
	Establishment of urban areas boundaries	County wide	4
Urban and Physical Planning	Preparation of County Spatial Plan	1	1
	Operationalization of the Land Management Information System	1	2
	Fencing of market lands	8	5
Housing Services	Fencing and construction of staff houses at Governors and Deputy Governor's Residences	2	1
	Repair and Maintenance of government houses		3
Vihiga Municipality	Fencing and Embarkment of Wetland	1	2
	Upgrading of Mbale-Mukuli Road to bituminous standard	1	1
	Preparation of Spatial Urban Development plan for the Municipality	1	1
	Acquisition of Motor Vehicle	1	3

5.4 Environment Water Energy and Natural Resources

The sector aspires to provide safe and clean water and improved sanitation for all and ensure sustainable utilization of natural resources in a clean and secure environment. In the MTEF Period 2023/24-2025/26 the sector prioritizes protection of water sources, conservation of forests and other natural resources, improvement of water supply, waste management, rehabilitation of degraded areas and promotion of renewable energy.

Some of the specific prioritized programmes and projects to be under taken in the FY 2023/24 include;

Sub-Programs	Priority Projects	Planned Targets	Ranking
General Administrative Services	Capacity building of sector human resource	10	
	Development of bills/policies(Water, Gold mining, sand harvesting, wetlands and riverine protection policies)	4	
Water Supply Management	Water pipelines distribution networks under Vihiga cluster water project	County wide	1
	Drilling and equipping of new boreholes	5	2
	Rehabilitation and expansion of existing piped water schemes	10	2
	Last mile connectivity and metering of water schemes	200	
Waste Water Management	Acquisition of land for establishment of urban decentralized sewerage system		1
	Procurement of 200m3 waste holding skips	6	
Forestry and Natural Resource Management	Conservation of existing community forest and water catchment areas	80	1

Climate Change	Establishment of a climate change centre at Kaimosi Friends University	1	1
	Equip boreholes with solar pumping systems	5	
	Equip health facilities with solar energy supply	6	
	Operationalize the Vihiga County Climate Information Service Plan	50	

5.5 Public Service Administration and Coordination of County Affairs

The mandate and responsibility of the Department of Public Service and Administration is to provide the strategic direction and leadership in the administration and coordination of the county government activities. The Department is expected to develop adequate capacity to re-engineer service delivery.

Some of the specific prioritized programmes and projects to be under taken in the FY 2023/24 include;

Programme/Sub programme t	Prioritized programs/projects	Planned targets	Ranking
Administration, Planning and Support Services	Human Resource Training and Skills Development	100	1
	Upgrading and digitization of personnel registry	1	2
	Operationalize performance contracting and appraisal system	County Staff	1
Management and Administration of county services	Construction of Administrator's Offices	Ward 5	

5.6 Public Service Board

The County Public Service Board draws its mandate from Article 235 of the Kenya Constitution to coordinate and advise the county government on issues regarding Human Resource Management and development.

It facilitates recruitment and promotion of staffs in various county departments, instituting organizational framework of departments and ensuring continuing professional development and progression of public servants.

Some of the specific prioritized programmes and projects to be under taken in the FY 2023/24 include;

Programme/Sub programme	Prioritized programs/projects	Planned targets	Ranking
General administrative services	Recruitment of staff		1
	Conduct human resource audit		2
	Promotion and Re-designation of staff		1

5.7 Finance and Economic Planning

The department plays a critical role in Public Financial Management and policy formulation for sustainable socio economic development of the County. The strategic objectives of the directorates include: Strengthen formulation and coordination of policies and county planning and budgeting; Strengthen monitoring and evaluation for improved results; coordinate preparation of periodic progress reports; Collection, collation and dissemination of county statistics and information for policy formulation; Administration and management of own source revenue; Provide advisory on fiscal matters to the county executive committee; Ensure prudent management of public finance; Coordinate procurement of public goods and services; Management of County Government assets and liabilities.

Some of the specific prioritized programmes and projects to be under taken in the FY 2023/24 include;

Programme/Sub programme	Prioritized programs/projects	Planned targets	Ranking
Administration, Planning and Support Services	Recruitment and capacity building of staff	Department wide	1
	Construction, furnishing and equipping of County Treasury Headquarters	1	2
County Planning Services	Preparation, publication and Review of County Development Plans	1	
	Preparation of County Statistical Abstract	1	2
	Conduct periodic M&E visits	4	
Budget Policy and Expenditure	Preparation of program based budget estimates	1	1
	Preparation of budget policy documents	4	1
	Preparation of budget expenditure reports	4	1
Procurement Services	Update Asset Inventory	1	1
	Sensitize and train contractors and suppliers on IFMIS	50	2
Internal Audit Services	Preparation of quarterly internal audit reports	4	1
IFMIS	Procure high speed internet servers	1	1

5.8 Gender, Sports, Culture, Youth and Social Services

This department comprises of the following sub sections: Social services, Gender, Sports, Culture and Children services. It aims at a vibrant and cohesive society thriving on its cultural diversity, social protection and empowerment for all, promotes sustainable employment productive work force, empower the vulnerable group and recognize diverse heritage, arts and sports for socio economic development.

Programme/Sub Programme	Priority Project	Planned Targets	Ranking
Sports Promotion	Construction of Hamisi Phase II sports ground.	1	1
	Upgrading of Playgrounds	5	2
	Construction of talent center	4	2
Child protection	Construction of a Rescue Centre	1	3
Gender and Disability mainstreaming	Conduct capacity building workshops on empowerment	15	3

5.9 Commerce, Tourism and Cooperatives

The sector aspires to facilitate growth and development of Commerce, Tourism, Investment and Entrepreneurship for economic sustainability of our county.

Some of the specific prioritized programmes and projects to be under taken in the FY 2023/24 include;

Programme/Sub Programme	Prioritized Project	Target	Rank
Commerce Development	Land banking for construction of modern markets (Mbale and Cheptulu)	2	1
	Construction of modern Market eco-toilets	5	1
	Fencing of markets	5	2
	Installation of street lights	5	2
	Construction of market stalls	5	2

	Plan and host a Trade Fair	1	1
Trade and Enterprise Fund	Loan disbursements	2500	1
	Capacity building of traders	6000	1
	Prepare a Strategic Plan for the Fund	1	1
Administration	Procure Office equipment/Furniture	Assorted	1
	Purchase of motor vehicles	1	1
	Employee capacity building	50	1
	Staff recruitment	16	1
	Staff appraisal, re-designation and promotions	34	1
	Preparation of a departmental strategic plan	1	1
Industrial Development	Establish an industrial park	1	1
	Establish incubation centers in existing structures (one per sub county)	5	1
	Establishment of granite processing factory	1	1
Tourism	Development of tourist sites (Mapping and harness out tourism potential in the County)	10	1
	Development of Adventure tourism; Hiking trails along range of hills in the county(Kima, Emabungo and Maragoli	2	1
	Development of ecotourism at Kaimosi and Kibiri forests (eco lodges)	2	1
	Development of curio shops	5	1
Weights and measures	Purchase of working standards	3	1
	Sensitization on consumer protection	6000	1
	Enforcement of weights and measures Act	County wide	1
Cooperatives Development	Promotion of Cooperatives	20	1
	Cooperative Bulking, Value Addition and Market Access	12	3
	Establishment of a Cooperative Enterprise Development Fund	Kshs. 20 Million	2
	Capacity Building Of Cooperatives	90	1

5.10 Office of the Governor

The Office of the Governor is critical in overseeing the implementation of the governor’s Manifesto, the county’s CIDP and the national vision 2030 in line with the constitution of Kenya.

The office is key in overseeing and accelerating in the delivery of services to the citizens of Vihiga County.

Some of the specific prioritized programmes and projects to be under taken in the FY 2023/24 include;

Programme/Sub Programme	Prioritized Project	Target	Rank
Administration, Planning and Support Services	Establishment of Anti-Corruption Committee	1	1
	Enhance performance management	County wide	2
Emergency Disaster Management	Construction and Equipping of disaster response centers	2	1
Management and Administration of County Services	Purchase and installation of Generator	1	2
	Equipping of the Governor’s advisory staff	4	3

5.11 Transport and Infrastructure

The department of Transport and Infrastructure is mandated to implement institutional reforms, develop and maintain an integrated safe and efficient transport system, develop and maintain quality and safe infrastructure, develop and implement policies on roads, infrastructure in the county, develop efficient, reliable and affordable mechanical and firefighting services.

Some of the specific prioritized programmes and projects to be under taken in the FY 2023/24 include;

Programme/Sub-Programs	Priority Projects	Planned Targets	Ranking
Firefighting services	Completion of fire shade at Chavakali fire station	1	1
	Procurement of Firefighting chemical foam	2000 Litres	1
	Maintenance of fire engine/equipment	2	2
Infrastructure Development (Street lighting)	Proposed installation of high masts floodlights: 1. Chavakali-Kapsabet junction (30m), 2. Luanda market (30m), 3. Mbihi junction(20m)	3	1
	Maintenance of existing high masts and floodlights across market centers in the county. 30No floodlights, 50No high masts	80	2
Infrastructure Development (Road maintenance and Upgrade)	Maintenance of Roads	250 KM	2
	Upgrade of roads to bitumen standard	5KM	1

5.12 Health Services

The health department in the county aims at an excellent dynamic and global competitive provider of health services that contributes to healthy, effective and human capital.

It strives to builds progressive, responsive and sustainable technologically driven, evidence based and client centered health systems for accelerated achievement of highest attainable standards of health to all residents of vihiga.

Some of the specific prioritized programmes and projects to be under taken in the FY 2023/24 include;

Programme/Sub Programme	Priority Project	Planned Targets	Ranking
General Administrative Services	Ambulances procured	2	1
Health Infrastructure development	Construction of Phase II- blood transfusion centre	1	1
	Construction of Hospital Plaza	1	1
	Completion Givigoi, Evojo, Viyalo, Wamihanda, Jebrongo and Mwoki Health Facilities	6	1
	Construction of Incinerator/water burning chambers	5	3
	Kimogoi dispensary maternity unit constructed		
	Medical laboratories constructed		
Health Care Financing	Universal Health insurance rolled out	County wide	3
Malaria, HIV/AIDs and TB	diagnosed and treated malaria	County wide	4
	Decrease in HIV prevalence rate	County wide	4
Control and prevention of non-communicable diseases	Reduced incidences of non-communicable diseases	County wide	4
Control of major environmental Health related communicable diseases	Sensitization forums held	County wide	4

5.13 County Attorney

Some of the specific prioritized programmes and projects to be under taken in the FY 2023/24 include;

Programme/Sub Programme	Prioritized Project	Target	Rank
Administration, Planning and Support Services	Recruitment of Professional Legal Staff	3	1
	Partitioning of office space	1	2
	Purchase of Motor Vehicle	1	3

5.14 County Assembly

The County Assembly envisions to be model assembly in legislating, oversight and representation. To realize this in the MTEF period 2023/24-2025/26, the assembly will pursue the following strategic objectives: Provide effective legislatives services and oversight role; Educate and work with the public while undertaking legislative and oversight roles; Improve governance and social accountability of the political leadership; Approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution; Promote partnerships in service delivery; and Represent the electorate.

Programme/Sub Programme	Prioritized Project	Target	Rank
Administration, Planning and Support Services	Construction of office block	1	1
	Drilling of boreholes	2	2

5.15 Projected Expenditure for 2022/23 per Department

To finance the outlined strategic interventions in every sector in FY 2023/24 into the medium term, while maintaining the collapsed conditional grants amounts back to the respective Departments, then the total County Expenditure will be as shown in the table below.

Table 12: Projected Expenditure for 2022/23 per Department

S/NO	DEPARTMENT	LOANS AND GRANTS	PROPOSED CEILING FY 2023/24	PROPOSED EXPENDITURE FY 2023/24
1	Office of The Governor		280,372,321	280,372,321
2	County Attorney		14,500,000	14,500,000
3	Finance & Economic Planning		524,492,549	524,492,549
4	Agriculture, Livestock and Fisheries	159,819,930	312,982,762	472,802,692
5	Health Services	14,966,438	1,480,249,608	1,495,216,046
6	Education, Science, Technical and Vocational Training		600,458,432	600,458,432
7	Gender, Culture, Youth, Sports and Social Services		187,127,499	187,127,499
8	Commerce, Tourism and Cooperatives		219,393,214	219,393,214
9	County Public Service Board		50,812,039	50,812,039
10	Environment, Water, Energy & Natural Resources.	22,000,000	364,103,205	386,103,205
11	Transport, Infrastructure & Communication		300,738,645	300,738,645
12	Physical Planning, Lands, Housing & Urban Development		233,144,601	233,144,601
13	County Assembly		604,741,175	604,741,175
14	Administration and Coordination of County Affairs		324,254,479	324,254,479
	TOTAL	196,786,368	5,497,370,529	5,694,156,897

Source: County Treasury