



COUNTY GOVERNMENT OF VIHIGA

THE COUNTY TREASURY

COUNTY FISCAL STRATEGY

PAPER

FEBRUARY 2019

FOREWORD

The Vihiga County Fiscal Strategy Paper 2019 lays down the framework for the preparation of the 2019/2020 County Budget in line with the Public Finance Management Act 2012, section 117. The CSFP reviews the County Departments budget performance in the previous plan period, challenges and lessons learnt and key priority programs the county aspires to implement in the Medium-Term Expenditure Framework (MTEF). The proposed projects and programmes are drawn for the 2019/20 ADP, the 2018-2022 CIDP, and aligned to the broad national and internal development commitments such as the Big 4 Agenda, the Kenya Vision 2030 and the Sustainable Development Goals.

The key purpose of the fiscal strategy paper is to enable the citizens of Vihiga appreciate the fiscal situation in the county and the budget strategies the county government seeks to implement in the financial year 2019/2020 and preceding medium term period. The CFSP contains the following;

- A review of budget performance of sectors and brief of the county economic situation
- An analysis of risks and Risk Management Strategies
- A n outlook of the County Revenue and Expenditure
- Total revenue, expenditure and deficit for the financial year 2019/20.
- The Departmental/sector priorities for the plan period 2019/20

The proposals in the Fiscal Strategic Paper were drawn from various public and stakeholders' engagements in consistent with the county's policies on transparency and accountability and the dictates of the PFMA 2012 and the Kenya Constitution.

It is my sincere belief that with realistic budget forecasts, adherence to the principles of fiscal responsibility coupled with enhanced public and stakeholder engagements Vihiga County will be in the development path towards attaining its vision of being a model prosperous county in Kenya.

Hon. Alfred Indeche
CECM – Finance and Economic Planning

ACKNOWLEDGEMENT

The 2019/20 CFSP is a product of collaborative efforts from all stakeholders in county including the CBEF, the County Assembly, the Departments Directors and the general citizenry. We are grateful to the National Treasury and the Council of Governors for providing the guidelines and policy papers that immensely contributed into the document.

Special thanks goes to H. E Deputy Governor, all CECMs, and Members of the county assembly for their insight in providing critical policy direction., we also wish to sincerely appreciate the Departmental Directors and section heads for providing the vital data and information that shaped this Paper, and above all, the Vihiga citizenry during various public participation forums in highlighting the priority programmes and projects the department ought to implement.

Lastly I wish to particularly acknowledge H.E the Governor of Vihiga County, for his stewardship in providing the strategic direction towards the development of this paper.

CPA Livingstone L. Imbayi

Chief Officer Finance and Economic Planning

LIST OF 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
MCA -	Member of the County Assembly
MCH –	Maternal Child Health
MDG –	Millennium Development Goal
MTEF -	Medium Term Expenditure Framework
MTP -	The Medium-Term Plan
NEMA -	National Environmental Management Authority

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CHAPTER ONE: LEGAL BASIS AND FISCAL RESPONSIBILITY PRINCIPLES

1.1 Legal context

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

- (1) 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.
- (2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- (3) 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.
- (4) 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

(5) 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.

(6) 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.

(7) The County Treasury shall consider any recommendations made by the County assembly when finalizing the budget proposal for the financial year concerned.

(8) 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 sets out the following fiscal responsibility principles to ensure prudence and transparency in the management of public resource;

- a) The County Government's recurrent expenditure shall not exceed the County Government's total revenue;
- b) Over the medium term a minimum of thirty percent of the County Government's budget shall be allocated to the development expenditure;
- c) 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;
- d) Over the medium term, the Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- e) The County debt shall be maintained at a sustainable level as approved by County assembly;
- f) 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) outline the following fiscal responsibility principles that 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
- i) the compliance plan above shall be binding and the county executive committee member for finance shall ensure implementation.

CHAPTER TWO: RECENT ECONOMIC DEVELOPMENTS

2.1 INTRODUCTION

The County government of Vihiga operates within the dynamics of the national and global macroeconomic environment. The impact of global and national economic variability influences directly and indirectly the county fiscal decisions and operations. Economic growth, measured quantitatively as the Gross Domestic Product (GDP) of a country is a parameter that influences national government transfers to the counties given the positive correlation between growth and national revenue performance. Exchange rate fluctuations also affect the county processes with currency depreciation making our imports more expensive. This greatly affects the manufacturing sector since it mostly depends on imported raw materials and intermediate goods in its industrial processes, leading to a slowdown in the county's industrialization. Interest rates affects the cost of local borrowing while inflation changes the costs of goods and services and may affect their affordability as per existing plans. Data from the KNBS 2018 Economic Survey Report shows that the country's economic growth for 2018 was projected to be 6.0 %. This depicts a slowdown from 5.9 per cent and 4.7 per cent realized in 2017 and 2016 respectively. The negative growth rate has in effect impacted on the share of revenue allocation to counties.

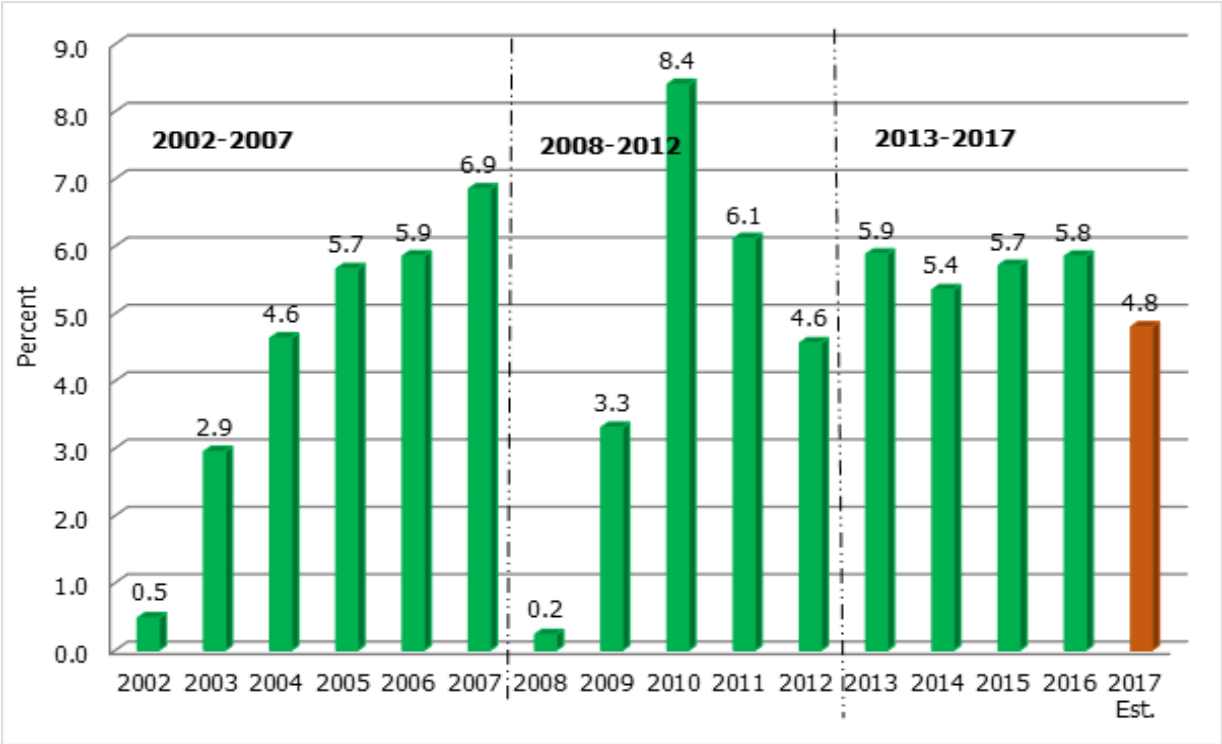
2.2 HIGHLIGHTS ON RECENT ECONOMIC DEVELOPMENT

Growth of the Kenyan economy remained resilient; broad based and registered strong performance in the past 5 years supported by strong public and private sector investment and appropriate economic and financial policies. The economy, specifically, grew at an average of 5.5 percent per year in the five years (2013 - 2017) outperforming the average growth rate of 4.7 percent in the period 2008 to 2012. The value of goods and services produced therefore

raised the per capita income from KSH 104,700 in 2013 to an estimated KSH 174,200 in 2017. The economy generated an average of 817.0 thousand new jobs per year in the period 2013 - 2017 up from 656.5 thousand jobs per year in the period 2008-2012.

However, uncertainty associated with elections coupled with the effects of adverse weather conditions slowed down the performance of the economy in 2017. As a result, the economy is estimated to grow by 4.8 percent in 2017, which is a slowdown from the estimated growth of 5.1 percent in the 2017 Budget Review and Outlook Paper (BROP).

Figure 1: Trends in Kenya’s Economic Growth Rate



accommodation and restaurant; real estate and information and communication. The growth was somewhat constrained by subdued performances in agriculture forestry and fishing, manufacturing, electricity and financial intermediation sectors.

The resilient strong growth of the economy over the past five years reflects the broad-based nature of our economy that has been largely driven by growth in the non-agriculture sectors.

The non-agricultural sector has remained vibrant growing at 6.7 percent in 2016 from 5.4 percent in 2013 and continues to be the main source of growth.

Services remain the main source of growth, the sector grew from 5.0 percent in 2012 to 6.8 percent in 2016 supported by favourable performance of ICT, real estate, wholesale and Retail Trade, Transport and Storage and Accommodation and Restaurants. Accommodation and restaurants have been the fastest growing sector. It grew from 3.1 percent in 2012 to 13.3 percent in 2016 supported by the improved security situation that led to removal of travel alerts from major tourist originating countries.

The growth of the financial and insurance sector accelerated from 6.0 percent in 2012 to 9.4 percent in 2015 supported by reforms aimed at creating a conducive business environment. However, the sector slowed down to 6.9 percent in 2016 and is estimated at 3.2 percent in 2017 partly due low domestic credit to the private sector and a decline in the growth of interest income.

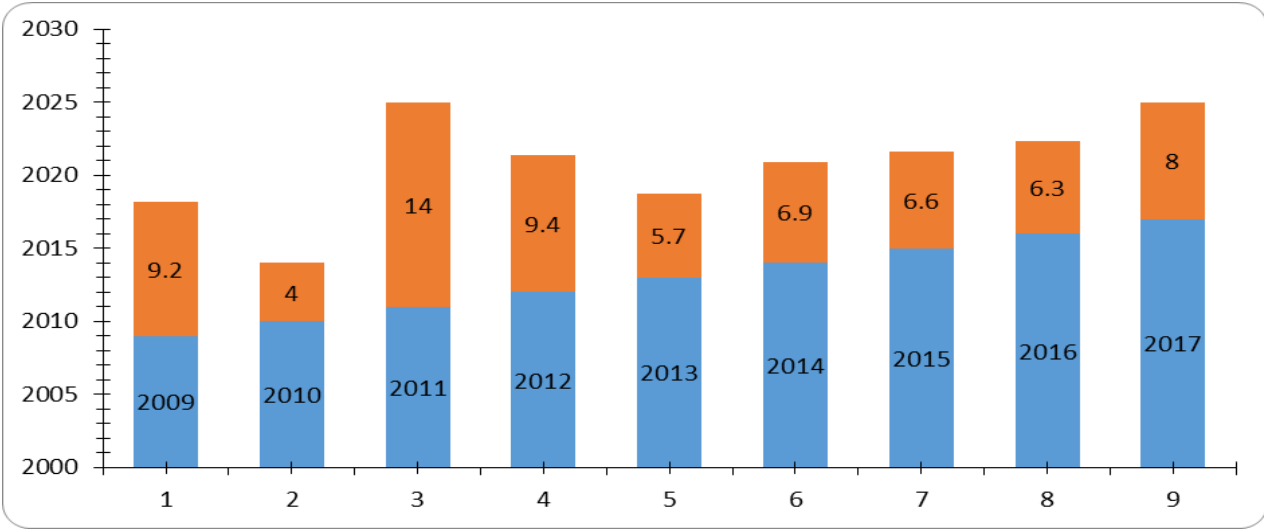
Inflation Rate

Inflationary pressure witnessed in 2017 due to drought that affected food prices eased in 2018 supported by improved weather conditions. Month-on-month, inflation remained stable and fell to 4.7 per cent in January 2019 from 5.7 percent in December owing to decline in food prices, improved weather conditions and decline in energy prices. However, overall inflation increased from 4.5 percent in December 2017 to 5.7 percent in December 2018 on account of increase in international oil prices. Inflation Rate in Kenya averaged 9.67 percent from 2005 until 2019, reaching an all-time high of 31.50 percent in May of 2008 and a record low of 3.18 percent in October of 2010. Performance across the various sectors of the economy varied widely, with Accommodation and Food services; Information and Communication Technology; Education;

Wholesale and Retail trade; and Public Administration registering accelerated growths in 2018 compared to 2017.

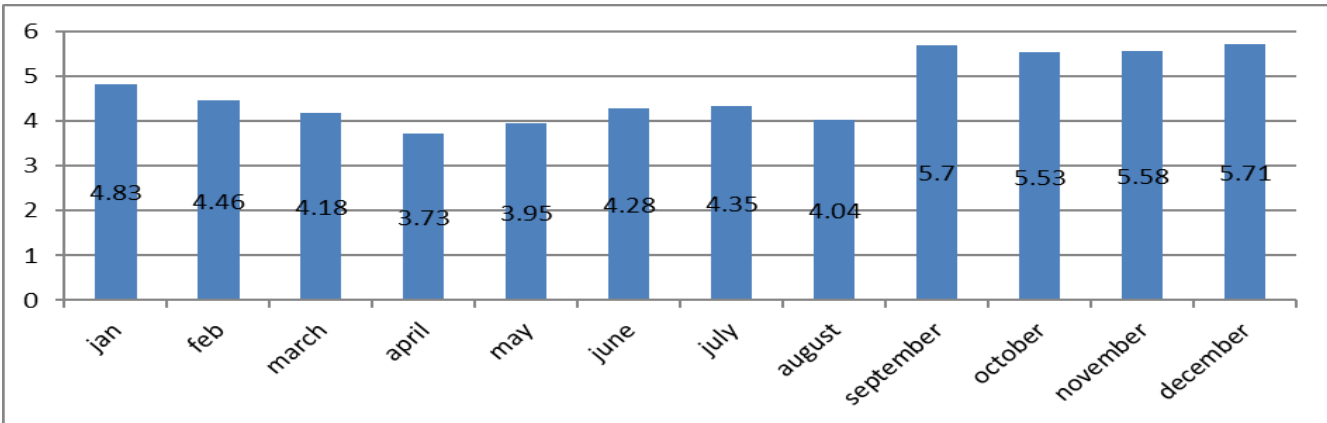
The accelerated growth in 2018 was attributed to; Improved weather conditions, Political stability after the general election and Infrastructure improvement.

Figure 2: Yearly inflation rates



Source: KNBS Economic Survey, 2018 Report

Figure 3: 2018 monthly inflation rates



Source: KNBS Economic Survey, 2018 Report

Interest Rate

Interest rates remained stable and low in the period 2013 – 2018. During the period, the policy rate (Central Bank Rate) was adjusted appropriately to anchor inflation expectations. The Central Bank Rate reduced to 9.0 percent on 30th July 2018 from 9.5 percent in March 2018 as there was room for easing monetary policy stance to support economic activity.

The interbank rate remained low at 8.1 percent in December 2018 from 7.7 percent in December 2017 due to ample liquidity in the money market. Commercial banks' average interest rates remained stable and compliant with the interest rate capping law that was effected in September 2016. Due to decline in the CBR it resulted in the lending rate reduction from 13.7 per cent in October 2017 to 12.6 percent in October 2018. The deposit rate also declined to 7.6 percent from 8.2 percent over the same period. Consequently, the interest spread declined from 5.9 percent in October 2017 to 5.0 percent in October 2018. These decline in interest rates had a positive impact on access to credit for local investment.

Exchange Rate

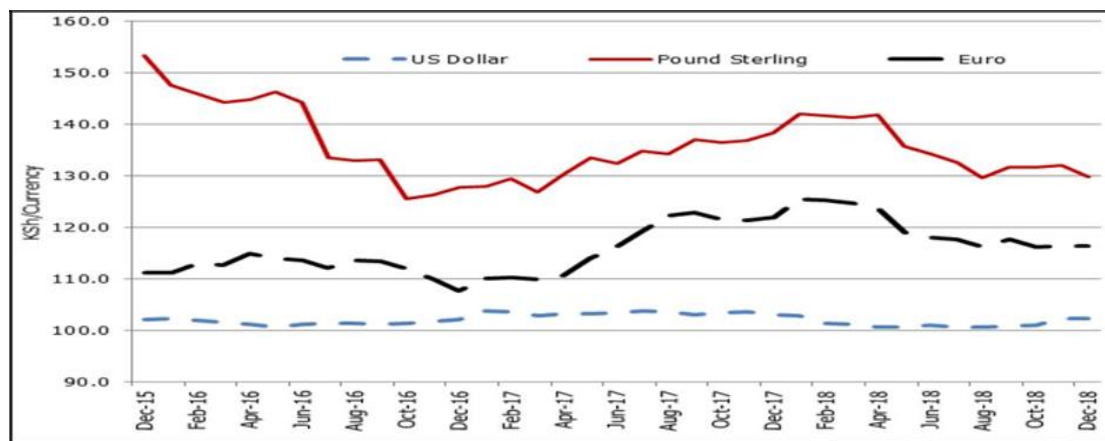
According to the National Treasury¹, the Kenyan Shilling remained stable and competitive against major international currencies. Against the Dollar, the exchange rate has been less volatile averaging at KES 102.3 in December 2018 from KES 103.1 in December 2017. Against the Euro and Sterling pound, the Kenyan shilling strengthened to KES 116.4 and KES 129.7 in December 2018 from KES 122 and KES 138.2 in December 2017 respectively.

Table 1: Average Foreign Exchange Rates of Kenya Shilling for Selected Currencies, 2013-2017

Currency	Exchange Rate against KES					
	2013	2014	2015	2016	2017	2018
1 US Dollar	86.12	87.92	98.18	101.5	103.41	102.3
1 Euro	114.41	116.84	108.96	112.33	116.73	116.4
1 Sterling Pound	134.75	144.88	150.17	137.66	133.20	129.7
1 Swiss Franc	92.96	96.18	102.04	103.04	105.04	
1 UAE Dirham	23.45	23.94	26.73	27.64	28.15	
1 Indian Rupee	1.48	1.44	1.53	1.51	1.59	
1 Chinese Yuan	14.01	14.27	15.62	15.29	15.30	
100 Japanese Yen	88.43	83.26	81.12	93.55	92.22	
1 SA Rand	8.95	8.10	7.72	6.93	7.77	
1 Egyptian Pound	12.53	12.41	12.77	10.14	5.80	
TSh/KSh	18.79	18.93	20.73	21.54	21.63	
US\$KSh	30.06	29.55	32.94	33.68	34.92	
100 Rwanda Francs	7.55	7.79	7.09	7.53	8.11	

Source: KNBS, Economic Survey 2018 Report

Figure 4: Exchange Rate, Source of Data: Central Bank of Kenya



Source: KNBS, Gross County Product (GCP) pilot report 2018

2.3 ECONOMIC SITUATION IN VIHIGA

The Kenya Integrated Household Budget Survey (KIHBS) report indicate that 43.2 percent of Vihiga County households are below the poverty line compared to the national index of 36.1 percent, while the county's contributed to the National poverty is 1.3 percent. The increasing levels of poverty has been attributed to decline in agricultural; production and productivity, increasing levels of unemployment and the dense population in the county among other reasons.

During the medium-term period the county government seeks to implement various activities to reverse the poverty trends in the county. This include initiating pro-poor programmes such as distribution of; subsidized farm inputs, construction and rehabilitation of roads, street lighting, social protection initiatives, Youth and Women empowerment programmes, enhancing establishment of the community health units, health infrastructure improvement, promotion of sports and market infrastructure, promotion vocational and technical training among other initiatives.

The KNBS 2018 Gross County Product (GCP) pilot survey, reveals that Vihiga County contribution to the National GDP is 1.2 percent whilst. Other counties in the Western Kenya region recorded the following growth rates; Kakamega 2.8 percent, Bungoma 1.8 percent and Busia 0.9 per cent. The survey further shows that private sector participation in provision of goods and services has realized remarkable growth in the county. Other key areas that experienced growth include the construction industry, agriculture, retail trade and financial services.

CHAPTER THREE: FISCAL PERFORMANCE IN FY 2017/18 AND EMERGING CHALLENGES

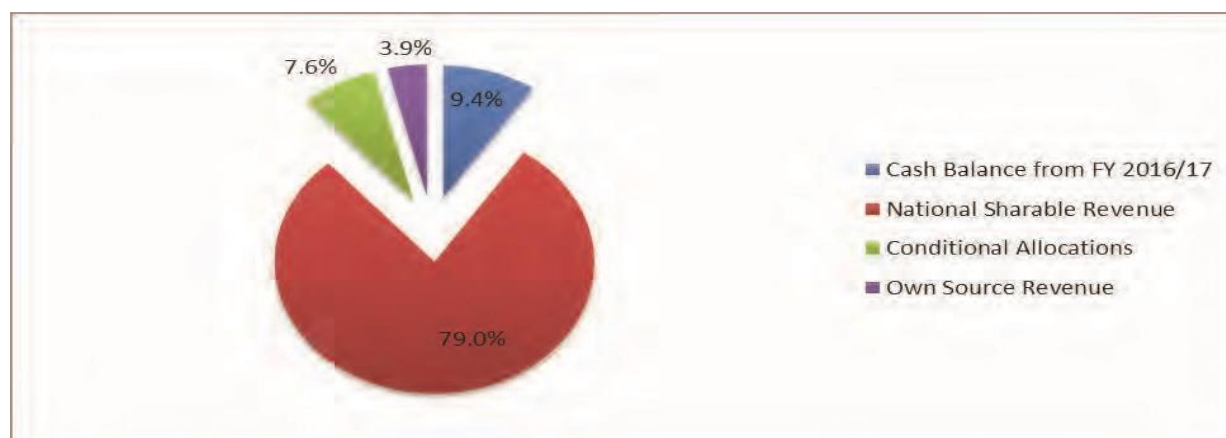
3.1 OVERVIEW FY 2017/18 BUDGET

The County's FY 2017/18 Approved Supplementary Budget was Kshs.5.58 billion, comprising of Kshs.3.88 billion (69.5 per cent) and Kshs.1.7 billion (30.5 per cent) allocation for recurrent and development expenditure respectively. To finance the budget, the County expected to receive Kshs.4.41 billion (79 per cent) as equitable share of revenue raised nationally, Kshs.425.13 million (7.6 per cent) as total conditional grants, generate Kshs.220 million (3.9 per cent) from own source revenue, and Kshs.527.38 million (9.4 per cent) cash balance from FY 2016/17.

The conditional grants contained in the CARA, 2017 comprised of Kshs.95.74 million (18.4 per cent) for

Leasing of Medical Equipment, Kshs.164.95 million (31.7 per cent) from the Road Maintenance Fuel Levy Fund, Kshs.12.66 million (2.4 per cent) as Compensation for User Fee Foregone, Kshs.17.33 million (3.3 per cent) from DANIDA, Kshs.38.85 million (7.5 per cent) for the World Bank Kenya Devolution Support Programme, Kshs.50.89 million (9.8 per cent) for Development of Youth Polytechnics, Kshs.50 million (9.6 per cent) for the World Bank Loan on National Agriculture & Rural Inclusive Initiative, Kshs.73.96 million (14.2 per cent) as World Bank loan for Transforming Health System for Universal Care Project and Kshs.16.5 million (3.2 per cent) as Other Loans and Grants

Figure 5: Vihiga County, Expected Sources of Budget Financing in FY 2017/18 (%)



Source: Vihiga County Treasury

3.2 REVENUE PERFORMANCE FOR 2017/18

During the FY 2017/18, the County received Kshs.4.41 billion as equitable share of revenue raised nationally, Kshs.329.40 million as total conditional grants, raised Kshs.143.53 million from own source revenue, and had a cash balance of Kshs.527.38 million from FY 2016/17. The total available funds amounted to Kshs.5.41 billion.

3.2.1 COUNTY OWN REVENUES SOURCES (ORS).

The mandate to impose taxes and charges by the County governments is drawn from the Constitution article 209 (3). They include:

- i. property taxes;
- ii. entertainment taxes
- iii. Or any other tax or charges authorized by the Vihiga County Finance Act.

The total own source revenue generated in FY 2017/18 amounted to Kshs.145 million, representing an increase of 49.5 per cent compared to Kshs.96.95 million generated in FY 2016/17 and was 65.2 per cent of the annual own source revenue target.

There was an overall growth in own source revenue collection from 102m in 2016/17 FY to 145m in 2017/18 FY.

This growth can be attributed to various reasons which include: -

- a. Actualization of the revenue administration Act 2015 which created sub-county revenue offices. Revenue officers were deployed to all the five sub-counties & supervise and monitor collection from all the revenue streams.
- b. There was significant increase in collection from single business permit due to close supervision of their stream since each sub-county has a licensing officers with targets to licence every trader in their sub-counties. It increased from 13.6m in 2016/17 to 21.7m in 2017/18 a 60% increase.
- c. In 2016/17 FY liquor licence was not closely monitored and thus collected only 1.2m. However, with close supervision in 2017/18 we realized 6.7M representing 482 % increase.
- d. The county also collected more from subsidized facilities due to the increase in quantitative procured in 2017/18 as compared to 2016/17
- e. We realized 110% increase in collection from health care services in 2017/18 16.3m as compared to 15m in 2016/17. This is because of less strikes experienced during this period of nurses and doctors as compared to 2016/17 FY.
- f. The department of the department of Transport and Infrastructure enhanced their internal control systems which saw a steady growth of their revenue streams. In 2016/17FY, they collected Ksh.572, 411 from hire of machines compared to Ksh.3, 499,410 representing 511% increase. Building plans approval also grew from Ksh.356, 770 in 2016/17FY to Ksh.988, 220 in 2017/18FY representing 177%. This is commendable and needs to be enhanced further since these are very lucrative streams.

- g. The department of Transport and Infrastructure also started collecting from previously dormant streams i.e. electrical plan approvals and mechanical plans approvals.
- h. Boda boda operators also started paying in 2017/18FY as compared to nil in 2016/17 thus realizing a collection of Ksh.796, 000. The target of Ksh.10m was not achieved. However, this was a good start given the challenges faced in collecting from this stream.
- i. The department of trade commenced collection from weights and measures which they never used to. However, the collection of Ksh 18,500 is too low and they need to put in more efforts and strategies to collect more.

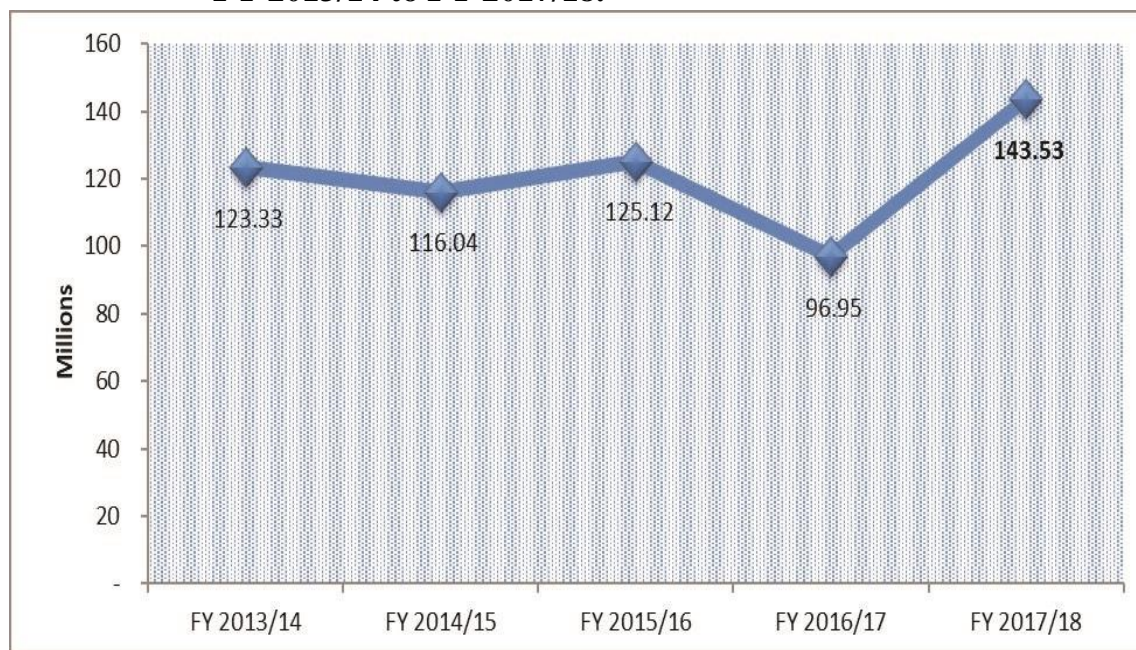
NOTE: The steady increase in miscellaneous income from Ksh.105, 980 to Ksh.4, 832,514 is composed of a big percentage from refunds from departments for imprests unspent.

Table 2: County Own Revenues Sources (ORS) FY 2016/17 and FY2017/18 Compared

	REVENUE STREAM	2016/17	2017/18	VARIANCE
1	RENTAL INCOME	252,875	1,585,760	1,332,885
2	LAND BOUNDARY DISPUTES	447,160	628,000	180,840
3	SINGLE BUSINESS PERMITS	13,585,701	21,728,277	8,142,576
4	LIQUOR LICENSE	1,151,500	6,704,012	5,552,512
5	SIGN BOARDS; PROMOTIONS	1,201,405	444,130	(757,275)
6	PLOT\SITE\STALL RENT	2,199,551	1,691,780	(507,771)
7	LAND RATES	553,921	729,720	175,799
8	MISCELLENUIOUS INCOME	105,980	4,832,514	4,726,534
9	FERTILIZER	8,214,220	13,397,290	5,183,070
10	LEASE \HIRE OF MACHINES	572,411	3,499,410	2,926,999
11	MARKET\TRADE	13,658,968	14,329,288	670,320
12	VEHICLE PARKING	33,256,850	34,699,825	1,442,975
13	PUBLIC HEALTH SERVICE	1,842,605	2,409,340	566,735
14	FACILITY IMPROVEMENT FUND	14,888,169	31,228,561	16,340,392
15	WATER SUPPLY FEE	1,373,840	1,019,910	(353,930)
16	SLAUGHTER MANAGEMENT FEES	255,980	1,387,424	1,131,444

17	BUILDING APPROVAL PLAN	356,770	988,220	631,450
18	SAND\MURRAM	78,900	88,800	9,900
19	FINES, PENALTIES AND FORFEITURE	81,198	186,332	105,134
20	TEA CESS	6,670,881	0	(6,670,881)
21	LIVESSTOCK CESS	1,688,104	2,023,401	335,297
22	REG OF GROUPS	-	253,550	253,550
23	SBP APP FEE	-	53,500	53,500
24	INSPECTION FEE	-	182,000	182,000
25	HIRE OF HALL	-	22,000	22,000
26	PLAN APP FEE	-	31,000	31,000
27	ELECTRICAL PLANS APPROVAL	-	84,000	84,000
28	MECHANICAL PLAN APPROVAL	-	64,250	64,250
29	WEIGHTS AND MEASURES	-	18,500	18,500
30	HIRE OF GROUNDS	-	11,400	11,400
31	VETERINARY SERVICES	-	5,930	5,930
32	MOTOR BIKE STICKERS	-	796,000	796,000
33	NOISE EMISSION	8,800	71,400	62,600
	TOTAL	102,445,789	145,195,524	42,749,735

Figure 6: Vihiga County, Trend in Annual Own Source Revenue Collection from FY 2013/14 to FY 2017/18.



Source: Vihiga County Treasury

The County collected highest in the FY2017/18 and lowest in FY2016/17 (which can be attributed to electioneering year)

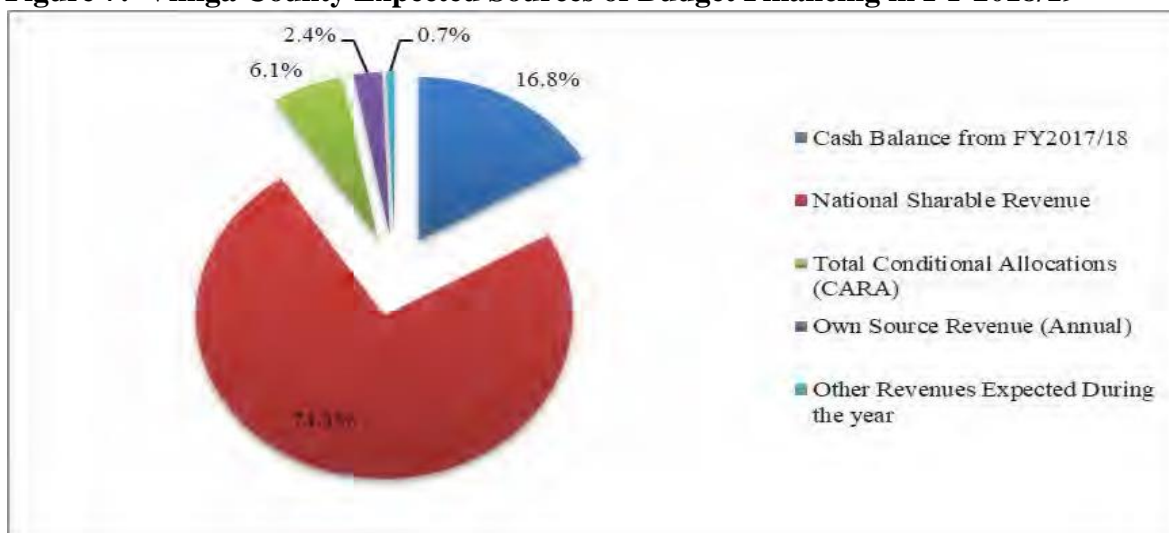
3.3 REVENUE PERFORMANCE FOR THE FIRST HALF YEAR FY 2018/19

Overview of the FY 2018/19 Budget

The County's FY 2018/19 Approved Budget was Kshs.6.44 billion, comprising of Kshs.4.50 billion (69.9 per cent) and Kshs.1.94 billion (30.1 per cent) allocation for recurrent and development expenditure respectively.

To finance the budget, the County expects to receive Kshs.4.77 billion (74.1 per cent) as equitable share of revenue raised nationally, Kshs.393.16 million (5 per cent) as total conditional grants, generate Kshs.153.67 million (2.4 per cent) from own source revenue, Kshs.43.63 million (0.7 per cent) from other sources of revenue, and Kshs.1.08 billion (16.8 per cent) cash balance from FY 2017/18.

Figure 7: Vihiga County Expected Sources of Budget Financing in FY 2018/19



Source: Vihiga County Treasury

The conditional are in line with the CARA, 2018 include Kshs.49.37 million (11.3 per cent) for Transforming Health Systems for Universal Care Project, Kshs.50 million (11.4per cent) from IDA (World Bank) as credit for National Agricultural and Rural Inclusive Growth Project, Kshs.67.91 million (15.3 per cent) as World Bank loan to supplement Free Maternity Health Care, Kshs.14.78 million (3.4 per cent) as grant from DANIDA for Universal Healthcare to Devolved System Programme,

Kshs.26.78 million (6.1 per cent) from IDA (World Bank) as credit for the Kenya Devolution Support Programme “Level 2 grant, Kshs.12.93 million (3 per cent) as Compensation for User Fees Foregone, Kshs.117.24 million (26.8 per cent) from the Road Maintenance Fuel Levy, and Kshs.54.15 million (12.4 per cent) for Rehabilitation of Village Polytechnics.

ORS for the First Half Year FY 2018/19 per Source per Quarter

The total own source revenue generated in the first half of FY 2018/19 amounted to Kshs.62.89 million. **(Table 3)** This is slightly lower than the target of Kshs. 76.84 million. Since the period falls under low season for S.B.P source of revenue we hope to hit the target for the full year.

Comparing the first half year for 2017/18 **(figure 4)** and the current half of 2018/19 **(figure 3)**

There was an increase in collection from Ksh. 41,889,055 to Ksh.62, 885,545 representing 50% This is attributed to change of policy in collection of PSV parking fees from Ksh 50 per entry to Ksh 3,000 per month. This in effect reduced the average collection per vehicle by 2/3.

Table 3: ORS for the first half year FY 2018/19 per source per quarter

STREAMS	Jul-18	Aug-18	18-Sep	18-Oct	18-Nov	18-Dec	TOTALS
PARKING FEES	2,695,990	3,190,590	2,607,400	2,444,680	2,087,640	2,190,520	15,216,820
MARKET FEES	983,320	924,470	888,450	1,024,980	1,003,910	951,561	5,776,691
S.B.P	434,625	383,290	552,510	165,530	360,610	304660	2,201,225
PLOT RATE	34,660	28,935	16,545	44,740	12,745	13680	151,305
STALL/HOUSE RENT	263,000	213,400	155,500	188,600	141,300	89400	1,051,200
GROUPE REGISTRATION	24,750	12,500	2,250	6,500	12,500	3500	62,000
FINES & PENALTIES	0	86,000	140,500		34,800	5000	266,300

STREAMS	Jul-18	Aug-18	18-Sep	18-Oct	18-Nov	18-Dec	TOTALS
MISCELLANEOUS INCOME	83,800	592,332		10,800	20,000	2500	709,432
FACILITY IMPROVEMENT FUND	4,183,761	4,034,428	1,948,620	3,590,265	3,155,930	2962995	19,875,999
PUBLIC HEALTH	147,650	98,550	74,850	260,040	178,720	120320	880,130
LIQUOR FEE	0	23,000	27,000			3000	53,000
WATER & ADMN	101,200	216,630	161,300	155,680	68,300	114430	817,540
HIRE OF MACHINERY	448,420	739,380	205,500	40,660	46,340	20450	1,500,750
PLAN APPLICATION/APPROVAL FEES	170,750	101,300	100,250	110,390	158,500	105050	746,240
INSPECTION FEES	32,000	41,000	24,000	70,100	48,000	25000	240,100
ELECTRICAL SCRUTINY	30,000		14,000	30,000	42,000	27000	143,000
MECHANICAL SCRUTINY	21,000	9,000	6,000	18,000			54,000
ADVERTS	25,500	95,000	16,500	1,491,600	9,500	5750	1,643,850
LAND BOUNDARY DISPUTES	92,000	65,000	45,000	71,400	50,000	35000	358,400
Ground/Site/Plot Rent	18,010					8000	26,010
SLAUGHTER FEES	603,210	112,350	303,212	155,700	86,450	42600	1,303,522
STOCK SALES	23,540	183,810	95,690	76,120	111,490	137810	628,460
SALE OF MAIZE & FERTILIZER	8,000						8,000
MOTOR BIKE STICKERS		11,500	432,600	22,200	13,600	3200	483,100
NOISE EMISSION							0
SITE RENT		2,000					2,000
HIRE OF HALL	7,400						7,400
CONVEYANCE					1,000		1,000
SAND & MURRAM	15,200	12,500	7,500	7,300	3,600	5200	51,300
Other M.I Receipts	260,043		541,780	429,354	642,197	2615023	4,488,397
CONCERVANCY						3000	3,000
RENOVATION						5500	5,500
TOTALS	10,707,829	11,176,965	8,366,957	10,414,639	8,289,132	9,800,149	58,755,671
TRANSFERS TO CRF ACCOUNT	13,889,968	10,144,580	8,633,648	11,336,633	7,749,887	11130829	62,885,545

Table 4: ORS for the first half year FY 2018/19 per source per quarter

		1st quarter 2017/18FY			2nd quarter 2017/18FY			
	PARTICULARS	July	August	September	October	November	December	total
1	RENTAL INCOME	7,500	12,500			42,500	27,500	90,000
2	LAND BOUNDARY DISPUTES	40,000	10,000	50,000	55,000	53,000	35,000	243,000
3	SINGLE BUSINESS PERMITS	323,320	154,740	326,255	171,235	296,770	400,315	1,672,635
4	LIQUOR LICENSE	1,486,921	469,536	495,200	262,620	290,500	25,000	3,029,777
5	LAND RATES	48,600	1,165	4,500	1,320	1,000	3,230	59,815
6	SIGN BOARDS; PROMOTIONS	5,440	15,000	14,000	200,500	12,500	30,000	277,440
7	PLOT\SITE\STALL RENT	90,340	240,565	193,600	110,960	238,450	222,445	1,096,360
8	LEASE RENTAL OF MACHINES	515,700	-	120,375	51,400	288,920	40,700	1,017,095
9	MARKET\TRADE	1,082,840	882,740	1,068,760	973,005	1,084,080	1,218,710	6,310,135
10	VEHICLE PARKING	2,688,600	2,268,880	2,604,360	2,248,210	2,576,580	3,395,530	15,782,160
11	PUBLIC HEALTH SERVICE	5,900	116,500	149,010	207,750	26,150	60,900	566,210
12	SLAUGHTER MANAGEMENT FEES	17,060	15,750	19,100	107,710	58,210	21,060	238,890
13	WATER SUPPLY admn FEE	46,500	23,300	24,000	31,000	71,250	120,000	316,050
14	BUILDING PLAN APPROVAL	20,000	18,500	22,000	11,500	21,800	7,500	101,300
15	SAND\MURRAM	4,700	5,500	5,700	6,700	6,900	7,600	37,100
16	FINES, PENALTIES AND FORFEITURE	110	220	-	12,965	33,725	10,064	57,084
17	LIVESTOCK CESS	225,989	328,004	193,275	208,000	105,230	37,650	1,098,148
18	FACILITY IMPROVEMENT FUND	609,999	298,556	582,387	523,219	2,570,410	3,265,339	7,849,910
19	NOISE EMISSION	2,200	4,200	18,800	8,800	11,000	26,400	71,400
20	REGISTRATION OF GROUPS	3,000	21,750	13,000	9,500	15,250	12,750	75,250
21	APPLICATION FEES,S.B.P				25,000	12,500	16,000	53,500
22	MISCE INCOME	13,740	9,000	29,439	14,520	1,516,140	777,457	2,360,296
23	INSPECTION				4,000			4,000
24	HIRE OF HALL				2,000	10,000		12,000
25	PLAN APPLICATION FEES				1,500		16,000	17,500
	TOTAL	7,238,459	4,896,406	5,933,761	5,248,414	9,342,865	9,777,150	42,437,055
	Transmission to exchequer	7,077,648	5,742,397	-	11,290,630	8,788,060	8,990,373	41,889,108

Table 5 performance of revenue streams

Stream	2016/17FY Ksh	2017/18FY Ksh
Parking	15,782,160	15,216,820
Market fees	6,310,135	5,776,691
SBP	1,672,635	2,201,225
Stall rent	90,000	1,051,200
Hospital fee	7,849,910	19,875,999

3.4 DISBURSEMENT FROM EXCHEQUER

During the half year of 2018/2019, the County Government has received a total of KSHS.2, 187,965,984 as shown in table below.

Table 6: County disbursement from exchequer for July 2018 to December 2018

	Sep (Q1)	Dec (Q2)	Cumulative Amount
	Kshs	Kshs	Kshs
RECEIPTS			
Equitable Share (Exchequer releases)	224,940,000	964,358,700	1,187,298,700
Proceeds from Foreign Grants / Development Partners	-	25,482,767	25,482,767
Road Maintenance Fuel Levy Fund	-	29,552,974	29,552,974
County Own Generated Revenues	32,670,471	28,536,220	61,206,691
Unspent funds	1,606,256,474	884,424,852	884,424,852
TOTAL RECEIPTS	1,861,866,945	1,932,355,513	2,187,965,984

Source: County Treasury

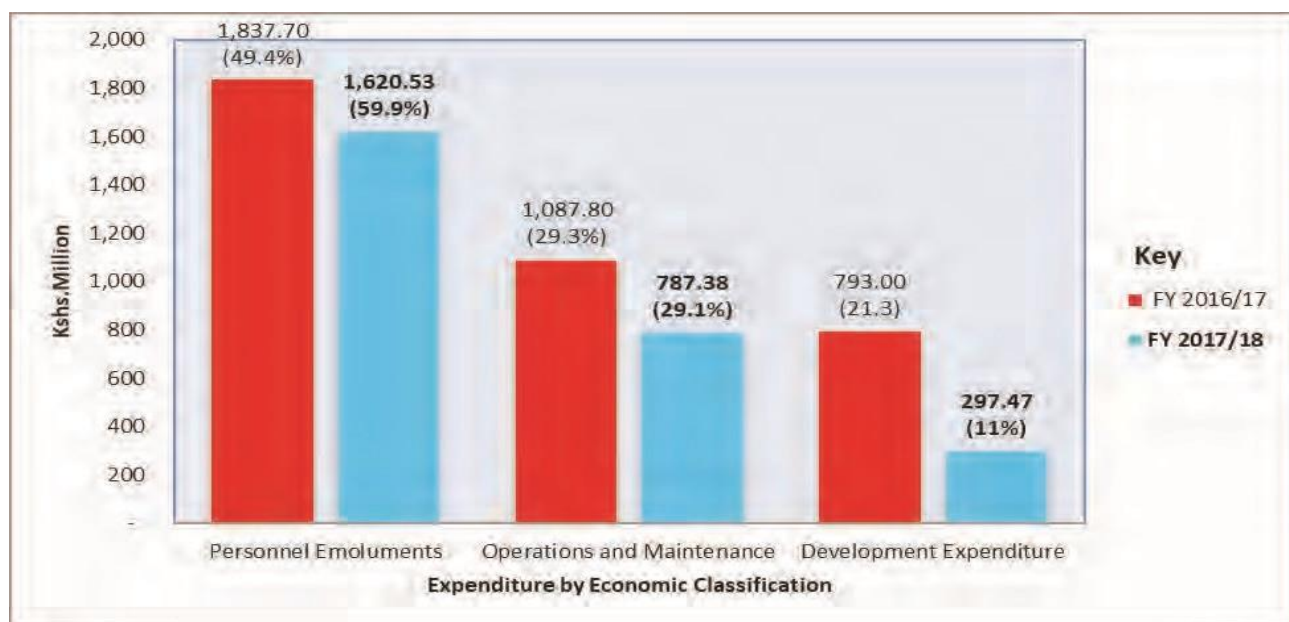
3.5 EXPENDITURE PERFORMANCE FOR 2017/18

The County spent Kshs.2.71 billion, which was 67.4 per cent of the total funds released for operations. This was a decline of 27.2 per cent from Kshs.3.72 billion spent in FY 2016/17.

A total of Kshs.2.41 billion was spent on recurrent activities while Kshs.297.47 million was spent on development activities. The recurrent expenditure was 66.4 per cent of the funds released for recurrent activities, while development expenditure was 76.6 per cent of funds released for development activities. The expenditure excluded pending bills which amounted to Kshs.207.33 million for development activities and Kshs.977.48 million for recurrent expenditure as at June 30, 2018.

The recurrent expenditure represented 62 per cent of the annual recurrent budget, a decrease from 82.9 per cent recorded in FY 2016/17. Development expenditure recorded an absorption rate of 17.5 per cent, which was a decrease from 52.5 per cent attained in FY 2016/17.

Figure 8: Vihiga County, Expenditure by Economic Classification in FY 2016/17 and FY 2017/18.



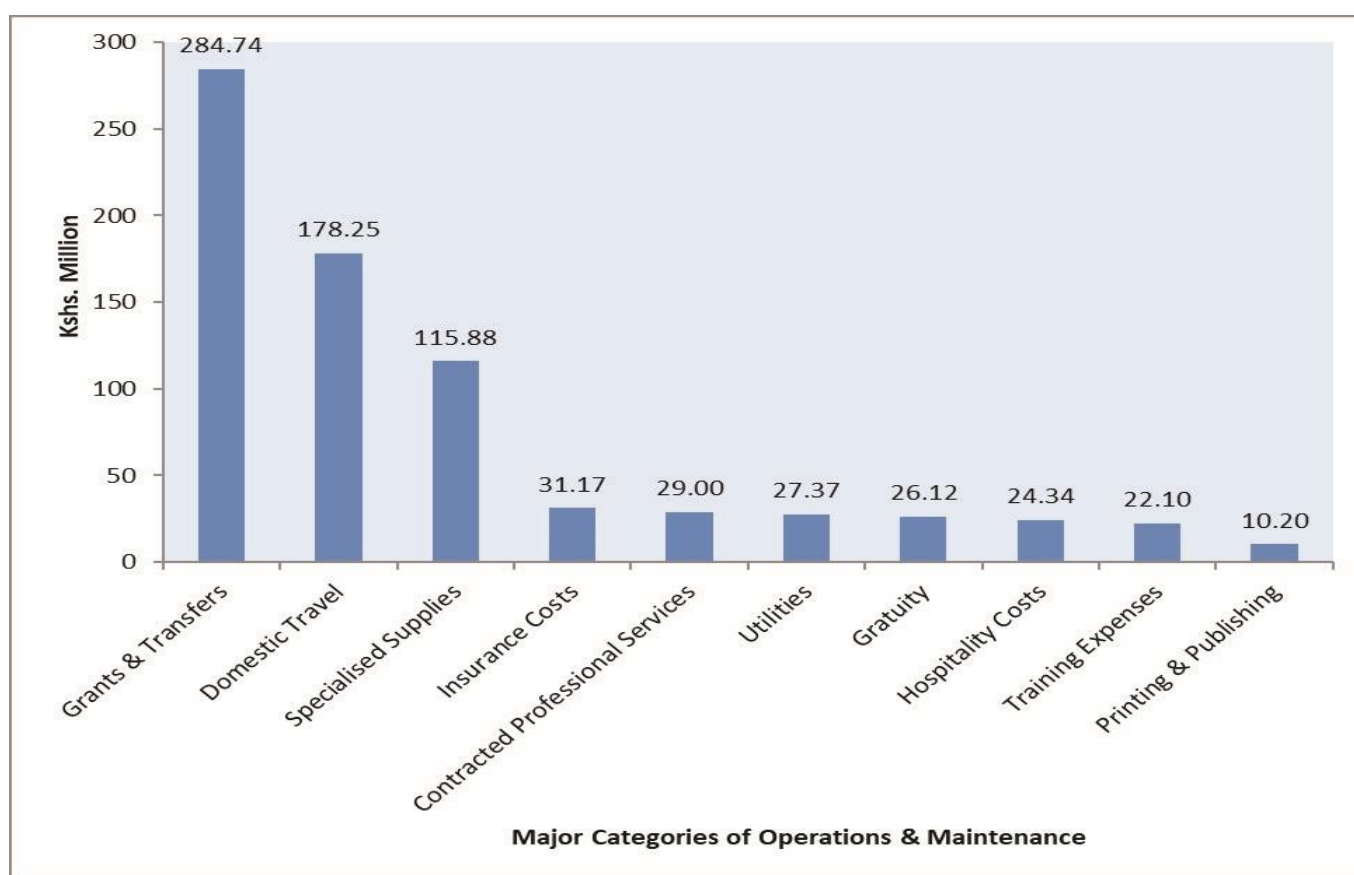
Source: Vihiga County Treasury

Analysis of Recurrent Expenditure

The total recurrent expenditure of Kshs.2.41 billion comprised of Kshs.1.62 billion (67.2 per cent) incurred on personnel emoluments and Kshs.787.38 million (32.8 per cent) on operations and maintenance as shown in Figure 8.

Expenditure on personnel emoluments represented a decrease of 12 per cent compared to FY 2016/17 when the County spent Kshs.1.84 billion, and was 59.9 per cent of total expenditure.

Figure 8: Vihiga County, Operations and Maintenance Expenditure by Major Categories in FY 2017/18



Source: Vihiga County Treasury

The County spent Kshs.39.99 million on committee sitting allowances to the 39 MCAs against an annual budget allocation of Kshs.44.68 million. This was an increase of 287.1 per cent compared to Kshs.10.33

million spent in FY 2016/17. The average monthly sitting allowance was Kshs. 85,453 per MCA compared to SRC's recommended monthly ceiling of Kshs.80, 000.

Expenditure on domestic travel amounted to Kshs.178.25 million and comprised of Kshs.83.89 million spent by the County Assembly and Kshs.94.36 million by the County Executive. This represented 7.4 per cent of total recurrent expenditure and was a decrease of 30.8 per cent compared to Kshs.257.41 million spent in FY 2016/17.

3.6 DEVELOPMENT EXPENDITURE ANALYSIS

The total development expenditure of Kshs.297.47 million represented 17.5 per cent of the annual development budget of Kshs.1.7 billion. Table 3.133 provides a summary of development projects with the highest expenditure in FY 2017/18.

Table 7: Vihiga County, List of Development Projects with the Highest Expenditure in FY 2017/18

S/ No.	Project name	Project location	Annual project budget (Kshs.)	Annual expenditure (Kshs.)	Absorption rate (%)
1	Supply of fertilizer	County wide	-	47,448,120	-
2	Six storey hospital plaza	Vihiga C. R. hospital	130,000,000	43,228,661	33.3
3	Supply of crop seed	County wide	10,000,000	9,720,000	97.2
4	Purchase of land	Izava-Lyaduywa Ward	20,000,000	23,940,000	119.7
5	Construction of new mortuary	Vihiga C. R. hospital	13,005,926	4,543,437	34.9
6	Gavalagi-Chanzoka-Lusiola Rd	Vihiga Sub-County.	3,328,620	3,318,728	99.7
7	Ludzu-Budira P.A.G-Chamakanga Road	Sabatia Sub- County	3,206,878	3,206,878	100
8	Itabalia Pri-Munjina S.A. Road	Luanda Sub-County	3,538,696	2,500,101	70.7
9	Emanyinya-Esiarambatsi-Emakakha Rd.	Emuhaya Sub-County	3,890,176	3,890,176	100
10	Kakbutu-Musunji-Jidereri Road	Hamisi Sub-County	2,036,960	1,728,864	84.9

Table 8: Vihiga County, Budget Performance by Department in FY 2017/18

Department	FY 2017/18 Budget Allocation (Kshs. Million)		Exchequer Issues in FY 2017/18 (Kshs.Million)		Expenditure in FY 2017/18 (Kshs. Million)		FY 2017/18 Expenditure to Exchequer Issues (%)		FY 2017/18 Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock, Fisheries & Co-Operatives	133.83	211.31	131.2	118.26	101	57.17	77	48.3	75.5	27.1
Lands, Housing & Physical Planning	31.65	65	31.65	23.94	20.16	-	63.7	-	63.7	-
Transport & Infrastructure	141.36	436.14	141.63	139.26	51.85	112.92	36.6	81.1	36.6	25.9
Industrialization, Trade & Tourism	142.36	70.53	47.49	-	14.79	-	31.1	-	10.4	-
County Health Services	1,248.14	233.26	1,231.61	51.87	853.47	58.61	69.3	113	68.4	25.1
Education, Science & Technology	337.49	258.5	259.51	38.16	347.08	35	133.7	91.7	102.8	13.5
County Executive	364.97	54.78	330.97	-	150.53	13.14	45.5	-	41.2	24
County Assembly	530.77	40.44	530.15	13.47	445.86	12.01	84.1	89.2	84	29.7
Finance & Economic Planning	246.78	102.19	246.78	-	77.12	-	31.3	-	31.3	-
County Public Service Board	49.13	-	49.13	-	24.67	-	50.2	-	50.2	-
Public Service & Administration	365.98	53.26	365.98	-	246.76	5.62	67.4	-	67.4	10.6
Gender, Culture, Youth & Sports	222.71	51.6	196.8	-	32.98	-	16.8	-	14.8	-
Environment, Water & Forestry	66.61	123.17	66.61	3	41.64	3	62.5	100	62.5	2.4
TOTAL	3,882.05	1,700.19	3,629.51	387.96	2,407.9	297.47	66.3	76.7	62	17.5

Source: Vihiga County Treasury

Analysis of budget performance by department shows that, the County Assembly attained the highest absorption rate of development budget at 29.7 per cent. The Department of Education, Science and Technology attained the highest percentage of recurrent expenditure to recurrent budget at 102.8 per cent while the Department of Industrialization, Trade and Tourism attained the lowest at 10.4 per cent.

County Expenditure half year FY 2018/19

The total expenditure for financial year 2018/2019 is expected to be Kshs 7.0billion This comprises of total recurrent and development budgets of Ksh.4.48 billion and Kshs. 2.52 billion respectively. The total actual recurrent expenditure and development expenditure for the period under review (half year) is at Kshs1.7 billion and Kshs. 0.3 billion respectively, which represents **29%** of the total approved budget.

Table 9: Half year expenditure analysis 2018/19

PAYMENTS	Budget Half year 2018/19 Kshs.	Actual Half year 2018/19 Kshs	Half Budget utilization variance Kshs.
Compensation of Employees	1,116,492,908	964,761,155	151,731,753
Use of goods and services	784,716,365	324,958,541	459,757,824
Transfers to Other Government Entities	303,626,896	364,865,486	(61,238,590)
Social Security Benefits	34,199,657	31,281,698	2,917,959
Acquisition of Assets	1,262,251,160	303,648,307	958,602,853
TOTAL	3,501,286,986	1,989,515,187	1,230,805,266

Table 10: COUNTY BUDGETED AND ACTUAL EXPENDITURES FOR JULY TO DECEMBER 2018

VOTE ITEM	APPROVED BUDGET	ACTUALS UPTO DECEMBER 2018	% OF VOTED BUDGET
Compensation to Employees	1,116,492,908	964,761,155	86
Other Recurrent	1,122,543,018	721,105,725	64
Total Recurrent	2,239,035,826	1,685,866,880	75
Development	1,262,251,160	303,648,307	24
TOTALS	3,501,286,986	1,989,515,187	57

RECURRENT EXPENDITURE

Table 11: Approved recurrent budget and actual recurrent expenditure per department analysis for FY 2018/19

PROGRAMME	APPROVED BUDGET	ACTUAL EXPENDITURES	DIVIATION	ABSORPTION %
AGRICULTURE, LIVESTOCK, FISHERIES & COOPERATIVES	82,676,155	52,723,400	29,952,755	64
LANDS, HOUSING & PHYSICAL PLANNING	56,206,216	21,954,619	34,251,597	39
TRANSPORT & INFRASTRUCTURE	88,831,531	67,349,411	21,482,120	76
INDUSTRIALIZATION, TRADE & TOURISM	55,703,703	13,939,780	41,763,923	25
HEALTH SERVICES	634,246,098	577,141,433	57,104,665	91
EDUCATION, SCIENCE & TECHNICAL AND	216,667,536	153,447,203	63,220,333	71
COUNTY EXECUTIVE	213,789,900	109,657,124	104,132,776	51
COUNTY ASSEMBLY	303,626,896	299,477,500	4,149,396	99
COUNTY TREASURY	258,720,915	115,307,485	143,413,430	45

ADMINISTRATION AND COORDINATION OF COUNTY AFFAIRS	187,390,254	204,266,927	(16,876,673)	109
COUNTY PUBLIC SERVICE BOARD	25,461,220	10,744,800	14,716,420	42
GENDER, CULTURE YOUTH & SPORTS	75,590,275	30,846,804	44,743,471	41
ENVIRONMENT, WATER ENERGY, AND NATURAL RESOURCE.	40,125,131	29,010,394	11,114,737	72
TOTALS	2,239,035,826	1,685,866,880	552,768,946	75

DEVELOPMENY EXPENDITURE

Table 12. Approved development budget and actual development expenditure per department analysis for FY 2018/19

PROGRAMME	APPROVED BUDGET	ACTUAL EXPENDITURES	DIVIATION	ABSORPTION %
AGRICULTURE, LIVESTOCK, FISHERIES & COOPERATIVES	190,080,445	32,134,373	157,946,072	17
LANDS, HOUSING & PHYSICAL PLANNING	173,975,350	2,595,800	171,379,550	1
TRANSPORT & INFRASTRUCTURE	328,764,408	178,589,706	150,174,702	54
INDUSTRILIAZATION, TRADE & TOURISM	26,951,872	1,092,407	25,859,465	4
HEALTH SERVICES	144,882,208	78,906,021	65,976,187	54
EDUCATION, SCIENCE & TECHNICAL AND	141,095,693	0	141,095,693	0
COUNTY EXECUTIVE	7,500,000	0	7,500,000	
COUNTY ASSEMBLY	47,016,007	2,330,000	44,686,007	5
COUNTY TREASURY	65,000,000	0	65,000,000	0
ADMINISTRATION AND COORDINATION OF COUNTY AFFAIRS	12,427,724	5,000,000	7,427,724	40

GENDER, CULTURE YOUTH & SPORTS	43,500,000	0	43,500,000	0
ENVIRONMENT, WATER ENERGY, AND NATURAL RESOURCE.	81,057,454	3,000,000	78,057,455	4
TOTALS	1,262,251,160	303,648,307	968,602,853	24

3.7 EMERGING ISSUES AND CHALLENGES ON FISCAL PERFORMANCE COUNTY OWN SOURCE REVENUE (OSR)

County own source revenue target in the FY 2017/2018 was not achieved affecting compliance of the Fiscal Strategy Paper. It fell short by kshs 75 million at kshs 145million against a target of kshs 220.

1. Property rates

The County has experience weak and inconsistent performance of property tax revenues

Property rate is a tax based on the value of property (including land) and is usually assessed by a rating authority with help from a valuer.

County Government has enacted property rating and valuation legislation but a Valuation rolls has not been prepared nor updated.

2. Contribution in Lieu of Rates (CILOR)

Vihiga County Government have not received CILOR payments from the National Government. This can be attributed to lack of up-to-date valuation rolls and legislation to support imposition of property rates. Secondly, administrative guidelines on post-devolution CILOR claims processes have not been clarified.

3. Land rent

Land rent is charged on annual basis and is collected on land owned by County Government in various markets and trading centres..Vihiga County Government has not been able to optimize land rent. There is lack of clarity concerning collection of land rent and management of County land rented to the people.

4. *Entertainment tax*

The Constitution assigns to County Governments powers to impose entertainment taxes (*Article 209(3) (b)*) and regulate public entertainment, including betting, casinos and other forms of gambling, as well as cinemas and video shows and hiring, among others activities. Administration of entertainment taxes by the County has not been actualized hence the county is losing revenue on this source.

5. *Liquor licensing fee*

The County Government has not achieved fully the revenue proceeds that come with the mandate to: to provide for the licensing and control of production, distribution, sale and consumption of alcoholics' drinks, as well as control of outdoor advertisements of alcoholic drinks and promotion of primary healthcare and a local schedule.

The challenge of lack funds and other inputs to undertake inspection and monitoring of premises lead to decrease in revenue.

6. *Agriculture produce cess*

Cess is a levy on tradable agricultural produce imposed on the basis of the Agriculture Act (Cap 318), the County has not yet come up with a legislation to effectively collect on this source of revenue. The Act enabled Counties to enact laws requiring any person -- whether within or outside the area of jurisdiction of the authorities -- who buys or markets on behalf of a producer of agricultural produce on which cess is payable, and on which no cess has been paid, to deduct

from the money payable to the seller an amount equal to cess payable on the produce, and to remit the amount to the authority to whom the cess is payable eg Mudete Tea Factory.

3.8 DISBURSEMENT FROM EXCHEQUER

The Controller of Budget approved withdrawal of Kshs.4.02 billion from the CRF account, which was 72 per cent of the Approved Supplementary Budget 2017/18 though relatively high compared to funds absorption, some of the funds were released at almost year end making its utilization difficult. Development Funds release was low this can be attributed to factors like lack of appropriate legislation to allow access to certain funds like the elderly fund and delay in rolling out programme on time to be eligible for payment within the year.

Recurrent Expenditure

The recurrent expenditure represented 62 per cent of the annual recurrent budget, a decrease from 82.9 per cent recorded in FY 2016/17.

Expenditures on wages and benefits in 2017/18 FY accounted for 60 per cent (25 per cent above the prescribed limit). This is every big margin against the fiscal responsibility principles which puts it at 35 percent.

Operations and maintenance expenditure were at Kshs. 787, 38 million which is 29.1 percent of the total budget. This means that most of the personnel are underutilized and County assets are not adequately maintained.

Nation Treasury to County Government. For instance, disbursements for County assembly are released directly to their exchequer account.

Development Expenditure

Development expenditure recorded an absorption rate of 17.5 per cent of the overall budget, which was a decrease from 52.5 per cent attained in FY 2016/17. On the annual development budget set

aside for development activities was Kshs. 2.52 billion, only Kshs 303.64 million which is 12

Reasons for lower absorption include:

- a) Challenges in adapting to the new procurement system that requires all procurement to be done online (e-procurement system.)
- b) Delay in providing system requirements e.g. uploading of budgets, work plans and procurement plans.
- c) Delay in disbursement of funds from national treasury e.g free maternity health care fund.
- d) Delay in verification and audit of pending bills which led to decline in absorption of funds.
- e) Being an electioneering year, the national treasury had to freeze development expenditures during the last quarter.

3.9 RISKS TO THE 2017/18 BUDGET FRAMEWORK

Domestically, the economy is exposed to risks including any occurrence of adverse weather conditions and public expenditure pressures especially recurrent expenditures.

The country's economic performance is less likely to affect the implementation of 2017/18 financial year budget. 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.

Mitigation measures:

The county shall put proper mechanism of increasing revenue collection for smooth running of its operations through enhancing revenue collection from the E-payment system at the same time cutting public spending.

The Government will monitor the above risks and take appropriate measures to safeguard macroeconomic stability

Shortfall in Local Revenue

The main fiscal risk that is likely to be faced by the county government is the shortfall in local revenue flows. Own Sources Revenue generation has continued to face challenges that must be progressively mitigated in order to achieve county development goals. For instance, revenue for building approvals has been on the decline other sources of revenue being collected below per.

Mitigation measure:

In the medium term, the County will undertake measures aimed at expanding the revenue base and increasing tax compliance through integration of technology in revenue collection. Further the county has finalized the valuation roll awaiting approval by the county assembly. This will significantly increase the local revenues collected.

Huge wage bill

Regulation 25 (1) (b) of the PFM (County Governments) requires that County wage bill shall not exceed

35% of the total revenue. However, the 2016/17 compensation to employees' allocation was percent of the total revenue. For 2017/18, the compensation to employees constitutes percent.

The continued increase in the wage bill has arisen due to factors which are beyond the county government. The year 2016/17 and 2017/18 there have strikes by the healthcare workers which resulted to signing of Collective Bargaining Agreements (CBAs) that have had an impact on the county's wage bill. Further the wage bill has also been affected by the Salaries and Remuneration Commission (SRC) during the phase

I of the harmonization of staffs' salaries.

Mitigation measures:

The county will put necessary measures in the attempt to curb wage bill through; Human resource audit, having an approved staff establishment, stop recruitment of non-essential staff and those not in the approved staff establishment; ensure appropriate engagement of casuals and payment of salaries through IPPD to enhance efficiency in HR management

Pending Bills

The issue of Pending debts/bills continues to be a major economic policy challenge facing the County government of Vihiga.

Mitigation measure:

The county government should therefore 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. This will be done by reducing county expenditure at the same time coming up with mechanisms to increase revenue. In addition, more funds shall be allocated in the budget for debt serving.

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 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 to 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 being surcharged.

Specific Macroeconomic and Fiscal Risks

Execution of development expenditure was generally below target which reflects low absorption of departments, delays in procurement, and late disbursements of funds from the national treasury.

The slower-than-programmed spending on development budget poses a risk to the fiscal program. In order to prevent this risk from materializing, the County government has been pressing departments to increase absorption to at least 80-90 percent as part of performance contracting. Moreover, the departments have been asked to submit monthly and quarterly implementation reports. Other measures include asking departments to adopt e-procurement planning and improve on implementation capacity in managing procurement process.

Going forward, there are risks associated with expenditure proposals that cannot be accommodated within the baseline ceilings.

Statutory remittance

Failure by Counties to remit statutory deductions on time (e.g. PAYE, withholding VAT, NSSF contributions, etc.) could impact on overall collection of ordinary revenue by the Kenya Revenue Authority (KRA)

All Counties to prioritize remittance of statutory deductions while paying salaries, since this is duly budgeted for. With regard to withholding VAT, Counties should make payments at the time of paying suppliers and contractors since they are required to budget for the full cost of works, goods and services.

Debt Sustainability Risks

The sustainability of Vihiga County's debt depends on macroeconomic performance, enhanced revenue collections and a prudent borrowing policy.

Deficit Financing Policy

On the external financing front, the County Government will minimize the degree of borrowing and interest rate risk by leaning towards public-private partnerships in financing certain programmes.

Contingent Liabilities

The growing stock of expenditure arrears, especially pending bills due to suppliers and contractors, is potentially a factor behind struggling small and medium-sized enterprises (e.g. hotels, travel agencies, etc.), many of which borrow to finance their operations. Counties to establish pending bills committees to verify authenticity of all outstanding payments and formulate strategies to eliminate all arrears

CHAPTER FOUR: SECTOR PERFORMANCE DURING THE FINANCIAL YEAR 2017/18

4.1 Agriculture Livestock Fisheries and Cooperatives

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. This is consistent with the sector vision of a food secure and prosperous county and the desire to have an innovative, commercially oriented and competitive agriculture. The long term goal of agricultural sector is attainment of food security and increased incomes. The sector goal will be achieved through enhanced crop production, Livestock and Fisheries production and productivity, Promotion of Sustainable Land use and Conservation of Natural Resources for Agriculture, promote value addition and agro-processing, Strengthen Agricultural market access and linkages, Provision of innovative Agricultural technology transfer and extension services and formulation of appropriate agricultural policies and strategies.

Key Achievements in the review period;

- Area under cultivation increased from 14,400 hectares to 22,000 hectares.
- 5 dairy cold storage facilities were maintained.
- Fertilizers and maize seeds were purchased and distributed to 27,000 farmers at subsidized prices.
- 29,232 cattle, 881 sheep, 3,005 goats and 146 pigs, 75 dairy heifers were distributed to 75 farmers' groups,
- 7875 improved local chicks procured and distributed to 108 farmer groups,
- 8 manual centrifuges (honey extractors) procured and distributed to 8 farmer groups county wide,
- Mukhalakhala slaughter house completed and commissioned while construction of serem slaughter house in progress.

- 5 on-farm demo sites established for technology transfer on fodder production and conservation
- Livestock production extension were carried out; 1200 farm advisory farm visits done,
- 10 livestock designs and construction done,
- 175 farmers were given 1,000 fingerlings and 15bags of fish feed each through out the county,
- Mwitoko fish farm improved by construction of additional 21 ponds and security lighting system

4.2 Education Science, Technical and Vocational Training

Technical and vocational training is critical to acquisition of knowledge and skills needed for sustainable social-economic and environmental development. At the same time research opines that the first formative years of life of a child's growth are crucial for optimal holistic development. It is thus imperative that deliberate efforts made to enhance technical and vocational education and training, and provision a comprehensive approach and conducive environment for delivery of Early Childhood Development Education (ECDE) in the county.

During the 2019-2020 plan period the county government will endeavor to create and implement policy frameworks to support the implementation of the sector priorities ensuring that more resources are devoted to the development of infrastructure, provision of instructional and learning materials and tools as well as increased human resource capacity in the VTCs and ECDE centres.

In the period 2017/18, the sector envisioned improved access and equity in provision of holistic ECDE and child care services, and quality technical and vocational knowledge and skills for sustainable development. The priorities projects/ programmes identified during the period included; institutional reforms to enhance service delivery, infrastructure development, enhanced education support programmes including bursary and scholarships as well as Human resource

capacity development for TVET and ECDE. During this period the following achievements were realized in the education sub-sector;

- Increased enrollment in VTCs from 2,901 in the year 2017 to 3,824 in the year 2018, and in ECDE from 40,430 in 2017 44638 in 2018.
- 30 VTCs and 852 ECDE centres in the county
- 15,000 trainees benefitted from the Subsidized Vocational Training Support Grant (SVTSG),
- Procurement of Competency Based text books for all VTCs from Kenya Literature of Bureau (KLB).
- 2400 teachers were trained on Competence Based Curriculum (CBC)

Despite the achievements the sector experienced a number of challenges, key among them included;

- Limited resources and delayed financing of programmes and projects,
- non-completion of infrastructural development,
- weak legal and institutional framework
- inadequate of ECDE teachers and VTC instructors
- high demand for bursaries and scholarships
- inadequate instruction and learning materials

Weak governance and accountability framework in the VTCs and ECDE

4.3 Transport and Infrastructure

The Kenya Vision 2030 and the Vihiga CIDP aspires for enhanced interconnectivity through road networks and modern sanitation services. 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's commitment to provision of clean and safe energy will continue to be pursued including encouraging the exploitation of solar energy and use of biogas. The County government has prioritized to develop and maintain the county road networks, electricity connectivity and ICT during in the financial year 2019/20. During FY 2017/18 the transport and infrastructure sector realized the following achievements;

- Rehabilitation of 125.9Kms of roads thus improving accessibility across all the wards.
- Upgrade of Ekwanda-Luanda, Luanda-Mwichio-Esirulo and Bukuga-Magada-Mwilonje roads to bitumen standards in partnership with Kenya Rural Roads Authority (KeRRA)
- Purchase of workshop tools & equipment to equip mechanical unit under construction at Manyatta geared towards enhancing entrepreneurship and employable skills of TVET graduates
- A fire rapid response vehicle purchased and a fire station will be constructed to ensure a timely response to emergencies.
- Lightning Protection and arrestors were installed at the Office of the Governor, Department of Transport & Infrastructure, Emuhaya sub-county hospital, Hamisi sub-county hospital, and Mbale rural, Banja, Vihiga, Emusire, and Sabatia health centres.
- In partnership with KeNHA and COVEC, construction of roadside amenities including two eco-toilets, market stalls and fencing in Gambogi market, and Mwoki Dispensary are due for construction.

Albeit the achievements the sector faced various challenges that included;

- poor topography in some areas resulting in slow road maintenance,
- poor storm water management, encroachment of road reserves,
- inadequate technical staff,
- inadequate resources to the sector,
- Frequent breakdown of equipment and high cost of maintenance.

4.4 Public Service Administration and Coordination of County Affairs

The Kenya Vision 2030 and the CIDP recognizes a modern and results-focused public service as a prerequisite for socio-economic transformation. To this end various measures have been initiated in the county to improve public service delivery. This include; Enhanced Coordination County departments and agencies in service delivery, enhanced civic education and public participation, provision of feedback mechanism, enforcement of county laws and policies, development of human resource framework, promotion of labour relations, control liquor licensing and promotion of transparency and principles of good governance in public service. Other measures are the

implementation of a performance management framework including performance contracting and performance appraisal.

Key achievement of the sub-sector for the period under review included;

- Coordination of several public participation fora on County Government programs
- Capacity Building of the county staff and strengthening of institutional framework,
- Civic awareness on National Values and Principles of Governance in Public Service,
- Gender mainstreaming, cohesion and peace building for a across the county.
- Inspection and licensing of liquor businesses within sub counties.
- Coordination of County Dialogue Forum and the 5th Annual Devolution Conference,
- Disbursement of bursary funds in all twenty-five (25) wards.

Key challenges noted during this review period included;

- inadequate resources and delayed funding affecting service delivery,
- absence of training and development policy,
- uncoordinated public participation fora,
- Weak county communication strategy
- Weak performance management framework
- Inadequate office equipment.

4.5 Health

Good health is a critical enabler for the production of human capital needed in attainment of socio-economic development. To improve the health care delivery and overall livelihoods of the citizen the county government aims to provide an efficient, integrated and affordable health care delivery system. In the financial year 2019/20 priorities will be given on preventive care programmes at community level, enhanced access and equity to affordable and efficient health services. Institutional reforms, scale up of high impact interventions at Level 1 facilities, reduce maternal and neonatal mortality and morbidity, and strengthen referral system.

Key achievements realized in financial year 2017/2018 included:

- Increased immunization coverage from 69% in 2016/17 to 76%,
- 1st ANC improved from 65% to 72%, 4th while overall ANC visits improved from 38% to 42%,

- Skilled Birth delivery improved from 47% to 55%,
- Facility based maternal mortality reduced from 51 to 41/100,000 live births,
- Child mortality improved from 121/1000 (KDHS 2008/09) to 65/1000,
- Infant mortality improved from 65/1000 to 42/1000 live births,
- Neonatal mortality improved from 22/1000 to 19/1000 live births,
- Newborns with Low birth weight improved from 19 to 13/1000 live births,
- Under five children stunting decreased from 3.5 to 2.0% while Children below 5 years with underweight improved from 16% to 13%.
- Universal health Coverage aimed at improving maternal health and child care, the Otichillo care was rolled out
- Prevention of communicable diseases specifically, malaria, HIV/AIDS and other diseases improved thereby reducing prevalence of Malaria from 38% to 27%, Prevalence of HIV/AIDS has reduced from 4.7% to 4.1%, and enhanced campaigns toward health insurance uptake through health promotion and education as well as community health activities was intensified thereby increasing uptake from 15,177 to 31,773.
- Scale up of the community units to provide health services at the grassroots. Community Health Services by increasing CU coverage from 44% to 62% and providing stipend as well as NHIF support to all CHVs.
- The County Government of Vihiga purchased a 32 slide CT Scan,
- Construction of the medical plaza at the referral hospital commenced
- Vihiga county referral hospital was improved with the outpatient wing, walkways and casualty unit getting a facelift and renovation of sub county hospitals; Emuhaya, Sabatia, Hamisi and Emusire.
- improvement of Supplies of drugs and non-pharmaceuticals to all Health facilities where the Fill rate improved from 68% to 79% while number of facilities that did not have stock out of drugs increased from 1 to 8, Enhanced On health infrastructure development.

Key milestones

Through boosting of health personnel morale, goodwill by various stakeholders, improved medical commodities and supplies, procurement of specialized equipment and establishment of clinics for dental, cardiovascular and imaging services equipment, improvement of laboratory services and

continuous capacity building of health workers improved health care services across the county leading to improvement in health indicators as outlined by world health organization (WHO).The just acquired stand-by power generator at Emuhaya hospital will to reduction in service interruption by ensuring continuous power supply.

During the period under review the sector faced some challenges which included;

- inadequate funding for purchase of drugs and supplies, hiring of human resources, finishing and equipping of the many stalled health facilities,
- delayed payments to the contractors
- inadequate ambulance service which hampered referral services
- Uncertainty as a result of political processes and transition resulting in delay of administrative approvals,
- disease outbreaks including cholera, and upsurge of malaria,
- shortages of health workers below the set health service norms and standards,
- industrial unrest that led to disruption of service delivery,
- increased road traffic injuries attributed to the upsurge of bodaboda riders who are not trained, adolescent and youth pregnancy leading to school drop outs and unsafe abortions,
- rising burden of Non-Communicable diseases due to poor healthy lifestyles,
- Capacity gap for facility managers particularly on leadership and governance aspects
- Inconsistent supply of data collection tools and data quality audits.

Going forward and in order to accelerate achievement of one of the big four agenda of universal health coverage, the county will continue to put significant resources in the sector to ensure hiring of optimum number of health care workers, purchase of drugs, construction and equipping of the hospital plaza, completion and equipping of stalled health facilities, implementation of planned programmes as outlined in the county development blue print CIDP. Investment in the ten elements of primary health care and by extension UHC, including health education as well as intensify community units will be a key focus of the County Government. There is need to mobilize resources beyond the county treasury allocation by establishment public private

partnerships to provide broad range of health care services and ring fencing the Facility Improvement Funds (FIF) for supporting improvement of the collecting hospital. Further, inhabitants of Vihiga are urged to acquire health insurance, especially from NHIF, though other premier health insurance companies are still welcome.

4.6 Physical planning Land and Housing

Given the demographic trends, Vihiga will predominantly be a semi-urban county by 2030. The county government must therefore plan for high quality urban livelihoods for most its inhabitants. Moreover, the Kenya Vision 2030 and the Big 4 Agenda on urbanization and housing emphasizes on the development and access to affordable and decent housing in a sustainable environment. The need for a county spatial is also recommended under agriculture, markets development, urbanization and environmental management. The spatial plan will provide a spatial illustration of all county projects and will also identify strategy for land use. The sector performance during financial year 2017/18 included;

- Establishment of Geographic Information System Lab (GIS),
- Survey and fencing of land for the proposed Kenya school of Government in Emanda- Central Maragoli ward.
- Establishment of Vihiga Municipal Board,
- Land clinics across the wards,
- preparation of physical planning bill 2018,
- identification of land for implementation of big 4 housing project to accommodate 1000 housing units
- identification of land to accommodate Governor's residence and Deputy Governor residence,
- leasing of land for Export Processing Zone at Kaimosi
- Survey and titling of land for Export Processing Zone in Kaimosi.

Acquisition of satellite imagery of the County.

Environment water, Energy and Natural Resources Water is a resource necessary not only to support life but also to sustain economic activities in the different sectors of the economy. The overall objectives of reforms in water sector improve access to improve the livelihood of the residents by providing safe and clean water for all. Sustainable utilization of forestry and natural resources, use of clean energy and improving sanitation in a clean and secure environment is also imperative for sustainable development. Key specific achievements realized during the period under review include;

- Increased number of households accessing clean, quality, safe drinking water through expansion of the 3 major urban water projects namely Mbale, Kaimosi and Maseno Water supplies.
- Commencement of the Vihiga sub cluster water project works
- Protection of 125 springs countywide,
- 5 boreholes sunk across the county
- Completion and commissioning of 25 community water projects and rehabilitated 5 rural water projects
- Construction of 3 public sanitation facilities and establishment of fifteen dumpsters in the major urban centers.
- Signing of a lease agreement for waste management site at Solongo
- regular collection of waste from urban centres

However, during the financial year 2017/18, the department faced the following challenges:

- Financial constraints affecting delivery of essential sector services
- high population pressure leading to degradation of ecosystem
- high cost of maintenance of piped water schemes
- negative effects of climate change

Inadequate technical staff

4.7 Office of the Governor

The office of The Governor identified the following as their strategic priorities during the year 2017/2018: provision of policy direction and Coordination of County Public Service to ensure effective implementation of County Government policies, projects and programmes as well as linking the County Government to investors both locally and internationally. The office also prioritised the linking of the County Government to National Government, other County Governments and Agencies besides strengthening legal services in the County. It also prioritised establishment and maintenance of efficient disaster and emergency response systems. Promotion of democracy, cohesion, peace and order in the County was also prioritized

Achievements made include: Streamlining operations of the County government aligning them to existing laws and regulations. It also Carried out staff audit with the help of Department of Personnel Management (DPM) and audited all the pending bills with assistance of Kenya National Audit Office. The office drafted and discussed various policies and bills and appointed, with the approval of the County Assembly, the CECMs, COs and other senior staff.

The office of the governor organised conference of all elected and nominated leaders of Vihiga County and Coordinated 2018-2022 County Integrated Development Plan (CIDP). It also developed County communication strategy, revived county website, county quarterly newsletter and Toll-free line besides Coordinating Investment conference/ public-private-partnership summit.

4.8 Trade, industry tourism and entrepreneurship

The Sector is one of the key engines for economic growth as it immensely contributes to both product and service industries. The Sector is pivotal in accelerating economic growth, employment creation, poverty reduction, industrial development and equitable distribution of resources. These are the critical drivers that will contribute significantly towards the attainment of Sustainable Development Goals (SDGs) and the Big Four Agenda.

The strategic priorities for this sector were: To create a conducive environment for trading activities; To promote the County as a tourist attraction destination, to promote industrial development, to promote Consumer protection and fair trade and to develop entrepreneurship.

The sector achieved the following: The Omena market in Luanda was completed; there was capacity enhancement of SMEs on entrepreneurial skills; organized an Investment conference and Six bills were drafted; The sector also helped increase the revenue stream by introducing a new bodaboda levy on a monthly basis and mapped traders/market infrastructure.

4.9 Youth Gender, Sports, Culture and Social Services

The sector endeavors to contribute to socio-economic development by providing quality services to the youth, women and the marginalized groups in the county. At the county level the sector is mandated to promote gender equity in governance and resource distribution, conservation and preservation of cultural heritage, promotion of sports, improved livelihoods of youth and vulnerable groups within our society. Others responsibilities include gender Mainstreaming and Child development and protection.

Key achievement of the sub-sector includes;

- Held a Youth Convention,
- Conducted a youth training on entrepreneurship and leadership,

- trained 30 community group leaders, participated in the international day for persons with disabilities,
 - 5 sub-county forums for PWD and one children assembly
 - sensitization of stakeholders on child protection in all sub-counties,
 - carried out guidance and counseling for children,
- carried out sensitization of parents on proper parenting

4.10 Finance and Economic Planning

Attainment of sustainable development requires sound and prudent management of public resources. Towards this end subsector implemented the following strategic activities; enhanced risk management framework through periodic auditing, coordination and preparation of the CIDP and the ADP, up-date of the county information and statistics and preparation of progress reports. Other activities include coordination of accountancy and procurement services, administration and coordination of own county revenue collection, preparation of county annual and supplementary budget estimates, coordination of capacity building and strengthening institutional framework under the the Kenya Devolution Support Programme, control, reforms in own revenue collections, and management of county assets and liabilities.

As we prepare the County Fiscal Strategy Paper in preparation for the priority programmes for the financial year 2019/20 it is important to note the following key achievement made in the previous plan period.

- Implementation of e- procurement
- Increased own revenue collections from Ksh. 102 million in 2016/17 to Ksh. 143.5 million in 2017/18
- Establishment of the County Audit Committee
- Update of the County Asset Register
- Capacity building and strengthening of institutional framework under the KDSP

- Formulation of policies and county plans
- Enhanced monitoring and evaluation and reporting

As the we set to lay policies for the next financial year the county is faced with both internal and external challenges. To this end reforms in public sector management and governance will be undertaken. Measures will be taken to enhance Public Private Partnerships (PPPs) to abridge the budget deficit. The department will ensure timely preparation of financial and activity reports are prepared, published and disseminated to the public to enhance accountability and transparency as required by the PFM laws.

Reforms geared towards increased own revenue collection will be implemented. These include automation of revenue collections, implementation of the Vihiga County Government Regulations 2018 and the implementation of controls measures leakages.

The county in collaboration with partners will continue to enhance capacity building to support departments in keys areas of PFM, Civic Education and public participation, environment and social safe guards as well as monitoring and evaluation for effective service delivery.

CHAPTER FIVE: THE MEDIUM-TERM STRATEGY 2018/19 - 19/20

The resource envelop will comprise of the following:

- i. Equitable Share
- ii. Compensation for user fees forgone
- iii. Rehabilitation of village polytechnics
- iv. Road Maintenance Levy Fund
- v. Leasing Medical Equipment
- vi. Loans and Grants
- vii. Own Resource

The Budget Policy Statement 2019 has given the revenue figures expected from the National Government as Equitable share, conditional grants and other loans and grants as shown in table.

Table 13. VIHIGA COUNTY GOVERNMENT RESOURCE ENVELOP COMPUTATION FOR FY 2019/20

Vote and Programme Title	CARA, 2018 (JULY)	PROJECTED RESOURCE ENVELOP AS PER BPS 2019
Equitable Share	4,458,800,000	4,402,000,000
Compensation for user fees foregone	12,657,201	12,657,201
Road Maintenance Levy	117,396,321	127,573,688
Loans and Grants (DANIDA)	14,782,500	17,158,609
Own Sources	153,669,000	192,086,250
conditional for youth polytechnics	55,000,000	55,000,000
world bank for health system	73,956,778	85,844,443
World bank loan for Agriculture and rural inclusive growth project	140,435,163	163,008,430
Kenya Devolution Support Programme	41,604,112	48,291,628
Kenya Urban Support Programme	250,950,700	291,288,014
EU-Water Tower Project Grants	80,000,000	92,859,040
ASDSP	18,161,321	21,080,535
UIG (Urban Industrial Grant)	41,200,000	47,822,406
Total Proposed County Expenditure	5,458,613,096	5,556,670,244

5.1 Equitable Share

Commission on Revenue Allocation in their recommendations concerning the basis for equitable sharing of revenue raised by the national government between national and county governments, Vihiga County Government will get Kshs.4.402 billion as equitable share of revenue for the FY 2019/20.

5.2 Compensation for user fees forgone

This grant was introduced by the national government to compensate the counties for the revenue lost from the user fees charged by health centers and dispensaries. The National Treasury used the annual consolidated facility outpatient attendance workload to share the money across health centers and dispensaries within the county, using the total county population as a sharing factor. As per the Budget Policy Statement 2019 Vihiga County Government will receive Kshs. 12.66 million as Compensation for user fees forgone for 2018/19

5.3 Rehabilitation of village polytechnics

The national government also approved conditional grants for developing and rehabilitation village polytechnics. Vihiga County Government will receive Kshs. 55.0 million for 2019/20 financial year.

5.4 Road Maintenance Levy Fund

The Road Levy Fund was established in 1993 through the Roads Maintenance Levy Fund Act to cater for the maintenance of public roads, including county roads. A conditional allocation of 15 per cent is extended to county governments from the annual proceeds of the Fund collected from the levy of Ksh.18 per litre of fuel, and shared based on the approved revenue sharing formula.

This allocation is expected to be used exclusively road maintenance at the county level. Vihiga County Government will receive Kshs. 127.57 million for 2019/20 financial year.

5.5 Leasing Medical Equipment

The main objective of the grant is to facilitate the county governments to procure modern specialized medical equipment to equip two health facilities per county. This will ease access to specialised healthcare services at county level instead of travelling long distances in search of services. The grant is managed by the national government. Under this initiative. Vihiga County Government will receive Kshs. 131.91 million for 2019/20 financial year.

5.6 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. Vihiga County Government will receive Kshs. 767.35 million for 2019/20 financial year.

Own Source Resource (OSR)

The County Government has projected own source revenue at 25 percent growth on the 2018/19 achievement for 2019/2020 projections at Kshs. 192.09 million as shown in table... The county will put in place the following measures to achieve the targets set:

- Ensure rent deducted from employees who reside in county houses is paid to the revenue account.
Enhance liquor licensing and SBP issuance by undertaking thorough market checks.
- To register and serialize all signages, bill boards and outdoor advertisements and enforce'
- Create a register for all PSVs to ascertain monthly compliance of stickers applicable.
- Put in place a policy that will encourage boda boda operators to pay the approved monthly fee.
- The department of agriculture to enact a legislation on how to collect cess (eg. tea cess)
- Automate revenue collection and management to improve efficiency and eliminate slippage.

Table 14: PROJECTED OWN SOURCE REVENUE FOR FY 2019/20 AT 25 PERCENT GROWTH

	REVENUE STREAM	ACTUALS 2017/18	25% GROWTH PROJECTION 2019/20
1	RENTAL INCOME	1,585,760	3,982,200
2	LAND BOUNDARY DISPUTES	628,000	985,000
3	SINGLE BUSINESS PERMITS	21,728,277	31,660,346
4	LIQUOR LICENSE	6,704,012	8,380,015
5	SIGN BOARDS; PROMOTIONS	444,130	3,570,000
6	PLOT\SITE\STALL RENT	1,691,780	2,114,725
7	LAND RATES	729,720	912,150
8	MISCELLENEUIOUS INCOME	4,832,514	6,040,643
9	FERTILIZER	13,397,290	13,397,290
10	LEASE \HIRE OF MACHINES	3,499,410	4,374,263
11	MARKET\TRADE	14,329,288	18,453,455
12	VEHICLE PARKING	34,699,825	38,500,000
13	PUBLIC HEALTH SERVICE	2,409,340	3,011,675
14	FACILITY IMPROVEMENT FUND	31,228,561	38,039,967
15	WATER SUPPLY FEE	1,019,910	1,424,888
16	SLAUGHTER MANAGEMENT FEES	1,387,424	1,734,280
17	BUILDING PLAN APPROVAL	988,220	1,235,275
18	SAND\MURRAM	88,800	111,000
19	FINES, PENALTIES AND FORFEITURE	186,332	232,915
20	TEA CESS	-	1700000
21	LIVESSTOCK CESS	2,023,401	2,529,251
22	REG OF GROUPS	253,550	316,938
23	SBP APP FEE	53,500	66,875
24	INSPECTION FEE	182,000	227,500
25	HIRE OF HALL	22,000	27,500
26	PLAN APP FEE	31,000	38,750
27	ELECTRICAL PLANS APPROVAL	84,000	105,000
28	MECHANICAL PLAN APPROVAL	64,250	80,313
29	WEIGHTS AND MEASURES	18,500	23,125
30	HIRE OF GROUNDS	11,400	14,250
31	VETERINARY SERVICES	5,930	7,413
32	MOTOR BIKE STICKERS	796,000	6,000,000
33	CONSERVANCY	-	2,700,000
34	NOISE EMISSION	71,400	89,250
	TOTAL	145,195,524	192,086,252

Table 15: Actual revenue 2018/19 and proposed 2019/20

REVENUE SOURCE	ACTUAL REVENUE 2019/20	PROJECTED REVENUE 2019/20
Equitable Share	4,458,800,000	4,402,000,000
Own Sources	153,669,000	192,086,250
Total County Expenditure	4,612,469,000	4,594,086,250

Source BPS 2019 and vihiga county treasury

From the table above, Equitable Share revenue is anticipated to reduce by 56,800,000 as per the BPS 2019. This means that the ceilings per department will be affected negatively.

5.7 Proposed Ceilings for 2019/20

Table 16: proposed ceilings for F/Y 2019/20

DEPARTMENT	PROJECTED INCOME 2019/20	2019/20 PROPOSED CEILINGS
Equitable Share	4,402,000,000	
Own Sources	192,086,250	
Office of The Governor		260,973,093
Finance & Economic Planning		340,748,091
Agriculture, Livestock, Fisheries & Cooperatives		138,528,218
Health Services		1,374,201,711
Education, Science, Technical and Vocational Training		466,725,524
Gender, Culture, Youth, Sports and Social Services		193,312,979
Trade, Industry, Tourism and Entrepreneurship.		136,998,765
County Public Service Board		39,131,769
Environment, Water, Energy & Natural Resources.		247,781,149
Transport, Infrastructure & Communication		333,375,648
Physical Planning, Land and Housing		176,646,879
County Assembly		593,682,865
Administration and Coordination of County Affairs		291,979,559
Total County Expenditure	4,594,086,250	4,594,086,250

CHAPTER SIX: SECTOR / DEPARTMENTAL PRIORITIES FOR F/Y 2019/20

6.1 Agriculture Livestock Fisheries and Cooperatives

Agriculture sector envisions a food secure and wealthy County. The county department of agriculture livestock fisheries and cooperatives endeavors to improve the livelihood of County citizens by promotion of Competitive Agriculture, livestock and fisheries subsectors through creation of an enabling environment, ensuring food security for all, promotion of income generation activities in agriculture, provision of cooperative services and ensuring sustainable land management.

The sector goal is to promote and facilitate innovative agricultural production through utilization of technology, agricultural information, and agro processing and value addition for a food secure county.

In the MTEF Period 2018/19-2020/21 the sector prioritizes the strengthening of institutional and legal framework for service delivery , promotion of crop production and development that is sustainable , improvement of veterinary services and increase in livestock productivity , increase fish production and fish feeds , collecting ,collating maintaining and disseminating information pertinent to agriculture , promoting research & development and modern technology uptake , establishment of vibrant cooperative movement and promoting sustainable management and conservation of the natural resource base for agriculture.

Some of the specific programmes and projects to be undertaken in the F/Y 2019/20 include;

<i>Sub programs</i>	<i>Priority Projects</i>	<i>Ranking</i>	<i>Planned targets</i>
General administrative services			Procure - 3 new vehicles
	Agricultural Training & innovation Centre (ATC)- Emuhaya Sub-County	1	Feasibility study; designs; EIA, fencing; basic infrastrure
	Soil testing	2	1 test-kit per ward
Livestock production	Dairy cow Improvement	1	Procure 250 animals
	Pasture and folder bulking/ on farm demonstration	2	Establish 10 demo sites
	Local poultry commercialization	3	10,000 breeding stock; Set up One housing unit per sub-county
	Bee keeping promotion	4	Procure 200 langstroth hives; 10 harvesting kits
	Dairy goat improvement	5	Purchase 250 does and 25 bucks
	Pig Promotion	6	Purchase 50 breeding stock; feed demos

<i>Sub programs</i>	<i>Priority Projects</i>	<i>Ranking</i>	<i>Planned targets</i>
Veterinary Services and Extension	Rehabilitation and maintenance of Lunyerere and Serem slaughter houses	1	
	Mass Livestock Vaccination	1	Vaccinate Black Quarter =50,000animals x 2 FMD, LSD =50,000animals Anti-Rabies = 2 x 20,000 doses Human anti-rabies=50 doses for staff ECF = 500 doses
	Promotion of Artificial Insemination Services	2	Bull semen = 6000 doses Liquid nitrogen = 600 liters
	Animal Disease control program	3	-75L acaricides -75 spray pumps -Assorted drugs
Promotion of Fish Farming	Increased production of quality fingerlings and establishment of an aquaculture training facility at Mwitoko	1	-construct one admin block (offices & reception; conference facility and boardroom) -construct 2 units' staff houses -Procure land for staff houses -procure 1pick-up and 1 motorbike
	Fish Farming Productivity Programme (Extension	2	-procure 250,000 fingerlings -procure and distribute starter feeds to 250 farmers -capacity building of 250 farmers -support 2 fish feed cottage industries with raw materials
Crop Extension services	Promotion of production, value addition and marketing of African indigenous vegetables	1	-Procure and distribute assorted seeds and

<i>Sub programs</i>	<i>Priority Projects</i>	<i>Ranking</i>	<i>Planned targets</i>
			organic fertilizer for 2,500 farmers
	Avocado promotion, value addition and marketing	2	Procure and distribute 20,000 seedlings
	Promotion of French beans	3	Construct one cold storage facility at Walodeya
	Agroforestry, (high value farm trees & improved soil fertility; establishment of fruit tree nurseries	4	-Establish one fruit tree nursery per ward
	Farm Input Subsidy program	5	-Procure and distribute 25,000 bags of 25kg planting fertilizer and 25,000 bags top-dressing fertilizer -50,000 2kg maize seed Targeting 25,000 farmers
	Promotion of tea	6	
	Cocoa promotion	7	
Cooperative Development Services	Revitalization of Co-operative movement	1	-Procure and install 2 coffee pulping machines for 2 factories -Procure and install a coffee miller and roaster for one coffee cooperative -procure 10 motorbikes for 10 coop societies
	Establishment of a cooperative development enterprise fund	2	-establish one fund
ASDSP	Promotion of cow milk, banana and indigenous chicken value chains	1	-
NARIGP	Promotion of cow milk, improved local chicken, local vegetables. Banana value chain promotion	1	

To undertake these programmes and projects, the F/Y 2019/20 estimate for the department is approximated to be KES 322,617,184

6.2 Education, Science and Vocational Training

In the medium-term period, the sector endears to provide, promote and coordinate quality early childhood education and training, integration of science, Technology and innovation for sustainable socio-economic development

The sector strategies prioritized for the F/Y 2019/20 includes; institutional reforms that encompasses development of requisite policies and strategic plans, to ensure access and inclusive high quality education the sector prioritizes provision of quality learning and instructional materials, recruitment of competent and qualified ECDE teachers and VTCs instructors implement learners' capitation programmes including bursary and scholarship programmes

Specific prioritized programme and projects to be implemented in the F/Y 2019/20 includes

PROGRAMME	PRIORITY PROJECT	TARGET	RANK
ECDE DEVELOPMENT	Recruitment of ECDE teachers	814	1
	ECDE infrastructure development (Classrooms and sanitary facilities)	75	1
	Capitation to ECDE Centres	407	1
	ECDE Instructional materials	407	1
	Feeding programme for ECDE.	407	1
	Purchase of tools and equipment	407	1
	Introduction of model Day Care Centres	25	2
	Completion of stalled projects		1
	Enhanced Quality Assurance, Monitoring and Evaluation		1

TVET DEVELOPMENT	Recruitment of qualified and competent Managers and Instructors	100	1
	Procurement of modern tools and equipment.	30	1
	Capitation to Vocational Training Centres (VTCs)	30	1
	Construction/ Renovation of existing VTC infrastructure (Workshops, sanitary facilities, hostels)	30	1
	Construction of New Model VTCs	6	1
	Completion of stalled projects		1
	Introduction of Home Craft Centres	5	2
	Enhanced Quality Assurance, Monitoring and Evaluation		1
	EDUCATION SUPPORT	Enhanced bursaries and scholarships.	100
	Provision of Tools/Equipment for TVET graduates for startups.		1
	Promotion of Co-curricular activities.		1

To undertake these programmes and projects, the F/Y 2019/20 estimate for the department is approximated to be KES 521,725,524

6.3 Health Services

The health sector in the county envisions an excellent, dynamic and globally competitive provider of health services in the County that contributes to a healthy, effective and human capital. The county department of Health services will strive to build progressive, responsive and sustainable technologically driven, evidence-based and client centered health systems for accelerated attainment of highest standard of health care to all residents of Vihiga County. The sector goal is to be a globally competitive, healthy and productive nation.

In the MTEF Period 2018/19-2020/21 the sector will prioritize hiring of health personnel, strengthening of institutional and legal framework for service delivery, complete and equip stalled projects, improve commodities supply, equipping health facilities, scale up of high impact interventions at Level 1 facilities in order to reduce maternal and neonatal mortality and morbidity, strengthen referral system, provide a functional and sustainable infrastructure for comprehensive health services, provide health care subsidy for social health protection and re-engineering human resource for health.

The sector has prioritized specific programmes and projects to be implemented undertaken in the F/Y 2019/20 include are as outlined

<i>Sub-Programme</i>	<i>Prioritized Project</i>	<i>Planned target</i>	<i>RANK</i>
General administrative services	Purchase of utility vehicles	2	1
	Complete Vihiga County Hospital medical plaza	100%	1
	Complete Vihiga County Hospital Mortuary (Lugaga/Wamuluma)	100%	1
	Sinking of Bore holes	5	5
	Procure Suction Machine and casualty Equipment-Vihiga County Hospital	2	2
	Expansion of wards, consultation rooms,Maternity and laboratory at Mbale RHTC (Lugaga/Wamuluma)	100%	4
	Completion of health facilities	36	1
	Construction of staff houses	50	4
	Upgrading of dispensaries	38	2
	Expand Tigo and Lwenya health centre	2	3
	Establishment of a mental health unit in Vihiga County Referral Hospital.	1	4
	Construction of new health facilities	18	5

<i>Sub-Programme</i>	<i>Prioritized Project</i>	<i>Planned target</i>	<i>RANK</i>
	Completion modern incinerators at health facilities	4	2
	Upgrade health centres to sub-county hospitals (Hamisi,Sabatia,Emusire and lynaginga)	4	1
	Purchase back-up Generators	6	2
	Construct and equip I.C.U.(10-bed) at Vihiga County Hospital	1	3
	Construct and equip Blood transfusion centre at Vihiga County Referral	1	3
	Construction of a County warehouse	1	4
	Purchase of equipped Modern Ambulances	10	1
Human Resource management and Development	Increase staffing numbers	54	1
Health Care Financing	Direct Funding to Health Facilities	54	2
Malaria, HIV/AIDs and TB	Malaria Prevention and control	Reduce the prevalence from 26% to 15%	1
	HIV/AIDS programme	Reduce prevelance rate from 3.8 per cent to 3 per cent by 2023	3
	TB, skin & Leprosy programme		5

<i>Sub-Programme</i>	<i>Prioritized Project</i>	<i>Planned target</i>	<i>RANK</i>
Environmental Health Services	Control of major environmental Health related communicable diseases	100 forums	3
	Food quality control		2
	Combating jiggers menace-		5
Community Health Services	Scale up /Establishment of Community Units	50	1
	Control and prevention of communicable diseases		2
	Control and prevention of non-communicable diseases		2
	Establish Mobile Health clinics	5	3
Disease surveillance & emergency response	Routine active disease surveillance, sample collection and reporting	25 routines	3
Health Promotion	Health Promotion	25 advocacy forum	4
Immunization Services	Immunization Programme County Wide	Increase immunization coverage from 68% to 95%	2
Maternal Health Care Services	Scale up child health programmes		1

<i>Sub-Programme</i>	<i>Prioritized Project</i>	<i>Planned target</i>	<i>RANK</i>
Reproductive, New born, child and adolescent Health	Community Based Maternal, neonatal Health (CBMNH) -county wide.		2
Nutrition	Child Growth Monitoring		3
Drugs and Other Medical Supplies (Pharmaceuticals, non- Pharms, Lab Reagents)	Medical supplies		1
Quality Standards and Research	Implement the Kenya Quality Model for Health KQMH programme.	50 facilities	3

To undertake these programmes and projects, the F/Y 2019/20 estimate for the department is approximated to be KES 1,489,861,964

6.4 Physical Planning, Land and Housing

Physical Planning, Land and Housing department envisions to be lead Provider of Urban and Physical Planning services, Prudent Land Management and Decent Housing for Sustainable Development. The department will strive to promote efficient, effective and sustainable land use, and provide decent and adequate housing for all in a Clean and Secure Environment using appropriate technologies across the County. The sector goal is to promote sustainable land use, and provide decent and affordable housing in a clean and secure environment

In the MTEF Period 2018/19-2020/21 the sector prioritizes to formulate policy, Legislative and Institutional Reforms, promote modern housing technology in a sustainable environment, promote efficient, sustainable and equitable land use, promote an integrated institutions and urban planning

management, Streamline and strengthen surveying and mapping systems and provide and maintain housing infrastructure for the county government to enhance service delivery.

Urban areas and cities act 2011 section 37 (1) says that, “..... A city or urban area integrated development plan shall be aligned to the development plans and strategies of the county governments”. The Public finance management act 2012 section 175 (1) echo’s the same process in budget and budget process in urban areas. Vihiga County has recently inaugurated its Municipality Board which is in the process of putting in place its structures as set out in the law. Meanwhile the Municipality Board priorities for the year 2019/2020 are covered under the department of Physical Planning, Land and Housing.

The department plans to undertake specific programmes and projects as outlined;

Sub Programme	Prioritized Project	Target	RANK
Integrated spatial Planning	Physical development Plan –Luanda town	1	2
	Physical development plans for market centres	5	2
	Shiru/Shaviringa Degazettement Planning and Survey of sub plots	Titles issued	1
Land administration Services	Acquisition of Land (land banking)	Appx. 15 acres	1
	Compensation for land compulsorily acquired behind St.Claire's (Development)	5 families	4

Sub Programme	Prioritized Project	Target	RANK
	Land Information Management System -Digitization of land records public and private Preparation of valuation roll	1000 parcels 1	3 1
Survey Services	Procurement of Geodetic survey equipment's	4 RTK 8 GPS	5
	Survey & Fencing of public land	20	2
	Geo referencing of all land parcels in the County	200	4
	County land management information system-Joint effort with land registry	1200	5
Housing Infrastructure development	Renovation of Government residential houses	20	3
	Maintenance of County Government offices	15	3
	Governor's and Deputy Governor's Residences	50%	1
Urban housing programme	Promotion of affordable housing	Countywide	2
County Municipal Board	Waste management (liquid and solid) Examples: o Solid waste: collection equipment, collection bins, transfer stations, collection points		

Sub Programme	Prioritized Project	Target	RANK
	(construction of sanitary landfill excluded) ○ Liquid waste: sludge ponds, community septic tanks, vacuum trucks, vacuum handcarts, other Storm water drainage ○ Urban drainage systems; flood control systems Connectivity (roads, on---motorized transport facilities, and street and security lights) ○ Urban roads pedestrian walkways and bicycle paths, street and security lights and road signs Urban socio---economic infrastructure ○ Urban greenery and public spaces . Fire and disaster management ○ Fire control stations and disaster management equipment (firefighting trucks, rehabilitation and/or construction of new firefighting station and facilities)		

To undertake these programmes and projects, the F/Y 2019/20 estimate for the department is approximated to be KES 515,757,298

6.5 Environment, Water, Energy and Natural Resources

Access to safe and clean water by all, sustainable utilization of forestry and natural resources, and improved sanitation in a clean and secure environment is the core mandate of this department. It aims at achieving these through environment and climate change resilient projects and programmes that are efficient and socially inclusive.

In the MTEF Period 2018/19-2020/21 the sector prioritizes protection of water sources, forests and other natural resources, improvement water supply and management, waste management and rehabilitation of degraded areas

Specific programmes/projects to be undertaken in the F/Y 2019/20 are as outlined in the table below

Sub programme	Priority projects	Planned targets	Ranking
General administrative service	Payment of electricity for water supplies	20	1
	Contracted Professional services (outsourcing of garbage collection)	County wide	
	Supplies for production (water treatment chemicals)	10	
	water supply and sewerage (maintenance of w/s-)	All	
	other utilities, goods and services	All	
	staff emolument	1	
	purchase of vehicle	5	
	Internship programme	6	
Water supply management	Incomplete projects	100M	1
	Water spring protection	100	2
	Rehabilitation of existing water schemes in wards.	25	1

	Rehabilitation and augmentation of water supplies	10	1
	Expansion of water services distribution system (laying of pipes)	300 KM	1
	Metering for operating water supplies	1000	1
	Boreholes drilling and equipping	15	1
	Rain water harvesting in ECDE centers	50	2
	Water bottling unit (VIWASCO)	1	2
	Rehabilitation of dams and pans	2	2
Environmental Protection & Conservation	Counterpart funding for sewerage works	3	1
	Solid waste management system	5	1
	Constructed wet land	1	1
	Construction of on-site sanitation facilities in towns and markets	10	2
	Litter bins for solid waste management	All markets	1
	Climate change resilience projects and programmes Public awareness and Education on Environment	County wide	1 1
Farm Forest Management	Afforestation programme	County wide	1

Natural Resources Management	Counterpart funding for Landscape conservation and livelihood improvement(LaCoLi)	County wide	1
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To undertake these programmes and projects, the F/Y 2019/20 estimate for the department is approximated to be KES 340,640,189

6.6 Office of the Governor

The office of the governor is critical in overseeing the implementation of the Governors manifesto, the county CIDP and the national Vision 2030 in line with the constitution of Kenya. The office is key in overseeing and accelerating the delivery of services to the citizens.

The prioritized programmes and projects for the F/Y 2019/20 in line with the CIDP and ADP 2019/20 are summarized as;

Sub programme	Prioritized projects	Ranking	Planned target
Disaster Response and mitigation	Emergency projects and special programmes	1	Disaster response fund
Research and Development	Research and development	1	
Governor's Communication	Construction of office	1	
	Purchase of motor vehicle	2	One utility vehicle
Service delivery Unit	Establishment of SDU	1	3 M&E Officers, office stationery and equipment

			One SDU utility vehicle 5 motor cycles
	Projects and programmes Performance evaluation	1	Installation and roll out of e- CIMES Strengthen reporting on programmes and projects M&E activities, independent surveys on specific programme outcomes and reporting

To undertake these programmes and projects, the F/Y 2019/20 estimate for the department is approximated to be KES 260,973,093

6.7 Transport and Infrastructure

The Department of Transport and Infrastructure is mandate to implement functions related to transport and county roads as assigned in the fourth schedule of the constitution and other enabling legislation. The *Sector’s strategic objectives include* 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 fire-fighting. Services.

Specific projects/programmes planned to be undertaken in the FY 2019/20 are;

Programme/sub-programme	Prioritized Project	Target	Rank
Fire Fighting Services	Construction of Fire Station	1No.	1
Mechanical Services	Completion and equipping of Mechanical Workshop	1 No	2
Roads Infrastructure Development	Rehabilitation & maintenance of access roads	420 Kms	3
	Construction of bridges/box culverts	25 Bridges/Box culverts	4
Energy reticulation	High mast flood lights in markets Green energy installation(Biogas, solar)	30 markets	5
Road construction	Upgrading of roads to bitumen standard (Low volume seal)	5 Kms	6
Road construction equipment	Acquisition of Road equipment	Purchase of 3No. Graders, 3No. rollers, and 1No. excavator, 3 water	7

Programme/sub-programme	Prioritized Project	Target	Rank
		bowser and 6 No. tippers	

To undertake these programmes and projects, the F/Y 2019/20 estimate for the department is approximated to be KES. 460,949,336

6.8 Public Service, Administration and Coordination of County Affairs

The Department is mandate to implement functions related to public service, administration and coordination of county affairs as assigned in the Kenyan Constitution, 2010 and County Government act 2012. The broad strategic objectives for the department are; To formulate legal and institutional framework to enhance effective service delivery in Public Service, Administration and Coordination of County Affairs, Enhance management of human resource in the County Public Service, To enhance Coordination, dissemination and management of information, To establish and strengthen infrastructure necessary for effective service delivery, To establish and operationalize County performance management and development systems.

The Specific projects/programmes planned to be undertaken in the FY 2019/20 include;

County Administration and Coordination of County Affairs			
Programme	Prioritized Project	Target	Ranking
County administration	County HQ block	20% completion rate	1
Infrastructural Development	Construction of Sub-County offices (To accommodate sub-	Vihiga, Emuhaya and Hamisi	1

	County Administrator, Ward Administrator and devolved Sub County offices)		
	Construction of two Ward Offices	Luanda and Sabatia sub-Counties	1
	ICT infrastructure expansion & Extension of fibre optic cables	5 Sub-County HQs	2
Purchase of motor vehicles and motor cycles	Enhance mobility of staff to improve on service delivery	1 Bus (51-seater) 2 Double cabin 10 motor cycles for Ward Administrators	2
Staff Recruitment	Village Administrators	132 officers	1
Institutional Reforms	Purchase of uniforms for Ward Administrator and Enforcement officers	All Sub County and Ward Administrators Enforcement Officers	2
B. County Communication and Public Relations Unit			

Communication and Public Services	Procurement of essential equipments at County Communication and Public Relations Unit)	2 Vehicles, Recording Studio equipments, transmitter mast, Silent generator, internet services, video and audio production equipments, office space, desktop computers, laptops. Publicity	1
Institutional Reforms	Formulation of Policies, Regulations and Legal Framework	Communication Strategy Policy	2
Civic Education and Public Participation			
Coordination and Administration Services	Co-ordinate public participation and citizen engagement forums (County wide)	50 Forums	1
	HIV/AIDS awareness forums (County wide)	50 Forums	1
Institutional Reforms	Formulation of Policies, Regulations and Legal Framework	Civic Education & Public Participation Policy	2

	Equip the Directorate	1 office established and purchase a vehicle (Double cabin)	2
Staff	Secretariat Staff	10 Officers	2
Recruitment	Enforcement officers	As required	1
D. Human Resource Management and Development			
Skills Development	Staff induction, training, coaching and mentorship	500 County staff	1
	Attachment and internship programs	90 interns	2
Performance Management	Institute Performance Contracting and Performance Appraisal System.	500 County Staff	1
Human Resource Digitization	Human Resource Information Management System (HRIMS)	A centralized system	1
	Biometric Machines	4 (2 HQs and 2 Sub County offices)	2

Institutional Reforms	Formulation of Policies, Regulations and Legal Framework	Training & Development Policy Performance Management Policy	2
	Employee Welfare	Medical Cover	3
	Institute County Training Needs Assessment.	A compiled and operationalized TNA	1
E. Alcoholic Drinks Control and Regulations			
Alcohol and Drug Rehabilitation	Construction of Rehabilitation Centre and equipping.	1 Center	1
Institutional Reforms	Formulation of Policies, Regulations and Legal Framework	Alcoholic Drinks and Substance Abuse Regulation Policy	2

To undertake these programmes and projects, the F/Y 2019/20 estimate for the department is approximated to be KES 291,979,559

6.9 Public Service Board

The Public Service Board mandate is to implement functions related to human resource matters in the county government as assigned in the County Government Act and other enabling legislation.

The Sector Strategic Objectives are including facilitating recruitment and promotion of staffs in various County department, instituting organizational framework of departments and ensuring continuing professional development and progression of public servants.

PROGRAMMES TO BE IMPLEMENTED

Programme	Projects	Rank
General administrative Services	Employment of additional personnel.	1
	Lease of office space	2
	Payment of utility bills i.e electricity and water	3
	Procurement of office furniture and fittings	4
	Procurement of ICT equipments and accessories	5
	Legal dues/fee for mitigation court litigations	6
	acquisition of staff uniforms and identification cards	7
	Publishing, printing and launching of the board documents	8
	Gender and disability mainstreaming	9
	Maintenance of ICT equipments	10

To undertake these programmes and projects, the F/Y 2019/20 estimate for the department is approximated to be KES 39,131,769

6.10 Trade, Industry, Tourism and Entrepreneurship

The mandate of the Department of Trade, Industry, Tourism and Entrepreneurship, is derived from the constitution of Kenya 2010 under the Fourth Schedule. The Department is responsible for formulating and supporting strategies, plans and programs that promote and ensure expansion and

diversification of trade, promotion of fair trade practices, environmentally sustainable industrialization and tourism

The Sector Vision is: To be a lead department in Trade, Industry, Tourism and Enterprise development for a competitive and prosperous County. The Sector Mission is: To facilitate growth and development of Commerce, Tourism, Investment and Entrepreneurship for Economic Sustainability in our County

In the MTEF period 2018/19-2020/21 the sector has prioritized creating an enabling environment for SMEs to operate, promotion of industries, consumer protection and entrepreneurship growth and development.

The prioritized programmes and projects for the F/Y 2019/20 include;

Sub Programme	Prioritized Projects	Planned Target	RANKING
General Administrative Services	Preparations of Bills/ Policies/ Regulations	4 Bills 4 Policies 4 Regulations	1
	Office Renovation		5
	Employment of additional Staff (Market Cleaners)	All Markets in the County	4
	Purchase of Motor Vehicle	3	2
Market Infrastructure	Construction of Modern Markets	2	1
	Maintenance of Street Lighting	Major markets County Wide.	1
	Construction of market shades	County wide	2

	Completion of ESP markets	4	4
	Construction of boda boda shades	All wards	2
Micro and Small Enterprise Development	Vihiga Trade and Enterprise Fund	County Wide	1
	Training of Boda Boda Operator	County Wide	2
	Training on Entrepreneurship skills	County Wide	3
	Organizing Investment Conference	Headquarters	3
Trade Promotion	Establishment of business information centers Facilitating youth in business conference Facilitating Women in business conference Organizing Trade Fairs and Jua kali Exhibitions		5
Tourism Marketing and Promotion	Develop Tourism Sites	County wide	5
	Sensitization of Stake holders	Sub Counties	1
	Marketing of Local Tourism		2
Industrial Promotion	Commercialization of Indigenous Vegetables	County wide	2
	Establishment of Kaimosi EPZ	Kaimosi	3
	Building of capacities of SME's	Countywide	5
	Construction and Equipping of the incubation centres	2	4
Consumer Protection	Procurement of Testing Equipment	At Headquarters	2
	Inspection and Testing of Trade Equipments	At Headquarters	2
Entrepreneurship Promotion	Organizing Business Competition Award		

To undertake these programmes and projects, the F/Y 2019/20 estimate for the department is approximated to be KES 136,998,765

6.11 Youth, Gender, Sports, Culture and Social Services

This sector comprises of the following subsectors: Social Services, Youth, Gender, Sports, Culture and Children services.

The sector Vision is: a vibrant and cohesive society thriving on its cultural diversity, Social protection and Empowerment for all. The sector mission is: to to promote sustainable employment, productive workforce, empower the vulnerable groups & recognize diverse heritage, arts & sports for socio economic development.

In the medium term framework 2018/19-2020/21 the sector prioritized; Cultural preservation and promotion, Sports Promotion, Youth mainstreaming and empowerment, Gender Mainstreaming and Child development and protection. Key programmes and to be implemented included;

Sub Programme	Prioritized Projects	Planned Target	Ranking
Promotion of Arts	Establishment of Arts Gallery at Manyatta; Acquisition of Land	1 2	3
Culture and Heritage conservation and preservation	Organize cultural extravaganza and festivals at ward level Organize cultural extravaganza and festivals at sub-county level Organize county cultural extravaganza and festival finals Participate inter-county cultural and music extravaganza Documentation and Protection of cultural sites Participate in Kenya Music and Cultural festivals Participate in Kenya Community Music festival Herbal workshops	25 5 1 1 38 1 1 1 1	2

	<p>Construction of Moses Mudamba cultural site</p> <p>Completion of Sabatia Library</p>	1	
Development of Sports Facilities	<p>Completion of Kidundu, Hamisi and Chavakali, Solongo and Mumboha stadia and sportsground respectively</p> <p>Completion of upgrading of Shiru, Emukunzi, Mahanga, Ebusakami playgrounds</p> <p>Levelling and upgrading Muhudu, Demesi, Kegoye, Ebusiratsi and Esiandumba Playgrounds</p>	5 4 5	1
Promotion and Development of Sports and Talent	<p>Organize Governor's cup sporting festival county wide</p> <p>Purchase of Sports Equipment at ward level</p> <p>Hold Kenya Inter Counties Youth Sports Competition (KYISA)</p> <p>Partake in KICOCSA</p>	25 25 1 1	1
Youth, Women, PWD's, VC'S Empowerment Mainstreaming	<p>Equiping of Talent Centres</p> <p>Youth empowerment</p> <p>Finalizing and Implementing Gender Policy</p> <p>Capacity building of community groups and child protection stakeholders</p> <p>Celebrate international day of adoption and foster care</p> <p>Celebrate the world orphans day</p>	5 500 1 500 1	1

Celebrate the day of the African child	1	
Celebrate international womens's Day	1	
Celebrate international day of elderly persons	1	
Celebrate the international Day for persons with disabilities	1	
Celebrate International Day for Youth	1	
Develop Child Protection Policy	1	
Develop Person with Disability Policy	500	
Training and capacity building of Person's with Disabilities	2000	
Purchase equipment for PWDs	500	
Social Health insurance Fund	1	
Training and Capacity building of PWD's	1	
Construction of Luanda Rehabilitation Centre		
Construction of Hamisi Rescue Centre		
Conduct children's assemblies		

To undertake these programmes and projects, the F/Y 2019/20 estimate for the department is approximated to be KES 193,312,979

COUNTY ASSEMBLY

The Assembly will focus on its core constitutional mandate of Oversight, Legislation and representation; its recurrent budget remains the same as given by the CARA 2018.

County Assembly projects for financial 2018/19 are; construction of the official residence of the Hon Speaker of Vihiga County Assembly, Completion of the Vihiga County Assembly Chambers, Construction of multipurpose office block and committee rooms at the Vihiga County Assembly Headquarters. The amount allocated for these projects will roll over to FY2019/20 if not spend in the current year.

In FY 2019/20 The County Assembly is proposing to purchase communication equipment and other infrastructure.

To undertake these programmes, the F/Y 2019/20 estimate for the department is approximated to be KES 593,682,865

6.12 Finance and Economic Planning

The department plays a critical role in provision of public finance management services, formulation and coordination of economic development plans and budgets as well as tracking the implementation of county plans and budgets.

The department visions to be a lead entity in provision of quality accounting, financial and economic planning services.

The department prioritizes sound management of county public finances, provision of quality transparent and accountable accounting, procurement, revenue and internal audit services, development and strengthening of policy formulation, development plans and budgets in the county, capacity building and strengthening of institutional framework as well as timely reporting on results. The Department will endeavour to fastrack commitments by the County to the Lake Region Economic Block (LREB).

Prioritized programmes and projects for the MTEF period 2018/19-2020/21 are as follows;

Sub Programme	Priority Projects	Ranking	Planned targets
General Administrative Service	Construction of county treasury building	3	1
	Purchase of utility vehicles	2	5
	Digitization of asset register	1	1
	Lake Region Economic Block	1	
Procurement Services	Preparation of procurement plans and reports	1	1
	Capacity building and purchase of equipment	2	
Resource Mobilization/Revenue	Automation of own revenue collection & management, and other reforms towards enhanced own revenue	1	1
	Capacity building of revenue officers	2	
Budget formulation coordination and management	Preparation of CFSP, CBROP, Consolidated County budget	1	3
	implementation of Hyperion module on budgeting	1	1
	Enhanced public participation for a on budgeting & expenditure	1	
	Enhanced engagement of SWG and CBEF	1	

Sub Programme	Priority Projects	Ranking	Planned targets
Audit service	Value- for -Money (VFM) Audits and reports	1	
	Implementation of ACL/team mate /Audit software	1	
	Institute a debt management strategy	1	
	Institute audit risk management framework	1	
	Capacity building and equipping	1	
	Remuneration of audit committee	1	
	Accounting services	Enhanced Accounting services and financial reporting Capacity building staff	
Planning	Coordination and preparation of sector plans and departmental strategic plans Preparation of the 2020/21 ADP and review reports Public participation fora on policies and plans	12	
Monitoring and evaluation	Enhanced monitoring, evaluation and reporting and dissemination of such reports	1	4
	Acquisition and implementation of e-CIMES	1	1
	Support the service delivery unit (equipping & reporting)	1	4
		1	

Sub Programme	Priority Projects	Ranking	Planned targets
	Strengthening the capacity of departments on planning, budgeting and reporting processes		
County statistics and documentation	Production of Timely/ accurate Statistics, information and reports	1	4
Capacity building & strengthening of institutional framework/ KDSP	Structured learning, equipment , systems rollout and guidelines on PFM, HRM, M&E, Planning, Public Participation and Civic Education and environmental and social safeguards	1	

To undertake these programmes and projects, the F/Y 2019/20 estimate for the department is approximated to be KES 389,039,719

Table 17: PROJECTED EXPENDITURE FOR 2019/20 PER DEPARTMENT

DEPARTMENT	CONDITIONAL GRANTS20/19/20	PROPOSED CEILING 2019/20	PROPOSED EXPENDITURE 2019/20	PROPOSED EXPENDITURE 2020/21	PROPOSED EXPENDITURE 2021/22
Office of The Governor		260,973,093	260,973,093	274,021,748	287,722,835
Finance & Economic Planning	48,291,628	340,748,091	389,039,719	408,491,705	428,916,290
Agriculture, Livestock, Fisheries & Cooperatives	184,088,966	138,528,218	322,617,184	338,748,043	355,685,445
Health Services	115,660,253	1,374,201,711	1,489,861,964	1,564,355,062	1,642,572,815
Education, Science, Technical and Vocational Training	55,000,000	466,725,524	521,725,524	547,811,800	575,202,390
Gender, Culture, Youth, Sports and Social Services		193,312,979	193,312,979	202,978,628	213,127,559
Trade, Industry, Tourism and Entrepreneurship.		136,998,765	136,998,765	143,848,703	151,041,138
County Public Service Board		39,131,769	39,131,769	41,088,357	43,142,775
Environment, Water, Energy & Natural Resources.	92,859,040	247,781,149	340,640,189	357,672,198	375,555,808
Transport, Infrastructure & Communication	127,573,688	333,375,648	460,949,336	483,996,803	508,196,643
Physical Planning, Land and Housing	339,110,419	176,646,879	515,757,298	541,545,163	568,622,421
County Assembly		593,682,865	593,682,865	623,367,008	654,535,359
Administration and Coordination of County Affairs		291,979,559	291,979,559	306,578,537	321,907,464
Total County Expenditure	962,583,994	4,594,086,250	5,556,670,244	5,834,503,756	6,126,228,944

CONCLUSION

Budgetary resources are usually limited thus it is imperative that departments prioritize their programmes within the available resources to ensure that utilization of public funds are in line with county government priorities. Departments need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans in allocating resources. For instant having projects done in phase and allocating resources in three years (MTEF period)

Proper implementation of the budget is critical towards providing services that will promote sustainable growth. Sustainability requires greater effort from all the stakeholders including County Government Departments, civil Society, Communities, County Assembly and development partners

There is also need to ensure that resources are being utilized efficiently, effectively and comply with the fiscal responsibility principle as they are in the law.

Appendix 1:

VIEWS FROM THE PUBLIC PER SUB COUNTY

VIHIGA SUB-COUNTY

CENTRAL MARAGOLI WARD	
DEPARTMENT	PRIORITIES
Agriculture. Livestock, Fisheries and Cooperatives	<ul style="list-style-type: none">• Fresh produce market for vegetables• Promotion of coffee production before pulping machines
Health Services	<ul style="list-style-type: none">• FastTrack construction of stalled health facilities
Education, Science and Vocational Training	<ul style="list-style-type: none">• Expand Kegenderova polytechnic since Keveye is almost becoming national polytechnic• Increase bursary allocation• County partnership with HELB in financing needy students
Physical Planning, Land and Housing	<ul style="list-style-type: none">• County to come up with a strategy for development of affordable housing

The participants from Central Maragoli ward generally agreed with the prioritization by departments except;

Agriculture

- local poultry commercialization was ranked number 1 against department ranking of 3
- Dairy goat improvement ranked 3 against department ranking of 5

Health Services

- Sinking of boreholes was ranked 1 against department ranking of 5
- Establishment of mental health unit in Vihiga county referral hospital ranked 1 against departments ranking of 4

- Construction and equip blood transfusion center at Vihiga county referral ranked 1 instead of 3
- HIV/AIDS programme ranked 1 against departments ranking of 3
- Combating jiggers menace ranked 1 against department ranking of 5

Physical Planning, Land and Housing

- Procurement of Geodetic survey equipment ranked 2 against departments ranking of 5
- County land management information system ranked 2 against department 5

Public Service Board

- Gender and disability mainstreaming ranked 1 against departments ranking of 9.

LUGAGA WAMULUMA	
Department	PROPOSALS FROM WARD
Agriculture	<ul style="list-style-type: none"> • Under farm input t subsidy the community ranked no. 1 as compared to the departments ranking of 5
Health	<ul style="list-style-type: none"> • No need for new health facilities
	<ul style="list-style-type: none"> • No need for a county ware house
Physical planning land s and housing	<ul style="list-style-type: none"> • Survey and fencing of public land was ranked no. 1
T&I	<ul style="list-style-type: none"> • Acquisition of roads equipment is not a priority
Administration and Coordination of County Affairs	<ul style="list-style-type: none"> • Construction of two ward offices to be done in Vihiga
	<ul style="list-style-type: none"> • Purchase of uniforms for ward administrators not a priority
	<ul style="list-style-type: none"> • Enhanced mobility of staff to improve on service delivery not prioritized
	<ul style="list-style-type: none"> • Biometric machine be in all sub counties

Save for the above mentioned comments the public agreed with the departmental priorities and rankings

MUNGOMA WARD	
DEPARTMENT	PRIORITIES
Agriculture, Livestock, Fisheries and Cooperatives	Livestock production <ul style="list-style-type: none"> • 10 dairy cows per ward • 25 farm demonstration centres • Commercialization of local poultry at ward level. • Expansion of Mahanga slaughter house. • Renovation of Lynanginga and Bukuga cattle dips. • Increase spray pumps to 100 • Farm inputs subsidies to be done on timely basis
Health services	<ul style="list-style-type: none"> • Construction of mortuary at Lynanginga Dispensary • Bore hole per health facility • Ambulance for Lynanginga health centre.
Public service and administration	<ul style="list-style-type: none"> • Construction of Mungoma ward offices

The participants agreed with most of the ranking and the proposed programs.

SOUTH MARAGOLI	
Department	PROPOSALS FROM WARD
Agriculture, Livestock, Fisheries and Cooperatives	<ul style="list-style-type: none"> • Soil testing should be given the first priority • Increase the number of dairy cows under dairy cow promotion programme • On farm demos on pasture and folder bulking –should be at least one in every sub county • Poultry and breeding stock should be set up in every ward as opposed to one per sub county • AI services to be ranked one and No. of doses increased
Education, Science and Vocational Training	<ul style="list-style-type: none"> • More ECDE teachers to be employed to meet the demand • More day care centers
Health Services	<ul style="list-style-type: none"> • Enhance anti -jigger campaigns and rank No. one • Upscale Community Health Units • Increase mobile clinics

Transport and Infrastructure	<ul style="list-style-type: none"> • Modernize construction of bridges and box culvers • Construction and maintenance of access roads, should be given priority one • Upgrading of roads to bitumen standards should be given first priority
Trade , Industry, Tourism and Entrepreneurship	<ul style="list-style-type: none"> • Public toilet to be put up at lower south Maragoli

Save for the above mentioned comments the public agreed with the departmental priorities and rankings

LUANDA SUB-COUNTY

WEMILABI WARD	
DEPARTMENT	PRIORITIES
Agriculture, Livestock ,Fisheries and Cooperatives	<ul style="list-style-type: none"> • Prioritize fertilizer subsidy and be distributed on time • Recruit extension workers • Renovation of Mwitoko fish pond • Loans to start poultry farming • Extension services on bee keeping and horticulture
Health Services	<ul style="list-style-type: none"> • Expansion of Emusenjeli dispensary since land already bought • Expansion of Musitinyi dispensary since land is available • Employ more nurses
Education, Science and Vocational Training	<ul style="list-style-type: none"> • Completion and equipping of Ebusiratsi AC polytechnic • Construction of Wandече and Esiamarwi-Ebulonga sub location ECDE classrooms and employment of teachers
Trade, Industry and Tourism	<ul style="list-style-type: none"> • Increase allocation of enterprise fund • Construction of modern market • Street lighting • Construction of bodaboda shades

Gender, Youth, Sport and Social Services	<ul style="list-style-type: none"> • Purchase of land for sports ground
Transport and Infrastructure	<ul style="list-style-type: none"> • Construction of Etabalia-Musilongo PAG to Emusenjeli dispensary, Wandече-Abusalom to Emusenjeli dispensary, Emuhaya-DC to Esiamayayi, Esirabe-Magada road • Rehabilitation of all roads in Wemilabi ward • Repair of all foot bridge in the ward
Public Service, Administration and Coordination of County Affairs	<ul style="list-style-type: none"> • Purchase of motor vehicles and motor cycles • Recruitment of village administrators • Construction of ward administrators office

The participants from Wemilabi ward generally agreed with the prioritization by departments.

Luanda Township	
Department	PROPOSALS FROM WARD
Agriculture, Livestock, Fisheries and Cooperatives	<ul style="list-style-type: none"> • Increase technical officers –extension • Maintenance and rehabilitation of mukhalakhala slaughter house
Education, Science and Vocational Training	<ul style="list-style-type: none"> • More ECDE teachers to be employed to meet the demand • Capitation of 2 ECDE center per ward
Transport and Infrastructure	<ul style="list-style-type: none"> • Prioritize construction of old posta road bridge, mbati roads bridge - ebusiralo, ekamanji-butiko roads brigde and opuya bridge • Prioritize Repairs and maintenance of Epanga –khusikulu-magada road, old posta road, esiamayayi- ekamanji road, emayoka –evwitale road • High mast flood lights –Big Ben-Mulwakhi shopping center, Goodwill road –Khusikulu. Luanda-Ebusakami road , Esimayayi- Ekamanji Dispensary Road , Luanda market

Trade, Industry, Tourism and Entrepreneurship	<ul style="list-style-type: none"> • Public toilet to be put up at lower south maragoli
Administration and Coordination of County Affairs	<ul style="list-style-type: none"> • Construction of sub county offices- Luanda should be included • Purchase of uniforms for administrators should not be prioritized
MWIBONA WARD	
Department	PROPOSALS FROM WARD
Agriculture, Livestock ,Fisheries and Cooperatives	<ul style="list-style-type: none"> • Prioritize irrigation farming • Enhance farm input subsidy-fertilizer • Prioritize indigenous vegetables promotion • Equip Mukhalakhala slaughter house
Health Services	<ul style="list-style-type: none"> • Emusoli –Ebwiranyi Should be operationalized • Increase supply of drugs and pharmaceuticals. • Increase CHVs • Health facilities at Esiandumba and Ebutanyi.
Environment, Water and Natural Resources	<ul style="list-style-type: none"> • Nangoli water project to be completed – laying of PVC pipes • Bore hall at mukhalakala to be operationalized
Education , Science and Vocational Training	<ul style="list-style-type: none"> • More ECDE teachers to be employed to meet the demand • Equip VTCs
Transport and Infrastructure	<ul style="list-style-type: none"> • Prioritize construction of Ebuyale-Eshiututu road • Prioritize firefighting equipment • Construction of bridge; mwitukho-emaloba bridge • Flood mast at mwibona market

EMABUNGO WARD	
DEPARTMENT	PRIORITIES
Agriculture, Livestock ,Fisheries and Cooperatives	<ul style="list-style-type: none"> • Completion of Mkhalkhala slaughter house. <p>Fisheries services-</p> <ul style="list-style-type: none"> • Promotion of fish farm • Increase of fingerlings from 250,000 to 500,000 • Increase starter feeds from 250 to 500 farmers. • Capacity building to farmers to be increased from 250 to 500. • Create markets for the farmers. <p>Crop extension-</p> <ul style="list-style-type: none"> • Increase the number of assorted seeds and organic fertilizer from 2,500 to 5,000. • Construct of storage facilities for French beans in all sub counties. • Promote soya beans and coffee instead of cocoa. <p>Cooperatives</p> <ul style="list-style-type: none"> • Establish one fund for Sub County. <p>Livestock production</p> <ul style="list-style-type: none"> • Rabbit farming to be included.
Health Services	<ul style="list-style-type: none"> • Purchase of utility vehicle for every sub county. • Construct of maternity ward at Estsaba and Eliangoma.
Transport and Infrastructure	<ul style="list-style-type: none"> • Bridge construction at Musinaka to waluka.

Most of the programs were agreed to upon by the participants.

LUANDA SOUTH	
DEPARTMENT	PRIORITIES
Public Service and Administration	<ul style="list-style-type: none"> • Construction and equipping of ward offices in all wards • Staffing of ward offices
Agriculture, Livestock ,Fisheries and Cooperatives	<ul style="list-style-type: none"> • Soil Testing
Transport and Infrastructure	<ul style="list-style-type: none"> • Mechanical workshops to be decentralized at county. • Construction of – <ol style="list-style-type: none"> a. Esinamutu-sunrise road bridge b. Khwiliba-Mukhakhala road and bridge c. Sunga-Lela road d. Skylite-ogonji road e. Marisin-Echenje bridge
Health Services	<ul style="list-style-type: none"> • Upgrade Luanda health centre, Ekwanda health centre. • Completion of Ochuore health centre. • Construction of Esinamutu Health centre. • Distribution of mosquito nets.
Education, Science and Vocational Training	<ul style="list-style-type: none"> • Increase EDC teachers. • Increase Capitation to Vocational Training
Youth & Sports	<ul style="list-style-type: none"> • Sports clinics at the sub-county level
Water & Environment	<ul style="list-style-type: none"> • Raise Kayila water spring • Nangoli water spring

The public agreed generally with the proposed priorities.

SABATIA SUB-COUNTY

NORTH MARAGOLI WARD	
DEPARTMENT	PRIORITIES
Agriculture, Livestock, Fisheries and Cooperatives	<ul style="list-style-type: none"> • Increase number of dairy cows • Mass vaccination to be done three times • Extension services • Rotational vaccination • Revive coffee sector • Distribute French beans per sub-county • Revive tea cooperative movement
Education, Science and Vocational Training	<ul style="list-style-type: none"> • Construction and equipping of ECDE centres • Increase employment of ECDE teachers to 1500 • Equip vocational centre in Mutambi and staffing
Health services	<ul style="list-style-type: none"> • Enhance malaria, TB and HIV/AIDs programmes • Upgrade Inyali dispensary to health centre • Construct Digula dispensary • Ambulance per ward • Train and remunerate community health workers
Physical Planning, Land and Housing	<ul style="list-style-type: none"> • Reduce rates on title deeds, survey and succession • Survey and fence public land
Environment	<ul style="list-style-type: none"> • Enhance water supply • Rehabilitation of water springs in the sub-locations
Transport and Infrastructure	<ul style="list-style-type: none"> • Open and maintain all feeder roads • Construct of flood lights at Gajiremba and Mutambi
Youth, Gender, Sports and Culture	<ul style="list-style-type: none"> • Construct of talent centres at location level • Public sports ground in North Maragoli

The stakeholders generally agreed with ranking done by the Departments.

SABATIA WEST	
DEPARTMENT	PRIORITIES
Agriculture, Livestock, Fisheries and Cooperatives	<ul style="list-style-type: none"> • Construction of ATC in Sabatia west at Solongo as captured in CIDP • Prioritization of local poultry commercialization
Education, Science and Vocational Education	<ul style="list-style-type: none"> • Employment of ECDE teachers • Procure modern tools and equipment for TIVET
Health Services	<ul style="list-style-type: none"> • Upgrade Kegondi health centre t sub-county hospital • Train and remunerate community health workers • Construction health facility in Kisatiru sub location
Environment, Water and Natural Resources	<ul style="list-style-type: none"> • Rehabilitate existing boreholes • Enhance water supply
Transport and Infrastructure	<ul style="list-style-type: none"> • Rehabilitation of access roads • Flood lights at Kuangula
Public Service	<ul style="list-style-type: none"> • Bodaboda training
Youth, Gender and Sports	<ul style="list-style-type: none"> • Construction and equipping of talent centres • Establishment of Kisatiru rehabilitation centre as per the CIDP

The stakeholders generally agreed with ranking of Departments

WODANGA WARD	
DEPARTMENT	PRIORITIES
Agriculture, Livestock ,Fisheries and Cooperatives	<ul style="list-style-type: none"> • Honey Processing factory at Lwenya • Avocado value addition • Subsidize AI services
Education, Science and Vocational Training	<ul style="list-style-type: none"> • Construction and equipping of Givudianyi ECDE classroom • Completion of Vokoli ECDE classroom • Construction of lecture halls and workshops at Gavudia VTC
Health Services	<ul style="list-style-type: none"> • Prioritize expansion of Lwenya dispensary • Employ more health workers
Environment, Water and Natural Resources	<ul style="list-style-type: none"> • Rehabilitation of existing water schemes; revive lusengeli water project, and construct overhead tank at Vokoli water supply
Transport and Infrastructure	<ul style="list-style-type: none"> • Rehabilitation and mantainacne of access roads; Vokoli-Gavudia, Gurugwa-Gavudia, Gaigeidi-Chanderema roads and vokoli/gavudia and Givudimbuli/Mambai bridge

Generally, the stakeholders of Wodanga ward concurred with ranking done by the department except;

- Under health they ranked expansion of Lwenya dispensary to 1
- Public service board- they ranked procurement of ICT equipment to be 1 and acquisition of uniforms to be 2

IZAVA –LYADUYWA	PROPOSALS FROM WARD
DEPARTMENT	
Agriculture, Livestock ,Fisheries and Cooperatives	<ul style="list-style-type: none"> • Prioritize coffee production • Improve on tea production • Prioritize promotion of French beans • Cocoa promotion not a priority
Trade	<ul style="list-style-type: none"> • Prioritize boda shed s to rank 1 • Training on entrepreneurial skills to be ranked 1 • Trade promotion ranked 1 • Tourism marketing to be prioritized • Incubation centers to be prioritized
Youth gender social services culture and sports	<ul style="list-style-type: none"> • Priorities promotion of Cultural heritage • Promote Arts
Health	<ul style="list-style-type: none"> • Prioritize completion of Nadanya and Munoywa dispensaries
Lands Physical Planning and Housing	<ul style="list-style-type: none"> • Prioritize survey for for leasehold plots (cadastral survey)
Water	<ul style="list-style-type: none"> • Prioritize improvement of water springs • Prioritize Ikuvu Water supply
Education, Science and Vocational Training	<ul style="list-style-type: none"> • Stakeholders agreed with the departmental priorities
Transport and Infrastructure	<ul style="list-style-type: none"> • Prioritize mechanical unit construction • Food mast light at north end • Bitumen road to be ranked 1
Administration and Coordination of County Affairs	<ul style="list-style-type: none"> • Prioritize provision of vehicles for ward administrators

CHAVAKALI WARD	
Department	PRIORITIES
Agriculture, Livestock ,Fisheries and Cooperatives	<ul style="list-style-type: none"> • Construct demonstration site at igunga • Construct hide and skin at lunyerere. • Pig promotion at chavakali. • Livestock vaccination to be done regularly. • Provide subsidies for fish production. • Promotion of Coffee instead of cocoa.
Education, Science and Vocational Training	<ul style="list-style-type: none"> • Additional TVET Teaches. • Purchase of land TVET • Recruitment of ECD teachers. • Construction of ECD at Walodeya.
Health services	<ul style="list-style-type: none"> • Construct of health Dispensary at Chavakali. • Completion of Evojo and Viyalo health facilities.
Physical Planning, Land and Housing	<ul style="list-style-type: none"> • Have physical development plan at Luanda and Chavakali. • Development plan at Stendikisa and Viyalo.
Environment	<ul style="list-style-type: none"> • Provide Electricity at Chavakali wholesale and retail markets. • Provide water at Chavakali markets.
Trade	<ul style="list-style-type: none"> • Boda shades at Stendikisa and Viyalo.
Public Service and Administration.	<ul style="list-style-type: none"> • Construct of ward administration offices.
Gender	<ul style="list-style-type: none"> • Construction of Art gallery at Manyatta.

BUSALI WARD	
DEPARTMENT	PRIORITIES
Agriculture, Livestock, Fisheries and Cooperatives	<ul style="list-style-type: none"> • Soil Testing ranked 1 • Promotion of artificial insemination ranked 3. • Animal disease control ranked 1 • Mass animal vaccination ranked 2. • Provide fish market
Gender	<ul style="list-style-type: none"> • Arts gallery to be constructed at a different location from Manyatta because they have another project.
Health services	<ul style="list-style-type: none"> • Staff Bugina health Dispensary. • Ambulance to provide.
Lands	<ul style="list-style-type: none"> • Purchase land for construction of ward administrator's offices.

The participants agreed with most of the department's priorities.

EMUHAYA SUB-COUNTY

GROUP 3	
DEPARTMENT	PRIORITIES
TRANSPORT AND INFRASTRUCTURE	<ul style="list-style-type: none"> • Increase upgrading of roads to butem standards from 5KM to 30KM • Hire of plant operators
Public Service, Administration and Coordination of County Affairs	<ul style="list-style-type: none"> • Construction and equipping of administrators' offices • Recruitment of 132 village administrators • Procurement of officers uniform

Stakeholders generally agreed with the ranking done by the two departments

GROUP 5	
DEPARTMENT	PRIORITIES
Public Service, Administration and Coordination of county affairs	<ul style="list-style-type: none"> • Construction of sub county offices in all sub counties • Construction of at least 2 sub-counties instead of 1

The group generally agreed with the departments ranking.

Department	PROPOSALS FROM WARD
Health Services	<ul style="list-style-type: none"> • Complete Emusire Health Centre Mortuary • Secure boreholes • Completion of ongoing construction of Health Facilities • Upgrading of dispensaries
Education, Science and Vocational Training	<ul style="list-style-type: none"> • Prioritize construction of VTCs in wards that non exist • Enhanced bursary and scholarship • Promotion of co-curricular activities • Establish sports office in VTCs • Prioritize security of VTCs • Prioritize internship programmes for TVET graduates • Prioritize introduction of home craft centers • Construction of staff houses was not a priority • Child Growth Monitoring should be prioritized • Implementation of the Kenya Quality Model for Health was given more priority
Trade	<ul style="list-style-type: none"> • Preparation of Bills and policies • Prioritize Office Renovation • Prioritize addition of staff (Market staff) • Prioritize training on entrepreneurship skills and organizing investment conferences

Department	Priorities
Physical Planning, Land and Housing	<ul style="list-style-type: none"> • Physical development plan for market centres ranked 1 • Survey services ranked 1 • Construction of Governor's house ranked 1.
Transport and Infrastructure	<ul style="list-style-type: none"> • Maintenance of County government offices ranked 1 • Equipping of public offices ranked 1.
Health services	<ul style="list-style-type: none"> • Construct houses for doctors and nurses ranked

Construction of affordable houses was to be considered.

HAMISI SUB COUNTY

GROUP 3	
DEPARTMENT	PRIORITIES
Agriculture, Livestock ,Fisheries and Cooperatives	<ul style="list-style-type: none"> • Allocate funds to pest control program
Trade, Industry, Tourism and Entrepreneurship	<ul style="list-style-type: none"> • Employment of staff • More vehicles for transportation • Construction of Jeptulu modern market • Tourism site to be built in Kibiri forest

The group agreed with ranking of the department of Agriculture

Department	PROPOSALS FROM WARD
Agriculture, Livestock ,Fisheries and Cooperatives	<ul style="list-style-type: none"> • One On Farm Demo for every ward • Harvesting gears be increased to 5 per ward • Pasture and folder bulking/on farm demos should be prioritized no1 then followed by the dairy cow improvement
Health Services	<ul style="list-style-type: none"> • Prioritize the completion of the County Medical Plaza
Environment, Water and Natural Resources	<ul style="list-style-type: none"> • Rehabilitation of dams and pans for Kaimosi. • Water tank reservoir to be constructed at Ivumbu and Kaptich. • Wards in need of solid waste management. • Need for sewerage plant.

SHIRU WARD	
DEPARTMENT	PRIORITIES
Education, Science and Vocational Training	<ul style="list-style-type: none"> • Increase EDC teacher to 1000 • Increase ECD centres to 100 • Introduction of feeding programs. • Employee qualified teachers.
Gender, Youth and Sports	<ul style="list-style-type: none"> • Introduction of various sports in wards. • Construction of library in every sub county. • Equipping of talent centres.

Appendix 2:

SUMMARY OF VIHIGA COUNTY BUDGET FY 2016/17

VOTE TITLE	Compensation to Employees	Other Recurrent	Development	Totals
County Executive	112,340,077	145,879,115	45,000,000	303,219,192
County Assembly	313,226,037	220,547,242	115,000,000	648,773,279
County Health	639,049,549	391,007,594	223,650,000	1,253,707,143
Department of Agriculture, Livestock, Fisheries and Cooperatives	100,175,279	25,713,404	57,599,233	183,487,916
Department of Education, Science and Technology	113,361,180	216,409,490	138,920,367	468,691,037
Department of Gender, Culture, Youth and Sports	17,290,912	187,909,544	51,050,000	256,250,456
Department of Industrialization, Trade and Tourism	12,500,000	39,339,961	36,200,000	88,039,961
Department of Environment, Natural Resources, Water and Forestry	16,542,636	45,478,336	79,925,076	141,946,048
County Treasury	72,505,016	170,111,478	230,172,935	472,789,429
Department of Transport and Infrastructure	41,276,064	64,352,678	490,067,261	595,696,003
County Public Service Board	32,606,688	29,384,601	-	61,991,289
Department of Lands, Housing and Physical Planning	12,730,286	44,803,309	28,463,413	85,997,008
Department of Public Service and Administration	281,437,677	183,613,106	15,000,000	480,050,783
TOTAL	1,765,041,401	1,764,549,857	1,511,048,285	5,040,639,543

Appendix 3:**SUMMARY OF VIHIGA COUNTY BUDGET
2017/18**

VOTE TITLE	Compensation to Employees	Other Recurrent	Development	Totals
County Executive	126,808,680	258,164,413	34,780,000	419,753,093
County Treasury	97,192,380	149,584,837	102,190,834	348,968,051
Agriculture, Livestock, Fisheries &Co- operatives	102,684,764	31,143,455	211,309,855	345,138,074
County Health Services	902,595,885	345,543,650	233,259,166	1,481,398,701
Education, Science, &Technology	97,700,480	239,791,063	258,500,000	595,991,543
Gender, Culture, Youth &Sports	48,100,740	174,612,239	51,600,000	274,312,979
Industrialization, Trade, &Tourism	17,850,214	124,513,786	70,534,765	212,898,765
County Public Service Board	32,150,000	16,981,769	-	49,131,769
County Environment, Natural Resources, water and forestry	31,589,404	35,017,600	123,174,145	189,781,149
Transport &Infrastructure	58,640,073	82,988,668	436,140,350	577,769,091
Land, Housing &Physical Planning	15,802,046	15,844,783	65,000,000	96,646,829
County Assembly	318,779,464	211,993,815	40,440,052	571,213,331
Public Service, Administration and Special programmes	265,839,141	100,140,418	53,259,450	419,239,009
TOTAL COUNTY EXPENDITURE	2,115,733,270	1,786,320,495	1,680,188,617	5,582,242,383