

COUNTY GOVERNMENT OF SIAYA



DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

**COUNTY BUDGET REVIEW AND OUTLOOK PAPER,
FY 2022/23**

SEPTEMBER 2023

“Economic Transformation for Shared Growth”

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Acronyms and Abbreviations

BROP	Budget Review and Outlook Paper
OSR	Own Source Revenue
MTEF	Medium Term Expenditure Framework
FSP	Fiscal Strategy Paper
KDSP	Kenya Devolution Support Project
CRF	County Revenue Fund
PLDW/PWD	People Living with Disabilities/People with Disabilities
GDP	Gross Domestic Product
CBR	Central Bank Rate
SGR	Standard Gauge Railway
RMLF	Road Maintenance Levy Fund
ASDSP	Agriculture Sector Development Support Project
FY	Financial Year
ICT	Information Communication Technology
DANIDA	Danish Development Agency
PFMA	Public Finance Management Act
CECM	County Executive Committee Member
AIA	Appropriation In Aid
CEC	County Executive Committee

Foreword

The Budget Review and Outlook Paper-2022/23 has been prepared against the backdrop of a contracting global and national economy occasioned by the protracted effects of the overlapping negative shocks of the Covid-19 pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation.

The paper provides an opportunity to reflect on the successes, failures and challenges experienced during the year under review as well as draw lessons from the challenges to inform future programme budgeting and project implementation. This Budget Review and Outlook Paper (BROP) gives a detailed analysis of actual fiscal performance of the County Government of Siaya for FY 2022/23 against the approved budgetary allocations for the said FY. From the analysis, overall absorption rate for FY 2022/23 was 86 percent. Absorption rate of development was 63 percent, personnel emolument and operations were 95 percent and 98 percent respectively. Local revenue collection realized 67 percent performance. The low rate of absorption for development expenditure was attributed to delayed procurement process due to transition issues; delayed disbursement of funds by National Government and late procurement process occasioned by the late approval of supplementary budget estimates.

Going forward the County Government of Siaya will focus on revenue enhancement measures through automation; operationalization of completed facilities in all sectors; completion of on-going projects; fast-track implementation of development projects to minimize project roll-overs by giving priority to key growth sectors of Agriculture, Enterprise and health; implement Post Covid-19 Economic Recovery Strategy; scale down on micro green field projects in favour of macro and flagship projects which have high impact on the citizenry and are transformative in nature.

CPA. Benedict Abonyo Omollo

CECM-Finance and Economic Planning

Acknowledgement

The BROP not only presents government entities with an opportunity to review performance of a fiscal year but also sets in motion the process of preparing budget for the following year by providing an outlook for the coming year and setting departmental MTEF tentative ceilings to guide budget making.

The preparation and subsequent submission of this document was made possible by a team of dedicated officers who traded off their invaluable time to ensure a quality production. I wish to salute all of them for a job well done.

It is my hope that lessons drawn from implementation of the 2022/2023 budget will inform future programme-based budgeting and project implementation as we refocus on “***Economic Transformation for Shared Growth***”

Finally, I wish to reiterate the importance of public participation in FY 2024/25-2026/27 Medium Term Budget preparation process by calling on all Sector Working Groups to devise an engagement framework that will deepen open public and stakeholders’ participation and incorporation of the submitted memoranda.

Jacktone Ouma Odinga

Ag. Chief Officer- Finance and Economic Planning

Section One

1.0 Introduction

County Budget Review and Outlook Paper (C-BROP) is a key document that links policy, planning and budgeting for the County Government. It is a backward- and forward-looking document that provides a strong platform for sound planning and budgeting and conceptually divided into review and outlook sections.

1.1 Legal Basis for C-BROP

Preparation and subsequent approvals by both the County Executive Committee and County Assembly of C-BROP is anchored in the provisions of section 118 (1), (2), (3) and (4) of the Public Finance Management Act, 2012 and chapter 5 of County Budget Operation Manual 2014.

1.2 Review and approval of C-BROP

- i. County Treasury is expected to prepare a County Budget Review and Outlook Paper in respect of the County for each financial year and submits the paper for approval to the County Executive Committee (CEC) by the **30th September** of that year.
- ii. The County Executive Committee must review and then approve it with or without amendments within 14 days after its submission, that is by **14th October** of that year.
- iii. After approval by CEC, the County Treasury must arrange for the paper to be submitted to the County Assembly within 7 days, that is by **21st October** of that year.
- iv. After submission to the County Assembly and as soon as practicable the County Treasury must publish and publicise the C-BROP.

1.3 Objectives of C-BROP

- i. It provides review of the actual fiscal performance in the previous year (FY 2022/23) compared to the budget appropriated for that year (Actual-Vs.-Budget).
- ii. It provides an updated economic and financial forecast with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP).
- iii. It provides information on any changes in the forecasts compared with the County Fiscal

Strategy Paper and how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year.

- iv. It provides reasons for any deviation from the financial objectives in the CFSP and proposes remedial actions to address such deviations in the current fiscal year and within the medium term. Such remedies may include revising the current annual budget estimates to reflect the prevailing fiscal environment.
- v. It provides provisional sector ceilings which will be firmed up in the Fiscal Strategy Paper setting in motion the preparation of the budget estimates for financial year 2024/25 and within the medium term.

1.4 Fiscal Responsibility Principles as per the PFMA, 2012

Section 107 (2) of PFMA, 2012 requires the County Treasury to enforce the following fiscal responsibility principles:

- i. County Government's recurrent expenditure shall not exceed the County government's total revenue;
- ii. Within the medium term a minimum of 30 percent of the County government's budget shall be allocated to the development expenditure;
- iii. 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 Committee member for Finance in regulations and approved by the County Assembly. Section 26 (1) (a) of the Public Finance Management (County Governments) regulations 2015 caps the allocation to 35 percent of total County revenue;
- iv. Over the medium term, the Government's borrowing shall be used only for purpose of financing development expenditure and not for recurrent expenditure;
- v. The County debt shall be maintained at a sustainable level as approved by County Assembly;
- vi. The fiscal risks shall be managed prudently; and

- vii. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in the future.

1.5 Organization of the Document

The document is organized around four (4) sections as follows:

Section I gives an introduction of the paper, legal basis for the preparation of BROP, objectives of the paper and Fiscal responsibility principles as per PFMA 2012.

Section II gives a review of fiscal performance for the FY 2022/23 in terms of projected revenues (OSR, equitable share and additional allocations/Grants), actual expenditures against the appropriations and review of fiscal performance against County Fiscal Strategy Paper for 2022 in terms of the variance between approved departmental ceilings in the CFSP and the appropriations.

Section III outlines recent economic development and medium-term economic outlook at the global, regional, National and County level. In addition, it also outlines the probable risks the County envisages with regards to the budget estimates for FY2024/25 and the medium-term. These risks include external and fiscal risks.

Section IV outlines how the County government intends to live within its means by establishing its resource envelop (total revenue) and the departmental/sectoral ceilings. This section also includes necessary adjustments to FY2023/24 budget estimates, Medium-Term Expenditure Framework (MTEF), framework for the next budget estimates of FY 2024/25 and any projected fiscal balance.

Section Two

2.0: Review of Fiscal Performance for the FY 2022/2023

The FY 2022/2023 Budget was the fifth to implement the County Integrated Development Plan (CIDP 2018-2022) whose theme was ‘*transformation through service and development*. The estimated cost of implementing programs and projects in the main budget for FY 2022/23 was Kshs 8,815,939,415. This was revised downwards to Kshs 8,623,245,552 and Kshs. 8,602,864,673 respectively through supplementary budgets I and II respectively prepared in December 2022 and April 2023 as shown in table 1 below:

Table 1: Comparison between main and supplementary budget estimates I and II

Revenue Stream	Baseline 2021/2022	Estimates 2022-23	Supplementary I	Supplementary II
Single Business Permit	40,026,420	94,580,869	94,580,869	94,580,869
Market Fees	35,000,000	40,000,000	40,000,000	40,000,000
Boda-Boda	2,025,000	12,025,000	12,025,000	12,025,000
Weights And Measures	1,000,000	1,000,000	1,000,000	1,000,000
Trade Income (Audit Fee)	749,250	749,250	749,250	749,250
Advertisement Charges	5,000,000	10,000,000	10,000,000	10,000,000
Liquor Charges	9,000,000	15,000,000	15,000,000	15,000,000
Bus Park	20,000,000	25,998,234	25,998,234	25,998,234
Grader	2,200,000	9,200,000	9,200,000	9,200,000
Fire Inspections Fees	100,000	1,000,000	1,000,000	1,000,000
Plan Approval (Engineers)	10,000,000	15,000,000	15,000,000	15,000,000
Parking Fees	5,000,000	6,000,000	6,000,000	6,000,000
County Hall Hire	140,000	140,000	140,000	140,000
Fish Cess	7,500,000	10,000,000	10,000,000	10,000,000
Slaughter Fees	473,200	1,473,200	1,473,200	1,473,200
Agricultural Income	5,380,290	5,380,290	5,380,290	5,380,290
Sugar Cess	3,000,000	11,000,000	11,000,000	11,000,000
Veterinary Services	2,395,235	2,395,235	2,395,235	2,395,235
Tractor Hire Service (THS)	2,500,000	2,500,000	42,500,000	42,500,000
Cattle Auction	3,500,000	5,000,000	5,000,000	5,000,000
Plan Approvals (Physical Planning)	10,000,000	15,000,000	15,000,000	15,000,000
Transfer Fees	600,000	2,600,000	2,600,000	2,600,000
Plot Rates	10,000,000	13,000,000	13,000,000	13,000,000
Plot Rents	9,155,575	14,155,575	14,155,575	14,155,575
Ground Rents	1,000,000	1,000,000	1,000,000	1,000,000
House Rent	1,600,000	4,600,000	4,600,000	4,600,000
Kiosks/Stalls Rent/T.O. L	11,025,075	13,025,075	13,025,075	13,025,075
Burial Fees/Signage	100,000	100,000	100,000	100,000
Sand Cess/Quarry	500,000	500,000	500,000	500,000
Clearance Certificate	500,000	1,500,000	1,500,000	1,500,000
Site Fees	1,303,000	1,303,000	1,303,000	1,303,000
Survey Fee	1,500,000	1,500,000	1,500,000	1,500,000
Private Estate Fees	30,000	130,000	130,000	130,000
FIF	126,607,445	126,607,445	206,607,445	206,607,445
Public Health	2,160,909	2,160,909	2,160,909	2,160,909
PUBLIC HEALTH-Plan Approvals	3,000,000	3,000,000	3,000,000	3,000,000
Linda Mama	60,578,536	60,578,536	60,578,536	60,578,536
NHIF//Capitation	50,158,116	50,158,116	50,158,116	50,158,116
NEMA	200,000	200,000	200,000	200,000

Revenue Stream	Baseline 2021/2022	Estimates 2022-23	Supplementary I	Supplementary II
Impounding Fees	100,000	1,100,000	1,100,000	1,100,000
School Fees	337,500	337,500	337,500	337,500
Miscellaneous				
Sale Of Fertilizer				
Sub-Total-Local Revenue (OSR)-A	445,445,551	580,998,234	700,998,234	700,998,234
Equitable Share-B	6,966,507,531	6,966,507,531	6,966,507,531	6,966,507,531
Kenya Climate Smart Agriculture Project (KCSAP)	314,639,880	314,639,880	75,368,050	75,368,050
Agricultural Sector Development Support Project (ASDSP)	23,749,120	8,906,243	14,538,059	9,337,829
Lease Of Medical Equipment	153,297,872	110,638,298	110,638,298	110,638,298
Financing Locally Led Climate Action (FLLoCA)	0	125,000,000	11,000,000	22,000,000
DANIDA	12,832,875	12,206,100	12,206,100	18,631,688
Kenya Devolution Support Project (KDSP)	112,815,048	0	0	0
Transforming Health Systems for Universal Care (THS)	76,115,752	0	0	0
Kenya Urban Support Program (KUSP)-UIG				2,339,915
Equalization Fund	0	0	34,946,152	0
Conditional Grant-C	693,450,547	571,390,521	258,696,659	238,315,780
Balances Brought Forward (BF)-D		697,043,128	697,043,128	697,043,128
Total Revenue=(A+B+C+D)	8,105,403,629	8,815,939,414	8,623,245,552	8,602,864,673

Source: Supplementary budget 2022/2023

Implementation of FY 2022/23 budget faced various challenges that included: inadequate technical skills in some departments that delayed project implementation; prolonged supplementary budgeting and delay in procurement of goods and services that increased roll overs and late disbursement of funds from National Government that interfered with cash flow projections.

2.1 Fiscal Performance in financial year 2022/2023

The total projected revenue in the main and supplementary budgets was appropriated to the County government entities as shown in the table 2 below:

Table 2: Comparative analysis of original and supplementary budget

Department	Original	Supplementary I	Supplementary II
County Assembly	1,672,157,632	1,320,157,632	1,320,157,632
Governance and Administration	616,549,529	617,549,529	617,549,529
Finance and Economic Planning	787,420,711	979,553,724	978,307,637
Agriculture, Irrigation, Food, Livestock & Fisheries	680,984,846	632,394,256	612,288,300
Water, Environment & Natural Resources	473,939,755	411,269,794	403,018,166
Education, Youth Affairs, Gender, Sports & Social Services	673,790,263	654,036,779	642,914,949
County Health Services	2,238,557,634	2,488,568,434	2,433,137,839
Lands, Physical Planning, Housing and Urban Development	312,793,831	239,093,448	243,129,616
Roads, Public Works, Energy and Transport	839,340,719	764,515,059	751,882,388
Enterprise and Industrial Development	376,622,886	380,457,182	466,328,902
Tourism, Culture, ICT and Arts	143,781,609	135,649,715	134,149,715
Total	8,815,939,415	8,623,245,552	8,602,864,673

Source: supplementary budget 2022/2023

The projected revenue in the main and supplementary budgets was appropriated by economic classification as tabulated below:

Personnel Emolument Estimates in FY 2022/23

In the original budget, PE was estimated at Kshs. 3,147,616,010. The allocation was increased to Kshs. 3,224,466,423 in supplementary I to provide for new recruitments. However, this was not realized within the intended period of the financial year thus during supplementary II the PE was then reduced to free money to other critical operational items as shown in table 3 below:

Table 3: Analysis of PE budgetary allocation

Department	Original	Supplementary I	Supplementary II
County Assembly	367,062,806	380,219,901	380,219,901
Governance and Administration	356,847,664	377,040,982	377,040,982
Finance and Economic Planning	328,001,852	371,501,852	371,501,852
Agriculture, Irrigation, Food, Livestock & Fisheries	209,720,196	209,720,196	209,720,196
Water, Environment & Natural Resources	27,244,172	27,244,172	27,244,172
Education, Youth Affairs, Gender, Sports & Social Services	141,039,265	141,039,265	141,039,265
County Health Services	1,511,843,069	1,511,843,069	1,395,676,632
Lands, Physical Planning, Housing and Urban Development	44,038,382	44,038,382	44,038,382
Roads, Public Works, Energy and Transport	34,943,777	34,943,777	34,943,777
Enterprise and Industrial Development	87,269,468	87,269,468	87,269,468
Tourism, Culture, ICT and Arts	39,605,359	39,605,359	38,105,359
Total	3,147,616,010	3,224,466,423	3,106,799,986

Operations and Maintenance Estimates in FY 2022/23

Budgetary allocation for O&M in the original budget was Kshs. 2,342,080,309. This allocation increased to Kshs. 2,575,602,831 and Kshs. 2,669,067,386 in supplementary I and II respectively. The increase in O&M was triggered by the need to enhance provisions for critical operational items such as health commodities, electricity, security and pending bills.

Table 4: Analysis of O&M budgetary allocation

Department	Original	Supplementary I	Supplementary II
County Assembly	541,206,074	528,048,979	528,048,979
Governance and Administration	250,201,865	230,008,547	230,008,547
Finance and Economic Planning	450,623,814	571,105,720	604,805,785
Agriculture, Irrigation, Food, Livestock & Fisheries	47,647,357	76,843,110	74,843,110
Water, Environment & Natural Resources	44,306,480	54,006,480	65,006,480
Education, Youth Affairs, Gender, Sports & Social Services	169,463,049	169,163,049	168,595,599
County Health Services	531,167,425	655,267,425	703,159,450
Lands, Physical Planning, Housing and Urban Development	123,171,091	101,883,165	103,723,080
Roads, Public Works, Energy and Transport	43,647,981	55,631,183	54,231,183
Enterprise and Industrial Development	86,250,532	67,750,532	73,250,532
Tourism, Culture, ICT and Arts	54,394,641	65,894,641	63,394,641
Total	2,342,080,309	2,575,602,831	2,669,067,386

Development Estimates in FY 2022/23

Allocation towards development expenditure in the original budget was Kshs. 3,326,243,096. This allocation was reduced by Kshs. 503,066,798 to Kshs. 2,823,176,298 in supplementary I and slightly increased by Kshs. 3,821,003 to Kshs. 2,826,997,301 in supplementary II. Some of the projects whose budgets were reallocated were to be prioritized in subsequent budgets. Table 5 below shows the adjustments:

Table 5: Analysis of development allocation

Department	Main budget	Supplementary I	Supplementary II
County Assembly	763,888,752	411,888,752	411,888,752
Governance and Administration	9,500,000	10,500,000	10,500,000
Finance and Economic Planning	8,795,045	36,946,152	2,000,000
Agriculture, Irrigation, Food, Livestock & Fisheries	423,617,293	345,830,950	327,724,994
Water, Environment & Natural Resources	402,389,103	330,019,142	310,767,514
Education, Youth Affairs, Gender, Sports & Social Services	363,287,949	343,834,465	333,280,085
County Health Services	195,547,140	321,457,940	334,301,757
Lands, Physical Planning, Housing and Urban Development	145,584,358	93,171,901	95,368,154
Roads, Public Works, Energy and Transport	760,748,961	673,940,099	662,707,428
Enterprise and Industrial Development	203,102,886	225,437,182	305,808,902
Tourism, Culture, ICT and Arts	49,781,609	30,149,715	32,649,715
Total	3,326,243,096	2,823,176,298	2,826,997,301

2.1.2: Receipts

Total receipts for the period under review were Kshs. 8,259,784,852 inclusive of balance brought forward of Kshs 697,043,128 from FY 2021/2022 against projected revenue of Kshs. 8,602,864,673 creating a fiscal deficit of Kshs. 343,079,821. The deficit resulted from under collection of OSR by Kshs 232,441,523 and non-receipt of conditional grant of Kshs 110,638,298 for leasing of medical equipment as shown in table 6 below;

Table 6: Analysis of receipts

Revenue Stream	Supplementary II	Receipts	Variance
Single Business Permit	94,580,869	69,593,029	-24,987,840
Market Fees	40,000,000	33,760,650	-6,239,350
Boda-Boda	12,025,000		-12,025,000
Weights And Measures	1,000,000	780,010	-219,990
Trade Income (Audit Fee)	749,250	148,560	-600,690
Advertisement Charges	10,000,000	4,763,700	-5,236,300
Liquor Charges	15,000,000	8,988,700	-6,011,300
Bus Park	25,998,234	9,136,589	-16,861,645
Grader	9,200,000		-9,200,000
Fire Inspections Fees	1,000,000	73,300	-926,700
Plan Approval (Engineers)	15,000,000	3,011,061	-11,988,939
Parking Fees	6,000,000	5,565,383	-434,617
County Hall Hire	140,000	4,000	-136,000
Fish Cess	10,000,000	2,927,245	-7,072,755
Slaughter Fees	1,473,200	729,060	-744,140
Agricultural Income	5,380,290		-5,380,290

Revenue Stream	Supplementary II	Receipts	Variance
Sugar Cess	11,000,000	3,117,743	-7,882,257
Veterinary Services	2,395,235	3,492,221	1,096,986
Tractor Hire Service (THS)	42,500,000	4,101,850	-38,398,150
Cattle Auction	5,000,000	3,621,830	-1,378,170
Plan Approvals (Physical Planning)	15,000,000	4,176,167	-10,823,833
Transfer Fees	2,600,000	452,630	-2,147,370
Plot Rates	13,000,000	2,445,248	-10,554,752
Plot Rents	14,155,575	7,444,085	-6,711,490
Ground Rents	1,000,000	134,700	-865,300
House Rent	4,600,000	919,179	-3,680,821
Kiosks/Stalls Rent/T.O. L	13,025,075	6,572,865	-6,452,210
Burial Fees/signage	100,000	1,000	-99,000
Sand Cess/Quarry	500,000	981,909	481,909
Clearance Certificate	1,500,000	271,000	-1,229,000
Site Fees	1,303,000		-1,303,000
Survey Fee	1,500,000	650,395	-849,605
Private Estate Fees	130,000	4,000	-126,000
Fif	206,607,445	167,799,996	-38,807,449
Public Health	2,160,909	5,568,700	3,407,791
PUBLIC HEALTH-Plan Approvals	3,000,000		-3,000,000
Linda Mama	60,578,536	34,322,285	-26,256,251
NHIF/Capitation	50,158,116	71,489,770	21,331,654
NEMA	200,000	199,100	-900
Impounding Fees	1,100,000	14,000	-1,086,000
School Fees	337,500		-337,500
Miscellaneous		412,743	412,743
Sale Of Fertilizer		10,882,008	10,882,008
Sub-Total-Local Revenue (OSR)-A	700,998,234	468,556,711	-232,441,523
Equitable Share-B	6,966,507,531	7,523,828,135	557,320,604
Kenya Climate Smart Agriculture Project (KCSAP)	75,368,050	75,368,050	0
Agricultural Sector Development Support Project (ASDSP)	9,337,829	9,337,829	0
Lease Of Medical Equipment	110,638,298		-110,638,298
Financing Locally Led Climate Action (FLLoCA)	22,000,000	22,000,000	0
DANIDA	18,631,688	18,631,688	0
Kenya Devolution Support Project (KUSP)	0		0
Transforming Health Systems For Universal Care (THS)	0		0
Kenya Yuban Support Program (KUSP)-UIG	2,339,915	2,339,915	0
Equalization Fund	0		0
Conditional Grant-C	238,315,780	127,677,482	-110,638,298
Balances Brought Forward (BF)-D	697,043,128	139,722,524	-557,320,604
Total Revenue=(A+B+C+D)	8,602,864,673	8,259,784,852	-343,079,821

2.1.3: Conditional Grants

Budgetary allocation for conditional grants was Kshs 238,315,780. Receipts for the period stood at Kshs 127,677,482 shown in table 7 below:

Table 7: Performance of conditional grants

Stream	Budget	Receipts	Variance	Remarks
Grants form National Government Ministries				
Rehabilitation of Youth Polytechnic	22,000,000.00	22,000,000.00	-	
Sub-Total	22,000,000.00	22,000,000.00	-	
Grants from Development Partners				
Kenya Climate Smart Agriculture Project (KCSAP)	75,368,050.00	75,368,050	-	
Kenya Urban Support Programme (KUSP)	2,339,915.00	2,339,915	-	
Transforming Health Systems for Universal Care (THS)			-	
Kenya Devolution Support Project (KDSP)			-	
DANIDA	18,631,688.00	18,631,688	-	
Managed Equipment Services	110,638,298.00		110,638,298.00	
Water Tower Protection			-	
Agricultural Sector Development Support Program	9,337,829.00	9,337,829	-	
Sub-Total	216,315,780	105,677,482	110,638,298.00	
Total	238,315,780	127,677,482	110,638,298.00	

Source: County Treasury (Accounting services)

2.1.4: Performance of Own Source Revenue (OSR)

OSR target for the period under review was Kshs. 700,998,234 while actual collection was Kshs. 468,556,711 creating a deficit of Kshs. 232,441,523. Performance of individual streams is shown in table 8 below;

Table 8: Performance of OSR

Department	Revenue Stream	Baseline Performance 2021/2022	Target 2022-2023	Actual 2022-2023	Variance
Enterprise, Trade and Industrial Development	Single Business Permit	59,808,201	94,580,869	69,593,029	24,987,840
	Market Fees	37,452,522	40,000,000	33,760,650	6,239,350
	Boda-Boda		12,025,000		12,025,000
	Weights And Measures	764,810	1,000,000	780,010	219,990
	Trade Income (Audit Fee)	199,430	749,250	148,560	600,690
	Advertisement Charges	5,598,650	10,000,000	4,763,700	5,236,300
	Liquor Charges	644,675	15,000,000	8,988,700	6,011,300
	Bus Park/Parking Fees	11,582,898	25,998,234	9,136,589	16,861,645
Public works, roads, Energy and Transport	Grader		9,200,000		9,200,000
	Fire Inspections Fees	93,030	1,000,000	73,300	926,700
	Plan Approval(Engineers)	3,229,591	15,000,000	3,011,061	11,988,939
	Parking Fees	6,221,253	6,000,000	5,565,383	434,617
	County Hall Hire		140,000	4,000	136,000
Agriculture, Irrigation, Livestock and Fisheries	Fish Cess	2,554,059	10,000,000	2,927,245	7,072,755
	Slaughter Fees	562,640	1,473,200	729,060	744,140
	Agricultural Income	4,700	5,380,290		5,380,290
	Sugar Cess	1,207,213	11,000,000	3,117,743	7,882,257
	Veterinary Services	3,766,780	2,395,235	3,492,221	-1,096,986
	Tractor Hire Service (THS)	119,330	42,500,000	4,101,850	38,398,150
	Sale of fertilizer			10,882,008	-10,882,008
	Cattle Auction	3,036,450	5,000,000	3,621,830	1,378,170
Lands, Physical planning, Housing and Urban Development	Plan Approvals (Physical Planning)	4,692,550	15,000,000	4,176,167	10,823,833
	Transfer Fees	67,580	2,600,000	452,630	2,147,370
	Plot Rates	3,743,905	13,000,000	2,445,248	10,554,752
	Plot Rents	10,861,170	14,155,575	7,444,085	6,711,490
	Ground Rents	549,700	1,000,000	134,700	865,300

Department	Revenue Stream	Baseline Performance 2021/2022	Target 2022-2023	Actual 2022-2023	Variance
	House Rent	11,500	4,600,000	919,179	3,680,821
	Kiosks/Stalls Rent	2,811,562	13,025,075	6,572,865	6,452,210
	Burial Fees/Signage	10,000	100,000	1,000	99,000
	Clearance Certificate	200,000	1,500,000	271,000	1,229,000
	Site Fees	3,000	1,303,000		1,303,000
	Survey Fee	826,600	1,500,000	650,395	849,605
Health	Private Estate Fees	4,000	130,000	4,000	126,000
	FIF	144,608,365	206,607,445	167,799,996	38,807,449
	Public Health	5,629,370	2,160,909	5,568,700	-3,407,791
	PUBLIC HEALTH-Plan Approvals		3,000,000		3,000,000
	Linda Mama	72,078,803	60,578,536	34,322,285	26,256,251
Water, environment and natural resources	NHIF/Capitation	59,549,781	50,158,116	71,489,770	-21,331,654
	NEMA	151,960	200,000	199,100	900
Governance and Administration	Sand Cess/Quarry	1,839,574	500,000	981,909	-481,909
Finance and Economic Planning	Impounding Fees	199,220	1,100,000	14,000	1,086,000
Education, Youth Affairs, Gender and Social Services	Miscellaneous			412,743	-412,743
	School fees	1,694,755	337,500	0	337,500
	Total	446,379,627	700,998,234	468,556,711	232,441,523

Source: County Treasury (Revenue section)

The underperformance in revenue collection was occasioned by the following challenges: manual revenue collection system that is prone to pilferages, delay in approval of the Finance Act an Inadequate revenue related infrastructure; Weak enforcement and compliance mechanisms and Incomplete database of all revenue streams and weak revenue administration and supervision

The above challenges will be addressed through a revenue enhancement policy which has set out strategies such as:

1. Automation of revenue collection system
2. Fast track timely approval of subsequent Finance Acts and Revenue Enhancement Measures
3. Prioritization of projects that address both infrastructural development and revenue generation in the budget e.g improved market shades and facilities, storm water management, solid waste management.
4. Development of and/or domestication of all relevant revenue collection legislations.
5. Strengthening of enforcement and compliance.
6. Mapping and establishing a comprehensive database of all revenue streams.
7. Providing adequate resources to address revenue administrative and supervisory challenges

2.2: Expenditure

Total Budgeted expenditure for the period under review was Kshs **8,602,864,673** while actual expenditure was Kshs **7,356,149,552**.

2.2.1: Actual Expenditure by economic classification

Total actual expenditure for the period under review amounted to Kshs 7,356,149,552. This expenditure comprised Kshs 2,952,771,990 for personnel emoluments, Kshs 2,612,379,311 for operations and Kshs 1,790,998,252 for development expenditure. Table 9 below compares budgeted and actual expenditure by economic classification.

Table 9: Budget performance

Economic Item	Budget	Expenditure	Variance	Absorption
PE	3,106,799,986	2,952,771,990	-154,027,996	95%
OM	2,669,067,386	2,612,379,311	-56,688,075	98%
Total Rec	5,775,867,372	5,565,151,300	-210,716,072	96%
DEV	2,826,997,301	1,790,998,252	-1,035,999,049	63%
Total	8,602,864,673	7,356,149,552	-1,246,715,121	86%

Source: County Treasury (Accounting services)

2.2.1.1: Expenditure per department

Total budgeted expenditure was Kshs 8,602,864,673 against an actual spending of Kshs. 7,356,149,552 representing an absorption rate of 86 percent. The Table 10 below shows a comparative analysis between departmental budgeted and actual expenditure for the period under review

Table 10: Departmental budget performance

Department	Budget	Actual expenditure	Variance	% Absorption
County Assembly	1,320,157,632	1,042,535,007	277,622,625	79
Governance and Administration	617,549,529	603,565,465	13,984,064	98
Finance and Economic Planning	978,307,637	937,346,433	40,961,204	96
Agriculture, Irrigation, Food, Livestock & Fisheries	612,288,300	513,043,683	99,244,617	84
Water, Environment & Natural Resources	403,018,166	269,304,006	133,714,160	67
Education, Youth Affairs, Gender, Sports & Social Services	642,914,949	496,027,175	146,887,774	77
County Health Services	2,433,137,839	2,239,597,022	193,540,817	92
Lands, Physical Planning, Housing and Urban Development	243,129,616	190,783,981	52,345,635	78
Roads, Public Works, Energy and Transport	751,882,388	631,492,272	120,390,116	84
Enterprise and Industrial Development	466,328,902	314,186,196	152,142,706	67

Department	Budget	Actual expenditure	Variance	% Absorption
Tourism, Culture, ICT and Arts	134,149,715	118,268,311	15,881,404	88
Total	8,602,864,673	7,356,149,552	1,246,715,121	86

Source: County Treasury (Accounting services)

2.2.1.2: Development Expenditure

Total Budgetary provision for development was Kshs. 2,826,997,301 against the actual expenditure of Kshs. 1,790,998,252 representing an absorption rate of 63 percent. As shown in the table 11 below;

Department	Budget	Actual expenditure	Variance	% Absorption
County Assembly	411,888,752	192,905,206	218,983,546	47
Governance and Administration	10,500,000	2,668,137	7,831,863	25
Finance and Economic Planning	2,000,000		2,000,000	-
Agriculture, Irrigation, Food, Livestock & Fisheries	327,724,994	238,959,436	88,765,558	73
Water, Environment & Natural Resources	310,767,514	182,504,546	128,262,968	59
Education, Youth Affairs, Gender, Sports & Social Services	333,280,085	192,248,121	141,031,964	58
County Health Services	334,301,757	193,199,126	141,102,631	58
Lands, Physical Planning, Housing and Urban Development	95,368,154	61,519,294	33,848,860	65
Roads, Public Works, Energy and Transport	662,707,428	546,609,430	116,097,998	82
Enterprise and Industrial Development	305,808,902	160,298,095	145,510,807	52
Tourism, Culture, ICT and Arts	32,649,715	20,086,861	12,562,854	62
Total	2,826,997,301	1,790,998,252	1,035,999,049	63

Table 11: Departmental development budget performance

2.1.1.2: Recurrent Expenditure

a) Personnel Emolument

Budgetary provision for personnel emolument expenditure in FY 2022/2023 was Kshs. 3,106,799,986 against the actual expenditure of Kshs 2,952,771,990 representing an absorption rate of 96 percent. The table 12 below show a comparative analysis of the departmental budgeted and actual expenditures on recurrent.

Table 12: PE budget performance

Department	Budget	Actual expenditure	Variance	% absorption
County Assembly	380,219,901	285,846,283	94,373,618	75
Governance and Administration	377,040,982	370,888,782	6,152,200	98

Department	Budget	Actual expenditure	Variance	% absorption
Finance and Economic Planning	371,501,852	337,540,648	33,961,204	91
Agriculture, Irrigation, Food, Livestock & Fisheries	209,720,196	207,967,009	1,753,187	99
Water, Environment & Natural Resources	27,244,172	25,437,303	1,806,869	93
Education, Youth Affairs, Gender, Sports & Social Services	141,039,265	139,860,226	1,179,039	99
County Health Services	1,395,676,632	1,386,020,408	9,656,224	99
Lands, Physical Planning, Housing and Urban Development	44,038,382	40,232,934	3,805,448	91
Roads, Public Works, Energy and Transport	34,943,777	34,651,659	292,118	99
Enterprise and Industrial Development	87,269,468	86,539,926	729,542	99
Tourism, Culture, ICT and Arts	38,105,359	37,786,812	318,547	99
Total	3,106,799,986	2,952,771,990	154,027,996	95

Source: County Treasury (Accounting services)

b) Operations and Maintenance

Budgetary provision for operations and maintenance expenditure in FY 2022/23 was Kshs. 2,669,067,386 against the actual expenditure of Kshs 2,612,379,311 representing an absorption rate of 98 percent. There was unspent balance of Kshs. 56,688,075. The table 13 below show a comparative analysis of the departmental budgeted and actual expenditures on recurrent

Department	Budget	Actual expenditure	Variance	% absorption
County Assembly	528,048,979	563,783,518	(35,734,539)	107
Governance and Administration	230,008,547	230,008,547	0	100
Finance and Economic Planning	604,805,785	599,805,785	5,000,000	99
Agriculture, Irrigation, Food, Livestock & Fisheries	74,843,110	66,117,238	8,725,872	88
Water, Environment & Natural Resources	65,006,480	61,362,158	3,644,322	94
Education, Youth Affairs, Gender, Sports & Social Services	168,595,599	163,918,828	4,676,771	97
County Health Services	703,159,450	660,377,488	42,781,962	94
Lands, Physical Planning, Housing and Urban Development	103,723,080	89,031,752	14,691,328	86
Roads, Public Works, Energy and Transport	54,231,183	50,231,183	4,000,000	93
Enterprise and Industrial Development	73,250,532	67,348,176	5,902,356	92
Tourism, Culture, ICT and Arts	63,394,641	60,394,639	3,000,002	95
Total	2,669,067,386	2,612,379,311	56,688,075	98

Table 13: O&M budget performance

Implications of Performance on FY 2023/24 Budget

Based on the budget performance in table 10 above, the expected balance brought forward is **Kshs 1,246,715,121** whereas the actual balance brought forward in the approved 2023-2024 budget is **Kshs**

1,568,905,262 implying an excess roll over of **Kshs 322,190,141**. This excess roll over represents the payments which were made after 30th June 2023 but were recaptured as balances brought forward. This figure should therefore be removed from the budget estimates during the preparation of supplementary budget estimates.

In addition, in the financial statements for the year ending June 30th 2023, the County had total fund balance of Kshs. 882,191,625. This was made up of bank balances in County Revenue Fund (CRF) account of Kshs. 796,354,585, Special Purpose Accounts (Executive) of Ks. 61,514,390 and CBK bank balances (County Assembly) of Kshs. 24,329,058 which represents the actual amount to be rolled over to FY 2023-2024. This therefore creates deficit of Kshs. 364,523,496.

The deficit of Kshs. 364,523,496 resulted from under collection in OSR by Kshs 232,441,523, non-receipt of conditional grants (lease of medical equipment) by Kshs 110,638,298 and outstanding commitments of Kshs 21,443,676.

The reported OSR collection for FY 2022-2023 was Kshs 468,556,711 while according to the financial statement, Only Kshs 215,553,285 was remitted to the CRF account indicating that Kshs 253,003,426 was collected and retained as AIA by the departments of Health and Enterprise as provided for in the Siaya County Health Act and Alcoholic Drinks Control Act.

The AIA reduces the own source resource basket and as a result, the county risks losing part of its equitable share on account of fiscal effort parameter in the CRA formula for resource allocation. In addition, OSR constitutes shareable revenue in the resource basket for the county implying AIA creates a deficit in the overall budget financing. Therefore, in the subsequent budgeting, AIA should not be recognised as a revenue stream in the OSR basket.

2.2 Review of Fiscal Performance against Fiscal Strategy Paper FY2022/23

The County Fiscal Strategy Paper (CFSP)-2022 informed the preparation of the FY2022/23 budget as required by the provisions of Public Finance Management Act (PFMA), 2012. Strategic priorities in the budget are therefore drawn from the CFSP with minimal variations across all sectors to address

emerging issues. These priorities are anchored on three broad pillars namely: Enablers Pillar, Social Pillar and Economic Pillar.

2.2.1 Enablers Pillar

This pillar consisted of Governance and Administration; Public Works, Energy, Roads and Transport; Lands, Physical Planning, Housing and Urban Development and the County Assembly sectors. To implement the priorities in this pillar in the CFSP-2022, it was allocated Kshs. 2,802,468,715 while in the budget the allocation was Kshs. 3,176,803,180 resulting into a **positive variance of Kshs. 374,334,465**. This variance has been attributed to emerging priority areas in County Assembly and Roads, Public Works, Energy and Transport sectors and ceiling set by County Allocation on Revenue Act (CARA)-2022 on recurrent expenditures for Governance and Administration sector. The sectoral priorities and changes in allocations in CFSP and budgetary estimates are as captured below:

County Assembly

The sector executes its mandate around the following programmes: Legislation and Representation, Legislative Oversight and General administration, planning and support services.

In the CFSP 2022, the sector's key priority areas were: construction of Assembly complex, Speaker's residence and ward offices; acquisition and installation of Hansard technology system and equipment (including laptops and desktops); purchase of additional vehicles for committees and leadership; construction of an armoury and acquisition of more fire arms for security purposes; continuous maintenance of the County Assembly buildings and infrastructure; and purchase of mace.

To implement the above priorities, the sector was allocated Kshs.802,038,388 comprising Kshs.666,663,318 and Kshs.135,375,070 for recurrent and development expenditures respectively. During budgeting, the sector was allocated Kshs.1,408,119,101 comprising Kshs.908,268,880 and Kshs.499,850,221 for recurrent and development expenditures respectively, leading to a **positive variance of Kshs.606,080,713** attributed to additional development priorities which emerged during budgeting.

Governance and Administration

The sector executes its mandate around the following programmes: County Executive Administration, County Public Service Board, Coordination of devolved units, Human Capital Management, Monitoring and Evaluation, Office of the County Attorney, Communication & Public Relations.

The key priority areas for the sector in the CFSP 2022 were: Enhance routine operations and Human Resource capacity, Construction of County Executive Administration Complex; Construction of 13 Ward Offices; Construction of Rarieda Sub County office; Construction of Disaster Response Center; Establishment of an inspectorate station; Purchase of 3 vehicles; Legal Dues, Arbitration and Compensation Payments.

To implement the above priorities in the CFSP, the sector was allocated Kshs.830,651,315 comprising Kshs.693,917,082 and Kshs.136,734,233 for recurrent and development respectively while during budgeting the allocation was Kshs.616,549,529 comprising Kshs.607,049,529 and Kshs.9,500,000 for recurrent and development expenditure respectively, leading to a **negative variance of Kshs. 214,101,786** which is attributed to the reorganization and costing of the sectoral priorities.

Lands, Physical Planning, Housing and Urban Development

The sector coordinates implementation of the following programmes: General Administration, Planning and Support Services; Physical planning; Land surveying and mapping; Housing and Urban Development

The sector's key priority areas in the CFSP 2022 were: Extension of non-motorized transport; Laying of cabros (1 km back streets); Construction of parking bays in Siaya Town; Construction of fire station; High mast lighting at Rock, Banana, Rabango, Awelo, Pap Boro, Mulaha; Land use plan for the Municipality; Enhance Human Resource capacity through recruitment, promotion, emolument and training; Routine operations, maintenance and repair of buildings, equipment and machinery; Strategic land banking for investment and public use; Automation of public land records; Processing of title deeds for public land; Planning of 4 Urban Centres (Nyadorera, Usenge, Ugunja and Wagai); Renovation of 6 County Government houses in Yala and Ukwala respectively; Establishment of 2 Municipal Boards (Bondo and Ugunja); Preparation of design and construction of 24 housing units in Siaya and Bondo; Enhance Human Resource capacity through recruitment, promotion, emolument and training; Routine operations, maintenance and repair of buildings, equipment and machinery.

To implement the above priorities in the CFSP 2022, the sector was allocated Kshs.334,380,868 comprising Kshs.126,209,473 and Kshs.208,171,395 for recurrent and development respectively. During budgeting, the sector was allocated Kshs.312,793,831 comprising Kshs.167,209,473 and Kshs.145,584,358 for recurrent and development expenditures respectively, leading to a **negative variance of Kshs.21,587,037** which has been attributed to priority shift to other sectors.

Public Works, Energy, Roads and Transport

The sector is mandated to: Construct and Maintain County roads and bridges; offer technical supervision of all County Public Works; regulate County Public Transport including ferries, jetties, airstrips, harbours; offer quality assurance in the built environment; put in place strategies to provide environment friendly sources of energy; Standards Control and Maintenance of County Buildings.

The sector's key priorities in the CFSP 2022 were: Opening, grading and gravelling of 25km; Maintenance of various roads within the county; Upgrading to bitumen standards of Segere-Ouru-Ogaso road 6.5km; Construction of kalkada bridge; Upgrading of Gombe airstrip; Construction of energy centre phase 2; Construction of jetties; Erection of 2No. solar powered high masts; Scope based balances; Construction of 4 box culverts in the county; Enhance Human Resource capacity through recruitment, promotion, emolument and training; Routine operations, electricity bill for street lights, maintenance and repair of buildings, equipment and machinery.

To implement the above priorities in the CFSP, the sector was allocated Kshs.835,398,144 comprising Kshs.85,591,758 and Kshs.749,806,386 for recurrent and development expenditures respectively. During budgeting, the sector was allocated Kshs.839,340,719 comprising Kshs.78,591,758 and Kshs.760,748,961 for recurrent and development expenditures respectively, leading to a **positive variance of Kshs.3,942,575** attributed to development priorities which emerged within the sector during budgeting.

2.2.2 Economic Pillar:

This pillar consisted of Enterprise and Industrial Development; Financial Services; Tourism, Culture and Sports; and Agriculture, Irrigation, Food, Livestock and Fisheries sectors. To implement the

priorities in this pillar in CFSP-2022, it was allocated Kshs.1,974,256,868 while in the budget the allocation was Kshs.1,988,810,052 leading to a **positive variance of Kshs.14,553,184**. This variance has been attributed to transfer of sports function to Tourism, Culture and Arts sector in economic pillar from social pillar during budgeting and costings of priorities. The sectoral priorities and changes in allocations in CFSP and budgetary estimates are as captured below:

Finance and Economic Planning

The sector implements the following programmes: Financial Services; Economic Planning Services and General Administration, Planning and Support Services.

The sectoral key priority areas in the CFSP 2022 were: Enhancing Human Resource capacity through recruitment, promotion, emolument and training; Routine operations, maintenance and repair of buildings, equipment and machinery; Office Annex construction (phased); Office renovation IFAD; Construction of Archives; Revenue automation.

To implement the above priorities in CFSP-2022, the sector was allocated Kshs.701,814,121 which comprises Kshs.675,519,076 and Kshs.26,295,045 for recurrent and development expenditures respectively in the fiscal strategy paper. The allocation in the budget was Kshs.787,420,711 comprising Kshs.778,625,666 and Kshs.8,795,045 for recurrent and development expenditures respectively leading to a **positive variance of Kshs.85,606,590**. This variance has been attributed to reorganization of the priorities and costings within the sector.

Agriculture, Irrigation, Livestock and Fisheries

The sector is organised around the following programmes namely: crop and land management; livestock management and development; fisheries development and animal health.

The sector's key priority in the CFSP 2022 were: Enhance Routine operations and Human Resource capacity; Kenya Climate Smart Agriculture Project; Agriculture Sector Support Development Project; Dairy projects at the wards; Scale up county irrigation system; Cotton development.

To implement the above priorities in the CFSP, the sector was allocated Kshs.637,179,861 comprising Kshs.170,000,000 and Kshs.467,179,861 for recurrent and development expenditures respectively. During budgeting, the sector was allocated Kshs.680,984,846 comprising Kshs.257,367,553 and Kshs.423,617,293 for recurrent and development expenditures respectively, leading to a **positive**

variance of Kshs.43,804,985 attributed to reorganization of priorities and transfer of funds from other sectors.

Enterprise and Industrial Development

The sector implements the following programmes: Trade Development and Promotion; Fair Trade Practices and Consumer Protection; Cooperative Governance and Accountability; Alcoholic Drinks Control; Waste management; General Administration, Planning and Support Services.

The sector's key priorities in the CFSP 2022 were: Develop market infrastructure across the county; Cooperative Development and Management; Promotion of Fair-Trade Practices and Consumer Protection; General Administration, Planning and Support Services; Waste Management.

To implement the above priorities in the CFSP, the sector was allocated Kshs.387,481,277 comprising Kshs.164,520,000 and Kshs.222,961,277 for recurrent and development expenditures respectively. During budgeting, the sector was allocated Kshs.376,622,886 comprising Kshs.173,520,000 and Kshs.203,102,886 for recurrent and development expenditures respectively, leading to a **negative variance of Kshs.10,858,391** attributed to reorganization and costing of priorities within the sector.

Tourism, Culture, Sports, Arts and ICT

The sector executes its mandate around the following programmes: Tourism infrastructure development; Cultural performances and exhibitions; Talent Promotion and Training of tourism industry stakeholders, Sports Development and ICT.

The sectoral priorities in the CFSP were; Enhance Human Resource capacity and Routine operations; Functional heritage centre at Odera Akangó Centre; Cultural performance and exhibitions; Development of Siaya County museum; Enhanced homestay concept development; Internet Broadband Bandwidth acquired and distributed to Sub Counties; Improve office efficiency through automation.

To implement the above priorities, the sector was allocated Kshs.247,781,609 in the CFSP comprising Kshs.96,000,000 and Kshs.151,781,609 for recurrent and development expenditures respectively. During budgeting, the sector was allocated Kshs.143,781,609 comprising Kshs.94,000,000 and Kshs.49,781,609 for recurrent and development expenditures respectively leading to a **negative variance of Kshs.104,000,000** attributed to transfer of sports function to Education, Youth Affairs, Gender, Sports and Social Services sector during budgeting and also shifting of resources to other priorities areas in other sectors in enabler pillar specifically County Assembly.

2.2.3 Social Pillar

This pillar constituted Health and Sanitation; Education, Youth Affairs, Gender and Social Service; and Water, Environment and Natural Resources. To implement the priorities in this pillar in the CFSP-2022, it was allocated Kshs.3,271,415,713 while in the budget the allocation was Kshs.3,386,287,652 leading to a **positive variance of Kshs.114,871,939**. This variance is attributed to priority shift to Water, Environment and Natural Resources and Health sectors from other sectors. The sectoral priorities and changes in allocations in CFSP and budgetary estimates are as captured below:

Water, Environment and Natural Resources

The sector is organized around three programmes of Water resources development and management, Natural resources conservation and management and general administration, planning and support

services. The strategic priorities for the sector in the CFSP-2022 were: Completion of ongoing water supply projects; Environment and natural resource management; Development support to SIBOWASCO and community managed water supply schemes; Pipeline extensions; Rehabilitation of existing water supply systems; Enhance Human Resource capacity through recruitment, promotion, emolument and training; Routine operations, maintenance and repair of buildings, equipment and machinery.

To implement the above priorities in the CFSP-2022, the sector was allocated Kshs.253,485,457 comprising Kshs.71,550,652 and Kshs.181,934,805 for recurrent and development expenditures respectively. During budgeting the sector was allocated Kshs.473,939,755 comprising Kshs.71,550,652 and Kshs.402,389,103 for recurrent and development expenditures respectively leading to a **positive variance of Kshs.220,454,298** attributed to shift of development priorities from other sectors.

Education Youth Affairs, Gender and Social Services

The sector's mandate is anchored on the following programmes: County Pre-Primary Education, Vocational Education, Youth Training and Development, County Social Security and Services; General Administration, Planning and Support Services.

The key priority areas for the sector in the CFSP were: Equipping of 60 ECDE centers with learning materials, furniture and recreational equipment and facilities; County Bursary allocation; Construction, equipping with furniture, learning material and recreational materials of 38 new ECDs; County pre-primary feeding programme; Completion of 41 ongoing ECDE centres; Renovation of Polytechnics/VTCs in West Ugenya, Ndere, Segar, Mahaya and Aiden; Equipping of Youth Polytechnics/VTCs with modern tools; Supporting trainees through SVTCSG; Improvement of 15 Sports facilities/playgrounds; Completion of Siaya Stadium; Construction of Migwenya Stadium; Conduct 7 sports tournaments in the county; Enhancing Human Resource capacity through recruitment, promotion, Emolument and training and Routine operations, maintenance and repair of buildings, equipment and machinery.

To implement the above priorities in CFSP, the sector was allocated Kshs.887,870,168 comprising Kshs.375,999,999 and Kshs.511,870,169 for recurrent and development expenditures respectively. During budgeting, the sector was allocated Kshs.673,790,263 comprising Kshs.310,502,314 and

Kshs.363,287,949 for recurrent and development expenditures respectively leading to a **negative variance of Kshs.214,079,905** attributed to reorganization of recurrent expenditures and development priorities which emerged during budgeting.

County Health Services

The sector executes its mandate around three programmes namely: Curative and Rehabilitative services; Preventive and Promotive health care services, General Administration, Planning, Monitoring and Evaluation.

The priority areas for the sector in the CFSP were: Equipping and furnishing the Blood Bank; Equipping of 20 dispensaries; Renovation of Wards and OPD at Got Agulu Hospital; Renovation of Boro dispensary and Eye unit at Ukwala Sub County Hospital; Construction of maternity Unit at Lake Kanyaboli Dispensary; Construction of Casualty Unit at Bondo Hospital; Construction of DVBD (Neglected Tropical Diseases Unit) at Bondo Hospital; Construction of maternity Unit at Ligala Dispensary; Construction of Maternity-Theatre Complex at Yala Hospital; Construction of maternity Unit at Olengo Dispensary; Construction general ward at Madiany Hospital; Construction of maternity Unit at Kandaria Dispensary; Construction of pit latrines in 10 health facilities; Installation of rain water goods in 10 health facilities; Construction of General Ward at Sigomre Hospital.

To implement the above priorities in the CFSP, the sector was allocated Kshs.2,130,060,088 comprising Kshs.1,915,563,803 and Kshs.214,496,285 for recurrent and development expenditures respectively. During budgeting, the sector was allocated Kshs.2,238,557,634 comprising Kshs.2,043,010,494 and Kshs.195,547,140 for recurrent and development expenditures respectively leading to a **positive variance of Kshs.108,497,546** attributed to reorganization of both recurrent and development priorities within the sector with a slight shift of resources from other sectors as shown in table 14 below:

Table 14: Analysis of deviation from Appropriations

Department	Ceiling CFSP=A	Budget Estimates=B	Variances=(B-A)
County Assembly	802,038,388	1,408,119,101	606,080,713
Governance and Administration	830,651,315	616,549,529	-214,101,786
Finance and Economic Planning	701,814,121	770,147,461	68,333,340

Department	Ceiling CFSP=A	Budget Estimates=B	Variances=(B-A)
Agriculture, Irrigation, Food, Livestock & Fisheries	637,179,861	674,180,311	37,000,450
Water, Environment & Natural Resources	253,485,457	436,020,511	182,535,054
Education, Youth Affairs, Gender & Social Services	887,870,168	648,135,933	-239,734,235
County Health Services	2,130,060,088	2,149,091,523	19,031,435
Lands, Physical Planning, Housing and Urban Development	334,380,868	264,964,736	-69,416,132
Roads, Public Works, Energy and Transport	835,398,144	636,183,644	-199,214,500
Enterprise and Industrial Development	387,481,277	371,721,928	-15,759,349
Tourism, Culture, Sports, ICT and Arts	247,781,609	143,781,609	-104,000,000
Total	8,048,141,296	8,118,896,286	70,754,990

Section Three

3.0: Recent Economic Developments and Outlook

The chapter outlines recent economic development focusing on the International, Domestic and County scenes. Additionally, the chapter gives a summary of macroeconomic outlook expected to positively or negatively affect national and county socio-economic performance in the foreseeable future.

3.1: Recent Economic Development

3.1.1: International Scene

The global economy remained in a precarious state amid the protracted effects of the overlapping negative shocks of the Covid-19 pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation. The resilience that global economic activity exhibited earlier this year is expected to fade. Growth in several major economies was stronger than envisaged at the beginning of the year, with faster-than-expected economic reopening in China and resilient consumption in the United States. Nonetheless, for 2023, global activity is projected to slow, with a pronounced deceleration in advanced economies and a sizable pickup in China. Inflation pressures persist, and the drag on growth from the ongoing monetary tightening to restore price stability is expected to peak by close of 2023 in many major economies. Recent banking sector stress will further tighten credit conditions. This will result in a substantial growth deceleration in the second half of this year.

Global financial conditions have tightened because of policy interest rate hikes and, to a lesser extent, recent bouts of financial instability. Many banks experienced substantial unrealized losses due to the sharp rise in policy interest rates. Concerns about the viability of balance sheets of some banks led to depositor flight and market volatility in the United States and Europe earlier in the year, which were stemmed by a swift and extensive policy response.

Inflation pressures persist. Although global headline inflation has been decelerating because of base effects, abating supply chain pressures, and falling commodity prices, core inflation in many countries remains elevated, and inflation is above target in almost all inflation-targeting economies. Inflation is expected to continue to be above its pre-pandemic level beyond 2024.

Energy prices are likely to increase due to trade disruptions and strengthening of US dollar in the international markets in the FY 2023. Metal prices increased in early 2023, reflecting signs of a stronger-than anticipated recovery in China, but subsequently retraced those gains. Global agricultural prices have been easing on the back of good production prospects for most crops.

Private sector activity in Sub-Saharan Africa (SSA) softened markedly in early 2023, reflecting various country-specific challenges and heightened external economic headwinds. While many economies across the region are still coping with repercussions of earlier adverse economic and climate shocks, recoveries have been tempered by weaker external demand, further tightening of global financial conditions, domestic policy tightening, and recent flareups of violence and social unrest (Kenya, Ethiopia and Sudan).

Elevated costs of living across SSA partly reflected effects of last year's rise in global food and energy prices which severely worsened the economic hardship of the poor and sharply increased food insecurity. Moreover, in several countries, prolonged droughts (East Africa) and armed conflicts have compounded these effects. As a result, the region entered this year with nearly 180 million people in acute food insecurity, 35 million more than at the start of 2022 (WFP 2023). According to the World Bank (2023) although SSA headline inflation has recently moderated, annual food price inflation has remained above 20 percent in several large SSA economies (Ethiopia, Ghana, Rwanda). Growth in Nigeria, the region's largest economy, eased further in early 2023 as a rebound in oil output remained constrained by persistent production challenges.

Growth in South Africa decelerated sharply in early 2023, reflecting policy tightening and the impact of an intensifying energy crisis. The country's power utility, Eskom, beset by chronic unprofitability and lack of maintenance, has been struggling to meet a post-pandemic rebound in electricity demand. Power outages have hit record highs this year and crippled the economy.

Elsewhere in the region, capacity expansions in extractive sectors have boosted growth in some resource-rich countries (Democratic Republic of Congo, Niger, Senegal). In other resource-rich countries, however, recoveries have remained subdued. Several oil producers have continued to face production challenges because of aging oil fields and underinvestment (Equatorial Guinea), and disruptions owing to insecurity and weather (Chad, South Sudan). In some metal exporters, political uncertainty, policy tightening, and high inflation (Liberia, Mauritania, Sierra Leone) have weakened growth.

Recoveries in non-resource-rich countries have slowed amid deteriorating terms of trade, widening current account and fiscal deficits, and sharp cost-of-living increases. Most of these countries are agricultural commodity producers where farming activity has been curbed by high production costs, unfavourable weather, and insecurity. Increased fragility, owing to political uncertainty and intercommunal violence, has been amplifying these negative developments. Growth in small agricultural commodity producers affected by fragility (Burkina Faso, Mali) eased to just 1.2 percent last year almost four percentage points slower than in other SSA agricultural commodity producers. Growth in Ethiopia, SSA's largest agricultural commodity producer and its most populous low-income country is estimated at 6.4 percent for the current fiscal year ending in July 2023, driven by stronger-than-expected activity in agriculture and services.

3.1.2: Domestic Economy

The national economy has sustained the growth momentum that started in 2022, after the recovery from the effects of the COVID-19 pandemic that had significantly slowed down economic activity. However, the magnitude of growth was somewhat subdued by suppressed agricultural production, owing to adverse weather conditions during the year; Political instability following the August 2022 General Elections and climate change induced shocks.

The projected 2023 economic growth prospects were attributed to multiple factors including the ongoing Russia-Ukraine conflict, that will consequently continue to affect the global supply chains, causing supply disruptions; surge in inflation and adverse incomes for exporters in the

region. Particularly, the war led to surges in food and commodity prices, debts and limited access to foreign finance.

The real Gross Domestic Product (GDP) decelerated from a revised growth of 7.6 percent in 2021 to 4.8 percent in 2022. On the other hand, the nominal GDP increased from KShs.12,027.7 billion in 2021 to KShs.13,368.3 billion in 2022. Most of the sectors of the economy posted decelerated growths mainly due to the significantly high growths attained in 2021 that signified recovery from the economic downturn in 2020. During the period under review, all economic activities registered positive growths except Agriculture, Forestry and Fishing, which contracted by 1.6 percent. Some of the key sectors that supported the growth in 2022 were Transportation and Storage (5.6%), Financial and Insurance (12.8%), Information and Communication (9.9%) and Accommodation and Food service activities (26.2%), (*Economic Survey May 2023*).

3.1.3: County Economy

The County operates within the global and national economic framework. The global and national economic dynamics impact both directly and indirectly on county fiscal decisions and operations. National economic growth is a parameter that influences national government transfer to the counties. Therefore, the higher the GDP growth, the more allocation is expected to go to counties.

Siaya County's Contribution to the National GDP is estimated at 1.2% with a recorded annual growth rate of 5.6%. The key drivers of the County's economic growth are Agriculture (45%), Manufacturing (5%), Jua Kali (10%), Wholesale and retail Trade (14.7%), Transport and storage (12.4%), Real Estate (1.8%) Construction (1.7%) and Financial services (3.6%), (*Source: C-GDP Report 2019*).

3.2: Medium Term Economic Outlook

3.2.1: Global Growth Outlook

Global growth is expected to slow to 2.1 percent by close of 2023 before rebounding to 2.4 percent in 2024. The weakness in activity projected for this year is widespread across countries, especially in advanced economies. The primary driver of the short-term dynamics continues to be the combination

of elevated inflation, alongside the global monetary policy tightening it has provoked. The drag from these factors is expected to peak this year before gradually dissipating in 2024.

In the long term, global output is expected to decelerate because of a broad-based slowdown in all the fundamental drivers of growth including increases in capital goods, labor force, technology, and human capital. Activity in major advanced economies and some EMDEs will not slow as much as expected at the turn of the year. Notably, the rapid reopening of China's economy contributed materially to an upward revision to this year's growth forecast. While the aggregate global forecast has been revised up, projections for most economies have been revised down, with larger downgrades among countries that have had a greater degree of monetary tightening. The surprising economic strength at the turn of the year is not expected to last.

Growth in SSA is expected to slow from 3.7 percent in 2022 to 3.2 percent by close of 2023. Over half of the 2023 downgrade is attributable to an abrupt energy slowdown in South Africa. However, downgrades are widespread across energy and metal producers, and non-resource-rich countries. Although the reopening of China is expected to boost exports of some countries this year, limited access to external borrowing is forecast to hold back recoveries as debt burdens and financing needs increase. More broadly, high costs of living across the region are projected to continue to restrain private consumption, while limited fiscal space and tight monetary policies are likely to weigh on investment growth.

These elevated domestic vulnerabilities together with tight global financial conditions and weak global growth are expected to keep recoveries subdued over the forecast horizon. The three key economies in Sub-Saharan Africa (Nigeria, South Africa, and Angola) which are projected to grow by about 2.1 percent annually over 2023-24, a rate more than 2 percentage points per year below the 2022-23 average. The outlook for smaller producers of metals, oil, and agricultural commodities is dimmed by an expected weakening of global commodity prices, with growth forecasts for these groups of countries downgraded for both 2023 and 2024.

3.2.2: Domestic Growth Outlook

It is against international backdrop that the Government of Kenya will pursue fiscal consolidation to ensure debt sustainability. This involves gradual reduction of the overall fiscal deficit and the pace of

debt accumulation over the medium-term as well as an effective liability management strategy. The policy will be supported by enhanced revenue mobilization and instituting austerity measures on non-priority recurrent expenditure as well as redirecting resources to finance priority growth-supporting programmes.

Food security and climate change will continue to lead to severe crises including increased poverty, widening inequality across regions and households and increased incidences of social conflicts due to competition for resources, like water resources over the medium term. This has been compounded by the supply disruptions, inequality, poverty and social conflicts. Kenya's economy is projected to grow by 5.5 percent by the end of 2023 and above 6.0 percent over the medium term. This growth will be reinforced by the Government's Bottom-Up Economic Transformation Agenda (BETA) geared towards economic turnaround and inclusive growth. Avenues of inclusive growth include creating jobs and agro-processing for export. This is expected to succeed if markets are properly governed. The Bottom-up Approach to economic management will drive the economic recovery agenda that will emphasize several dimensions to support the country's economic recovery. Three examples: First, to protect private investments, targeted at human capital development: these include health, education and nutrition. Human capital development is an important element to drive inclusive development. Second, the Government to develop, regulate and protect markets. Well governed markets will ignite and increase production and productivity downstream and increase incomes upstream. This applies to all sectors of the economy. It is in markets where economic rents are shared and distributed. This is the essence of The Bottom-up Economic Approach. Finally, the digital solutions will also create a platform for the government to enhance efficient and effective services to the public. BETA will seek to increase investments in at least five sectors envisaged to have the largest impact on the economy as well as on household welfare. These include Agriculture, Micro, Small and Medium Enterprise (MSME), Housing and Settlement, Healthcare and Digital Superhighway and Creative Industry. The Government has in this regard launched the Hustlers Fund, as an intervention to correct market failure problems at the bottom of the pyramid. This program aims to lift those at the bottom of the pyramid through structured products in personal finance that includes savings, credit, insurance and investment in the past interventions moved up the Microfinance Institution (MFIs).

3.2.3: County Growth Outlook

The County is organized in eight sectors with specific mandates to deliver services to the people. To spur development every sector will work aggressively in the FY2023/2024 and the medium term to achieve the developmental objectives outlined in the CIDP 2023-2027.

Budget Deficit

The fiscal deficit for the FY 2022/23 was attributed to low internal revenues and insufficient equitable share from National government have contributed to increased budget deficits in the County. Fiscal deficit have had and will continue to have an impact on county capital investment and savings. With fiscal deficit the County capital investments and savings will be reduced and this will lead to low provisions of quality service delivery. In the medium-term period, the government will seek to reduce its budget deficit by undertaking revenue administration reforms and seeking development partner assistance in financing key infrastructure development. Borrowing in the medium term is envisaged to address emerging cashflow and development priorities. Further, the government will seek to reduce recurrent expenditure (O&M) by scaling non-core expenditures.

a) Wage Bill

The effect of this overall increase in the wage bill is that the fiscal space for development expenditure is crowded with recurrent expenses. The policy suggestions that can be implemented in the short to medium term, to tame the rising wage bill, include a review of recruitment practices and streamlining payroll and control systems (cleaning of payroll) in the county.

b) Population Growth

The County had a population of nine hundred and ninety-three thousand one eighty-three (993,183) people (*KNBS Census Report 2019*). High population growth rate has and will continue to put a great deal of pressure on County government to increase current expenditures rapidly to create jobs for the unemployed. At the same time County government is faced with demands on its capital budgets to spend more for development purposes.

In addition, increasing urban population in Siaya, Bondo and Ugunja creates demands for social services: water, housing, education, sewerage, public lighting, roads, health, and fire protection among others. A large mass of unemployed or under-employed who live in these areas do not generate the output or tax revenues which are needed to provide these services. In the medium and long term, the County government will endeavour to create a balance in recurrent and development expenditure to address the issues of population pressure. In addressing labour demands, the government will make investment in labour intensive activities rather than those which are capital intensive.

Further, increase in population growth experienced in the County has put pressure on food security more so in urban areas. The County government will invest some of its resources in food and nutrition programmes to address issues of malnutrition and food safety.

3.3 Risks to the Domestic Economic Outlook

There are downside risks to this macroeconomic outlook emanating from domestic as well as external sources. On the domestic front, the emergence of new Omicron COVID-19 variants may occasion restrictive measures. Other risks relate to lower agricultural output due to potential adverse weather conditions. Additionally, increased public expenditure pressures, particularly wage and other recurrent expenditures, would put a strain to the fiscal space.

On the external front, the key downside risks include uncertainty about the global outlook, reflecting adverse effects of the war in Ukraine, inflationary risks (from rising prices of food and oil), and supply chain constraints as well as increased global financial markets volatility amid the tightening of monetary policy in advanced economies.

The Government has faced difficult policy trade-offs to secure economic recovery and navigate existing macroeconomic challenges amidst diminishing fiscal space. Among the fiscal measures implemented by Government to minimize the adverse impact of these emerging issues to the Kenyan economy and by extension County economy include, among others:

- Implemented Fertilizer Subsidy
- Housing project
- Hustler Fund

- Expand national tax base
- Universal Health Coverage

Section Four

4.0: Resource Allocation Framework

This section outlines how the County government intends to live within its means by establishing its resource envelop and how it intends to set departmental ceilings.

4.1: Adjustments to the FY2023/24 Budget

As implementation of the FY2023/24 Medium-Term Budget commences, there is need to review the projected revenues in order to take into account the lower-than-expected revenue performance in the previous year. As such the revenue forecasts for FY2023/24 have been reviewed to reflect outcome in FY 2022/23 and also taking into account the fiscal developments through end of September 2023. The target for FY 2023/24 is **Kshs. 760 million** and based on the performance trends, collections in July and August 2023 is Kshs. 26 million and Kshs. 30 million respectively and is below the target of Kshs.63.3 million every month. However, revenue automation and the creation of database aligned to various revenue streams should improve revenue collection. County Government undertook a reconciliation exercise on the rollover funds from **Kshs. 1,568,905,262** from FY 2022/23 to **Kshs. 882,191,625** which is equivalent to the cash balances as at the time payments were stopped. Cumulative Pending bills of **Kshs. 852,649,735** as at 30th June 2023 have been verified and therefore will be settled based on a payment plan that will be prepared and discussed in the County Executive Committee (CEC). These two factors will most likely form the basis for the preparation of supplementary budget for FY2023/24 in order to reflect the prevailing fiscal environment.

4.2: Projected Budget for FY 2024/25

The budget plays a central role in transformation by promoting redistribution and directing scarce resources towards catalytic investments in human and physical capital. But the budget depends on the economy to generate the resources to finance these investments. The budget framework for FY2024/25 will therefore focus on the need to complete and operationalise all ongoing projects; reduce pending

bills and focus on agriculture led industrialization to create high impact to the citizenry and economy as envisaged in the ‘Nyalore’ manifesto.

4.2.1: Projected Resource Envelop

The FY 2024/25 budget estimates will be financed by revenue from equitable share, OSR, conditional grants from development partners and Appropriation in Aid (AIA). Based on projected national economic growth of 5.5 percent, equitable share has been projected at Kshs. 7,662,485,532 in FY2024/25 and will increase to Kshs.8,045,609,809 and Kshs.8,447,890,299 in FY2025/26 and FY2026/27 respectively. OSR has been projected at Kshs.464,788,698 in FY 2024/25 and further increase to Kshs.488,028,133 and Kshs.512,429,540 in the FY2025/26 and FY2026/27 respectively. Conditional allocation is projected to stagnate at Kshs.950,205,559 in 2024/25 within the medium-term period. In addition, AIA to finance some selected programmes and projects in Health (FIF, Linda Mama, NHIF) and in Trade, Enterprise and Industrialization (Liquor) is projected at Kshs.389,272,608 in FY2024/25 and is expected to grow to Kshs.408,736,238 and Kshs.429,173,050 for financial years 2025/26 and 2026/27 respectively. Table 15 below captures the projections in the medium term:

Table 15: Projected revenue for FY 2024/25 and medium term

S/No	Revenue Stream	Baseline Estimates 2023/24 (Kshs.)	Projected Estimates (Kshs.) 2024/25	Projections (Kshs.)	
				2025/26	2026/27
1	Equitable share	7,263,019,462	7,662,485,532	8,045,609,809	8,447,890,299
2	Conditional Grant	950,205,559	950,205,559	950,205,559	950,205,559
3	Own Source Revenue (OSR)	760,000,000	464,788,698	488,028,133	512,429,540
4	Appropriation In Aid (AIA)		389,272,608	408,736,238	429,173,050
Total		8,973,225,021	9,466,752,397	9,892,579,739	10,339,698,448

From table 15 above, the projected revenue in FY 2024/25 is **Kshs. 9,466,752,397** which has reduced by Kshs. 4,044,681,671 from the County Annual Development Plan projected revenue of **Kshs. 13,511,434,068**. The deviation is attributed to overshoot of departmental ceiling in the CADP and should therefore be reviewed during the preparation of County Fiscal Strategy Paper (CFSP)-2024.

4.2.2: Projected Expenditure in FY 2024/25-2026/27

The following criteria will serve as a guide for allocating resources:

- i. Provision for non-discretionary expenditures like personnel emoluments and health commodities
- ii. Provision for Pending bills both recurrent and development
- iii. Provision for completion and operationalization of ongoing and stalled projects
- iv. Provision for departmental priorities which are linked to programmes in the CIDP 2023-2027 and ADP 2024-25 and which address the core mandates of the various departments.

4.2.2.1: Departmental provisional ceilings in FY 2024/25-2026/27

Based on the above criteria of apportioning resources, the County Government resource envelop of **Kshs. 9,466,752,397** will be apportioned to recurrent expenditure at Kshs. 6,171,646,314 (65 percent) and development at Kshs. 3,295,106,084 (35 percent).

Departmental of Health is projected to get the highest allocation at 28 percent due to its recurrent resource requirement specifically human resource which consumes a bigger chunk of their recurrent budget. Agriculture, Irrigation, Food Security, Livestock and Fisheries is projected to receive 12 percent whereas County Assembly, Finance and Economic Planning are projected to receive 11 percent each.

The projected development allocation has been projected to increase by 5.5 percent from the base year allocation. Department of Agriculture, Irrigation, Food Security, Livestock and Fisheries is projected to receive the highest allocation due to the focus on agriculture led industrialization. Table 16 below captures the projected departmental ceilings for the FY2024/25 and the medium term.

Table 16: Departmental Provisional ceiling for FY 2024/25 and the medium term

Vote Title	Baseline Estimates 2023/24	Projected PE 2024/25	Projected O&M 2024/25	Projected Recurrent Estimates 2024/25	Projected Development Estimates 2024/25	Total Estimates 2024/25	% of Total Estimates	Projections	
								2025/26	2026/27
County Assembly	1,351,827,682	391,763,037	448,585,302	840,348,339	200,000,000	1,040,348,339	11.0	1,144,383,173	1,258,821,490
Governance Administration and ICT	479,466,296	404,007,768	163,331,148	567,338,916	58,789,575	626,128,491	6.6	688,741,340	757,615,474
County Attorney	27,353,473	12,303,473	15,050,000	27,353,473		27,353,473	0.3	30,088,820	33,097,702
County Public Service Board	61,651,031	49,845,205	11,805,826	61,651,031		61,651,031	0.7	67,816,134	74,597,748
Finance and Economic Planning	1,021,435,346	508,060,100	521,640,372	1,029,700,472	39,278,772	1,068,979,244	11.3	1,175,877,168	1,293,464,885
Agriculture, Irrigation, Food Security, Livestock & Fisheries	1,131,873,802	226,812,392	112,762,766	339,575,158	774,743,934	1,114,319,092	11.8	1,225,751,001	1,348,326,101
Water, Sanitation, Environment, Climate Change and Natural Resources	506,145,577	29,464,572	47,423,914	76,888,486	300,640,598	377,529,084	4.0	415,281,992	456,810,192
Education, Youth Affairs, Gender and Social Services	881,942,025	152,533,965	235,266,201	387,800,166	210,856,675	598,656,841	6.3	658,522,525	724,374,778
Health	2,794,758,078	1,616,683,280	654,009,823	2,270,693,103	418,317,489	2,689,010,592	28.4	2,957,911,651	3,253,702,816
Lands, Physical Planning, Housing and Urban Development	127,392,827	47,627,510	88,077,743	135,705,253	76,818,983	212,524,236	2.2	233,776,660	257,154,326
Siaya Municipality	72,026,778		21,888,422	21,888,422	90,081,679	111,970,100	1.2	123,167,110	135,483,821
Bondo Municipality	18,350,000		11,385,000	11,385,000	16,607,520	27,992,520	0.3	30,791,772	33,870,949
Ugunja Municipality	17,685,000		8,398,500	8,398,500	18,038,880	26,437,380	0.3	29,081,118	31,989,230
Public Works, Energy, Roads and Transport	885,203,168	37,791,695	62,612,742	100,404,437	589,034,826	689,439,263	7.3	758,383,189	834,221,508
Trade, Enterprise and Industrialization	832,477,042	94,381,930	110,828,059	205,209,989	252,702,617	457,912,606	4.8	503,703,867	554,074,253
Tourism, Culture, Sports and Arts	332,542,158	42,833,196	44,472,373	87,305,569	249,194,536	336,500,105	3.6	370,150,116	407,165,127
Total	10,542,130,283	3,614,108,123	2,557,538,191	6,171,646,314	3,295,106,084	9,466,752,397	100	10,413,427,637	11,454,770,400
% of Budget		38	27	65	35	100			

4.2.2.2: Projected Recurrent Expenditure

Recurrent expenditure is projected at Kshs. 6,171,646,314 which is 65 percent of the total projected revenues for the FY2024/25. Personnel Emolument (PE) is at Kshs. 3,614,108,123 at 38 percent and Operation and maintenance at Kshs. 2,557,538,191 at 27 percent. Table 17 below shows the projected departmental recurrent expenditures for FY 2024/2025 and medium term:

Table 17: Projected Recurrent Expenditure for FY 2024/25

Vote Title	Baseline Recurrent Estimates 2023/24	Projected PE 2024/25	Projected O&M 2024/25	Projected Total 2024/25	% of recurrent budget
County Assembly	804,251,751	391,763,037	448,585,302	840,348,339	13.6
Governance Administration and ICT	540,322,777	404,007,768	163,331,148	567,338,916	9.2
County Attorney		12,303,473	15,050,000	27,353,473	0.4
County Public Service Board		49,845,205	11,805,826	61,651,031	1.0
Finance and Economic Planning	980,667,116	508,060,100	521,640,372	1,029,700,472	16.7
Agriculture, Irrigation, Food Security, Livestock & Fisheries	323,404,912	226,812,392	112,762,766	339,575,158	5.5
Water, Sanitation, Environment, Climate Change and Natural Resources	91,327,129	29,464,572	47,423,914	76,888,486	1.2
Education, Youth Affairs, Gender and Social Services	369,333,492	152,533,965	235,266,201	387,800,166	6.3
Health	2,178,322,298	1,616,683,280	654,009,823	2,270,693,103	36.8
Lands, Physical Planning, Housing and Urban Development	129,243,098	47,627,510	88,077,743	135,705,253	2.2
Siaya Municipality			21,888,422	21,888,422	0.4
Bondo Municipality			11,385,000	11,385,000	0.2
Ugunja Municipality			8,398,500	8,398,500	0.1
Public Works, Energy, Roads and Transport	95,623,273	37,791,695	62,612,742	100,404,437	1.6
Trade, Enterprise and Industrialization	195,438,084	94,381,930	110,828,059	205,209,989	3.3
Tourism, Culture, Sports and Arts	83,148,161	42,833,196	44,472,373	87,305,569	1.4
Total	5,791,082,091	3,614,108,123	2,557,538,191	6,171,646,314	100.0

5.2.2.3: Projected Development Expenditure

Development expenditure is projected at Kshs. 3,295,106,084 which is 35 percent of the total projected revenues for the FY2024/25. Table 18 below captures the projected departmental development expenditures for FY2024/25 and within the medium term.

Table 18: Projected development expenditures for FY 2024/25

Vote Title	Baseline Estimates 2023/24	Projected Estimates 2024/25	% Total Development
County Assembly	280,000,000	200,000,000	6.1
Governance Administration and ICT	19,116,450	58,789,575	1.8
County Attorney	0	0	0.0
County Public Service Board	0	0	0.0
Finance and Economic Planning	8,795,045	39,278,772	1.2
Agriculture, Irrigation, Food Security, Livestock & Fisheries	734,354,440	774,743,934	23.5
Water, Sanitation, Environment, Climate Change and Natural Resources	323,829,951	300,640,598	9.1
Education, Youth Affairs, Gender and Social Services	199,864,147	210,856,675	6.4
Health	396,509,468	418,317,489	12.7
Lands, Physical Planning, Housing and Urban Development	72,814,202	76,818,983	2.3
Siaya Municipality		90,081,679	2.7
Bondo Municipality		16,607,520	0.5
Ugunja Municipality		18,038,880	0.5
Public Works, Energy, Roads and Transport	558,326,849	589,034,826	17.9
Trade, Enterprise and Industrialization	352,329,026	252,702,617	7.7
Tourism, Culture, Sports and Arts	236,203,352	249,194,536	7.6
Cumulative Total	3,182,142,930	3,295,106,084	100.0

