



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



THE BUSIA COUNTY CITIZENS BUDGET
FY 2020-2021

Introduction.

This section presents the county government's objectives in publishing the Citizen Budget; the place of the annual budget in public finance legislation; a very brief description of the institutional coverage of the budget, and of the budget process

A citizen's budget (CB) is a non technical presentation that is designed to reach and be understood by as large a segment of the population as possible. A Citizen Budget is in some senses a simplified summary of the budget, designed to facilitate discussion.

The 2020/2021 budget estimates have been prepared on the basis of the County Integrated development plan (CIDP 2018-2022), Annual Development Plan (ADP FY 2020-2021) and County Fiscal Strategy Paper (CFSP FY 2020-2021) of the financial year 2020/2021, which took into consideration specified strategic policies and priorities as outlined in the departmental priority areas, in line with the Governor's Manifesto, the National Big Four Agenda and Vision 2030.

The benefits of releasing an accurate Citizen Budget do not only serve to help the people, but also enable a better understanding of the government. Citizens have the opportunity to know the constraints the government is facing in its spending, whether in terms of revenues or expenditures

The Citizen's Budget is a requirement of section 6 (2) of the Public Finance Management Act, 2012 and County Government Regulation, 2015 which states that "the County Treasury shall arrange for effective public participation during the development of their annual budget estimates including publication of citizen's budget which shall explain and summarize the budget proposal."

The Economic Outlook and County Government Objectives

This section presents the Macroeconomic forecasts and the main macroeconomic assumptions underlying the budget; the sensitivity of the fiscal aggregates to variations in key economic assumptions; the county government's development strategy; and medium-term fiscal policy objectives.

The Constitution of Kenya, 2010, set out a new dispensation which embraces devolution. Functions have been distributed between the National and County governments in the 4th schedule either as exclusive or shared with provision for residual functions which are automatically taken up by the national government. Our approach is to ensure reasonable access to our services in all parts of the county during this planning period. We are also in consultation with all key stakeholders to enable sustained access to services in a constitutionally compliant manner.

Since the establishment of county governments, Busia County has experienced tremendous economic growth. It has greatly been focusing on infrastructure development, Education,

massive investment in health and agriculture sectors among others. Further, the county through the department of Trade, Investment, Industry and Co-operatives embarked on reviving cooperatives and industries through extension of cheaper credit facilities. The development of modern markets and slaughter houses are also expected to enhance trade and job creation hence increased household incomes.

The county has continued to pursue prudent fiscal policy to ensure County's economic stability. In addition, fiscal policy established provided an enabling environment which supported economic activity while allowing for implementation of the programmes within sustainable public finances.

Regarding revenue, the County treasury instituted corrective measures to reverse the loss of revenue from local sources. Course of actions included enhanced compliance audit of all revenue avenues, targeted automation of revenue collection system, and speedy implementation of collection of other sources of income such as liquor licenses and rental charges during the implementation of 2020/2021 Medium Term Budget.

The Government's Budget Prospects (Revenues and Expenditures)

County Government Revenue Projections

In FY 2020/2021, the total budget amounted to Ksh. 10.42 billion. This comprises of equitable share from National Government of Ksh. 6.11 Billion. In addition, the County government will raise revenue from local collections estimated at Ksh. 1.12 Billion., Kshs. 16.93 as Compensation for user fee foregone for Level II and III Health facilities, Kshs. 182.06 Million for Roads Maintenance Fuel Fund, Kshs. 57.20 Million for Grant for Development of village polytechnics, Conditional allocations of Ksh. 733.39 Million which comprises of Ksh. 31.2 Million World Bank Loan for Transforming Health Systems for Universal Health Care, Ksh. 320.23 Million Kenya Climate Smart Agriculture Project, Ksh. 17.10 Million for DANIDA, Ksh. 14 Million for Agriculture Sector Development Support Programme, Kshs. 30.13 Million for Water Tower Protection and Climate Change Mitigation, Kshs. 101.07 Million for Kenya Urban Support Programme, Kshs. 69.82 Million for Kenya Devolution Support Grant Level II, Kshs. 45 Million for Kenya Devolution Support Grant Level I, Kshs. 45 Million for Kenya Urban Support Programme (UIG), Kshs. 4.56 Million Covid 19 payment for KMPDC, Kshs. 45.27 Million Covid 19 for FY 2020/2021 and Kshs. 10 Million from Nutrition International. The county had Kshs. 2.2 Billion as balances brought forward from FY 2019/2020. This comprised of Kshs. 1.05

Billion as balance in the County Revenue Fund Account, Kshs. 48.18 Million for Transforming Health Systems for Universal Health Care (FY 2018-2019), Kshs. 2.24 Million for Transforming Health Systems for Universal Health Care (FY 2019-2020), Kshs. 133.24 for Kenya Climate Smart Agriculture, Ksh.199.04 Million under Road Maintenance Fuel Levy, Ksh.30.45 Million as grant for development of youth polytechnics, Ksh. 47.40 Million under the Kenya Devolution Support Programme for capacity building (FY 2018-2019), Ksh. 168.69 Million under the Kenya Devolution Support Programme for Development (FY 2017-2018), Ksh.111.31 Million under the Kenya Devolution Support Programme for development (FY 2018-2019), Kshs. 6.65 Million for DANIDA, Kshs. 28.78 Million from World Bank under the Kenya Urban Support Programme (FY 2018-2019), Kshs. 101.07 Million from World Bank under the Kenya Urban Support Programme (FY 2019-2020), Kshs. 80 Million under Water Tower Protection and Climate Change Mitigation and Adaptation Programme (2018/2019), Kshs. 80 Million under Water Tower Protection and Climate Change Mitigation and Adaptation Programme, (2019/2020) Kshs. 7.88 Million under Agricultural Sector Development Support Programme, Kshs. 106.46 Million for Covid 19 (FY 2019-2020).

County Government Expenditure proposals per department

	Department	Budgetary Allocation
1	Agriculture, Livestock and Fisheries	1,109,535,218
2	Trade, Investments, Industry and Cooperatives	305,516,999
3	Education and Vocational Training	749,444,730
4	Finance and Economic Planning	918,691,481
5	Sports, Culture and Social Services	185,420,560
6	Infrastructure and Energy	1,492,442,603
7	Public Service Management and Administration	452,477,488
8	Lands, Housing and urban Development	487,806,006

9	Water, Irrigation, Environment and Natural Resources	817,473,903
10	Health and Sanitation	2,591,602,767
11	County Public Service Board	74,955,241
12	The Governorship	428,570,131
13	County Assembly	804,972,659
	Totals	10,418,909,786

The county government proposes the following budgetary allocations:

1. Compensation to employees (Salaries) – Kshs.3,297,958,235
2. Operations and maintenance - Kshs. 2,358,395,405
3. Development - Kshs.4,762,556,147

New measures to improve efficiency and improve service delivery

The FY 2020-2021 County Budget has been prepared at a time when the country is facing a myriad of socio-economic challenges following the emergence of COVID -19 which is spreading very fast with devastating effects. The County has been zoned as a hotspot for the emergence of the 3rd wave of Covid 19 resulting to restriction in movement and increased curfew hours hence impacting negatively on the economic activities of the border County.

The County Government will put in place measures including enforcement of fiscal responsibility to create an enabling environment for the implementation of this budget, implementation of tax administration measures targeting increased revenue collection and curb leakages while at the same time exploring other revenue streams to enhance our resource envelope.

Further, the county government has automated revenue collection services while at the same time employing more officers to enhance efficiency in local revenue collections. The county government shall continue to partner with major donors including World Bank and other funding agencies in implementation of specific projects.