COUNTY GOVERNMENT OF VIHIGA

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

2025 COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP)

SEPTEMBER, 2025

To obtain copies of the document, please contact;
County Executive Committee Member,
Finance and Economic Planning
The Vihiga County Treasury
P.O. **Box 344-50300.**
MARAGOLI,
KENYA
Or visit our *website: www.vihiga.go.ke*

FOREWORD

The 2025 County Budget Review and Outlook Paper (CBROP) has been prepared in line with the Public Financial Management Act (PFMA) 2012 which requires the County Treasury to prepare and submit the CBROP to the County Executive Committee (CEC) for approval by 30th September of each year. The 2025 CBROP include; (a) actual fiscal performance in the previous year (2024/25) compared to the budgetary appropriations for that year; (b) updated macro-economic financial forecasts with sufficient information to show changes from the forecasts in the most recent budget policy statements; (c) information on how actual financial performance for the f/y 2024/25 may have affected compliance with the fiscal responsibility principles or the financial objectives in the County Fiscal Strategy Paper for the year under review (d) the reasons for any deviations for the financial objectives together with proposed intervention measures with timelines.

The 2025 CBROP has been prepared against a backdrop of stable Global and National economic outlook. The global economy is projected to remain stable and post an improved performance of 3.3 per cent in 2025. The projected growth is supported by easing global inflation and supply chain constraints, stronger performance in the United States and some large emerging market economies. The growth is further reinforced by improved labour market conditions, as nominal wage growth continues to show signs of moderation. At the domestic front, Kenya's economy is projected to remain resilient and stable in 2025. The projected growth is expected to be driven by a strong services sector, enhanced agricultural productivity supported by favorable weather and distribution of subsidized fertilizer and seeds by the Government. A stable macroeconomic environment and steady international oil prices also underpin the outlook. Inflation is projected to stay within the Government's target range of 2.5 per cent to 7.5 per cent, supported by low non-food-non-fuel inflation, lower food and energy prices, and a stable exchange rate.

Vihiga County's economy has shown signs of resilience despite fiscal constraints. The medium-term prospects for the County growth trajectory have become stronger with the renewed commitment and strategy spelt out in the 3rd generation CIDP 2023-2027. To sustain the growth the county government has emphasized fiscal consolidation, expenditure rationalization, and resource mobilization strategy for the FY 2026/27 and the medium term. County economy is expected to rebound augmented by increased prospects in the agriculture sector supported by favorable weather and the government support to farmers through promotion of smart agricultural technologies, youth participation, enhanced extension services as well as commercialization and value addition. Additionally, growth of GCP and incomes occasioned by increased investments in industry and mining sector through, Establishment of industrial park and Mining industries, supporting MSMEs and expansion of transport infrastructure.

During the period under review Vihiga County recorded GCP of 69,560 million at constant 2016 prices and 109,075 million at Current Prices with 0.8% 5-years average county share of Gross Domestic Product according to the Gross County Product Report 2024.The GCP per capita (nominal) was 173,306 in 2023. During the FY 2024/25, the county government implemented policy measures to mitigate the negative measures and structural reforms geared towards realization of sustainable and inclusive growth and development as articulated in the CIDP 2023-2027, the Fourth Medium Term Plan (MTP IV) the Bottom- up Economic transformation Agenda (BETA). Emphasis has been on job creation and poverty reduction; reducing cost of living; up-scale of good governance and accountability systems; transitioning from subsistence to SMART and commercialized agriculture technologies focusing on selected value chains (Dairy, ALVs, banana, Avocado, Poultry). In addition, efforts will be on sustaining the gains made in infrastructure development; health and education subsectors; supporting sports and creative economy as well as transforming Medium, Small and Micro Enterprises as espoused in BETA and the 2025/26 ADP.

In the fiscal year Budget 2026/27 and the Medium-Term, the county government will continue to implement a fiscal consolidation plan designed towards completion of stalled and ongoing projects, as well as prioritize the settlement of the stock of pending bills. To avert further escalation of pending bills, the County Treasury will institute measures to ensure compliance to the PFMA and PPADA, and restrict departmental expenditures within the overall sector ceilings and priorities.

To bridge the impending resource gaps required to accelerate the implementation of the CIDP 2023-2027 objectives, the County Government seeks to undertake measure to increase own resource revenue collection leveraging on the automated revenue administration system, expanded revenue streams and improved enforcement. Besides, the county will continue to harness opportunities around collaborations and partnerships.

To strengthen the management of resources, the county government will transition from cash to accrual basis which will enhance both fiscal and financial reporting. The accrual system will further enhance accountability for the County assets and liabilities. Similarly, the roll out of electronic -Government Procurement System (e-GPs) seeks to improve transparency, efficiency, and value for money in public procurement with the benefits like reduced costs and improved integrity. Additionally, the adoption of zero-based budgeting approach together with the Budget Costing Tools in the IFMIS Budget Module will guide and the preparation of the F/Y 2026/27 Budget and future budgets. This will streamline the calculations of the baselines and prioritization to give credible base for preparation of the budgets.

In view of the constrained fiscal environment, prioritization will be key in the allocation of funds with focus on high-priority service delivery programmes. County Departments are accordingly required to re-evaluate their planned and existing programmes to be funded in the F/Y 2026/27 budget and the medium term.

HON. MESHACK ONZERE MULONGO
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENT

The County Department of Finance and Economic Planning is cognizant of the critical role played by accurate, credible and real time data in planning, policy formulation and decision making in the overall management of the County development agenda. This 2025 CBROP seeks to provide the fiscal outrun of the F/Y 2024/25, the macro-economic projections and sets the base the sector ceilings for the F/Y 2026/27 budget and medium term. The 2025 CBROP will further form the basis for preparation of the 2026/27 County Fiscal Strategic Paper (CFSP) which will detail the various programmes and initiatives that will inform the 2026/27 Budget Estimates.

The 2025 CBROP has been prepared in accordance with the Public Financial Management Act 2012 and its Regulations. The CBROP incorporated valuable inputs, insights and comments from the Public, County Budget and Economic Forum (CBEF), the County Assembly and the County Executive. I sincerely thank all the CECMs, Chief Officers, Directors and Heads of various units and the public for their immense contributions and insights.

Special appreciation to H.E the Governor, Dr Wilber K. Ottichilo and Deputy Governor, H. E. Wilberforce Kitiezo for the overwhelming support and leadership in providing policy direction that steered the preparation of the document. May I also acknowledge the County Assembly, all the County Executive Committee Members and Chief Officers and members of the public for their insightful input during the consultation processes. Their feedback and contributions were invaluable in enhancing the quality and relevance of the document.

Finally, sincere gratitude go to the CBROP Secretariat that comprised of officers from the Department of Economic Planning, Budget and M& E for their dedication and commitment that enabled timely finalization of this document. Departments and the respective Sector Working Groups are therefore expected to find this document useful in prioritizing essential spending and areas of focus that will improve livelihoods, create employment, support business recovery, and drive overall economic growth.

CPA. KEVERENGE S. JOSEPH
CHIEF OFFICER, PLANNING, BUDGET, MONITORING AND EVALUATION

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Plan
ALV	African Leafy Vegetable
A.I.A	Appropriation in Aid
BETA	Bottom Up Economic Transformation Agenda
CBROP	County Budget Review and Outlook Paper
CBEF	County Budget Economic Forum
CRA	Commission of Revenue Allocation
CIDP	County Integrated Development Plan
CRF	County Revenue Fund
CFSP	County Fiscal Strategy Paper
COVID-19	Corona Virus Disease of 2019
DEV	Development
FY	Financial Year
FIF	Facility Improvement Fund
GCP	Gross County Product
GDP	Gross Domestic Product
Kshs	Kenya Shillings
KMPDC	Kenya Medical Practitioners and Dentist Council
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Programme
N.H.I. F	National Health Insurance Fund
OSR	Own Source Revenue
O&M	Operations and Maintenance
P.E	Personnel Emolument
PFM	Public Finance Management
REC	Recurrent
SACCO	Savings and Credit Cooperatives
SWG	Sector Working Group
VCRH	Vihiga County Referral Hospital
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics

Legal Basis for the Publication of the County Budget Review and Outlook Paper

The County Budget Review and Outlook Paper is prepared in accordance with Section 118 of the PublicFinance Management Act, 2012. The law states that:

1. The County Treasury shall prepare and submit to -County Executive Committee for approval, by the 30th September in each financial year, a County Budget Review and Outlook Paper, which shallspecify:

a. The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
b. Updated macro-economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper.
c. Information on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the County Fiscal Strategy Paper for that financial year.
d. The reasons for any deviation from the financial objectives together withproposals to address the deviation and the time estimated to do so.

2. The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.

3. Not later than seven days after the County Budget Review and Outlook Paper has been approved by Cabinet, the County Treasury shall:

a. Arrange for the paper to be laid before the County Assembly.
b. As soon as practicable after having done so, publish and publicize the paper.

Fiscal Responsibility Principles in the Public Finance Management Act

In line with the Constitution, the Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM Act (Section 107) states that:

1. The County government's recurrent expenditure shall not exceed the county government's total revenue.
2. Over the medium term, a minimum of 30% of the County Government's budget shall be allocated to the development expenditure.
3. The county government's expenditure on wages and benefits for public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive Committee for finance in regulations and approved by the County Assembly.
4. Over the medium term, the government's borrowing shall be used only for financing development expenditure and not for recurrent expenditure.
5. The county debt shall be maintained at a sustainable level as approved by county assembly.
6. Fiscal risks shall be managed prudently.
7. A reasonable degree of predictability with respect to the level of tax and tax bases shall be maintained, considering any tax reforms that may be made in the future.

EXECUTIVE SUMMARY

Outline

The 2025 County Budget Review, and Outlook Paper (CBROP) has been prepared in line with the Public Financial Management Act (PFMA) 2012 and its enabling regulations. The CBROP presents an overview of the County government's fiscal performance for the FY 2024/25, macroeconomic projections as well as the proposed county ceilings for the FY 2026/27 and the Medium-Term Budget. The 2025 CBROP will form the basis for preparation of the 2026 County Fiscal Strategy Paper (CFSP) that will detail the priorities, programmes and projects as outlined in the FY 2026/27 County Annual Development Plan (C-ADP).

Fiscal Performance for the FY 2024/25

The total revenue including grants was Ksh 6.67 billion against a budget target of Ksh 7.11 billion. Own Source Revenue performance, including Appropriation in Aid (A-i-A) was Ksh 397.99 million against 335.8 collected in the F/Y 2023/24 million representing an increase of 18.4 percent. This performance was above set target of Kes 340 million by 57.99 million.

The total expenditure for the period under review amounted to Kshs. 6.67 billion against a budget of Kshs. 7.11 billion. This represented an absorption rate of 94.00 percent. Under absorption was as a result of non-disbursement of a number of grants. The recurrent expenditure was Kshs.4.68 billion against a recurrent budget of Kshs. 4.82 billion which represented an absorption rate of 97.10 percent.

Expenditure on Development was Kshs.1.33 billion against a development budget of Kshs. 2.29 billion which represented an absorption rate of 58.09 percent. Low absorption was attributed to delayed release of conditional grants due to donor conditionality and delays in the procurement processes. Similarly, during the FY 2024/25, the budgetary allocations on recurrent expenditure were as follows; personnel emoluments - Kshs. 3.20 billion; operations and maintenance- Kshs. 1.62 billion, while corresponding actual expenditures were as follows: personnel emoluments Kshs. 3.09 billion, operations and maintenance Kshs.1.19 billion, with respective absorption rates been 96.6 percent, 73.5 percent and 57.21 percent.

The Budget execution for the period 2024/25 was impeded by challenges that included delayed disbursement of equitable share from the National Treasury and declining partners support, leading to cash flow problems and associated build-ups of pending bills. As the county government embarks on preparation of the Budget for the FY 2026/27 and Medium Term, emphasis will be on expenditure rationalization and proper prioritization to ensure that expenditure goes to impactful programmes with the highest benefits to the citizens. The fiscal discipline principles will be supported by enhanced own source revenue mobilization strategies that shall include; strengthening OSR enforcement and administration; expansion of the revenue streams; leveraging on technology to revolutionize OSR administration; supporting Departments and Agencies to raise A-I-A through services they offer to the public.

Fiscal Projections

At the National outlook In the FY 2026/27, total revenue including Appropriation-in-Aid (AiA) is projected at KSh 3,583.4 billion (17.1 percent of GDP). Of this, ordinary revenue is projected at KSh 2,998.3 billion (14.3 percent of GDP). This revenue performance will be underpinned by the on-going reforms in policy and revenue administration. The overall expenditure and net lending is projected at KSh 4,649.8 billion

(22.2 percent of GDP) comprising: recurrent expenditure of KSh 3,437.2 billion (16.4 percent of GDP); development expenditure of KSh 761.0 billion (3.6 percent of GDP); transfer to Counties of KSh 446.6 billion and Contingency Fund of KSh 5.0 billion. The resulting fiscal deficit including grants of KSh 1,017.6 billion (4.9 percent of GDP) in FY 2026/27 will be financed by a net external financing of KSh 241.8 billion (1.2 percent of GDP) and a net domestic financing of KSh 775.8 billion (3.7 percent of GDP).

At the County level, own source revenue is projected to grow by 12.47 percent to Ksh.472 million up from Kshs. 420 million. In the proposed 2026/27 budget, the County Equitable Share is projected to increase by the approval of the new revenue sharing formula proposed by the Commission on Revenue Allocation (CRA).

The FY 2026/27 and medium-term budget is being developed against persistent fiscal challenges, including revenue shortfalls, accumulation of pending bills, and increasing demands for priority funding. To address these challenges, the County Government will continue implementing its fiscal consolidation strategy aimed at reducing the fiscal deficit and containing debt growth, while safeguarding essential service delivery through enhanced domestic revenue mobilization and prudent expenditure management. Key revenue measures will focus on rationalizing tax expenditures, expanding the revenue base, improving compliance, and enhancing collaborations and partnerships institutional structures to stimulate investment. Simultaneously, public financial management will be strengthened through re-engineering of the performance management system, integrated human resource systems, and reforms on good governance.

FY 2026/27 and Medium-Term Budget Framework

The FY 2026/27 Budget and the Medium-Term framework will remain aligned with the priorities outlined in the CIDP 2023-2027, the National MTP IV and the BETA. Focus will center on the key pillars that have the greatest potential to drive economic growth and improve household welfare, namely; Agricultural Transformation; the Micro, Small, and Medium Enterprises (MSME) sector; Housing and Settlement; Healthcare; and the Digital Superhighway and Creative Economy. In addition, the County Government will pursue strategic interventions across several key enablers, including: Deepening Good governance and accountability systems; Infrastructure development including expansion of transport, water and sanitation infrastructure ; transforming the healthcare delivery systems; Promotion of Smart Agricultural technologies; Environmental Conservation and Climate Change; Education and Training; Youth empowerment and development; Social Protection; Sports, Culture and the Arts.

Given fiscal constraints, resource prioritization is critical. Departments and Agencies are required to rigorously review all planned programmes and projects to be funded in the FY 2026/27 and medium-term budget. Sector Working Groups (SWGs) are expected to prioritize essential spending and focus on interventions that improve livelihoods, create employment, support business recovery, and drive overall economic growth. Budget allocations will be guided by program efficiency and necessity, with strict sector ceilings ensuring fiscal discipline and effective use of limited resources.

In conclusion, the Medium-Term Budget and fiscal projections in the 2025 CBROP have been revised from those of the 2024 County Fiscal Strategy Paper taking into account the budget performance and fiscal outcome of the FY 2024/25. Taking into account the constrained fiscal environment, the County Government will entrench the Zero- Based Budgeting Approach to guide the prioritization and allocation of the scarce resources to projects and programmes in the FY 2026/27. Departments and Agencies will be required to re-evaluate all the existing or planned programmes, projects and activities to be funded in the FY 2026/27 and medium-term budget. The FY 2026/27 and medium-term budget will be premised on the key ten strategic focus areas anchored on the BETA value chain approach organized around five clusters: Finance and Production Economy; Infrastructure; Land and Natural Resources; Social Sectors; and Governance and Public Administration. Strict adherence to the principles of efficiency, effectiveness, and economy in public spending will be enforced, ensuring that low-priority expenditures are replaced by high-impact service delivery programs. Sector Working Groups are therefore expected to prioritize essential spending and focus on interventions that improve livelihoods, create employment, support business recovery, and drive overall economic growth. The sector ceilings provided for the FY 2026/27 and the medium-term budget will form inputs into the 2026 County Fiscal Strategy Paper (CFSP).

PART I: INTRODUCTION

Objectives of the 2025 County Budget Review and Outlook Paper

1. The 2025 CBROP provides a review of the fiscal performance for the financial year 2024/25 including adherence to the objectives and principles outlined in the 2024 County Fiscal Strategy Paper and the PFM Act, 2012. It also provides a basis for the revision of the current budget and the financial policies underpinning the medium-term plan.

2. The 2025 CBROP shall specify: details of the actual fiscal performance in the previous year compared to budget appropriation to that year; updated economic financial forecasts with sufficient information to show changes from forecasts in the most recent County Fiscal Strategy Paper and give information on how actual financial performance for the previous financial year may have affected compliance with fiscal responsibility principles, or the financial objective in the County Fiscal Strategy Paper for that financial year.

3. The 2025 CROP forms the basis for the development of the 2026 CFSP that will detail the progress in the implementation of the priority policies and strategies of the Government in the CIDP 2023-2027 anchored on the Governor's Manifesto, the Bottom-Up Economic Transformation Agenda (BETA) and the Fourth Medium Term Plan of the Vision 2030. The preparation of the FY 2026/27 Budget and the medium-term will be guided by the Budget Calendar. The Budget Calendar for FY 2026/27 is guided by the timelines provided in the PFM Act, and has the following critical steps;

   i) Issuance of the Budget Circular for the preparation of the FY 2026/27 and Medium-Term Budget on 8th August 2025. The Sector Working Groups were subsequently launched on 30th August 2025;
   ii) The 2025 CBROP will be submitted to CEC for approval by 30th September 2025 and subsequent submission to the County Assembly;
   iii) The Public Sector Hearings will be held from 26th to 28th November 2025;
   iv) Preparation of the 2026 CFSP will be informed by the budget proposals from the Sector Working Groups and feedback from the public;
   v) The 2026 CFSP will be submitted to CEC for approval by 20th February 2026 and to the County Assembly by 28th February, 2026 together with the County Debt Management Strategy, 2026
   vi) The Budget Estimates, Appropriation Bill, 2026 and the Finance Bill, 2026 will be submitted to CEC for approval by 21st April 2026 and to the County Assembly by 30th April, 2026; and
   vii) Presentation of the Budget Estimates to County Assembly is scheduled for 11th June 2026 and approval and assent of both the Appropriation Bill, 2026 and Finance Bill, 2026 by 30th June 2026.

4. As required by the PFM Act, 2012, the annual budget process aims to improve the efficiency and effectiveness of revenue mobilization and government spending to ensure adequate budgetary funding,

rationalization of expenditures and stimulate economic activities. In this regard, this CBROP provides sector ceilings, which will guide the budget preparation process for the FY 2026/27 and the medium term. The sector ceilings are based on the overall resource envelope that is informed by the medium-term macro-fiscal projections as projected by the national treasury presented in Sections III and IV of these documents and the county treasury projections in own source revenue presented in Sections IV. Sector ceilings in this CBROP are aligned to the priorities of the Government that are on acceleration of socio-economic transformative programs, enhance value chain and linkage to Bottom-Up Economic Transformation Agenda and other priority programmes outlined in MTP IV of the Vision 2030 and that support mitigation and adaptation of climate change. There may also be risks that may arise and may not at the moment, be fully accounted for. This will become clear as information is consolidated.

5. The document is organized as follows: Section II provides a review of the fiscal performance for the FY 2024/25 and its implications on the financial objectives set out in the 2024 CFSP; Section III highlights the recent economic developments and outlook; Section IV presents the proposed resource allocation framework and Section V provides the conclusion.

PART II. REVIEW OF FISCAL PERFORMANCE FOR THE FY 2024/25

A. Fiscal Performance for FY 2024/2025

Revenue Performance

6. In the f/y 2024/25 total revenue including grants amounted to Ksh 6.67 billion against a budget target of Ksh 7.11 billion, implying a shortfall of 6%. The growth in revenue collection was recorded in all the broad charge categories. The total Grants received was Ksh 118.16 million against a budgeted allocation of Ksh 1.03 billion representing a disbursement of 11.48 percent. A summary of Revenue Performance is shown in the table 1.

Table 1: A Summary of Revenue Performance

Revenue Source	Allocated Budget (In Kshs)	Actual Receipts(In Kshs)	Actual Receipts as a percentage of the Budget (%)
Equitable Share of Revenue Raised Nationally	5,292,921,648	5,270,782,499	99.6
Conditional Grants			
Road Maintenance Fuel Levy	104,335,372	37,535,760	36
Community Health Promoters (CHPS)	43,380,000	37,410,000	-
Primary Health Care in Developed Context Programme (DANIDA)	16,015,507	7,166,250	45
Aggregated Industrial Parks Programme	250,000,200	0	-
National Agriculture Value Chain Development Projects (NAVCDP)	158,015,152	29,305,638	19
Kenya Devolution Support Programme - KDSP II (GRANT)	37,500,000	0	-
Kenya Urban Support Programme - UIG Grant	35,000,000	32,309,300	92
Nutrition International	2,613,932	0	-
FLLoCA KFW/IDA (CCRI)	316,350,444	0	-
Kenya Agricultural Business Development Project (KABDAP)	10,918,919	0	-
Village Polytechnic	21,234	0	-

Revenue Source	Allocated Budget (In Kshs)	Actual Receipts(In Kshs)	Actual Receipts as a percentage of the Budget (%)
FLLoCA KFW/IDA (CCIS)	22,000,000	11,840,302	54
Kenya Urban Support Programme - UDG Grant	18,278,289	0	-
Basic Salary Arrears for County Government Health Workers	15,044,112	0	-
Sub-Total	**1,029,473,161**	**118,157,250**	**11**
Other Sources of Revenue			
Ordinary Own Source Revenue	163,510,408	186,473,246	114
Balance b/f from FY2023/24	443,502,069	443,502,069	100
Facility Improvement Fund (FIF)	176,489,592.00	211,386,256	120
Other Revenues	-	-	-
Appropriation in Aid (AIA)	-	-	-
Sub Total	783,502,069	841,361,571	107
GRAND TOTAL	**7,105,896,878**	**6,673,803,389**	**94**

Source: Vihiga County Treasury

7. Own Source Revenue performance, including Appropriation in Aid (A-i-A) amounted to Ksh 397.99 million compared to Ksh 335.84 million raised in FY 2023/24, representing a growth of 18.65 percent. The raised OSR, Ksh 397.99 million, was against set target of Ksh 340.00 million, representing 17.06 percent increase, as shown in table 2 below.

Table 2: Own Source Revenue from July 2024-June 2025

OWN SOURCE REVENUE FROM JULY 2023-JUNE 2024						
S/NO	**STREAMS**	**Q1 TOTALS (In KES)**	**Q2 TOTALS (In KES)**	**Q3 TOTALS (In KES)**	**Q4 TOTALS (In KES)**	**GRAND TOTAL (In KES)**
1	PARKING FEE	1,424,663	1,378,993	2,644,151	1,565,500	7,013,307
2	BUS PARK	5,900,649	7,037,704	9,985,520	9,599,130	32,523,003
3	MARKETS	4,169,134	4,106,385	4,807,675	3,936,360	17,019,554
4	SINGLE BUSINESS PERMITS	4,423,610	1,588,690	28,247,062	16,493,020	50,752,382
5	SBP APPLICATION	14,000	13,500	18,000	141,500	187,000
6	CONSERVANCY FEE	772,000	245,000	2,872,000	2,653,000	6,542,000

OWN SOURCE REVENUE FROM JULY 2023-JUNE 2024						
S/NO	**STREAMS**	**Q1 TOTALS (In KES)**	**Q2 TOTALS (In KES)**	**Q3 TOTALS (In KES)**	**Q4 TOTALS (In KES)**	**GRAND TOTAL (In KES)**
7	SBP PENALTY	-	-	-	261,640	261,640
8	FINES AND PENALTIES	100,500	410,458	269,900	77,513	858,371
9	LAND RATES	285,834	142,907	342,098	167,343	938,182
10	STALL RENT	1,468,500	896,500	840,100	640,500	3,845,600
11	HOUSE RENT	1,356,045	1,193,030	1,002,500	938,500	4,490,075
12	COMMISSIONS	351,097	382,015	376,663	364,988	1,474,763
13	SAND\MURRAM	441,600	531,900	796,300	1,037,300	2,807,100
14	WATER ADM FEES	38,800	51,300	-	-	90,100
15	PLAN APP AND APPROVAL	119,500	483,700	594,100	813,450	2,010,750
16	PHYSICAL PLANNING	29,000	775,000	797,000	562,900	2,163,900
17	GROUND/SITE RENT	47,000	48,200	146,650	137,625	379,475
18	ADVERTISEMENT	389,140	452,400	107,559	3,388,700	4,337,799
19	WALL & VEHICLE BRANDING	369,900	130,500	8,411,300	8,265,400	17,177,100
20	LAND BOUNDARY\DISPUTES	-	10,000	100,000	30,000	140,000
21	SLAUGHTER MANAGEMENT	325,360	528,840	446,190	630,140	1,930,530
22	STOCK SALES	848,050	892,900	673,330	875,100	3,289,380
23	MOTORBIKE STICKERS	1,521,400	1,547,100	1,701,220	1,874,780	6,644,500
24	WEIGHTS & MEASURES	33,900	54,400	207,400	213,100	508,800
25	SIGNAGE/SIGN POSTS	332,408	90,100	134,960	771,200	1,328,668
26	WAY LEAVE APPLICATION	72,000	635,464	796,000	307,020	1,810,484
27	VETERINARY & FISHERIES	275,140	492,470	689,771	719,175	2,176,556

OWN SOURCE REVENUE FROM JULY 2023-JUNE 2024						
S/NO	**STREAMS**	**Q1 TOTALS (In KES)**	**Q2 TOTALS (In KES)**	**Q3 TOTALS (In KES)**	**Q4 TOTALS (In KES)**	**GRAND TOTAL (In KES)**
28	SEARCH FEES	2,000	2,000	1,000	-	5,000
29	RENOVATION	9,500	49,000	112,000	77,900	248,400
30	BUILDING INSPECTION FEE	120,500	273,500	318,500	264,500	977,000
31	HIRE OF MACHINES	-	-	30,000	40,000	70,000
32	FIRE INSPECTION FEE	87,000	57,000	356,500	470,000	970,500
33	SCRUTINY MECHANICAL	162,000	161,900	227,000	196,000	746,900
34	SCRUTNIY ELECTRICAL	208,000	139,500	199,000	158,500	705,000
35	NOISE POLLUTION	24,200	26,400	54,000	58,600	163,200
36	TOILET FEES	97,450	43,800	87,440	61,500	290,190
37	HOARDING	-	98,000	49,000	12,000	159,000
38	CLEARANCE CERTIFICATE FEE	6,000	3,000	7,000	-	16,000
39	CHANGE OF USER	20,000	85,000	104,000	20,000	229,000
40	TEA CESS	613,230	2,553,510	189,140	778,294	4,134,173
41	HIRE OF GROUND	-	-	-	60,000	60,000
42	COOPERATIVES	-	-	24,000	28,000	52,000
43	MISCELLENEOUS	-	-	549,806	4,392,924	4,942,730
	SUB TOTALS	**26,459,110**	**27,612,066**	**69,315,835**	**63,083,102**	**186,470,112**
44	VIHIGA FM RECIEPTS	114,800	174,000	45,288	210,050	544,138
45	SHA/SHIF/MINET	19,441,952	44,511,495	23,472,059	63,191,145	150,616,651
46	HOSPITALS- CASH (A.I.A)	18,389,806	15,498,128	8,489,707	8,879,103	51,256,744
47	PUBLIC HEALTH (A.I.A)	781,750	433,035	1,768,750	1,580,050	4,563,585

OWN SOURCE REVENUE FROM JULY 2023-JUNE 2024						
S/NO	STREAMS	Q1 TOTALS (In KES)	Q2 TOTALS (In KES)	Q3 TOTALS (In KES)	Q4 TOTALS (In KES)	GRAND TOTAL (In KES)
48	LIQUOR LICENCE FEE	345,580	216,000	519,241	3,466,000	4,546,821
	SUB TOTALS	**39,073,888**	**60,832,658**	**34,295,045**	**77,326,348**	211,527,939
	GRAND TOTAL	**65,532,998**	**88,444,724**	**103,610,880**	**140,409,450**	**397,998,051**

Source: Vihiga County Treasury

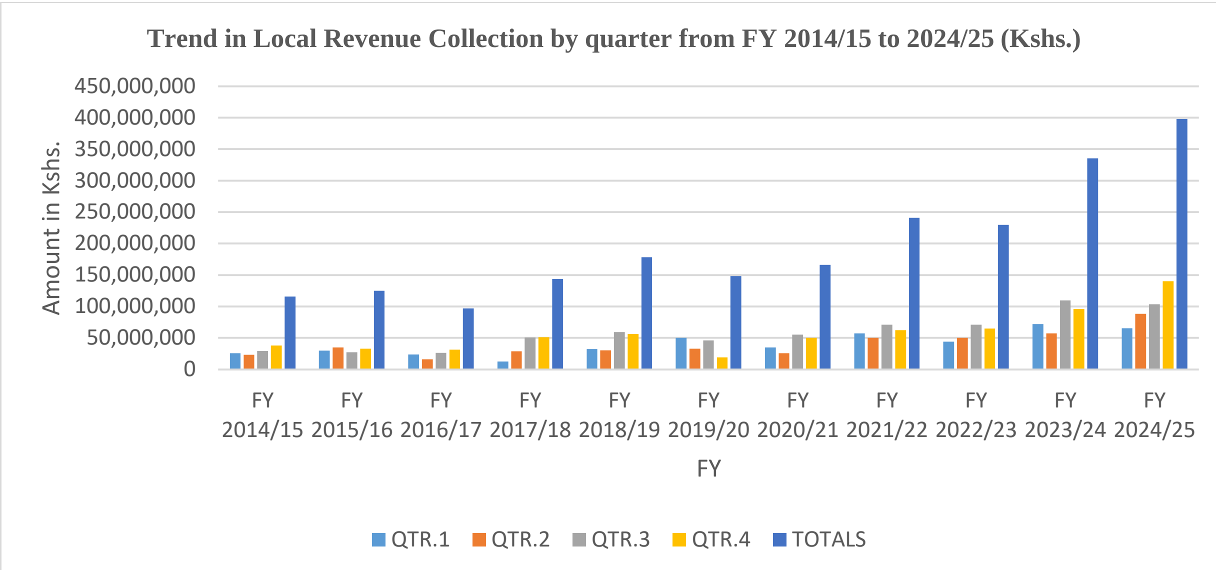
8. Overall, OSR grew by 17.6 percent in FY 2024/25. The performance of was attributed to the continuous reforms in own source revenue collection including the roll out of automated revenue administration system and enhancement of enforcement.

Table 3: Own Source Revenue Trend FY 2014/15 to FY 2024/25

PERIOD	**FY 2014/15**	**FY 2015/16**	**FY 2016/17**	**FY 2017/18**	**FY 2018/19**	**FY 2019/20**	**FY 2020/21**	**FY 2021/22**	**FY 2022/23**	**FY 2023/24**	**FY 2024/25**
	Kshs.	**Kshs.**	**Kshs.**	**Kshs.**	**Kshs.**	**Kshs.**	**Kshs.**	**Kshs.**	**Kshs.**	**Kshs.**	**Kshs.**
QTR. 1	25,624,320	29,925,190	23,563,100	12,820,045	32,673,478	50,087,994	34,854,639	57,458,531	43,877,798	72,236,308	65,532,998
QTR. 2	23,095,640	34,891,710	15,954,700	29,069,063	30,214,350	32,738,910	25,811,232	49,983,465	50,133,415	57,521,548	88,444,724
QTR. 3	29,423,870	27,377,470	26,129,400	50,549,434	59,145,673	45,956,975	55,185,886	71,222,296	70,989,412	109,917,489	103,610,880
QTR. 4	37,896,590	32,925,190	31,300,700	51,092,210	56,137,646	19,415,258	50,042,583	62,226,301	64,847,910	95,764,441	140,409,450
TOTALS	**116,040,420**	**125,119,560**	**96,947,900**	**143,530,752**	**178,171,147**	**148,199,137**	**165,894,340**	**240,890,593**	**229,848,535**	**335,439,785**	**397,998,051**

Source: Vihiga County Treasury

Figure 1: Trend in OSR collection by quarter from FY 2014/15 to FY 2024/25



Source: Vihiga County Treasury

Expenditure Performance

9. The total expenditure for the period under review amounted to Kshs. 6.67 billion against approved first supplementary budget FY 2024/25 of Kshs. 7.11 billion. This represented an absorption rate of 94.00 percent. Under absorption was as a result of non-disbursement of a number of grants.
10. The recurrent expenditure amounted to Kshs.4.68 billion against a recurrent budget of Kshs. 4.82 billion which represented an absorption rate of 97.10 percent. While development expenditure amounted to Kshs.1.33 billion against a development budget of Kshs. 2.29 billion representing an absorption rate of 58.09 percent. Low absorption was attributed to delayed release of conditional grants due to donor conditionality, late release of funds from the National Government and delays in procurement process.
11. During the FY 2024/25, The County Government's budgetary allocations for personnel emoluments, operations and maintenance and development amounted to Kshs. 3.20 billion, Kshs. 1.62 billion and Kshs. 2.29 billion respectively. The corresponding expenditures were as follows: personnel emoluments Kshs. 3.09 billion, operations and maintenance Kshs.1.19 billion and development Kshs. 1.31 billion with respective absorption rates been 96.6 percent, 73.5 percent and 57.21 percent.

Table 4: Expenditure by Economic Classification FY 2024/2025

Economic Classification	Budget (In Kshs)	Actual Expenditure (In Kshs)	Performance (%)
PE	3,201,726,431	3,088,774,326	96.6
O&M	1,617,400,231	1,186,085,983	73.5
DEV	2,286,770,216	1,307,406,821	57.21
TOTAL	**7,105,896,878**	**5,582,267,130**	**78.6**

Source: Vihiga County Treasury

Expenditure Performance per Department FY 2024/2025

12. The County Assembly recorded the highest development budget absorption of 96.9 percent whilst the Department of Gender, Youth, Sports, Culture and Social Services had the lowest absorption of 45.8 percent. Office of the County Attorney recorded the lowest recurrent expenditure of 44.5 percent. Departmental absorptions are as shown in table 5 below

Table 5: Expenditure Performance per Department FY 2024/2025

Department	Budget Allocation (KES . Millions)		Expenditure (KES . Millions)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of The Governor	244,924,593	0	209,333,388		85.5	-
Finance and Economic Planning.	371,368,728	160,222,151	339,288,593	133,769,451	91.4	83.5
Agriculture, Livestock & Fisheries	144,289,792	191,934,071	126,261,722	90,641,108	87.5	47.2
Health Services	1,571,343,813	163,200,000	1,479,754,897	135,466,524	94.2	83.0
Education & Technical Vocational Training	471,290,721	189,128,356	431,057,473	103,588,034	91.5	54.8
Gender, Culture, Youth, Sports and Social Services	89,739,919	37,342,565	79,926,428	17,111,742	89.1	45.8

Commerce, Tourism and Cooperatives.	79,846,387	360,880,034	63,660,150	68,417,411	79.7	19.0
County Public Service Board	67,635,153	0	51,294,833		75.8	
Environment, Water, Natural Resources and Climate Change	173,446,474	610,213,767	152,990,627	375,170,279	88.2	61.5
Transport & Infrastructure	168,865,389	477,097,174	102,382,526	321,934,944	60.6	67.5
Physical Planning, Lands, Housing & Urban Development	109,481,018	69,852,749	61,410,512	36,817,831	56.1	52.7
County Assembly	703,849,057	11,399,349	634,218,177	11,050,170	90.1	96.9
Public Service & Administration	596,026,018	15,500,000	531,263,282	13,439,327	89.1	86.7
County Attorney	27,019,600	0	12,017,701		44.5	
Total	**4,819,126,662**	**2,286,770,216**	**4,274,860,309**	**1,307,406,821**	**88.7**	**57.2**

Source: Vihiga County Treasury

B. Fiscal Performance for the FY 2024/25 in relation to Financial Objectives

13. To enhance financial management in FY 2024/25, the following financial objectives were adopted:

a. To enhance revenue collection in FY 2024/25

To enhance revenue collection by at least 15%. the Government broadened the tax base, enhanced digitization and improved enforcement and tax compliance. In FY 2024/25, total OSR collected increased from **Kes. 335.40** raised in F/Y 2023/24 to Kes. 397M.

b. To ensure effective, efficient and economic use of public resources allocated in FY 2024/25

The County Government implemented several measures to control public expenditure and enhance fiscal discipline. Key measures included: reduction of non-essential expenditure, operationalization of Special Purpose Accounts for partner programmes, digitalization of public services including OSR administration and continued collaborations and Public-Private Partnerships financing.

c. To reduce accrual of pending bills in FY 2024/25

The pending bills accrued during the f/y amounted to **Kes. 318,063,269.38,** a reduction from **Kes. 528,489,609** accrued during the financial year 2024/25.To reduce accumulation of pending bills, the government instituted the following strategies: measures towards compliance the PFMA, PPADA, Circulars, regulations on financial management and procurement of goods and services; Creating fiscal space to provide resources to finance settlement of pending bills including austerity measures on both recurrent and development expenditures such as restricting recurrent and operation expenditure to essential areas, and down-scaling commitments of new development projects.

C. Fiscal Responsibility Principles

In line with the Constitution, the PFM Act, 2012 and its Regulations, and in keeping in line with prudent and transparent management of public resources, the County Government has largely adhered to the fiscal responsibility principles as set out in the statute as follows:

i. The County Government's allocation to development expenditures over the medium term has been set above 30 percent of departmental expenditures. In FY 2024/25, the allocation to development in the budget was 32.2 percent of the total expenditures while the actual expenditures were 57.2 percent in Table 5. This performance was below the set threshold on account of failure in full disbursements of conditional grants, failure in completion of undertaken projects and late disbursement of equitable share of revenue.

ii. The County Government's share of wages and benefits to the total budget allocation was 45.1 percent of the total budget allocation of Kshs. 7.11 billion. This exceeded the prescribed percentage that stands at 35 percent of the total county's revenue.

iii. On the principle of maintaining a reasonable degree of predictability with respect to the level of county revenues, the County Governments Finance Bills have remained stable and predictable. Further, there is continuous effort to reform and automate revenue collection processes to enhance compliance and expand the revenue base.

D. Pending Bills

14. The accumulated pending bills as at 30th June 2025 amounted to Kes 1,171,067,705.40 as shown in the table below.

TABLE 6: DEPARTMENTS PENDING BILLS AS AT 30TH JUNE 2025

S.NO	DEPARTMENT	RECURRENT	DEVELOPMENT	OAG	LITIGATION	TOTAL
1.	Health Services	161,595,618.60	70,618,480.31	4,619,272.00	-	**236,833,370.91**
2.	Education	12,535,633.00	86,709,629.72	1,163,895.00	-	**100,409,157.72**
3.	Agriculture					

		21,371,207.00	16,893,255.00	1,213,088.00	-	**39,477,550.00**
4.	CPSB	2,950,544.00	-	-	-	**2,950,544.00**
5.	Water, Environment	28,744,507.50	83,688,835.39	-	-	**112,433,342.89**
6.	Lands	14,545,078.00	15,447,509.80	-	-	**29,992,587.80**
7.	Gender	8,051,446.00	15,911,554.20	-	-	**23,963,000.20**
8.	PSA	37,660,844.24	12,479,010.57	2,051,788.00	-	**52,191,642.81**
9.	T&I	39,908,141.00	111,521,958.31	6,897,089.00	-	**158,327,188.31**
10.	Trade	17,170,134.00	37,418,112.45	783,864.00	-	**55,372,110.45**
11.	Finance	30,778,490.00	41,601,915.64	27,249,311.15	-	**99,629,716.79**
12.	Office of The Attorney	3,236,235.00	-	-	208,519,444.76	**211,755,679.76**
13.	Executive	41,563,807.76	-	6,168,006.00	-	**47,731,813.76**
	TOTAL	**420,111,686.10**	**492,290,261.39**	**50,146,313.15**	**208,519,444.76**	**1,171,067,705.40**

Data Source: Vihiga County Treasury 2025

15. During the financial year 2024/25, the County Government allocated a total of Ksh. 636,352,062 towards settlement of pending bills, comprising of Ksh. 148,515,531 for recurrent bills and Ksh. 487,836,531 development bills. By the end of f/y 2024/25 the County Government had paid a total of Kes. **523,662,230** representing 82% of budget allocation for pending bills and 38% of the total pending bills.

TABLE 7 : PAYMENT OF PENDING BILLS VS BUDGET ALLOCATION FOR THE YEAR 2024/25

NO	DEPARTMENT	PENDING BILLS AS AT 30TH JUNE 2024	BUDGET ALLOCATION FY 2024/2025	PAYMENTS DURING FY 2024/24	% PAYMENT VS BUDGET	%PAYMENT VS PENDING BILL	% BUDGET ALLOCATION VS PENDING BILLS
1	Health Services	215,037,611	83,432,878	63,493,558	76%	30%	39%
2	Education	135,926,164	70,666,626	60,605,432	86%	45%	52%
3	Agriculture	35,719,037	1,031,860	4,512,175	437%	13%	3%
4	Cpsb	9,922,320	13,616,040	7,851,680	58%	79%	137%
5	Water, Environment	119,561,090	89,424,169	46,293,520	52%	39%	75%
6	Lands	30,085,391	2,500,000	3,389,400	136%	11%	8%
7	Gender	21,655,474	7,442,683	3,531,660	47%	16%	34%
8	PSA	62,591,054	40,756,342	18,053,316	44%	29%	65%

9	T&I	219,611,587	148,161,802	139,289,941	94%	63%	67%
10	Trade	33,807,843	4,097,511	3,468,765	85%	10%	12%
11	Finance	481,069,474	174,222,151	168,723,351	97%	35%	36%
12	Office Of The Attorney	994,000	1,000,000	249,000	25%	25%	101%
13	Executive	10,685,620	-	4,200,432	0%	39%	0%
	Total	**1,376,666,666**	**636,352,062**	**523,662,230**	**82%**	**38%**	**46%**

Data Source: Vihiga County Treasury 2025

Sector/Departmental Performance in the FY 2024/2025

Agriculture, Livestock and Fisheries

16. In the financial year 2024/25, the Department had a budgetary allocation of Kshs. 144.29 million on recurrent and Kshs 191.93 million on development. The department incurred an expenditure performance of Kshs 126.26 million and Kshs 90.64 million representing an absorption of 87.5 percent and 47.2 percent on recurrent and development respectively.
17. During this period the Agriculture sector realized the following; Improved animal breeds by procuring 38 heifers and 1000 improved Kienyeji chicks and supported Artificial Inseminations of 9874 cattle, Strengthened agricultural community institutions (3200 CIGs, 25 CDDCs, 25 SACCOs, 17 FPOs) to steer commercialization through NAVCDP, Launched Vihiga County Agroecology policy, Completed fencing at Musinaka ATIC, undertook vaccination of animals-27563 cattle, 778 sheep, 10 goats vaccinated against BQ/Anthrax; 5 cattle, 5 goats against Foot and Mouth Disease. 4881 dogs and cats and 4 donkeys against rabies.
18. In the fisheries subsector; the department carried out GIS mapping of 645 fish ponds and on boarded 450 fish farmers for the NORAD/ ARNSA project, supported two private hatcheries (Razak and Daraja fish hatchery), established the integrated aquaculture model system at Nyang'ori High School and maintained Mwitoko Hatchery and Aquaculture Training Centre.
19. The veterinary department coordinated animal movement and control spread of diseases by issuing 1762 permits, 103 no-objections certificates, safeguarded human health by inspecting 11283 cattle, 818 goats, 499 sheep, 2140 pigs 30 camels' meat for consumption and licensed 176 flayers, 28 slabs ,75 meat containers, 7 hides and skin curing facilities and 12 AI inseminators

Physical Planning, Lands, Housing and Urban Development

20. During the period under review, the department had a budgetary allocation of Kshs. 109.48 million on recurrent and Kshs 69.85 million on development. The department incurred an expenditure performance of Kshs 61.41 million and Kshs 36.82 million representing an absorption of 56.1 percent and 52.7 percent on recurrent and development respectively.
21. In the financial year 2024/25 the department of Physical Planning, Lands and Housing realized the following: Recruited 24 critical technical staff including Physical Planners, Civil Engineer, Environmentalists , Administrators and Draftsmen and support staff; commenced assessment for the elevation Luanda and Cheptulu- Kaimosi to Municipalities status; completed construction of the Governor and Deputy Governor residence; development of the Valuation Roll and the County Spatial

Plan, and purchased different parcels of land of size 0.59 Ha for public utility across the county

22. The Vihiga municipality realized the following; reconstituted and gazetted Vihiga Municipal Board, prepared the Vihiga Municipality Board Strategic Plan 2025-2030, successfully qualified for KUSP funding upon independent assessment, reviewed the IDEP and the CUIDs and facilitated gazettement and transfer of key municipality functions.

Transport and Infrastructure

23. During the period under review, the department had a budgetary allocation of Kshs. 168.87 million on recurrent and Kshs 477.10 million on development. The department incurred an expenditure performance of Kshs 102.38 million and Kshs 321.93 million representing an absorption of 60.6 percent and 67.5 percent on recurrent and development respectively.

24. In the financial year 2024/25, the department of Transport and Infrastructure realized significant achievements including; Development of fleet management, transport, mechanical and transport fund Policies and Driver's Manual, Opened/maintained 95.8km of roads under ward-based programme, maintained 39.3km of roads under the lease of equipment programme, Developed 136 no. drawings and bills of quantities, supervised 136 public infrastructures, inspected 213 business premises and institutions against fire, carried out 1no fire safety campaigns, installed 2 solarized street lights under ward-based programme and leased mechanical equipment to ease roads maintenance.

25. Other achievement were upgrading the mechanical unit through construction of a car wash pavement, ablution block and a compressor and recruitment of critical technical staff.

Commerce, Tourism and Cooperatives

26. During the period under review, the department had a budgetary allocation of Kshs. 79.85 million on recurrent and Kshs 360.88 million on development. The department incurred an expenditure performance of Kshs 63.66 million and Kshs 68.42 million representing an absorption of 79.7 percent and 19.0 percent on recurrent and development respectively.

27. In the period under review, the sector achieved the following: prepared draft policies and regulations including; Draft Industrialization and Tourism Policies; Draft County Investment Profile, Draft Weights and Measures Bill and County Cooperatives bill.

28. In addition, the Department renovated Kivagala Market stalls and constructed a mama mboga shed at Mahanga ; constructed and renovated sanitary facilities including; pit latrine at , Shiru , Depo and Mwichio and ECO toilet at Mbale and Standi-Kisa and solar lighting in Ematioli, Panadol, Ebusiralo, Ekamanji, Ematsuli.

29. Other notable achievements include; recruitment of critical staff including cooperative officers and audit officers; constructed bodaboda sheds at Emanyinya, Hobuyaya, Kima,Musikuku, capacity build youth in financial management skills and entrepreneurship, continued with construction of the CAIP in Luanda, establishment of 2No Bulking/Aggregation facilities in Sabatia and Hamisi, trained 84

members on cooperative governance and compliance and supported 5 new SACCOs with inclusion grant supported by NAVCDP

Health Services

30. During the period under review, the department had a budgetary allocation of Kshs. 1,571.34 billion on recurrent and Kshs 163.20 million on development. The department incurred an expenditure performance of Kshs 1,479.75 billion and Kshs 135.47 million representing an absorption of 94.2 percent and 83.0 percent on recurrent and development respectively.

31. During the period under review the sector achieved the following: strengthened sector legal and policy framework by developing Vihiga Teaching & Referral Hospital and the Vihiga County Public Health Bills, Eye strategic plan, County Syndemic Disease Framework, End term review of the Nutrition Action Plan, completed construction and equipping of Kisatiru and Muhanda dispensaries and storey building at Mulele, renovated Givudimbuli and Musitinyi health centres, re-roofing of Enzaro Health Centre and construction of placenta pit and renovation of maternity wing at Egago.

32. Other achievements realized included; completion of the Hospital Plaza Complex and Modern Funeral Home at the VCRH , commenced construction of Esiandumba, Emmukunzi Health Centres, Esiekuti phase 2, recruited 77 health care workers (60 nurses, 4 Public Health Officers, 1 Physiotherapist, 1 Occupational therapist, 7 Clinical Officers and 4 Laboratory technologists) and 5 ambulance drivers, promoted 84 staff across all cadres and established primary care networks (PCNs) in all the five (5) sub-counties

Education and Technical Vocational Training

33. During the period under review, the department had a budgetary allocation of Kshs. 471.29 million on recurrent and Kshs 189.13 million on development. The department incurred an expenditure performance of Kshs 431.06 million and Kshs 103.59 million representing an absorption of 91.5 percent and 54.8 percent on recurrent and development respectively.

34. During the period under review the sector achieved the following; Equipped 5 VTCs with tools and equipment in Fashion Design and Garment Making, equipped 20 ECDE centres with child friendly furniture for better learning environment, supported 420 students on Governor's scholarship, completed the construction of 21 ECDE classrooms, supported both ECDE and VTCs in drama, film and music festivals up to National level to enhance co-curricular activities.
35. Other achievements included; Recruitment of 32 no VET instructors and 25 No ECDE Teachers ; Partnered with Shining Hope for Communities (SHOFCO) to support 471 trainees in VTCs with tuition and examinations fees, Signed a Memorandum of Understanding with Futures Infinite to pilot digital literacy in ECDE centres, partnered with SOFDI to pilot feeding programme in 54 ECDE centres., partnered with Stanbic bank in conjunction with Generation Kenya, American Towers Corporation (ATC), Master Card and Microsoft Kenya in training 20 ToTs (ICT Trainers in VTCs) on digital skills.

Office of the Governor

36. During the period under review, the department had a budgetary allocation of Kshs. 244.92 million on recurrent, incurring an expenditure performance of Kshs 209.33 million which represented an absorption of 85.5 percent.

37. In the period under review, the office recorded notable achievements namely: the Governor represented the county and nation in various national and international conferences/meetings on climate change and sustainable development goals; promoted collaboration and partnership, and signed several MOUs with the National Government and other partners; coordinated formulation and implementation of sectoral policies, bills and regulations; coordinated implementation of performance contracting and staff performance appraisals; enhanced accountability and transparency by strengthening the service delivery unit and the GTS

County Assembly

38. During the period under review, the County Assembly had a budgetary allocation of Kshs. 703.85 million on recurrent and Kshs 11.40 million on development. The Assembly incurred an expenditure performance of Kshs 634.22 million and Kshs 11.05 million representing an absorption of 90.1 percent and 96.9 percent on recurrent and development respectively.

39. During the period under review, the Assembly undertook its legislative, representation and oversight role in accordance with Article 212 of the Constitution. Other key achievements realized included; incorporation of public participation in legislation and oversight; Approved various policies and plans including the ADPs, CBROPs, CFSPs, Finance Bill, and the Budget estimates; improvement of the Assembly infrastructure including drilling and equipping of a borehole and renovation of the Chambers.

40. During the period under review the County Assembly realized the following key activities and outputs; Legislated several bills and approved Plans and Policies in accordance with article 212 of the Constitution (ADP2024-25, CFSP 2024, Budgets 2024/25) among others. It also completed construction and commissioned the speaker's residence as well as the construction of boreholes at the County Assembly and the Speakers' residence.

Finance and Economic Planning

41. During the period under review, the department had a budgetary allocation of Kshs. 371.37 million on recurrent and Kshs 160.22 million on development. The department incurred an expenditure performance of Kshs 339.29 million and Kshs 133.77 million representing an absorption of 91.4 percent and 83.5 percent on recurrent and development respectively.

42. The expenditure financed the broad mandate of the Department of Finance and Economic planning of Public financial Management; coordination of county planning and M&E and reporting framework, preparation of County Budget estimates and relevant policy documents, Procurement of goods and services and own revenue resource mobilization and administration.

43. During the period under review, the sub-sector realized the following; Developed County Annual Development plan for FY 2025-26 and County Annual Progress Report for FY 2023/24, undertook Quarterly project field visits and prepared M&E reports, supported departments in preparation of various policies and plans; Water-CWSSIP under K-WASH); PWD policy, Eye strategic plan, End term review of the Nutrition Action Plan, County Syndemic Disease framework, Gender, Lands, Hamisi & Emuhaya Sub-County hospitals , Health Annual Work Plan, Annual Progress Report, coordinated the preparation of Sector Working Group Reports, CBROP, CFSP, budget estimates, Appropriation and finance bills
44. Other notable achievements included; Coordinated procurement of goods and services for county entities, prepared quarterly and annual procurement reports under submitted to statutory bodies, deepened reforms in own source revenue collection leading to an improvement of revenue from KShs. 335.84 M in FY 2023/24 to KShs. 397.9 in FY 2024/25 and undertook internal audit reviews.

County Public Service Board

45. During the period under review, the Board had a budgetary allocation of Kshs. 67.64 million on recurrent, incurring an expenditure performance of Kshs 51.29 million which represented an absorption of 75.8 percent.

46. The expenditure financed key responsibilities and mandate of the County Public Service Board as stipulated in Article 235 of the Kenya Constitution and section 49 of the County Government Act 2012 in regard to strengthening its capacity to coordinate and advice the county government executive on issues matters Human Resource Management and development.

47. The CPSB facilitated recruitment of 312 and promoted 209 staff in different carders. Conducted an outreach on public awareness and sensitization in regards to National Values and Principals of governance enshrined in Article 10 and 232 of the constitution of Kenya 2010 and Capacity built its staff through a 2 weeks training at Kenya School of Government, to enhance staff efficiency in service delivery.

Public Service and Administration

48. During the period under review, the department had a budgetary allocation of Kshs. 596.03 million on recurrent and Kshs 15.5 million on development. The department incurred an expenditure performance of Kshs 531.26 million and Kshs 13.44 million representing an absorption rate of 89.1 percent and 86.7 percent on recurrent and development respectively. The expenditure aimed at financing programmes and projects aimed at strengthening the capacity of the Department of Public Service Management and ICT to undertake its aspiration of having a citizen-centric, well-coordinated public service that provides efficient and quality services to its all clients.

49. The Department of Public Service and Administration in the FY 2024/25 made significant progress in implementation of its strategic priorities as envisioned in the CIDP 2023-2027. Achievements realized included; renovation of the County HQ (Governor's office) Roof top, refurbishment of the deputy

Governor's office, completed construction of Ebutanyi resource centre, Emuhaya and Hamisi Sub County administration offices; recruitment of 15No Ward Administrators , Records Management, Communication and ICT Officers, migration of payroll data from IPPD to HRMIS;, reviewed the County staff establishment and organization structure; implemented the staff Audit report and performance contracting and staff performance appraisal and renovated and rebranded the Vihiga radio station

Gender, Culture, Youth, sports and Social Services

50. During the period under review, the department had a budgetary allocation of Kshs. 89.74 million on recurrent and Kshs 37.34 million on development. The department incurred an expenditure performance of Kshs 79.93 million and Kshs 17.11 million representing an absorption of 89.1 percent and 45.8 percent on recurrent and development respectively.

51. The expenditure aimed at financing the broad objectives of the sector that aims at making Vihiga a vibrant, cohesive, empowered based on inclusivity and shared prosperity. Accordingly, the department indevoured to promote, preserve and develop all functional aspects of culture, promote and develop talent, sports and creative arts, mainstreaming gender youth and women issues in the county development agenda, promoting social protection programmes to support vulnerable groups including children, the elderly, women and PWDs.

52. During the period under review the sector achieved the following: Fenced Hamisi Stadium in readiness for its expansion, upgraded Lwenya and Makuchi Sports fields for promotion of sports talent, installed solar system at the Sabatia SGBV Centre in order to ope-rationalize the facility, Provided financial support to 10 local sports teams including Madira Soccer Assasins and Luanda Villa, trained 100 sports practitioners on promotion of clean sports in Vihiga County, launched SGBV and Child Protection and Welfare policies. capacity-building of 500 youths leading to improved job readiness and opportunities and organized the Annual Vihiga County Cultural Festivals (Bunyore, Maragoli, Terik, and Tiriki) which enhanced cultural awareness and community engagement

Environment, Water, Energy, Natural Resources and Climate Change

53. During the period under review, the department had a budgetary allocation of Kshs. 173.45 million on recurrent and Kshs 610.21 million on development. The department incurred an expenditure performance of Kshs 152.99 million and Kshs 375.17 million representing an absorption of 88.2 percent and 61.5 percent on recurrent and development respectively.

54. The expenditure sought to finance the sector programmes and projects with the broad objectives of increasing access to clean and safe water and sanitation services in stable and sustainable environment. Other priorities included implementation of policies and programmes on conservation and restoration of various ecosystems, wetlands (hill tops, riparian degraded land areas); environmental cleanliness and promotion of sustainable waste management practices, promotion of use of renewable

energy; promotion and capacity building of climate change adaptation and mitigation strategies, sustainable management of natural resources and ensuring equitable sharing of the accruing benefits.

55. The Department Of Environment, Water, Natural Resources, Energy and Climate Change recorded notable achievements including; development of various policies, Plans, regulations and Acts including: Vihiga County Climate Change Act 2025; Vihiga Water and Sanitation Services Act 2024; Vihiga County Water and Sanitation Strategic and Investment Plan 2024-2030; County Climate Change Regulations, County Energy Plan, Eucalyptus management policy, Sand harvesting and quarry policy, Water and sanitation policy, Water and sanitation regulations and Climate Information Service Plan (CISP);
56. In addition, the Department restored the eco-system through reafforestation of 120 acres of Maragoli hills and fenced 12km of Kibiri forest, promoted sustainable livelihoods through implementation of Buhani Irrigation Project, Ebusiekwe South Maragoli and Gisambai Apiculture projects,
57. Similarly, improvement in access to clean and safe water through construction of community water projects that included; Ebukhaya, Ekamanji, Kaila, Kegondi, Kaptik- Mwala., Solarization of Vigina and augmentation of Nadiradi Community Water Project.
58. Other achievements were; recruitment of key officers including; hydrologists, water engineers, resource mobilization officers and environmentalists and market cleaners; increased metering connection by 40% through 577 new meter installations, increased access to clean water through 1900 No. new connections in last mile connectivity, enhanced market and public space cleanliness through daily routine cleaning of 63 markets and public spaces; safe disposal of waste and 12 monthly cleaning exercises, Initiated the construction of mercury free gold processing demonstration centre at Chambiti and improved uptake on clean energy by solarizing more than 30 water schemes and supplying 25 households with solar lighting kits.

Office of the County Attorney

59. During the period under review, the department had a budgetary allocation of Kshs. 27.02 million on recurrent, incurring an expenditure performance of Kshs 12.02 million which represented an absorption of 44.5 percent.

60. The expenditure sought to finance the activities and programmes of the Office of the County Attorney. During the FY 2024/25 the Office of the County realized the following key achievements; recruited one County Legal Counsel on contract terms in addressing staff shortage; provided advisory and legal input to departments in drafting and developing eighteen policies among them: Vihiga County Child Protection Policy, Vihiga County Gender Based Violence Policy, The Vihiga County Cooperatives Policy, 2023, The Vihiga County Cooperatives Bill, 2023, The Vihiga County Public Service Board Bill, Vihiga County Alcoholic Drinks Control Regulations 2024 . Other achievements were; concluded sixty-five court cases that included the following- (Bungoma ELRC Constitutional Petition challenging the appointment of county Executive Committee Members, Kakamega ELRC Petitions numbers E 001 of 2023.

PART III. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

Global Economic Outlook

61. The global economy remained resilient in 2024 despite ongoing challenges such as high energy and food prices and tighter monetary policies. Global real GDP grew by 3.2 per cent in 2024 compared to 3.3 per cent in 2023. Advanced Economies maintained stable growth at 1.7 percent, mainly supported by easing monetary policies, strong domestic demand, and investment. In contrast, Emerging Market and Developing Economies (EMDEs) experienced a decline in growth from 4.4 per cent in 2023 to 4.2 per cent in 2024, primarily due to disruptions in commodity production and shipping.

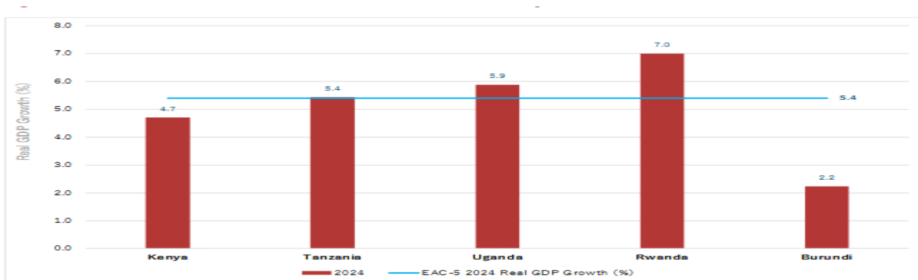
62. In 2024, Sub-Saharan Africa (SSA) real GDP grew by 3.8 per cent, while that of East African Community (EAC-5) region grew by 5.4 per cent, mainly driven by government spending, service sector productivity and regional trade.

63. Global inflation eased to 5.7 per cent in 2024 from 6.7 per cent in 2023, largely due to stabilizing commodity prices and improved labor supply, with inflation returning to target levels in many economies. However, some SSA countries, including Angola, Ethiopia, and Nigeria, continued to face double-digit inflation. Global trade rebounded, expanding by 3.4 per cent, supported by strong growth in business services, tourism, and recovery of consumption of goods from USA. Labour market conditions remained steady, with both the global unemployment rate and labor force participation rate unchanged at 5.0 percent and 61.0 per cent respectively in both 2023 and 2024.

East African Community

68. In 2024, the five East Africa Community (EAC-5) countries which are Kenya, Uganda, Tanzania, Burundi and Rwanda real GDP is estimated to have expanded by 5.4 per cent, up from 5.3 per cent growth in 2023. This growth was mainly driven by robust performances in agriculture, services, and manufacturing sectors, alongside increased foreign direct investment. The bloc also benefited from favorable global commodity prices and a rebound in tourism, contributing to the overall economic expansion. Inflation within the bloc eased to 4.4 per cent in 2024, from 6.7 per cent in 2023. The current account deficit as a percentage of GDP narrowed to 5.1 per cent in 2024, compared to 5.6 per cent in 2023, indicating a modest improvement in the region's external balance.

Figure 2: Real GDP Growths for the East African Community (EAC-5), 2024



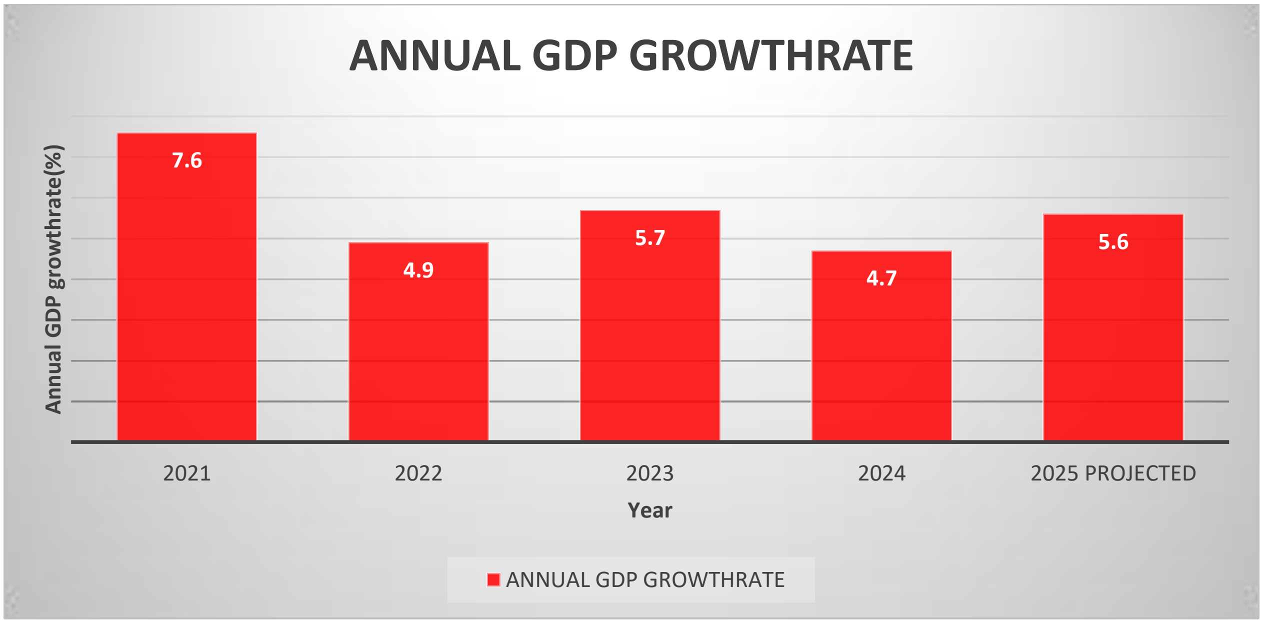
Source: Economic Survey Report 2025

Domestic Outlook

69. In 2024, Kenya's real Gross Domestic Product (GDP) grew by 4.7 per cent, compared to a revised growth of 5.7 per cent in 2023. The growth was noted in most of the sectors of the economy with Agriculture, Forestry and Fishing growing by 4.6 per cent compared to 6.6 per cent growth in 2023. Other sectors also had notable growths including Financial & Insurance Activities (7.6%), Transportation and Storage (4.4%) and Real Estate (5.3%). Construction however, recorded a contraction of 0.7 per cent down from a growth of 3.0 per cent in 2023. Similarly, mining and quarrying recorded a contraction of 9.2 per cent compared to a 2023 contraction of 6.5 per cent as evidenced in the reduced production of key minerals, including construction materials, titanium, salt (crude), and gemstones.

70. Nominal GDP increased from KSh 15,033.6 billion in 2023 to KSh16,224.5 billion in 2024 out of which with Agriculture, Forestry and Fishing contributed 22.5 per cent, an increase from 21.5 per cent in 2023. Combined, service activities contributed 61.1 per cent of the GDP while industry-related activities comprised 16.5 per cent of the GDP in 2024. At current prices, the Gross National Disposable Income increased to KSh 16,997.9 billion in 2024 from KSh 15,752.9 billion in 2023. Consequently, the Gross Domestic Product (GDP) per capita increased from KSh 291,770 in 2023 to KSh 309,460 in 2024. The Private final consumption expenditure increased from KSh 11,460.0 billion in 2023 to KSh 12,483.7 billion in 2024 while the government final consumption expenditure increased to KSh 1,809.9 billion from KSh 1,770.5 billion in 2023.

Figure 3: Trend in GDP Growth



2025 Economic Outlook

71. The global economy is projected to remain stable and post an improved performance of 3.3 per cent in 2025. The projected growth is supported by easing global inflation and supply chain constraints, stronger performance in the United States and some large emerging market economies. The growth is further reinforced by improved labour market conditions, as nominal wage growth continues to show signs of moderation. However, projected global growth is expected to be uneven, masking significant differences across regions and countries. In advanced economies such as the USA, growth is underpinned by a robust demand reflecting strong wealth effects, easing monetary policy alongside improved financial market conditions. However, in the euro area, geopolitical tensions continue to weigh on growth prospects, partly due to heightened political and policy uncertainty. In other advanced economies, growth is supported by a recovery in real incomes and consumption patterns but likely hampered by uncertainty in trade policy. Growth is projected to remain stable and solid in China and India. In the Middle East and Central Asia, growth is projected to pick up in 2025 but at a slower pace. Growth in sub-Saharan Africa is expected to pick up in 2025 but expected to slow down in emerging and developing Europe.

72. Kenya's economy is projected to remain resilient and stable in 2025. The projected growth is expected to be driven by a strong services sector, enhanced agricultural productivity supported by favorable weather and distribution of subsidized fertilizer and seeds by the Government. The outlook is also underpinned by a stable macroeconomic environment and steady international oil prices. Inflation is projected to stay within the Government's target range of 2.5 per cent to 7.5 per

cent, supported by low non-food-non-fuel inflation, lower food and energy prices, and a stable exchange rate. The decline in interest rates is expected to continue to support growth in private sector credit, boost economic activity and accelerate growth. Further, enhanced implementation of priority value chains under the Bottom-Up Economic Transformation Agenda in core areas of Agricultural Transformation; Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Economy- aided by the identified enablers- will accelerate inclusive growth, lower the cost of living; eradicate hunger; create jobs; expand the tax base; and improve foreign exchange balances. On the demand side, aggregate demand is expected to remain robust, supported by both public and private sector activity, stronger exports of goods and services, and sustained diaspora remittances.

County Economic Outlook and Growth Prospects

73. In 2023, the county recorded GCP of 69,560 million at constant 2016 prices and 109,075 million at Current Prices with 0.8% 5-years average county share of Gross Domestic Product according to the Gross County Product Report 2024.The GCP per capita (nominal) was 173,306 in 2023.

74. Vihiga County's economy is showing signs of resilience and planned growth, despite facing some fiscal challenges. The County operates within the global and domestic micro economic framework that influences fiscal decisions. The medium-term prospects for County growth are stronger with the County government renewed commitment and strategy as spelt out in the 3rd generation CIDP 2023-27. The county government has emphasized fiscal consolidation, expenditure rationalization, and resource mobilization for the FY 2025/26 and the medium term. County economy is expected to rebound augmented by increased production in agriculture supported by favorable weather and the government support to farmers through subsidized farm inputs and fertilizer as well as commercialization and value addition. Additionally, the County projects an increase in growth of GCP and incomes occasioned by increased investments in industry and mining sector through, Establishment of industrial park and Mining industries, supporting MSMEs and expansion of transport infrastructure.

Update on Fiscal Performance and Emerging Challenges

75. The Fiscal policy over the medium-term aimed at deepening revenue mobilization and improving finance management systems at all levels of County government so as to improve on efficiency of public finance management. The updated fiscal economic framework is on a positive trajectory, with own source revenue collection improving marginally and surpassing targets in the last two fiscal years due to automation of all revenue streams. However, development budget absorption, pending bills and cash flow, expenditure on wages and revenue potential verses realization remained key challenges.

76. Going forward, the County Government will put greater attention to the policy of expenditure rationalization with a view to provide more funds to core services. It will also focus on engagements with the private sector actors so as to enhance public private partnerships. This will create fiscal

space for the implementation of the strategic priorities as envisioned in the CIDP 2023-2027 and MTP IV.

Risks to the Outlook

Table 6: Risks to the Outlook

Category	Risk	Risk Implication	Risk Level (Low, Medium, High)	Mitigation measures
Fin financial	• Failure to meet Own Source Revenue targets • Delayed procurement processes.	• Unfunded budget • Delayed programme implementation	Medium	• Prudent financial management and adherence to PFMA • Fully automation of revenue, accounting and auditing processes • Timely initiation of procurement processes.
	• Delay in exchequer releases	• Low Absorption of • budget by Departments	• Medium	• National Treasury to ensure timely disbursement of funds.
Organizational\ administrative	• Recurrent Expenditure pressure due to expanded programs and increasing wage bills	• Diminishing proportion of development expenditure	• High	• Cuts in recurrent Expenditure and sustainable planning
	• Low enforcement of policies	• Weak performance management	• Medium	• Full Implementation of all policies and procedures
	• Corruption	• Increased wastage	• Medium	• Enforcement of Code of Ethics • Implementation of audit reports recommendations
Strategic risks	• Contingency Liabilities	• Late or non-remittance of statutory deductions.	• Medium	• County to comply with legal requirements on statutory deductions to avoid being surcharged.

Category	Risk	Risk Implication	Risk Level (Low, Medium, High)	Mitigation measures
Agricultural risks	• Climate Change Related risks	• Lowering of tax revenues and increase in public spending to mitigate the disasters	• Medium	• Adapt to green economic considerations • Develop and implement disaster recovery plan
Technological risk	• Failure/ Network challenges with IFMIS	• Low	• Delayed transactions on IFMIS	• Upgrading of Systems

PART IV: RESOURCE ALLOCATION FRAMEWORK

Implementation of the 2025/2026 Budget

78. The implementation of FY 2025/26 budget has been slowed due to delays in exchequer releases. In the first two months of FY 2024/25, own source revenue collection amounted to Kshs. 46.55 million. To ensure seamless implementation of the FY 2025/26 budget, the County Treasury has embarked on expenditure rationalization by focusing on implementation of ward-based projects and payment of pending bills.
79. Total revenues for the FY 2025/26 are expected to increase to KES 7,585,820,567 after the first supplementary budget, with own source revenues projected at KES 420.00 million, donor-funded grants at KES 1.14 billion and the County's Equitable Total Share at KES 6.03 billion. The County has so far received Kshs. 449.89 million for July Exchequer disbursement FY 2025/2026. Own source revenue collections for the first two months in FY 2025/2026 amounted to Kshs. 50.59 million.

Fiscal Policy for the FY 2025/2026 and the Medium-Term Budget

80. The fiscal policy stance in the FY 2025/26 and over the medium term aims at supporting priority programmes as outlined in the County Integrated Development Plan (2023-2027), Governor's Manifesto of accelerating socio-economic transformation for more competitive, inclusive and resilient economy, the Bottom - Up Economic Transformation Agenda (BETA) and MTP IV. The County Government will continue to pursue a cautious budgetary implementation plan with the overall aim of reducing pending bills, implementation of UHC program and provision of portable water countywide. The strategies will focus on enhancing own source revenue mobilization, reprioritization and rationalization of expenditures while safeguarding priority Government programmes and social spending.
81. To further, strengthen management of public resources, the County Government is in the process of transitioning from cash to accrual basis to improve cash management and enhance financial and fiscal reporting. The accrual accounting will enable the County Government to account for all assets and liabilities. Over the medium term and once adopted by the county governments, the Government will adopt zero based approach in preparing future budgets. To implement Zero Based budgeting, the County Government will be guided by the National Treasury costing tool in the IFMIS budget module tool, which has incorporated standardized costing methodologies to streamline calculation of budget baselines and prioritization to give credible base for preparation of budget estimates.

Fiscal Projections

82. At the National outlook In the FY 2026/27, total revenue including Appropriation-in-Aid (AiA) is projected at KSh 3,583.4 billion (17.1 percent of GDP). Of this, ordinary revenue is projected at KSh 2,998.3 billion (14.3 percent of GDP. Of this transfer to County Governments is projected at Kshs. of KSh 446.6 billion.
83. At County, level, own source revenue is projected to grow by 12.47 percent to Ksh.472 million up from Kshs. 420 million. In the proposed 2026/27 budget, the County Equitable Share is projected to

increase by the approval of the new revenue sharing formula proposed by the Commission on Revenue Allocation (CRA). In this regard, the County Government will over the medium term ensure compliance with the fiscal responsibility principles as outlined in the section 107 of the PFM Act 2012 while ensuring budget credibility. The projected resource envelope is as shown in the table 10.

Table 7: Projected Resource Envelope FY 2026/2027

Sources	Budget FY 2025/2026 KES	Projections FY 2026/2027 KES
County Equitable Share	6,008,751,224	6,008,751,224
Own Source Revenue	420,000,000	472,374,000
Conditional Grants	1,004,658,734	754,658,734
Total	**7,433,409,958**	**7,235,783,958**

Source: Vihiga County Treasury

FY 2026/2027 and Medium-Term Budget Framework

83. *The FY 2026/27 and the Medium-Term Framework will focus on the implementation* of the CIDP 2023-2027, the Governor's Manifesto of accelerating socio-economic transformation for more competitive, inclusive and resilient economy, the MTPIV and the Bottom-up Economic Transformation Agenda (BETA) as prioritized in the ADP 2025/26 with focus on the following 10-point strategic areas:

- Promotion of Socio-Economic Empowerment programmes;
- Scaling up of good governance and accountability systems;
- Creation of employment opportunities for youth & women through agribusiness;
- Promotion of an educated, skilled and well-informed society;
- Strengthening primary health care systems towards universal health coverage;
- Provision of reliable public infrastructure, transport systems, and expansion of ICT platforms;
- Upholding green growth, sustain environmental conservation and climate change adaptation
- Promote cohesive society, inclusive governance through Public Participation and Civic Engagement;
- Promotion of climate smart agriculture with emphasis on agribusiness;
- Upscaling provision of clean and safe water and sanitation services; and
- Promotion of trade and enterprise development with emphasis on MSMES.

Criteria for Resource Allocation

84. The County Government will continue to implement the Zero-Based Budgeting approach to guide the prioritization and allocation of limited resources to projects and programmes. Departments and agencies will be required to reassess all planned and existing programmes, projects and activities to

be funded in the FY 2026/27 and over the medium-term budget. In this context, the principles of efficiency, effectiveness, and prudence in public spending will be strictly enforced, ensuring that low-priority expenditures are curtailed in favor of high-priority, service-delivery programmes. Sector Working Groups are therefore expected to prioritize essential spending and focus on interventions that improve livelihoods, create employment, support business recovery, and drive overall economic growth.

85. The following criteria will serve as guide in prioritization and final allocation of resources:

i. Completion of ongoing projects, stalled projects and payment of verified pending bills;
ii. Governor's Directives and CEC Decisions;
iii. Programmes aimed at climate change mitigation and adaptation
iv. Programmes that enhance value chain and linkage to the Governor's Manifest and BETA priorities;
v. Linkage of the programme with the priorities of the CIDP 2023-2027, MTP IV of the Vision 2030;
vi. Degree to which a programme addresses job creation and poverty reduction;
vii. Degree to which a programme addresses the core mandate of the County Departments and Agencies;
viii. Cost effectiveness, efficiency and sustainability of the programme;

86. Based on the above broad guidelines, Departments are expected to develop and document specific criteria for prioritization and resource allocation within the resource envelope. To facilitate the finalization of the CBROP 2025 and other policy documents within the stipulated timelines, departments are required to strictly undertake the activities outlined in the budget calendar within the set timeframes as provided in Annex 1.

Public Participation and Involvement of Stakeholders

87. As required by the Public Finance Management (PFM) Act, 2012, this County Budget Review and Outlook Paper 2025 was prepared in an inclusive and participatory process involving various stakeholders. The draft was shared on the County's Website and subsequently, reviewed by CBEF before being presented to the County Executive Committee for approval and finally submitted to the County Assembly.

PART V: CONCLUSION

88. The global economy is projected to remain stable and post an improved performance of 3.3 per cent in 2025. The projected growth is supported by easing global inflation and supply chain constraints, stronger performance in the United States and some large emerging market economies. On domestic scene, Kenya's economy is projected to remain resilient and stable in 2025. The projected growth is expected to be driven by a strong services sector, enhanced agricultural productivity supported by favorable weather and distribution of subsidized fertilizer and seeds by the Government. V Vihiga County's economy is showing signs of resilience and planned growth, despite facing some fiscal challenges. County economy is expected to rebound augmented by increased production in agriculture supported by favorable weather and the government support to farmers through subsidized farm inputs and fertilizer as well as commercialization and value addition. Additionally, the County projects an increase in growth of GCP and incomes occasioned by increased investments in industry and mining sector through, Establishment of industrial park and Mining industries, supporting MSMEs and expansion of transport infrastructure.
89. The Medium-Term Budget and fiscal projections in the 2025 CBROP have been revised from those of the 2024 County Fiscal Strategy Paper taking into account the budget performance and fiscal outcome of the FY 2024/25. The 2025 CBROP forms the basis for the development of the 2026 CFSP. This will detail the progress in the implementation of priority policies and strategies of the County Government, under the CIDP 2023-2027, Governors Manifesto, BETA and Vision 2030. The Budget Calendar will guide the preparation of the FY 2026/27 and the Medium-Term Budget.
90. Due to the constrained fiscal environment, the County Treasury will guide the prioritization and allocation of scarce resources to all projects and programs in the FY2025/26.Departments will therefore be required to re-evaluate all planned activities, projects and programs to be funded in FY 2026/27 and Medium-Term Budget. Departments should eliminate wasteful expenditures and pursue priorities that are aimed at safeguarding livelihoods, creating jobs, reviving businesses and economic recovery.
91. The Budget Calendar for FY 2025/26 is guided by the timelines provided in the PFM Act, 2012 as shown in annex 1.

ANNEX 1: BUDGET CALENDAR

S/No.	***Activity***	***Responsibility***	***Timeframe/Deadline***	***Obligation of Members of the Public***
1.	Issue guidelines for preparation of 2026/27 andMTEF County Budget	C.E.C Finance & Planning	29th August, 2025	Read to know when, where and howto participate in

				the budget process
2.	Submission of Annual Development Plan (ADP 2026/27) to the County Assembly	CEC for Finance andEconomic Planning	29th August, 2025	Read the plan, and can submit written Memorandum
3.	Undertaking of Departmental Expenditure Reviews and submit to County Treasury ensuring that ecological, social, environmental and institutional issues are highlighted	All Departments	2rd - 5th September, 2025	
4.	Estimation of Resource Envelope and Preliminary allocation to sectors for preparation of County Budget Review and Outlook Paper (CBROP 2025)	County Treasury	9th – 18th September, 2025	
5.	Submission of CBROP to the County Executive Committee for deliberation and approval	County Treasury	30th September, 2025	
6.	Submission of County Budget Review and Outlook Paper (CBROP 2025) to the CountyAssembly	CEC for Finance andEconomic Planning	22nd October, 2025	Access, Read and comment.
7.	Sector consultative forums and Drafting of Sector Reports ensuring that ecological, social, environmental and institutional issues are well addressed. Launch of Sector Working Groups	County Treasury	4th -7th November 2025	Access, Read and comment.
8	Submission of final sector reports to County Treasury ensuring that ecological, social, environmental and institutional issues are well addressed.	CEC for their respective Departments	28th November, 2025	Access, Read and comment.
9.	Drafting of County Fiscal Strategy Paper (CFSP 2025) and County Debt	County Treasury		

	Management StrategyPaper.		5th -9th January, 2026	Access, Read and comment.
10.	Public Participation exercise	County Treasury	4th -6th February, 2026	Read the budget, and can submit written Memorandum
11	Submission of County Fiscal Strategy Paper(CFSP 2025) to CBEF	CEC Finance and Economic Planning	11th -13th February, 2026	Read the paper, and can submit written Memorandum
12.	Submission of CFSP to County ExecutiveCommittee for approval	CEC Finance and Economic Planning	24rd February 2026.	Read the paper, and can submit written Memorandum
13	Submission of the CFSP to County Assembly	County Treasury	27th February, 2026	Access, Read and comment.
14	Deliberation and approval of CFSP by County Assembly		2nd-13th March 2026	
15	Circulate approved County Fiscal Strategy Paper (CFSP 2025) and Final guidelines on preparation of 2026/27 MTEF Budget	County Treasury	17th March, 2026	Access, Read and comment.
16	Submission of budget proposals for 2026/27MTEF Budget to County Treasury	All CECMs and Accounting Officers	27th March 2026	
17.	Public Participation of Budget Estimates	County Treasury	14th -17th April, 2026	
18.	Consolidation of Budget Estimates for F/Y2026/27	County Treasury	22nd 24th April, 2026	Access, Read and comment.
19	Submission of Budget Estimates to CBEF	County Treasury	27th April, 2026	

20	Submission of Budget Estimates F/Y 2026/27 to County Executive for approval	County Treasury	28th April, 2026	Access, Read and comment
21	Presentation of Budget Estimates to CountyAssembly	C.E.C Finance & Planning	By 30th April, 2026	
22.	Deliberations and Approval of Budget Estimates F/Y 2026/27	County Assembly	30th April– 30th June, 2026	Access, Read and comment.
23.	Finance Bill & ACT	County Treasury & County Assembly	30th September within 90days	Access, Read and comment