

## Comments on the 2022/2023 Draft Busia County Fiscal Strategy Paper

### 1. General Comments

- In setting out the budget ceilings for the financial year 2022/2023 (Paragraph 164 on page 62), the County Fiscal has mentioned four issues that were used in setting the budget ceilings which include County Integrated Development Plan (CIDP) priority projects, Ongoing Projects, Operationalization of projects and ward priority projects. **They are two key issues of immediate policy concern that were not mentioned and this includes Policies to boost recovery from the Covid-19 pandemic and emerging gender issues arising from the pandemic.** When these two critical policy issues are taken into account, it will shift immensely what budget priorities are required.
- The Draft County Fiscal Strategy Paper observes brilliantly that Covid-19 affected adversely the livelihoods of Busia County residents especially the cross-border trading and women participation in the Cross-border trade. The County Fiscal Strategy Paper is silent on how the fiscal policy will address those specific Covid-19 effects. The country should provide finances for women groups who are engaged in the trading opportunities by providing seed money like Ksh 50 million and asking other partners to chip in.
- Due to unavailability of gendered and disaggregated county statistics, the county government should set aside 1% of the total budget to ensure the provision of public available gendered data.

### 2. Issue 1: Reduced Expenditures for Agriculture, Livestock and Fisheries

- The Draft County fiscal strategy paper has set the expected expenditure ceiling for the financial year 2022/2023 financial at Ksh 627.43 million. This is a reduction of Ksh 149.43 million from the budget in the current financial year as shown in the table below.

**Table 1: Budget for Agriculture, Livestock and Fisheries**

Vote	2021/2022 (Ksh)	2022/2023 (Ksh)	Changes (Ksh)
Employee Compensation	188,802,115	188,802,115	0
Operations and Maintenance	82,412,159	82,412,159	0
Development	505,650,596	356,215,656	-149,434,940
<b>Total Budget</b>	<b>776,864,870</b>	<b>627,429,930</b>	<b>-149,434,940</b>

Source: Draft Busia County Fiscal Strategy Paper (Page 62)

- The reduced budgetary spending for Agriculture, Livestock and Fisheries is attributed to the reduced amounts of development spending which reduced from Ksh 505.65 million to the current Ksh 356.22 million. If approved as it is, the budget will have been reduced by 30%.
- The agriculture function is one of the fully devolved county functions and is a major county function. A bigger share of Busia County's labour market is engaged in Agricultural activities and the majority of them are women.
- Reducing resources for this critical department would affect immensely the priority projects.

### WEE Budget Proposal and Justification.

**Amidst the various competing needs, it is imperative for Busia County Finance and Economic Planning to increase the resources allocated to the Agriculture, Livestock and Fisheries by 20% from the current budget of Ksh 776.86 million to Ksh 932.23 million.**

The justification for this budget proposal is that it will allow the department to continue providing key services, and scale up projects targeting improving productivity which includes expanding extension services, provision of subsidized inputs to small scale farmers, and expand market access, and improving disease surveillance and treatment for livestock. The supply chain issues has led increased the prices of inputs like fertilizers. Lower allocation to this sector would impede the recovery from Covid-19 pandemic.

### 3. Issue 2: Reduced Development Spending for Health and Sanitation

- The draft County Fiscal Strategy Paper has set the expenditure ceiling for the financial year 2022/2023 at Ksh 2,224,429,074. This represents a reduction of Ksh 73,000,000 from the budget in the current financial year 2021/2022. This means if the ceiling is approved, the budget for the department of health and sanitation would have been reduced by 3%.
- The reduction in the health budget is attributed to a change in development expenditure from Ksh 423.49 million to Ksh 350.46 million. This means that the expenditure for the health and Sanitation budget would reduce by 17.24% in the 2022/2023 financial year as shown in the table below.

**Table 2: Budget for Health and Sanitation**

Vote	2021/2022 (Ksh)	2022/2023 (Ksh)	Changes (Ksh)
Employee Compensation	1,408,857,857	1,408,857,857	0
Operations and Maintenance	465,085,770	465,085,770	0
Development	423,485,447	350,485,447	-73,000,000
Total Budget	2,297,429,074	2,224,429,074	-73,000,000

Source: Draft Busia County Fiscal Strategy Paper (Page 63)

- As per the budget data, the resource ceiling for the **curative health services** is set to reduce from Ksh 371.40 million to Ksh 277.64 million (Page 73). The reduction is equal to 25% of the program's budget for the current financial year. The curative health services budget is to support establishing dermatology centre, psychiatric units, maternity wards, radiology units, generators, oxygen plant, and other medical equipment.
- Additionally, the resources allocation for the **preventive and promotive health services** will reduce from Ksh 238.193 million to Ksh 72.841 million (Page 74). If approved as it is, the ceiling will have reduced 69.4% of resources available to the program in the current financial year. The preventive and promotive health services budget supports dispensaries, laboratories, improving access of nutritional services, environmental health, reproductive Health, Maternal, Neonatal, Child Adolescent health
- The reduction of resources allocated to these two key programs: curative health services and preventive and promotive health services, will adversely affect the provision of primary healthcare in Busia County. The two programs would disproportionately affect the provision of healthcare services to children and women.

#### WEE Budget Proposal and Justification

The health and sanitation sector faces significant challenges in Busia County. It requires substantial resources to respond proportionately to those challenges. **The County Treasury should reinstate the Ksh 73 million that was reduced, and allocate additional resources to allow the department of health and sanitation to respond proportionately to the health challenges. Within the health budget, restore the expenditure ceilings for the Curative health and preventive and promotive health services which has been reduced significantly in the draft County Fiscal Strategy Paper.**

There is need to allocate more resources to the health sector to allow for the county to respond proportionately to the Covid-19 pandemic.

#### 4. Issue 3: Water, Irrigation, Environment and Natural Resources

- Busia County expenditure ceiling for water, irrigation, and environment has been raised from Ksh 415.78 million to Ksh 426.45 million.
- The budgetary increase is attributed to the increase of Ksh 10.67 million for the Operations and Maintenance budget as shown in the table below.

**Table 3: Budget for Water, Irrigation, Environment and Natural Resources**

Vote	2021/2022 (Ksh)	2022/2023 (Ksh)	Changes (Ksh)
Employee Compensation	70,253,335	70,253,335	0
Operations and Maintenance	63,615,158	74,288,633	10,673,475
Development	281,907,603	281,907,603	0
Total Budget	415,776,096	426,449,571	10,673,475

Source: Draft Busia County Fiscal Strategy Paper (Page 63)

- While the budgetary ceiling for water supply services is set to be raised from Ksh 37.7 million to Ksh 91.47 million (Page 72), it doesn't indicate how many households will benefit from this program. The overall fiscal policy priority in the water sector is to provide all households in Busia with improved water supply services.
- The budget for smallholder irrigation and drainage has been increased from Ksh 10m to 11m. While this is a notable move, the overall resource allocation is suboptimal given the size and extent of Busia county (1628 km<sup>2</sup>). The smallholder irrigation program would improve productivity and general household resilience and needs to be scaled up. A smallholder irrigation program of Ksh 500 million consistently over the next 5 years across the different sub-counties would improve immensely the livelihoods of the majority of the farmers.

#### WEE Budget Proposal

**Increase the resources allocated to increasing water supply to households. The CFSP should indicate the number of households targeted in the water supply program. An**

efficient water supply program to households requires at least Ksh 500 million consistently over 5 years. if the allocation of Ksh 91.47 for water supply to households is sustained over the years, it will improve water access by households to almost universal levels.

The use of improved water sources by households has positive externalities especially relating to health and quality of life. Also, provide data on how many households are targeted in the water supply program as per the resources allocated in the budget.

#### 5. Issue 4: Education and Vocational Training

- The expenditure ceiling for the 2022/2023 financial year is set to increase to Ksh 579.14 million from Ksh 566.24 million in the current financial year. The overall budget for the department has increased by 2.3%.
- The resource increase is attributed to the increase in education spending from Ksh 128.98 million to Ksh 141.88 million. This represents a 10% increase in development spending.

**Table 4: Budget for Education and Vocational Training**

<b>Vote</b>	<b>2021/2022 (Ksh)</b>	<b>2022/2023 (Ksh)</b>	<b>Changes (Ksh)</b>
Employee Compensation	300,036,758	300,036,758	0
Operations and Maintenance	137,218,895	137,218,895	0
Development	128,984,126	141,882,539	12,898,413
<b>Total Budget</b>	<b>566,239,779</b>	<b>579,138,192</b>	<b>12,898,413</b>

Source: Draft Busia County Fiscal Strategy Paper (Page 62)

- The early Childhood Development Education (Basic Education) expenditure ceiling is set to increase from Ksh 40 million to Ksh 44 million. Early Childhood Development Education is one of the primary county functions and would account for 7.6% of the Education and Vocational Training Budget. There are no resources allocated to Day-care activities that would allow women in Busia County to enjoy this public good. This brings contentions on whether the budget for this program would be sufficient. The day-care element has to be factored in the ECDE budget. Overall, the resource allocation for this program is insufficient.

#### **WEE Budget Proposal**

Factor in the day-care framework as part of the ECDE budget. Increase the resources to Early Childhood Development Education which is a primary function of the county government. The County Fiscal Strategy Paper should show more details on what the county is investing in for ECDE. There is a need for the County to show that the quality of ECDE is improving in terms of the number of children per teacher , teaching aids, desks, availability of good and quality classrooms, availability of meals, mattresses for PP1 Kids to nap etc. this are requirements for Child’s welfare to grow.

## 6. Gender Services, Youth Empowerment, and Childcare Protection

- The functions of Gender and Social Services, Youth Empowerment and development, and childcare and protection are under the department of Sports, Culture and Social Sciences.
- The resources for gender and social services have been increased from Ksh 7 million to Ksh 7.7 million, the youth empowerment and development budget has increased from Ksh 2 million and the resources for childcare has increased from Ksh 5 million to Ksh 15.5 million.

**Table 5: Budget for Gender Services, Youth Empowerment and Childcare and Protection**

	2021/2022 (Ksh)	2022/2023 (Ksh)	Changes (Ksh)
Gender and Social Services	7,000,000	7,700,000	700,000
Youth Empowerment and Development	2,000,000	2,200,000	200,000
Childcare and Protection	5,000,000	15,500,000	10,500,000
<b>Total Budget</b>	<b>14,000,000</b>	<b>25,400,000</b>	<b>11,400,000</b>

Source: Draft Busia County Fiscal Strategy Paper (Page 63)

- While the country has set aside resources for gender mainstreaming which is a positive move, the number of resources required is too low compared to the scope of work that is needed to be done.
- With the number of youths in the labour market clocking around 500,000, the number of resources set aside for Youth Empowerment and Development would be too low.
- The resources set aside for Childcare and protection is too low compared to the scope of work set aside. The work identified in the CFSP includes building child protection centres, availing sanitary pads, sustaining Orphans and vulnerable children in school, and building approved children centres.

### **WEE Budget Proposal.**

**Increasing the number of resources allocated to Gender Services, Youth Empowerment and Childcare and Protection to meet the resource requirement. Collectively all the three programs would require at least Ksh 100 million every financial year for them to be implemented successfully.**

**The County should commit to build at least 3 childcare centres based in 3 different sub counties in the 2022/2023 financial year. The county can adopt a cost share model to allow for the childcare centres to run efficiently.**

**There is need to develop a county childcare centres that will set out policy issues to protect children in those care centres. This will be the first childcare policy in country if Busia takes action and prioritize the making of this policy.**

