

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF KAKAMEGA

THE COUNTY TREASURY

MEDIUM TERM

**COUNTY FISCAL STRATEGY
PAPER**

A wealthy and Vibrant County

February 2019

Kakamega County Fiscal Strategy Paper 2019

To obtain copies of the document, please contact

Kakamega County Treasury

Town Hall Building

P.O BOX 36-50100

KAKAMEGA, KENYA

The document is also available on the official county website www.kakamega.go.ke

Foreword

The Kakamega County Fiscal Strategy Paper (CFSP 2019) is prepared as provided under section 117 of PFM Act of 2012. It sets out the county priority programmes to be implemented during the financial year 2019/2020 and over the MTEF period. Preparation of this document has been done through collaborated effort and therefore reflects the needs of people of Kakamega County. The document has been aligned to key National and County policy documents which include Kenya Vision 2030, MTP 2018-2022, Kakamega County Integrated Development Plan(CIDP 2018-2022) and Kakamega County Annual Development Plan (CADP 2019/2020).

The County has continued to record positive economic development as a result of improved infrastructure, revitalized agricultural sector and the significant investments in other sectors including health, education and trade. To continue with this development pace, the focus of 2019/2020 will be geared towards achieving the County Vision. Pursuing this agenda will have long term impact of job creation and improved incomes from the vibrant economic activities in the County.

Despite the tremendous progress made, the County is still faced with several challenges that hold it from achieving its full potential. These challenges include inadequate financial resources, high unemployment rates, and political related issues. Strategies and measures to address these challenges have been captured in this document.

To achieve the County vision and the broad economic transformation, the County will focus on five core areas which are aligned to the Big four agenda as outlined below:

- Transforming the Agricultural Sector to ensure food security and increased incomes;
- Infrastructure Development including opening of road networks and housing units;
- Achieve universal Health Care;
- Promotion of fair trade, trade development, industrial growth and investment; and
- Access to clean and safe water for all.

This fiscal strategy paper also gives parameters for the 2019/20 budget and the Medium-Term Expenditure Framework which is consistent with both County and National Government priority programs, strategies and policies.

MR. GEOFFREY N. OMULAYI
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE AND ECONOMIC PLANNING

Acknowledgement

The development of the FY 2019/20 CFSP was a collaborative effort throughout the County under the leadership of His Excellency the Governor, Hon. Wycliffe Ambetsa Oparanya and the County Executive Committee Members, led by Mr. Geoffrey Omulayi CEC for Finance and Economic Planning.

In the same vein, I would like to sincerely thank the County chief officers and agency/departmental directors for their cooperation and efforts in the preparation of this document that meets the aspirations of the County residents.

Furthermore, I appreciate the efforts and inputs of the members of the public. In addition, the Commission for Revenue Allocation (CRA), the National Treasury, the Controller of Budget (COB), the County Budget and Economic forum (CBEF) members among many other stakeholders were very instrumental in the preparation of this document by providing important information in their policy documents and advisories.

Lastly, Special thanks to the Chief Officer, Economic Planning, Mr. Lawrence Omuhaka, the staff in the Department of Budget led by Mr. Samson Otieno, the head of County Revenue, Jerry Mukoko and the staff in the department of Economic Planning led by Mr. Jacob Mumia for their significant contribution to the development of the 2019 CFSP.

Mr. John Imbogo
Chief Officer, Finance
Department of Finance and Economic Planning.

Table of Contents

Foreword.....	3
Acknowledgement	4
<i>Table of Contents</i>	5
ABREVIATIONS AND ACRONYMS.....	6
OUTLINE OF THE COUNTY FISCAL STRATEGY PAPER FY 2019.	11
1.0 EXECUTIVE SUMMARY	12
1.1 Building a wealthy and economically vibrant County.....	12
1.2 Programs for achieving a wealthy and vibrant County.	13
2.0 RECENT ECONOMIC DEVELOPMENT AND POLICY OUTLOOK IN 2018/19 ..	16
2.1 Review of Recent Economic Performance	16
2.1.4 Overall Economic Growth in the County.....	20
2.1.5 The Economic Situation	21
2.2 Update on fiscal performance and emerging challenges	22
2.2.1 County Revenue performance for Previous Year 2017/2018.....	22
2.2.1.1 Locally Collected Revenue.....	22
2.2.1.2 National Government Revenue	23
2.2.2.1 Economic Classification of County Expenditure.....	24
2.3 Major Programmes and projects implemented for the period 2016/17 –	
2018/19	29
2.3.1 Agriculture, Livestock, Fisheries and Cooperatives	29
2.3.2 Roads, Infrastructure, Public Works and Energy	29
2.3.3 Health Services	30
2.3.4 Education Science and Technology	31
2.3.5 Trade, Industrialization and Tourism.....	31
2.3.6 Water, Environment and Natural Resource	32
2.3.7 Social Services, Youth and Sports	32
2.3.7 Lands, Housing, Urban Areas and Physical Planning.....	33
2.3.8 Office of the Governor & Public Service and Administration	33
2.3.9 The County Treasury.....	33
2.3.10 ICT, e-Government and Communication.....	34
2.4 Implementation of 2018/19 Budget and Emerging Fiscal Challenges	34
3.4.4 Revised budgets	38
4.4.5 Risks to the outlook	38
4.0 FISCAL POLICY AND BUDGET FRAMEWORK.....	39
4.1 Overview	39
4.1.1 Legal Framework.....	39
4.3.1 Expenditure Forecasts	41
4.4 The 2019/20 Budget framework	41
5.0 MEDIUM-TERM EXPENDITURE FRAMEWORK.....	42
5.1 Resource Envelope.....	42
5.2 Spending Priorities for 2019/2020 – 2021/22 MTEF Budget.....	43
5.3 Medium Term Expenditure Estimates.....	43

5.4 Baseline Ceilings	48
5.5 Details of Sector/Department Priorities	49
5.5.1 Agriculture, Livestock, Fisheries and Cooperative Development	49
5.5.2 Roads, Infrastructure, Public Works and Energy	51
Health Services	52
PROGRAMMES TO BE IMPLEMENTED	55
5.5.4 Education, Science and Technology	56
Education	56
5.5.6 Social services, Youth and Sports.....	57
5.5.7 Office of the Governor	59
5.5.8 Public Service and Administration	59
5.5.9 Finance and Economic Planning	60
5.5.10 Water, Environment & Natural Resources.....	61
5.5.11 Lands, Physical Planning, Housing and Urban Development.....	63
5.5.13 County Public Service Board	65
6.0 CONCLUSION	67

List of Tables

Table 1:Average Foreign Exchange Rates of Kenya Shilling for Selected Currencies, 2013-2017	19
Table 2:County GDP	20
Table 3:Local Revenue Collection 2017/2018	22
Table 4:Comparison Of Yearly Revenue Collection	23
Table 5:National Government Revenue 2017/2018.....	23
Table 6:Comparison of Yearly Revenue receipts from the National Government.....	23
Table 7:Economic Classification of Expenditure for FY 2017/18.....	24
Table 8:Departmental Expenditure for the period ending 30th June 2018.....	26
Table 9:KAKAMEGA COUNTY REVENUE REPORT- FY 2018/2019	35
Table 10:Departmental Expenditure for the period ending 30th June 2019.....	36
Table 11: Revenue resource envelope:.....	42
Table 12:Baseline ceilings 2018/19-2020/21	44

List of Figures

Figure 1:Gross Domestic Product growth rates	16
Figure 2:Quarterly GDP Growth Rates	17
Figure 3:Yearly inflation rates	18
Figure 4:2018 monthly inflation rates	18
Figure 5:Exchange Rate, Source of Data: Central Bank of Kenya	20
Figure 6:Gross County Product (GCP) pilot report 2018.....	21

Annex

Annex 1:Recurrent Ceilings.....	69
Annex 2:Development Ceilings	72

ABBREVIATIONS AND ACRONYMS

ASDSP	Agricultural Sector Development. Support Programme
ATVET	Agricultural Technical and Vocational Education and Training
BPS	Budget Policy statement
CADP	County Annual Development Plan
CBR	Central Bank Rate
CBROP	County Budget Review Outlook Paper
CFSP	County Fiscal Strategy Paper
CIDC	County Industrial Development Centres
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CSWGs	County Sector Working Groups
CTRH	County Teaching and Referral Hospital
ERP	Enterprise Resource Planning
FY	Financial Year
GDP	Gross Domestic Product
HELB	Higher Education Loans Board
ICT	Information Communication & Technology
IFMIS	Integrated Financial Management Information System
KALRO	Kenya Agricultural Livestock Research Organisation
KES	Kenya Shillings
KIHBS	Kenya Integrated Household Budget Survey
KIWASH	Kenya Integrated Water, Sanitation and Hygiene
KNBS	Kenya National Bureau of Statistics
KYISA	Kenya Youth Inter County Sports Association
MTEF	Medium Term Expenditure Framework

MTP	Medium Term Plan
NEMA	National Environmental Management Authority
ODF	Open Defecation Free
PFM	Public Financial Management
PPP	Public Private Partnership
SDG	Sustainable Development Goals
UNICEF	United Nations International Children's Emergency Fund

Legal Basis for the Publication of the County Fiscal Strategy Paper

The County fiscal strategy paper is prepared in accordance with Section 117 of the Public Financial Management Act, 2012. The law states that:

(1) The County, Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.

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

(3) In preparing the County Fiscal Strategy Paper. The County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.

(4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

(5) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of

(a) The Commission on Revenue Allocation;

(b) The public;

(c) Any interested persons or groups; and

(d) Any other forum that is established by legislation.

(6) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without

Responsibility Principles in the Public Financial Management Law

In line with the Constitution, the new Public Financial Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM law (Section 107(b)) 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 budget shall be allocated to development expenditure.
- 3) The County government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the County government revenue.
- 4) Over the medium term, the County government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
- 5) Public debt and obligations shall be maintained at a sustainable level as prescribed by the executive and approved by the County Assembly.
- 6) Fiscal risks shall be managed prudently.
- 7) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future

OUTLINE OF THE COUNTY FISCAL STRATEGY PAPER FY 2019.

This paper contains six sections as summarized below;

Section I Provides the county strategic blueprint which is to have **a wealthy and economically vibrant county** and further explains how the county government intends to transform its economy.

Section II Outlines the economic context in which the 2019/20 MTEF budget is prepared. It provides an overview of the recent economic developments and the macroeconomic outlook covering the national government and county level.

Section III outlines the fiscal framework that is supportive of growth over the medium term, while continuing to provide adequate resources to facilitate service delivery and execute the policy priorities of the county Government.

Section IV provides a framework of managing the county government's administrative units and the budgetary allocation of the county revenue among its departments.

Section V presents the resource envelope and spending priorities for the proposed 2019/20 MTEF Budget and the Medium Term. Sector achievements and priorities are also reviewed for the 2017/18 MTEF period.

Section VI gives the conclusion.

1.0 EXECUTIVE SUMMARY

This County fiscal strategy paper (CFSP 2019) covers MTEF period 2019/2020-2021/2022 and has been prepared as provided for in Section 117 of the Public Financial Management Act, 2012. In line with the law, the CFSP sets out County priority programs outlined in the next paragraphs to be implemented in FY 2019/20 and the MTEF period.

The implementation of the county priority programs over the medium term is expected to achieve the County vision of **wealthy and economically vibrant county**. The priorities to be pursued are in line with Kenya Vision 2030, MTP III, Big Four Agenda, Sustainable Development Goals (SDGs), the Governor's Manifesto and County Integrated Development Plan (2018-2022) among other policy documents. The strategic priority areas include infrastructure development, revitalization of agriculture for food security, provision of quality education, increasing access to water, provision of affordable quality health care and improving trading environment. These priority programmes are aimed at creating employment and broadening socio-economic stability hence improving living standards.

This CFSP also incorporates the national economic outlook updates to reflect changes in economic and financial trends. In the preparation of this document, the National Budget Policy Statement (BPS) was a key reference document in aligning the national economic policy principles to the County.

1.1 Building a wealthy and economically vibrant County

The focus of the County Government is to steer the county forward towards wealth creation and building an economically vibrant County through numerous strategies and a proper sustainable fiscal policy framework. Riding on the available resources and potential that the county has in Agriculture, Tourism, Sports, Energy, Minerals, Forestry, and favorable weather conditions, present broad opportunities for investment.

The County has elaborate plans towards strengthening the framework upon which a wealthy and economically vibrant county agenda would be built, however, there are challenges that need to be addressed gradually. They include: low level of local revenue collection, uncertainties arising from national government fund disbursement and

expenditure pressures with respect to salary demands and operational costs which have impacted negatively on the county development agenda.

The County's broad strategic priorities for attaining economic vibrancy include:

- a) Transforming the Agricultural Sector to ensure food security and increased incomes;
- b) Infrastructure Development including opening of Road networks and housing units;
- c) Achieve universal Health Care;
- d) Promotion of fair trade, trade development, industrial growth and investment; and
- e) Access to clean and safe water for all.

To achieve the above priority areas, the county government acknowledges that there is need to partner with other stakeholders in its implementation.

This County fiscal strategy paper therefore articulates priorities for economic policies and sectors expenditure programs to be implemented under the MTEF for 2019/20-2021/22 in order to achieve the County goals.

1.2 Programs for achieving a wealthy and vibrant County.

a) Strategic priority I: Revitalize Agriculture sector and ensure food security and value addition.

- Promote new technologies for agricultural production and crop husbandry practices which will improve yields and reduce costs of production;
- Improve livestock breeding, nutrition and animal health in order to improve the quality of meat and milk production;
- Enhance Agribusiness development focussing on: Commercialization of dairy farming, Expansion of tea production and establishment of a tea factory, expansion of fish farming and fully operationalize the fish processing plant, Commercialization of indigenous poultry farming, indigenous vegetables, banana production and rice production;
- Strengthening of smallholder farmer organizations and developing market linkages for smallholder farmers including linkages to regional and international retail and wholesale value chains;
- Expand irrigation to ensure all year round production of food crops.
- Strengthen cooperative movements.

Strategic priority II: Development of key infrastructure including construction of road networks and energy to spur economic growth.

- Tarmacking of 120 kms of roads over the medium term;
- Construction of 1800 km of gravel roads throughout the county;
- Implementing a continuous roads maintenance programme to ensure all year round mobility;

- Construction of box culverts and bridges to improve road connectivity;
- Constructing culverts on all roads to ease drainage;
- Connecting all household and centres and institutions to power and electricity

Strategic priority III: Promotion of health care through investing in quality and accessible health services

- Complete and equip the state-of-the-art Kakamega Teaching and Referral Hospital to offer specialised treatment;
- Equip level four hospitals in all Sub Counties;
- Revamp primary healthcare facilities;
- Develop and implement effective community health strategy;
- Strengthen the County medical supply chain to ensure all health facilities have adequate supply of drugs and non-pharmaceutical products;
- Promote universal access to health care;
- Digitize all health care service operations;
- Expand scope and coverage of the “Imarisha Afya ya Mama na Mtoto” Programme to all health facilities in the county to reduce infant, child and maternal deaths.

Strategic priority IV: Promotion of fair trade, trade development, industrial growth and investment

- Improvement of marketing infrastructure
- Establishment of industrial park
- Development of cottage industries and jua kali sectors
- Identify and develop potential in tourism

Strategic priority V: Improvement and upgrading of education standards.

- Implementation of free ECDE programme
- Construct and equip all ECDE and childcare centres;
- Implementation of the ECDE school based feeding program ;
- Provide high quality ECDE teaching and learning resources;
- Construct and Equip County Polytechnics;
- Provide bursaries to improve access to education;
- Integrate ICT for Education

Strategic priority VI: Provision of safe, adequate and affordable water

- Implementation of the County Water and sewerage Master Plan;
- Construction of bulk water harvesting and storage facilities with bulk storage;
- Expansion of water distribution lines to unserved areas from the main Water Supply Sources;
- Sink boreholes to supplement water supply from the main water supply lines;
- Promote adoption of rain water harvesting and storage technologies at household and institutional level;

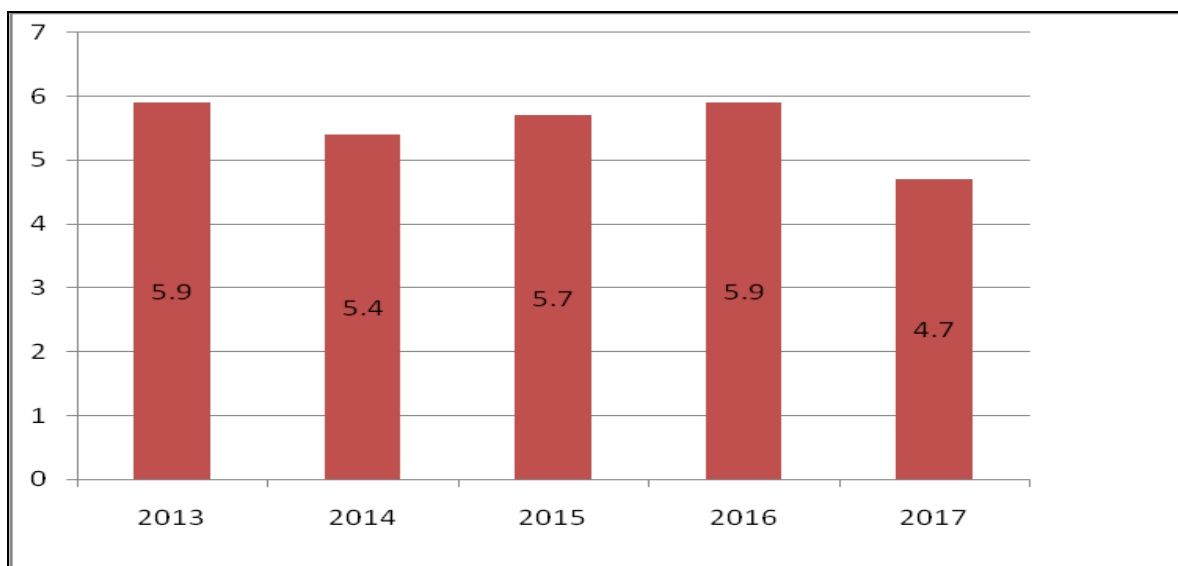
- Mobilise resources to construct sewerage lines in Kakamega and Mumias Towns and other upcoming urban centres;

2.0 RECENT ECONOMIC DEVELOPMENT AND POLICY OUTLOOK IN 2018/19

2.1 Review of Recent Economic Performance

The County Government relies on the National Government statistics on economic issues. This information is provided by the Kenya National Bureau of Statistics (KNBS). According to KNBS economic survey 2018 report, the economic growth slowed down in 2017 from 5.9 per cent growth in 2016 to 4.7 per cent in 2017.

Figure 1: Gross Domestic Product growth rates



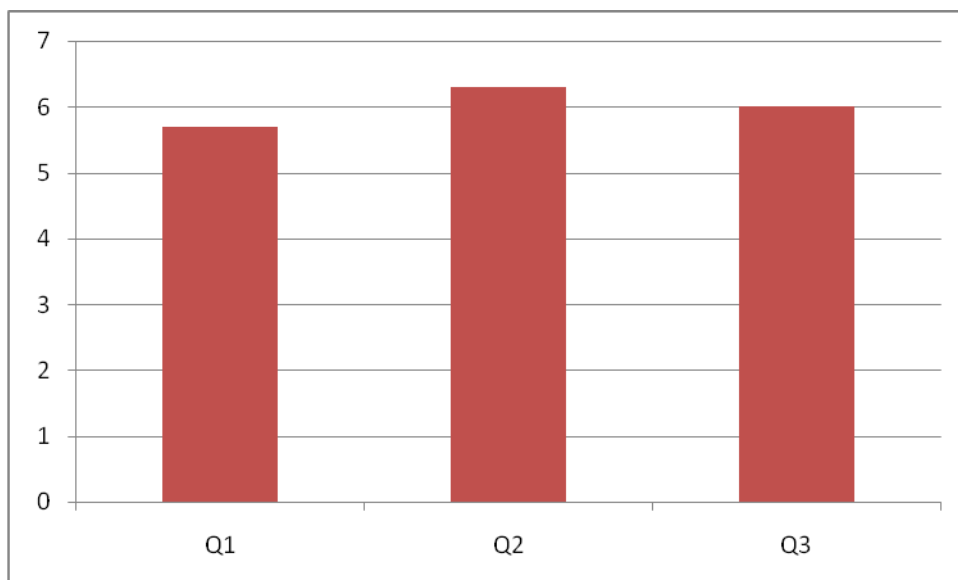
Source: KNBS Economic Survey, 2018 Report

According to quarterly GDP reports released by the KNBS the growth rate in 2018 based on the quarterly average is expected to be more than 6.0 percent.

2018 Quarterly GDP Growth Rates

Quarter	Q ₁	Q ₂	Q ₃
Growth rate	5.7	6.3	6.0

Figure 2: Quarterly GDP Growth Rates



Source: KNBS Quarterly GDP Reports

Key macroeconomic indicators remained stable and therefore supportive of growth in 2018.

2.1.1 Inflation Rate

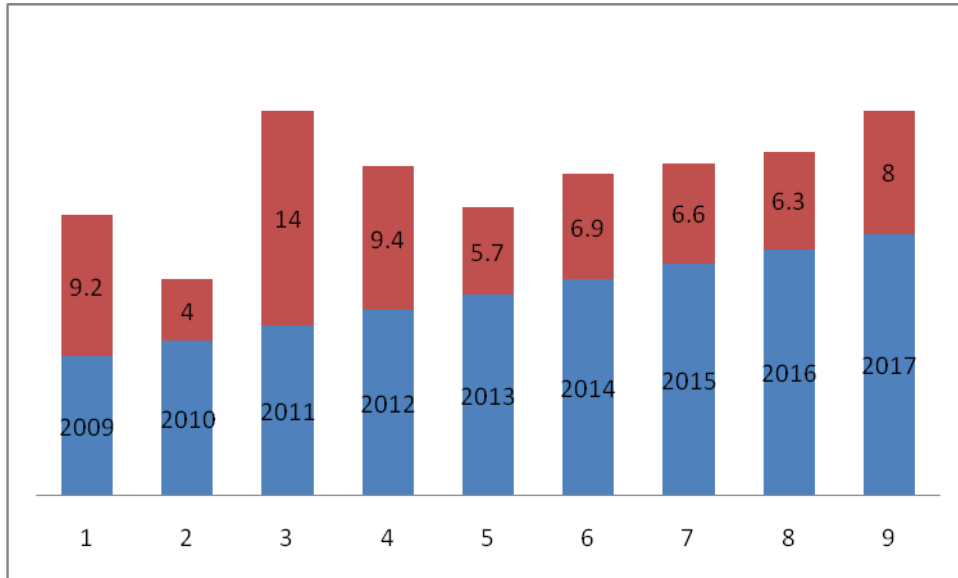
Inflationary pressure witnessed in 2017 due to drought that affected food prices eased in 2018 supported by improved weather conditions. Month-on-month, inflation remained stable and within a target of 5.7 percent in December 2018 from 5.6 percent in November 2018 owing to decline in food prices, improved weather conditions and decline in energy prices. However, overall inflation increased from 4.5 percent in December 2017 to 5.7 percent in December 2018 on account of increase in international oil prices.

Performance across the various sectors of the economy varied widely, with Accommodation and Food services; Information and Communication Technology; Education; Wholesale and Retail trade; and Public Administration registering accelerated growths in 2018 compared to 2017.

The accelerated growth in 2018 was attributed to;

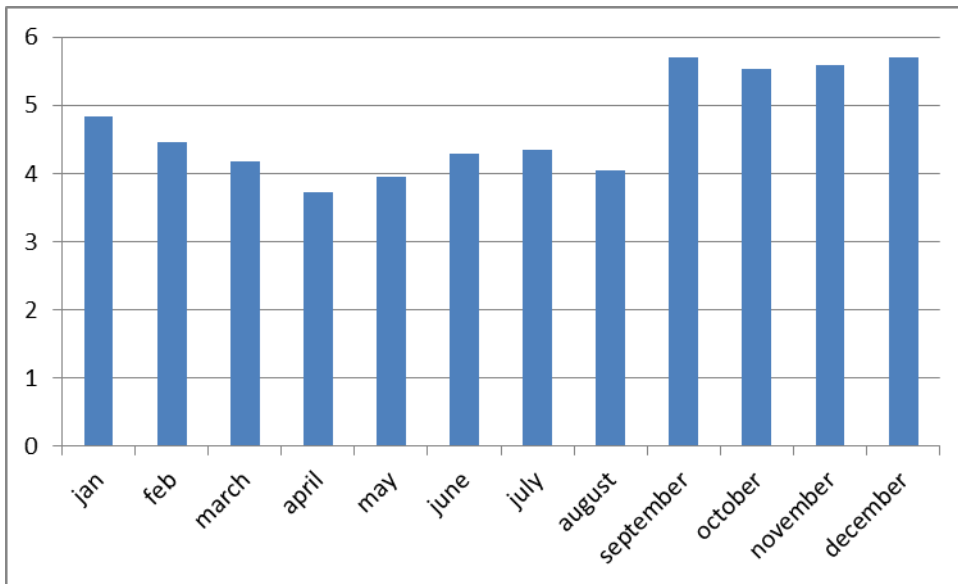
- Political stability after the general election;
- Improved weather conditions;
- Infrastructure improvement.

Figure 3: Yearly inflation rates



Source: KNBS Economic Survey, 2018 Report

Figure 4: 2018 monthly inflation rates



Source: KNBS Economic Survey, 2018 Report

2.1.2 Interest Rate

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

The interbank rate remained low at 8.1 percent in December 2018 from 7.7 percent in December 2017 due to ample liquidity in the money market. Commercial banks' average interest rates remained stable and compliant with the interest rate capping law that was effected in September 2016. The CBR was reduced to 9.0 percent from 9.5 percent in March 2018 and as a result the lending rate declined to 12.6 percent in October 2018 compared to 13.7 percent in October 2017. The deposit rate also declined to 7.6 percent from 8.2 percent over the same period. Consequently, the interest spread declined from 5.9 percent in October 2017 to 5.0 percent in October 2018.

2.1.3 Exchange Rate

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

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

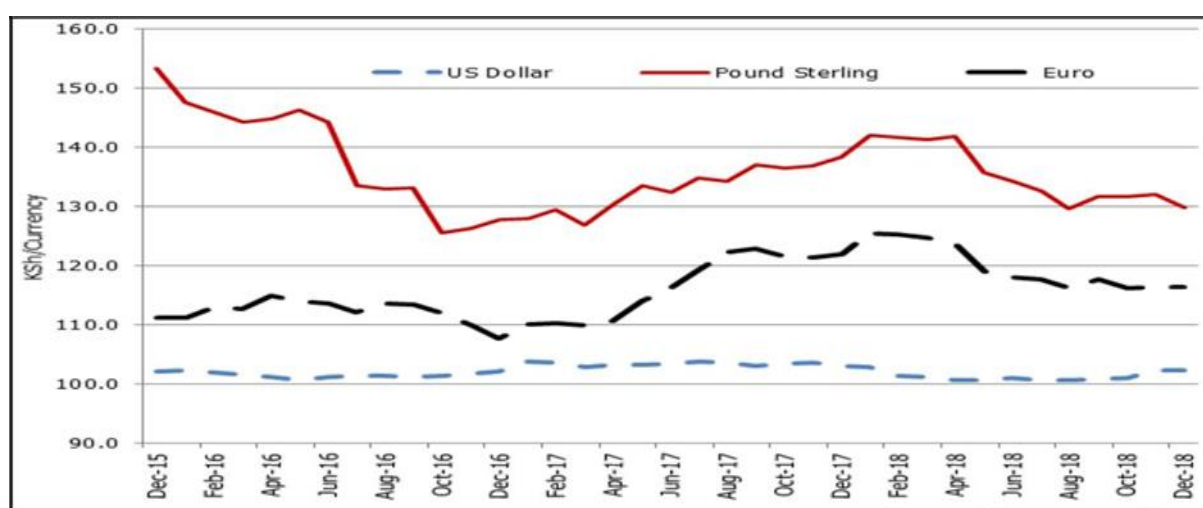
Currency	Exchange Rate against KES					
	2013	2014	2015	2016	2017	2018
1 US Dollar	86.12	87.92	98.18	101.5	103.41	
1 Euro	114.41	116.84	108.96	112.33	116.73	
1 Sterling Pound	134.75	144.88	150.17	137.66	133.20	
1 Swiss Franc	92.96	96.18	102.04	103.04	105.04	
1 UAE Dirham	23.45	23.94	26.73	27.64	28.15	
1 Indian Rupee	1.48	1.44	1.53	1.51	1.59	
1 Chinese Yuan	14.01	14.27	15.62	15.29	15.30	
100 Japanese Yen	88.43	83.26	81.12	93.55	92.22	
1 SA Rand	8.95	8.10	7.72	6.93	7.77	
1 Egyptian Pound	12.53	12.41	12.77	10.14	5.80	

¹ Budget Policy Statement, 2019

Currency	Exchange Rate against KES					
	2013	2014	2015	2016	2017	2018
TSh/KSh	18.79	18.93	20.73	21.54	21.63	
USh/KSh	30.06	29.55	32.94	33.68	34.92	
100 Rwanda Francs	7.55	7.79	7.09	7.53	8.11	

Source: KNBS, Economic Survey 2018 Report

Figure 5: Exchange Rate, Source of Data: Central Bank of Kenya



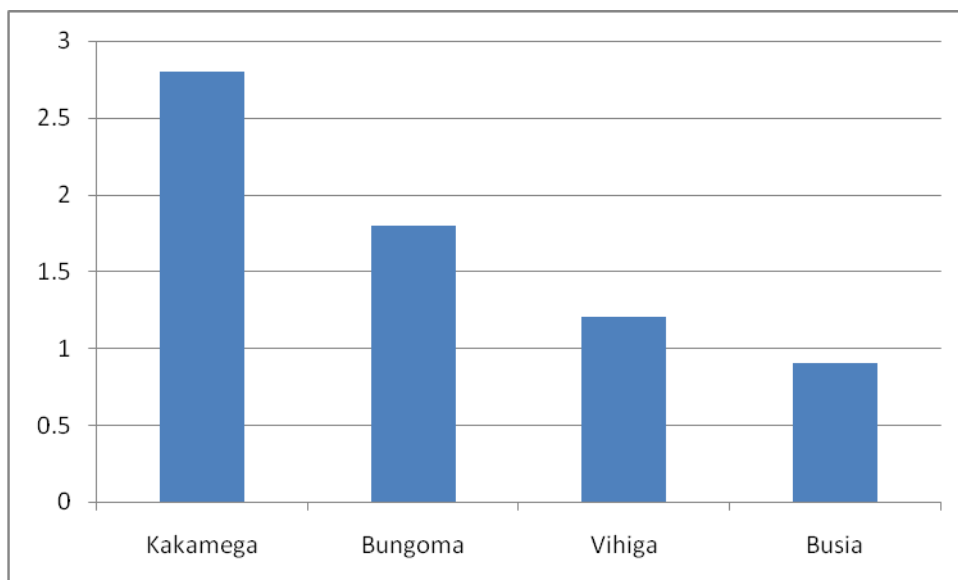
2.1.4 Overall Economic Growth in the County

The Gross County Product(GCP) survey undertaken by KNBS and the pilot report shows that the GDP share estimate of Kakamega county to the National GDP is at 2.8 percent. This ranks Kakamega County the highest contributor to the National GDP in the western region with Bungoma, Vihiga and Busia at 1.8, 1.2 and 0.9 percent respectively.

Table 2: County GDP

County	Percentage GDP Share
Kakamega	2.8
Bungoma	1.8
Vihiga	1.2
Busia	0.9

Figure 6: Gross County Product (GCP) pilot report 2018



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

Private sector contributes to the development of the economy of the county by partnering with the county in provision of goods and services. The key area that has experienced tremendous growth is the construction industry, agriculture, retail trade and financial services.

2.1.5 The Economic Situation

County governance has made tremendous effort to reduce the poverty level. The poverty index for Kakamega County according to Kenya Integrated Household Budget Survey (KIHBS) report 2015/16 was 35.8 percent down from 51 percent in 2013 which was slightly lower than the national index of 36.1 percent. However, it contributed to 4.1 percent to National poverty.

The key contributors to the reduction in poverty levels in the county include initiatives in terms of programmes that alleviate poverty either directly or indirectly among them; subsidized farm inputs, One cow initiative; construction of roads, street lighting in Transport and Infrastructure, Youth and Women empowerment programme (Kazi Mashinani); Imarisha Afya ya Mama na Mtoto programme, health infrastructure improvement, Shelter improvement programme, improved market infrastructure, Youth empowerment programmes such as entrepreneurship training, provision of car wash machines and Money maker pumps among others.

2.2 Update on fiscal performance and emerging challenges

The fiscal and economic assumption underlying the 2018/19 budget entailed improved collection of revenue from local sources and timely releases of funds by the national treasury. The updated Fiscal Economic framework is optimistic, given that the local revenue collection trend has improved. Despite the several challenges that still exist, the County Government will continue with its policy of expenditure rationalization with a view to provide more funds to core services.

2.2.1 County Revenue performance for Previous Year 2017/2018

2.2.1.1 Locally Collected Revenue

The County Revenue collection performance though better than the previous year(2016/17) was below the target. In the FY 2017/2018, local revenue was KES. 504.7 Million. This fell short of the revised budget estimates of KES. 774 Million by 30.2%(55Million)

Table 3:Local Revenue Collection 2017/2018

Revenue Source	Amount
Single Business Permit	68,649,690
Barter Market	25,824,915
Property Rates	30,774,822
CESS	27,155,400
Housing/Stall	6,745,045
Kiosk Fee	1,686,040
Slaughter	1,840,475
Bus Park	47,579,674
Parking Fee	6,960,280
Hire of Machinery	1,529,700
Other Revenues/devolved government functions	40,396,621
Liquor license	26,667,711
Health facilities & Others	159,864,093
Dividend and interest	12,508,664
Plans inspection	8,250,495
Advertising(Billboard)	7,548,007
Farm mechanization	2,776,000
NHIF Capitation	28,003,178
Total Revenue And Grants	504,760,810

Table 4: Comparison Of Yearly Revenue Collection

FY	Approved	Revised	Actual	% of the revised budget
2015/2016	1,000,000,000	1,000,000,000	504,238,292	50.42383
2016/2017	994,070,561	894,070,561	449,487,475	50.27427
2017/2018	952,571,849	774,571,849	504,760,810	65.16643

2.2.1.2 National Government Revenue

Revenue from the National Government consisted of equitable shareable revenue of KES 9.935 Billion, and total Conditional grants of KES 1.022 Billion. The summary of transfers from the National Government including conditional grants is highlighted in table 5

Table 5: National Government Revenue 2017/2018

Revenue Source	Amount in KES
Equitable Shareable	9,935,800,000
Level 5 Hospital	427,283,238
Roads Maintenance Levy Fund	379,552,259
DANIDA	39,865,919
User Fees forgone	38,617,145
Kenya Devolution Support Programme	59,311,725
Youth polytechnics	28,060,821
World bank-Universal Health Care Fund	50,000,000
Total	10,958,491,107

Table 6: Comparison of Yearly Revenue receipts from the National Government

FY	Equitable share	Conditional grants	Total
2015/2016	8,908,229,519	608,671,711	9,516,901,230
2016/2017	9,612,093,312	798,793,312	10,410,886,624
2017/2018	9,935,800,000	1,022,691,107	10,958,491,107

2.2.2 County Expenditures for previous FY 2017/2018

Total expenditure was KES. 11.154 Billion against a revised target of KES 12.905 Billion, representing an under spending of KES 1.751 billion (Or 13.57 percent deviation from the revised budget). Overall absorption rate was 86 percent with a percentage of 95 percent and 75 percent for recurrent and development expenditure respectively. As

indicated above, the performance for FY 2017/18 was slightly lower as compared to the financial year 2016/2017 which was 87 percent.

Overall recurrent expenditure amounted to KES. 6.915 Billion, representing an under-spending of KES 365 million (14 percent) deviation from the approved revised recurrent expenditure of KES 7.280 Billion. The under-spending was in respect to delayed disbursement of June 2017 equitable shareable revenue from the National Government and the unmet target of domestic revenue

2.2.2.1 Economic Classification of County Expenditure

The table 7 gives the details of the classifications of the expenditure as per the various economic items.

Table 7: Economic Classification of Expenditure for FY 2017/18

PAYMENTS	2015/2016		2016/17		2017/2018			
	Actual	Revised Target	Actual	Revised Target	Approved budget	Revised budget	Actual	Deviation
1. RECURRENT	5,679,195,475	6,446,735,431	5,641,852,796	6,044,607,793	6,844,189,185	7,280,877,597	6,915,058,972	-365,818,625
Compensation of Employees	3,739,850,040	4,009,532,644	4,179,723,349	4,061,296,969	4,071,277,570	4,399,963,907	4,576,715,972	176,752,065
Operations and Maintenance	1,939,345,435	2,437,202,787	1,462,129,447	1,983,310,824	1,889,453,637	1,997,455,712	1,444,826,262	-552,629,450
County Assembly					883,457,978	883,457,978	893,516,738	10,058,760
2. DEVELOPMENT	4,246,534,146	5,865,713,690	5,208,764,157	6,325,149,467	6,325,385,976	5,624,385,976	4,238,969,011	-1,385,416,965
Development projects	4,246,534,146	5,865,713,690	5,208,764,157	6,325,149,467	6,325,385,976	5,624,385,976	4,238,969,011	-1,385,416,965
TOTAL EXPENDITURE	9,925,729,621	12,312,449,121	10,850,616,953	12,369,757,260	13,169,575,161	12,905,263,573	11,154,027,983	-1,751,235,590

Source: County Treasury 2017.

Table 7 groups the total county expenditures for the previous year into three main categories;

- i. **Compensation of Employees;** includes basic salaries paid to permanent and temporary employees and personal allowances paid as part of salary among other related costs.
- ii. **Operations/Use of goods and services;** includes utilities, supply and services, domestic travel and subsistence, and other transportation costs, training expenses, hospitality supplies and services, routine Maintenance among other related costs.
- iii. **Development expenditures** - These are the funding to the various capital projects and programmes in the county departments.

2.2.2.2 Expenditure by Departments

The overall departmental expenditure was satisfactory. All the departments' performance was above 50% absorption rate with the Department of Lands, Urban Areas, Housing and Physical Planning absorbing the least amount at 54 percent.

Table 8: Departmental Expenditure for the period ending 30th June 2018

DEPARTMENT	Budget	Revised Budget	Actual	Budget	Revised Budget	Actual	Budget	Revised Budget	Actual	Absorption rate
	2015/2016			2016/2017			2017/2018			
EXPENDITURES	12,329,741,169	12,312,449,121	9,925,729,621	13,200,138,725	12,369,757,260	10,850,616,953	13,169,955,982	12,905,063,573	11,154,027,983	86.43
Office of the Governor	626,599,838	503,405,688	214,060,850	705,186,498	359,597,151	195,791,392	426,194,652	358,956,608	269,222,770	75.00
Current	318,599,838	255,413,688	203,489,248	346,588,756	230,597,151	182,315,545	242,433,652	314,456,608	239,222,770	76.07
Development	308,000,000	247,992,000	10,571,602	358,597,742	129,000,000	13,475,847	183,761,000	44,500,000	30,000,000	67.42
Public Service and Administration	1,980,547,705	2,819,975,355	2,431,874,721	1,620,040,958	4,148,607,571	3,874,085,249	4,786,640,508	5,112,725,536	4,904,586,912	95.93
Current	1,721,147,705	2,650,745,255	2,358,766,817	1,362,688,698	3,972,255,311	3,781,851,579	4,603,333,061	4,924,413,811	4,798,713,628	97.45
Development	259,400,000	169,230,100	73,107,904	257,352,260	176,352,260	92,233,670	183,307,447	188,311,725	105,873,284	56.22
County Treasury	390,642,806	375,350,772	341,277,820	445,822,601	330,454,363	190,236,242	439,578,250	309,129,176	304,780,353	98.59
Current	250,642,806	250,365,772	224,978,947	309,260,395	153,301,188	112,748,043	157,578,250	184,129,176	179,780,353	97.64
Development	140,000,000	124,985,000	116,298,873	136,562,206	177,153,175	77,488,199	282,000,000	125,000,000	125,000,000	100.00
Water, Environment and Natural Resource	322,157,691	244,843,288	167,493,726	344,080,064	234,047,694	129,442,205	260,543,890	281,543,890	157,915,053	56.09
Current	98,057,691	49,115,638	25,499,612	96,080,064	22,627,694	12,509,456	41,343,890	41,343,890	30,728,948	74.33
Development	224,100,000	195,727,650	141,994,114	248,000,000	211,420,000	116,932,749	219,200,000	240,200,000	127,186,105	52.95
Social Services, Youth & Sports	417,030,280	274,458,546	246,525,453	441,169,707	373,037,658	268,439,451	339,125,516	323,125,516	298,436,204	92.36
Current	56,780,280	24,439,125	19,792,330	67,168,957	24,949,013	13,851,972	36,627,166	42,627,166	26,641,572	62.50
Development	360,250,000	250,019,421	226,733,123	374,000,750	348,088,645	254,587,479	302,498,350	280,498,350	271,794,632	96.90
Transport, Infrastructure & Public Works	1,742,435,569	1,927,125,249	1,715,129,443	1,995,322,444	2,265,513,739	2,086,199,967	1,918,921,216	1,851,273,472	1,539,262,134	83.15
Current	63,789,401	22,810,548	12,164,412	71,967,265	12,921,216	8,072,567	18,921,216	18,921,216	10,911,433	57.67
Development	1,678,646,168	1,904,314,701	1,702,965,031	1,923,355,179	2,252,592,523	2,078,127,400	1,900,000,000	1,832,352,256	1,528,350,701	83.41

DEPARTMENT	Budget	Revised Budget	Actual	Budget	Revised Budget	Actual	Budget	Revised Budget	Actual	Absorption rate
	2015/2016			2016/2017			2017/2018			
Lands, Housing, Urban Areas and Physical Planning	296,062,159	251,649,364	133,496,438	463,425,366	333,354,714	134,091,728	325,392,501	335,936,864	178,594,564	53.16
Current	84,062,159	53,989,364	36,086,547	175,925,366	43,754,714	25,083,991	96,392,501	143,436,864	92,961,647	64.81
Development	212,000,000	197,660,000	97,409,891	287,500,000	289,600,000	109,007,737	229,000,000	192,500,000	85,632,917	44.48
Health Services	3,173,551,311	3,301,772,366	2,737,056,025	3,498,455,487	1,805,043,399	1,853,700,917	2,156,490,948	2,204,753,918	1,673,577,719	75.91
Current	2,127,786,204	2,162,347,009	1,931,858,297	2,288,428,340	531,792,220	517,119,015	556,490,948	495,185,246	488,744,742	98.70
Development	1,045,765,107	1,139,425,357	805,197,728	1,210,027,147	1,273,251,179	1,336,581,902	1,600,000,000	1,709,568,672	1,184,832,977	69.31
Agriculture, Livestock, Fisheries and Co-operatives	939,862,773	619,052,810	448,361,570	957,116,060	581,206,542	395,284,577	606,248,908	456,182,060	355,855,298	78.01
Current	364,862,773	89,790,310	53,696,431	409,156,375	66,246,857	28,809,817	88,248,908	95,248,908	57,962,757	60.85
Development	575,000,000	529,262,500	394,665,139	547,959,685	514,959,685	366,474,760	518,000,000	360,933,152	297,892,541	82.53
Trade, Tourism & Industrialization	451,613,185	444,558,339	243,317,395	479,486,636	433,912,525	312,261,875	365,591,443	291,591,443	162,885,933	55.86
Current	47,657,156	26,294,310	17,477,277	56,486,636	25,912,525	17,604,339	39,591,443	39,591,443	29,501,573	74.52
Development	403,956,029	418,264,029	225,840,118	423,000,000	408,000,000	294,657,536	326,000,000	252,000,000	133,384,360	52.93
Education, Science & Technology	1,016,586,176	612,287,532	467,844,702	996,409,963	571,212,592	478,798,315	416,418,408	391,479,229	379,798,444	97.02
Current	269,586,176	23,454,600	16,094,079	324,363,566	26,480,592	9,601,437	34,418,408	34,418,408	30,776,950	89.42
Development	747,000,000	588,832,932	451,750,623	672,046,397	544,732,000	469,196,878	382,000,000	357,060,821	349,021,494	97.75
County Public Service Board	85,798,311.00	51,116,447.00	38,949,465	76,709,853	33,856,224	33,767,471	45,351,764	45,351,764	35,595,861	78.49
Current	85,798,311	51,116,447	38,949,465	76,709,853	33,856,224	33,767,471	45,351,764	45,351,764	35,595,861	78.49
County Assembly	886,853,365	886,853,365	740,342,013	1,176,913,088	899,913,088	898,517,564	1,083,457,978	883,457,978	893,516,738	101.14
Current	786,853,365	786,853,365	740,342,013	899,913,088	899,913,088	898,517,564	883,457,978	883,457,978	893,516,738	101.14
Development	100,000,000	100,000,000	-	277,000,000	-	-	200,000,000	-	-	-

DEPARTMENT	Budget	Revised Budget	Actual	Budget	Revised Budget	Actual	Budget	Revised Budget	Actual	Absorption rate
	2015/2016			2016/2017			2017/2018			
ICT, E-government & Communication	-	-	-	-	-	-	-	59,556,119		-
Current							-	18,295,119		-
Development								41,261,000		-

2.3 Major Programmes and projects implemented for the period 2016/17 – 2018/19

2.3.1 Agriculture, Livestock, Fisheries and Cooperatives

- **One Cow Initiative** – 1,310 in-calf dairy cows have been distributed to households, of which 900 have calved down producing over 2 Million litres of milk annually. 146 calves have been passed over and 154 calves ready for pass over.
- Established two **Smart Dairy units** with 25 dairy cows in each unit;
- **Artificial Insemination (AI)** – Enhanced access to AI services through training of 23 AI providers and acquisition of 12 Motor bikes for administration of subsidized AI services that has served 41,110 cows;
- **Poultry Farming** – 65,000 chicks distributed and 4,665 chicks being brooded for distribution to women and youth groups;
- **Disease Prevention** – 753,516 cattle, 12,313 sheep, 9,546 goats, 64 donkeys and 379 pigs vaccinated against major diseases ; 72,484 dogs and 678 cats vaccinated against rabies;
- **KALRO diagnostic Laboratory** – The laboratory at KALRO has been renovated;
- **Fish Farming and Productivity** – 828 farmers received fish farm inputs (Fingerlings, DAP, lime and fish feeds); 133 earthen fishponds constructed (over 10 fishponds per sub-county); Fishing gears (20 seine nets) purchased, purchased a collection van and fridge;
- **Farm Input Subsidy** – Distributed 408,553 bags of planting fertilizer, 287,498 bags of top dressing fertilizer and 556,188 (2 kg) packets of maize seeds;
- **Tea development** – 400,000 Seedlings were distributed to farmers in Shinyalu, Ikolomani and Khwisero Sub-counties for infilling and land for establishment of a tea factory acquired;
- **Farm Mechanization Services (Tractor services)** – The County acquired 15 tractors for ploughing land at subsidized cost where a total of 5,863 acres of land have been ploughed;
- **Irrigation** – A total of 128 foot pumps have been distributed to farmer groups. Total area of land under irrigation is 362 acres, 4,315 acres under drainage;
- Dairy unit constructed at Bukura ATC to enhance farmer training;
- Increased training capacity of Bukura ATC through renovation of Block A.

Impact

These initiatives have improved County food security and enhanced peoples standards of living. Maize production has increased from 2.2 million bags in 2014 to 2.8 million bags in 2018 while milk production has increased by 2 million litres over the same period.

2.3.2 Roads, Infrastructure, Public Works and Energy

- A total of 51.24 Km of gravel roads upgraded to bitumen standards (Soy – Kogo Rd 13 km, Khayega – Shinyalu Rd 11 km, Khumailo - Khwisero Rd, Khwisero – Akatsa Rd 7.2 km ongoing, Lumakanda Town – Lumakanda Junction Rd 4 km and various in

Mumias and Kakamega towns) and 1.9 Km of bitumen road maintained hence improving access;

- A total of 1,258.05 Km of gravel roads have been constructed and 589 Km of gravel road maintained;
- To enhance connectivity, a total of 14 bridges and 12 box culverts have been constructed across the County including Khaunga Bridge that connects 3 sub-counties and several others are still ongoing;
- To create a conducive business environment and prolong business hours, a total 37 high mast floodlights have been erected in various trading centres across the County;
- Installation of street lights in Kakamega, Mumias and other towns done in partnership with KPLC and other development partners.

Impact

Investment in the road sector, where 80 % of the County roads are motorable has increased connectivity and improved accessibility. Moreover, installation of high mast flood lights has increased hours of doing business thus increased incomes.

2.3.3 Health Services

- Construction of Kakamega County Teaching and Referral Hospital phase 1 ongoing at 75 % Complete;
- Kakamega General Hospital has been refurbished and expanded with Construction of Amenity Block C and Pharmacy Store;
- Upgrading of Shamakhubu and Mumias West health centres to level 4 hospitals is ongoing;
- In partnership with UNICEF, over 45,000 mothers have been able to access safe delivery and full vaccination cycle under the 'Imarisha Afya Ya Mama Na Mtoto' Programme;
- All level four hospitals and County General Hospital have been installed with stand by generators (12 No.) which has reduced service interruptions;
- There is regular supply of drugs and medical consumables in all public health facilities.

Impact

The employment of more health care workers and the expansion of infrastructure in various health facilities has increased access to medical health care. There has also been a reduction in maternal and child mortality due to the roll out of the Imarisha Afya Ya Mama na Mtoto programme. There is reduced distances travelled to access medical services while provision of ambulance services has ensured prompt and safe emergency evacuation of patients through the revamped referral system. Furthermore, skilled deliveries have improved from 33% to 69% while infant mortality has dropped to below 65 per 1000 live births. Acquisition of stand-by power generators has reduced service interruptions by ensuring continuous power supply.

2.3.4 Education Science and Technology

Polytechnic

- Polytechnic tuition subsidy capitation of KES 15,000 per trainee has increased enrolment from 6,966 in 2016 to 8,253 in by 2018;
- Through the ATVET Programme, 1,800 farmers and youth have been trained in Agri-preneur skills;
- Constructed 38 twin workshops in County polytechnics;

ECDE

- To improve ECDE education, the County employed 1,901 EDCE teachers and 12 Programme Officers;
- Introduction of ECDE Capitation of KES 1,000 per child has increased enrolment in ECDE centres to 102,777 by 2018;
- A total of 304 ECDE centres have been constructed;

Education support

- The County established a County Higher Education Loans Scheme administered by HELB which has benefited 2,111 students studying in local universities and other tertiary institutions;
- Establishment of the County Ward Based Bursary Scheme has benefitted over 45,000 students in colleges and secondary schools;
- Contracted 545 Board of Management teachers in secondary schools across the County;
- The County University Education Scholarship Scheme has benefited 49 students who are studying in local and foreign universities of their choice;
- Supported public learning institutions in provision of learning infrastructure and equipment;

Impact

There has been an increased access to quality education and training evidenced by the increased enrollment rates in both ECDE and County polytechnics as a result of the improved infrastructure, staffing and tuition fees subsidization. The support in primary and secondary schools has created a good learning environment which has improved performance in national examinations.

2.3.5 Trade, Industrialization and Tourism

- The County has constructed 7 modern markets;
- Refurbished 11 markets;
- Fabricated and installed 665 modern kiosks across the County;
- Constructed 24 stock rings across the County;
- Constructed 28 six-door toilets in market centres;
- Constructed 6 ablution blocks in urban areas;

- A total of 9,200 traders benefited from the loan provided by the County in the year 2017;
- Lurambi CIDC has been equipped; and

Impacts

The County initiatives have improved access to better market environment and increased incomes and revenues.

2.3.6 Water, Environment and Natural Resource

- Developed the County Water and Sewerage Master Plan (2018-2023);
- In partnership with KIWASH, constructed a 100 m³ distribution tank at Bishop Stam and also expanded distribution lines in Butere;
- Constructed Sisokhe school, Makunga Health Centre, Lugari school and Likuyani hospital water supply projects;
- Rehabilitated 40 boreholes across the County;
- Fabricated and installed 50 elevated at source litter bins to enhance solid waste management;
- Planted over 150,000 trees in 120 schools in the County, planted indigenous trees on various hill tops including Kambiri, Misango, Maturu and Mawe Tatu and along riparian areas (Rivers Yala, Nzoia, Lusumu, Lwatingu, Isiukhu, Nandamanywa, Chevaywa and Shianambunga);
- Trained artisanal miners across the County on sustainable mining activities and occupational health standards in partnership with NEMA, department of Geology and Public Health.

Impacts

The initiatives of the Sector have led to a clean and secure environment, reduced prevalence of waterborne diseases and improved access to safe water.

2.3.7 Social Services, Youth and Sports

- Upgraded Bukhungu Stadium to international standards (Phase 1 complete);
- Promoted the development of sports talent through KYISA games;
- Constructed 1,080 low cost housing units for the elderly and vulnerable under the Shelter Improvement Programme;
- A total of 400 boda boda riders have been trained and issued with driving licenses;
- Successfully hosted and participated in the Kenya National Music and Cultural festivals;
- Established the County Youth Service where 3,000 youth and women have been engaged to provide services to the County;

Impact

The County has improved the socio-economic situation of the disadvantaged members of the society, promoted social cohesion and increased the participation of youths in development activities and nurtured talents.

2.3.7 Lands, Housing, Urban Areas and Physical Planning

- Prepared Mumias Urban development Plan/Spatial Plan;
- Constructed Shirere Market;
- Constructed Mumias, Sabatia Bus park and Shibale parking Lot;
- Renovated Mumias Slaughter House;
- Continuous cleaning services in Kakamega and Mumias towns;
- Landscaping in Kakamega and Mumias towns;
- Renovated housing units at Mudiri estate;

Impact

Improved the business environment, hygiene and town planning.

2.3.8 Office of the Governor & Public Service and Administration

- Established 400 community areas;
- Constructed 18 ward offices;
- Refurbished 3 Sub-county offices;
- Constructed County headquarters annex;
- Constructed Alcoholic and Drugs Rehabilitation Centre;
- Constructed police houses (8 units) for Matunda Police Station and (4 units) for Navakholo Police Station;
- Enhanced disaster response by acquisition of a fire engine and establishment of a disaster unit;
- Establishment of the Service delivery unit has enhanced service delivery

Impact

There has been improved efficiency in service delivery up to the Community level and improved response to disasters and emergencies.

2.3.9 The County Treasury

- Established a County Revenue collection agency to manage Revenue collection;
- Revenue collection improved from 449 million in 2016 to 504 million in 2018;
- Improved internal control environment which has enhanced efficiency in financial management and reduced audit queries;
- Timely preparation of various policy documents (CBROP, CFSP, ADP, CIDP, Financial statements);
- Fully implemented the e-procurement module;
- Training of staff on revenue management.

Impact

Improved financial management and enhanced coordination in implementation of County Plans.

2.3.10 ICT, e-Government and Communication

- ICT connectivity i.e. Local Area Network (LAN) at the County Headquarter and other County offices and WIFI services availed at the county headquarter offices.
- Structured cabling done and telephones and interoffice communication phones installed;

Impact

Internet connectivity and developed communication systems have ensured efficiency and effectiveness in service delivery to citizens and increased transparency and accountability in financial management.

2.4 Implementation of 2018/19 Budget and Emerging Fiscal Challenges

The implementation of budget for FY 2018/19 started smoothly despite uncertainty in release of funds from the national government due to late approval of County Disbursement schedule. Most spending during the first quarter was majorly recurrent in nature with employee cost taking a bigger percentage.

Challenges in the adherence to the budget plan continue to hamper smooth implementation of the FY 2018/19 budget. The revenue collection prospects in FY 2018/19 is promising. The data provided up to end of second quarter in December 2018 is KES 212 million as compared to KES 132 million during the same period. It is expected that the revenue target of KES 1Billion will be met.

Some of the notable challenges faced in the implementation of the County Projects and programmes include;

- High expectation from the Public for development;
- Expanding wage bill which limits funds meant for development;
- Delays in disbursement of funds from the National government;
- Inadequate financial resources;
- Low domestic revenue collection;
- Inadequate policy and legal framework;
- Inadequate technical staff;

3.4.1 Revenue performance for 2018/19

The county exchequer disbursements for the first half of the FY 2018/2019 was KES. 5,149,234,185 Billion. This includes transfers made to the County Assembly amounting to KES. 250 Million, exchequer balance carried forward from the previous FY 2017/18 of KES. 1,293,990,068 and 2018/19 National Treasury disbursement of KES. 3,040,406,424.

On the other hand own source revenue performance during first half of the year was KES. 212 Million as shown in the table below.

Table 9: KAKAMEGA COUNTY REVENUE REPORT- FY 2018/2019

Revenue stream	Monthly Target	Actual July 2018	Actual August 2018	Actual 'September 2018	Actual 'October 2018	Actual 'November 2018	Actual 'December 2018	Total Actual
Single Business permit	42,186,492	3,246,556	2,096,125	1,676,955	562,504	626,025	989,075	9,197,240
Barter fee	28,230,876	2,311,800	2,674,020	2,758,940	3,041,060	2,875,244	2,660,740	16,321,804
Property rates	20,290,920	783,011	687,859	578,076	733,823	437,456	260,399	3,480,624
Cess on Agric'	25,577,394	1,402,818	7,835,063	7,462,991	100,780	4,457,898	8,600	21,268,150
Cess on Murram	1,622,808	-	-	-	-	-	-	-
Housing	2,500,590	82,700	62,070	81,620	68,270	52,810	44,090	391,560
Market stalls	3,546,270	180,490	173,800	112,300	92,000	91,400	24,750	674,740
Kiosks	2,934,054	332,850	402,330	180,000	206,500	153,500	184,100	1,459,280
Slaughter Fee	3,797,082	178,965	179,500	164,850	192,390	133,680	184,345	1,033,730
Bus park	32,282,802	4,061,490	4,403,770	4,087,520	5,189,720	2,952,250	3,053,800	23,748,550
Parking fees	8,925,066	543,810	803,890	1,100,470	866,660	1,941,330	1,228,050	6,484,210
Impounding Fee	1,940,652		-	-	57,000	145,550	30,900	233,450
Liquor	15,053,964	828,300	587,550	210,000	-	478,240	634,450	2,738,540
Health services	178,193,802	7,676,394	26,689,165	11,523,087	18,114,000	16,837,398	8,779,600	89,619,644
Public Health	17,583,522	522,300	1,502,080	911,163	245,630	944,300	392,552	4,518,025
Stock sales	7,553,454	919,210	1,142,300	880,730	849,970	1,046,875	987,930	5,827,015
Noise control	1,015,518	28,600	70,400	48,400	22,000	86,100	137,000	392,500
Veterinary	2,720,292	159,790	264,455	346,995	301,645	546,325	269,150	1,888,360
Farm Mechanization	2,499,996	-	-	-	-	-	-	-

Revenue stream	Monthly Target	Actual July 2018	Actual August 2018	Actual 'September 2018	Actual 'October 2018	Actual 'November 2018	Actual 'December 2018	Total Actual
Plan approval	5,764,632	887,130	1,219,848	1,860,150	1,405,412	1,449,760	721,590	7,543,890
Public Toilet						115,700	188,200	303,900
Reg' Group	156,522				29,020	33,950	6,500	69,470
Hire fees	3,002,508	629,100	388,000	133,000	181,000	26,500	81,000	1,438,600
Bukhungu Stad	1,940,652	41,900	200,000	-	78,650	90,000	10,200	420,750
Nursery fees	41,190	-	-	-	500	2,200	-	2,700
Advertisement	6,097,782	352,100	824,800	174,410	5,320,220	117,070	345,360	7,133,960
Bukura ATC	5,750,874	2,760,075	73,670	-		110,200	72,375	3,016,320
Weights and Measures						128,400	-	128,400
Interest	562,428	-	-	-			-	-
Miscellaneous		897,396	690,382	243,475	684,486	88,654	991,431	3,595,824
TOTAL	421,772,142	28,826,785	52,971,077	34,535,132	38,343,240	35,968,815	22,286,187	212,931,236

3.4.2 Expenditure Performance for 2018/19

Despite the delayed start in the implementation of the budget, the County still expects to fully implement its programmes and projects as planned. The expenditure for the first half of the year was KES. 4.611 Billion. This includes transfers to the County Assembly.

Recurrent expenditure amounted to KES. 3,021,606,968 while Development expenditure was KES. 1,589,433,734

Table 10: Departmental Expenditure for the period ending 30th June 2019

DEPARTMENT	Budget 2018/2019	Actual	Absorption rate
EXPENDITURES	14,507,750,502	4,611,040,702	31.78
Office of the Governor	293,576,985	75,190,172	25.61
Current	200,576,985	72,396,686	36.09
Development	93,000,000	2,793,486	3.00
Public Service and Administration	5,368,519,945	2,411,404,500	44.92
Current	5,209,011,415	2,394,110,241	45.96
Development	159,508,530	17,294,259	10.84
County Treasury	438,186,115	68,648,434	15.67

DEPARTMENT	Budget	Actual	Absorption rate
	2018/2019		
Current	233,186,115	40,936,048	17.56
Development	205,000,000	27,712,386	13.52
Water, Environment and Natural Resource	402,560,408	29,405,900	7.30
Current	41,560,408	9,191,794	22.12
Development	361,000,000	20,214,106	5.60
Social Services, Youth & Sports	556,310,217	75,628,338	13.59
Current	45,310,217	13,052,551	28.81
Development	511,000,000	62,575,787	12.25
Transport, Infrastructure & Public Works	1,642,921,263	775,658,436	47.21
Current	44,925,562	3,319,232	7.39
Development	1,597,995,701	772,339,204	48.33
Lands, Housing, Urban Areas and Physical Planning	702,690,293	44,888,922	6.39
Current	136,071,493	30,982,487	22.77
Development	566,618,800	13,906,435	2.45
Health Services	1,852,948,526	480,098,066	25.91
Current	382,948,526	144,144,818	37.64
Development	1,470,000,000	335,953,248	22.85
Agriculture, Livestock, Fisheries and Co-operatives	762,816,807	99,775,016	13.08
Current	61,383,655	13,339,967	21.73
Development	701,433,152	86,435,049	12.32
Trade, Tourism & Industrialization	392,423,951	55,572,738	14.16
Current	27,423,951	3,968,321	14.47
Development	365,000,000	51,604,417	14.14
Education , Science & Technology	817,059,502	125,234,939	15.33
Current	34,149,502	7,230,245	21.17
Development	782,910,000	118,004,694	15.07
County Public Service Board	29,817,224	16,859,092	56.54
Current	29,817,224	16,859,092	56.54
County Assembly	1,048,717,390	250,000,000	23.84
Current	998,717,390	250,000,000	25.03
Development	50,000,000	-	-
ICT, E-government & Communication	199,201,876	102,676,149	51.54
Current	54,201,876	22,075,486	40.73

DEPARTMENT	Budget	Actual	Absorption rate
	2018/2019		
Development	145,000,000	80,600,663	55.59

From the table provided the absorption rate for overall expenditure is 31.78 percent. The absorption for recurrent and Development expenditure are 40.29 percent and 22.68 percent respectively. If evaluated against half year budget , absorption rate for both recurrent and development expenditure is 80.58 and 45.36 percent respectively

3.4.4 Revised budgets

In the course of the budget implementation during the first half of the financial year 2018/2019 several challenges have emerged. Key among them is: Insufficient budget for some programmes resulting from payment of pending bills, delays in exchequer releases by the National Treasury and continued expenditure demands from departments.

In view of the financial constraints from revenue and emerging expenditure pressures, a supplementary budget for FY year 2018/19 reflecting these changes has already been approved by the county assembly and is being implemented.

Adjustments to the 2018/19 budget has taken into account actual performance of expenditure and absorption capacity for the remainder of the financial year. Due to resource constraints, the County Government will continue to rationalize and re-prioritize development and operational expenditures in order to spend within the budget.

4.4.5 Risks to the outlook

Expansion of devolved system up to the grass root has brought in itself several challenges to the counties. Expenditure pressures have continued with salaries and operational demands from all county departments especially Health, Education and Public Service and Administration. The high wage bill at the county poses a risk to sustainable implementation of the 2018/19 budget in the medium term by limiting funding to the capital expenditure.

The County government will undertake appropriate measures such as budget rationalization to safeguard economic stability in order to neutralize its effects to fiscal outlook.

4.0 FISCAL POLICY AND BUDGET FRAMEWORK

4.1 Overview

The 2019/20 Medium-Term Fiscal Policy aims at supporting a sustainably wealthy and vibrant county providing high quality services to improve the livelihoods of its citizens. The county will pursue prudent fiscal policies to ensure economic growth and development. In addition, these policies will provide support to economic activities while allowing for sustainable implementation of the projects and programs. Adhering to these policies will also enhance local revenue collection which will ensure there are adequate resources for capital investments.

In respect to local revenue generation, the county is striving to institute corrective measures to reduce revenue leakages from local sources. This include operationalization of the County Revenue Agency that has been formed to solely be responsible for efficient and effective revenue collections, enforcement of local revenue laws and regulations, automation of revenue collection systems and speedy implementation of collection of other revenue streams. It also has responsibility to undertake sensitization and education of the public on revenue matters.

For efficient and effective service delivery, there is need to increase the County human resource capacity especially the technical staff.

4.1.1 Legal Framework

Budget process is provided in legal frame work including but not limited to the Constitution of Kenya, County Government Act, 2012, Intergovernmental Relations Act, 2012, Urban Areas and Cities Act, 2012, Public Finance Management Act, 2012, Public procurement and Asset Disposal Act, 2015 and the Independent Offices Act 2011. Such processes requires collaboration with all stakeholders and ensure harmony in the operation of the county governments and also boosting the inter and intra government relations.

4.1.2 Adherence to Fiscal Responsibility Principles

To have sustainable development and growth, the County is required to meets its fiscal targets. This is made possible by strict adherence to fiscal responsibility principles. These policies will aim at rationalizing allocation of more resources from recurrent to capital and development programmes so as to promote sustainable and inclusive growth.

Some of the fiscal responsibility principles to be observed include:

- Over the medium term, a minimum of 30% of the county budget shall be allocated to development expenditure. The County Government is committed to spend more in the development expenditure as compared to the recurrent expenditures.

- The County Government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the County Government revenue as prescribed by the Public Financial Management Act (PFMA 2012). This is a challenging fiscal principle as the county is faced with huge wage bill without equivalent corresponding revenue that support cash flow to meet this requirement. The wage bill stands at 36.9%.
- The County government will prepare balanced budget where the expenditure estimates will be equal to the total revenue resource. This will help in avoiding instances of deficit financing thus eliminating the occurrence of pending bills at the end of each financial year.
- Borrowing shall be used for capital and development estimates only. While the county desires to borrow in future to fund its development agenda, this will be determined by the framework developed between the National Government and the County Governments. Currently, there is no framework in place.

4.2. Fiscal structural reforms

The County Government aims to widen the tax base by reviewing the relevant revenue legislations in order to improve revenue raising measures and efficiency. In order to achieve this objective, the county government is in the final stages of operationalizing the county revenue agency which was created by an Act of county assembly (Finance and Administrative Act 2014).

Over the medium term, the county government will rationalize its expenditure with an aim to reduce wastages. This will be done by ensuring there is improved accountability and transparency among the accounting officers who are in charge of public finances. The on-going fiscal structural reforms will eliminate duplications.

The county will strive to ensure that there is efficient and effective execution of the budget. This will be made possible through expenditure tracking and taking corrective measures on any deviations and instilling strong internal controls on expenditure. To achieve value for money there is need to strengthen audit function, through continuous review of audit risks and periodic monitoring and evaluation of projects and programmes.

4.2.1 Deficit Financing Policy

The county envisages borrowing from domestic sources for capital investments upon the completion of a framework to be developed by the National Treasury. Borrowing will be undertaken upon careful and critical analysis of financial position and capability of the county in repaying its debts.

4.3 Revenue projections

The 2019/20 budget estimates will target total revenue of KES 15 Billion which has both the CRA shareable revenue, conditional grants and own source of revenue. Out of this, the County expects to receive Equitable Shareable Revenue of KES 10.199 billion and conditional grants totaling to KES 1.664 billion. Local revenue source target is KES 1 Billion and the expected balance brought forward of KES 1.200 Billion.

4.3.1 Expenditure Forecasts

As required by Public Finance Management Act, 2012 on fiscal responsibility principles the County will have to prepare a balanced budget where expenditure is equivalent to the revenue projections. The County expects overall expenditure estimates to increase slightly from the revised budget of FY 2018/19. This is due to an increase in both County own source of revenue and the Equitable shareable revenue by an average of 0.6 percent. The expenditure estimates for the FY 2019/20 is KES 15.7 billion.

Expenditure ceilings on goods and services for the County sectors/departments are based on the County priorities extracted from the CIDP 2018-2022. The ceilings are also adjusted based on expenditure trends and the County change of priority programs within the spending units. Inflation which affects the expenditure trends has been put into consideration.

An emergency fund of KES 100 million will be set aside to cater for any emergency issues that might arise during the financial year 2019/2020.

4.4 The 2019/20 Budget framework

The 2019/20 budget framework is prepared in consideration of the macro-fiscal framework set where real GDP is expected to grow by 6.0 percent in 2019/2020 and by 6.2 percent in FY 2020/21. Inflation rate is expected to remain low and stable below 6 percent.

5.0 MEDIUM-TERM EXPENDITURE FRAMEWORK

5.1 Resource Envelope

The resource envelope available for allocation among the spending entities is based on the updated medium term fiscal framework which is outlined in Section IV.

In view of the continued pressure that arise from wage bill and limited resources, MTEF budgeting will focus on adjusting non-priority expenditures to cater for the priority sectors. The CIDP 2018-2022 has been used in the resource allocation. The financing of county budget priorities revolve around two main financing sources namely; transfers from the National Government and county local revenue. The shareable revenue transfers will account for 67 percent of the expenditure priorities in the budget while 6.61 percent will be financed from locally collected revenue sources. This will comprise of KES 10.199 billion equitable shareable revenue, KES 1.664 billion conditional grants and KES 1 Billion as own sources. The County also envisages borrowing of KES. 2 Billion to fund the expected budget deficit of equivalent amount. The unspent balance from FY 2018/2019 is estimated to be KES 1.34 Billion which makes up the total resource envelope estimate to be **KES 14.566 billion**. This amount excludes borrowing

Table 11: Revenue resource envelope:

Revenue source	Approved budget	Revised Budget	Budget Estimates
FY	2018/2019	2019/2020	2019/2020
Own sources	843,624,284	1,000,000,000	1,157,455,491
Receipts from Sugar Development fund	200,000,000	200,000,000	-
Exchequer balance brought forward from previous year	1,609,175,958	1,293,990,068	1,345,000,000
Farm input subsidy proceeds	-	-	200,000,000
Allocations from the National Government			
Total equitable share	10,330,600,000	10,330,600,000	10,199,000,000
Conditional Grants			
Level 5 Hospital	427,283,237	427,283,237	427,283,237
World Bank Universal Health Care Fund	100,000,000	100,000,000	100,000,000
KUSP(Kenya Urban Support Programme)	389,118,800	389,118,800	389,118,800
KUSP(Kenya Urban Support Programme)	-	41,200,000	10,000,000
KCSAP-Kenya Climate Smart Agriculture Project	117,000,000	117,000,000	117,000,000
User Fees forgone	37,789,290	37,789,290	37,789,290
Road maintenance levy	271,995,701	271,995,701	296,576,656
KASP(Kenya Agricultural Support Programme)	14,433,152	33,716,311	33,716,311
Youth Polytechnic	69,910,000	69,910,000	76,923,298
DANIDA Grant	33,311,250	33,311,250	33,311,250
Kenya Devolution Support Programme-Grant	63,508,830	63,508,830	63,508,830
EU-Water Tower Protection and Climate Change Mitigation and Adaptation Programme(WaTER)	-	80,000,000	80,000,000
Total conditional allocations -Development Partners	1,524,350,260	1,664,833,419	1,665,227,672
TOTAL REVENUE (1+2+3+4+5+6+7)	14,507,750,502	14,489,423,487	14,566,683,163

5.2 Spending Priorities for 2019/2020 – 2021/22 MTEF Budget

The county will focus on the following key priority areas;

- Transforming the agricultural sector to improve food security and income;
- Development of road network to enhance accessibility;
- Enhance access to universal and affordable health care;
- Increase access to safe and clean water;
- Enhance access to quality education and training;
- Promote fair trade development and industrial growth and investment;
- Improve ICT infrastructure;

5.3 Medium Term Expenditure Estimates

Table 12 gives the ministerial total ceiling and gives guidance on resource allocation. Annex 3 and 4 provides provision for both recurrent and development estimates. This guides departments to adjust their budgets within their overall total ministerial ceiling.

Table 12: Baseline ceilings 2018/19-2020/21

Vote /Department	2018/19		2019/20	2020/21	2020/21	2018/ 19	% Share of Revenue estimates			
	Revised estimates	Approved	Estimates	Forecast	Forecast		CFSP	2019/20	2020/21	2021/22
Office of the Governor	381,033,559	391,033,559	295,443,502	322,540,677	333,667,711	2.70	2.03	2.02	2.03	
Employee Cost	97,456,574	97,456,574	102,329,403	107,445,873	112,818,167					
Current	200,576,985	200,576,985	109,614,099	115,094,804	120,849,544					
Development	83,000,000	93,000,000	83,500,000	100,000,000	100,000,000					
Public Service and Administration	1,305,454,101	1,308,743,654	1,184,591,554	1,282,637,175	1,336,769,034	9.02	8.13	8.03	8.14	
Employee Cost	666,845,892	666,845,892	733,530,481	770,207,005	808,717,355					
Current	482,389,233	482,389,232	297,552,543	312,430,170	328,051,678					
Development	156,218,976	159,508,530	153,508,530	200,000,000	200,000,000					
County Treasury	748,099,978	751,214,783	815,693,132	746,227,789	778,289,178	5.18	5.60	4.67	4.74	
Employee Cost	313,028,668	313,028,668	328,680,101	345,114,106	362,369,812					
Current	230,071,310	233,186,115	282,013,031	296,113,682	310,919,366					
Development	205,000,000	205,000,000	205,000,000	105,000,000	105,000,000					
Water, Environment and Natural Resource	419,678,784	451,858,785	383,758,027	484,156,303	485,864,118	3.11	2.63	3.03	2.96	
Employee Cost	49,298,377	49,298,377	54,228,215	56,939,625	59,786,607					
Current	41,560,407	41,560,408	32,529,812	34,156,303	35,864,118					
Development	328,820,000	361,000,000	297,000,000	450,000,000	450,000,000					
Social Services, Youth & Sports	314,632,442	600,132,441	862,935,030	940,756,782	945,294,621	4.14	5.92	5.89	5.76	

	2018/19		2019/20	2020/21	2020/21		% Share of Revenue estimates		
							CFSP		
Vote /Department	Revised estimates	Approved	Estimates	Forecast	Forecast	2018/19	2019/20	2020/21	2021/22
Employee Cost	43,822,224	43,822,224	46,013,335	48,314,002	50,729,702				
Current	45,310,218	45,310,217	40,421,695	42,442,780	44,564,919				
Development	225,500,000	511,000,000	776,500,000	850,000,000	850,000,000				
Transport, Infrastructure & Public Works	2,071,057,666	1,716,380,556	1,630,831,970	1,918,918,080	1,924,863,984	11.83	11.20	12.01	11.72
Employee Cost	73,459,293	73,459,293	77,132,258	80,988,871	85,038,314				
Current	44,925,559	44,925,562	36,123,056	37,929,209	39,825,670				
Development	1,952,672,814	1,597,995,701	1,517,576,656	1,800,000,000	1,800,000,000				
Lands, Housing, Urban Areas and Physical Planning	841,276,355	794,029,774	855,937,112	929,759,228	941,247,189	5.47	5.88	5.82	5.73
Employee Cost	91,339,481	91,339,481	95,906,455	100,701,778	105,736,867				
Current	205,471,492	136,071,493	122,911,857	129,057,450	135,510,322				
Development	544,465,382	566,618,800	637,118,800	700,000,000	700,000,000				
Health Services	4,399,478,334	4,374,733,786	4,539,837,484	4,832,913,892	4,999,559,587	30.15	31.17	30.25	30.45
Employee Cost	2,540,588,465	2,521,785,260	2,671,852,073	2,805,444,677	2,945,716,910				
Current	519,885,869	382,948,526	502,351,634	527,469,215	553,842,676				
Development	1,339,004,000	1,470,000,000	1,365,633,777	1,500,000,000	1,500,000,000				
Agriculture, Livestock, Fisheries and Co-operatives	1,007,676,902	1,060,393,743	1,017,177,458	1,190,459,029	1,209,981,981	7.31	6.98	7.45	7.37
Employee Cost	297,576,936	297,576,936	315,455,782	331,228,571	347,790,000				
Current	61,383,655	61,383,655	56,409,960	59,230,458	62,191,981				

	2018/19		2019/20	2020/21	2020/21		% Share of Revenue estimates		
							CFSP		
Vote /Department	Revised estimates	Approved	Estimates	Forecast	Forecast	2018/19	2019/20	2020/21	2021/22
Development	648,716,311	701,433,152	645,311,716	800,000,000	800,000,000				
Trade, Tourism & Industrialization	322,480,055	427,480,056	332,396,042	486,515,844	490,841,637	2.95	2.28	3.04	2.99
Employee Cost	35,056,105	35,056,105	38,649,356	40,581,824	42,610,915				
Current	27,423,950	27,423,951	43,746,686	45,934,021	48,230,722				
Development	260,000,000	365,000,000	250,000,000	400,000,000	400,000,000				
Education, Science & Technology	1,213,735,914	1,285,068,192	1,255,976,967	1,318,775,815	1,384,714,606	8.86	8.62	8.25	8.43
Employee Cost	468,008,690	468,008,690	491,409,125	515,979,581	541,778,560				
Current	29,817,224	34,149,502	187,144,544	196,501,771	206,326,860				
Development	715,910,000	782,910,000	577,423,298	606,294,463	636,609,186				
County Public Service Board	72,769,865	72,769,865	68,428,009	71,849,409	75,441,880	0.50	0.47	0.45	0.46
Employee Cost	42,952,641	42,952,641	45,100,273	47,355,287	49,723,051				
Current	29,817,224	29,817,224	23,327,736	24,494,122	25,718,829				
County Assembly	1,111,364,590	1,048,717,390	1,111,364,590	1,214,432,820	1,270,154,460	7.23	7.63	7.60	7.74
Current	1,061,364,590	998,717,390	1,061,364,590	1,114,432,820	1,170,154,460				
Development	50,000,000	50,000,000	50,000,000	100,000,000	100,000,000				
ICT, E-government & Communication	280,684,942	225,193,918	212,312,286	238,504,174	240,429,383	1.55	1.46	1.49	1.46

Vote /Department	2018/19		2019/20	2020/21	2020/21		% Share of Revenue estimates		
	Revised estimates	Approved	Estimates	Forecast	Forecast	2018/19	CFSP		
							2019/20	2020/21	2021/22
Employee Cost	27,447,066	25,992,042	27,291,644	28,656,226	30,089,038				
Current	54,201,876	54,201,876	36,670,642	38,504,174	40,429,383				
Development	199,036,000	145,000,000	148,350,000	200,000,000	200,000,000				
TOTAL	14,489,423,487	14,507,750,502	14,566,683,162	15,978,447,016	16,417,119,367	100	100	100	100

5.4 Baseline Ceilings

The baseline estimates reflect the current ministerial spending levels in sector Programmes. In development Programmes, adjustment has been made to take into consideration the new projects which are key to development of the county economy and also the governor's objectives as outlined in his manifesto.

The departmental ceilings in table 6 will form the indicative baseline for the FY 2019/20 budget. In the recurrent expenditure category, non-discretionary expenditures take first charge. Compensation of employees for the county overall expenditure should account for a maximum of 35 % of the budget estimates. Adhering to this principle may not be achieved as there are challenges which affect the county in realizing local revenue targets and continued recruitment to cover the gap on capacity which has continually led to increase in county wage bill. Going forward, the County will address the issue of low local revenue and staff rationalization.

In this document, the ceilings, employee cost for ministries are provided separately alongside the operation recurrent estimates and development estimates. The employee cost will be centralized in the department of Public Service and Administration for easier implementation. *This will be effected in the Appropriation Act of 2019 thus causing slight difference between the budget and the Appropriation Act.*

Development expenditures are undertaken on the basis of CIDP 2018-2022, Annual Development Plan (2018), the Governors Manifesto, Public participation report of 2019 as well as departmental strategic priorities. The Proposed capital projects will have to be evaluated in the context of the following elements:

- (a) Ongoing projects-emphasis on the completion and operationalization of the ongoing projects within the various departments;
- (b) Projects that are in full compliance with the County Government regulations and priorities as outlined in the County integrated development plan, Annual Development Plan and which are fully justified for financing;
- (c) Community needs identified through public participation;
- (d) Department/sector strategic needs that contribute greatly in addressing county's socio-economic needs.

The following were also taken in consideration in order of priorities.

- (a) Emerging issues which require much attention in provision of service delivery such as education support programmes;
- (b) Cross cutting issues and other special programmes of importance such as disaster management, youth development, gender, disability and HIV/AIDS;
- (c) Implementing projects that require massive resources in phases such as construction of Bukhungu Stadium, bitumen roads and Kakamega Teaching & Referral Hospital.

5.5 Details of Sector/Department Priorities

The MTEF for 2019/2020 - 2021/2022 period will ensure that there is adequate resource allocation based on programme priorities that are aligned to CIDP 2018-2022 and CADP 2019/2020.

The medium term expenditure framework is based on prioritized programmes aligned to the County Integrated Development Plan and Strategic Policy Initiatives of the county administration to accelerate growth, employment creation and poverty reduction.

The sector development priorities are;

5.5.1 Agriculture, Livestock, Fisheries and Cooperative Development

This sector comprises of the following departments; Crop production, Livestock Production, Veterinary Services, Cooperative Development, Irrigation, Fisheries Development and ATCs.

The sector's vision is to be an innovative, commercially-oriented and modernized agriculture sector. The mission is to improve livelihoods of Kakamega county residents through promotion of competitive agriculture, sustainable livestock and fisheries production, quality and affordable veterinary services and growth of viable cooperatives through quality training in effective and efficient farming methods.

Agriculture accounts for over 65 percent of the total earnings in the county employing over 80% of residents. Multi-Sectorial strategies will be employed to increase the productivity and maximize earnings in this sector.

To achieve its objectives the department will implement the following programmes over the medium term.

Programme 1: Agricultural Extension and Research

Sub programme	Projects (Investment)
Training and demonstration	Establish a demonstration centre with green house in Likuyani Undertake farmer's training and field visits
Agricultural training Infrastructure development	Construction of Multi-purpose hall and renovation of existing hostels in Bukura ATC
Agriculture research and value chains development	ASDSP Grant for value chain development

Programme 2: Livestock development

Sub programme	Projects (Investment)
Dairy Development	One Cow initiative Breeding (AI) Development of Smart Dairy units in Lugari, Mumias East and Malava
Poultry development	Brooding of chicks and supply Poultry to farmer groups, 2 per ward
Livestock disease and pest prevention	a) Vaccination programme b) Cattle dip rehabilitation c) Tick and pest control d) Construction of spray race e) Equipping of Veterinary Lab at KALRO
Veterinary public health	Rehabilitation of slaughter slabs Construction of slaughter houses

Programme 3: Smallholder Irrigation and drainage Programme

Sub programme	Projects (Investment)
Irrigation and drainage infrastructure development	a. Capacity building of small-holder irrigation farmers b. Development of Small holder irrigation and drainage schemes; c. Equipping farmers with irrigation equipment

Programme 4: Cooperatives development

Sub programme	Projects (Investment)
Governance of cooperatives	Revamping and strengthening of Co-operatives Capacity Building of Cooperative Societies
Support to Cooperatives	Grants To Small Cooperative Societies

Programme 5: Fish Farming Productivity

Sub programme	Projects (Investment)
Fish Pond Development	Construction of fish ponds in County institutions for demonstrations Rehabilitation of fish ponds Fish subsidies- fish feeds, fingerlings, DAP and limes Provision of fish feeds processing machines Fish gears support
Hatchery Development	Support to private hatcheries (Grants)
Fish Marketing and value addition	Operationalization of Kakamega Fish Processing Factory Establishment of fish buying centres in all sub-counties Fish market research
River dam fisheries	Capacity building

Sub programme	Projects (Investment)
	Purchase of cages Stocking of dams and rivers

Programme 5: Crop Production and Management services

Sub programme	Projects (Investment)
Cash crop development	Promotion of tea, coffee, macademia and sugarcane production
Food crop production	Seeds and fertilizers subsidy programme Provision of farm produce storage services Farm mechanization – Tractor services and purchase of agricultural machineries Promotion of Nerica rice production
Horticulture promotion and development	Banana production and promotion of fruit trees. Promotion of indigenous vegetable production
Crop pest and disease management	Capacity building Purchase of pesticides

To undertake these programmes, the 2019/20 MTEF estimates for this sector are estimated to be KES 1,017,177,458. This comprises of KES 315,455,782, KES 56,409,960 and KES 645,311,716 for Employee cost, Recurrent and Development respectively.

5.5.2 Roads, Infrastructure, Public Works and Energy

This sector comprises of Roads, Public Works and Energy. The vision of the sector is to be a world class provider of cost-effective physical infrastructure, energy facilities and public works services. And the mission of the department is, provide efficient, affordable and reliable infrastructure and energy for sustainable economic growth and development through construction, modernization, rehabilitation and effective management of all infrastructure, provision of public works services and energy facilities.

The state of the County infrastructural network is crucial for the overall development of the county. Reliable, adequate and quality infrastructure increases economic productivity, lowers production costs, improves quality of life, raises county's regional and global competitiveness, attracts Foreign Direct Investment (FDI), Public Private Partnerships and including Public Partnerships and this has a direct impact in the modernizing the economy. The Multiplier effect created by the investment in this sector is critical to sustain all the other sectors of the county economy.

PROGRAMMES TO BE IMPLEMENTED

Programme 1: Roads, Infrastructure Development

(Sub Programmes)	Projects (Investment)
Road construction and Maintenance	a) Bitumen road b) Gravel road (10 km per ward) c) RMLF
Bridges and culverts Construction	a) Bridges b) Box culverts
Road construction equipment	Acquisition of Road equipment: Graders, water bowser trucks, bull dozers, excavators, rollers, bed trailers.

Programme 2: Energy Reticulation

(Sub programme)	Projects (Investment)
Rural Electrification programme	a) Supply public institution with power b) Highmast power erection c) Electricity supply to households on existing transformers d) Purchase of new transformers and connection of new households.
Renewable energy	a) Green energy installation - Biogas, solar

Programme 3: Public works Management

Sub programme)	Projects (Investment)
Government Buildings	a) Refurbishment and maintenance b) Construction and equipping of central and regional mechanical and transport workshops.

To undertake these programmes, the 2019/20 MTEF estimates for this sector are estimated to be KES.1,630,831,970 This comprises of KES, KES. 77,132,258,KES. 36,123,056 and KES 1,517,576,656 for Employee costs, Recurrent and Development respectively.

Health Services

The Sector comprise of two departments namely; Public Health and Medical Services. The County has 202 health facilities including one (1) County General hospital, 12 County hospitals, Nine (9) mission hospitals, one (1) private hospital, eight (8) nursing homes, 27 public health centers, one (1) private health center, 66 public dispensaries, 31 private dispensaries and 107 private clinics

The vision of the department is to provide Quality health services for all". Its mission is dedicated towards delivering accessible, equitable, efficient health care services through Promotive, preventive, curative and rehabilitative health services to all"

Priorities

Access to affordable and quality health care by county residents will enhance their economic productivity and investment.

Programme 1: Promotion of Curative health services

(Sub programme)	Projects (Investment)
Health Infrastructure Development	<ul style="list-style-type: none"> a) Equipping of phase1 of the CTRH b) Construction of phase 2 of the CTRH c) Continous upgrading of Level five Hospital (CGH) d) Upgrading health centres to level IV- Khwisero, Shianda, Ileho and Matete e) Expansion of the exisiting level IV hospitals f) Equipping of Mumias West and Shamakhubu level IV hospitals g) Equipping of all other level IV hospitals h) Renovation of all other health facilities i) Equipping of level 2 and 3 facilities j) Continous rehabilitation and renovation of health facilities centres k) Construction of new dispensaries l) Construction of mortuaries m) Completion and operationalization of stalled health projects from CDF and former local authorities (LATIF) n) Acquisition of additional ambulances
Quality health products and Technology	<ul style="list-style-type: none"> a) Purchase and distribution of drugs and non-pharms b) Construction of drug storage facilties

Programme 2: Preventive and Promotive Health care services

(Sub programme)	Projects (Investment)
Disease prevalence controls	<ul style="list-style-type: none"> a) Malaria control b) TB and leprosy treatment and management c) HIV/AIDS control
Maternal and child healthcare promotion	<ul style="list-style-type: none"> a) Imarisha Afya ya Mama na Mtoto programme
Family Planning	<ul style="list-style-type: none"> a) Promotion of family planning initiatives
Universal health care programme	<ul style="list-style-type: none"> a) Promote access to medical care through NHIF
Blood transfusion services.	<ul style="list-style-type: none"> a) Acquisition of equipment for processing and screening blood components; b) Establish blood satellite centres (Butere and Lumakanda)
Nutrition services	<ul style="list-style-type: none"> a) Promotion of child and mother nutrition

(Sub programme)	Projects (Investment)
Referral services	b) Provision of ambulance services
Community Health strategies	a) Disease surveillance b) Hygiene promotion c) Jigger control and prevention d) Alcohol and drug abuse prevention e) Training/sentisization and awareness creation f) Establish integrated and comprehensive community service implementation
WASH/CLTS (Community Led Total Sanitation)	a) Certification of Open Defacation Free (ODF) villages
Promotion of Immunization Services	a) Increase no of facilities providing immunization and expand immunization coverage
Health education and promotion	a) Integrated school health education and promotion b) Increase Proportion of population with knowledge in key health messages
Programme Name : General Administrative, Finance and Support Services	
Administrative support services	a) Purchase of utility vehicles b) Gazettement of health facilities c) Construct gate and fencing of Health facilities d) Signage for all Health facilities
Health standards and Quality Assurance	a) Trainings, Mentorship, Support supervision, Information products, Reviews of work plans, Project M & E
Human Resource management	a) Recruitment and promotion of healthcare workers b) Staff training and grants to medical training centres
Disability mainstreaming	a) Assess and categorize PWDs for registration b) Train CUs on Community based rehabilitation modules c) Assessment of learners with special needs d) Purchase of post rape kits e) Train Health care workers on Gender mainstreaming
Health Data and Information Management	a) Digitization of health facilities b) Establish Health Enterprise Architecture

To undertake these programmes, the 2019/20 MTEF estimates for this sector are to be KES 4,539,837,484 comprising KES. 2,671,852,073 of KES 502,351,634 and KES 1,365,633,777 for Employee cost, Recurrent and Development respectively.

5.5.3 Trade, Tourism and Industry

The mandate of the County Department of Trade, Industrialization and Tourism (CDTIT), is derived from the constitution of Kenya 2010 under the Fourth Schedule. The Department is responsible for formulating and supporting strategies, plans and programs that promote and ensure expansion and diversification of trade, promotion of fair trade practices, environmentally sustainable industrialization and tourism.

Vision

To be the preferred hub for Trade Industrialization, and Tourism

Mission

To Promote and sustain Trade development Fair trade, Industrial growth, Investment, Tourism development and regulation for wealth creation and employment.

Priority Areas.

Infrastructure development and equipment

Fair trade practices and consumer protection.

Industrial and SME development

Tourism promotion and development

PROGRAMMES TO BE IMPLEMENTED

Programme 1: Trade Development and Investment

(Sub programme)	Projects (Investment)
Market infrastructure Development	Construction of Open air markets Completion of Modern markets – Bukura, Kipkaren, Nambacha, Mumias and Malinya Refurbishments and maintenance of existing markets Fabrication and installation of modern Kiosks Construction of wholesale hub at Sichirai
Micro and small enterprises development	Establishment of Microfinance corporation

Programme 2: Fair trade and consumer protection

Sub programme	Projects involved
Weights and Measures infrastructure development	Purchase of mobile weigh bridge inspection Unit Refurbishment of weight and Measures laboratory in Kakamega Purchase of Weight and Measures standards
Fair Trade and consumer protection services	Inspection, verification of the standard Certification of the standards Sensitization of public on fair trade practices

Programme 3: Tourism Development

(Sub programme)	Projects (Investment)
Cultural and heritage tourism development	Development of Nabongo Shrines
	Development of Mawe Tatu Hills
Eco-tourism Development	Development of Snake Park and Animal Orphanage Development of canopy walk and nature trails Development of eco-lodge Development of Cable Car
County Branding, Marketing and Promotion	Develop county tourism guides, documentary and promotional material
Tourism Regulation and standards	Inspect and register home stays Develop strategy and implement county tourism licensing and classification regime

Programme 4: Industrial development

(Sub programme)	Projects (Investment)
Industrial development	Establishment of Maize factory; Establishment of Dairy factory; Establishment of Tea factory; Establishment of leather treatment and buying centre.
Cottage industrial development and SME development	Construction of Jua kali shades; Development of an Industrial park; Equipping CIDCs; Establishment of Incubation centres.

To undertake these programmes, the 2019/20 MTEF estimates for this sector are estimated to be KES 332,396,042 comprising of KES 38,649,359, KES,43,749,686 and KES. 250,000,000 for Employee costs, Recurrent and Development expenditure.

5.5.4 Education, Science and Technology.

Education

This sector covers the following sub-sectors: ECDE, County Polytechnics and Education Support Programmes.

The sector vision is to be globally competitive in education, training, research and innovation for sustainable development. The mission is to provide, promote and coordinate quality education and training, integration of science and technology, and innovation for sustainable socio-economic development process.

Programme 1: Polytechnic Improvement

(Sub programme)	Projects (Investment)
Polytechnic Tuition Subsidy	a) Provision of free polytechnic tuition (capitation); b) ATVET support programme.
Polytechnic Infrastructure Development	a) Construction and equipping of new polytechnics; b) Construction and equipping of twin workshops; c) Construction of classrooms; d) Staffing.

Programme 2: Early Childhood Development Education

(Sub programme)	Projects (Investment)
ECDE Development	a) Provision of free ECDE Tuition (Capitation) b) Construction and equipping of ECDE Centers; c) Feeding programme.

Programme 3: Education Support Programme

Sub programme	Projects (Investment)
Education support	a) Completion of Secondary Schools Centres of Excellence; b) Provision of County Education Scholarships; c) Provision of Ward Based Bursary; d) County Higher Education Loans Board(HELB) Scheme; e) Education awards.

To undertake these programmes, the 2019/20 MTEF estimates for this sector are estimated to be KES. 1,255,976,967 comprising of KES.491,409,125 KES. 187,144,544 and KES.577,423,298 for Employee cost, Recurrent and Development respectively.

5.5.6 Social services, Youth and Sports

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

The sector Vision is to provide and promote a sustainable and equitable socio-cultural development, children and youth development in the county. The sector mission is to

formulate, mainstream and implement responsive policies through coordinated strategies for sustained and balanced socio-cultural and economic development of the County.

Programme 1: Culture and Arts Development

Sub programme	Projects (Investment)
Culture and heritage conservation	<ul style="list-style-type: none"> a) Construction of cultural centres; b) Culture promotion; c) Rehabilitation of Khayega art gallery; d) Construction of art gallery in Northern region;

Programme 2: Management and Development of Sports

Sub programme	Projects (Investment)
Development and promotion of sports and talents	<ul style="list-style-type: none"> a) Promotion of sports talent academies and tournaments; b) Provision of sport equipment and materials;
Sports infrastructure development	<ul style="list-style-type: none"> a) Upgrading of Bukhungu stadium (Phase II); b) Develop and construct other sports facilities.

Programme 3: Youth & Gender Development and Promotion Services

Sub programme	Projects (Investment)
Youth Empowerment, disability and Gender mainstreaming	<ul style="list-style-type: none"> a) Provision of disability support gears and equipment; b) Training and sensitization of people with disabilities, youth and women; c) Youth and Women empowerment programme.

Programme 4: Social Development and Promotions

Sub programme	Projects (Investment)
Social Development and Protection	<ul style="list-style-type: none"> a) Shelter improvement programme; b) Gender based violence rescue centre; c) Children rescue center; d) Support social welfare organizations.

Programme 5: Development of Library services

Sub programme	Projects (Investment)
Library infrastructure development	<ul style="list-style-type: none"> a) Refurbish and equip Kakamega and Lusumu libraries; b) Construct libraries in Southern and Northern region; c) Automate libraries.

To undertake these programmes, the 2019/20 MTEF estimates for this sector are estimated to be KES.862,935,030 comprising of KES. 46,013,335. KES. 40,421,695 and KES. 776,500,000 for Employee Costs, Recurrent and Development respectively.

5.5.7 Office of the Governor

This includes Governor's Office, Deputy Governor's Office, Cabinet Secretariat, County Secretary Office, Internal Audit, Liaison, Security and Enforcement, Protocol, Service Delivery Unit, Advisory Unit, Press Unit and Legal Unit.

The office of the Governor is the central administrative unit for the county. Its overall function is to ensure effective and efficient leadership, accountability and administration of justice. This is achieved through Civic education, fairness to all and dissemination of government policies to communities.

The department vision is "to provide a conducive environment for a competitive and prosperous County."

The department mission is "to ensure effective and accountable leadership, promote a just, democratic environment and establish strong governance institutions to empower citizens for the achievement of socio-economic and political development".

PROGRAMMES TO BE IMPLEMENTED

Programme 1: Governance and Administration

Sub programme	Projects (Investment)
Support, Coordination and Advisory Services.	a) Furnishing of Governor's residence in Lugari; b) Construction and furnishing of Governor's residence in Lurambi; c) Construction and furnishing of deputy governor's residence in Lurambi; d) Construction and equipping of enforcement camp at Rosterman; e) Completion of County Court; f) Rehabilitation and operationalization of regional audit offices; g) Automation of internal audit process;

To undertake these programmes, the 2019/20 MTEF estimates for this department are estimated to be KES. 295,443,502 comprising of KES. 102,329,403, KES. 109,614,099 and KES.83,500,000 for Employee cost, Recurrent and Development respectively.

5.5.8 Public Service and Administration

The sector comprises of the following sub-sectors; County Administration, Human Resource Management, Public participation and Civic Education, Records Management, Alcoholic Drinks Control Directorate, Performance Management, HIV/AIDS, Anti-Corruption and Kazi Mashinani Secretariat.

The vision is to be the leading department in the provision of excellent human resource and administrative services in the county and beyond.’ The mission is ‘To provide quality and timely human resource and administrative services for sustainable environmental, social and economic development of Kakamega County.

PROGRAMMES TO BE IMPLEMENTED

Programme 1: County Administration

Sub Programme	Projects (Investment)
County administration infrastructure Development	<ul style="list-style-type: none"> a) Construction of County HQ block; b) Completion and Construction of sub county, ward offices; c) Refurbishment of County, Sub county and ward offices; d) Construction of a County Training college.
Disaster response and mitigation measures.	<ul style="list-style-type: none"> a) Construction of disaster Operation Centers; b) Purchase disaster specialized equipment.
Alcohol and Drug Rehabilitation	<ul style="list-style-type: none"> a) Construction of a Rehabilitation center in the Northern region; b) Purchase of Specialized equipment for Rehabilitation Centres.

To undertake these programmes, the 2019/20 MTEF estimates for this sector are estimated to be KES.1,184,591,554 comprising of KES. 733,530,481 ,KES.297,552,543 and KES. 153,508,530 for Employee Cost, Recurrent and Development respectively.

5.5.9 Finance and Economic Planning

The Sector of Finance, Economic Planning & Investment is made up of the following units; Accounting, Revenue Agency, Budget, Procurement, Debt Management, Economic Planning and Investment.

The vision is to be the leading sector in formulation of economic policies and provision of prudent public financial management in Kenya. The mission is to provide prudent financial management through effective Economic planning, robust resource mobilization, investment promotion, sustainable budgeting, transparent procurement, timely monitoring & evaluation and financial reporting.

PROGRAMMES TO BE IMPLEMENTED

Programme 1: Public Financial Management

Sub programme	Projects (Investment)
Resource Mobilization	<ul style="list-style-type: none"> a) Revenue automation; b) Purchase motor vehicles and motor

Sub programme	Projects (Investment)
	cycles for revenue unit.
Accounting and Financial services	a) Asset tagging and valuation.

Programme 2: Debt management

Sub programme	Projects (Investment)
Public debt management	a) Develop risk management framework; b) Develop compliance guidelines.

Programme 3: Economic policy formulation and management

Sub programme	Projects (Investment)
Economic policy formulation	a) Preparation of County development plans; b) Development of County project implementation guidelines; c) Undertake Monitoring and Evaluation; d) Macro-economic indicators baseline survey.

Programme 4: County Investment

Sub programme	Projects (Investment)
Investment promotion	a) Investment in the Lake Region Economic Block; b) Prepare county investment profile; c) Initiate PPPs programmes.

To undertake these programmes, the 2019/20 MTEF estimates for this sector is KES.815,693,132 comprising of KES. 328,680,101, KES. 282,013,031 and KES. 205,000,000 for Employee costs, Recurrent and Development respectively. Emergency Fund of KES. 100,000,000 is included in development Expenditure estimates.

5.5.10 Water, Environment & Natural Resources

The sector is composed of water, environment, forestry and natural resources sub-sectors.

The sector vision is “Sustainable access to adequate clean and safe water in a clean and secure environment”.

The sector mission is “To promote, conserve and protect the environment and improve access to water for sustainable national development”.

In order to promote sustainable utilization of environmental resources, the county will promote investments in clean energy such as solar, wind, biogas and hydro-power. All

the urban markets and centers will be required to establish a designated dumpsites and sewerage systems to ensure effective and reliable disposal of waste. Since the county faces an acute shortage of clean and safe drinking water, the sector will advocate for the construction of water treatment plants and boost the storage and supply lines. There is need to establish joint community-school water projects for the benefit of schools and the local communities.

PROGRAMMES TO BE IMPLEMENTED

Programme 1: Water and Urban Sanitation service provision and management

Sub-programme	Projects (Investment)
Water Supply Services	<ul style="list-style-type: none"> a) Construction of surface water supply schemes; b) Expansion of distribution lines to unserved areas; c) Drilling, equipping and rehabilitation of boreholes; d) Construction of a water storage tank in Kakamega town; e) Promotion of rainwater harvesting and storage; f) Rehabilitation, desilting and development of water pans and small dams. g) Spring protection
Urban Sanitation	<ul style="list-style-type: none"> a) Completion of stalled Maraba Sewerage Plant; b) Expansion of sewerage network in Kakamega town; c) Construction of sewerage plants in Mumias and other urban areas.

Programme 2: Environmental Conservation

Sub-programme	Projects (Investment)
Environmental Conservation	<ul style="list-style-type: none"> a) Establish a waste to energy plant and b) Establish 2 garbage transfer stations; c) Acquisition of waste handling and transportation equipment (skips and truck); d) Development of a Solid Waste Management Plan; e) Environmental education and awareness campaigns.
Climate Change Management	<ul style="list-style-type: none"> a) Acquisition of automatic climate monitoring stations; b) Promotion of renewable energy technologies (Solar, biogas, improved jikos, kiln, gasifier).

Programme 3: Natural Resource Management

Sub programme	Projects (Investment)
Afforestation and Re-afforestation	a) Development of County forests on hill tops; b) Development of green zones in urban centers; c) Protection of riparian areas; d) Establishment of environmental demonstration Centre.
Promotion of nature based enterprises	a) Establishment of a wildlife Conservancy Centre; b) Capacity building of environmental conservation groups.
Mineral Resource management	a) Development of policy framework on Sand, quarrying and Murram harvesting; b) Training artisanal mining groups; c) Rehabilitation of degraded areas.

To undertake these programmes, the 2019/20 MTEF estimates for this sector are estimated to be KES 383,758,027 comprising of KES.54,228,215 KES 32,529,812 and KES 297,000,000 for Employee Recurrent and Development costs respectively.

5.5.11 Lands, Physical Planning, Housing and Urban Development

The sector comprises of the following sub-sectors: Lands, Survey, Physical Planning, and Housing and Urban Development.

The sector vision is ‘Sustainable and equitable access to land, quality housing and coordinated urban development.’

The sector mission is ‘To facilitate improvement of the livelihood of county residents through efficient administration, Equitable access, secure tenure, and sustainable management of land resources, implementation of Housing policy, improvement of living conditions of the urban poor within the context of a well-planned urban and rural environment.’

PROGRAMMES TO BE IMPLEMENTED

Programme 1: Land Management Services

Sub Programme	Projects (Investment)
Land use Planning	a) Preparation of Physical Development Plans; b) Prepare County Spatial Plan.
Land administration	a) Establishment of a Land Bank; b) Preparation of Valuation roll.
Survey services	a) Fencing of County Government Land; b) Purchase of survey equipment;

Sub Programme	Projects (Investment)
	c) Survey of Public land; d) Operationalization of GIS.

Programme 2: Housing Management Services

Sub Programme	Projects (Investment)
Housing infrastructure development	a) Renovation of government houses; b) Construction of New housing Units; c) Upgrading of Informal Settlements.

Programme 3: Urban Management Services

Sub Programme	Projects (Investment)
Urban Infrastructure Development	a) Establishment of Recreational Park; b) Construction of Closed water drains; c) Construction of Non-Motorized walkways; d) Establishment of an Art Centre in Mumias; e) Construction of Modern bus park in Mumias; f) Landscaping and beautification. g) Street Parking Bays
Urban waste Management	a) Construction of a cemetery; b) Provision of cleaning services.

To undertake these programmes, the 2019/20 MTEF estimates for this sector are estimated to be KES. 855,937,112 Million comprising of KES. 95,906,455, KES. 122,911,857 and KES. 637,118,800 for Employee cost, Recurrent and Development expenditure estimates

5.5.12 The County Assembly

The county Assembly's functions include oversight, Legislation and representation. The estimate for County Assembly programmes may change in the course of MTEF budgeting once the Commission of Revenue Allocation gives the ceilings for budget for FY 2019/2020.

To undertake these programmes, the 2018/19 MTEF estimates for this sector are estimated to be Ksh.1,1114,432,820 comprising of KES. 1,061,364,590 recurrent and Ksh.50,000,000 development expenditure.

Flagship projects/programmes

- a. Construction of the county Assembly chambers

5.5.13 County Public Service Board

Vision

A leading Board in providing human resource for high quality client-centered service

Mission

To build an optimal, efficient and effective human resource for quality service delivery to the people of Kakamega County and beyond

Overall Goal

A Public Service Board that inculcates transparent and merit-based recruitment practices for competent personnel of appropriate skills mix into the service, development and enforcement of standards and ensuring continuing professional development and progression of public servants.

Functions and Powers of the Board:

- a. Appoint and confirm persons who hold and/ or act in offices of the County public service including on the Boards of cities and urban areas within the County;
- b. Discipline, control and if need be, remove persons, holding or acting in those offices as provided for under this Part; Disciplinary control;
- c. Prepare regular reports for submission to the County assembly on the execution of the functions of the Board;
- d. Promote in the County public service the values and principles referred to in Articles 10 and 232; County public service.
- e. Evaluate and report to the County assembly on the extent to which the values and principles referred to in Articles 10 and 232 are complied with in the County public service;
- f. Facilitate the development of coherent, integrated human resource planning and budgeting for personnel emoluments in counties;
- g. Advise the County government on human resource management and development;
- h. Advise County government on implementation and monitoring of the national

performance management system in counties;

- i. Make recommendations to the Salaries and Remuneration Commission and on pensions and gratuities, for County Public Service Employees, on behalf of the County government.

Flagship Programmes

- a. Build institutional capacity through the development of a skills inventory for the County.

To undertake these programmes, the MTEF estimates for this sector are Kes. 68,428,009

5.5.14 ICT, e-Government and Communication

The department consists of ICT, e-Government and Communication. It was established to facilitate, through the implementation of an e-Government Programme, the provision of County services electronically anytime anywhere for the greater convenience of the citizens.

The Vision is ‘To be a leading county in providing of ICT, e-government and communication services in Kenya.’

The Mission is ‘To provide efficient and robust innovative information systems and infrastructure as well as accessible communication services that enable the county meet its set goals, aspirations and targets for delivery of quality services to the citizens of Kakamega County.’

PROGRAMMES TO BE IMPLEMENTED

Programme 1: County Information Management

Sub programme	Projects (Investment)
Information and Communication Technology	<ol style="list-style-type: none"> a) Development of a Production studio; b) Production of county magazine. c) Implementation of the ERP Modules; d) Enhance county connectivity; e) Establishment of the wifi sub-stations; f) Construction of ICT centers; g) Establishment of e-Government portals; h) Installation of the Integrated surveillance system.

To undertake these programmes, the 2019/20 MTEF estimates for this sector are estimated to be KES212,312,286 comprising of KES.27,291,644, KES. 36,670,642 and KES. 148,350,000 for Employee cost, Recurrent and Development respectively.

6.0 CONCLUSION

The set of policies outlined in this CFSP aims at striking a balance between circumstances which keep changing and the emerging issues and are broadly in line with the CIDP and the fiscal responsibility principles outlined in the PFM law. They are also consistent with the national strategic objectives which set a basis for County Government allocation of public resources.

Details of these strategic objectives are contained in the CIDP (2018-2022). The policies and sector ceilings provided in this document will guide the Sectors/departments in preparation of the 2019/20 MTEF budget.

Budgetary resources are usually limited, thus it is imperative that departments prioritize their programmes within the available resources to ensure that utilization of public funds are in line with county government priorities. Departments need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans in allocating resources. There is also need to ensure that recurrent resources are being utilized efficiently and effectively before funding is considered for programmes.

Monitoring and Evaluation will play a critical role in tracking the implementation of the projects and programmes envisaged in this document.

Proper implementation of the budget is critical towards providing services that will promote sustainable growth. Sustainability requires greater effort from all the stakeholders including county government departments, civil societies, communities, County Assembly and development partners to get things done. This means providing for continuous consultations with each other, finding solutions and encouraging innovation to build a sustainable County.

ANNEXURES

Annex 1: Recurrent Ceilings

Vote /Department	2018/19		2019/20	2020/21	2020/21	% Share of Revenue estimates			
	Revised estimates	Approved	Estimates	Forecast	Forecast	CFSP			
						2018/19	2019/20	2020/21	2021/22
Office of the Governor	298,033,559	298,033,559	211,943,502	222,540,677	233,667,711	3.97	2.70	2.70	2.70
Employee Cost	97,456,574	97,456,574	102,329,403	107,445,873	112,818,167				
Current	200,576,985	200,576,985	109,614,099	115,094,804	120,849,544				
Public Service and Administration	1,149,235,125	1,149,235,124	1,031,083,024	1,082,637,175	1,136,769,034	15.32	13.12	13.12	13.12
Employee Cost	666,845,892	666,845,892	733,530,481	770,207,005	808,717,355				
Current	482,389,233	482,389,232	297,552,543	312,430,170	328,051,678				
County Treasury	543,099,978	546,214,783	610,693,132	641,227,789	673,289,178	7.28	7.77	7.77	7.77
Employee Cost	313,028,668	313,028,668	328,680,101	345,114,106	362,369,812				
Current	230,071,310	233,186,115	282,013,031	296,113,682	310,919,366				
Water, Environment and Natural Resource	90,858,784	90,858,785	86,758,027	91,095,928	95,650,725	1.21	1.10	1.10	1.10
Employee Cost	49,298,377	49,298,377	54,228,215	56,939,625	59,786,607				
Current	41,560,407	41,560,408	32,529,812	34,156,303	35,864,118				
Social Services, Youth & Sports	89,132,442	89,132,441	86,435,030	90,756,782	95,294,621	1.19	1.10	1.10	1.10
Employee Cost	43,822,224	43,822,224	46,013,335	48,314,002	50,729,702				
Current	45,310,218	45,310,217	40,421,695	42,442,780	44,564,919				

	2018/19		2019/20	2020/21	2020/21		% Share of Revenue estimates		
							CFSP		
Vote /Department	Revised estimates	Approved	Estimates	Forecast	Forecast	2018/19	2019/20	2020/21	2021/22
Transport, Infrastructure & Public Works	118,384,852	118,384,855	113,255,314	118,918,080	124,863,984	1.58	1.44	1.44	1.44
Employee Cost	73,459,293	73,459,293	77,132,258	80,988,871	85,038,314				
Current	44,925,559	44,925,562	36,123,056	37,929,209	39,825,670				
Lands, Housing, Urban Areas and Physical Planning	296,810,973	227,410,974	218,818,312	229,759,228	241,247,189	3.03	2.78	2.78	2.78
Employee Cost	91,339,481	91,339,481	95,906,455	100,701,778	105,736,867				
Current	205,471,492	136,071,493	122,911,857	129,057,450	135,510,322				
Health Services	3,060,474,334	2,904,733,786	3,174,203,707	3,332,913,892	3,499,559,587	38.73	40.39	40.39	40.39
Employee Cost	2,540,588,465	2,521,785,260	2,671,852,073	2,805,444,677	2,945,716,910				
Current	519,885,869	382,948,526	502,351,634	527,469,215	553,842,676				
Agriculture, Livestock, Fisheries and Co-operatives	358,960,591	358,960,591	371,865,742	390,459,029	409,981,981	4.79	4.73	4.73	4.73
Employee Cost	297,576,936	297,576,936	315,455,782	331,228,571	347,790,000				
Current	61,383,655	61,383,655	56,409,960	59,230,458	62,191,981				
Trade, Tourism & Industrialization	62,480,055	62,480,056	82,396,042	86,515,844	90,841,637	0.83	1.05	1.05	1.05
Employee Cost	35,056,105	35,056,105	38,649,356	40,581,824	42,610,915				
Current	27,423,950	27,423,951	43,746,686	45,934,021	48,230,722				

	2018/19		2019/20	2020/21	2020/21		% Share of Revenue estimates		
							CFSP		
Vote /Department	Revised estimates	Approved	Estimates	Forecast	Forecast	2018/19	2019/20	2020/21	2021/22
Education , Science & Technology	497,825,914	502,158,192	678,553,669	712,481,352	748,105,420	6.70	8.63	8.63	8.63
Employee Cost	468,008,690	468,008,690	491,409,125	515,979,581	541,778,560				
Current	29,817,224	34,149,502	187,144,544	196,501,771	206,326,860				
County Public Service Board	72,769,865	72,769,865	68,428,009	71,849,409	75,441,880	0.97	0.87	0.87	0.87
Employee Cost	42,952,641	42,952,641	45,100,273	47,355,287	49,723,051				
Current	29,817,224	29,817,224	23,327,736	24,494,122	25,718,829				
County Assembly	1,061,364,590	998,717,390	1,061,364,590	1,114,432,820	1,170,154,460	13.32	13.50	13.50	13.50
Current	1,061,364,590	998,717,390	1,061,364,590	1,114,432,820	1,170,154,460				
ICT, E-government & Communication	81,648,942	80,193,918	63,962,286	67,160,400	70,518,420	1.07	0.81	0.81	0.81
Employee Cost	27,447,066	25,992,042	27,291,644	28,656,226	30,089,038				
Current	54,201,876	54,201,876	36,670,642	38,504,174	40,429,383				
TOTAL	7,781,080,004	7,499,284,319	7,859,760,385	8,252,748,405	8,665,385,825	100	100	100	100.00

Annex 2: Development Ceilings

Vote /Department	2018/19		2019/20	2020/21	2020/21	% Share of Revenue estimates				
	Revised estimates	Approved	Estimates	Forecast	Forecast	2018/19	CFSP	2019/20	2020/21	2021/22
	Office of the Governor	83,000,000	93,000,000	83,500,000	100,000,000	100,000,000	1.33		1.24	1.28
Development	83,000,000	93,000,000	83,500,000	100,000,000	100,000,000					
Public Service and Administration	156,218,976	159,508,530	153,508,530	200,000,000	200,000,000	2.28		2.29	2.56	2.55
Development	156,218,976	159,508,530	153,508,530	200,000,000	200,000,000					
County Treasury	205,000,000	205,000,000	205,000,000	105,000,000	105,000,000	2.93		3.06	1.34	1.34
Development	205,000,000	205,000,000	205,000,000	105,000,000	105,000,000					
Water, Environment and Natural Resource	328,820,000	361,000,000	297,000,000	450,000,000	450,000,000	5.15		4.43	5.76	5.74
Development	328,820,000	361,000,000	297,000,000	450,000,000	450,000,000					
Social Services, Youth & Sports	225,500,000	511,000,000	776,500,000	850,000,000	850,000,000	7.29		11.58	10.88	10.84
Development	225,500,000	511,000,000	776,500,000	850,000,000	850,000,000					
Transport, Infrastructure & Public Works	1,952,672,814	1,597,995,701	1,517,576,656	1,800,000,000	1,800,000,000	22.80		22.63	23.04	22.95
Development	1,952,672,814	1,597,995,701	1,517,576,656	1,800,000,000	1,800,000,000					
Lands, Housing, Urban Areas and Physical Planning	544,465,382	566,618,800	637,118,800	700,000,000	700,000,000	8.08		9.50	8.96	8.93
Development	544,465,382	566,618,800	637,118,800	700,000,000	700,000,000					
Health Services	1,339,004,000	1,470,000,000	1,365,633,777	1,500,000,000	1,500,000,000	20.97		20.36	19.20	19.13
Development	1,339,004,000	1,470,000,000	1,365,633,777	1,500,000,000	1,500,000,000					

Vote /Department	2018/19		2019/20	2020/21	2020/21	% Share of Revenue estimates			
	Revised estimates	Approved	Estimates	Forecast	Forecast	CFSP			
						2018/19	2019/20	2020/21	2021/22
Agriculture, Livestock, Fisheries and Co-operatives	648,716,311	701,433,152	645,311,716	800,000,000	800,000,000	10.01	9.62	10.24	10.20
Development	648,716,311	701,433,152	645,311,716	800,000,000	800,000,000				
Trade, Tourism & Industrialization	260,000,000	365,000,000	250,000,000	400,000,000	400,000,000	5.21	3.73	5.12	5.10
Development	260,000,000	365,000,000	250,000,000	400,000,000	400,000,000				
Education , Science & Technology	715,910,000	782,910,000	577,423,298	606,294,463	636,609,186	11.17	8.61	7.76	8.12
Development	715,910,000	782,910,000	577,423,298	606,294,463	636,609,186				
County Public Service Board	-	-	-	-	-	-	-	-	-
County Assembly	50,000,000	50,000,000	50,000,000	100,000,000	100,000,000	0.71	0.75	1.28	1.28
Development	50,000,000	50,000,000	50,000,000	100,000,000	100,000,000				
ICT, E-government & Communication	199,036,000	145,000,000	148,350,000	200,000,000	200,000,000	2.07	2.21	2.56	2.55
Development	199,036,000	145,000,000	148,350,000	200,000,000	200,000,000				
TOTAL	6,708,343,483	7,008,466,183	6,706,922,777	7,811,294,463	7,841,609,186	100	100	100	100

Annex 3: Own Source Revenue

YEAR	2017/18	Year 2018-19	Year 2019-20	year 2020-21	Year 2021-22
		30%	6%	6%	6%
STREAM					
MARKET FEES	36,910,235	47,983,306	50,862,304	53,914,042	57,148,885
SBP	68,649,690	89,244,597	94,599,273	100,275,229	106,291,743

YEAR	2017/18	Year 2018-19	Year 2019-20	year 2020-21	Year 2021-22
		30%	6%	6%	6%
RATES	30,774,822	40,007,269	42,407,705	44,952,167	47,649,297
CESS	27,155,400	35,302,020	37,420,141	39,665,350	42,045,271
SLAUGHTER	4,599,026	5,978,734	6,337,458	6,717,705	7,120,768
BUS PARK	47,579,674	61,853,576	65,564,791	69,498,678	73,668,599
STREET PARKING	6,960,280	9,048,364	9,591,266	10,166,742	10,776,746
MOTORBIKE	1,141,530	1,483,989	1,573,028	1,667,410	1,767,455
MODERN KIOSK	2,182,070	2,836,691	3,006,892	3,187,306	3,378,544
GROUNDRENT	699,185	908,941	963,477	1,021,286	1,082,563
KIOSKS	1,686,040	2,191,852	2,323,363	2,462,765	2,610,531
MEAT INSPECTION	313,770	407,901	432,375	458,318	485,817
RANSFER/SUBDIVISION	38,350	49,855	52,846	56,017	59,378
BURIAL FEE	10,500	13,650	14,469	15,337	16,257
IMPOUNDING FEE	425,466	553,106	586,292	621,470	658,758
PLAN APPROVAL	8,250,495	10,725,644	11,369,182	12,051,333	12,774,413
TOILET	153,050	198,965	210,903	223,557	236,970
REG OF GROUPS	212,800	276,640	293,238	310,833	329,483
NURSERY FEE	56,000	72,800	77,168	81,798	86,706
FIRE COMPLIANCE	420,950	547,235	580,069	614,873	651,766
NOISE CONTROL	21,100	27,430	29,076	30,820	32,670
HOARDING		-	-	-	-
STOCK SALES	11,085,320	14,410,916	15,275,571	16,192,105	17,163,632
HIRE	1,529,700	1,988,610	2,107,927	2,234,402	2,368,466
ADVERTISEMENT	7,548,007	9,812,409	10,401,154	11,025,223	11,686,736
RENTAL	6,745,045	8,768,559	9,294,672	9,852,352	10,443,493

YEAR	2017/18	Year 2018-19	Year 2019-20	year 2020-21	Year 2021-22
		30%	6%	6%	6%
WATER	195,822	254,569	269,843	286,033	303,195
PUBLIC HEALTH	9,203,651	11,964,746	12,682,631	13,443,589	14,250,204
BUKURA ATC	2,743,461	3,566,499	3,780,489	4,007,319	4,247,758
VETERINARY SERVICES	2,444,781	3,178,215	3,368,908	3,571,043	3,785,305
HEALTH SERVICES	150,660,442	195,858,575	207,610,089	220,066,694	233,270,696
LIQUOR	26,667,711	34,668,024	36,748,106	38,952,992	41,290,172
BUKHUNGU STADIUM	481,900	626,470	1,147,532	703,902	746,136
FARM MECHANIZATION	2,776,000	3,608,800	3,825,328	4,054,848	4,298,139
FARM INPUT SUBSIDIE		150,000,000	200,000,000	200,000,000	200,000,000
NHIF CAPITATION	28,003,178	230,215,078	300,000,000	336,000,000	369,600,000
SUGAR FUND RECEIPTS	3,000,001	3,900,001	4,134,001	4,382,041	4,644,964
INTEREST RECEIVED	12,508,664	16,261,263	17,236,939	18,271,155	19,367,425
MISC/OTHERS	926,694	1,204,702	1,276,984	1,353,603	1,434,820
TOTAL	504,760,810	1,000,000,000	1,157,455,491	1,232,390,338	1,307,773,758