



REPUBLIC OF KENYA



**HOMA BAY**  
COUNTY GOVERNMENT

DEPARTMENT OF

FINANCE AND ECONOMIC PLANNING

**MEDIUM TERM EXPENDITURE FRAMEWORK**

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**FISCAL STRATEGY PAPER**

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**Consolidating Gains from Devolution**

NOVEMEBR 2016

## **Foreword**

It is a legal requirement under Section 117 of the PFM Act that the county treasury prepares and presents before the county executive committee a County Fiscal Strategy Paper that outlines the county's fiscal framework for the medium term. The approved fiscal strategy paper should then be presented to the County Assembly by the 28<sup>th</sup> of February of each financial year. This, being the third Homa Bay County Fiscal Strategy Paper, it is built on the foundation of the county's first and second strategy papers. In both papers, the county was focused on bringing about a transformation towards sustainable and shared prosperity.

The paper elaborates principles and policies for laying a firm foundation for achievement of objectives set out in the First County Integrated Development Plan, 2013–2017. It begins with a synopsis of the recent economic developments and outlook as well as strategic priorities and policy goals of the County Government. It details the fiscal policies and the budget framework and concludes by highlighting the key programmes and priority projects for funding in the financial year 2017/2018 as well as in the medium term.

In line with the county's vision of becoming a healthy, wealthy and industrialized county, this Fiscal Strategy Paper 2017 remains focused on (1) Pro-poor expenditures in support of priorities set out in the CIDP; (2) Shifting towards capital improvement, (3) Setting up structures for improved mobilization and management of resources in the county and (4) creating a conducive framework for the growth of the private sector. The paper therefore emphasizes putting the county on the trajectory of cost-effective and sustainable public spending aimed at consolidating gains, touching all dimension of well-being and reaching new development levels.

My sincere gratitude goes to all individuals and entities that have participated in the development of this paper including members of the County Executive Committee, Chief Officers, members of the County Assembly, technical government officers, the private sector, non-governmental organizations and development partners who at various stages made invaluable contribution to this strategic process.

**Hon. Dr. David Okeyo**  
**CEC Member, Finance & Economic Planning**  
**Homa Bay County Government**

## Acknowledgements

The 2017/18 Fiscal Strategy Paper for Homa Bay County is part of the continued work of the County Government of Homa Bay to effectively link county budgets to its policies and plans. The paper presents the framework for the 2017/2018 budget and provides a preview of the fiscal responsibility principles as well as risks to the fiscal outlook. It also contains an assessment of the current state of economic development.

This Fiscal Strategy Paper is aligned with the national objectives as set out in the budget policy statement. The paper provides specific expenditure ceilings for county departments, units and agencies and details guidelines that aim at structuring the pattern of county government expenditure towards priority areas for investment. These priorities are derived from sector reports which have recommendations from expenditure reviews.

The preparation of this paper was a cooperative effort. Much of the information in this report was obtained from various county departments, units and agencies as well as from input by various non-state actors. We are indeed grateful for the collaboration and the comments received from Members of the County Executive Committee, technical staff of County Departments and non-state interests.

A core team in the Department of Finance and Economic Planning spent a significant amount of time to put together this report. In this regard, we are grateful to: Mr. Willys Bolo (Ag. Director of Budget and Economic Affairs) who headed the team comprising of staff of the County Department of Finance and Economic Planning including, in particular Mr. Bryan Arwah, Mr. Ramadhan Mohamed, Mr. Kelly Owillah, Mr. Noah Otieno, Mr. Handel Nyangaya and Ms. Angeline Odondi. Valuable technical input came from the Office of the Governor, especially from Mr. Isaac Abuya (Chief of Staff) and Mrs. Ruth Aloo (Economic Advisor). Many thanks also go to all the members of the County Executive Committee led by Hon. Dr. David Okeyo for their input during the approval process.

**Mr. Martin Peters Owino**  
**Chief Officer - Finance and Economic Planning**  
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## Abbreviations and Acronyms

<b>A-I-A</b>	Appropriations in Aid
<b>AIDS</b>	Acquired Immuno-Deficiency Syndrome
<b>BPS</b>	Budget Policy Statement
<b>BROP</b>	Budget Review and Outlook Paper
<b>CBR</b>	Central Bank Rate
<b>CBROP</b>	County Budget Review and Outlook Paper
<b>CIDP</b>	County Integrated Development Plan
<b>CFSP</b>	County Fiscal Strategy Paper
<b>ECD</b>	Early Childhood Development
<b>E-PROMIS</b>	Electronic Projects Management Information System
<b>FSP<sub>2015</sub></b>	Fiscal Strategy Paper, 2015
<b>FY</b>	Financial Year
<b>FDI</b>	Foreign Direct Investment
<b>GDP</b>	Gross Domestic Product
<b>GoK</b>	Government of Kenya
<b>HIV</b>	Human Immuno-Deficiency Virus
<b>ICT</b>	Information and Communication Technology
<b>IFMIS</b>	Integrated Financial Management Information System
<b>IMF</b>	International Monetary Fund
<b>IPD</b>	In-Patient Department
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>MCH</b>	Maternal and Child Health
<b>MDG</b>	Millennium Development Goals
<b>MoU</b>	Memorandum of Understanding
<b>MSE</b>	Micro and Small Enterprises
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTP</b>	Medium-Term Plan
<b>NDA</b>	Net Domestic Assets
<b>NFA</b>	Net Foreign Assets
<b>NIMES</b>	National Integrated Management Information Systems
<b>OPD</b>	Out-Patient Department
<b>PBB</b>	programme Based Budget
<b>PERs</b>	Public Expenditure Review
<b>PFM</b>	Public Financial Management
<b>PFMA</b>	Public Finance Management Act
<b>PPP</b>	Public Private Partnership
<b>PWDs</b>	Persons with Disability
<b>SSA</b>	Sub-Saharan Africa
<b>TTI</b>	Technical Training Institute
<b>TV</b>	Television
<b>VAT</b>	Value Added Tax
<b>WASH</b>	Water and Sanitation Hygiene

## **Legal Basis for the Publication of the Homa Bay County Fiscal Strategy Paper**

The Homa Bay County **Fiscal Strategy Paper** is prepared in accordance with Section 117 (1) of the Public Financial Management Act, 2012 which 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 amendments.

(7) The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal for the financial year concerned.

(8) The County Treasury shall publish and publicize the County Fiscal Strategy

## **Fiscal Responsibility Principles in the Public Financial Management Law**

In line with the Constitution, the Public Finance 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) states that:

(1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.

(2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles:

- a) The county government's recurrent expenditure shall not exceed the county government's total revenue;
- b) Over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
- c) the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;
- d) Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- e) The county debt shall be maintained at a sustainable level as approved by county assembly;

(f) The fiscal risks shall be managed prudently; and

(g) 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.

(3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.

(4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.

(5) The regulations may add to the list of fiscal responsibility principles set out in subsection (2). Specifically, the PFM Regulations provides further that:



- (a) the County Executive Committee member with the approval of the County Assembly shall set a limit on the County Government's expenditure on wages and benefits for its public officers pursuant to Section 107(2) of the PFM Act;
- (b) the limit set under paragraph (a) above, shall not exceed thirty-five (35) percent of the County Government's total revenue at any one time;
- (c) for the avoidance of doubt, the revenue referred to in paragraph (b) shall not include revenue that accrue from extractive natural resources including oil and coal;
- (d) the county public debt shall never exceed twenty (20%) percent of the county government total revenue at any one time;
- (e) the county annual fiscal primary balance shall be consistent with the debt target in paragraph (d);
- (f) the approved expenditures of a county assembly shall not exceed seven per cent of the total revenue of the county government or twice the personnel emoluments of that county assembly, whichever is lower;
- (g) pursuant to section 107(5) of the PFM Act, if the county government actual expenditure on development shall be at least thirty (30) percent in conformity with the requirement under section 107(2)(a) of the Act;
- (h) if the county government does not achieve, the requirement of regulations 25(1)(f) above at the end of the financial year, the County Executive Committee member for finance shall submit a responsibility statement to the County Assembly explaining the reasons for the deviation and provide a plan on how to ensure annual actual expenditure outturns as well as the medium term allocation comply with the provisions of section 107(2)(a) of the Act and these regulations in the subsequent year; and
- (i) the compliance plan above shall be binding and the County Executive Committee member for finance shall ensure implementation.

## I. INTRODUCTION

### Overview of the Fiscal Strategy Paper 2017

1. This year's Fiscal Strategy Paper is the fourth of its kind for Homa Bay County since the inception of the County Government. The paper entails:
  - a. An assessment of the current state of the economy and the financial outlook over the medium term, including macro-economic forecasts;
  - b. A statement of fiscal risks outlining the potential policy decisions and key areas of uncertainty that may have material effect on the fiscal outlook;
  - c. The proposed expenditure ceilings for the county government entities;
  - d. A statement of any potential deviation from the ceilings specified in the fiscal framework;
  - e. The fiscal responsibility principles set out in section 107 of the PFM Act and the PFM Regulations no. 25;
  - f. A fiscal framework consisting of updated forecasts of revenue and expenditure, capital improvement, overall balance and the primary balance position, level of the county public debt as well as sensitivity analysis of likely changes in the economic fundamentals and, any other information considered material to the fiscal strategy;
  - g. An explanation of the fiscal policies in relation to the fiscal responsibility principles and any temporary measures implemented to ensure compliance, if necessary;
  - h. An analysis and explanation of policies for revenue mobilization; expenditure prioritization, justification and limits implied by law as well as deficits and debts; and finally,
  - i. An analysis of the consistency of the updated fiscal strategies with the previous fiscal strategies and an explanation of significant changes.
2. The Fiscal Strategy Paper also indicates the criteria used to apportion the available public resources among the various programmes, projects and activities of the County Government of Homa Bay that are competing for the limited resources.
3. The CFSP 2017/18 is embedded on the national government's second MTP priorities, Kenya Vision 2030, the Millennium Development Goals (MDGs), Homa Bay County's Integrated Development Plan (CIDP) 2013-2017, as well as the national Medium Term Expenditure Framework (MTEF) 2017/2018 – 2019/2020.

### 2017 Theme and Focus on Process Improvements

### ***Consolidating Gains from Devolution***

4. Through devolution, many vital steps in service delivery has been made. Despite its many challenges, capacity and resources have been dispersed to all corners and previously unserved villages of Homa Bay County. The local leadership has been empowered and given a voice hence reducing political and social risks that came with the centralized system of old. Today, the people of Homa Bay do not feel left out.
5. Whereas the challenge of low performance of own-source revenue against target has largely persisted since 2013, measures have been instituted to widen the revenue base and enhance efficiency of revenue management. Revenue forecasting is increasingly being underpinned by macroeconomic assumptions and a credible methodology. In this effort, the County Government is working with the National Government to enhance own capacity and develop a strategy to enhance revenue management by identifying strong revenue raising measures and correct duplication and distortions in local taxes and fees that hurt the business environment and reduce revenue streams which could make investors shy away from Homa Bay County.
6. With regard to cash management, the County Government of Homa Bay will continue to align its expenditure programs with the flow of funds disbursed to county governments in accordance with the disbursement Schedule approved by the National Treasury. The National Government will be engaged to ensure such flows takes into account all the strategic issues and key result areas for the county government of Homa Bay.
7. The overriding policy thrust for the Homa Bay County Fiscal Strategy Paper 2017 therefore is to consolidate gains of devolution. Resources will be channeled towards making devolution work by building capacity and resilience among local people so that the envisioned transition to accelerated, inclusive and sustainable development can be realized. It is already a considered fact that the only sustainable foundation of a twenty-first century economy is an equitable society that values everyone. Part of that challenge includes triggering a democratic transition and a multi-sectoral shift from agriculture to industry and services.

### ***Addressing Priority Concerns***

8. The 2013-2017 medium term priority of the County Government of Homa Bay has been to address the major challenges highlighted in the CIDP. These challenges remain, inter alia; low productivity and value addition in agriculture, inadequate energy and infrastructure, weak entrepreneurial culture and inadequate support to local businesses, inadequate access to portable water and essential health services, inadequate quality and equality in education, inadequate financial and human resources, and inadequate social facilities. Resources have therefore been channeled towards overcoming these challenges within the medium term.

9. As part of the county effort to consolidate and communicate gains from devolution, public investments in the financial 2017/18 will be focused more on (1) putting up priority infrastructure including energy, transport and ICT; (2) providing quality and accessible healthcare services as well as quality education for ECDE and vocational students; (3) transforming agriculture and tourism sectors; and (4) promotion of trade and enterprise development.

### ***Improving the Medium Term Expenditure Process***

10. As part of an effort to improve the MTEF process, the County will be focused on full adoption of results-based management through program-based budgeting, strengthening of budget execution and monitoring structures, cascading of IFMIS to all spending entities and promoting social accountability. Entrenching performance based systems in the county will remain a priority of the current administration and therefore, budgetary allocations for the financial year 2017/18 shall be based on efficacy of proposed programmes, projects and activities. The proposed programmes, projects and activities will strictly be those that are linked to clearly specified objectives and targets set out in the revised CIDP 2013-2017 as well the as the national objectives captured in Kenya Vision 2030 and the draft Budget Policy Statement 2017.
11. Within the fiscal space provided, the County Government of Homa Bay will strive to be more efficient to be able to consolidate gains in employment creation and poverty reduction. Greater fiscal discipline and careful alignment of resources towards key result areas will be emphasized. In particular, there will be a clear focus on better control of expenditure as well as operating within the core mandates of the County Government.

### **Linkage with National Budget Policy 2017**

12. The 2017 County Fiscal Strategy for 'Consolidating Gains from Devolution' borrows heavily from the 2017 National Budget Policy for 'Consolidating Economic Gains in an Environment of Subdued Global Demand'. The six thematic areas of the national strategy that are largely shared by the county strategy include:

**Thematic Area I: Sustaining a conducive business environment for increased investment opportunities** by ensuring macroeconomic stability for sustainable growth and development as well as enhancing security for sustainable growth and employment.

**Thematic Area II: Continued spending in infrastructure to unlock constraints to growth**, including further expanding the road network; modernizing and ensuring safety of rail, marine and air transport; and ensuring access to adequate affordable and reliable energy supply.

**Thematic Area III: Sustaining sectoral spending for employment creation,** especially agricultural transformation for sustainable growth, including increasing area under irrigation in order to expand food supply, reducing farming costs through subsidized inputs and providing harrowing tractors; supporting growth of manufacturing; accelerating tourism recovery, sports, culture and the arts; and promoting mining for job creation.

**Thematic Area IV: Sustained investment in social services for the welfare of all Kenyans,** specifically investing in healthcare; quality and relevant education for all Kenyans; scaling up social safety nets; and empowering youth, women and Persons with Disabilities.

**Thematic Area V: Enhancing service delivery through devolution.** This includes strengthening institutions and capacity for greater cooperation among stakeholders both at national and county government, the private sector and civil society to enhance political, social and financial accountability necessary for efficiency and competitiveness in service delivery. And finally

**Thematic Area VI: Continued structural reforms** especially in governance and financial sector development.

## **Outline of the County Fiscal Strategy Paper 2017**

### **Introduction**

13. Section (I) provides the overview of the County Fiscal Strategy Paper 2017/18, the 2017 thematic focus on consolidating gains from devolution, addressing priority concerns, and improving the medium expenditure process as well as the linkage with the National Budget Policy 2017.

### **Recent Economic Developments and Outlook**

14. Section (II) outlines the economic context in which the 2017/18 MTEF budget is to be prepared. It provides an overview of the recent national economic developments and the macroeconomic outlook covering the global and domestic scene. It also highlights the key risks to the fiscal framework and outlook and considers ways to mitigate those fiscal and outlook risks.

### **Strategic Priorities and Policy Goals**

15. Section (III) outlines the broad strategic priorities of the County Government, including economic growth, employment creation, poverty eradication, equitable sharing of benefits of development and improving governance.

## **Fiscal policy and budget framework**

16. Section (IV) outlines the fiscal policy and budget framework that includes an analysis of progressive strategies and policies for revenue mobilization, expenditure prioritization and management and financing of the budget. The section also presents the key features of resource allocation by spending entities including forecasts of budgetary revenue and expenditure and explanations regarding sensitivity to potential change in the economic fundamentals as well as compliance with fiscal responsibility principles.

## **Key Programmes and Priority Projects**

17. Section (V) presents the priorities for each sector in the county. The priorities are linked to strategic issues for each and form the key result areas for the sector.

## **Budget Ceilings for the Financial Years 2017/18**

18. Section (VI) provides a tabular synthesis of the indicative ceilings for use in resource allocation as compared to the last financial year.

## **Conclusion**

19. Section (VI) concludes the Fiscal Strategy Paper by pointing at summary areas of focus in the MTEF year 2016/17.

## II. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

### Overview of the Recent National Economic Performance

20. Kenya's Gross Domestic Product (GDP) is estimated to have expanded by 5.6 per cent in 2015 which was a slight improvement compared to a 5.3 per cent growth in 2014. The growth performance was mainly supported by stable macroeconomic environment and improved in outputs of agriculture(60 per cent increase); construction; finance and insurance; and real estate(3.8 per cent increase).
21. The macroeconomic performance remains broadly stable despite the global economic slowdown. The economy's growth momentum has been strong supported by significant investment in infrastructure, construction and mining sectors, strong recovery in tourism lower energy prices and improved agricultural production following improved weather conditions.
22. Inflation is within the target band due to prudent monetary policy management while interest rates are low and stable despite global financial pressures following the enactment of the Banking (Amendment) Act, 2015.
23. Improved export earnings from tea and horticulture, reduced import bill of petroleum products due to lower oil prices, resilient diaspora remittances and improved tourism performance led to a narrower current account deficit. The narrowing of the current account deficit together with strong capital inflows led to a stabilization of the shilling in the foreign exchange market, and also allowed the accumulation of international reserves.
24. Going forward, the economy is projected to expand further by 6.0 percent in 2016 and above 6.5 percent in the medium term supported by strong output in agriculture with a stable weather outlook, continued recovery of tourism and completion of key public projects in roads, rail and energy generation. In addition, strong consumer demand and private sector investment as well as stable macroeconomic environment will help reinforce this growth.

### Global Economic Development

25. The global economic growth outlook remains subdued in 2016, though expected to recover gradually in 2017 and beyond. The new shocks to the outlook include: Britain's referendum result in favor of leaving the European Union; ongoing realignments among emerging and developing economies, such as adjustment of commodity exporters to a protracted decline in the terms of trade; slow-moving trends, such as

demographics and the evolution of productivity growth; as well as noneconomic factors, such as geopolitical and political uncertainty.

26. Global growth is estimated at 2.9 percent in the first half of 2016, slightly weaker than in the second half of 2015 and lower than the projected growth in the April 2016 WEO. The forecast for 2016 and 2017 is 3.1 percent and 3.4 percent, respectively.

### **Domestic Economic Developments**

27. The Kenyan economy has sustained its robust growth in the past decade supported by significant structural and economic reforms. The economy grew by 5.6 percent in 2015 compared to 5.3 percent growth in 2014. The economy further improved and grew at 6.2 percent in quarter two of 2016 up from 5.9 percent growth registered in quarter one of 2016 (Table 2.1). This strong growth was supported by improved performance in agriculture, forestry and fishing (5.5 percent), mining and quarrying (11.5 percent), transport and storage (8.8 percent), electricity and water supply (10.8 percent), wholesale and retail trade (6.1 percent), accommodation and restaurant (15.3 percent) and information and communication (8.6 percent). Growth in other sectors, particularly manufacturing, construction, financial and insurance and real estate, though slightly lower compared to quarter two of 2015, remained robust.

### **The Kenya Shilling Exchange Rate has remained relatively stable.**

28. The Kenya Shilling exchange rate has continued to display relatively less volatility compared with the major regional currencies and strengthened by 1.4 percent for the period October 2015 to October 2016. The stability of the Kenya shilling exchange rate reflects improved export earnings from tea and horticulture, a reduction in the imports of petroleum products due to lower oil prices, resilient Diaspora remittances and improved tourism performance.
29. The Kenya Shilling exchange rate strengthened in October 2016 against major international currencies. The currency traded at Ksh 101.3 against the US dollar, Ksh 111.9 against the Euro and Ksh 125.4 against the Sterling Pound in October 2016 compared to Ksh 102.8, Ksh 115.4 and Ksh 157.4 respectively, in October 2015.

### **Inflation Rates**

30. The overall month on month inflation rose slightly to 6.47 percent in October 2016 from 6.34 percent in September 2016 due to increase in food prices. The annual average inflation rate at 6.5 percent in the year to October 2016 was within the target range of 2.5 percent on either side of the 5.0 percent target.



31. Inflation rates within the EAC region have remained low due to prudent monetary and fiscal policy management and lower oil and commodity prices. High inflation rates in Ghana, Nigeria and Zambia reflects difficult economic conditions as a result of foreign currency shortages resulting from lower commodity revenues and slow policy adjustment. The moderate demand pressures on the overall inflation in the recent months, have led to the easing of the monetary policy stance in the East African countries, conversely, tight monetary policy has been adopted in commodity-exporting countries due to the substantial depreciation of the currency experienced that has translated into high inflation.

### **Interest Rates**

32. The short term interest rates remained low due to the improvement of liquidity conditions in the money market. The interbank rate declined to 4.1 percent in October 2016 from 4.9 percent in September 2016 and 21.3 percent in September 2015, while the 91-day Treasury bill rate declined to 7.8 percent from 8.1 percent and 14.0 percent over the same period.
33. The implementation of the Banking (Amendment) Act, 2015 effective September 14, 2016, that cap interest rates on banks' loans at 4.0 percent above the base rate (currently at 10.0 percent) and sets the minimum interest paid for a saving product at 70.0 percent of the same base rate has led to the narrowing of the interest rate spread from 11.3 percent in August 2016 to 7.0 percent by September 14, 2016.
34. As a result of the new Act, Kenya has the lowest lending rate among the East African Countries. The average lending rates which had increased to 17.7 percent in August 2016 from 15.7 percent in August 2015 have declined to 14.0 percent. Similarly, the deposit rate which had decreased to 6.4 percent in August 2016 from 6.9 percent in August 2015 have risen to 7.0 percent from September 14, 2016 as provided in the Banking (Amendment) Act, 2015.

### **Fiscal Performance for 2016/17**

35. The implementation of the budget for FY 2016/17 is progressing well. However, revenue collection has lagged in the first quarter with mixed results with some streams showing improvements while most others lagging behind target. With a collection of KES 40,698,810 its improbable that the target of approximately KES 48,385,410 could be met.
36. Equally, expenditures lagged behind their respective targets during the first quarter but are expected to pick up in the next quarter as implementation of development programmes and the general activity of Government gain pace.

37. By the end of September 2016, total cumulative revenue including A-I-A collected amounted to Ksh 1.56 billion against a target of Ksh 1.67 billion, representing a shortfall of Ksh 0.11 billion. The shortfall was as a result of the below target collection of the local revenue by Ksh 7.687 million as well as failure of National Government to remit conditional grants amounting to KES 95,799,523. The shortfall in local revenue was mainly on account of underperformance in unstructured streams and land rates.

### **Revision of FY 2016/17 Estimates**

38. In view of the constrained fiscal developments to the end of September 2016, the County Treasury has slightly revised downwards its local revenue projections for the financial year on account of weaker than expected performance to September 2016.
39. As a coping mechanism, measures are also being instituted to curb non priority expenditures and to free resources for more productive purposes as well as expenditures cuts on slow and delayed projects.

### **Update on the County Fiscal Performance and Emerging Challenges**

40. The FY 2017/18 fiscal framework assumes a stable macroeconomic environment and therefore a continuation of the Government's policy of containing non-priority and unproductive expenditures. The County government's revenue for the medium term 2017/18 to 2019/20 is also projected to grow marginally by 12 per cent.

### **Implementation Progress and Emerging Fiscal Challenges**

41. Implementation of the FY 2016/17 budget is progressing well despite initial challenges of disbursement. Adequate measures have been taken to ensure priority programmes are fully implemented in which the county government will ensure the ongoing projects are implemented fully before embarking on new projects. Implementation of priority programmes will be tracked and feedback provided periodically through County Integrated Monitoring and Evaluation System (CIMES).

### **Agriculture, Rural and Urban Development**

42. Under the department of Agriculture, Livestock and Fisheries, 303 chicken incubators have been distributed to women and youth enterprise groups across the county. 8No. tractors have been provided to improve agricultural mechanization and minimize the cost of land preparations. Already more than 3000 acres of farm land have been ploughed under this scheme. 160No. fish ponds have also been constructed as part of strategy to promote fish farming and ease pressure on Lake Victoria.

43. Under the department of Lands, Housing and Physical Planning, the county spatial plan is part complete; 76 county staff houses have been renovated and an office for the department of trade constructed. An Appropriate Building Technology center has been set up at Ndhiwa as well as a land bank for various investment projects in all the 8 sub-counties including for the County Headquarter, Gor Mahia Stadium, Animal Feeds and Sweet Potatoe Processing Plants. The urban development plans for Homa Bay and Rangwe Towns have been completed as well as an inventory of all public lands. Already 5No. parcels of public land across the county including Oriang Estate, County Headquarters and Kabondo parcels have been fenced. Equally markets have been surveyed and demarcated; adjudication processes leading to accelerated titling of untitled lands is being facilitate; as is re-surveying and parcelation of Kakelo Kamroth from which 76,000 title deeds have been issued.

### **Energy, Infrastructure and ICT**

44. Under the department of energy, 650 solar lights have been installed. Stability of power supply has been significantly improved with the help of KPL, resulting in reduced power outages and interruptions. About 780 additional primary schools have been supplied with electricity through partnership with REA and KPL. Equally, Over 8,000 households and institutions (hospitals, beaches, boreholes etc) have been connected to electricity, increasing connectivity from 3% in 2013 to the current 19% as part of strategy towards improved access to power connective through partnering with KPL. Uptake of alternative low cost clean energy technologies as a substitute for fossil based fuel has also been increased significantly with the help of Non-Governmental Organizations.
45. Under the department of Transport and Infrastructure, over 580 Kms of road networks across the 40 wards have been opened and upgraded; 30 KMs of the Kadongo-Gendia road has been bituminized; Kabunde Airstrip has been renovated with fully operated six flights a week between Homa Bay and Nairobi through a strategic partnership with the Kenya Airports Authority; fully functional solar powered street lights in Homa Bay, and Oyugis towns have been installed to boost county security and extend business hours; A new firefighting equipment has been acquired to mitigate fire related disasters in the county; and 9No. old bridges have been repaired and rehabilitated while building new ones.
46. Under ICT, 91 computers and printers have been acquired and distributed among the various county entities; a digital printing facility, an ICT innovation and computer center has been set up in Homa Bay Town; and the County Treasury and Office of the Governor have been networked to enable them benefit from the fibre-optic infrastructure.

## General Economic and Commercial Affairs

47. Under the department of Trade, Industry, Investments and Cooperatives, 144 traders have benefited from training and loans; Oyugis Market is being upgraded in partnership with the national government; a potato processing plant is being piloted with phase one having been completed and Homa SG is already producing potato purees and bread for supply to supermarkets in Kisumu; an animal feeds factory (60% complete) is being established at Arujo; all idle stock of cotton have been mopped up and farmers sensitized on cotton farming; a maize processing plant (construction at Kigoto is 40% complete and all relevant machineries have already been supplied) is being established; and also a cassava processing plant (for which land has been identified and the tender process for fencing on –going) is being set up. The County has been able to host the first Homa Bay International Investment Conference in which 32 MOUs have been signed. 1,014 No. varied ESP equipment including water pumps, car washing machines, welding machines, brick-making machines and salon equipment have also been secured and distributed to 900 beneficiaries from identified women and youth groups.
48. Under Tourism, Piny Luo Cultural and Tourism festival as well as Kenya County Miss Tourism pageant in which the County emerged number one nationally have been supported; all tourist attraction sites across the county have been profiled and successfully branded; the Tom Mboya Mausoleum in Rusinga Island has been fenced and marketed as a serious cultural and tourism attraction center; Oyugis Bird Sanctuary has been successfully mapped and fenced; Lake Simbi Nyaima has been successfully mapped and beacons placed for fencing; the Old Homa Bay Pier has been fenced and a guardhouse constructed; and 3 No. 2-door PIT latrines have been constructed at Ukoe Beach, Luore Beach and Magina Centres. A conference of all tourism stakeholders in the County has also been held.

## Health Services

49. Under health, drugs and non-pharms have been procured for all gazetted health facilities; 306 additional health personnel have been recruited including 1 health director, 2 deputy directors and CEO for the Homa Bay County Referral Hospital; 3 NO. modern maternity wards have been constructed in Ndhiwa, Rangwe and Kendu Bay SCHs; 2 satellite MTCs have been established in Oyugis and Sindo; 362 health personnel have been inducted; the Community Health Strategy is being implemented and 5,000 CHWs are being recruited in the process; output-based approaches in reproductive health are being implemented; a blood bank and oxygen plant are being constructed at the County Referral Hospital; digitized medical equipment including renal and dialysis machines, x-rays, CT scan and ultra-sound machines have been procured; and the County Health Master Plan is being implemented.

## **Education and ICT**

50. Under education, 1,270 ECDE teachers have been recruited through the Public Service Board thereby drastically reducing the teacher-child ratio in the county's ECDE centres; newly recruited ECDE teachers have been deployed to all the 908 ECDE centers thereby improving the enrollment of ECDE pupils to 76,607 recording a near-50 percentage increase; Tom Mboya University College has been established and clean water supplied to 7000 ECDE pupils across the county, in partnership with the Life Straw Project based in the US. In terms of infrastructure, 23No. ECDE classrooms, 3No.single workshops in Ober, Kitora and Sulas Mbani VTCs; 4No.twin workshops at Magungu, Siala, Otange and Lambwe VTCs; 1No.boys hostel at Sero VTC as well as 2No.new classrooms at Rani VTC have been completed. Equally, a total of KES 84 million has been disbursed as bursary with each ward receiving an allocation of 2.0 million to date. Sufficient teaching and learning materials at both ECD level and vocational training levels have also been supplied including 40No. Units of equipment to YPs and learning materials to the ECD centers.

## **Public Administration and Government Relations**

51. Under the department of Finance and Economic Planning, all the requisite County Strategic and Development Plans have been prepared and the budget estimates of revenue and expenditure of the county for the 2013/14-2016/17 financial years have been formulated, approved and operationalized; the Integrated Financial Management System (IFMIS) complete with all modules such as e-procurement have been adopted and relevant staff and special groups trained for the same. To facilitate fiscal operations of the County Government, a 21-room block for the County Treasury was constructed; the County Planning Unit at Homa Bay renovated; 21No. motor vehicles procured for CEC members and Chief Officers; and functions of the department restructured to enhance efficiency and service delivery.
52. Under the County Executive Services, the Old Municipal Building housing the Governor's Office has been renovated and re-roofed; the Office of the Governor has been extended and equipped; the perimeter wall of the compound housing the Office of the Governor has been completed; the parking lot and extend reception area as well as guard rooms at the gate have been constructed; a stand-by generator has been purchased and housed permanently; 4No.sub-county offices have been constructed and 3No.sub-county offices renovated; the residences of the Governor and the Deputy Governor have been renovated; and offices installed with various ICT and security equipment. Equally, relevant personnel have been recruited and provided with modern offices including 10 CEC members; 10 Chief Officers; 7 members of the County Public Service Board, 8 Sub-County Administrators and 39 Ward Administrators. All the necessary frameworks for management of the public service have been established.

53. Under the County Assembly, all the relevant offices of the legislature have been operationalized and 74 staff recruited at the head-quarter and 120 staff at the wards; assembly operations have been streamlined to effectively carry out all legislative, oversight and representation mandates; and 18No. Priority bills have been enacted for the operationalization of the County Government. On the infrastructure front, the main assembly and all its offices, conference halls and committee rooms have been renovated and equipped; all its systems installed including water and sewerage systems, modern ICT equipment as well as burglar-proof windows and doors; and a high perimeter fencing complete with modern parking lot constructed.

### **Social Protection, Culture and Recreation**

54. Under the department of Sports and Culture, Kochia Kagan Dancers have been variously facilitated for cultural exchanges including to Washington DC for the Smithsonian festival; Suba and Luo Councils of Elders have been facilitated for visits to state house and Ramogi Hills respectively; cultural festivals have been facilitated at Rusinga and Kisumu; County Leagues – Football (Men & Women), Volleyball (Men & Women) and Net ball have been facilitated; a Homa Bay Rugby 10 aside tournament held; and community playgrounds upgraded in all the 40 wards. Equally Homa Bay County Stadium is being upgraded with ablution block, changing rooms and fencing almost complete. Social protection policy has also been developed and approved by the Assembly to guide cash transfers and other social benefits to older persons and members of other vulnerable groups.

### **Environmental Protection, Water and Natural Resources**

55. Under the department of Water and Environment, 45 existing boreholes have been renovated and equipped with solar capability; 50 new boreholes have been constructed complete with water kiosk and overhead tanks across the county; 2No. water dams and 3No. water pans have been constructed across the county; 4No. water springs have been protected to reduce water borne related diseases; over 50,000 seedlings have been planted across the county and around water towers; the Homa Bay Sewerage and Water Supplies are being renovated through strategic partnership with the World Bank and LVEMP II; and 49No. water tanks have been supplied to 49 primary schools across the County.

### **Emerging Fiscal Challenges**

56. All innovations introduced in public finance management had already been adopted in the financial year including fiscal responsibility legislation, fiscal rules, medium-term budget frameworks, fiscal risk management techniques, performance budgeting, and accrual reporting and accounting. But these innovations presented new challenges.

57. First, the fiscal responsibility principles restricted access to credit even under emergency conditions. Only borrowing for short term cash flow management is allowed but this too is restricted to 5% of the most recent audited revenue. Whenever exchequer releases were delayed, the county suffered liquidity challenges and therefore fiscal space to meet pressing recurrent obligations like payment of salaries was undermined from time to time.
58. Secondly, fiscal risk management was still below expectations. The internal audit and advisory department still has capacity challenges that will only be addressed through more training and new recruitment. The framework of risk management will still need to be developed and implemented for improved risk identification, control and management.
59. Thirdly, cash accounting basis was still largely in use leading to a piling stock of pending bills the settling of which will need additional resources that were not been set aside. Going forward, these bills will have to be audited so that commitments outside the budget process are eliminated.
60. Fourthly, the lack of capacity in terms of adequate numbers of competent and qualified staff continued to undermine the implementation of plans and budgets in line with best practices, procedures and policies.
61. Finally, the lack of relevant local legislations and policy frameworks especially the revenue administration bills continued to undermine efficacy of essential processes such as revenue collection.

### **Global and Regional Growth Outlook**

62. The global growth for 2016 is estimated to expand by 3.1 percent, a slowdown from a growth of 3.2 percent recorded in 2015 (Table 2.6). The recovery is expected to gather some pace in 2017 and beyond, driven primarily by developments in emerging market and developing economies, as conditions in stressed economies gradually normalize. 122. Economic growth in advanced economies is expected to decline slightly in 2016 compared to 2015 and then rise gradually. The decline is due to: weak current demand and a lower equilibrium real interest rate due to aging population and weaker productivity growth; the slowdown and rebalancing in China, weakening global trade; decline in commodity prices, a windfall gains for most advanced economies but sizable losses in disposable income for commodity exporters.
63. A few emerging market and developing economies have experienced deep recessions that have dragged global activity over 2015 and 2016. They have been affected by generalized slowdown in advanced economies; rebalancing in China; the adjustment to lower commodity prices; an uncertain external environment; and geopolitical

tension and conflict in some countries and regions. To avert this, the emerging market economies require demographic transition and export diversification.

64. However, with declining commodity prices, depreciating currencies of some emerging market economies, and increasing financial market volatility, downside risks to the global outlook have risen, particularly for emerging market and developing economies. Table

### **Growth Outlook for Kenya**

65. Kenya's economic growth prospects for the FY 2017/18 and the medium term takes into account the global slower growth in demand, particularly investment, which is especially pertinent to generate international trade flows in the form of capital goods and intermediate inputs. Further, it takes cognizance of the domestic environment including the general election to be held in August 2017. The growth profile accommodates the strategic objectives of the Government as outlined in the second Medium Term Plan (MTP) of Vision 2030, considering progress made in implementation of key projects.
66. The outlook, therefore points to a continued robust growth, lower fiscal deficits, contained inflation within the target range and a gradual improvement in the external current account balance. 128. Real GDP is projected to expand by 6.0 percent in FY 2016/2017, 6.2 percent in FY 2017/2018, 6.5 percent in FY 2018/2019 and 6.6 percent by FY 2019/20 (Table 2.7 and Annex Table 1). This high growth will be supported by ongoing investments in infrastructural development, resilient domestic demand, continued recovery in the tourism sector and growth of exports in the sub region. In addition, the growth will be supported by structural reforms aimed at improving competitiveness of the private sector and promoting overall productivity in the economy.
67. Inflation is currently within set target and is expected to remain so in the medium term underpinned by prudent monetary policy by the Central Bank of Kenya. Interest rates have declined under the new interest rate regime following assent to the Banking (Amendment) Act, 2015. The interest rates are expected to remain low over the projection period. At the same time, the Kenya Shilling exchange rate is expected to remain stable and competitive.
68. Kenya's external position is projected to strengthen over the medium term supported by a narrower current account deficit due to low international oil prices, a slowdown in consumer imports, improved earnings from tea and horticulture exports, and the resilient diaspora remittances 131. The fiscal policy aims at supporting rapid and inclusive economic growth, ensuring sustainable debt position and at the same time supporting the devolved system of Government for effective delivery of services.



Consistent with this objective, the policy is set to gradually reducing fiscal deficits, with a focus on higher revenues to protect growth enhancing public investments and social spending. Fiscal deficit, as a percent to GDP, is projected to decline to 6.9 percent in FY 2016/17 and 6.4 percent in FY 2017/18 which takes into account one off 2017 General election related expenditures. Thereafter the deficit is projected to decline to 4.1 percent of GDP in 2019/20.

69. The revenue performance will be underpinned by on-going reforms in tax policy and revenue administration while in expenditure side austerity measures will be taken to reduce current spending and improve resource absorption for development purposes especially infrastructure development.

### **Growth Prospects for Homa Bay County**

70. The GDP of Homa Bay County is expected to improve over the medium term as benefits are realized from the huge investments being undertaken. This growth is however intertwined with global conditions and macroeconomic stability of Kenya.
71. The expected level of growth in Homa Bay County will be supported by increased production in agriculture following massive investments in the sectors together with other measures such as improved investments in infrastructure, especially roads, water and energy. The improved investment climate is being brought about by promotion and marketing of the county through investment forums done locally, nationally and internationally.
72. On-going investments in security, education, health services and social protection are expected to contribute to the county's growth. In collaboration with a number of development partners the county is keen on enhancing contract farming, clusterized rural enterprises and value addition with a view to reaching all potential markets.
73. The County Government will continue to implement the Medium Term five pillar thematic economic transformative strategies identified in the CFSP 2016. This will accelerate economic growth and transformation in the fiscal year ahead and the medium term.
74. Ultimately, the County Government of Homa Bay will consider all existing options for significantly expanding fiscal space during the MTEF period 2017/18-2019/20 and to generate the necessary resources for priority investments in people, infrastructure and technology. The options include: (i) re-allocating public expenditures from low-priority areas; (ii) increasing overall revenue; (iii) lobbying for more aid and transfers; (iv) eliminating illicit financial flows and; (v) adopting a more pro-growth macroeconomic framework.

## **Key Risks to the County Fiscal Framework and Outlook**

### **National Environment**

75. The weaker than expected revenue collections and continued underperformance in the government securities market may prompt the National Government to review its revenue projections for the financial year 2017/18 downwards on account of the weaker than expected performance. The risks to the macroeconomic outlook may be compounded by the upcoming national elections in 2017.
76. Overall, the economic growth prospect for Kenya in the FY 2017/2018 and the medium term remains strong taking into account the massive infrastructure developments taking place and the post-election lift that often characterize new administrations. Uncertainties in the global environment and internal risks associated with an electioneering year, however, remain. Real GDP is expected to expand by 6.4% in the FY 2017/2018.

### **Regional Environment**

77. Majority of countries in SSA will continue to experience solid growth, especially low-income countries where investment in infrastructure continues and private consumption remains strong. The growth in 2016 is expected to pick up to 4.3 percent driven by sustained infrastructure investment, buoyant services sectors, and strong agricultural production.

### **Global Environment**

78. The world economic output is expected to gradually strengthen in 2016 to 3.6 percent growth driven mainly by recovery in growth of advanced economies. Whereas growth may remain anemic, hampered by high unemployment, large debt stocks, and tight private sector borrowing conditions, the prospects will continue to vary across regions. In many advanced economies, recovery is expected to continue given that the key drivers that support growth - including moderating fiscal consolidation and highly accommodative monetary policy- remain in place. The projections also assume that there will be a decline in geopolitical tensions, resulting in some recovery in stressed economies.
79. The downside risks in the world economy remain a major concern. Global growth could be weaker for longer, given the lack of robust momentum in advanced economies despite very low interest rates and the easing of other brakes to the recovery. In some major emerging market economies, the negative growth effects of

supply side constraints and the tightening of financial conditions over the past year could be more protracted. In many advanced and emerging market economies, structural reforms are still urgently needed to close infrastructure gaps, strengthen productivity, and lift potential growth.

### **Risks to the Economic Outlook**

- 80.** The risks to the outlook for 2017/18 and the medium term include continued sluggish and uneven growth in many advanced economies that could impact negatively on Kenya's exports and tourism activities.
- 81.** Public expenditure pressures, especially expenditures on wages and personnel benefits, pose a fiscal risk. Unregulated wage pressures and the inefficiencies in devolved services have continued to limit funding for development expenditure.
- 82.** Unfavorable weather patterns could also affect agricultural production thereby undermining the growth outlook.
- 83.** The County government will however undertake appropriate measures to safeguard against these risks should they materialize.

### **Risks to the Fiscal Framework**

- 84.** The County Government is subject to general developments and specific events outside its control that may cause its fiscal outturns to differ from its forecasts in this fiscal strategy paper. First, estimates and projections of revenue are subject to a number of general risks that can affect revenue collections both at national and county levels. These risks include failure of the tax system to keep pace with changes in the business environment, tax avoidance, court decisions, KRA rulings and the outcome of compliance programmes. These pressures may undermine revenue collection and exchequer releases to the County Government.
- 85.** Unforeseen exogenous developments in the national economy such as major inflation, high import commodity prices, high exchange rates and limited grants from the national government and overseas development partners could also undermine the purchasing power of the county government.
- 86.** There are also a number of fiscal risks that may affect the expenditure estimates and projections of the County Government. In particular, demand driven programmes, which form the bulk of the County Government's expenses, can fluctuate significantly with economic and social conditions. Such unforeseen expenses include a huge

increase in contingent liabilities such as the requirement to settle liabilities inherited from the local authorities (legal claims) and potential natural disasters.

- 87.** The County Government of Homa Bay however remains focused on putting in place preventive measures to ensure the fiscal outturn is as desired and, revenue and expenditure returns are as planned. Therefore, should risk materialize, estimates will be revised accordingly.

### III. STRATEGIC PRIORITIES AND POLICY GOALS

#### Strategic Priorities

88. The broad strategic priorities of the County Government of Homa Bay include, inter alia;
- (i) Expanding investments in physical infrastructure to improve access to public transport, energy, water, sanitation and housing;
  - (ii) Enhancing vocational skills development and access to quality pre-primary education in the county;
  - (iii) Improving provision of health care with emphasis on reduction of mortality rates, broadening prevention and treatment and combating HIV/AIDS, malaria and other diseases.
  - (iv) Enhancing agricultural production and productivity, food security and value addition in agricultural;
  - (v) Supporting good governance and establishing structures that enhance transparency, accountability and other national values outlined in the constitution;
  - (vi) Strengthening public finance management systems and implementing procedures for enhanced access, efficiency and stability in the finance sector; and
  - (vii) Undertaking all the necessary measures to improve the entrepreneurial culture of local populations as well as growth and competitiveness of local businesses.
44. The immediate task is to ensure all public expenditure are aligned with the county priorities outlined in the County Integrated Development Plan, 2013-2017. These county priorities are consistent with those highlighted in the draft Budget Policy Statement of the National Treasury for 2017. The national objectives include achieving macroeconomic stability for sustained and inclusive growth and development; structural reforms to facilitate business and employment growth; enhancing food security for sustained growth and employment; supporting growth of manufacturing for employment creation; empowering the youth and women for employment creation; developing youth sports, culture, heritage and talents; modernizing transport and logistics; improving access to adequate, affordable and reliable energy supply; further expanding road networks to facilitate agricultural transformation; making water accessible to households and farmers; building a healthier country; providing quality and relevant education for all citizens and further entrenching devolution for better service delivery.

45. The priorities are also consistent with the key message of Kenya's long term development plan (Vision 2030) which is clearly to accelerate growth to solidify the position of Kenya as a middle-income country with a more inclusive society. The message generally entails the agenda of: (i) expanding electricity, transport and communications capacity – or more generally – infrastructure; (ii) improving Kenya's competitiveness in order to create more jobs; (iii) addressing security challenges; (iv) assuring food security and expanding agricultural opportunities; (v) investing in human capital; (vi) supporting devolution; and (vii) strengthening public service delivery while combating waste and corruption.

### **Economic Growth**

89. The key economic policy question for the County Government of Homa Bay has been how to attain and stay on an economic growth trajectory of over 10% as envisioned in the Economic Pillar of Kenya Vision 2030. The immediate challenge is to beat the underdevelopment trap of low outputs leading to low wages, no savings and therefore no investments. A deliberate effort will therefore be made to increase output and incomes of the county through targeted investments, including:

- a) Investment in human capital through improving ECD and VTC facilities and offerings, improving healthcare provision and establishing a labor system that retains the best and brightest brains in the county;
- b) Allowing more resources to shift to those sectors where the county has superior competitive advantage in international, regional and national trade such as value-added agriculture, tourism and entertainment, and development of construction minerals;
- c) Encouraging establishment of private enterprises through improved availability of start-up funds, credit lines and avenues for technological transfer; and
- d) Promoting the production of goods with higher income elasticity

90. On the whole, the County Government of Homa Bay is focused on achieving a broad-based expansion touching on all sectors of its economy. Emphasis will be put on capital improvement through programs of capital deepening and widening; increasing labor productivity through better programs of education and technology transfer as well as expanding the working population; discovery of new materials and promotion of modern production technologies.

91. To address the weak entrepreneurial culture while putting the county on the path of sustainable economic development, more county government effort will be channeled towards attracting established businesses to set up in the county so that local start-ups can benchmark against them. The county government will also support large number of locals to start and grow cottage businesses with a penchant for local needs and lifestyle. Barriers to entry for marginalized and minority groups such as the youth, persons with disability and women will be removed and individuals with businesses

that are able to launch, find a market, execute, scale, learn , adjust and sail over the threshold for medium-level businesses with be supported accordingly.

### **Employment Creation**

92. The County Government of Homa Bay recognizes the role of productive employment not only in fostering social cohesion but also in reducing poverty. Whereas job creation can be stimulated through a stable macroeconomic framework as well as structural policies which encourage innovation, skills, and business development, little has been achieved through the national level interventions.
93. In order for new jobs to be created for the people of Homa Bay, the county government recognizes that local businesses will need access to skilled people, to business networks, to finance, and space to start up and expand. The range of policies proposed are those whose impact can reinforce each other and contribute to fulfilling economic potential, business expansion and social cohesion objectives at the local level. Specifically, the County Government of Homa Bay is focused on a number of strategies to shore up employment, including:
- a) application of labor-based approaches in agriculture, construction of infrastructure, soil conservation, afforestation, de-silting of tanks and stone cutting initiatives that provide not only temporary employment but also vocational training and introduction of bank accounts for the beneficiaries;
  - b) provision of local economic data, marketing, tax incentives, and protected zones that make business formation and development a less inhibitive experience; and
  - c) Subsidized and low-cost loan programmes targeting small businesses and high-growth sectors such as food technology, environmental management, health tourism, built environment supplies and e-services.
94. The County Government is also focused on developing a more diverse local economy with strong links to markets. As a policy, there is a commitment to building local capacity for broader sectors of the economy to engage in entrepreneurship and to provide flexible training, education and employment services so skills gaps that act as barriers to business growth and expansion are proactively responded to.

### **Poverty Eradication**

95. The Homa Bay County Framework for Poverty Eradication is consistent with the social pillar of Kenya Vision 2030 and is premised on the fact that large scale social change is only possible when poverty is addressed through comprehensive multi-sectoral efforts.

96. At early childhood development level, the focus is on improving the chances of prosperity for children even from very poor households. Interventions will be targeted at improving the health, well-being, coping skills and competence of ECD learners and keeping ECD learners at school through programs that improve parenting, family literacy, health education, community leadership and parental involvement, early learning and financial support and nutrition. Other interventions will target pregnancy preventions, availability of recreational facilities and heritage and cultural pride initiatives that add cultural components to support the learning process.
97. At the household level, the focus is on improving the lives of individual households through interventions such as workforce development, provision of income support, making local goods and services affordable, provision of education and training, promotion of social entrepreneurship, establishment of capital pools, enabling vulnerable populations to access government procurement opportunities, supporting business development, making available affordable housing and support towards building of financial assets.
98. At the community level, the focus is on strengthening local organizational capacity. This involves providing essential private and public services as well as role models, networks, recreational and educational facilities that could enhance potential for economic success of the people. Consequently, measures for commercial revitalization and development of backward communities, job creation, private financing vehicles, employment networks, housing and transport facilities and public amenities will be promoted. Crime prevention initiatives will be encouraging and, sports leagues, well-resourced schools and libraries and social and health services will be provided as may be possible. Promotion of a rich social fabric and a strong community voice will be encouraged through public participation as well as strengthening of community organization alliances.

### **Equity and Social Cohesion**

99. The County Government of Homa Bay is committed to addressing inequality and enhancing social cohesion by providing significant resources to the social and rural development sectors as well as targeted spending to initiatives that improve chances for marginalized groups to enter the economic mainstream. As a matter of policy, the county government is intent on providing support to the marginalized and needy populations in the form of technical training, financing and technology to enhance their competitiveness in the market as well as confront practices and circumstances that serve as barriers to their participation in the workforce such as inequitable pay, lack of childcare and other family-friendly workplace facilities, discriminative education and culturally inappropriate services.



**100.** The county government will also direct more attention to preventive care and allocate additional resources to facilitate multi-sectoral response to disasters and epidemics. Effort will also be made to improve the living conditions of the poor and vulnerable through social protection and low-cost housing schemes that would be upgrades of existing slums and shanty houses.

### **Improving Governance**

**101.** With respect to governance, the County Government will strive to strengthen governance and anti-corruption measures by developing additional regulations that would reduce opportunities for corruption as well as educating staff and local populations to appreciate the virtues of good governance and the harm caused by corruption to the local social and economic system. Effort will be focused on promoting compliance with legislation, regulations and codes of practice which serve to improve performance.

**102.** All the necessary committees will be constituted and facilitated to play their roles as appropriate to address governance challenges noted particularly in key sectors. It will be important to determine each committee's performance drivers and establish appropriate measures for determining success. Such committee shall be so constituted as to enhance their contribution to success of the county government.

## IV. FISCAL POLICY AND BUDGET FRAMEWORK

### Overview of the Framework

- 103.** The 2017/18 expenditures will be aimed at supporting vibrant economic growth and ensuring all the necessary public services are delivered to the citizens. The county will pursue prudent fiscal policies to ensure socio-economic stability. In addition, the county fiscal policy objective will provide an avenue to support economic activities while allowing for implementation of the programmes in the CIDP sustainably. Adhering to these policies will enhance local revenue collections and ensure there are adequate capital investments.
- 104.** In respect to local revenue generation, the county will institute a number of corrective measures to reverse the loss of revenue from local sources. Measures are in place to automate revenue collections, enforce all fiscal policies and cover all revenue streams such as land rates and service charges. The county will continue to hire and train more staff to improve their capacity geared towards promotion of efficiency and accountability. Emphasis will be put on;
- Ensuring resources allocated are adequate and used efficiently;
  - Improving revenue collection and funding only priority expenditures; and
  - Scaling up external support and direct investment

### Analysis of previous v/s current updated strategies

- 105.** Previous strategic priorities were geared towards maintaining stability and creating environment for attraction, growth and sustainability of businesses. Other policy priorities included setting up essential frameworks, aligning expenditures with county priorities, expenditures be in line with the CIDP, expand physical infrastructure, improve health care, enhance food security, reduce crime levels, support good governance, strengthen public finance management systems and improving the entrepreneurial and investment climate in the county. These strategic priorities were consistent with the National Treasury's Budget policy statement of 2016
- 106.** Going forward to 2019/20, the public expenditure will be re-aligned strictly with the county's major priorities and experiences. Improvement of physical infrastructure will be scaled up as new roads are opened and old existing ones are maintained, even bituminized. Whereas the healthcare service has been boosted by recruitment of over 300 more healthcare personnel, effort will be enhanced to keep recruits in the service happy and productive. Infrastructure will be upgraded and additional facilities provided for human resource development.

- 107.** Already, many hospitals have had face-lifts and the HIV AIDS strategic plan has been validated and printed. MCH and immunization services have been enhanced in collaboration with the national government and development partners. Food security has also improved thanks to the introduction of subsidized seeds, new seed varieties and improved training of farmers through agricultural extension services. Agribusiness development and commercialization of agriculture is being encouraged through the introduction of intensive/greenhouse farming. Crime rates have gone down thanks to the lighting projects which have seen solar masts installed in many market centers and streets in major urban centers. The public finance management system has also been upgraded and the use of IFMIS adopted in every transaction done at the county level.
- 108.** However, much more will be done to improve the welfare of the people of Homa bay County and make it the county of choice. Some of the priorities proposed previously had short comings and thus needed review. In the FY 2017/18, the county will undertake a comprehensive and results-based evaluation of the previous strategic investments. In the food security area, many farmers will be facilitated to take up new farming methods previously perceived as involving costly new technologies. Extension and training will be enhanced so that farmers replicate best practices in agriculture. Demand-driven approaches to extension shall be reviewed in favor of improving the supply side of extension. Farmer-to-farmer approaches as well as linkages and cooperation along the value chains will be enhanced.
- 109.** As part of county government effort to rid the county of absolute poverty, the county department responsible for culture and social development will be facilitated to implement initiatives that are likely to revitalize communities and improve the lives of individual households. These initiatives shall include, inter alia:
- (i) Workforce development initiatives such as life skills training, career assessments, work experience placement, critical job and self-employment skills training, job placement and retention support, among others;
  - (ii) Income generation support initiatives such as credit access reference, provision of supplementary care and cash and in-kind benefits to poor households;
  - (iii) Provision for affordable goods and services through food banks, community kitchens, childcare and job caravans; and
  - (iv) Better facilitation of the youth, women, persons with disability and other vulnerable groups to access the 30% public procurement opportunities.
- 110.** The county department responsible for enterprise development is expected to undertake additional measures to address the weak entrepreneurial culture and get locals to see business ownership as prestigious goal. Some of the initiatives proposed include:

- (i) Promotion of micro-enterprise development among the youth and people from low income households;
  - (ii) Enhancing financial literacy training;
  - (iii) Promotion of social enterprises such as community enterprises and cooperatives;
  - (iv) Helping communities to establish capital pools and business development bureaus to support business formation and development; and
  - (v) Facilitating sheltered workshops and business ventures to create employment and supplement income to the poor and vulnerable.
- 111.** The county department responsible for education is expected to put in place additional measures to improve the competitiveness of graduates from local VTCs. Effort will be enhanced to improve the employability of such graduates through general literacy upgrading, quality prior learning assessments, life skills education and community health promotion. At ECD, additional measures will be expected in place to improve the health, well-being, coping skills and competence of learners and their families. Additional effort will be made to keep learners in school through financial and academic support schemes, improved parental involvement in child education, and after-school activities that continue the learning process. A range of athletic, cultural and artistic programs will be introduced to build greater confidence and capacity in children from an early age.
- 112.** Public finance management systems will be upgraded to fully embrace e-procurement and minimize opportunities for graft and other unethical financial behaviors. Automation of revenue collection and improvement of revenue administration will also be a priority this financial year. This will enable revenue collection to increase from KSh. 191.4 Million in the last financial year 2015/16 to over KSh. 258.4 Million by the financial year 2017/18.

### **Revenue Policies**

- 113.** The County Government of Homa Bay will focus on achieving and sustaining a strong revenue performance. This will include modernizing revenue administration to widen tax base, improving billing and collections, optimizing prices charged for services offered and using county assets to make money. Automation of the tax collection is already being piloted and is expected to be rolled fully in the FY 2017/18. A revenue entity will be created to reengineer procedures with emphasis on risk control, integrated management, and development of intelligence and simplification of payment procedures. Reforms to rationalize exemptions and incentive structures shall also be put in place through necessary objective criteria for granting waivers. New schemes will therefore be introduced to protect the revenue base.

## Expenditure Policies

114. The County Government of Homa Bay is focused on structuring its expenditure in favor of capital improvement, especially development of infrastructure and implementation of flagship projects identified in the sectoral plans and the CIDP. Recurrent expenditure will therefore be structured to decrease over time as capital expenditure increase in relative terms. Some of the approaches adopted to achieve this include:
- Reducing the wage bill – such as through closely linking wage increases to productivity increases, while harmonizing wages and consolidating allowances; implementing the voluntary early retirement schemes aimed at downsizing non-value adding cadres; and flexibly allowing for recruitment of critical personnel in order to achieve the optimum level for service delivery.
  - Reducing the stock of pending bills – such as by implementing a strict commitment control system, paying up and closing the genuine stocks identified and terminating and completing stalled projects that are likely to lead to pending bills.
  - Reducing transfers and subsidies – to units and agencies that have capacity to be self-supporting such as water and health boards or non-core public enterprises.
115. In an attempt to reign in on recurrent and non-essential spending, the County Government of Homa Bay has focused on six main areas, including:
- a) Transport: rolling out leasing across departments and, where purchases will be required, enforcing bulk purchasing to reduce costs.
  - b) Foreign travel: to be restricted to essential travel with limited number of staff and controlled use of business class.
  - c) Domestic travel: the number of officials travelling and hired cars will be reduced.
  - d) Consultancy services will be better managed and fees controlled.
  - e) Advertising cost: we will centralize advertising with a view to better manage cost.
  - f) Catering cost: we will issue guidelines for reducing event costs, including better use of government facilities rather than private venues for meetings.

## Deficit and Debt Financing Policy

116. In the fiscal year 2017/2018, the county treasury does envisage some borrowing even as it will be seeking to operationalize a balanced budget. However, such borrowing will strictly be used to finance emergency and critical expenditure whose internal rate of return is reasonable enough to justify the resultant debt position. Borrowing will be done from domestic sources and within the provisions of the fiscal responsibility principles highlighted in section 107 of the PFM Act and PFM regulation no. 25.
117. Borrowing will be undertaken upon careful and critical analysis of the financial position and capability of the county in repaying the incurred debt. Such a borrowing will be approved by the county assembly and guaranteed by the national government.
118. By and large, the county expenditures will be limited to the fiscal space provided by the county revenue estimates. Within the FY 2017/2018, the county will strive not to run into unsustainable deficits unless circumstances arise that necessitate change of this fiscal position. The structure for deficit financing is being developed in the County even though the PFM Regulations only restricts the county to short term borrowing of at most 5% of the revenues to address short term liquidity challenges and at most 20% of total county revenue at any particular time.
119. As part of the strategy for avoiding deficit financing, the immediate focus is on improving revenue collection as well as containing recurrent expenditures. This will be attained through administrative and legislative reforms aimed at enhancing resource mobilization, improving efficiency in government expenditure and reducing wastages.

## Fiscal Structural Reforms

120. The County Government aims to widen the revenue base so as to meet its financial obligations. The county government plans to review other relevant legislations in order to improve revenue collection and mobilization of external resources. This is expected to improve revenue position in the medium term.
121. 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 charges of public finances. Restructuring will be done to eliminate duplications and IFMIS will be cascaded to all spending entities and devolved units in the county to strengthen expenditure management. Cascading IFMIS beyond the departments to sub-counties

will ensure financial discipline in every sector. However, more will need to be done to enhance internal controls rules and regulations.

122. Structures to ensure expenditure efficiency and effective implementation of the budget will be strengthened. This will mean more careful expenditure tracking and taking corrective measures on any unfavorable deviations and enforcing strong internal controls on expenditure. Audit functions will also be strengthened through continuous reviews of audit risks and how they affect the county's financial decisions.
123. The County Budget and Economic Forum will be fully operationalized to guide the implementation of the fiscal framework in a manner that emphasizes sound fiscal statistics; set in strong quantitative thresholds on budget balances, debt, expenditure and allocation of revenue; ensure consistency of budgetary planning over the life of the CIDP to avoid short-term perspectives; follow budgetary procedures to ensure budgetary planning, approval and execution is subject to proper control and accountability and; ensure that fiscal institutions are invited and facilitated to provide independent analysis and review on economic and budgetary data projections.

#### **Resource Allocation Framework for the Financial Year 2017/18-2019/20**

124. The resource allocation framework is anchored on the principles of public finance management as specified in Article 201(b) of the Constitution. In the quest to attain the County vision of being, "a wealthy, healthy and industrialized county," as outlined in the County Integrated Development Plan, the county aligns its resource allocation criteria to meet those of the National government which are aimed at promoting equitable development of the country at large, including making special provision for marginalized groups and areas. The following are the county guiding principles in resource allocation:

#### **Equity**

125. The principle will aim to ensure that basic services are provided to address disparities within the county. The previous resource allocation framework was based on a strategy of channeling resources to areas of high returns with an aim to attain rapid economic growth. In addressing marginalization of certain areas within the county, the county will aim at providing quality water, quality early childhood education, access to quality health care services and good access roads.

## **Effectiveness**

126. Funds shall be spent in a way that achieves the purpose for which it was established. This implies that basic fiduciary standards will be upheld i.e. funds will be spent only when there is an approved budget, a secure process will be followed to authorize expenditure, and the process is documented. With the expenditure returns focusing more on performance outputs and outcomes realized.

## **Efficiency**

127. This principle recognizes that funds shall be spent in a prudent and responsible way. The county will put in place measures to improve costing of programmes and activities; change the allocation of spending i.e. improve on health care funding; ensure proper maintenance of departmental facilities, equipment and vehicles by developing a digitalized asset registry; and lastly, improve on paperless communication through the leverage of ICT.

## **Economy**

128. The principle will aim at maximizing the use of resources. Selection of projects will be based on the degree to which the programme or project will address the core challenges of poverty and unemployment; expected outputs and outcomes; and degree to which the programme or the project will accelerate equitable and sustainable growth towards transforming the county development agenda.

## **Transparency**

129. The funds shall be managed in a way that will ensure openness about allocation, utilization and accounting.

## **Resource Allocation Criteria**

130. In allocating resources to programs identified for budgeting and service delivery purposes, provision shall be made first for mandatory (non-discretionary) expenditure. After that, provisions shall be made for on-going projects that needed completion before new ones can be begin. New programs shall be considered on the basis of a number of factors:
- a) Degree to which the program addresses core poverty interventions;
  - b) Degree to which the program addresses the core mandate of the county government;
  - c) Expected outputs and outcomes from the program;
  - d) Linkage of the program with other program; and



e) Cost-effectiveness and sustainability capacity of the intended beneficiaries

### **Resource Allocation Commensurate with Entity Contribution**

131. The County Government has its core mandate spelt in Schedule Four of the Constitution of Kenya. To perform the functions spelt therein, the executive arm has been structured into twelve (12) spending entities whereas the County Assembly constitutes a single (1) spending entity. Each entity bids for the resources through the relevant MTEF sectors and receives allocations based on the allocation criteria provided above in paragraph 105.
132. For the Medium Term Expenditure period 2017/18-2019/20, the highest spender will be the health sector at 30% of total spending followed by the public administration and stakeholder relations sector that will be consuming upwards of 27.8% of the total budget. All the same, the immediate focus is to decrease the proportion of resources that flow to Public Administration and Stakeholder Relations sector over time as devolved structures take root and austerity measures are adopted and this is being realized given the relative reduction in allocation to the sector.
133. With allocation to education at 6.9% and allocation to culture and sports at 2.3%, the social sector total allocation is at 39.2% of the total budget representing an improvement over the 32% allocated for the FY 2016/17. This is consistent with the focus of the County Government to increase allocation to the social sector to shore up human resource development.
134. The energy, infrastructure and ICT sector is poised to take just over 11.6% of the total budget. Allocations to this sector has been reduced thanks to acquisition of machines and equipment that are expected to lead to lower cost of works financed through the force account. Combined with allocations for water services at 10.1%, the total allocation for infrastructure is at 21.7%.
135. More and more resources will be allocated to social and infrastructure sectors as part of the county strategy to address the challenges of unemployment, poverty and inequalities. Table 1 below provides a synopsis of the proposed allocations by county spending entity for the FY 2017/18-2019/20.

### **Compliance with Fiscal Responsibility Principles**

136. The County Government recognizes that the fiscal stance it takes today will have implications into the future. Therefore, and in line with the Constitution and the Public Finance Management (PFM) Act of 2012, the principle of sharing the burdens and benefits of the use of resources and public borrowing between the present and future generation implies that the government will have to make prudent policy decisions today so that an unwarranted debt burden is not imposed on future

generations. Equally, it will be prudent that the fiscal space for development does not diminish at either the National Government or the County Government. For that matter, the County Government of Homa Bay shall ensure adherence to the required ratio of development to recurrent expenditures of at least 30:70 over the medium term, as set out in the PFM Act. As table 1 below indicates, the County Government of Homa Bay remains committed to keeping allocations to development higher than 30 percent, as required by PFM act (2012) and regulations (2015).

**Table 1. Analysis of Allocations for Development in Percentage Terms**

Nature of Expenditure	Revised Estimates	Draft Estimates	Projected Estimates	Projected Estimates	Analysis in Percentage Terms (Percentage of the Total)			
	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020	16/17	17/18	18/19	19/20
Development	2,067,870,490	2,410,938,935	2,550,332,271	2,853,159,568	30.72 %	33.20%	33.14%	33.43 %

- 137.** The County Government will strive to implement the regulation 26 (1)(a) of the PFM Act, which requires that the County government’s expenditure on the compensation of employees (including benefits and allowances) shall not exceed 35 percent of the County government’s total revenue. Whereas the personnel emoluments for the FY 2017/2018 constitutes 44.3% of the total revenue, measures are in place to meet this requirement as stipulated in the PFM regulations 25 (1) (b) (County Regulations) with effect from the FY 2019/2020.
- 138.** A compliance plan has been developed jointly by the county assembly to ensure that the total expenditure of the county assembly is brought down to the level of not more than 7% of the county’s total revenue within three years. Already, the personnel emoluments of the county assembly constitute 6.1% of the total county government revenue and any effort to reverse this trend requires medium to long-term commitments including laying off staff.
- 139.** With regard to the matter of borrowing, the County Government of Homa Bay does not envision any borrowing that may exceed twenty (20%) of county government’s total revenue. In any case, the county has worked on a balanced budget for the FY 2017/2018 and therefore the fiscal balance for 2017/2018 may not call for any borrowing for any purposes other than for emergency expenditure. However, should need arise for any deficit financing, it will be in compliance with the fiscal responsibility principles provided for in regulations 25 (1) (d & e).

## V. FY 2017/18 BUDGET AND THE MEDIUM FRAMEWORK

140. The resource envelope available for allocation among the county entities and programmes is based on the fiscal policy and medium term fiscal framework which is explained as above.

### Revenue Projections

141. The fiscal framework for the FY 2017/18 Budget is set based on macroeconomic policy framework set out in part IV. The FY 2017/18 budget targets revenue collection including Appropriation-in-Aid (AIA) of KES 7,262.1 million up from KES 6,731.9 million in FY 2016/17. This performance will be underpinned by on-going reforms county revenue administration and improved national government collections.

142. From the KES 7.262 million envisaged KES 6.49 billion is expected as equitable share from shareable national revenue, KES 483 million as grants and KES 290 million as other income from local sources. Overall, revenue growth that was envisaged over the medium term, including grants from national government at 10 per cent for the FY 2017/2018 and 12 percent for the FY 2018/2019 in the CFSP 2016 is not being realized as the fiscal framework of the National Government has been revised in light of lags in collection of revenue by KRA.

143. The growth in internal revenues has also been revised to a rate of 6percent, down from the 9 percent envisaged in CFSP 2016 for the FY 2017/18. However, there are prospects for internal revenue to pick up once all revenue collection functions are fully automated and performance contracting is fully embraced and enforced. The table 2 below provides a synopsis of the revenue levels projected over the medium term.

**Table 2: Projected Revenue by Source, 2017/18-2019/20 (in Kenya Shillings)**

Revenue Source	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
Equitable Share of National Revenue	6,080,193,774	6,488,782,796	7,078,272,723	7,390,177,502
Conditional Grants from National Government	340,520,062	410,178,185	494,085,848	592,903,017
Other grants and loans	42,678,030	72,726,628	123,931,738	210,683,964
Local Revenue (including A-in-A)	192,162,867	209,457,525	228,308,7102	248,856,485
Others including Balances from the Previous Year	76,358,791	80,940,318	85,796,738	90,944,541
<b>Total Revenue</b>	<b>6,731,913,524</b>	<b>7,262,085,452</b>	<b>7,696,290,309</b>	<b>8,533,565,509</b>

## Expenditure Projections

- 144.** In the FY 2017/18, total expenditure are projected at KES 7.262 from the estimated KES 6.731 billion in the FY 2016/17 budget. Recurrent expenditures will amount to KES 4.85 billion compared with KES 4.39 billion in FY 2016/17. 148. The wages and benefits for the County Government staff in FY 2017/18 is projected at KES 3.178 billion up from KES 2.92 billion in the FY 2016/17.
- 145.** Expenditure ceilings on goods and services for spending entities of the county government are based on funding allocation in the FY 2016/17 budget as the starting point. The ceilings are then adjusted to take into account one-off expenditures in FY 2017/18.
- 146.** The ceiling for development expenditures in nominal terms amounts to KES 2.41 billion in the FY 2017/18 up from KES 2.34 billion in the FY 2016/17. Most of the outlays are expected to support critical infrastructure. The entire development budget will be funded by the County Government. However, the County Government will partner with development partners in some projects with the counterpart funding going directly into the project. No contingency fund is provided for in FY 2017/18. Therefore, supplementary allocations can only come through revision of existing budgets. Table 3 below provides a synopsis of the projected expenditure and expenditure ceilings for the FY 2017/18.

Table 1: Resource Allocation by Spending Entity for the FY 2017/18-2019/20

Entity		Revised Estimates	CFSP Ceiling	Projections		% Share of Total Expenditure			
						Printed Estimates	CFSP Ceiling	Projections	
						2016/17	2017/18	2018/19	2019/20
Agriculture, Livestock and Fisheries	<b>Sub Total</b>	<b>340,095,440</b>	<b>393,612,952</b>	<b>435,979,259</b>	<b>474,738,222</b>	<b>5.05%</b>	<b>5.42%</b>	<b>5.66%</b>	<b>5.56%</b>
	Rec. Exp.	176,095,440	191,612,952	221,379,259	244,948,222	2.62%	2.64%	2.88%	2.87%
	Dev. Exp.	164,000,000	202,000,000	214,600,000	229,790,000	2.44%	2.78%	2.79%	2.69%
Tourism, Culture and Sports	<b>Sub Total</b>	<b>125,900,464</b>	<b>149,201,766</b>	<b>164,257,273</b>	<b>183,960,136</b>	<b>1.87%</b>	<b>2.05%</b>	<b>2.13%</b>	<b>2.16%</b>
	Rec. Exp.	79,900,464	83,201,766	92,857,273	105,000,136	1.19%	1.15%	1.21%	1.23%
	Dev. Exp.	46,000,000	66,000,000	71,400,000	78,960,000	0.68%	0.91%	0.93%	0.93%
Transport and Infrastructure	<b>Sub Total</b>	<b>552,326,125</b>	<b>708,590,416</b>	<b>754,179,719</b>	<b>817,038,705</b>	<b>8.20%</b>	<b>9.76%</b>	<b>9.80%</b>	<b>9.57%</b>
	Rec. Exp.	51,335,725	73,590,416	81,179,719	90,088,705	0.76%	1.01%	1.05%	1.06%
	Dev. Exp.	500,990,400	635,000,000	673,000,000	726,950,000	7.44%	8.74%	8.74%	8.52%
Energy And Natural	<b>Sub Total</b>	<b>91,154,636</b>	<b>123,999,364</b>	<b>133,910,495</b>	<b>146,866,020</b>	<b>1.35%</b>	<b>1.71%</b>	<b>1.74%</b>	<b>1.72%</b>

Resources	Rec. Exp.	27,154,636	33,999,364	37,310,495	41,776,020	0.40%	0.47%	0.48%	0.49%
	Dev. Exp.	64,000,000	90,000,000	96,600,000	105,090,000	0.95%	1.24%	1.26%	1.23%
Educations and ICT	<b>Sub Total</b>	<b>572,753,548</b>	<b>569,204,184</b>	<b>586,837,401</b>	<b>609,009,271</b>	<b>7.02%</b>	<b>7.84%</b>	<b>7.62%</b>	<b>7.14%</b>
	Rec. Exp.	412,753,548	467,204,184	479,537,401	494,114,271	6.13%	6.43%	6.23%	5.79%
	Dev. Exp.	60,000,000	102,000,000	107,300,000	114,895,000	0.89%	1.40%	1.39%	1.35%
Health	<b>Sub Total</b>	<b>1,963,670,232</b>	<b>2,214,743,955</b>	<b>2,362,781,638</b>	<b>2,686,680,720</b>	<b>29.17%</b>	<b>30.50%</b>	<b>30.70%</b>	<b>31.48%</b>
	Rec. Exp.	1,793,670,232	1,854,743,955	1,965,181,638	2,241,440,720	26.64%	25.54%	25.53%	26.27%
	Dev. Exp.	170,000,000	360,000,000	397,600,000	445,240,000	2.53%	4.96%	5.17%	5.22%
Lands, Housing and Physical Planning	<b>Sub Total</b>	<b>120,704,332</b>	<b>139,271,959</b>	<b>150,774,931</b>	<b>167,653,678</b>	<b>1.79%</b>	<b>1.92%</b>	<b>1.96%</b>	<b>1.96%</b>
	Rec. Exp.	50,704,332	57,271,959	62,374,931	70,693,678	0.75%	0.79%	0.81%	0.83%
	Dev. Exp.	70,000,000	82,000,000	88,400,000	96,960,000	1.04%	1.13%	1.15%	1.14%
Trade, Industry, Investment and Cooperative	<b>Sub Total</b>	<b>264,709,576</b>	<b>298,183,688</b>	<b>315,484,141</b>	<b>333,608,348</b>	<b>3.93%</b>	<b>4.11%</b>	<b>4.10%</b>	<b>3.91%</b>
	Rec. Exp.	164,709,576	182,183,688	193,984,141	201,683,348	2.45%	2.51%	2.52%	2.36%
	Dev. Exp.	100,000,000	116,000,000	121,500,000	131,925,000	1.49%	1.60%	1.58%	1.55%
Water and Environment	<b>Sub Total</b>	<b>600,347,804</b>	<b>669,774,861</b>	<b>703,560,004</b>	<b>791,888,004</b>	<b>8.92%</b>	<b>9.22%</b>	<b>9.14%</b>	<b>9.28%</b>
	Rec. Exp.	100,347,804	122,774,861	131,560,004	143,138,004	1.49%	1.69%	1.71%	1.68%
	Dev. Exp.	500,000,000	547,000,000	572,000,000	648,750,000	7.43%	7.53%	7.43%	7.60%
Finance and Economic Planning	<b>Sub Total</b>	<b>699,201,403</b>	<b>377,947,714</b>	<b>405,402,977</b>	<b>488,566,354</b>	<b>10.39%</b>	<b>5.20%</b>	<b>5.27%</b>	<b>5.73%</b>
	Rec. Exp.	389,321,313	289,008,779	311,970,706	363,619,242	5.78%	3.98%	4.05%	4.26%
	Dev. Exp.	309,880,090	88,938,935	93,432,271	124,947,112	4.60%	1.22%	1.21%	1.46%
Office of the Governor	<b>Sub Total</b>	<b>551,166,772</b>	<b>642,686,174</b>	<b>660,245,119</b>	<b>715,509,831</b>	<b>8.19%</b>	<b>8.85%</b>	<b>8.58%</b>	<b>8.38%</b>
	Rec. Exp.	486,166,772	554,686,174	583,995,119	617,044,875	7.22%	7.64%	7.59%	7.23%
	Dev. Exp.	65,000,000	88,000,000	76,250,000	98,464,956	0.97%	1.21%	0.99%	1.15%
County Public Service Board	<b>Sub Total</b>	<b>99,162,357</b>	<b>117,895,345</b>	<b>127,620,475</b>	<b>144,551,499</b>	<b>1.47%</b>	<b>1.62%</b>	<b>1.66%</b>	<b>1.69%</b>
	Rec. Exp.	99,162,357	105,895,345	114,120,475	129,326,499	1.47%	1.46%	1.48%	1.52%
	Dev. Exp.	0	12,000,000	13,500,000	15,225,000	0.00%	0.17%	0.18%	0.18%
County Assembly Service Board	<b>Sub Total</b>	<b>850,720,835</b>	<b>856,973,074</b>	<b>895,256,877</b>	<b>973,494,721</b>	<b>12.64%</b>	<b>11.80%</b>	<b>11.63%</b>	<b>11.41%</b>
	Rec. Exp.	832,720,835	834,973,074	870,506,877	937,532,221	12.37%	11.50%	11.31%	10.99%
	Dev. Exp.	18,000,000	22,000,000	24,750,000	35,962,500	0.27%	0.30%	0.32%	0.42%

## Forecasts of Budgetary Expenditure by Economic Classification

147. In the 2017/2018 budget, overall expenditure is projected to rise by 7.3 per cent from KSh. 6.93 billion in 2016/2017 to KSh. 7.26 billion in 2016/2017, with the increase in recurrent expenditure outstripping that of development expenditure as a result of inflexibilities in the wage bill. Table 4 below provides a synopsis of the expenditure projections by vote.

**Table 3: Projected Spending by Economic Classification**

Nature of Expenditure	Revised Estimates	Draft Estimates	Projected Estimates	Projected Estimates	Analysis in Percentage Terms			
	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020	16/17	17/18	18/19	19/20
Recurrent	4,694,043,034	4,851,146,517	5,145,958,038	5,680,405,941	69.28 %	66.80 %	66.86 %	66.57 %
Development	2,067,870,490	2,410,938,935	2,550,332,271	2,853,159,568	30.72 %	33.20%	33.14%	33.43 %
<b>Total Spending</b>	<b>6,731,913,524</b>	<b>7,262,085,452</b>	<b>7,696,290,309</b>	<b>8,533,565,509</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

148. The largest component of recurrent spending is in the form of personnel emoluments. In the fiscal year 2017/2018, wages and benefits to employees will account for 65.1% (down from 66.5% in 2016/17) of the recurrent expenditure and 43.5% (up from 43.4% in 2016/17) of the total spending. This trend is expected to continue in the medium term except that personnel emoluments as a percentage of the total spending will be reduced gradually to meet legal requirements for fiscal responsibility.

### Key Expenditure Priorities for the Medium Term

149. The budget submissions by spending entities will critically be reviewed with a view to remove any non-priority expenditures and shift the savings to priority programmes. The CIDP (2013-2017) and the priorities of the Awiti Administration will guide resource allocation.

150. Taken as a whole, the budget for FY 2017/18 will focus on the following:

- a) Capital investments in Energy, Infrastructure, ICT sector and other development expenditure in general. This will receive upwards of KES 874 million, reflecting the County Government's commitment in improving infrastructure countrywide for faster growth.

- b) Enhancing support to social sectors (Social Protection, Health and Education). These will continue to receive the bulk of budgetary resources especially in education and health sectors. The Social Sectors will receive 39.5 percent of total discretionary expenditures.
- c) Other priority areas including water and agriculture will be given priority in the allocation of resources.

### **Balanced Budget Position**

151. It is noteworthy that for the County Government of Homa Bay, the forecasts of budgetary revenue exactly match the forecasts of budgetary expenditure. There is no purpose for borrowing except when need shall arise of an emergency nature or for critical development spending.

### **Implication of Change in Economic Fundamentals**

152. Should a fundamental change happen in economic aggregates that could significantly undermine attainment of either revenue or expenditure goals of the County Government, necessary adjustments shall be made. This may include expenditure rationalization, application of debt instruments and even declarations of emergency.

## **VI. KEY PROGRAMMES AND MEDIUM-TERM SECTOR PRIORITY PROJECTS**

### **Overview**

- 153.** The medium term expenditure framework for the 2017/18-2019/20 MTEF period is focused on ensuring continuity in resource allocation based on the prioritized programmes aligned to the Second MTP (2013-2017) of Vision 2030 and the County Integrated Development Plan (CIDP) 2013-2017. This Fiscal Strategy Paper articulates the priority expenditure programmes and projects to be implemented under the Medium Term Expenditure Framework for 2017/18-2019/20 in order to ‘inspire shared prosperity’ which is the development goal of the County Government of Homa Bay.

### **AGRICULTURE, RURAL AND URBAN DEVELOPMENT SECTOR**

- 154.** Agriculture, Rural and Urban Development Sector is one of the key sectors for the county’s sustained economic growth. The sector consists of two sub sectors namely: Agriculture, Livestock and Fisheries Development sub sector and Lands, Housing and Physical Planning sub sector. The goal for the sector is to attain food security, sustainable land management and affordable housing.

#### **Agriculture, Livestock and Fisheries**

- 155.** Over the MTEF period 2013/14-2015/16, the achievements of Agriculture Livestock & Fisheries sub sector included, distribution of 303 chicken incubators to women and youth enterprise groups across the county; Improving agricultural mechanization through procuring 8 tractors that have minimized the cost of land preparations and has seen more than 3000 acres of farm land ploughed under this scheme; introducing fish farming as strategy to ease pressure on Lake Victoria; Improving and providing agricultural extension and education services across the county; and constructed 160 fish ponds across the wards in the county to progressively increase inland fish farming.
- 156.** For the 2017/18 financial year, focus will be directed on expanding area under farming, increasing production and productivity, strengthening research and use of modern technology, control pests and diseases, improve marketing and quality of products from local farm resources, promote farmed fish production and improve capture fisheries management. Some of the medium-term priority projects include, purchase of patrol boats for surveillance and control of illegal fishing; construction, rehabilitation and stocking of fish ponds and fish feeds; purchase and stocking of fishing gear at subsidized prices so as to reduce illegal fishing; construction of water pans as demonstration sites for promotion of rain water harvesting; promotion of cotton, sunflower, sorghum and upland rice; continued investment in agricultural



mechanization; improvement of agricultural extension services through employment of more extension officers and acquisition of motor bikes; continued investment in the greenhouse project to ensure its success; completion of the post-harvest handling facility at Kigoto and continued sensitization of farmers on post-harvest handling to reduce post-harvest losses.

**157.** In order to implement the prioritized projects and activities, the sub sector has been allocated KSh. 393.6 million, KSh. 436.0 million and KSh. 474.7 million respectively for the financial years 2017/18, 2018/19 and 2019/20. Recurrent expenditure allocations are KSh. 191.6 million, KSh.221.4 million and KSh. 244.9 million for FY 2017/18, 2018/19 and 2019/20 respectively, whereas development expenditure for the same period is KSh. 202.0 million, KSh. 214.6 million, and KSh. 229.8 million.

### **Lands, Housing and Physical Planning**

**158.** During the 2013/14-2015/16 MTEF period, the sector was able to roll out the preparation of the county spatial plan; renovate 76 county staff houses and an office of the department of trade; construct an Appropriate Building Technology center at Ndhiwa; set up a land bank for various investment projects in all the 8 sub-counties including for the County Headquarter, Gor Mahia Stadium, Animal Feeds and Sweet Potato Processing Plants; successfully completed urban development plans for Homa Bay and Rangwe Towns; develop an inventory of and fenced 5No. public parcels of land across the county including Oriang Estate, County Headquarters and Kabondo parcels; survey and demarcate markets in various parts of the county; facilitate adjudication processes leading to accelerated titling of untitled lands; and re-surveying and parcelation of Kakelo Kamroth leading to 76,000 title deeds being issued.

**159.** For the 2017/18 budget, focus will be directed at ensuring efficient and effective administration and management of land resources; developing and maintaining cost effective government buildings and other public works; facilitating development of quality and affordable housing; improving the livelihoods of people living and working in informal settlements and; enhancing infrastructure connectivity and accessibility within urban areas.

**160.** To implement the aforementioned, the sub sector has been allocated KSh. 139.3 million, KSh. 150.7 million and KSh. 167.7 million for the financial years 2017/2018, 2018/2019 and 2019/2020 respectively. Recurrent expenditure allocation is KSh. 57.3 million, KSh. 62.4 million and KSh. 70.7 million for FY 2016/17, 2017/18 and 2018/19 respectively, whereas development expenditure for the same period is KSh. 82.0 million, KSh. 88.4 million, and KSh. 96.9 million.

## ENERGY, INFRASTRUCTURE AND ICT SECTOR

**161.** The Energy, Infrastructure and ICT sector consists of Energy and Natural Resources sub sector; Transport and Infrastructure sub sector and the ICT sub sector which is domiciled under the county department of education. The sector provides linkages between all the other sectors and is critical to the success of all other sectors and the county as a whole.

### Energy

**162.** The energy sub-sector is mandated to optimize power supply in Homa Bay County, so as to improve on its sufficiency and reliability; to promote alternative sources of energy and; to regulate and control the construction minerals industry.

**163.** Over the MTEF period 2013/14-2015/16 financial year the energy sub-sector managed to install 200 additional market solar lights in 40 wards, increasing the total to 650; significantly improved stability of power supply with the help of KPL, resulting in reduced power outages and interruptions; supplied power to about 500 additional primary schools through partnership with REA and KPL, increasing the total number to 780 schools; improved access to power connective through partnering with KPL, over 8,000 households and institutions (hospitals, beaches, boreholes etc) connected to electricity, increasing connectivity from 3% in 2013 to the current 19%; installed Street lights in major estates of Homa Bay town including Makongeni, Shauriyako and Sofia, addressing the problem of insecurity. Uptake of alternative low cost clean energy technologies as a substitute for fossil based fuel has also increased significantly with the help of Non-Governmental partners.

**164.** For 2017/18, the subsector is focused on expanding rural electrification connections through facilitating installation of transformers per ward; stabilization of energy supplies through installation of solar backup at public health facilities; promotion of use of low cost alternative sources of energy; installing solar lights in more rural markets; installation of street lights in the major sub county headquarters such as Mbita, Ndhiwa, Magunga, Kendu Bay, Oyugis, Ramula, etc in collaboration with KPLC. Other critical result areas include setting up of green energy power generation projects at Nyakwere, Kobala and Rusinga and off-grid mini power plants in areas not accessible to grid electricity such as Remba, Ringiti, Kiwa, Takawiri and Ngondhe Islands on Lake Victoria. Efforts will be made to enhance exploitation of mineral resources such as limestone and streamline the construction mineral sector through enactment of a bill.

**165.** To implement the palled projects and activities, the sub sector has been allocated KSh. 124.0 million, KSh. 134.0 million and KSh. 146.9 million for the financial years 2017/2018, 2018/2019 and 2019/2020 respectively. Recurrent expenditure allocation is KSh. 34.0 million, KSh. 37.3 million and KSh. 41.8 million for FYs 2017/18, 2018/19 and

2019/20 respectively, whereas development expenditure for the same period is KSh. 90.0 million, KSh. 96.6 million, and KSh. 105.1 million.

## **Transport and Infrastructure**

- 166.** During the 2013/14-2015/17 MTEF period, the County Government has been able to open up, grade and graveling over 580 Kms of road networks across the 40 wards; complete tarmacking of 30 KMs of the Kadongo-Gendia road; renovate the Kabunde Airstrip with fully operated six flights a week between Homa Bay and Nairobi through a strategic partnership with the Kenya Airports Authority; install fully functional solar powered street lights in Homa Bay, and Oyugis towns, to boost county security and extend business hours; acquire a new firefighting equipment to mitigate fire related disasters in the county; and repair and rehabilitate old bridges while building new ones.
- 167.** For 2017/18 going forward, the sub-sector will direct its focus towards expanding investments in physical infrastructure to improve access to public transport. This includes expansion of the road network; bituminization of the select class D or C roads; routine maintenance of classified roads; installation of road furniture; construction of parking facilities; promotion of safety in public transport; establishment of footbridges; modernization and expansion of airstrips and lake ports and; establishment of a construction and maintenance agency.
- 168.** To achieve the above, the sub sector has been allocated KSh. 708.6 million, KSh. 754.2 million and KSh. 817.1 million for the financial years 2017/2018, 2018/2019 and 2019/2020 respectively. Recurrent expenditure allocation will be KSh. 73.6 million, KSh. 81.2 million and KSh. 90.1 million for FYs 2017/18, 2018/19 and 2019/20 respectively, whereas development expenditure for the same period is KSh. 635.0 million, KSh. 673.0 million, and KSh. 727.0 million respectively.

## **Information and Communication Technology**

- 169.** During the 2013/14-2015/16 MTEF period, under the ICT sub-sector the County Government of Homa Bay has been able to acquire 91 computers and printers which were distributed among the various county entities; set up a digital printing facility, an ICT innovation and computer center in Homa Bay Town; and network the County Treasury and Office of the Governor to enable them benefit from the fiber-optic infrastructure.
- 170.** The sub sector strategy is directed at improving internet connectivity and capacity building of local businesses. For the 2017/18 going forward, the sub sector will be connecting sub-county information and innovation centers with internet system;

maintaining the existing fiber optic connectivity and training staff on ICT management and development.

171. To achieve the above, the sub sector has been allocated KSh. 12.0 million, KSh. 18.0 million and KSh. 24.4 million for the financial years 2017/2018, 2018/2019 and 2019/2020 respectively. All the allocation to this department are for development purposes only.

## EDUCATION SECTOR

172. The county education sector envisioned a globally competitive education, training and innovation for sustainable development of the county of Homa Bay. Through resources allocated for the sector over the MTEF period 2013/14-2015/16, the County Government has been able to recruit through the Public Service Board 1,270 ECDE teachers; drastically reduce the teacher-child ratio in the county's ECDE centres; deploy newly recruited ECDE teachers to all the 908 ECDE centers; improve the enrollment of ECDE pupils to 76,607 recording a near-50 percentage increase; support the establishment of Tom Mboya University College and supply clean water to 7000 ECDE pupils across the county, in partnership with the Life Straw Project based in the US. In terms of infrastructure, the County Government of Homa Bay has been able to construct to completion 23No. ECDE classrooms, 3No. single workshops in Ober, Kitora and Sylas Mbani VTCs; 4No. twin workshops at Magungu, Siala, Otange and Lambwe VTCs; 1No. boys hostel at Sero VTC as well as 2No. new classrooms at Rani VTC.

173. The most pressing priorities under the sector is to provide resources for Subsidized Vocational Training Tuition (SVTT); increase allocation for bursary and improve targeting of beneficiaries; purchase teaching/learning tools and equipment; construct more workshops in selected VTCs across the 8 sub counties; and construct more classrooms in selected VTCs across the sub counties.

174. For 2017/18 going forward, the sector will apply itself to improving the quality of delivery and infrastructure facilities for ECDE learning and vocational training. To strengthen the standards in all institutions, the sector will invest in centers of excellence and training institution for ECD teachers; establishment and improvement of vocational training centers; strengthening of the County Bursaries and Scholarships Fund; establishment and improvement of ECD centers and provision of learning materials, tools and equipment to ECDE and vocational training centers.

175. To implement this, the Sector has been allocated KSh. 569.2 million, KSh. 586.8 million and KSh. 609.1 million for the financial years 2017/18, 2018/19 and 2019/20 respectively. Recurrent expenditure allocation for the FYs 2017/18, 2018/19 and 2019/20 is KSh. 467.2 million, KSh. 479.6 million and KSh. 494.1 respectively. The development

allocations for the same period are KSh.102 million, KSh. 107.3 million, and KSh. 114.9 million respectively.

## **GENERAL ECONOMIC AND COMMERCIAL AFFAIRS SECTOR**

**176.** The General Economic and Commercial Affairs sector consists of Trade, Industry, Investment and Cooperative subsector and Tourism sub sector. The sector contributes significantly towards industrialization, wealth generation and employment creation in the county, and has great potential for accelerating the economic growth of the county's GDP.

### **Trade, Industry, Investment and Cooperatives**

**177.** Over the MTEF period 2013/14-15/16, the County Government has been able to provide loans to and train 144 beneficiaries; set up to upgrade Oyugis Market in partnership with the national government; develop relevant trade fund and alcoholic drink bills (enacted by the county assembly and assented to by the governor); facilitate formation of 6 new cooperatives; inspect all cooperative societies; establish a pilot potato processing plant (land for the project has been identified and paid for and sentry house has been put up while the pilot phase managed by Homa SG is in operation and is producing potato purees and bread already being supplied to supermarkets in Kisumu); commence construction of an animal feeds factory Arujo (60% complete); mop up all idle stock of cotton and sensitize farmers on cotton farming; establish a maize processing plant (construction at Kigoto is 40% complete and all relevant machineries have already been supplied); establish a cassava processing plant (for which land has been identified and the tender process for fencing on –going); and host the first Homa Bay International Investment Conference in which 32 MOUs were signed. The Department was also able to procure and issue 1,014 No. varied ESP equipment including water pumps, car washing machines, welding machines, brick-making machines and salon equipment to 900 beneficiaries from identified women and youth groups.

**178.** The sub-sector strategy is focused on strengthening mobilization of investors and creating a conducive environment for private investment; promoting clustered industrialization along the value chains, consolidating and strengthening cooperative societies and supporting development of micro, small and medium enterprises.

**179.** For 2017/18 going forward, more focus will be directed at registration of new cooperatives; capacity building of cooperatives societies, reviving and strengthening dormant cooperatives; auditing and routine inspection and investigations of cooperative societies; disbursement of loans to traders; supporting traders and the public in promoting fair trade practices; developing and up grading markets; construction of mill house and two go downs and installation of machinery for maize processing plant; acquisition of land and machinery for the establishment of an agro-

processing industry; facilitating formation of new, more vibrant cooperative societies along the value chain; and mobilization and sensitization of farmers.

**180.** To implement the proposed programs, the sub-sector has been allocated KSh. 298.2 million, KSh. 315.5 million and KSh. 333.6 million for the financial years 2017/2018, 2018/2019 and 2019/2020 respectively. Recurrent expenditure allocation is KSh. 182.2 million, KSh. 194.0 million and KSh. 201.7 million for FY2017/18, 2018/19 and 2019/20 respectively, whereas development expenditure for the same period is KSh. 116.0 million, KSh. 121.5 million, and KSh. 131.9 million.

### **Tourism**

**181.** During the 2013/14 – 2015/16 MTEF Period, the sub-sector was able to successfully support and participate in Kisumu’s Piny Luo Tourism festival as well as Kenya County Miss Tourism pageantries in which the County emerged number one nationally; successfully brand and profiled all tourist attraction sites across the county; renovate the Tom Mboya Mausoleum in Rusinga Island and market it a serious cultural and tourism attraction center; successfully map and fence Oyugis Bird Sanctuary; successfully map and put beacons for Lake Simbi Nyaima; fence and construct guardhouse at the Homa Bay Pier; and construct 3No. 2-door PIT latrines at Ukoie Beach, Luore Beach and Magina Centres. The county was also able to hold a conference of all tourism stakeholders in the County.

**182.** For 2017/18 going forward, focus will be directed at establishment of a tourism board; further improvement of selected tourism sites and development of beach fronts; promotion of tourism through the production of promotional materials; promotion of game farming; development of e-tourism platforms; capacity building of tourism stakeholders; participating in tourism and travel expos; attending and hosting tourism investment forums and organizing Miss Tourism Kenya pageantries in a manner that generates great interest in the county.

**183.** To achieve the above, the sub sector has been allocated KSh. 30.5 million, KSh. 32.2 million and KSh. 35.0 million for the financial years 2017/2018, 2018/2019 and 2019/2020 respectively. All the allocations to this sub-sector are for development purposes only.

### **SOCIAL PROTECTION, CULTURE AND RECREATION SECTOR**

**184.** The sector is mandated to formulate, mainstream and implement responsive policies through coordinated strategies for sustained and balanced socio-cultural, sports, recreation, empowerment of vulnerable, marginalized groups and areas for economic development of the County.

**185.** During the MTEF period 2013/14-2015/16, the sector has been able to facilitate Kochia Kagan Dancers for a cultural exchange to Washington DC for the Smithsonian

festival; facilitate Suba and Luo Councils of Elders for visits to state house and Ramogi Hills respectively; facilitate cultural festivals at Rusinga and Kisumu; organize County Leagues – Football (Men & Women), Volleyball (Men & Women) and Net ball; host a Homa Bay Rugby 10 aside tournament; and upgrade community playgrounds in all the 40 wards as well as Homa Bay County Stadium. Social protection policy has also been developed and approved by the Assembly to guide cash transfers and other social benefits to older persons and members of other vulnerable groups.

- 186.** For 2017/18 going forward, effort will be focused on enhancing peaceful co-existence of persons of diverse culture, enhancing the reading culture, preservation of the county's heritage, promotion of cultural and sports tourism, improvement in the welfare of the vulnerable populations, as well as development and empowerment of the youth and other vulnerable populations by mainstreaming them in socio-economic development; identifying, developing and marketing local talents for improved earnings from sport and; development of heritage, arts and cultural services.
- 187.** To implement the proposed programs, the sub-sector has been allocated KSh. 108.7 million, KSh. 132.1 million and KSh. 148.9 million for the financial years 2016/2017, 2017/2018 and 2018/2019 respectively. Recurrent expenditure allocation is KSh. 83.2 million, KSh. 92.9 million and KSh. 105.0 million for FYs 2017/18, 2018/19 and 2019/20 respectively, whereas development estimates for the same period is KSh. 35.5 million, KSh. 39.2 million, and KSh. 53.9 million respectively.

## **HEALTH SERVICES SECTOR**

- 188.** The mandate of the health sector is to build a progressive, responsive and sustainable technology-driven, evidence-based and client-centered health system for accelerated attainment of the highest standards of health for the people of Homa Bay County. The sector is charged with confronting and overcoming the high disease burden in the county which is well highlighted in Kenya's epidemiological profile.
- 189.** Over the MTEF period 2013/14-2015/16, the department of health was able to procure drugs and non-pharms for all gazetted health facilities, recruit 306 additional health personnel; including 1 health director, 2 deputy directors and CEO for the Homa Bay County Referral Hospital; construct 3NO. modern maternity wards in Ndhiwa, Rangwe and Kendu Bay SCHs; establish 2 satellite MTCs in Oyugis and Sindo; induct 362 health personnel; implement the Community Health Strategy, recruiting 5,000 CHWs in the process; implement output-based approaches in reproductive health; complete construction of a blood bank and oxygen plant at the County Referral Hospital; procure digitized medical equipment including renal and dialysis machines, x-rays, CT scan and ultra-sound machines; and implement the County Health Master Plan.

- 190.** For 2017/18 going forward, focus will be directed at operationalization of community units strategy; promotion of Environmental Health Sanitation Services (EHS), TB, Malaria, and Vector borne disease control; to ensure regular supply of drugs, non-pharm and medical equipment; to strengthen collaboration in Health research and diseases; Acquisition and operationalization of ambulances, construction of theatres in all the Sub- County hospitals, construction of MTC; Acquisition of dental equipment; construction of medical blocks within health facilities and other public health and sanitation initiatives and, improving staffing and staff motivation.
- 191.** This is part of the medium term sector strategy for building the healthier Homa Bay County will be focused on controlling communicable diseases and diseases of affluence. The second generation health care reform strategy that involves recruiting more health workers, expanding training facilities, developing systems to support and expand healthcare services and sanitation at the community level will be implemented.
- 192.** Healthcare infrastructure shall also be upgraded and facilities equipped with modern technology such as through leasing. Health policy and institutional and legal framework for enforcement of healthcare standards shall also be finalized. Heavy investment shall also be made on research to deal with emerging health issues, training of health personnel, proactive control of mental illnesses, addressing issues of gender based violence and cascading the HIV/AIDS policy in all institutions of the county.
- 193.** To implement its propose programs, the sector has been allocated KSh. 2,214.7 million, KSh. 2,362.6 million and KSh. 2,686.7 million for the financial years 2017/2018, 2018/2019 and 2019/2020 respectively. Recurrent expenditure allocations are KSh. 1,854.7 million, KSh. 1,965.2 million and KSh. 2,241.4 million for FYs 2016/17, 2017/18 and 2018/19 respectively, whereas development estimates for the same period are KSh. 360.0 million, KSh. 397.6 million, and KSh. 445.27 million.

## **ENVIRONMENT PROTECTION, WATER AND NATURAL RESOURCES SECTOR**

- 194.** The mandate of the water and environment sector is to ensure adequate and reliable supply of water and sewerage services; and to promote, conserve and protect the environment including forests.
- 195.** During the MTEF period 2013/14-2015/16, the sector was able to renovate and equip 45 existing boreholes; construct new 50 boreholes complete with water kiosk and overhead tanks across the county; constructed 3No. water dams and 11No. water pans across the county; protect water springs to reduce water borne related diseases; plant over 50,000 seedlings across the county and around water towers; rehabilitate the Homa Bay Sewerage and Water Plan through strategic partnership with the World Bank and LVEMP II; and procure and supply 49 water tanks to 49 primary schools across the County.



**196.** For 2017/18 going forward, focus will be directed on rehabilitation and extension of existing water supplies; development of maintenance of water resources; capacity building of communities on sustainable management of water resources; enforcement of regulations and standards; harnessing underground and surface water capabilities using modern technologies; and establishment of a cement factory in the county. Some of the medium term priority projects include, Obera-Magina, Miriu and Rusinga island water projects, completing design and works for Kagoro-Magunga proposed water schemes, completing design and construction works on Mumisa Nyabwechehe gravity scheme and Kodera - West Karachuonyo water schemes in partnership with World Vision and implementing the integrated school agro-forestry programmes to increase the current forest cover in line with the 10% national coverage envisaged in Kenya Vision 2030. Effort will also be made to improve sewerage services and improve solid waste disposal and management purposes in the 5 major urban centers.

**197.** To implement the proposed programs, the sub-sector has been allocated KSh. 669.8 million, KSh. 703.6 million and KSh. 791.9 million for the financial years 2017/2018, 2018/2019 and 2019/2020 respectively. Recurrent expenditure allocation is KSh. 122.8 million, KSh. 131.6 million and KSh. 143.1 million for FYs 2016/17, 2017/18 and 2018/19 respectively, whereas development expenditure allocation for the same period is KSh. 547.0 million, KSh. 572.0 million, and KSh. 648.8 million.

## **PUBLIC ADMINISTRATION AND INTER/INTRA-GOVERNMENT RELATIONS**

**198.** The sector comprises of the Governor's Office (including the Office of the Deputy Governor and the County Secretary), the County Treasury, the County Planning Unit, the County Public Service Board and the County Assembly. The sector plays a key role in enhancing service delivery to the citizens of Homa Bay, coordinating county government business through planning, mobilization of financial and human resources in the county government as well as linking all other sectors within the county with national government departments and agencies. The sector is also responsible for resource allocation and results tracking and, improving accountability and prudence in the management of the county's financial resources.

### **Finance and Economic Planning**

**199.** Over the MTEF period 2013/14-2015/16, the departments has been able to successfully coordinate the preparation of County Strategic and Development Plans and the budget estimates of revenue and expenditure of the county for the four financial years to 2016/2017 to operationalize them; adopt the Integrated Financial Management System (IFMIS) and introduce the e-procurement to ensure government procurement practices are easily monitored and adhered to; train staff through the development of a system for AGPO (Access to Government Procurement Online) for the special groups and this was implemented at Huduma Centre.

- 200.** To facilitate fiscal operations of the County Government, the department was able to put up a building block for the County Treasury; renovate the County Planning Unit at Homa Bay; procure 21No. motor vehicles for CEC members and Chief Officers; and restructure functions of the department to enhance efficiency and service delivery.
- 201.** For 2017/18 going forward, the subsector will direct its focus on providing overall policy direction for socio-economic transformation; enhancing coordination and implementation of programs in the CIDP; and enhancing economic management and ensure financial resources are managed prudently. Major services/outputs to be provided under MTEF budget 2017/18 for the sub sector will include developing necessary plans and credible and effective budgets, operationalizing and cascading IFMIS, facilitating internal audit and internal control processes, generating all the necessary financial reports, facilitating participatory monitoring and evaluation and involvement of all stakeholders, developing and implementing a raft of financial incentives, creating vehicles and funds for public investment establishing and operationalizing the external resources unit, facilitating better inspections and follow ups on internal resources, training of revenue staff and developing necessary Bills.
- 202.** To enable it fulfill its mandate and implement its programs, the sub sector has been allocated KSh. 377.9 million, KSh. 405.4 million and KSh. 488.6 million for the financial years 2017/2018, 2018/2019 and 2019/2020 respectively. Recurrent expenditure allocation is KSh. 329.0 million, KSh. 289.0 million and KSh. 312.0 million for FYs 2017/18, 2018/19 and 2019/20 respectively, whereas development estimates for the same period is KSh. 89.0 million, KSh. 93.4 million, and KSh. 125.0 million.

### **County Executive Services**

- 203.** The sub-sector is focused on providing strategic leadership and coordination that creates optimal conditions for accelerated, inclusive and sustainable development of Homa Bay County. The sub-sector is also focused on providing overall leadership and coordination in the management of the County's human resources for effective service delivery.
- 204.** Over the MTEF period 2013/14-2015/16, the Office has been able to renovate and re-roof the Old Municipal Building housing the Governor's Office; extend and equip the Office of the Governor; fence the perimeter wall of the compound housing the Office of the Governor; construct the parking lot and extend reception area and guard rooms at the gate; construct the stand-by generator room and install the generator; construct 4No. sub-county offices and renovate 2No. sub-county offices; renovate the residences of the Governor and the Deputy Governor; and install various ICT and security equipment in the office. The County Government has also been able to establish, furnish and equip all the relevant county executive offices; recruit persons for the

offices including 10 CEC members; 10 Chief Officers; 7 members of the County Public Service Board, 8 Sub-County Administrators and 39 Ward Administrators; put in place frameworks for management of the public service including establishing a strategy and service delivery unit; and facilitate consultations leading to generation of all the relevant plans, policies and bills for operationalization of the county executive services.

- 205.** The priority for the sub-sector is to focus on fully operationalizing all the devolved units; enhancing service delivery and projects management; enhancing disaster preparedness and climate change adaptation; strengthening civic education and public participation; enhancing staff motivation and productivity and; strengthening coordination among county entities and improving communication with all stakeholders.
- 206.** For 2017/18 going forward, projects to be implemented by the sub sector will include providing office accommodation and transport facilitation for Sub County and Ward Administrators; committing all officers to deliver the best possible results through performance contracting; developing and implementing tools for data collection on all projects being implemented by the County Government; facilitating joint planning with development partners and PPP Framework; acquiring critical equipment including those for firefighting, water rescue and emergency power; securing additional staff, office accommodation and funds for emergency operations; developing a disaster response plan for the County; supporting processes towards enactment of Bills for civic education and public participation; creating and operationalizing structures for civic education; developing curriculum and tools for civic education; and setting aside funds for contracted civic education works.
- 207.** Other activities include providing for staff training and development; providing incentives for effective and efficient performance; implementing recommendations of CARPS so that staff are placed in jobs that have the best fit with their skills and motivations; constituting all relevant coordination forums and committees; establishing a communication office within the Office of the County Secretary; providing spaces for quarterly dialogue with various stakeholder groups as well as strengthening capacity of all administrators to cascade forums for coordinated action at devolved units
- 208.** To implement the planned programs, the sub sector has been allocated KSh. 642.7 million, KSh. 660.2 million and KSh. 715.5 million for the financial years 2017/2018, 2018/2019 and 2019/2020 respectively. Recurrent expenditure allocation is KSh. 554.7 million, KSh. 584.0 million and KSh. 617.0 million for the FYs 2017/18, 2018/19 and 2019/20 respectively, whereas development expenditure allocations for the same period are KSh. 88.0 million, KSh. 76.2 million, and KSh. 98.5 million respectively.

- 209.** The sub-sector will strive to leverage on the good will of development partners and civil society to attract development support to meet requirements for public participation, civic education and emergency response given the limited recurrent allocations.

### **County Public Service Board**

- 210.** During the MTEF years 2013/14-2015/16, the Board was able to carry out a comprehensive HR audit; conduct work load analysis for all cadres; develop job descriptions and Key Performance Indicators for county sectors; publish advertisements, short-list and recruit 10 Chief Officers, 47 administrators, 309 health workers, 6 members of the County Policing Authority; induct all recruited staff; fully furnish Board Offices; develop and host a website for the Board and; secure equipment for internet connectivity and install intercom across board functions. In doing this, the Board has been able to leverage on partnerships with development partners, private sector organizations and public sector organizations from the national Government to great effect.
- 211.** For 2017/18 going forward, the entity will direct its focus on strengthening the county policy framework for managing the county public service; promotion of national values and principles; enhancing staff productivity and morale, and attracting and retaining the best talent in the County Public Service.
- 212.** For the upcoming period, the key results area for the sub sector will include developing policies for appointments, deployments, promotion and discipline; implementing the gender mainstreaming policy; inducting new employees; facilitating refresher courses on national values and principles; holding the public service week; providing for better staff training and development; monitoring and evaluating staff performance; implementing recommendations of CARPS program so that staff are placed in jobs that lead to the best fit with their achievements and motivations; developing schemes of service for all the various cadres; providing for recruitment and selection services; and staff rationalization to enhance person-job fit at all levels.
- 213.** To implement the proposed programs, the board has been allocated KSh. 117.9 million, KSh. 127.6 million and KSh. 144.6 million for the financial years 2017/2018, 2018/2019 and 2019/2020 respectively. Recurrent expenditure allocation is KSh. 105.9 million, KSh. 114.1 million and KSh. 129.3 million for the FYs 2017/18, 2018/19 and 2019/20 respectively, whereas development expenditure estimates for the same period are KSh. 12 million, KSh. 13.5 million, and KSh. 15.2 million respectively.

### **County Assembly Services**

- 214.** The sub-sector is focused on facilitating effective and efficient representation, legislation and oversight by upholding and ensuring adherence to constitutional

principles including good governance and value for money. Within this broad constitutional mandate of legislation, representation and oversight, a special focus remains of service delivery to citizens by creating legal frameworks for design, implementation and monitoring of programmes of the County Government of Homa Bay.

- 215.** Over the life of the County Assembly Service from 2013/14-2015/16, the Assembly has been able to establish all the relevant offices and recruit 74 staff at the head-quarter and 120 staff at the wards; streamline assembly operations to effectively carry out its legislative, oversight and representation mandates; and enact 18No.priority bills for the operationalization of the County Government. On the infrastructure front, the Assembly has been able to renovate the main assembly and all its offices, conference halls and committee rooms; modernize all its water and sewerage systems; install modern ICT equipment as wells burglar-proof windows and doors; and construct high perimeter fencing complete with modern parking lot.
- 216.** For 2017/18 going forward, the key result areas of the assembly will include putting in place fast-track procedures from definition of measures for expedited legislation to coordination with other authorities; provision of resources for multiple reading and passing of many stages in one day especially the 2<sup>nd</sup> and 3<sup>rd</sup> readings; training of committee staff on research methods and reporting by exception; preparation of handbooks and manuals for social audits; strengthening of collaboration with CSOs for participatory M&E and other purposes; legislating for effective disclosure; sensitizing public officers on the rights of the public and capacity building the public to get involved in community development; reforming and scaling up structures for joint planning, monitoring and evaluation at the wards; and facilitating Ward Level Committees to be engaged from early stages in policy formulation and implementation.
- 217.** To carry out its function and perform these key activities, the County Assembly Service Board has been allocated KSh. 857.0 million, KSh. 895.3 million and KSh. 973.5 million for the financial years 2017/2018, 2018/2019 and 2019/2020 respectively. Recurrent expenditure allocations are KSh. 835.0 million, KSh. 870.6 million and KSh. 937.5 million for the FYs 2017/18, 2018/19 and 2019/20 respectively. The development expenditure allocations for the same period are KSh. 22.0 million, KSh. 24.8 million, and KSh. 36.0 million.

## BUDGET CEILINGS FOR THE FINANCIAL YEAR 2017/2018

218. The 2017/2018 expenditure framework provides sectors with indicative ceilings that ensure continuity in resource allocation from the last financial year. More attention was given to sectors that undertake most of the devolved functions as well as function critical to the development of the county economy. Below is the summary of ceilings for each sector:

Entity Code	Spending Entity Name		Recurrent		Development	
			Revised 2016/2017	Ceiling 2017/2018	Revised 2016/2017	Ceiling 2017/2018
5111	Agriculture, Livestock and Fisheries Development	Gross	176,095,440	191,612,952	164,000,000	202,000,000
		A-I-A				
		Net				
		Salaries	146,095,440	158,504,042		
		Grants				
		Others		43,108,910		
5112	Tourism, Culture, Social Development and Sports	Gross	79,900,464	83,201,766	46,000,000	66,000,000
		A-I-A				
		Net				
		Salaries	19,900,464	20,579,315		
		Grants		24,000,000		
		Others		48,622,451		
5113	Transport and Infrastructure	Gross	51,335,725	73,590,416	500,990,400	635,000,000
		A-I-A				
		Net				
		Salaries	21,335,725	59,298,510		
		Grants				
		Others		24,291,906		

5114	Energy and Mineral Resources	Gross	27,154,636	33,999,364	64,000,000	90,000,000
		A-I-A				
		Net				
		Salaries	17,154,636	20,358,833		
		Grants				
		Others		13,640,531		
5115	Education and ICT	Gross	412,753,548	467,204,184	60,000,000	102,000,000
		A-I-A				
		Net				
		Salaries	301,753,548	327,069,303		
		Grants				
		Others		77,134,881		
5116	Health	Gross	1,793,670,232	1,854,743,955	170,000,000	380,000,000
		A-I-A		73,689,332		
		Net		1,781,054,623		
		Salaries	1,248,016,782	1,351,017,745		
		Grants				
		Others		503,726,210		
5117	Lands, Housing and Urban Development	Gross	50,704,332	57,271,959	70,000,000	82,000,000
		A-I-A				
		Net				
		Salaries	46,126,982	48,123,069		
		Grants				
		Others		9,148,890		

5118	Trade, Industry and Investment	Gross	164,709,576	182,183,688	100,000,000	116,000,000
		A-I-A				
		Net				
		Salaries	152,709,576	168,826,059		
		Grants				
		Others		13,357,629		
5119	Water and Environment	Gross	100,347,804	122,774,861	500,000,000	547,000,000
		A-I-A				
		Net				
		Salaries	64,347,804	72,512,084		
		Grants				
		Others		50,262,777		
5120	Finance and Economic Planning	Gross	389,321,313	289,008,779	309,880,090	88,938,935
		A-I-A				
		Net				
		Salaries	103,699,792	134,839,272		
		Grants				
		Others		164,169,507		
5123	County Assembly	Gross	832,720,835	834,973,074	18,000,000	22,000,000
		A-I-A				
		Net				
		Salaries	423,900,272	440,192,750		
		Grants				
		Others		394,780,324		



5122	County Public Service Board	Gross	99,162,357	105,895,345	0	12,000,000
		A-I-A				
		Net				
		Salaries	26,554,219	27,881,929		
		Grants				
		Others		78,013,416		
5121	Office of the Governor	Gross	486,166,772	554,686,174	65,000,000	88,000,000
		A-I-A				
		Net				
		Salaries	290,035,029	349,313,768		
		Grants				
		Others		215,372,406		
<b>EXPENDITURE BY ECONOMIC CLASSIFICATION</b>			<b>4,391,043,034</b>	<b>4,851,146,517</b>	<b>2,340,870,490</b>	<b>2,410,938,935</b>
<b>TOTAL EXPENDITURE</b>			<b>7,262,085,452</b>			
<b>PROJECTED REVENUE</b>			<b>7,262,085,452</b>			

## VII. CONCLUSION

- 219.** The County Government will continue to implement reforms to enhance its performance that i) there is improved collection and efficiency of its own source revenue (OSR) systems, including accounting and reporting; ii) there is improved capacity to formulate realistic and credible budgets, and hence better harmony between County Executive and County Assemblies in the budget process; iii) there is strengthened capacity for audit and oversight to produce quality reports in a timely manner; iv) there is proper documentation and management of local assets and liabilities; and v) there is a clearer and stronger system of fiscal management in the county. 2016/17 .
- 220.** The set of policies outlined in this 2017 Fiscal Strategy Paper do reflect the changed circumstances and are broadly in line with the fiscal responsibility principles outlined in the Public Finance Management Act 2012. They are also consistent with the national strategic objectives pursued by the Government as the basis of allocation of public resources.
- 221.** Ultimately all effort of the County Government will be channeled towards boosting productivity and growth and foster job creation. The best way to achieve this is to pursue pro-poor policies, develop a business environment that promotes investment and supports job creation, and increase the stock of physical and human capital and investment in infrastructure.



REPUBLIC OF KENYA

HOMA BAY COUNTY GOVERNMENT

THE COUNTY TREASURY



HOMA BAY COUNTY

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P. O. Box 469-40300 Homa Bay

2017/2018-2019/2020

**MEDIUM TERM EXPENDITURE FRAMEWORK**

# REPORT

ON

**AGRICULTURE, RURAL AND  
URBAN DEVELOPMENT**

SECTOR CONSULTATIONS

**FOR THE FINANCIAL YEAR**

**2017/2018**

OCTOBER 2017

## 1. INTRODUCTION

The Constitution of Kenya under Article 232(1)(d) provides for the involvement of citizens in the process of policy making. This participation involves the public, acting as individuals and representatives of groups, advocating specific government policies by attending or sponsoring public meetings, lobbying government officials, or bringing media attention to policy issues.

Agriculture, Rural and Urban Development (ARUD) sector held discussions and came up with certain recommendations which are supposed to provide the basis for developing the fiscal framework and budget for the financial year 2017/2018. This is consistent with the requirements of Section 117(1) of the Public Finance Management Act of 2012 as well as Parts I and II of the PFM Regulations of 2015.

The discussions were restricted within the strategic framework of the sector whose main priority was to expand area under farming, increase production and productivity, strengthen research and use of modern technology, control pests and diseases, improve marketing and quality of products from local farm resources, promote farmed fish production and improve capture fisheries management.

It was observed that the sector still needed to strengthen its capacity for surveillance and control of illegal fishing; construction, rehabilitation and stocking of fish ponds with fingerlings and fish feeds; purchase and stocking of fishing gear to be sold to farmers at subsidized prices so as to reduce illegal fishing; provision of subsidized farm inputs; construction of water pans as demonstration sites for promotion of rain water harvesting; promotion of cotton, tissue culture banana, sunflower, sorghum and upland rice; continued investment in agricultural mechanization; improvement of agricultural extension services through employment of more extension officers and acquisition of motor bikes; continued investment in the greenhouse project to ensure its success; completion of the post-harvest handling facility at Kigoto and continued sensitization of farmers on post-harvest handling to reduce post-harvest losses and, an integrated project for improved livestock production and marketing.

## 2. METHODOLOGY

Membership of the sector was drawn from two sub sectors namely: Agriculture, Livestock and Fisheries Development sub sector and Lands, Housing and Physical Planning sub sector. The goal for the sector was to attain food security, sustainable land management and affordable housing.

Participation was drawn from a broad variety of stakeholder groups namely; Technical Officers, Farmer Groups, Producer Business Groups, National Land Commission, and the Civil Society.

The Consultations were held at Staridge Hotel on the 24<sup>th</sup> October 2017. The consultations began with introductions and climate setting followed by a review of objectives and the zero draft of the 2017/18 Fiscal Strategy Paper. Thereafter, there were presentations from respective Accounting Officers on the summary of achievements as well as key results areas for the FY 2017/2018 and proposed allocations within the ceilings set for the various spending entities in the budget preparation circular. Afterwards the participants were required to review and critique the presentations and sequence priorities for investment under the guidance of the relevant Technical Officers. The floor was opened for discussions and recommendations after every presentation. The views from the participants were recorded by an economist who was appointed the convenor and charged with the responsibility of preparing the report for the sector.

### **3. FINDINGS AND DISCUSSION**

#### **3.1 Introduction**

The sector is considered to be the backbone of the economy of Homa Bay County. It is deemed critical to the production of food and raw materials for industry. It is also the single largest employer of the population accounting for over 70 percent of local employment.

#### **3.2 Summary of Achievements**

##### **3.2.1 Agriculture, Livestock and Fisheries**

Over the MTEF period 2013/14-2015/16, the sector was able to construct 3 bio-digester toilets; construct and stock 160 fish ponds (4 for each ward); provide subsidized farm inputs valued at KSh. 10 million to farmers; provide 20MT of cotton seed, 50MT of basal fertilizer and 500MT of topdressing fertilizer; and set aside 240 acres of land for demonstrations.

Other notable achievements include establishment and maintenance of agricultural mechanization services consisting of 8 tractors; routine livestock health and disease management through livestock vaccination; construction of 6 animal sale yards; renovation of Homa Bay slaughter house; construction of a farm house as well as fencing of Kitawa dairy goat multiplication and bulking center.

### **3.2.2 Lands, Housing and Physical Planning**

During the 2013/14-2015/16 MTEF period, the key achievements by the Lands, Housing and Physical Planning sub-sector included: preparation of county spatial plan (completed); preparation of the local physical development plan for Rangwe (completed); acquisition of land for the location of Homa Bay County headquarters (acquired); renovation and redecoration of the county government houses (completed and occupied); identification of land and building of blocks for the establishment of Ndhiwa and Ringa Appropriate Building Technology centers; preparation of inventory of all public lands in Ndhiwa and Homa Bay sub-counties (completed); provision of adjudication services in areas such as Kaksingri West A, Kanam and Kothidha; and processing and provision of title deeds which have minimized land disputes.

## **3.3 Summary of Strategic Issues and Key Results Areas**

### **3.3.1 Introduction**

Strategic issues are fundamental policy questions or critical challenges affecting spending entity's mandates, mission, values, stakeholders, resources, structure, processes, management and service level. Key result areas are those tasks that absolutely must be done by the entity to fulfill entity's responsibility and achieve its goals. Identifying them is critical to setting clear expenditure priorities and refocusing on improved productivity and performance of any entity.

### 3.3.2 Agriculture, Livestock and Fisheries

The strategic issues and key result areas for the sub-sector can be summarized in a tabular format as follows:

Strategic Issue	Key Performance Areas
Creating appropriate policy framework	<ul style="list-style-type: none"> <li>• Customizing/renewing existing policies</li> <li>• Strengthening capacity of the County Agricultural Board and its affiliates</li> </ul>
Providing appropriate fiscal incentives to producers	<ul style="list-style-type: none"> <li>• Increasing budgetary allocation</li> </ul>
Increasing agricultural productivity and production	<ul style="list-style-type: none"> <li>• Revamping extension and facilitating farmer advisory services at ward levels</li> <li>• Mapping and promoting only high-potential enterprises based on the local agro-ecological conditions</li> <li>• Improving post-harvest handling and marketing through training and facilities</li> <li>• Upgrading local breeds</li> <li>• Applying contemporary science and technology including mobile platforms, lead farmers initiatives, FFSs, apprenticeships, field days &amp; exhibitions,</li> </ul>
Promoting market access	<ul style="list-style-type: none"> <li>• Availability of market information through platforms to celebrate serious farmers, establishing an information desk, information boards in areas frequented by farmers, etc</li> <li>• Commercialization of agriculture through promotion of crops that can be processed and sold locally</li> <li>• Improvement of roads leading to key agricultural corridors</li> </ul>
Promoting credit and input uptake	<ul style="list-style-type: none"> <li>• Targeting SACCOs rather than just commercial banks</li> <li>• Targeting natural farmers with passion for growth</li> </ul>
Promoting sustainable land use and environmental conservation	<ul style="list-style-type: none"> <li>• Promoting harvesting of run-off water</li> <li>• Promoting smart farming and conservation agriculture</li> <li>• Promoting food trees</li> </ul>

Enhancing institutional efficiency and effectiveness	<ul style="list-style-type: none"> <li>• Recruiting committed staff with top-notch skills</li> <li>• Making available office accommodation, means of transport and other tools of trade</li> <li>• Regular capacity building of staff</li> </ul>
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### 3.3.3 Lands, Housing and Physical Planning

Strategic Issue	Key Result Areas
Spatial planning	<ul style="list-style-type: none"> <li>• Recruitment of more physical planners</li> <li>• Completion of the county spatial plans</li> <li>• Enforcement of plans</li> </ul>
Staffing	<ul style="list-style-type: none"> <li>• Recruitment of additional staff</li> <li>• Provision for office accommodation for county staff</li> <li>• Development of affordable housing units for county staff</li> <li>• Putting all staff on performance contract</li> </ul>
Management of Public Lands	<ul style="list-style-type: none"> <li>• Accelerating registration and inventorization of all public lands in the county</li> <li>• Arresting all encroachments on public lands</li> </ul>



## **4. CONCLUSION AND RECOMMENDATIONS**

### **4.1 Introduction**

There are logical deductions which we could make from the presentations and discussions at the plenary under each spending entity. First, the definition of key result areas was the critical determinant of managerial effectiveness. This is because 80% of the value of what entities do will be determined by 20% of their activities. So, if staff don't know what their key result areas are, their natural tendency will be to spend more and more time doing things of less and less value to the entity and the County Government.

Second, operating within a medium term expenditure framework requires that entities achieve balance between what is affordable and policy priorities of the County Government. Whereas it is important to create the fiscal space to finance additional priority expenditure, this must not be done in a manner that undermines the county capacity to finance other areas of the budget now and in future.

Finally, it was appreciated from the onset that stakeholder consultations help entities to make budget making transparent, well targeted and complete. It is enshrined in the PFM Act - together with regulations and best practices - as a key tool for public participation in policy making. They help incorporate popular decisions and views that are based on evidence, experiences and perceptions of those likely to be affected by the policies and investment decisions. All the various stakeholder groups were consulted, at each stage of the budget cycle, respecting principles of openness and transparency and following minimum standards, which are generally acknowledged as appropriate and responsive to international best practice.

The recommendations of the public have been summarized for each entity in subsequent sections.

### **4.2 Agriculture, Livestock and Fisheries**

Stakeholders concurred that the sub-sector should enhance efforts to increase production and productivity; reduce crop losses through research, training and capacity building on pre-harvest and post-harvest handling; use hematic technology (buying PIC bags for demonstrations) and hold talk shows on post-harvest handling; increase market access through establishment of information boards and desks, announcing of market prices through radio and lobbying for opening and grading of roads leading to agricultural corridors; promote sustainable land use and environmental conservation; promote credit and input uptake and an entrepreneurial culture, and enhance institutional efficiency and

effectiveness. Some of the additional approaches recommended by various stakeholders include the following:

- d) Targeting PLWHIV and other vulnerable populations with efforts on food security.
- e) Ensuring that staff who are already in service are able to deliver public services effectively.
- f) Applying labor-based approaches in agriculture, including soil conservation, afforestation, and de-silting of tanks that provide not only temporary employment but also vocational training for the youth;
- g) Providing local economic data, marketing arrangements and even agricultural corridors that make commercial farming and value addition a less inhibitive experience; and
- h) Intensifying provision and improving availability of subsidized inputs and technologies for greater productivity in agriculture.

#### **4.3 Lands, Housing and Physical Planning**

Stakeholders were in agreement that the sub-sector should remain focused on developing and publishing the county master plan for housing and urban development; digitizing the county physical development and spatial plans; continued improvement and maintenance of county government houses; land acquisition and banking for development and investment activities; upgrading of informal settlements; promotion of smart settlement schemes by creating modern and Appropriate Building Technology Centres (ABTC); intensifying land survey activities and demarcation of various market centres and towns; provision for adjudication services in all the sub counties; processing and provision of title deeds; intensifying sensitization of the public on proper land use planning; recruitment of technical staff to improve service delivery; and development of policies, plans and legislation on land use for proper land management.

Over and above the aforementioned, the stakeholders proposed that:

- The department of lands should recruit a few physical planners and other technical staffs.
- The department of lands and housing should construct more offices to support devolved functions such as of the ward administrator.
- The department should ensure that those staff who are already in service are able to deliver effective services.
- The department of lands should think of allocating more space for recreational parks.



## Appendix A: Program for Consultations

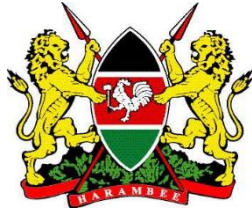
### MORNING SESSIONS

TIME	ACTIVITY	FACILITATOR
08:00 – 08:15 HRS	Welcome & Introductions	Convenor
08:15 – 08:30 HRS	Opening Remarks	Chief Officer - Finance
08:30 – 09:00 HRS	The County Fiscal Strategy 2016	Director of Budget
09:00 – 09:30 HRS	Detailed 2017/18 Budget Proposals I	Chief Officer
09:30 – 10:00 HRS	First Plenary Discussions	Director of Budget
10:00 – 10:30 HRS	Tea Break	
10:30 – 11:00 HRS	Detailed 2017/18 Budget Proposals II	Chief Officer
11:00 – 11:30 HRS	Second Plenary Discussions	Director of Budget
11:30 – 11:45 HRS	Detailed 2017/18 Budget Proposals II	Chief Officer
11:45 – 12:00 HRS	Third Plenary Discussions	Director of Budget
12:00 – 13:00 HRS	Closing and Lunch Break	

### AFTERNOON SESSIONS

TIME	ACTIVITY	FACILITATOR
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13:00 – 13:15 HRS	Welcome & Introductions	Convenor
13:15 – 13:30 HRS	Opening Remarks	Chief Officer - Finance
13:30 – 14:00 HRS	The County Fiscal Strategy 2016	Director of Budget
14:00 – 14:30 HRS	Detailed 2017/18 Budget Proposals I	Chief Officer
14:30 – 15:00 HRS	First Plenary Discussions	Director of Budget
15:00 – 15:30 HRS	Detailed 2017/18 Budget Proposals II	Chief Officer
15:30 – 16:00 HRS	Second Plenary Discussions	Director of Budget
16:00 – 16:15 HRS	Detailed 2017/18 Budget Proposals II	Chief Officer
16:15 – 16:30 HRS	Third Plenary Discussions	Director of Budget
16:30 – 17:00 HRS	Closing and Tea Break	



REPUBLIC OF KENYA

HOMA BAY COUNTY GOVERNMENT  
**THE COUNTY TREASURY**



HOMA BAY COUNTY

P. O. Box 469-40300 Homa Bay

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2017/2018-2019/2020

**MEDIUM TERM EXPENDITURE FRAMEWORK**

# REPORT

ON

## EDUCATION

SECTOR CONSULTATIONS

### FOR THE FINANCIAL YEAR

2017/2018

OCTOBER 2016

## **Introductions**

Article 232(1)(d) of the Constitution of Kenya provides for the involvement of citizens in the process of policy making. This participation involves the public, acting as individuals and representatives of groups, advocating specific government policies by attending or sponsoring public meetings, lobbying government officials, or bringing media attention to policy issues.

The discussions and recommendations of the consultations would provide the basis for developing the fiscal framework and budget for the financial year 2017/2018. This is consistent with the requirements of Section 117(1) of the Public Finance Management Act of 2012 as well as Section 34 of the PFM Regulations of 2015.

The discussions were restricted within the strategic framework of the sector whose main priority was to provide relevant and quality technical skills to youths in Youth Polytechnics and to enhance Early Childhood Development and Education (ECDE).

## **Methodology**

The Education sector consultations forum on the expenditure estimates for the financial year 2017/18 were held at in Staridge Hotel. The consultation was widely circulated through invitation letters and public forums while a total of 40 people in all the eight sub counties were called to represent women, youth, educators and people living with disability, NGOs in education sector, FBOs, CBOs dealing with education issues, and other stakeholders were directly invited to the forum. The budgetary presentations and discussions were facilitated by the respective Director of ECDE while representatives of the civil society moderated the process. The County Government team was led by the Director budget of Homa Bay County Government who stressed the importance of sectoral participation in the budget making process and reiterated the commitment of the county government in achieving the vision and mission of the county education sector within the projected resource envelope.

## **KEY RESULT AREAS**

### **Sector Objective**

The Sector envisions 'A globally competitive education, training and innovation for sustainable development. The department exists 'to provide, promote and coordinate quality education and training, integration of information, communication, technology and innovation in a sustainable socio-economic development process.

## Priority Areas

During the MTEF period 2017/18 the priority under education is to provide resources for Subsidized Vocational Training Tuition (SVTT); increase allocation for bursary and improve targeting of beneficiaries; purchase teaching/learning tools and equipment; and construct more workshops and classrooms in selected VTCs across the 8 sub counties. Some of the medium-term projects in the department focus on improving the quality of delivery and infrastructure facilities for ECDE learning and vocational training; Strengthening the standards in all institutions, by investing in centers of excellence and training institution for ECD teachers; establishing and improving vocational training centers; strengthening of the County Bursaries and Scholarships Fund; establishing and improving of ECD centers and provision of learning materials, tools and equipment to ECDE and vocational training centers.

### C. SUMMARY OF ISSUES AND RECOMMENDATIONS ON 2017/18 SECTOR BUDGET

SECTOR	ISSUES	RECOMMENDATION/REMARKS
Education	<p>Inadequate resource allocation for the sector</p> <p>Inadequate resource allocation for financing people with disability</p> <p><b>Low Budget literacy</b> among stakeholders that hinders effective interaction with some of the budget documents.</p> <p>Inadequate ECDE <b>physical infrastructure</b>.</p> <p>Inadequate learning materials.</p> <p>Lack of ECDE feeding program.</p>	<p>Due to urgent need in the implementation of KISRAT the county treasury should allocate enough money for capacity building in the FY 2016/17 supplementary and FY 2017/18.</p> <p>Increase allocation to ECDE services to cater for community mobilization process.</p> <p>Provision of learning materials</p>



## CONCLUSION

The sector should focus on key result areas in order to achieve the sector objectives, this should be aided by a bottom-up approach in decision making process. Politics being a major factor within decision making matters, the sector should avoid interest group politics and focus on service delivery to all.

In order to ensure a trajectory growth within the sector, projects must be well planned to fit with broader development agenda. The sector should invest in human resource by training the already existing work force and recruit more ECDE teachers.



REPUBLIC OF KENYA

HOMA BAY COUNTY GOVERNMENT  
**THE COUNTY TREASURY**



HOMA BAY COUNTY

P. O. Box 469-40300 Homa Bay

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2017/2018-2019/2020

**MEDIUM TERM EXPENDITURE FRAMEWORK**

# REPORT

ON

## ENVIRONMENTAL PROTECTION & WATER

SECTOR CONSULTATIONS

**FOR THE FINANCIAL YEAR**

**2017/2018**

OCTOBER 2017

## 1. INTRODUCTION

Article 232(1)(d) of the Constitution of Kenya provides for the involvement of citizens in the process of policy making. This participation involves the public, acting as individuals and representatives of groups, advocating specific government policies by attending or sponsoring public meetings, lobbying government officials, or bringing media attention to policy issues.

The discussions and recommendations of the consultations would provide the basis for developing the fiscal framework and budget for the financial year 2017/2018. This is consistent with the requirements of Section 117(1) of the Public Finance Management Act of 2012 as well as Section 34 of the PFM Regulations of 2015.

The discussions were restricted within the strategic framework of the sector whose main priority was to formulate and implement an appropriate policy and legal framework for the development of Water sector and management of environment and natural resources.

## METHODOLOGY

The consultations were held at Staridge Hotel on the 25<sup>th</sup> October 2016. The methodology and approach adapted was participatory. Participants came from a broad variety of stakeholder groups namely; Implementing partners, Financial partners, User Groups, and the Business Community.

The consultations began with introductions and climate setting followed by reviewing of the County Fiscal Strategy Paper for FY 2016/2017. Thereafter, the department presented their achievements during the MTEF period, 2013/2014- 2015/2016 as well as key results areas for the FY 2017/2018 linked to the strategic issues for the various spending entities.

## 2. FINDINGS AND DISCUSSION

### 2.1 Summary of Achievements during FY 2013/2014-2015/2016

- Renovate and equip 45 existing boreholes;
- Construct new 50 boreholes complete with water kiosk and overhead tanks across the county;
- Constructed 3 water dams and 11 water pans across the county;
- Protect water springs to reduce water borne related diseases;
- Plant over 50,000 seedlings across the county and around water towers;
- Rehabilitate the Homa Bay Sewerage and Water Plan through strategic partnership with the World Bank and LVEMP II; and

- Procure and supply 49 water tanks to 49 primary schools across the County.

## 2.2 Summary of Priority areas for the MTEF period, 2017/18-2019/2020

- Rehabilitation and extension of existing water supplies;
- Development of maintenance of water resources;
- Capacity building of communities on sustainable management of water resources;
- Enforcement of regulations and standards;
- Harnessing underground and surface water capabilities using modern technologies; and
- Establishment of a cement factory in the county.

Some of the medium term priority projects include, Obera-Magina, Miriu and Rusinga island water projects, completing design and works for Kagoro-Magunga proposed water schemes, completing design and construction works on Mumisa Nyabwecheche gravity scheme and Kodera - West Karachuonyo water schemes in partnership with World Vision and implementing the integrated school agro-forestry programmes to increase the current forest cover in line with the 10% national coverage envisaged in Kenya Vision 2030. Effort was to be made to improve sewerage services and improve solid waste disposal and management purposes in the 5 major urban centers.

The findings from the discussions were as follows:

SECTOR	LIST OF ISSUES	RECOMMENDATIONS/REMARKS
ENVIRONMENTAL PROTECTION, WATER & NATURAL RESOURCES	<p>Lack of an appropriate permanent solid waste dumping site.</p> <p>Inadequate access to clean and safe water.</p> <p>Existing boreholes established by other development partners which are not supported by the government and lack community ownership</p>	<p>Establishment of a dumping site.</p> <p>Extension of the existing 3 boreholes in Kanyadoto ward done by world vision (Kuoyo borehole, Pap-Kanyango borehole, Namforest borehole.)</p> <p>The department should consider water points done by development partners and own such initiatives and rally communities to own them.</p> <p>3. The sector should think of promoting</p>

	<p>4. Measures being put in place to manage existing water towers.</p> <p>5. Existence of water borehole in the report i.e. in Wang- chieng ward which physically doesn't exist.</p> <p>6. Concerns with regard to influence of political class to determine where some of the projects are taken.</p> <p>7. Communication strategy by the department to have effective engagement and feedback mechanisms between the public and the department.</p>	<p>bottom -up approach when it comes to identification of development priorities.</p> <p>4. Carrying out a needs assessment prior to suggestions made in the context of project identification.</p> <p>5. Public participation should be well embraced by the department when it comes to prioritization of projects.</p> <p>6. Need for the department to consider installing solar panels to assist in pumping water within the public markets to address sanitation related needs.</p> <p>7. The department should put in place a very strong resource mobilization strategies to help in expansion of water consumption in urban center.</p> <p>9. Need for the department to think of putting up Eco-system toilets.</p> <p>10. The department should prioritize allocating money for public awareness sessions to ensure that the citizens are aware of existing policies and regulations in managements of water and environment resources.</p>
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		<p>11. The department to liaise with lands to pursue how far they have gone with acquiring the land mentioned for setting dump site at Nyalkinyi area.</p> <p>12. Department to think of re-looking into the allocated budget because it seems high for (Agroforestry and indigenous trees).</p>
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**CONCLUSION**

The sector should focus on key result areas in order to achieve the sector objectives, this should be aided by a bottom-up approach in decision making process. Politics being a major factor within decision making matters, the sector should avoid interest group politics and focus on service delivery to all.

In order to ensure a trajectory growth within the sector, projects must be well planned to fit with broader development agenda, project beneficiary and flexible enough to adopt to changing circumstances and an explicit waste management strategy should be in place to ensure the County achieve Green Development it achieved.



REPUBLIC OF KENYA

HOMA BAY COUNTY GOVERNMENT  
**THE COUNTY TREASURY**

P. O. Box 469-40300 Homa Bay



HOMA BAY COUNTY

2017/18-2019/20

**MEDIUM TERM EXPENDITURE FRAMEWORK**

# REPORT

ON

## HEALTH SERVICE

SECTOR CONSULTATIONS

**FOR THE FINANCIAL YEAR**

2017/2018

## 1. INTRODUCTION

Article 232(1)(d) of the Constitution of Kenya provides for the involvement of citizens in the process of policy making. This participation involves the public, acting as individuals and representatives of groups, advocating specific government policies by attending or sponsoring public meetings, lobbying government officials, or bringing media attention to policy issues.

Consequently, the Health Services Sector held its second round of consultations on October 25, 2016 with a view to firming up the strategic issues and key result areas, reviewing the expenditure framework of the Annual Development Plan and sequencing priorities for the health sector funding in the financial year 2017/2018 and projections for the next two years.

The discussions and recommendations of the consultations would provide the basis for developing the fiscal framework and budget for the financial year 2017/2018. This is consistent with the requirements of Section 117(1) of the Public Finance Management Act of 2012 as well as Section 34 of the PFM Regulations of 2015.

The discussions were restricted within the strategic framework of the sector whose main priority was to increase immunization coverage and reduce mortality rates; enhance MCH and reproductive health services; improve coordination and community access to affordable quality health services; reduce the burden of communicable and non-communication diseases and reduce morbidity associated with poor hygiene and sanitation.

## 2. METHODOLOGY

Stakeholders for the health sector had long been profiled by the responsible department with a view to realizing greater synergy through joint planning and integrated implementation, monitoring and evaluation. The participation came largely from implementing partners, facility managers, health practitioners, unions and user groups.

The consultations were held at Staridge Hotel on the 25<sup>th</sup> October 2016. The consultations began with introductions and climate setting followed by a review of objectives facilitated by the Director of Budget. Thereafter, there was some presentations from the department



on the draft proposals for the FY 2017/2018 linked to the strategic issues for the health sector. Afterwards, the floor was opened for discussions and recommendations. The views from the participants were recorded by a health economist who was appointed the convenor and charged with the responsibility of preparing budget reports for the sector.

### **3. FINDINGS AND DISCUSSION**

#### **3.1 Introduction**

It was observed that effective public health systems are essential for providing care for the sick, and for instituting measures that promote wellness and prevent disease. Consequently, discussions were focused on what could be done to consolidate gains, address challenges and put the department on the path of sustainable progress towards greater health.

#### **3.2 Summary of Achievements**

Over the MTEF period 2013/14-2015/16, the department of health was able to recruit 306 additional health personnel; procure drugs and non-pharms for all gazetted health facilities including 1 health director, 2 deputy directors and CEO for the Homa Bay County Referral Hospital; construct 3NO. modern maternity wards in Ndhiwa, Rangwe and Kendu Bay SCHs; establish 2 satellite MTCs in Oyugis and Sindo; induct 362 health personnel; implement the Community Health Strategy, recruiting 5,000 CHWs in the process; implement output-based approaches in reproductive health; complete construction of a blood bank and oxygen plant at the County Referral Hospital; procure digitized medical equipment including renal and dialysis machines, x-rays, CT scan and ultra-sound machines; and implement the County Health Master Plan.

For the financial 2016/17, the departments remains intent on establishment of a Fund for Training of Specialized Medical Personnel; implementation of the Community Health Strategy and Output-Based Approaches in Reproductive Health; construction of modern maternity wards; construction or completion of 12 MCH, OPD and IPD blocks; rehabilitation and electrification of Rural Health Facilities; completion of renovation of Homa Bay County Referral Hospital; putting up an ICU and a cancer center; enhancing HIV prevention, education and care services; construction of residential units for health staff within health facilities; improved equipment of health facilities; expansion of the medical training through satellite colleges in Oyugis and Sindo; enhancement of WASH

and other public health and sanitation initiatives and, improving staffing and staff motivation.

The matrix below provides a synopsis of the achievements against planned outputs:

Targeted Output	Achieved Output	Remarks
Construction of the specialized medical centres for cancer, blood transfusion, oxygen among others at Homa Bay Referral Hospital	A new theatre, a blood transfusion center, a renal unit and an oxygen plant have all been established at the County Referral Hospital in Homa Bay	
Construction/Completion of Rachuonyo OPD Block	Work at the block is at 70% completion	
Completion of Sindo Mortuary	Morgue has been completed at Sindo	
Completion of Medical Ward at Mbita Sub-County Hospital	Work at the block is at 96% completion	Work is at the fittings stage
Construction of medical blocks within health facilities	40 facilities have been constructed or upgraded one in each ward	The facilities have been put up with some help from partners
Purchase of fully equipped ambulances	3 ambulances have been acquired and equipped with clinical devices	
Supply of drugs	All facilities have been supplied with drugs	
Medical equipment	The Homa Bay County Referral Hospital has been supplied with new imaging (MRI) and x-ray machines	

Recruitment of Additional Staff	300 new personnel have been recruited	
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### 3.3 Summary of Strategic Issues and Key Results Areas

Strategic issues are fundamental policy questions or critical challenges affecting spending entity’s mandates, mission, values, stakeholders, resources, structure, processes, management and service level. Key result areas are those tasks that absolutely must be done by the entity to fulfill entity’s responsibility and achieve its goals. Identifying them is critical to setting clear expenditure priorities and refocusing on improved productivity and performance of any entity.

Already, the department had determined that all priority issues in health should be verified by all stakeholders so that the areas with less partner funding is allocated more funds. But most of all, funding for health services be increased from 26% of the total to at least 30% of the total county revenue. Also allocation be provide for public participation and so that all directorates are funded adequately. More focus will remain at the County Referral Hospital that is currently under renovation but needs further support; Sub-County Health Facilities (8) that need upgrading to full level four status; equipping of selected dispensaries and health centres per ward to decongest level four facilities and; linking CUs operation in health facilities with basic equipment and stipend payment for CHWs.

The strategic issues and key result areas for the health sector were discussed and summarized in a tabular format as follows:

Strategic Issue	Key Performance Areas
Improving the performance of Community Units	<ul style="list-style-type: none"> <li>▪ Performance review for CUs to be in the budget</li> <li>▪ Rewards for best performing CUs</li> <li>▪ Youth friendly services budget for to be clearly stated</li> <li>▪ Electrical power services at the host facilities</li> <li>▪ EPI target setting in the budget</li> <li>▪ Home care kits for CHWS</li> </ul>
Improving the health seeking behavior of the general population	<ul style="list-style-type: none"> <li>▪ Strengthening health promotion and education</li> <li>▪ Campaigning for the attitudinal change of staff at facilities so that they are more accommodating of the populace</li> <li>▪ Installing notice boards in health facilities for public information purposes</li> </ul>

Improving motivation and productivity	staff and	<ul style="list-style-type: none"> <li>▪ Providing convenient housing for the health staff</li> <li>▪ Fast-tracking the promotion of high-performing staff</li> <li>▪ Recruiting additional specialist personnel</li> </ul>
Improving the flow of funds to health facilities for operations		<ul style="list-style-type: none"> <li>▪ Increasing allocations for operations</li> <li>▪ Providing for outreaches in hard-to-reach areas such as islands</li> <li>▪ Providing resources for critical support services such as cleaning</li> </ul>
Improving infrastructure for healthcare waste management		<ul style="list-style-type: none"> <li>▪ Providing for incinerators and other modern facilities for effective waste disposal</li> <li>▪ Putting up toilets and other sanitation facilities</li> </ul>

## 4. CONCLUSION AND RECOMMENDATIONS

### 4.1 Introduction

There are logical deductions which we could make from the presentations and discussions at the plenary under each spending entity. First, the definition of key result areas was the critical determinant of managerial effectiveness. This is because 80% of the value of what entities do will be determined by 20% of their activities. So, if staff don't know what their key result areas are, their natural tendency will be to spend more and more time doing things of less and less value to the entity and the County Government.

Second, operating within a medium term expenditure framework requires that entities achieve balance between what is affordable and policy priorities of the County Government. Whereas it is important to create the fiscal space to finance additional priority expenditure, this must not be done in a manner that undermines the county capacity to finance other areas of the budget now and in future.

Finally, it was appreciated from the onset that stakeholder consultations help entities to make budget making transparent, well targeted and complete. It is enshrined in the PFM Act - together with regulations and best practices - as a key tool for public participation in policy making. They help incorporate popular decisions and views that are based on evidence, experiences and perceptions of those likely to be affected by the policies and investment decisions. All the various stakeholder groups were consulted, at each stage of the budget cycle, respecting principles of openness and transparency and following

minimum standards, which are generally acknowledged as appropriate and responsive to international best practice.

The recommendations of the public have been summarized for each entity in subsequent sections.

#### **4.2 Conclusion**

The meeting realized that ultimately, it is everybody’s business to strengthen the healthcare system of the County so that health outcomes are improved. This required closer collaboration between partners, practice of empathy by healthcare providers and improvement of environmental and social determinants of health such as income, education, food and housing access, and discrimination which affect the health of a person from birth to death, and which can be difficult to understand and control within a health care visit or with just medical intervention. Interventions to improve self-care have also shown improvements in self-efficacy, patient satisfaction, coping skills, and perceptions of social support but all these require better patient education and involvement. Equally, it is important to focus on the quality of care resources and healthcare services especially referral management, employee productivity, healthcare funding approaches and accountability for results.

#### **4.3 Recommendations**

As a way to prioritize expenditure and realize the best possible results in the shortest time possible, the stakeholders proposed that resources be allocated in a manner that enhances:

- Support for health care projects in the sub-counties
- Support for skilled training
- Purchasing of more health equipment
- Installing of electrical power in all health facilities
- Promotion of staff
- Scaling up of support for HIV, reproductive health and sanitation services
- Support for Community Units to be stable and self-supporting
- Provision of adequate hospital grants and AIE to department’s senior officers

### **Appendix A: Program for Consultations**

<b>TIME</b>	<b>ACTIVITY</b>	<b>FACILITATOR</b>
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08:00 – 08:15 HRS	Welcome & Introductions	Convenor
08:15 – 08:30 HRS	Opening Remarks	Chief Officer - Finance
08:30 – 09:00 HRS	Draft County Fiscal Strategy 2017/18	Director of Budget
09:00 – 09:30 HRS	Detailed 2017/18 Budget Proposals I	Chief Officer/Director
09:30 – 10:00 HRS	First Plenary Discussions	Director of Budget
10:00 – 10:30 HRS	Tea Break	
10:30 – 11:00 HRS	Detailed 2017/18 Budget Proposals II	Chief Officer/Director
11:00 – 11:30 HRS	Second Plenary Discussions	Director of Budget
11:30 – 11:45 HRS	Detailed 2017/18 Budget Proposals II	Chief Officer/Director
11:45 – 12:00 HRS	Third Plenary Discussions	Director of Budget
12:00 – 13:00 HRS	Closing and Lunch Break	



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**MEDIUM TERM EXPENDITURE FRAMEWORK**

# REPORT

ON

## **PUBLIC ADMINISTRATION AND STAKEHOLDER RELATIONS**

SECTOR CONSULTATIONS

**FOR THE FINANCIAL YEAR**

**2017/2018**

## 1. INTRODUCTION

Article 232(1)(d) of the Constitution of Kenya provides for the involvement of citizens in the process of policy making. This participation involves the public, acting as individuals and representatives of groups, advocating specific government policies by attending or sponsoring public meetings, lobbying government officials, or bringing media attention to policy issues.

Consequently, Public Administration and Stakeholder Relations Sector held its first round of consultations in October 2016 with a view to firming up the strategic issues and key result areas, reviewing the expenditure framework of the Annual Development Plan and sequencing priorities for sector funding in the financial year 2017/2018 and projections for the two outer years.

The discussions and recommendations of the consultations would provide the basis for developing the fiscal framework and budget for the financial year 2017/2018. This is consistent with the requirements of Section 117(1) of the Public Finance Management Act of 2012 as well as Parts I and II of the PFM Regulations of 2015.

The discussions were restricted within the strategic framework of the sector whose main priority was to provide effective leadership and further entrench devolution for the better service delivery. Part of the strategy was to enhance local economic development by strengthening grass-root structures and capacity for greater cooperation among stakeholders at all levels of government, the private sector and civil society to enhance political, social and financial accountability necessary for efficiency and competitiveness in service delivery.

## 2. METHODOLOGY

The Public Administration and Stakeholder Relations sector comprises of the Governor's Office (including the Office of the Deputy Governor and the County Secretary), the County Treasury, the County Planning Unit, the County Public Service Board and the County Assembly. To profile the sector and identify the relevant stakeholder groups, the



input of various resource persons including members of County Budget and Economic Forum.

The participants came from a broad variety of stakeholder groups namely; Youth, Women, Elderly, Persons Living with Disabilities, the Business Community, the Private Sector, Producer Groups and the Civil Society.

The consultations were held at Staridge Hotel on the 26<sup>th</sup> October 2016. The consultations began with introductions and climate setting followed by a review of objectives. Thereafter, there were presentations from respective Accounting Officers on the summary of achievements as well as budget proposals for the FY 2017/2018 linked to the strategic issues for the various spending entities. Afterwards the floor was opened for plenary discussions. The views from the participants were recorded by an economist who was appointed the convenor and charged with the responsibility of preparing the report for the sector.

### 3. FINDINGS AND DISCUSSION

#### 3.1 Introduction

The sector has been identified as key to ensuring cost-effective service delivery to the citizens of Homa Bay. It is deemed critical to the coordination of county government business through planning and mobilization of financial and human resources in the county government as well as managing the relationship between all stakeholders in the county. The sector is also responsible for resource allocation and results tracking as well as improving accountability and prudence in the management of the county's financial resources.

Public resources needed to be directed at key performance areas that either built on what was already working well for the county or had the most potential to enhance the welfare of the local populace. Care was needed to provide for all non-discretionary expenditure and align expenditure priorities to policies of the County Government.

#### 3.2 Summary of Achievements

##### 3.2.1 Finance and Economic Planning

Over the MTEF period 2013/14-2015/16, the departments has been able to successfully coordinate the preparation of County Strategic and Development Plans and the budget estimates of revenue and expenditure of the county for the four financial years to 2016/2017 to operationalize them; adopt the Integrated Financial Management System (IFMIS) and introduce the e-procurement to ensure government procurement practices are easily monitored and adhered to; train staff through the development of a system for AGPO (Access to Government Procurement Online) for the special groups and this was implemented at Huduma Centre. To facilitate fiscal operations of the County Government, the department was able to put up a building block for the County Treasury; renovate the County Planning Unit at Homa Bay; procure 21No. motor vehicles for CEC members and Chief Officers; and restructure functions of the department to enhance efficiency and service delivery.

Against set targets, the department performed as follows:

Targeted Output	Achieved Output	Remarks
Facilitate development of the	The CSA has been submitted	

County Statistical Abstract	to KNBS for final edition	
Capacity Strengthening for Effective Ward Development Fund Management	Bill is in the County Assembly awaiting enactment	Tools have been developed for training
Completion of Infrastructure Works at County Planning Unit	All designed works have been completed	
Development of ICT system for Planning and Budgeting	Proposals from service providers are being analyzed	The project has just been introduced under the supplementary budget with CA

### 3.2.2 Office of the Governor

The sub-sector is focused on providing strategic leadership and coordination that creates optimal conditions for accelerated, inclusive and sustainable development of Homa Bay County. The sub-sector is also focused on providing overall leadership and coordination in the management of the County's human resources for effective service delivery.

Over the MTEF period 2013/14-2015/16, the Office has been able to renovate and re-roof the Old Municipal Building housing the Governor's Office; extend and equip the Office of the Governor; fence the perimeter wall of the compound housing the Office of the Governor; construct the parking lot and extend reception area and guard rooms at the gate; construct the stand-by generator room and install the generator; construct 4 No. sub-county offices and renovate 2 No. sub-county offices; renovate the residences of the Governor and the Deputy Governor; and install various ICT and security equipment in the office. The County Government has also been able to establish, furnish and equip all the relevant county executive offices; recruit persons for the offices including 10 CEC members; 10 Chief Officers; 7 members of the County Public Service Board, 8 Sub-County Administrators and 39 Ward Administrators; put in place frameworks for management of the public service including establishing a strategy and service delivery unit; and facilitate consultations leading to generation of all the relevant plans, policies and bills for operationalization of the county executive services

### **3.2.3 County Public Service Board**

The Board is an independent organ of the executive with the mandate to bring in and manage persons in the County Public Service. During the MTEF years 2013/14-2015/16, the Board was able to carry out a comprehensive HR audit; conduct work load analysis for all cadres; develop job descriptions and Key Performance Indicators for county sectors; publish advertisements, short-list and recruit 10 Chief Officers, 47 administrators, 309 health workers, 6 members of the County Policing Authority; induct all recruited staff; fully furnish Board Offices; develop and host a website for the Board and; secure equipment for internet connectivity and install intercom across board functions. In doing this, the Board has been able to leverage on partnerships with development partners, private sector organizations and public sector organizations from the national Government to great effect.

### **3.2.4 County Assembly Service Board**

Over the life of the County Assembly Service from 2013/14-2015/16, the Assembly has been able to establish all the relevant offices and recruit 74 staff at the head-quarter and 120 staff at the wards; streamline assembly operations to effectively carry out its legislative, oversight and representation mandates; and enact 18No.priority bills for the operationalization of the County Government. On the infrastructure front, the Assembly has been able to renovate the main assembly and all its offices, conference halls and committee rooms; modernize all its water and sewerage systems; install modern ICT equipment as wells burglar-proof windows and doors; and construct high perimeter fencing complete with modern parking lot. In the FY 2015/16 alone, the County Assembly has been able to:

- Enact 24 Bills and 7 are awaiting gazzettement
- Complete the development of the Parking Lot and Committee Rooms
- Recruit the requisite personnel for all committees
- Establish 37 Ward Development Committees
- Introduce Rapid Result Initiatives in Committees to fast-track development of legislation and implementation of projects

### 3.3 Summary of Strategic Issues and Key Results Areas

#### 3.3.1 Introduction

Strategic issues are fundamental policy questions or critical challenges affecting spending entity's mandates, mission, values, stakeholders, resources, structure, processes, management and service level. Key result areas are those tasks that absolutely must be done by the entity to fulfill entity's responsibility and achieve its goals. Identifying them is critical to setting clear expenditure priorities and refocusing on improved productivity and performance of any entity.

#### 3.3.2 Finance and Economic Planning

The priority for the Finance and Economic Planning subsector is to provide overall policy direction for socio-economic transformation; enhance coordination and implementation of programs in the CIDP; and enhance economic management and ensure financial resources are managed prudently.

The strategic issues and key result areas for the sub-sector can be summarized in a tabular format as follows:

Strategic Issue	Key Performance Areas
Enhancing allocation of county financial resources to most cost-effective uses	<ul style="list-style-type: none"><li>• Developing the necessary plans</li><li>• Appraisal of proposals for public investments</li><li>• Developing credible and effective budgets</li></ul>
Ensuring prudent management of financial resources	<ul style="list-style-type: none"><li>• Operationalizing and cascading IFMIS</li><li>• Facilitating internal audit and internal control processes</li><li>• Generating all the necessary financial reports</li></ul>
Enhancing coordination and implementation of programmes	<ul style="list-style-type: none"><li>• Facilitation participatory monitoring and evaluation</li><li>• Facilitate involvement of all stakeholders and PPPs</li></ul>
Improving the investment climate and the saving culture	<ul style="list-style-type: none"><li>• Developing and implementing a raft of financial incentives</li><li>• Creating vehicles and funds for public investment</li></ul>

Enhancing resource mobilization	<ul style="list-style-type: none"> <li>• Establishing and operationalizing the external resources unit</li> <li>• Facilitating better inspections and follow ups on internal resources</li> <li>• Automation of revenue collection</li> <li>• Training revenue staff</li> <li>• Developing necessary Bills</li> </ul>
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### 3.3.3 Office of the Governor

The Office of the Governor has a set of functions that support it, including policy development, legal counsel, legislative relations, communications, appointments, scheduling, stakeholder relations, emergency management, and administrative support for the governor and his or her deputy as well as the spouse. These functions are fulfilled by specialized staff, who are assigned primarily to the governor's office.

The matrix below provides a synopsis of the fundamental policy issues for the Office together with activities without the performance of which the goals of the office cannot be realized.

Strategic Issue	Key Result Areas
Fully operationalizing all the devolved units	<ul style="list-style-type: none"> <li>• Fine tuning and funding the work plans of sub-county and ward administrators</li> <li>• Providing office accommodation and transport facilitation for SCAs and Was</li> </ul>
Enhancing service delivery and projects management	<ul style="list-style-type: none"> <li>• Committing all officers to deliver the best possible results through performance contracting</li> <li>• Developing and implementing tools for data collection on all projects being implemented by the County Government</li> <li>• Facilitating joint planning with development partners and PPP Framework</li> <li>• Committing all staff and contracted service providers to work with integrity and to offer quality</li> </ul>
Enhancing disaster preparedness and climate change	<ul style="list-style-type: none"> <li>• Acquiring critical equipment including those for firefighting, water rescue and emergency power</li> <li>• Securing additional staff, office accommodation and funds for emergency operations</li> </ul>

adaptation	<ul style="list-style-type: none"> <li>• Developing a disaster response plan for the County</li> <li>• Implement recommendations of the Strategic Plan for HIV Control</li> </ul>
Strengthening civic education and public participation	<ul style="list-style-type: none"> <li>• Supporting processes towards enactment of Bills for civic education and public participation</li> <li>• Creating and operationalizing structures for civic education</li> <li>• Developing curriculum and tools for civic education</li> <li>• Setting aside funds for contracted civic education works</li> </ul>
Enhancing Staff Motivation and Productivity	<ul style="list-style-type: none"> <li>• Provide for staff training and development</li> <li>• Provide for incentives for effective and efficient performance</li> <li>• Implement recommendations of CARPS so that staff are placed in jobs that lead to the best fit with their achievements and motivations</li> </ul>
Strengthening coordination among county entities and communication with all stakeholders	<ul style="list-style-type: none"> <li>• Constitute all relevant coordination forums and committees</li> <li>• Establish a communication office within the Office of the County Secretary</li> <li>• Provide spaces for quarterly dialogue with various stakeholder groups</li> <li>• Strengthen capacity of all administrators to cascade forums for coordinated action at devolved units</li> </ul>

### 3.3.4 County Public Service Board

The Board is charged with the responsibility of establishing and abolishing offices in the county public service, appointing persons to hold or act in offices of the County Public Service, exercising disciplinary control over and removing persons holding or acting in public offices, preparing regular reports for submission to the County Assembly on the execution of Board functions, promoting national values and principles in the public service, evaluating and reporting the County Assembly the extent to which national values and principles are applied in the county public service, facilitating development of coherent and integrated human resource planning and budgeting for personnel emoluments in the County, advising the County Government on HR management and development and, advising the County Government on implementation and monitoring of the national performance monitoring system in the county.

A summary of the strategic issues and key performance areas were captured in a table as follows:

Strategic Issue	Key Result Areas
Strengthening the policy framework	<ul style="list-style-type: none"> <li>• Developing a policy for appointments, deployments, promotion and discipline</li> <li>• Implementing the gender mainstreaming policy</li> </ul>
Promotion of national values and principles	<ul style="list-style-type: none"> <li>• Inducting new employees</li> <li>• Facilitating refresher courses on national values and principles</li> <li>• Holding the public service week</li> </ul>
Enhancing staff productivity and performance	<ul style="list-style-type: none"> <li>• Providing for better staff training and development</li> <li>• Monitoring and evaluating performance of staff</li> <li>• Implementing recommendations of CARPS so that staff are placed in jobs that lead to the best fit with their achievements and motivations</li> </ul>
Attracting and retaining the best talent in the County Public Service	<ul style="list-style-type: none"> <li>• Developing schemes of service for various cadres</li> <li>• Providing for recruitment and selection services</li> <li>• Rationalizing to enhance person-job fit at all levels</li> </ul>

### 3.3.5 County Assembly Service Board

The County Assembly is charged with responsibility of vetting and approving nominees for appointment to public offices; approving the budget and expenditure of the County Government; enacting legislations; approving borrowing of the County Government; approving county development planning and performing any other role to enhance legislation, oversight and representation.

A summary of the strategic issues and key performance areas were captured in the table as follows:

Strategic Issue	Key Result Areas
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Expediting the legislation process	<ul style="list-style-type: none"> <li>• Put in place fast-track procedures from definition of measures for expedited legislation to coordination with other authorities</li> <li>• Providing resources for multiple reading and passing of many stages in one day especially the 2<sup>nd</sup> and 3<sup>rd</sup> readings</li> </ul>
Strengthening oversight	<ul style="list-style-type: none"> <li>• Training of committee staff on research methods and reporting by exception</li> <li>• Preparing handbooks and manuals for social audits</li> <li>• Strengthening collaboration with CSOs for participatory M&amp;E</li> <li>• Legislating for effective disclosure</li> </ul>
Improving the quality of representation	<ul style="list-style-type: none"> <li>• Sensitizing public officers on the rights of the public and capacity building the public to get involved</li> <li>• Reforming and scaling up structures for joint planning, monitoring and evaluation at the wards</li> <li>• Facilitating Ward Level Committees to be engaged from early stages in policy formulation and implementation</li> </ul>

## 4. CONCLUSION AND RECOMMENDATIONS

### 4.1 Introduction

It was appreciated from the onset that stakeholder consultations help entities to make budget making transparent, well targeted and complete. It is enshrined in the PFM Act - together with regulations and best practices - as a key tool for public participation in policy making. They help incorporate popular decisions and views that are based on evidence, experiences and perceptions of those likely to be affected by the policies and investment decisions. All the various stakeholder groups were consulted, at each stage of the budget cycle, respecting principles of openness and transparency and following minimum standards, which are generally acknowledged as appropriate and responsive to international best practice.

The recommendations of the public have been summarized for each entity in subsequent sections.

## 4.2 Finance and Economic Planning

This spending entity is the county department responsible for ensuring excellence in economic planning and management of financial resources through optimal allocation and prudent utilization of funds to achieve set goals. To make this possible, various stakeholders recommended the following:

- Cascading of IFMIS beyond the Departments to Sub-counties
- Sharing public procurement opportunities equitably between sub-counties, especially for the 30% set aside for the youth, women and persons with disability.
- Expediting payments to revenue collectors and automating revenue collection to minimize theft.
- Undertaking cost-benefit analysis of some revenue collections functions so that the expenditure burden for collecting revenue is rationalized
- Adjusting and regulating the working hours of revenue collectors so that revenue is not lost in markets that peak after 5 p.m. thanks to Okonyo Welo Market Lighting Project.
- Clarifying/rationalizing staff classification and responsibility with respect to revenue collection so that not just anybody can collect revenue
- Allocating resources for development of all the necessary bills to operationalize the Constitution and the PFM Act, 2012
- Improving management of cash-flows so that contractors are paid in time and projects are completed within reasonable time frames
- Developing and faithfully implementing a revenue-mobilization strategy
- Strengthening monitoring and evaluation so that value-for-money is realized
- Resolving the issues of assets and liabilities inherited from the local authorities

### 4.3 Office of the Governor

As the entity responsible for coordination of all devolved executive functions in the county, the office was expected to be at the forefront in providing effective leadership and creating structures for ensuring cost-effective service delivery. A raft of recommendations came from the plenary to improve operations in the county. They include:

- Putting all the relevant committees in place especially those prescribed by law
- Strengthening human resource management and development in line with best practices in the public service
- Clearly defining the roles and duties of all officers under the Office of the Governor so that each officer is held accountable for specific tasks and resources
- Putting in place an efficiency monitoring mechanism so that public resources are not lost through impunity and poor project management practices
- Focusing more attention on critical sectors such as health, water and agriculture so that resources allocated are able to change lives of locals rather than just leaders and officers.
- Improving capacity for disaster detection, response and management
- Putting in place mechanisms to ensure integrity is upheld and ethics are observed
- Strengthening gender mainstreaming especially for employment of women in top cadres
- Improving funding for devolved units especially sub-counties and wards
- Strengthen the hand of the office in mobilization of resources and external direct investments
- Ensuring all postponed projects are prioritized in the next cycle of budgeting
- Enhancing stakeholder relations by strengthening capacity of the Diaspora Office
- Allocating funds to implement programs and key results areas identified in the Strategic Plan for Control of HIV/AIDS
- Prioritizing civic education and public participation and creating the necessary framework to realize objects of Constitution regarding them
- Enacting Bills and creating structures to ensure better communication within government and with all stakeholder especially strengthening feedback mechanisms
- Taking all senior officers for senior management course and/or strategic leadership development

### **4.3 County Public Service Board**

The Board was deemed critical to attracting and retaining quality human resource in the public service. To achieve this objective, a raft of recommendations has been presented by various stakeholders. They include:

- Creating a policy framework for discipline, recruitment, promotion and deployment
- Spearheading a culture and attitudinal change for staff so that they embrace results-based management and citizen-focus
- Creating a mechanism to match employee skills and competencies with earnings in the form of salary and allowances
- Mainstreaming gender issues in employment and deployment so that all gender benefit equitably from opportunities in all levels
- Holding a public service week and using it to sensitize the public about public services/offices
- Strengthening performance contracting and the performance appraisal system so that a balance of rewards and sanctions can be reasonably employed
- Developing the Code of Regulations and Schemes of Service for each cadre in the County Public Service

### **4.5 County Assembly Service Board**

The Board is responsible for enhancing legislation, oversight and representation. Some of the proposals for improving its effectiveness include:

- Enhancing capacity building of the County Assembly even with support from development partners including ActionAid, UNDP and USAID.
- Expediting legislative processes and the enactment of Bills for public participation and other critical functions
- Strengthening surveillance and oversight so that public resources are not lost
- Entrenching RRI mechanisms in public projects management
- Ensuring Ward Development Fund Committees are established according to the provisions of the law
- Spearheading public participation in consultation with the executive
- Strengthening needs-based assessment of public investment proposals

## Appendix A: Program for Consultations

TIME	ACTIVITY	FACILITATOR
08:00 – 08:15 HRS	Welcome & Introductions	Convenor
08:15 – 08:30 HRS	Opening Remarks	Chief Officer – Finance
08:30 – 09:00 HRS	Draft County Fiscal Strategy 2017/18	Director of Budget
09:00 – 09:30 HRS	Draft 2017/18 Budget Proposals for Finance and Economic Planning	Chief Officer/Director
09:30 – 10:00 HRS	First Plenary Discussions	Director of Budget
10:00 – 10:30 HRS	Tea Break	
10:30 – 11:00 HRS	Draft 2017/18 Budget Proposals for Office of the Governor	Accounting Officer
11:00 – 11:30 HRS	Second Plenary Discussions	Director of Budget
11:30 – 11:45 HRS	Draft 2017/18 Budget Proposals for Public Service Board	Accounting Officer
11:45 – 12:00 HRS	Third Plenary Discussions	Director of Budget
12:00 – 13:00 HRS	Closing and Lunch Break	

