REPUBLIC OF KENYA

HOMA BAY COUNTY GOVERNMENT

DEPARTMENT OF

FINANCE, ECONOMIC PLANNING AND SERVICE DELIVERY

MEDIUM TERM EXPENDITURE FRAMEWORK

FISCAL STRATEGY PAPER

2022

Enhanced Economic Recovery for Better Livelihoods

February 2022

FOREWORD

The preparation of this County Fiscal Strategy Paper is a requirement under Section 117 of the PFM Act of 2012. The document underpins the county's fiscal and budget framework by laying out strategic priorities and fiscal policy in terms of what the county plans to do regarding revenue, expenditure and debt management during the FY 2022/23 and over the medium-term. Importantly, the document sets the sector and program resource ceilings that guide the budget estimates and projects the financial performance and financial position of the County Government of Homa Bay during the financial year 2021/22 and over the MTEF period. The document is aligned to key National and County policy documents which include and but are not limited to; the Kenya Vision 2030, the National Budget Policy Statement 2022 and the Homa Bay County Annual Development Plan (C-ADP) for the FY 2022/23.

Despite the recent gains in infrastructure, agricultural production and ICT sectors of the economy, the county economy continues to suffer from the macro-economic effects of Covid-19. Consequently, main focus of the CFSP 2022 is to accelerate post-COVID socio-economic recovery in the County. As part of inspiring a more inclusive growth and a stable macro-economy, one of the priorities sequenced by the County Government include providing for better financing, upskilling, mentorship, incubation, networking, equipment and market access to micro and small enterprises in the county.

Despite the inadequacy of financial resources, high unemployment rate and risk of political upheaval as well as the emergence of new waves of the Covid-19 pandemic, the CFSP 2022 has adopted a more sustainable approach towards dealing with the county's recurrent challenges. The proposed measures are consistent with the National Government priorities that are equally captured in the Budget Policy Statement for the FY 2022/23.

The preparation of the document has been done through a collaborative effort involving various stakeholder groups within Homa Bay County. Many groups had the opportunity to analyze performance, identify key result areas and resource requirements. Public hearings were used to validate proposals for funding and recommend improvements on locations and allocations for the specific projects.

I wish to take this opportunity to thank His Excellency the Governor for his leadership of the County Executive Committee that led to effective formulation of this strategy. Various technical officers had to burn the midnight oil to give meaning to proposals from the public and for that I thank them. Representatives of various interest groups also played a big role in the development of this document and they too deserve my gratitude.

Hon. Nicholas Obuya K'Oriko
CEC Member in charge of Finance, Economic Planning and Service Delivery
County Government of Homa Bay

ACKNOWLEDGEMENTS

The development of this Homa Bay County Fiscal Strategy Paper (CFSP) 2022 has been a collaborative effort coordinated by the County Government under the able leadership of His Excellency the Governor, Hon. Cyprian Awiti, H.E. the Deputy Governor, Hon Hamilton Orata, the County Executive Committee Members and but especially, Hon. Nicholas K'Oriko, the CEC member in charge of Finance, Economic Planning and Service Delivery. Ultimately, valuable contributions also came from Members of the County Assembly, especially members of the Budget and Appropriations Committee led by the Chair, Hon. Julius Gaya.

We are grateful for the inputs from a wide variety of local professionals and key stakeholders in the County. This came especially during the various public participation meetings conducted in the County, ranging from sector consultations to public hearings on the CFSP 2022. The comments from the Commission for Revenue Allocation were also critical to this exercise. With those inputs, the County was able to identify and sequence fiscal priorities for the FY 2022/2023 and the medium term. Consequently, the County Government of Homa Bay has been able to improve its fiscal framework for raising revenue, estimating expenditure and dealing with fiscal balances as and when they could occur. Ultimately, it is envisioned that more revenue will be realized within a fiscal framework that is affordable and sustainable over the medium term, in compliance with the fiscal responsibility principles set out in the Public Finance Management Act, 2012 and its operationalizing Regulations of 2015.

In my capacity as the Chief Officer in charge of Finance, Economic Planning and Service Delivery, I wish to sincerely thank all my colleagues (County Chief Officers) for their full cooperation and efforts in the preparation of this document. In particular, I would like to acknowledge the tireless work of our directors and technical Officers, led by Mr. Willys Bolo (Director Budget), for their invaluable contributions and technical inputs in the preparation of this paper. In addition, I would like to acknowledge and appreciate the efforts and inputs of the members of the public, the Commission on Revenue Allocation (CRA), the National Treasury, the County Treasury, the Controller of Budget (COB), the County Budget and Economic forum (CBEF) members and many other stakeholder groups who were involved in the preparation of this document. Many more provided important and the much-needed information in the form of documents and advisories.

Lastly, special thanks go to staff at the Directorate of Budget: Handel Nyang'aya, Christine Amondi, Steve Owino, Mohamed Ramadhan, Harriet Oketch, Ken Oyier and Anne Muga for their tireless endeavors to ensure the 2022 CFSP came to fruition.

Mr. Noah Otieno
Chief Officer – Finance, Economic Planning & Service Delivery
County Government of Homa Bay

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS

AIDS	Acquired Immuno-Deficiency Syndrome
CADP	County Annual Development Plan
CECM	County Executive Committee Member
CBEF	County Budget and Economic Forum
CBROP	County Budget Review and Outlook Paper
CIDP	County Integrated Development Plan
CIMES	County Monitoring and Evaluation System
CFSP	County Fiscal Strategy Paper
CRA	Commission on Revenue Allocation
COB	Controller of Budget
DAP	Differently Abled Persons
EAC	East Africa Community
ECD	Early Childhood Development
EIA	Environmental Impact Assessment
EYE	Early Years Education
FY	Financial Year
FDI	Foreign Direct Investment
GCP	Gross County Product
GDP	Gross Domestic Product
HIV	Human Immuno-Deficiency Virus
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
IPD	In-Patient Department
KMRC	Kenya Mortgage Refinance Corporation
KNBS	Kenya National Bureau of Statistics
MCH	Maternal and Child Health
MSEs	Micro and Small Enterprises
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
NBPS	National Budget Policy Statement
NDA	Net Domestic Assets
NEMA	National Environmental Management Authority
NFA	Net Foreign Assets
NIMES	National Integrated Management Information Systems
PBB	Programme Based Budget
PERs	Public Expenditure Review
PFM	Public Financial Management
PFMA	Public Finance Management Act
PPP	Public Private Partnership
SSA	Sub-Saharan Africa
SDG	Sustainable Development Goals
SMEs	Small and Medium Enterprises
VTCs	Vocational Training Centers

LEGAL BASIS FOR THE PUBLICATION OF THE HOMA BAY COUNTY FISCAL STRATEGY PAPER (CFSP) 2021

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 (30%) 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 (35%) 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, considering 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 percent (7%) 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 2012, 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 wells 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: OVERVIEW OF THE 2022 COUNTY FISCAL STRATEGY PAPER

1.1 Introduction

1. This year's Fiscal Strategy Paper is the ninth to be prepared under the devolved system of government. It has been prepared against a background of expected economic recovery after a slump in 2020 occasioned by the negative effects of the COVID-19 pandemic. The national economy is reported to have rebounded strongly in the second half of 2021, supported by the easing of COVID-19 containment measures. Consequently, economic growth was projected at 6.0 percent in 2021 from the contraction of 0.3 percent in 2020. This would translate to a growth of 5.9 percent in FY 2021/22 up from 2.9 percent in the FY 2020/21.

2. Even within Homa Bay County, signs of economic recovery are more evident given the improved business environment after the easing of COVID-19 restrictions and ongoing implementation of the County Government's measures towards more resilient recovery. To further reinforce this growth outlook, this CFSP 2022 has recommended policy measures that will continue to stimulate resilient and sustainable economic recovery. The policies are aligned with the 2021 Kenya National Budget Policy Statement anchored on the Kenya Medium-Term Plan III of the Vision 2030 and are focused on creating an enabling environment for economic recovery, job creation, and safeguarding of livelihoods. In this respect, the County Government will support national efforts to strengthen implementation of programmes and strategies that make growth more inclusive, foster stability of prices and address cyclicality of business.

3. This County Fiscal Strategy Paper contains:

    - An assessment of the current state of the national economy including forecasts of exchange rate and other variables of economic performance.
    - The financial outlook with respect to Government revenue, expenditures and borrowing for the next financial year and over the medium term.
    - The fiscal responsibility principles and financial objectives over the medium-term including limits on total annual debt; and
    - Statement of Specific Fiscal Risks.

4. Ultimately, the Paper is focused on supporting the county's ongoing priority programmes while deepening the reform measures needed to accelerate economic growth and improve job creation. To ensure fairness and objectivity, a criterion was developed for apportioning the available public resources among the various sectors and programmes of the County Government of Homa Bay that are bidding for resources within the limited resource envelop.

1.2 Theme for the 2022 County Fiscal Strategy

5. The 2022 CFSP starts with a recognition that quality recovery from the effects of Covid-19 innovation and economic transformation and that, without transformation, a growth recovery will not be sustained or resilient to future shocks.

6. Consistent with the theme: **“Enhancing Economic Recovery for Better Livelihoods”,** the County Government of Homa Bay will:

   - Pay more attention to structural change, promoting the creation and expansion of high productivity sectors. This paper will be focused on the development of more modern and productive sectors of the economy, including manufacturing and highly productive services.
   - Provide more targeted support to the manufacturing sector across all sub-counties. This paper recognizes the special role manufacturing plays in economic transformation because it not only has greater productivity potential than most other sectors, but also because it creates better jobs and has more significant scope for growth.
   - Coordinate a range of targeted and general enabling measures for economic transformation. This paper recognizes that strategic and targeted actions are important for enhancing transformation. Consequently, market incentives and interventions will be combined to support economic transformation while building up industrial capabilities and innovation systems for producing essential health and other supplies.
   - Work with firms to incentivize collaboration and learning. This paper posits that with access to credit, training of staff, and coaching of managers, policymakers will be needed so that they are able to work with firms to understand the need and tools for collaboration and learning among firms, including through knowledge sharing. More attention will be focused on peer learning and mentoring among firms, which has been shown to support firm performance.
   - Address agricultural market failures and increase funding for research. This paper has been focused on addressing not only the markets failure in inputs, credit, and insurance, which have shown to be a weak point in the sector; and but also in sustaining and increasing funding for public agricultural research, since the payoff for much of this kind of research is very high.

7. This 2022 CFSP has identified priority interventions and structural reforms as well as sectoral expenditure programs to be implemented under the Medium-Term Expenditure Framework for FY 2022/23– 2024/25, in order to achieve the County Government’s goal of Improving Economic Growth while Generating Better Jobs. Evidently, the County Government of Homa Bay is under no illusion that quality jobs will just happen with accelerated growth. It has recognized that producing more quality jobs requires continued investment in early childhood development, increased primary healthcare coverage and quality of education that can provide fundamental skills to be productive and adaptive to changing skill demands for future entrants in the labor force. It is aware that majority of workers in the county, especially youth and women need multifaceted support, including helping them with training to developing different skills, financing, and support in connecting to better opportunities.

8. As more and more workers will be facing multiple constraints in finding employment, there will be a need for integrated interventions that address the multiple constraints they face to increase their productivity and find employment. These include interventions that tackle both the lack of skills of various dimensions (socioemotional, cognitive, technical, ICT42), on-the-job training and job search support for those seeking wage employment, and support to start businesses (including both financing, business training, behavioral facets, and connecting to markets). The County Government will therefore have to deal with the challenge of increasing success in the school-to-work transition, technical skills being taught in its institutions will have to be more relevant, having strong private sector involvement. Even at higher education level, curricula will need to be adjusted to encompass task-based activities to prepare youth for work after graduation.

1.2.1 Addressing Priority Concerns

9. As indicated above, the 2022 CFSP has captured measures that are expected to stimulate growth, promote job creation, reduce poverty and protect the vulnerable groups and businesses. To achieve these, the Government will:

- Roll out the Post-Covid-19 socio economic reengineering and recovery strategy.
- Harness the implementation of the “Big Four” Agenda for improving living conditions and creating additional employment opportunities.
- Nurture a secure and conducive business environment by maintaining macroeconomic stability, enhancing security, improving business regulations and providing additional support;
- Fast-track development of critical infrastructure in the county such as roads, energy and water, among others, so as to reduce the cost of doing business as well as promote competitiveness of local products;
- Transform some target economic sectors for broad based sustainable economic growth; Improve access to education and health services, and strengthen health care systems;
- Support the youth, women and persons with disability to enable them actively contribute to the economic recovery agenda;
- Implement various structural reforms to enhance the efficiency of public service delivery while at the same time ensuring accountability for better macroeconomic and fiscal stability, sustained credit ratings, improved fiscal discipline and minimized corruption.

1.2.2 Improving the medium-term expenditure process

10. As part of an effort to improve the MTEF process, the County Government will remain focused on the full adoption of results-based management through program-based budgeting and strengthening of budget execution and monitoring structures. Entrenching performance-based systems will be an important priority for the new administration and therefore, budgetary allocations for the financial year 2022/23 must be based on the expected impact of proposed programmes. Projects and activities that will be funded are those that are linked to clearly specified objectives and targets.

11. Ultimately, using medium term approach helps to ensure that budgets reflect County Government's social and economic priorities and give substance to its reconstruction and development commitments over the next three-year period. However, the medium-term plan must reflect the commitments made in the election manifesto of the governing party, including the commitment to implement it. This means the Medium-Term Plan must be broken down into Annual Performance Plans that capture performance indicators and targets to be achieved in the upcoming budget year. It is important that these performance indicators and targets are aligned across County Government Entity’s annual plans and budgets as well as quarterly and annual reports.

12. Within the fiscal space provided, the County Government of Homa Bay will still strive attack poverty and exclusion while nurturing economic growth, creating a virtuous cycle of expanding opportunities, building capabilities, reducing poverty, involving communities in their own development, while raising living standards for the citizens. This will require being more efficient in the County Government’s investment decisions and, ensuring greater fiscal discipline and careful alignment of resources towards key result areas. In particular, there will have to be more focus on better control of expenditure as well as operating within the core mandates of the County Government.

1.3 Linkage with BPS

13. The 2022 County Fiscal Strategy has borrowed heavily from the National Government’s 2022 Budget Policy Statement whose theme is of “Accelerating Economic Recovery for Improved Livelihood”. The Policy Statement outlines policy measures that will continue to stimulate resilient and sustainable economic recovery. The policies are anchored on the Medium-Term Plan III of the Vision 2030 and focuses on creating an enabling environment for businesses and industrial recovery, job creation, and safeguarding livelihoods. In this respect, the National Government will be strengthening the implementation of programmes and strategies that are meant to deliver more inclusive growth, foster macroeconomic stability and avail liquidity to the private sector especially the Micro, Small and Medium Enterprises (MSMEs).

14. In the Budget Policy Statement, the main objective is to build on the gains made from the Post-Covid Economic Stimulus Packages. Consequently, the 2022 BPS articulates priority economic policies and structural reforms as well as sectoral expenditure programs to be implemented under the MTEF for FY 2022/23 - 2024/25. This is expected to create an enabling environment critical to accelerating economic recovery and returning the economy back to long term growth for improved livelihoods. Towards this end, the National Government will undertake the following strategic interventions anchored in MTP III:

- Roll out the third Economic Stimulus Programme for sustainable growth;
- Accelerate implementation of the “Big Four” Agenda;
- Maintain macroeconomic stability and enhance security of Kenyans and their properties to foster a secure and conducive business environment;
- Scale up development of critical infrastructure in the country such as roads, rail, energy and water to reduce the cost of doing business and ease movement of people and goods as well as promote competitiveness;

- Enhance investment in key sectors of MTP III for broad based sustainable recovery by promoting agricultural transformation, growth in manufacturing, environmental conservation and water supply, stimulating tourism recovery, and sustainable land use and management;
- Expand access to quality social services in health, education and appropriate social safety nets for the vulnerable population;
- Support the youth, women and persons living with disability through Government funded empowerment programmes;
- Support County Governments through transfer of sharable revenues to strengthen their systems and capacity in service delivery;
- Implement various policy, legal and institutional reforms to enhance efficiency of public service delivery; and
- Continue implementing the Economic Recovery Strategy

15. These fiscal aims of the National Government for the FY 2022/2023 as listed on the 2022 BPS are consistent with the broad strategic objectives of the County Government of Homa Bay.

i. The County Government has a Socio-Economic Reengineering and Recovery Strategy which it has prioritized implementing.
ii. The County Government is intent on harnessing the implementation of the Big Four Agenda.
iii. The County Government is intent on expanding its private sector by improving the conduciveness of its business environment and competitiveness of its products.
iv. The County Government is focused on fast-tracking development of critical infrastructure while also expanding access to quality education and healthcare.
v. The County Government is committed to providing additional support to vulnerable populations especially in the form of social infrastructure for employment, economic security and capacity strengthening.
vi. The County Government is equally focused on stimulating agricultural transformation as well as growth in manufacturing, tourism and entertainment, environmental conservation and water supply, and sustainable land use and management.
vii. The County Government is focused implementing various reform measures to enhance public service delivery including collection and management of revenue. In essence, the 2022 Budget Policy Statement speak to the priorities of the County Government of Homa Bay captured in its 2022 County Fiscal Strategy Paper.

II. RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK

2.1. Overview

16. The 2022 Homa Bay County Fiscal Strategy Paper (CFSP) has been prepared against a backdrop of optimism that the global economy will continue rebounding from a slump in 2020 occasioned by the negative effects of the COVID-19 pandemic. The global economy is projected to grow by 5.9 percent in 2021, from a contraction of 3.1 percent in 2020. However, economic prospects vary from country to county with the emerging markets and developing economies expected to pick up slowly compared to advanced economies. This is especially so because of the different country policy responses to the pandemic.

17. Kenya's economy has been rebounding strongly especially in the second half of 2021, with real GDP growing 10.1 percent in the second quarter supported by the easing of Covid-19 containment measures. Economic growth is projected to recover to 5.9 percent in FY 2021/22 from 2.9 percent in FY 2020/21. The economic recovery is being supported by the prevailing stable macroeconomic environment, ongoing implementation of the strategic priorities of the Government under the "Big Four" Agenda and the third Economic Stimulus Programme.

18. The pandemic and the resultant containment measures adversely affected businesses and economic activity in Kenya. The negative impact of COVID-19 on the private sector also trickled down to household welfare in terms of reduced job opportunities and lower earnings. Unemployment almost doubled compared to pre-COVID levels. The youth were also negatively affected by the pandemic, with revenues and profits strongly reduced for micro-enterprises run by young entrepreneurs, with only a few of them making use of government and non-governmental organizations (NGO) support programs.

19. However, due to the low vaccine intake, given the availability of vaccines and additional treatments, the delay in the projected recovery could be as high as 5.2% of GDP growth in 2021. The downside risks of a protracted global recession (undermining Kenya's exports, tourism, and remittance inflows), further low COVID-19 vaccine intake, high inflation rates, a debt crisis, fiscal slippages, and weather-related shocks could make the situation worse considering the global energy and food tensions occasioned by the Russia-Ukraine war.

2.2. Recent Economic Development and Outlook

2.2.1 Global Economic Developments

20. Global recovery was robust in the first quarter of 2021 but lost momentum in some countries in the second quarter, reflecting the rebound in COVID-19 cases. Real GDP is projected to grow by 6.3 percent in 2021, followed by a more moderate growth of 3 percent in 2022, but would not catch up with pre-pandemic trends in the medium term as escalation of the Russia-Ukraine war and persistent weakness in labor markets remain scarring.

21. An increasingly resilient recovery is taking hold in Europe, buttressed by gradual increases in vaccination rates and mobility. Strongly accommodative macroeconomic policies and COVID-19 support schemes have paved the way for the recovery by helping preserve employment relationships and protecting private sector balance sheets. However, uncertainty remains elevated, not least because of the risk of new infection waves and virus variants amid uneven vaccination rates across countries. It is therefore imperative to continue increasing vaccinations, notably in emerging European economies, and to strongly support international efforts to speed up vaccine access globally

22. The Asian outlook for 2021 has been downgraded by more than 1 percent to 6.5 percent compared with the April 2021 World Economic Outlook because of new peaks of the pandemic cycle driven by the highly contagious Delta variant. As vaccination rates accelerate, the region is expected to grow slightly faster in 2022 than anticipated earlier. Although Asia and Pacific remain the fastest growing region in the world, the divergence between Asian advanced economies and emerging market and developing economies is deepening, reflecting vaccination coverage and policy support, and medium-term output levels in emerging market and developing economies are expected to remain below pre-pandemic trends. Risks are tilted to the downside, mainly because of uncertain pandemic dynamics, vaccine efficacy against virus variants, supply chain disruptions, and potential global financial spillovers from US monetary normalization in the presence of domestic financial vulnerabilities.

2.2.2 Regional Economic Development in Sub Saharan Africa

23. Output in Sub-Saharan Africa (SSA) increased by an estimated 3.5 percent in 2021— a 0.7 percentage points upward revision from the June 2021 forecast but still well below the region’s longer-term average growth rate. The revision reflects a better-than-expected pickup in activity in the first half of the year amid an improved external environment, including a strong rebound in commodity prices (World Bank 2021g). Nonetheless, the recovery lost some momentum as many non-energy commodity prices stabilized and resurgent COVID-19 outbreaks—exacerbated by lagging vaccine rollouts in the region—caused some countries to reintroduce lockdown measures.

24. In some countries, the services and manufacturing sectors again reeled from the adverse impact of the pandemic, while high unemployment and elevated inflation dented consumer confidence. Rising social unrest, insecurity, and civil conflicts, especially in the Sahel region (Burkina Faso, Chad, Mali, Mauritania, Niger, and northeastern Nigeria) and Ethiopia, further restrained investment and consumer spending. Incoming indicators for major SSA economies point to renewed improvement in economic activity towards the end of 2021. Mobility indicators continued to recover as many economies eased social-distancing restrictions following a decline in new COVID-19 cases from the peak reached in mid-2021. However, the Omicron variant detected in late November is now contributing to COVID-19 flare-ups across the region, particularly in Eastern and Southern Africa. More than 70 percent of SSA countries reported at least a 50 percent increase in new COVID-19 cases during the last two weeks of 2021.

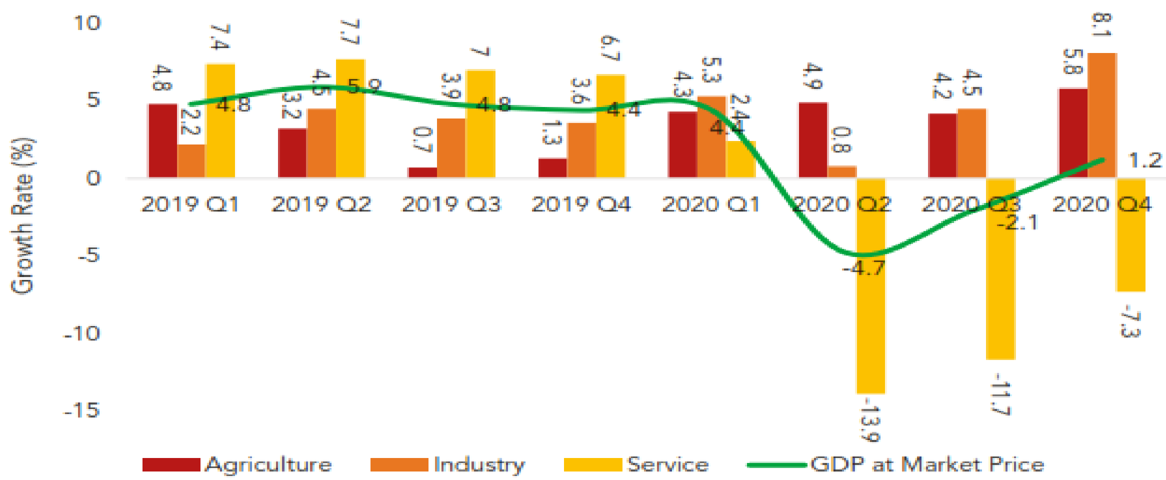
25. As a result, the recovery remains fragile amid the lingering threat of recurrent COVID-19 outbreaks and the possibility of new restrictions. As of end December the number of fully vaccinated people stood at only 6.2 percent of SSA's population compared to an average vaccination rate of over 44 percent across other emerging market and developing economies (EMDEs). In some of the region's most populous countries, such as Nigeria, Ethiopia, Democratic Republic of Congo, and Tanzania—only about 2 percent or less of the population have been fully vaccinated. Tanzania, for example, started administering COVID-19 vaccines in July 2021 only. Eight out of ten countries with the lowest vaccination rates are in SSA including the Democratic Republic of Congo—the third most populous SSA country with only 0.1 percent of its 90 million people being fully vaccinated.

26. Growth in 2021 in the three largest SSA economies—Angola, Nigeria, and South Africa is estimated at 3.1 percent—an upward revision from previous forecasts. Growth in Nigeria, the region's largest economy, is estimated at 2.4 percent last year, primarily driven by the recovery in non-oil sectors. Oil production remained below pre-pandemic levels, held back by disruptions to maintenance work and declining extractive investments. Social unrest and violence continued to weigh on consumer and business confidence. Growth in South Africa is estimated at 4.6 percent in 2021—more than a full percentage point above June projections—reflecting a strong rebound in mining, manufacturing, and services sectors. The recovery slowed in the second half of 2021 owing to severe COVID-19 outbreaks, power outages, and a rise in social unrest. Angola's economy is estimated to have grown by only 0.4 percent in 2021, as a strong recovery in non-oil sectors was offset by declining output from aging oil fields.

2.2.3 National Economic Development

27. Kenya's economy has experienced the sharpest contraction in two decades, with the services sector most affected. In the first quarter of 2020, the impact of COVID-19 was somewhat limited, though the economy registered a decline in growth at 4.4 per cent compared to 4.8 percent growth recorded in the same quarter of 2019 (Figure 2.1). In the second quarter of 2020, there was an economic downturn when the impact of COVID-19 was most severe. The economy contracted by 4.7 per cent compared to a growth of 5.9 per cent in the same quarter of 2019.

Figure 2.1: <u>Quarterly economic growth rates (%), 2019/20</u>



Data source: Kenya National Bureau of Statistics (2021), Economic Survey

28. The reduced growth was driven by poor performance of the services sector, which grew by 2.4 percent and -13.9 per cent in the first and second quarters of 2020, respectively, compared to 7.4 and 7.7 per cent growth experienced in similar quarters of 2019. The decelerated growth in the services sector was a result of the COVID-19 pandemic. In the third quarter of 2020, the economy contracted by 2.1 per cent compared to a 4.8 per cent growth in the same quarter of 2019. The services sector contracted by 11.7 percent in the third quarter compared to a growth of 7.0 per cent in a similar quarter in 2019. In the fourth quarter of 2020, the economy expanded by 1.2 per cent compared to an expansion of 4.4 per cent in the same period in 2019. The contraction in the services sector was 7.3 per cent in the fourth quarter of 2020 compared to a growth of 6.7 percent in a similar quarter of 2019. In comparison to the second quarter of 2020, the figures in the third and the fourth quarters of 2020 portray some signs of recovery, with the gradual easing of COVID-19 containment measures.

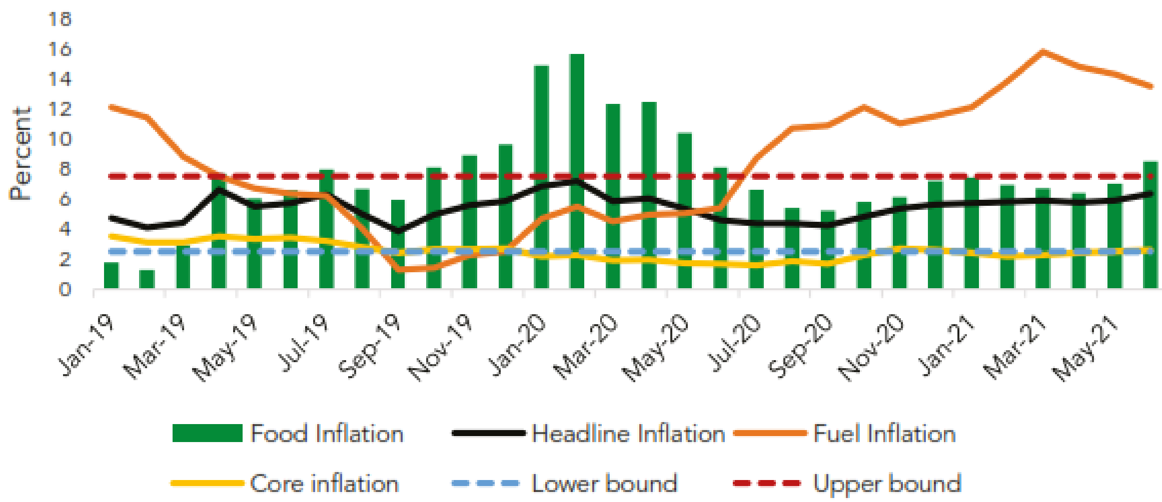
29. However, agriculture sector remained resilient and expanded in 2020, partly offsetting the contraction witnessed in the services sector. The agriculture sector grew by an average of 4.8 per cent in 2020 compared to a growth of 2.5 per cent in 2019 (Figure 2.1). The sector contributed an average of 0.9 percentage points to real GDP growth in 2020 compared to 0.5 percentage points in 2019 (Figure 2.1). The strong performance in the agriculture sector was because of favorable weather conditions experienced in 2020.

Inflation

30. The headline inflation averaged 5.4 per cent in 2020; it remained stable and within the Government target range of 5±2.5 per cent (Figure 2.2). In comparison to 2019 in the pre-COVID-19 period, overall inflation was slightly lower at an average of 5.2 per cent. However, headline inflation in the second half of 2019 was slightly higher, at an average of 5.2 per cent compared to an average of 4.8 per cent in the same period of 2020. The low inflation recorded in the second half of 2020 reflected partly the reduction in Value Added Tax (VAT) by the Government and favorable weather conditions. In general, high headline inflation in 2020 is

attributed to increase in prices of food. The headline inflation stood at 5.7 per cent in January 2021 but increased to 5.8 per cent in February 2021, driven by general increase in fuel prices. Fuel inflation increased from 12.1 per cent in January 2021 to 13.8 per cent in February 2021. In June 2021, headline inflation increased to 6.3 per cent from 5.9 per cent in May 2021, mainly driven by increase in food prices.

Figure 2.2: Inflation rates (%), 2019-2021



Data source: Central Bank of Kenya (2020), Monthly Economic Indicators, December 2020

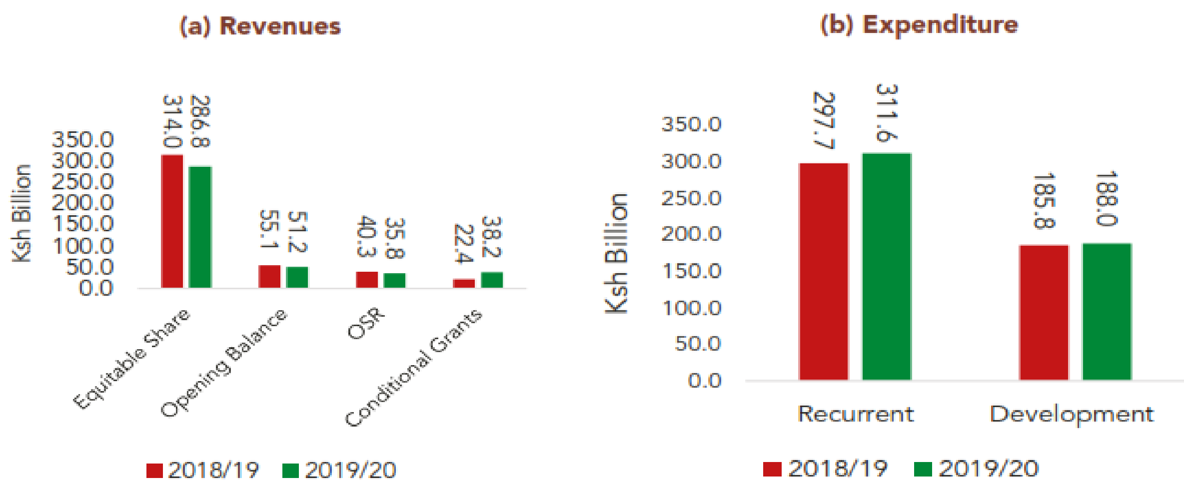
31. Despite the deterioration of business conditions witnessed at the beginning of 2020 due to COVID-19 related shocks, there was a sharp rebound with the easing of restrictions. The business conditions were heavily affected by the COVID-19 pandemic. The Purchasing Managers Index (PMI) was below the benchmark of 50 between January 2020 and June 2020, reflecting deterioration of business conditions due to the COVID-19 pandemic (Figure 2.8). A severe decline in overall business conditions occurred between March 2020 and May 2020 due to contraction in output because of a decline in demand for output and weaker supply of inputs. Nevertheless, the headline figure rose to a high of 54.2 in July 2020, signaling improvement in business conditions because of lifting of restrictions related to COVID-19 pandemic.

2.2.4 County Economic Development

32. At counties level, own-source revenue collections in 2019/20 dropped by 11.2 per cent averagely to KSh 35.8 billion. This was 65.2 per cent of the KSh 54.9 billion target for 2019/20. The low performance of the county own source revenue (OSR) is attributed to containment measures adopted to slow the spread of COVID-19 pandemic (Figure 2.3 a). In 2019/20, equitable transfers to county governments were KSh 286.8 billion, 8.7 per cent lower than KSh 314 billion received in 2018/19, attributed to below target disbursements from the National Treasury. However, the balance of KSh 26 billion from the 2019/20 equitable transfers was later disbursed in August 2020. Equitable transfers to County Governments totaled KSh 124.0 billion in the first half of 2020/21 compared to KSh 117.3 billion in the same period in 2019/20.

33. Total counties spending increased by 2.0 per cent from KSh 376.4 billion in 2018/19 to KSh 383.8 billion in 2019/20. By economic classification, counties spent an average of 27.4 per cent on development, below the 30 per cent stipulated in the PFM Act 2012. Personal emoluments and operation and maintenance constituted 45.0 and 27.6 per cent, respectively, of the total budget (Figure 2.16 b).

Figure 2.3: <u>Counties fiscal performance</u>



Data source: Office of the Controller of Budget (2021)

34. Only 13 counties attained the PFM Act 2012 requirement that at least 30 per cent of the total budget be spent on development. Homa Bay (30.5%), Isiolo (38.1%), Kakamega (39.3%), Kilifi (32.4%), Kwale (39.4%), Makueni (30.8%), Mandera (43.4%), Marsabit (44.1%), Murang'a (37.8%), Siaya (30.9%), Trans Nzoia (34.7%), Uasin Gishu (33%) and Wajir (36.3%) are the only counties that spent at least 30 per cent on development. A total of 11 counties Baringo (51.3%), Elgeyo Marakwet (56.1%), Embu (58.6%), Garissa (54.1%), Kisii (52.0%), Machakos (59.2%), Meru (52.3%), Nairobi (56.7%), Nandi (59.1%), Nyamira (51%) and Nyeri (51.2%) spent more than 50 per cent of their budget on personnel emoluments.

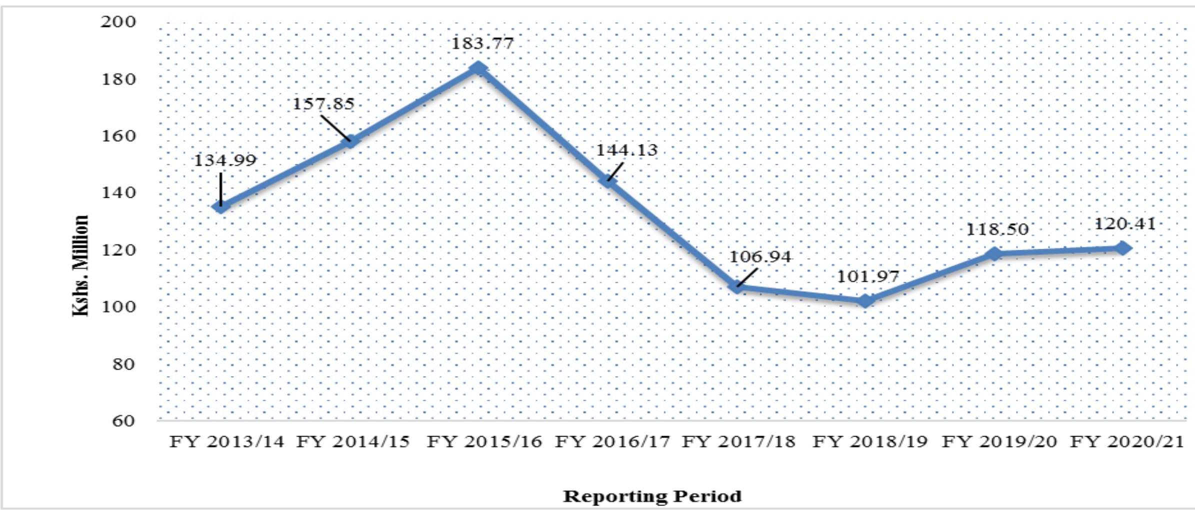
35. The County Government of Homa Bay operates within the global and national economic framework with the economic dynamics impacting directly and indirectly on the county's economic development. The county depends heavily on national government resources to grow its economy. There is a positive correlation between economic growth and national revenue which implies that transfers from national government to counties are directly affected by economic parameters. This is the same at the county level where economic growth also affects the internal revenue generated by the county. The broad-based economic growth of Homa Bay County has averaged 5.5 percent for the last five years (2013 to 2017) with the County contributing 1.4 percent to Kenya's aggregate expansion over the period. Table 2.1 below captures the growth trajectory for Homa Bay over the last 5 years.

Table 1: <u>County share of Gross County Product</u>

County Share of GCP 2013-2017	2013	2014	2015	2016	2017	Average 2013-2017
County Share of GCP (% of National)	1.4	1.4	1.4	1.5	1.5	1.4
Gross County Product (in KSh. Million)	42,127	44,836	46,557	49,630	51,811	46,992
Per Capita GCP in Current Prices	56,040	65,008	74,007	85,930	99,227	76,042
Per Capita GCP in Constant Prices	39,989	41,609	42,252	44,066	45,019	42,587

36. The County Government of Homa Bay own-source revenue collections in 2019/20 and 2020/21 was still below the expected targets for revenue collection. The low performance of the county own source revenue (OSR) is attributed to containment measures adopted to slow the spread of COVID-19 pandemic (Figure 2.4). As a result, the County generated Kshs.120.41 million as own-source revenue. This amount represented an increase of 1.6 per cent compared to Kshs.118.50 million realized in FY 2019/20 and was 70.5 per cent of the annual target.

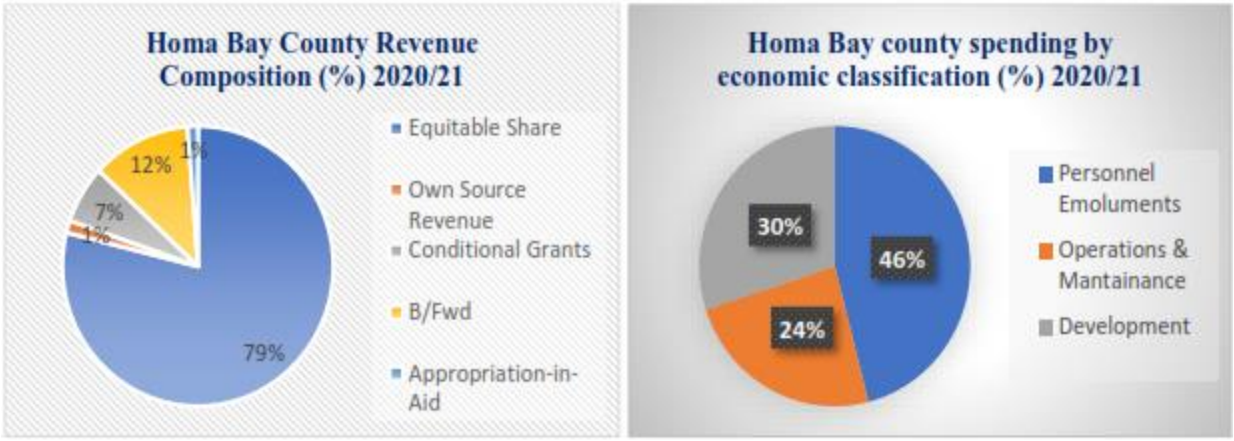
Figure 2.4: <u>Homa Bay County OSR revenue performance</u>



Data source: Office of the Controller of Budget (2021), Homa Bay County Treasury

37. In FY 2020/21, the County received Kshs.6.74 billion as the equitable share of the revenue raised nationally, Kshs.571.37 million as conditional grants, raised Kshs.120.41 million as own-source revenue, Kshs.103.12 million as Appropriations – in - Aid and had a cash balance of Kshs.1.01 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.8.55 billion, an increase of 2.89 percent from the FY 2019/20 (8.31 billion). By economic classification, Homa Bay County spent an average of 30.4 per cent on development, below the 30 per cent stipulated in the PFM Act 2012. Personal emoluments and operation and maintenance constituted 46.0 and 23.6 per cent, respectively, of the total budget (Figure 2.5).

Figure 2.5: Homa Bay County fiscal performance



Data source: Office of the Controller of Budget (2021), Homa Bay County Treasury

2.3 Economic Outlook

2.3.1 Global Economic outlook

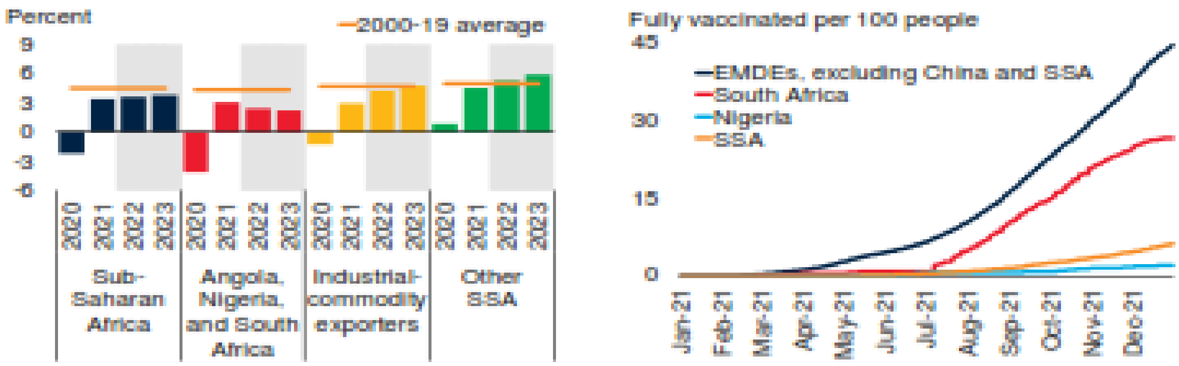
38. The global economic recovery is continuing, even as the pandemic resurges. The fault lines opened up by COVID-19 are looking more persistent—near-term divergences are expected to leave lasting imprints on medium-term performance. Vaccine access and early policy support are the principal drivers of the gaps.

39. Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023.

2.3.2 Sub-Saharan Africa Economic outlook

40. Growth in SSA is projected to firm to 3.6 per cent in 2022 and 3.8 per cent in 2023. The near-term recovery is expected to persist supported by elevated commodity prices as activity continues to rebound in the region's main trading partners (China, the euro area, and the US), albeit at a slower pace than last year. The outlook is also predicated on a gradual recovery in tourism, with vaccinations in some tourism-reliant economies already proceeding at a much faster pace than in the rest. Projected growth in the region in 2022-23 is, however, still nearly a full percentage point below its 2019 average, partly reflecting the lingering adverse effects of COVID-19, while the pace of vaccinations is also expected to remain slow in many SSA countries (figure 2.6).

Figure 2.6: SSA outlook



Sources: Our World in Data (database); World Bank.

41. In addition, the speed of recovery is to be constrained by elevated policy uncertainty in many countries, a high incidence of social unrest and conflict, rising poverty and food insecurity, and delays to investments in infrastructure and mining, as well as a slow implementation of structural reforms. The pandemic has reversed at least a decade of gains in per capita income in some countries—in almost a third of the region's economies, including Angola, Nigeria, and South Africa, per capita incomes are forecast to be lower in 2022 than a decade ago. After barely increasing last year, per capita incomes are projected to recover only at a subdued pace, rising 1.1 percent a year in 2022/23, leaving them almost 2 percent below 2019 levels.

42. In South Africa, for instance, growth is forecast to revert to its pre-pandemic trend, with the economy projected to grow by 2.1 per cent in 2022 and 1.5 per cent in 2023. Improved control over virus outbreaks along with more widespread vaccinations—about 27 percent of the population had been fully vaccinated by the end of 2021—are expected to continue to support the recovery in services sectors, including tourism. In fact, the government is easing mobility restrictions as the Omicron wave ebbs and the levels of vaccination increase. Private consumption and investment are projected to firm somewhat, recovering from last year's virus restrictions and social unrest. However, persistent large-scale unemployment, high inequality, and structural impediments to growth will continue to weigh on economic activity. Many constraints on long-term growth in South Africa predate COVID-19, including the legacy of weak public finances and slow implementation of reforms needed to boost productivity and employment growth. Rising government debt and debt service costs will continue to constrain policy space and curtail public spending, leaving gaps in essential public services and infrastructure as a major obstacle to stronger potential growth.

43. As a result, many SSA countries saw a marked deterioration in fiscal balances because of deployed relief measures, depleting already-narrow fiscal space (Ghana, Mozambique, Rwanda). This, together with constraints on financing and pressures to improve debt sustainability, will lead to a much less supportive fiscal stance across the region over the forecast horizon. Fiscal adjustments are expected to predominantly happen on the expenditure side with a bigger reduction in fiscal deficits in resource-rich countries, partly reflecting revenue boosts from higher commodity prices and consolidation efforts in some countries.

Elsewhere in the region, fiscal space is expected to remain tight with below-trend recoveries restraining revenue growth.

2.3.3 National Macroeconomic Outlook

44. Kenya's economy has been hurt by the COVID–19 pandemic. In 2020, GDP growth decelerated to 1.4% from 5.4% in 2019. That growth was supported by agriculture, while weaknesses in services and industry had a dampening effect. Domestic demand was subdued even though external demand neither helped nor hurt growth. When expansionary fiscal, monetary, and financial policy measures were introduced to mitigate the impact of the pandemic on businesses and households, there was some relief.

45. Inflation is expected to ease to 5.1% because of lower aggregate demand. The fiscal deficit is expected to widen to 8.3% of GDP—the result of revenue shortfalls and pandemic-related spending increases to deal with health issues and to mitigate the damage to household income and businesses. The current account deficit is expected to narrow to 5.4% of GDP, supported by a sharp reduction in the oil import bill. Foreign exchange reserves declined to $7.8 billion (4.8 months of import cover) at the end November 2020 from $8.96 billion (5.6 months of import cover) at the end November 2019. The local currency weakened by 8.9% to KSh. 110 to the US dollar at the end November 2020 from KSH 101 to the dollar a year earlier. The financial sector was affected by spillover effects from major sectors; the capital market was the hardest hit. The Nairobi Securities Exchange share index fell 20% between 30 September 2019 and September 2020, and market capitalization fell 2% over the same period. The pandemic did serious social damage. Nearly 2 million people are estimated to have fallen into poverty, and nearly 900,000 lost their jobs.

2.3.4 Risks to the economic outlook

46. The global economic recovery from the recession caused by responses to the COVID-19 pandemic continues but is slowing. After a contraction of 3.1% in 2020, global economic growth is expected to reach 5.9% in 2021 and slow to 4.9% in 2022. By 2024, the global economy is projected to be 2.3% smaller than it would have been without the pandemic. Risks to economic growth are considerable, including risks from a potential resurgence of COVID-19 as new variants emerge. Previously, the Global Risk Partners (GRPS) identified "commodity shocks", "price instability" and "debt crises" as critical medium-term concerns.

47. Commodity prices have increased beyond 30% since end of 2020 and they could remain volatile because of escalating tensions between the West and Russia especially because of Russia's aggression in Ukraine; China's energy shortage; continued supply chain disruptions and transition challenges from disinvestment in fossil fuel reserves. Inflation has accelerated in many countries as a result of pandemic-related disruptions to supply chains combined with resurgent consumer demand and higher commodity prices. This is expected to dampen consumer sentiment—which has been fundamental for recovery—and will increase risks from central bank interest rate rises. In advanced and developing economies alike, higher prices and more expensive debt would impact lower-income households especially hard, while small and

medium sized enterprises (SMEs) that are still trying to avoid bankruptcy would suffer from weakening consumption.

48. If the Russian-Ukraine war is sustained for a long period, there is a risk of unsustainable increase in food and fuel prices especially the price of LPG and wheat. This could lead to further cost-push inflation pressure form prices of other commodities.

49. Moreover, sovereign debt has spiked because of the pandemic. Government debt globally increased by 13 percentage points, to 97% of GDP, in 2020. Already strained public finances in developing countries are at heightened risk from debt deleveraging and an appreciation of the US dollar—the US Dollar Index had risen 7% since the start of 2021. GRPS respondents identified "debt crises" as a critical short- and medium-term threat to the world, and one of the most potentially severe risks over the next decade. Debt overhangs will make it more difficult for countries to deal with the economic impacts of COVID-19 and finance a socially just, net zero transition.

50. In the SSA, risks are tilted to the downside. The region's low COVID19 vaccination coverage rates markedly elevate the threat of renewed outbreaks as well as the spread of more transmissible or vaccine resistant variants of the virus as, for example, recently discovered Omicron variant (figure 2.6.3.A). Despite earlier evidence from South Africa indicating that the Omicron wave led to less severe increases in deaths and hospitalizations compared to the previous COVID-19 surges, it remains to be seen whether that will be the case in the rest of SSA. If the distribution of vaccines proceeds at the current low rate the extended duration and severity of the COVID-19 pandemic could still delay recoveries in many countries across the region. Persistent vaccine supply chain challenges risk making COVID-19 a recurrent public health problem in the region (Wilkinson et al. 2021).

51. Another downside risk to the regional outlook is the possibility that the global recovery could moderate further than expected, leading to a significant reversal of the gains in commodity prices recorded in 2021—to the detriment of the region's oil and metals producers. Persistence of pandemic-induced long-term damage is a significant risk to the baseline growth forecast as well. Disproportionate losses to incomes, employment, and human capital accumulation experienced by vulnerable groups of population, especially in low-income countries and countries in fragile and conflict-affected situations (FCS), could hinder poverty alleviation and lead to lasting increases in inequality across the region.

52. In Kenya, like many countries globally, economic activities were subdued from the second quarter of 2020 following the effects of COVID-19 pandemic. Further, the country faces significant downside risks that have implications on medium-term prospects. These include risk of continued spread of COVID-19 infections; natural calamities such as drought, floods and desert locust invasion; debt burden; and political tensions as the country approaches the 2022 elections. This is expected to have implications on economic activities in the medium-term as depicted by a contraction of 0.3 per cent in 2020 with an improved growth of 5.2 per cent by 2023. Although the economy contracted in 2020, review of the various measures instituted by the Government to curb the pandemic, the expedited COVID 19 vaccination and

improved economic performance sets the stage for a robust economic recovery. Based on this, the economy is envisaged to grow at 6.3 per cent in 2021.

53. Counties, similarly, face significant risks in the medium-term but have the potential of upscaling economic growth through implementation of the County COVID-19 Social-Economic Re-engineering and Recovery Strategy 2020/21-2022/23. In 2021, the counties are expected to register improved growth based on the assumption that the counties will experience a gradual recovery process from the pandemic, and there will be minimal interruptions during the electioneering period. As such, it is imperative for the National and County Governments to continue building resilience of the economy and cushioning vulnerable groups by implementing measures that promote recovery.

III: ENHANCING ECONOMIC RECOVERY TO ENSURE BETTER LIVELIHOODS

3.1 Preamble

54. The Covid-19 Pandemic brought unprecedented shocks to the economy of Kenya in 2020. Not only have there been reduced earnings and increased poverty and food in security in most parts of the country, but Kenya's economy contracted for the first time in two decades. While the economic effects of the pandemic have receded and economic growth has rebounded in 2021, the economic environment has remained fragile. This means the Government has a responsibility to implement strategies to build resilience – the capability to recover from shocks and adapt flexibly to stressors – not only to protect the gains from economic stimulus packages, but also facilitate economic transformation and sustainable employment. That way, few assets would be lost when shock occurs so that improvements in economic welfare can be sustained over the long term.

55. The County Government of Homa Bay has recognized the need to centre its policy around both improving resilience and accelerating transformation to realize more inclusive and sustainable welfare gains. The county's resilience is therefore going to be founded on Covid-19 experience – helping households, businesses and communities to strengthen their coping measures so that they are able to recover faster. This means not only empowering locals to better adapt to and mitigate effects of future shocks but also helping resilient ones to grow and transform into a force for good.

3.2 Priority Policy Measures

56. At the heart of this Paper is the desire of the County Government of Homa Bay to work closely with the National Government to foster a conducive environment critical to have the economy return to and stay in the trajectory of long term growth. The CFSP 2022, therefore articulates priority policies and expenditure programs to be implemented under the Medium Term Expenditure Framework for FY 2021/22– 23/24 in order to provide an enabling environment for a resilient and sustainable economic recovery to continue safeguarding livelihoods, jobs, businesses and industrial recovery.

57. To achieve these, the County Government of Homa Bay will:

- Harness the implementation of the "Big Four" Agenda for improving living conditions and creating additional employment opportunities.
- Enhance the business environment by maintaining macroeconomic stability, enhancing security, improving business regulations and providing support;
- Fast track development of critical infrastructure in the county such as roads, energy and water, among others, so as to reduce the cost of doing business as well as promote competitiveness of local products;
- Transform economic sectors for broad based sustainable economic growth;
- Improve access to education and health services, and strengthen health care systems;

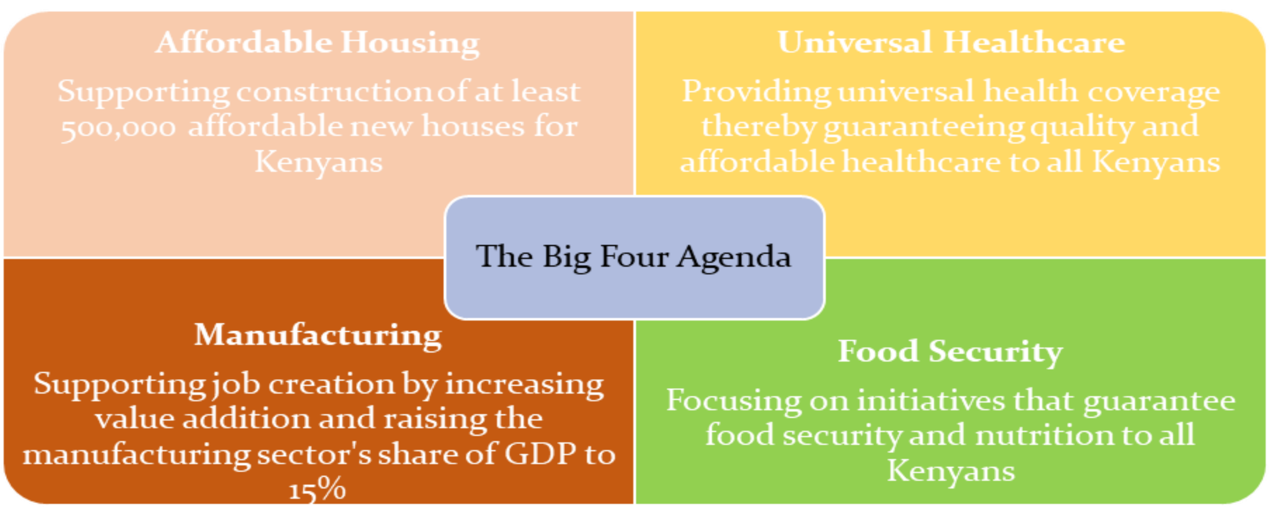
- Support youth, women and persons with disability to enable them actively contribute to the economic recovery agenda;
- Implement various structural reforms to enhance the efficiency of public service delivery while at the same time ensuring accountability for better macroeconomic and fiscal stability, sustained credit ratings, improved fiscal discipline and minimized corruption.
- Continue the implement the County's Post-Covid-19 Socio-Economic Reengineering and Recovery Strategy.

58. Building on the gains made by the National Government Stimulus packages and the significant progress registered in the containment of COVID-19, the County Government has shifted its focus from survival to co-existing with the disease. In this regard, the County Government will target key productive and service sectors for strategic interventions. These include: agriculture, health, education, drought response, policy, infrastructure, financial inclusion, energy, and environmental conservation.

3.2.1 Harnessing Implementation of the Big Four Agenda in Homa Bay County

59. The County Government of Homa Bay will seek to accelerate the implementation of the 'Big Four' agenda which has gained traction over the past three years. The County formulate policies for food security, manufacturing, housing and universal health care coverage that are aligned to each of the big four pillars with a view to accelerating and sustaining inclusive growth, creating opportunities for productive jobs, reducing poverty and income inequality and providing a better future for all citizens.

Fig.3.1: The 'Big Four' Plan



3.2.1.1 Food Security and Nutrition

60. The County Government has realized that one of the critical approaches to building resilience in the rural county that is Homa Bay is to improve agricultural productivity and properly develop the county's agro-food system. In 2020, the agricultural sector was the only sector that outperformed the broader economy due to its resilience. This means investing in raising the

productivity of existing land and increasing climate resilience because as the county's population will be increasing, demand for food will increase. This is especially so because, as population budges and new entrants increasingly become richer, demand for higher-value foods will rise even though agricultural land will continue diminishing due to urbanization.

61. Ultimately, the County Government has realized that the provision of an adequate diet and satisfaction of nutritional needs for all is inseparable from sustainable development of the populations. As recognized in the preceding paragraph, population growth and rising incomes will cause substantial increases in the demand for food. Moreover, progressive reductions in the numbers of poor people who often go hungry are necessary for sustainable development, to reduce suffering and to provide better opportunities for them to live healthy, productive and fulfilled lives.

62. The County Government's Food and Nutrition Policy goals include security of food supply, safe and good quality food and adequate and healthy diets for everyone. To a large degree, these goals are consistent with the broader objectives for The Big Four Agenda. Only sustainable agricultural production will mean increased food supplies and increased income-earning opportunities, leading to reductions in poverty and malnutrition.

63. The County Government has foreseen that in the long term there will be many risks associated with diminished land for agriculture. This means the Government must move with speed to forestall future food poverty by building a more resilient future. This involves: making the local food value chains more internationally competitive; raising on-farm productivity; lowering the costs of production and distribution to urban areas; facilitating private investments in logistics and processing; removing barriers to food trade; and most importantly adopting appropriate policies for climate resilience. It also means correcting any imbalance in the proportion of agricultural research and extension efforts directed to food crops. Consequently, roots, tubers, plantains, traditional legumes, oilseeds, vegetables and fruits, will be brought into the commercial cycle. There is a belief that increased production of some of these crops may lead to better human diets and more sustainable production systems. The reason is that such crops can provide alternatives to the intensive production of the main staples or export crops. More attention may also need to be given to post-harvest systems for all food crops that are affected by significant losses and quality degradation.

64. The County Government will undertake additional measures to improve the quality and safety of food as that has been found to have direct beneficial effects on health and nutritional status. This will mean establishing and/or enforcing food laws, supporting consumer organizations, and educating producers to improve food quality, safety and preparation. There is a belief that widespread nutrition and diet education, delivered through formal schooling and the mass media, will promote good eating habits and healthy lifestyles, thereby reducing the incidence of nutrition-related diseases.

65. Already, the County Government through the Department of Agriculture has initiated projects aimed at providing farm inputs to farmers within the county as well fully operationalize the post-harvest grain storage facility in Kigoto (Suba South) to enhance food security. Ultimately,

the County Government will construct a post-harvest grain storage facility in each of the 8 sub counties.

3.2.1.2 Manufacturing

66. The County Government of Homa Bay has been working closely with the National Government on development of industrial infrastructure such as an Industrial Parks at Riwa. This will be in addition to the construction of a number of value addition plants across the county.

67. In order to increase productivity and boost value addition, the County Government of Homa Bay will strive to support agro-processing of major crops in the county not least maize, fruits, nuts and oils. This will be achieved through operationalizing of the various factories such as the Maize Processing Factory located in Kigoto and a Multi-Fruit Processing Factory in Ndhiwa. In addition, the County Government will strive to operationalize the Animal Feeds Factory at Arujo and pursue the realization of a Fish Aggregation and Processing Centre in Gingo.

68. In order to enhance skills development, County Government of Homa Bay will continue to transform Vocational Training Centers into centers of excellence that provide quality programmes that resonate well with the evolving industries in the County. This will create a pool of necessary skills and expertise required to boost manufacturing activities in the country. Teaching, learning, accommodation and recreation facilities at the VTCs will be expanded in order to provide a conducive environment for skills development. Further, the Government will strengthen its cooperation with Tom Mboya University in order to promote industrial research and product development.

69. To support implementation of these initiatives in the manufacturing sector, the County Government of Homa Bay will continue to institute policy, legal and institutional reforms to provide an enabling environment for industrial development. In this regard, the County Government of Homa Bay will formulate an industrial development policy and come up with a strategy on innovations and intellectual property rights protection for the County's properties. The County Government of Homa Bay will also work with the National Government to sustain the fight against illicit trade and contrabands, which pose a detrimental impact on the substantial growth of legitimate business in the country.

3.2.1.3 Universal Health Coverage

70. The County Government of Homa Bay recognizes the strategic investments that the national Government has made towards attainment of Universal Health Coverage (UHC) and strengthening of the health care system in Kenya to respond to pandemics and other global health security challenges. In support of the UHC programme, County Government of Homa Bay has mapped and registered at least 500 indigent households into the programme. This has increased utilization of health services across the county increased and provided the Government with critical learning points that have enhanced health policy priorities ahead of the full roll out of the full programme.

71. Homa Bay County has benefited from the health insurance cover for the elderly and severely disabled in society under the Health Insurance Subsidy Programme and participated in the biometric registration for the UHC scheme to capture their biometric data. In order to bridge the gap in human resources for health, the County Government of Homa Bay has also progressively recruited additional healthcare workers, which has seen the total health workforce increase from 1,500 to stand at 2,900 in by January 2022.

72. Under the universal health coverage pillar, the County Government of Homa Bay has embarked on a mission to construct and equip new health facilities across the county in various wards in order to improve accessibility. Further, funds have been allocated for the recruitment of poor households in the County to take up cover under NHIF. It is expected that the representative sample of 2,000 households covered today will generate the required feedback to guide the countywide rollout of the universal health programme.

73. The Department of Health has also developed a program under which Community Health Volunteers (CHVs) will be used to reach out to as many citizens as possible in a bid to promote disease prevention and awareness. Finally, the County Government will progressively address human resources needs, provide basic equipment in primary health care facilities and ensure availability of pharmaceutical and non-pharmaceutical commodities in all health facilities in the County.

3.2.1.4 Affordable housing

74. The Government of Kenya has embarked on a plan to provide affordable and decent houses to Kenyans. This is envisaged to create additional jobs, provide market for manufacturers as well as suppliers and raise the contribution of real estate and construction sectors to GDP. To achieve this, the National Government has been implementing policy and administrative reforms targeted at lowering the cost of construction and improving access to affordable housing finance.

75. To facilitate provision of affordable houses, the National Government has focused on raising low-cost funds from public and private sectors for investment in large-scale housing under the Affordable Housing Scheme through the National Housing Development Fund and the various public-private partnerships. The incorporation and capitalization of the Kenya Mortgage Refinance Company (KMRC) has provided long term funds to primary house mortgage providers. This has reduced the cost of mortgages, increased the number of borrowers, and expanded the primary mortgage market in Kenya.

76. To support National Government Housing objectives, the County Government of Homa Bay has set aside land for affordable housing projects. An Appropriate Building Materials and Technologies (ABMT) Centre is being finalized and equipped in Ndhiwa with the aim of promoting sustainable low-cost housing building materials and technologies. The County Government of Homa Bay will seek to leverage the financing of “The Big Four” Plan programmes, by engaging the National Government as well as the private sector players and

development partners. Significant progress is expected to be made in this respect, with private sector and development partners coming on board to fund Big Four projects and programmes.

3.2.2 Improving the Business Environment and Expanding the County's Private Sector

77. The County Government of Homa Bay will continue to pursue prudent fiscal policies that support strong economic growth, business recovery and industrial development for job creation. In particular, the County Government will support regulatory reforms, promote competition and help create incentives for businesses to keep their costs down. It will equally partner with the National Government to improve security so as to attract and encourage investment and job creation. Additionally, it will take additional steps to improve revenue collection without undermining the attractiveness of the county to investment.

78. As part of measures to improve the environment for doing business, the County Government will support construction of more modern markets and stalls alongside those it has done in Nyakwere, Oyugis and Homa Bay. The County Government has also prioritized solar lighting of all trading centers with a view to enhancing security and extending trading hours. To complement those efforts, the County Government will continue with its effort to make affordable credit to small and medium-sized businesses through the establishment of a strong fund for supporting trade activities in the county.

79. The County Government of Homa Bay will continue to partner with the National government to build a strong transport system to enhance connectivity in the county through roads and jetties. This, the County Government believes, will enable citizens of Homa Bay to enjoy the benefits of expanded infrastructure assets, interconnectivity and competitiveness leading to improvement and better ranking in the ease of doing business in the country.

3.2.3 Fast-tracking Development of Critical Infrastructure

80. The County Government of Homa Bay recognizes infrastructure development as critical in facilitating and accelerating socio-economic development for job creation and the achievement of the County's economic priorities. Therefore, the Government will continue to invest on good roads, jetties, energy, water, sewerage and ICT to enable Kenyans benefit from expanded infrastructure assets.

3.2.3.1 Expansion of the Road Network

81. The County Government of Homa Bay considers road infrastructure improvements as essential to its accelerated economic recovery. Transport infrastructure improves availability of services or other facilities that enhance the productivity of private rural capital. For example, tarmac roads lower travel time and reduce vehicle running costs. Good roads also lower the costs of marketing agricultural produce and reduce the delivered cost of farm and household requisites. While public investments in road infrastructure are important for sustainable development, so is the provision of systems and funding for the maintenance of existing infrastructure. Without the latter, investments in infrastructure may be wasted or may yield lower benefits than they should. Therefore, the County Government of Homa Bay has prioritized allocation of funds

for regular maintenance of existing roads and other infrastructure. As part of measures to accelerate the opening of rural areas, the County Government of Homa Bay will continue implement a 12-million per ward program for roads. It is expected that each ward will identify roads to be developed or maintained under the programme. This, enhanced with the installation of solar lights in many trading centers and informal settlements, is expected to increase connectivity and improve security while business hours are extended.

82. On transport safety, the County Government will undertake additional measures to ensure safety including regular trainings, advocacy and policing of the various modes of transport. To enhance access to stable, reliable and affordable energy, priority will be placed on increasing the energy mix through exploiting locally available energy sources including the vast potential of renewable energy. In addition, the County Government will continue to invest in increasing access to electricity through providing matching funds for connecting institutions and poor households to electricity, especially under the rural electrification programme.
83. Because provision of infrastructure is usually expensive and because opportunities are many and funds restricted, the main question has been which infrastructure projects are to be given priority. The County Government of Homa Bay has therefore come up with criteria for proper investment appraisal. This involves accounting for economic and environmental impacts of proposed projects. In planning a new road, for instance, priority is given to improving the terms of trade of producers in previously isolated areas; permitting the new or more intensive use of previously too isolated land or other resources, so reducing pressure on other areas; and permitting previously isolated rural communities to benefit from better access to services such as health and education, and agricultural extension.
84. In order to ensure every citizen enjoys the benefits of an expanded road network, the County Government will scale up the improvement of the road network across the county. This will continue to open up many areas to economic activities and spur growth in other sectors of the economy. In respect to critical trunk roads, the construction of Mbita-Sindo-Magunga road is expected to have significant impact on access to Ruma National Park and agricultural corridors of Gwassi. The completion of Oyugis-Kendu Bay, Omoya-Onyedhi and Olare-Imbo roads have also had significant impact in improving connectivity within and between Karachuonyo, Kasipul and Rangwe constituencies thereby enabling enhanced trade and movement of goods and labour. The construction of additional roads under the Low Volume Seal Road Programme to connect more agricultural areas as well as all critical beaches around Lake Victoria will be very important. In that respect, the construction of the Magina-Pala-Kowuonda Road will be prioritized to have significant positive impact on the economy of Ndhiwa especially on the sugar and fruit industry. Mfangano Ring Road, Rusinga Ring Road and Kanyadhiang-Homa Hills – Kadel Ring Road are other critical roads the construction of which are expected to significantly improve transport connectivity within Homa Bay County.

3.2.3.2 Adequate, Affordable and Reliable Energy Supply

85. The socio-economic status and the general well-being of the people of Homa Bay will continue to depend to a great extent on access to stable, reliable and affordable energy supply. In this regard, the County Government is committed to working with National Government to ensure an efficient and reliable production, transmission and distribution of affordable, clean and reliable energy.

86. In support of the “Big Four” Agenda, the County Government of Homa Bay will continue to focus its effort on connecting all level 3 and 4 health facilities to electricity through grid and off-grid solutions. The food and nutrition agenda will also be supported through irrigation, value addition, connecting electricity to water points and livestock holding grounds. The affordable housing will be boosted by supplying electricity to housing units.

87. The County Government of Homa Bay will also continue to support the last mile connectivity programme by providing matching funds where possible so that all public facilities, including schools, trading centers, health centers, water points and administrative offices are connected to electricity whether through the grid or off-grid solutions. In order to promote a 24-hour economy and enhance security in designated areas, additional street lights have been set for installation in all wards.

3.2.3.3 Promoting the use of Information, Communication and Technology (ICT)

88. Information, communication and technology will continue to play a significant role in the County economy. In the wake of disruptions caused by Covid-19 Pandemic, ICT has taken center stage in driving activities in other economic areas previously not thought of highly and as such, it has shown great potential to increase economic growth and improve the lives of Kenyans.

89. The County Government has taken cognizance of the critical role ICT and innovation play in overall development. Going into the FY 2022/23, therefore, the County Government will prioritize better investments in the ICT sector, which could greatly improve access to Government services and enable even youths access job opportunities outside Kenya. In that respect, the County Government will work with the National Government to improve access to ICT infrastructure and connectivity through the roll out of the Basic Voice Infrastructure in in its most under-served locations.

90. To further improve access to information and e-government services, the County Government will work with the National Government to establish more Innovation Hubs that provide free Wi-Fi and internet access, digital devices and work spaces for use by members of the public. This will facilitate the training and mentorship of youths on access to online jobs, incubation of technological innovations and training and mentorship of entrepreneurs under the white box programme.

91. The County Government will also work with the National Government to have more youth recruited and trained on high end skills under the Presidential Digital Talent Programme. This will provide more digital job opportunities and promote youth empowerment, innovation and creativity across all corners of the county.

3.2.4 Transforming Economic Sectors for Broad-Based Economic Transformation

3.2.4.1 Stimulating Recovery of Tourism, Culture, Sports and the Arts

92. Despite the huge potential, the tourism sector in Homa Bay has continued to underperform. The situation was aggravated by the Covid-19 Pandemic and the ensuing containment measures. However, the sector is expected to recover gradually following the ease of travel restrictions, implementation of protocols for management of restaurants and eateries, execution of Magical Kenya Tourism and Travel health and safety protocols and subsequent 'Safe Travels' Stamp endorsements and Safer Tourism Seal. Furthermore, the National Government has enhanced vaccination against COVID-19 which is expected to boost recovery in the sector.

93. To support sports development in the country, the Government is embracing sports tourism as a way of marketing of Homa Bay as the Land of Endless Mystiques. Hosting important sports events will not only boost sports development but also tourism. Consequently, the Government of Homa Bay is upgrading various sub-county sports stadia for events and tournaments in a bid to position Homa Bay as the best sports and tourism destination in the Western Circuit. The County Government will work in partnership with key stakeholders to support the development and performance of music, drama, and dance; exhibition of works of art and crafts; and fostered discussions of matters of literacy, historical, scientific, and education importance.

3.2.4.2 Ensuing Sustainable Management of Land for Socio-Economic Development

94. The County Government of Homa Bay considers land a factor of production that is critical to economic, social, political and cultural development. Consequently, it will continue to scale-up investment towards policies and programmes covering land use, security of tenure, access to land titles, transparent and secure land registration system. The County Government will strive to ensure secure access to land, sustainable land use planning and equitable distribution of land especially in fast urbanizing areas. Towards this end, the Government will continue to support the development of a County Spatial Plan (CSP) and A County Land Use Policy (CLUP), enhance adoption of Appropriate Building Technologies, digitize land records, enhance land survey by developing topographical and thematic maps and geo-referencing land parcels, develop a policy framework for public land management strategy, and fast track implementation of a Public Land Information Management System (PLIM).

95. Building on the progress the National Government has already made with respect to digitization of land records and streamlining of land transactions and ownership to eliminate fraud, corruption and manipulation of critical land records., the County Government will support National Government effort to roll out 'Ardhi Sasa' in Homa Bay by end of 2022 as well as to fast-track the processing and registration of title deeds. The County Government will also continue to cascade the National Spatial Plan (NSP) and National Land Use Policy (NLUP); construct and renovate land offices; enhance land survey by developing topographical and thematic maps and geo-referencing land parcels; and fast-track implementation of the Public Land Information Management System (PLIM).

3.2.4.3 Environmental Protection, Water and Natural Resources Conservation

96. The County Government of Homa Bay considers environmental conservation and access to adequate supply of clean water a fundamental for the achievement of inclusive and resilient socio-economic development. For that purpose, the County Government has prioritized implementation of environmental conservation programs including conservation of water catchment areas and completion of on-going water supply projects. In order to increase sanitation infrastructure coverage, the County Government has been able to modernize and expand 3N0. Urban sewerages and construct VIP Toilets in 22No. market centers.

97. Over the medium term, the County Government of Homa Bayt will prioritize sustainable exploitation, utilization, management and conservation of the environment as well as protection of water catchment areas. In this regard, the County Government will continue to sensitize the public on environmental justice awareness, expand the adopt-a-tree programme to cover all learning institutions and promote conservation business models.

3.2.4.4 Enhancing the Productivity of and Livelihoods in the Agricultural Sector

98. The County Government has been engaging directly (usually through government agencies set up for the purpose) in the County's resource management, more often in forestry than in farming. The government has often participated in agricultural input supply, provision of rural credit, and in marketing agricultural production. Because the County Government may not have been as efficient and effective as private sector would be, the Government will explore the best business models for implementing such functions. This is especially so considering governments typically get access to capital at lower rates than private businesses and are therefore better placed than the private sector to make the long-term investments needed for sustainable production in, say, forestry.
99. Over the medium term, the County Government policy for sustainable livelihoods in the agriculture sector will be focused on:

(a) ***Enhancing capability:*** The provision of enabling infrastructure and services including:
- education for livelihood-linked capability
- health, both preventive and curative to prevent permanent disability
- bigger and better baskets of choices for agriculture, and support for farmers' experiments
- transport, communications and information services (about rights, markets, prices, skills...)
- flexible credit for new small enterprises

(b) ***Improving equity****:* Giving priority to the capabilities and access of the poorer, including minorities and women, via:
- redistribution of tangible assets, especially land, and land to the tiller
- secure rights to land, water, trees and other resources, and secure inheritance for children
- protection and management of common property resources and equitable rights of access for the poorer
- enhancing the intensity and productivity of resource use, and exploiting small-scale economic synergy

- rights and effective access to services, especially education, health and credit
- removing restrictions which impoverish and weaken the poor

(c)Increasing social sustainability*:* Reducing vulnerability so that the poor do not become poorer by: establishing peace and equitable law and order

- disaster prevention
- counter-seasonal strategies to provide food, income and work for the poorer at bad times of the year
- prompt support in bad years, and high prices for tangible assets people sell in distress
- health Services that are accessible and effective in bad seasons, including treatment for accidents
- conditions for lowering fertility.

3.2.5 Improving Access to Quality Education and Health Care

3.2.5.1 Provision of Quality and Relevant Education

100. The County Government of Homa Bay recognizes the need and benefits of investment in human capital. Such investments are critical in driving inclusive economic growth as the knowledge and skills required to be competitive in the information age are made accessible to all. Consequently, the County Government has been pumping more resources to the education sector with a view to triggering improvements in the country's human capital index.

101. As proof of how high the premium the Government has put on human capital development, the Government has invested in quality and relevant education including revamping the Vocational and Early Years' Education and Training sub sectors. To reduce the financial burden on vulnerable households, the Government has also scaling up social safety nets through provision of bursary and cash transfers. In the FY 2019/2020 alone, 21,110 students received bursaries across the county while another 3,001 have benefited from capitation in VTCs.

102. The County Government of Homa Bay will continue to invest on the expansion of access to quality early year's education and improving learning outcomes at local vocational training centers. While previous investments have resulted to increased enrolment in EYE and VT centers, improved institutional administration and teacher-development has become very important. And, with renewed focus on a hundred percent transition from ECD through to secondary school, the County government will prioritize construction, equipping and staffing of VT, EYE and Baby Care centers; rolling out of bursary programme to all needy students; introducing a school feeding programme in hardship areas through partnerships with NGOs, and, finally expanding the provision of scholarships to the bright and needy students.

3.2.5.2 Provision of Quality Health Care Services

103. The County Government is also focused on making quality health care affordable to all its citizens through improved health system financing and funding from the exchequer. Specific measures over the MTEF period include: construction and equipping of new health facilities across the county in various wards in order to improve accessibility; allocation of funds for the recruitment of poor households in the County to take up cover under NHIF and eventual rollout of the universal health programme; strengthening Community Health Strategy through use of Community Health Volunteers (CHVs) to reach out to as many citizens as possible in a bid to promote disease prevention and awareness; and, recruitment and training of health personnel including physicians and clinical staff.

3.2.5.3 Strengthening Social Safety Nets

104. Social Safety Nets provided by the Government are essential for cushioning vulnerable members of the society from shocks associated with poverty. Consequently, the County Government will continue working the National Government to ensure vulnerable members of society access support through the Social Safety Nets Programmes such as Inua Jamii. Since the onset of the COVID-19 pandemic in 2020, this has become even more necessary in the form of cash transfers and tax reliefs. Therefore, the Government will continue to extend cash transfers to the vulnerable groups and develop a financing plan for the County's Safety Net Programmes. Further, the County Government will operationalize the institutional framework to coordinate social protection in the country.

3.2.6 Empowering Vulnerable Populations to Contribute to Economic Recovery

105. High unemployment rates among the youth and dependency among women and Differently Abled Persons (DAPs) remains a major challenge for economic development in Homa Bay County. There is need for the County's youth, women and DAPs to be equipped with the required skills for effective participation in the economy. Towards this end, the County Government of Homa Bay is focused on working in partnership with businesses, organized labor and community representatives, to have young people exposed to the world of work through internships, apprenticeships, mentorship and entrepreneurship.

106. The County Government will set aside additional funds to support enterprises owned by the youth, women and DAPs while at the same time continue to avail the 30 percent preferential Access to Government Procurement Opportunities. Further, The Government will continue to create a conducive environment for micro, Small and Medium Size Enterprises (SMSEs) to thrive as they are the pillar to create jobs for the youth, women and DAPs.

107. In recognition that social grants remain a vital lifeline for millions of people living in poverty, the County Government will also take additional steps to provide care for and enhance livelihood support for the disadvantaged persons to enable them enjoy the fruits of Kenya's economic success. Going forward, the County Government will invest at least 0.3 percent of its GCP on social protection through cash transfer programmes to the vulnerable groups.

108. Over the medium term, the County Government of Homa Bay will commit additional resources to different youth empowerment programmes including scaling up the “Kazi Mtaani” Programme to benefit as many youths as possible. Further, the County Government will provide supportive ICT infrastructure so that local youth are to benefit from the Ajira Programme through the installation of free Wi-Fi all ICT innovation hubs.

3.2.7 Enhancing Public Service Delivery

3.2.7.1 Entrenching Fiscal Reforms

109. The County Government remains committed in eliminating corruption which inhibits economic development through unnecessary losses of funds. In this respect, the County Government has stepped its efforts in the fight against corruption through implementing a raft of measures that strengthens accountability at all stages of the public finance management cycle.

110. To effectively and efficiently manage public resources, measures have been instituted towards improving the Public Procurement and Disposal system. The details of all Government tenders will be made public thus eliminating secrecy which facilitates corruption. Expenditure control will also be strengthened through necessary fiscal measures and prudent public financial management reforms.

111. To ensure value for money, the County Government will focus on implementation and completion of ongoing priority projects and programmes set out in the County Annual Development Plan. Strict project timelines and budgets will be adhered to through ground inspection of projects and robust public engagements. Equally, the County Government will continue to implement the Public Investment Management (PIM) Guidelines Circular No. 16/2019 in January 2020 to provide a standard framework for the management of public investments. The guidelines will apply when planning, appraising, approving and budgeting for all new projects.

112. The Covid-19 crisis has presented an opportunity to reprogram and rationalize the stalled projects and ensure compliance with PIM Guidelines for appraising new projects. A comprehensive stock taking baseline will be undertaken so that data on all public investments can be captured in a centralized system with the aim of carrying out a thorough analysis to help identification of projects which qualify for re-appraisal, re-prioritization, and rationalization. This will serve to guide fiscal consolidation measures.

113. To ensure a standardized systematic mechanism for regularly monitoring, flagging and declaring the official status of projects across all entities, a Manual for Economic Project Appraisal and also a Manual for Monitoring and Evaluation of Projects is being developed and the County Government will apply the same.

3.2.7.2 Enhancing Service Delivery

114. The County Government of Homa Bay has continued to receive its fair share of National Government Revenue as well as conditional grants from the National Government. This has enabled it to implement various projects and programmes for equitable and sustainable development.

115. The County Government recognizes that optimum collection of Own Source Revenue (OSR) by the County Governments will play a critical role in providing additional financial resources to fund the budget and improve service delivery to the citizens. In this regard, the County Government will fast-track implementation of the National Policy to Support Enhancement of County Governments' OSR to address challenges of revenue collection and administration. The County Government will continue to build internal capacity on public financial management and finalize development of other revenue bills required to operationalize the Finance Bill 2022.

3.2.8 Continuing Implementation of the Post-Covid Socio-Economic Reengineering and Recovery Strategy

116. The fundamental pillars of the County Covid-19 Socio-Economic Reengineering and Recovery Strategy (SERRS) are accelerated growth in private sector investment; enhanced allocations to strengthen health care systems; supported recovery and growth of MSMEs; implementation of an Economic Stimulus Programme (ESP); up-scaled investment in ICT and digital infrastructure; facilitated clean, green and resilient growth and better disaster preparedness and management.

117. The Strategy is focused on strengthening the system of financial management; transforming and re-engineering public service delivery to adapt to the "new normal; improving the capacity of the County Government of Homa Bay to soften the impacts of Covid-19 pandemic on its most vulnerable citizens; escalating and sustaining investment in the key sectors of the economy with greatest potential for poverty eradication and improvement of social outcomes; improving county industrialization capabilities especially worker skills, capital, technology and infrastructure for business development, seamless connectivity and industrial growth; improving the overall safety and comfort of citizens in all places; developing effective, comprehensive policy and legislative frameworks; and developing capacity for effective multi-sector coordination, partnerships development, resource mobilization, programme implementation and developing and strengthening impact assessment.

3.2.8.1 Improved Coordination of Intervention Efforts

118. The Strategy has highlighted the need for a multi-sectoral approach that unites all actors to work together better and more sustainably. Different committees and teams that have been proposed at all levels including at the National Government, County Government and Development partners are expected to work closely together for the good of the County. Only then will synergies and economies of scale be realized, duplication of efforts eliminated and wastage of resources be avoided.

119. There is recognition that the realization of the strategic outputs under each cluster will require an effective implementation, coordination, monitoring and reporting framework. This is especially necessary because failures of past strategies have largely been due to the absence of such a framework and the lack of political goodwill.

120. Consequently, the Strategy has provided for coordination of the implementation of the proposed measures through a Covid-19 Reengineering and Response Committee. At the CEC level, there is a County Recovery Steering Committee headed by the Deputy Governor to provide policy guidance and leadership on implementation, monitoring learning and knowledge management.

121. Further, the Department of Finance and Economic Planning will establish a fully functional County Statistical Unit, develop a framework for data collection and reporting in each county entity, establish a depository for all critical county information and data; and strengthen the county capacity for evidence-based county programming and planning.

3.2.8.2 Health Systems Strengthening

122. For the health cluster, the strategic focus is on flattening the curve and preventing recurrence of another wave of covid-19 through promoting evidence-based practices for surveillance, prevention, diagnosis, treatment, and control of COVID-19. Other measures include: enacting appropriate legislation and policy measures to promote universal healthcare access in the county; upgrading existing health facilities including recruiting and deploying appropriate cadres of health workers; improving the system of procurement and distribution of drugs; and directing more focus and resources towards preventive and promotive health with particular emphasis on HIV/AIDS, TB, Malaria, RTIs, NCDs and maternal, newborn and child health care

3.2.8.3 Improved Climate Change Adaptation

123. For the water, environment, natural resources and climate change cluster, the strategic focus is on improving adaptation to climate change while intensifying conservation efforts through agroforestry, climate-smart agricultural practices; promoting of water efficiency; renewable energy and green technologies.

3.2.8.4 Improved Food Security and Nutrition

124. For the food security and nutrition cluster, the strategic focus is on increasing agricultural productivity especially for smallholder farmers through sharing modern farming techniques, providing farm inputs and implements, enhancing storage of produce and farm products, improving breeds and seed quality, increasing access to financing and linking farmers to information and markets. The County Government is particularly open to private sector solutions especially measures to harness the private sector towards improving the productivity and incomes of smallholder farmers in the County.

3.2.8.5 Improved Protection of Livelihoods for the Most Vulnerable

125. For the livelihoods and social protection cluster, the strategic focus is on developing the human resource and infrastructure for health, education and training targeting the very poor; strengthening institutions for the marginalized, whether directly (by increasing local capacities, training of their leaders or injecting resources) or indirectly through the creation of spaces in which their social capital can flourish and transforming the structures and processes for natural resource management among the poor.

126. The strategy is also focused on developing programmes that improve their access to road and transport, housing and safe buildings, water and sanitation, clean and affordable energy, and information (communication); and develop effective, tailored financial services for the poor. Other measures include: creating safe spaces for GBV survivors; increasing participation of women and girls in decision/policy making; narrowing gender gaps in education, training and employment; expanding safety nets; creating structures for boosting the skills of the unemployed by providing internships, apprenticeships, on-the-job training and mentoring opportunities; and working with the private sector to create inclusive business models that contribute to the empowerment and employability of the marginalized.

3.2.8.6 Protection of Workers

127. For the human resource and labor relations cluster, the strategic focus is on adopting and implementing all the possible and practical infection prevention and control (IPC) plans at workplaces including: work arrangements such as teleworking, virtual conferencing and meetings, online data capture and reporting, shift work, regular viral testing and treatment for staff, and preventing discrimination and exclusion; provision of Personal Protective Equipment (PPEs), regular fumigation of workplaces, and staff training and sensitization on adherence and coping mechanisms.

128. The strategy is also focused on provision of mental and psychosocial health care programs; ensuring all employees have health/medical insurance cover and a guaranteed access to medical services whenever need arises; and addressing staff shortages in all essential services sectors including health and education, water and environment, and security and enforcement services.

3.2.8.7 Enhanced Support to Businesses and Growth of the Private Sector

129. For the commerce and industry cluster, the strategic focus is on encouraging trade and supporting micro, small and medium enterprises (MSMEs) through capacity building, creation of enabling environments and improving access to credit facilities and market. Other measures include: formulating a county industrial development strategy and preparing action plans for the development of specific value chains; fast-tracking value addition projects and; formulating an investment scheme to encourage investment in specific value chains and develop competitive activities in niches where there is capability to reach global markets.

130. The County Government is focused on creating structures to showcase investment opportunities in Homa Bay County and spur the flow of FDIs into the County; developing a framework for Public Private Partnerships (PPPs) to ensure effective collaboration in development of strategic industries; instituting measures to increase local and national demand for locally manufactured goods; instituting measures to increase export of locally manufactured goods including setting up a special economic zone; incentivizing technology transfer and innovation especially through enforcement of local content and promotion of niche exports; and building local capabilities by ensuring capital markets meet local needs, there are specific industries to support enterprise and, there is coordinated learning across all enterprises and activities.

3.2.8. 8 Safe and Remedial Learning

131. For the education cluster, the strategic focus is on implementing all the possible and practical infection prevention and control (IPC) in all learning institutions; training teachers and providing them with adequate teaching materials; supporting poor but bright students with scholarships, training and mentoring opportunities; facilitating the employment of more teachers and support staff to ensure total compliance with covid-19 modalities and protocols; having remedial (not tuition) programme for learners who may need additional assistance; developing mechanisms for accelerated learning, remedial and distance learning for learner in cases of unplanned holidays; providing nutrition support to vulnerable children; making available resources to support the culture of reading among children; and empowering academically-gifted and entrepreneurial youth to lead.

3.2.8.9 Sustainable Settlement and Affordable Housing

132. For the lands, housing and urban development cluster, the focus is on promoting shared prosperity through COVID-responsive and climate-resilient spatial planning; development of water-fronts and other resource-based opportunities in urban areas; improving housing infrastructure in informal settlements; facilitating development of affordable and COVID-responsive housing; improving connectivity of neighborhoods; creating platforms for faster and more responsive development of urban areas; and strengthening capacity for urban institutions.

IV: BUDGET FOR FY 2022/2023 AND MEDIUM TERM

4.1 Fiscal Framework

133. The fiscal framework for the FY 2022/23 Budget is based on the county priorities within the existing macroeconomic environment. The County Government is committed to implementing priority programmes espoused in the County Integrated Development Plan (CIDP) while considering the availability of resources during the period. Further, the framework prioritizes prudent fiscal policy as a commitment towards sound financial management practices as entrenched in the Public Finance Management Act, 2012.

134. Sustainability, affordability and prioritization will continue to guide programme/project identification and implementation. This will be achieved through spending that is directed towards the most critical needs of the county and well utilized. There will also be increased focus on improvement of both efficiency and productivity of recurrent expenditure. The focus for development expenditure will seek to ensure equitable development while making provisions for any marginalized groups in the county. There is need to refocus efforts on key streams, broadening the tax collection base in order to increase revenue collection through automation of more revenue streams while continually sealing any existing leakages.

135. Luckily, the National Government's fiscal policy seeks to support structural reforms of the County Government's economies that are consistent with long term growth objectives, employment creation and an equitable distribution of income. The policy is aimed at promoting investment and export expansion while enabling the Government to finance public services, redistribution and development in an affordable and sustainable budget framework. Consequently, the County's fiscal framework for the FY 2022/23 and the medium-term budget is consistent with that of the National Government

Table 2: Fiscal Framework for the Medium Term, FY 2020/21-2023/24 (in KSh.)

Revenue Source	**Approved Estimates FY 2021/22**	**Drafted Estimates FY 2022/23**	**Projected Estimates FY 2023/24**
Total Revenue	**8,683,608,185**	**9,363,716,549**	**11,684,700,535**
Equitable Share	7,805,353,300	8,332,742,036	10,442,296,982
Conditional Grants	607,761,293	656,382,196	708,892,772
Own Source Revenue	270,493,592	374,592,316	533,510,780
Total Expenditure	**8,683,608,185**	**9,363,716,549**	**11,684,700,535**
Recurrent Expenditure	5,573,812,422	6,086,415,757	6,695,057,333
Personnel Emoluments	*3,844,356,444*	*4,228,716,914*	*4,440,152,760*
Operations and Maintenance	*1,729,455,978*	*1,934,589,694*	*2,142,751,762*

Development Expenditure	3,109,795,763	3,277,300,792	4,989,643,202
Fiscal Balance	**0**	**0**	**0**
Financed by other incomes	0	0	0

4.1.1 Revenue Projections

136. In the FY 2022/23, the County's total revenue including Appropriation-in-Aid (A-I-A) is projected to increase to KSh. 9.36 billion up from the KSh. 8.68 billion expected in the FY 2021/22. The revenue performance will be underpinned by enhanced exchequer releases and receipts of conditional grants from various development partners. Equitable Share will amount to KSh. 8.3 billion (89% of the total budget) in the FY 2022/23, up from the KSh. 7.8 billion (90% of total budget) in the FY 2020/21. Conditional grants from both the National Government and Development Partners will amount to KSh. 656 million (7% of the total budget) in the FY 2022/23, up from the KSh. 607 million (7% of the total budget) in the FY 2020/21. Own-Source Revenue will amount to KSh. 374 million (4% of the total budget) in the FY 2022/23, up from KSh. 270 million (3% of the total budget) in the FY 2021/22.

4.1.2 Expenditure Projections

137. The overall nominal expenditure for FY 2022/23 is projected to increase to KSh. 9.36 billion from the estimated KSh. 8.68 billion printed for the FY 2021/22. The projected expenditures comprise recurrent of KSh. 6.08 billion (65 percent of the total estimates) and development of KSh. 3.28 billion (35 percent of the total estimates). Of the KSh. 6.08 billion for current spending, KSh. 4.22 billion will be for compensation to employees (45 percent of the total estimates) whereas current programs, operations and maintenance will account for KSh. 1.93 billion (20 percent of the total estimates) in the FY 2022/23.

Table 3 below provides the projected expenditures by Entity over the MTEF period 2021/22-2023/24

County Spending Entity	**FY 2021/22 Approved Estimates**			**FY 2022/23 Draft Estimates**			**FY 2023/24 Projections**		
	Cur.	**Cap.**	**Total**	**Cur.**	**Cap.**	**Total**	**Cur.**	**Cap.**	**Total**
Agriculture, Livestock, Fisheries and Food Security	155.1	414.3	**569.4**	155.6	435.0	590.6	163.3	523.3	686.6
Tourism, Sports, Culture and Social Services	78.8	156.3	**235.1**	89.1	164.1	253.2	113.6	253.8	367.4
Roads, Public Works and Transport	49.3	921.4	**970.7**	49.4	979.5	1,028.9	51.9	1597.0	1,648.9
Energy and Mining	21.7	76.9	**98.6**	41.8	80.7	122.5	63.9	90.4	154.3
Education and ICT	544,9	130.1	**675**	777.2	136.6	913.8	846.0	153.0	999.0
Health Services	2,252.10	433.3	**2,685.40**	2,463.9	455.0	2,918.9	2,687.1	809.5	3,496.6

Lands, Housing, Urban Development and Physical Planning	51.7	119.6	**171.3**	51.9	125.6	177.4	64.8	140.6	205.4
Trade, Industry, Cooperatives and Enterprise Development	132.5	83.9	**216.4**	132.9	88.1	221.0	139.5	298.7	438.2
Water, Environment and Natural Resources	120.1	316.3	**436.4**	140.5	342.1	482.6	147.5	583.2	730.7
Finance, Economic Planning and Service Delivery	433.1	104.3	**537.4**	434.4	109.5	543.9	480.2	122.7	602.9
Office of the Governor	604.3	100	**704.3**	606.1	105.0	711.1	636.4	117.6	754.0
County Public Service Board	78.7	5	**83.7**	78.9	5.3	84.2	82.9	18.9	101.8
County Assembly Service Board	1,029.40	122.3	**1,151.70**	1,032.5	78.4	1,110.9	1,184.1	87.8	1,271.9
Homa Bay Municipal Board	22.1	126.1	**148.2**	32.2	172.4	204.6	33.8	193.1	226.9
Total Estimates	**5,573.80**	**3,109.70**	**8,683.60**	**6,086.4**	**3277.3**	**9,363.7**	**6,695.1**	**4989.6**	**11,684.8**

138. In the FY 2022/2023, the health sector is expected account for the largest portion of all expenditure at 31.2% followed by public administration sector at 26.2%; energy, infrastructure and ICT sector at 12.3%; agriculture, rural and urban development sector at 10.4%; education sector at 9.8%; environmental protection, water and natural resources sector at 5.2%; general economic and commercial affairs sector at 3.8% and; social protection, culture and recreation sector at 2.3%. These percentages are largely consistent with commitment made to partners especially on health and agriculture.

4.2 Budget Priorities

139. While taking Covid 19 into consideration and other uncertainties that may come up, the County Government of Homa Bay is committed to implement priority programmes covered in the County Integrated Development Plan (CIDP) for the planned period. The County Government has adopted a framework that enables county revenue maximization and resource mobilization strategies for better quality services based on monitoring, budgeting, and clear expectations for delivering planned outcomes

140. The Medium-Term Expenditure Framework for 2022/23 – 2024/25 will majorly focus on priority programmes aimed at socio-economic reengineering and recovery, achieving the "Big Four" Agenda and making it easy for the current administration to consolidate gains by completing its on-going projects. In order to achieve these priorities, the County Government will strive to ensure that public spending leads to high quality outcomes within a sustainable and affordable framework. In this regard, spending will be directed towards the most critical projects of the county with the aim of achieving quality outcome with the least and existing resources.

4.2.1 Revenue Enhancement

141. The County Government of Homa Bay is mandated to provide quality services to the people of Homa Bay. To make this possible, it must mobilize its revenue mainly from the equitable share, conditional and unconditional grants, Own Source Revenues (OSR) and borrowing.

4.2.1.1 Enhancing Collection of Own-Source Revenue

142. Resource mobilization within the county has been of low potential and therefore there is need to make relevant adjustment to enhance more revenue collection within the county. The causes of low revenue collection have been analyzed to be existence of large informal sector, a largely peasant agriculture, insignificant manufacturing and modern service sectors. These factors are undermining effective revenue base despite the impressive growth of profile of the county. The County Government of Homa Bay has reviewed these practices in order to ensure maximum revenue collection in the FY 2022/23.

143. Enhancing revenue collections requires choosing carefully what items or activities are to be taxed. It also requires properly determining the appropriate rates to be charged on each item / activity and how to get as many items/activities as possible to be captured for purposes of taxation. Maximizing the activities to be charged for tax will in turn result to more revenue collected within the county, hence enhancing more own source revenue.

144. With respect to making all revenue collection activities legal, the County Government is taking steps to ensure there exists clear and unambiguous legal authority for collecting every category of revenue. This implies a specific and sufficiently detailed county legislation for every revenue stream. Such legislation will only be considered complete if they have clear, well-defined methodology for all revenue processes ranging from the definition of the revenue base, to collection, to enforcement, to reporting. To ensure maximum compliance with constitutional provisions and national policy, model laws developed jointly by CRA, COG and KLRC shall be adapted to the largest extent possible.

145. The County Government will ensure there exists clear linkage between the County Finance Act and other county revenue laws. Whereas the various county revenue legislations will provide the legal authority to impose taxes and set the initial rate, it is the County Finance Act that will set out the framework for all revenue that is collectable each year. Any variation to the taxes for any particular year will thus be set out in the County Finance Act for that year while the county revenue legislations will remain unchanged.

146. Revenue enhancement efforts will be focused on measures that will bring the greatest revenue gains. Effort will be concentrated on areas with there is more revenue potential, having understood the pattern of revenue collection. The major areas of potential revenue collection realized by the County Government include SBP, Cess, Market fees, Parking fees, Rents, Land-based revenue, Property taxes, Liquor licensing, Tourism charges, Transit charges, Construction minerals charges, Advertising and Royalties among others.

147. The County Government will be focusing on the policy objective of every revenue steam so that charges are priced and administered accordingly. This will help reduce distortion

behaviors of the tax payers. The taxation will be done progressively in accordance to the nature of the entity and the profits that they are making. Where possible, some services will be priced to recover full cost unless other factors such as the ability to pay, overall general benefit to society or marginal cost pricing can come into play. In that regard, services with mainly private good characteristics will be charged while those with user and non-user benefit will be financed using public money. Where possible, some services will be charged in a manner that mimics private sector (e.g. water, parking, renting out a county-owned venue) while others such as garbage collection, street cleaning, public parks and other public goods will be financed by taxes.

148. County Government will ensure adequate funding of revenue-producing assets at the same time allocating sufficient funds for maintenance of these revenue producing assets. This will ensure continuous flow of revenue hence, enhancing own source revenue.

149. The County Government will also strive to minimize the transaction cost of collecting revenue. Options for annual or monthly billing shall be considered so that costs are saved for both the County Government and the citizen. User accounts shall be opened for payments like market and parking fees and, advance payments shall be incentivized through discounting. These activities when undertaken will greatly help cut the costs involved in collecting revenue hence more revenue will be channeled into the County account.

150. Adaptation of new technology in managing revenue collection will also help greatly in minimizing cost associated with revenue collection. In property valuation, use will be made of mass valuation methods that maximize on computer technology. In business registration, payments will be automated to the extent possible and all the enforcement will do is to follow up. Ultimately, all tax, license payments and charges will be harmonized even across the various areas formerly served by different local authorities within the same county.

4.2.1.2 Maximizing Receipts from Equitable Share

151. For the past financial years, the County Government of Homa Bay has not been ranked at the top of other counties in terms of equitable share. The Department of Health has been charged with failure of the county to receive more equitable shares because it has not been operating to optimality despite being allocated more funds compared to other departments.

152. The department of tourism has also been victimized in terms of collection of low revenue despite having a large number of sites acting as tourist sites. Therefore, it has been recommended that all the fees charged at the tourist attraction sites should be channeled to the county's revenue account. By enhancing more revenue within the county will result into more equitable shares issued to the County Government of Homabay.

153. As part of measures to enhance the revenue effort in health facilities, the Department of Health has proposed a number of Dispensaries that should be upgraded to the level of Health Centers so that some services they offer can be charged what with more citizens being enrolled into the Universal Health Coverage. This will hence, enhance more revenue collection in the

department of health which will result in a significant adjustment in the amount of equitable shares.

154. On the matter of fiscal prudence, the County Government of Homa Bay has embarked on a mission to improve the audit opinion trough addressing public finance management gaps that have undermined that favorability of the audit opinion. On the one side, the County Treasury has embarked on ensuring compliance with existing laws and fiscal responsibility principles so that budget execution leads to intended fiscal outcomes. On the other, it has embarked on improving the credibility of the budget formulation process so that all goals of public expenditure are achieved.

4.2.1.3 Strengthening Mobilization of External Resources

155. There is need for the County treasury to establish a fully functional external resources unit to coordinate and drive the resource mobilization initiatives. By enhancing this, the desired results will be achieved with high level of impact. Selection of employees with specific competencies to provide appropriate input (e.g. strategic, technical, monitoring) shall be seconded to be part of the unit and, sufficient time and budget shall be dedicated to resource mobilization initiatives. Periodically, progress of the unit shall be reviewed and corrective or reinforce measures shall be instituted whenever necessary.

156. In order for the county to be able to secure both conditional and unconditional grants, it should be able to have a base for securing these grants. The base amounts will be determined by the lenders who will be willing to lend the County Government of Homabay. These grants will enable the county to undertake projects that will be of more benefits to the residents within the county

157. As part of measures to support sustainable flow of external resources into the county, the County Government of Homa Bay will have partnership with a number of pillars which includes:

- Fostering a shared vision of priorities and result areas with the broadest possible range of resource partners as a basis for strong, sustained, flexible, and predictable resourcing of the County's Development Programs and Projects;

- Pursuing partnerships and resources that help to connect shared, regional economic and trade blocs, international and global development goals in concurrence with the Sustainable Development Goals (SDGs) and their corresponding targets to the specific indicators and priorities of the National and County Government and the challenges the emerging democracies face in their quest to mainstream equitable and sustainable development;

- Working with United Nations Agencies, World Bank Programs, Bilateral Development Partners, Multi-Lateral Agencies, International Financing Institutions (IFIs), Local Banks and Cooperatives, Local and International Investors and Global Program

Funding Agencies and other partners to align programmes and prevailing funding, technical assistance and capacity development support arrangements;

- Accelerating a scaled-up response to humanitarian crisis by engaging at local, national, regional, and global levels with public and private, traditional and emerging partners and exploring innovative financing and programme support opportunities;

- Broadening the base of resource partners to promote the universality and impartiality of the public service delivery anchored on the protection and promotion of inherent fundamental human rights and freedoms, as well as in the best interest of fulfilling the mandates of the County Governments as envisaged in the County Governments Act, Laws of Kenya;

- Capitalizing on the long-standing engagement with citizens and the private sector in high income countries, principally through strategic networking and collaboration, fundraising and advocacy to mobilize public resources and secure goodwill of the public towards effective implementation of the County's development programmes and projects;

- Investing the resources mobilized in a prudent, cost effective manner that guarantees value for money while promoting optimal benefits and long-term impacts to the citizens of Homa Bay County; and

- Undertaking more robust results-based programming, programme implementation and management and budgeting while strengthening quality monitoring, evaluation, reporting and knowledge management, and recognizing our partners more systematically for their contributions to the realization of our development aspirations and goals.

158. As part of measures to ensure all important aspects of resource mobilization necessary for success are covered, the County Government of Homa Bay shall be developing and implementing an effective blue print for resource mobilization. A resource partnership template will be developed and employed to analyze the resource mobilization situation so that resource mobilization efforts match the priorities of potential resource partners.

159. With respect to finding appropriate funding sources, the County Government of Homa Bay recognizes that there are many different types of potential resource partners that it can engage with. However, it will work from the beginning to match mutual interests in areas where support is required and where a potential partner will also benefit from the end result. Use will be made of web searches, subscription to fora where members include potential partners, networking platforms and engagement of governments who have been successful in their resource mobilization efforts to learn from them.

160. The County Government is already working on a data base of all potential partner including their interests, their mode of funding or support and the terms which may accompany any

partnership agreement. Ultimately, the County will spare no effort to meet their different requirements and modalities.

161. Apart from traditional financing, the County Government will pursue other kinds of support that may be beneficial such as human resources (e.g. consultants, experts, interns, and volunteers), hosting meetings (e.g. venue, administrative support and logistics) or provision of goods (e.g. printing of materials) or services (e.g. translation of documents).

162. On the matter of engaging partners, the County Government of Homa Bay is focused on promoting its territory and the projects for which it will be seeking resources. Potential partners will be approached on a regular basis, honestly and transparently to build a good partnership foundation. Effort will be made to communicate the right information in the most appropriate and appealing way.

163. The County Government of Homa Bay will strive to have the right people available on its team to undertake negotiations. Whereas every partnership will have a set of standard conditions to be met, including rules, procedures and requirements for using resources, the County team will strive to keep the partnership and the resulting agreement as flexible (e.g. less-earmarked funds) as possible. Only this will allow for adaptability when small changes occur. And once a partnership has been negotiated and conditions and the agreement is drafted, effort will be made to ensure all the necessary clearances are obtained before proceeding with the finalization. But when the partnership is finalized, the County Press Unit will record the signing of the agreement by taking photos, writing press releases or having other types of media coverage.

164. Project work plan and timeline, which is often in the form of a Logical framework (Log Frame), will be followed effectively and, the frequency and method of reporting will be included in any agreement. Ideally, inception, mid-term and terminal report, or are at project milestones or some other frequency requested by the partner will be adopted.

165. As part of communicating results, the County Government of Homa Bay will have a communication strategy for all its projects. Communication will be done both internally and by an external professional who will be expected to ensure project messages are appropriate for intended audiences. Project results will be used to advocate what has been achieved and the value of the work being done, in conjunction with the resource partner. Use will be made of brochures and factsheets as well as presentations at conferences and relevant committee meetings.

166. In all communications, the partner, key results, lessons learned and opportunities for future work will be acknowledged. Therefore, successful projects will be promoted to demonstrate to present partners and other potential partners that the Homa Bay County is worth investing in and can add value to their reputation through association. This way, the County Government will have a strong base to advocate for further support to continue existing partnerships.

Equally, the County Government will publicize the completion of its projects such as through press releases.

4.2.2 Expenditure Prioritization

167. The demand for public services is high and the County Government has to find a way to apportion the limited resources to cater for all the required services by the residents of Homabay at optimality. This means the government's priorities have had to be clear so that the County Treasury can sequence requests by County Government Entities (CGEs) in a manner that guarantees the best possible results for Homa Bay County.

168. On the one hand, the County Government recognizes that spending on areas such as research and development, education, and infrastructure may facilitate the achievement of economic growth in the long term but at the same time it is not prudent to ignore those who want the fruits of growth in the short term. On the other hand, spending on health and cash transfers to the poor will meet the immediate needs of the poor but may neglect productive investments. Hence, a balance must be struck between current and capital spending.

169. The first step in the prioritization process was to determine the resource envelop and update the fiscal framework accordingly. Thereafter, the budget directorate would have the budget strategy determined at the County Executive Committee level. Here, CEC members are able to determine (1) the affordable total, (2) new policies to be accommodated, and (3) any changes (often reductions) in existing policy provision.

170. The next step would involve the County Government Entity and the budget directorate meeting to discuss each entity's estimates and the resulting fiscal space for each programme. In each programme, care would first be taken of non-discretionary expenditure such as salaries, statutory deductions, conditional grants, transfers and pending bills. To accommodate new policies, the budget directorate would require each spending ministry to prioritize those requests after taking care non-discretionary expenses and on-going programmes.

4.3 Budgetary Allocation

171. The budgetary allocation to each MTEF sector and County Government Entity largely reflected their on-going commitments and budget priorities for the FY 2022/23. Views of the public and key stakeholders were considered and amendments were made where necessary. The allocations were captured in the form of ceilings for entities and programmes summarized in the Annexures I and II respectively.

4.3.1 Baseline Ceilings

172. The baseline estimates (FY 2022/23) reflect the current spending levels in sector programmes. In the recurrent setting, non-discretionary expenditures have taken first charge. Development expenditures have been allocated on the basis of the on-going flagship projects, Ward Projects and the Covid -19 Socio-Economic Reengineering and Recovery Strategy and CADP 2022 priorities.

173. The following criteria was used in apportioning capital budget:

- **On-going projects:** emphasis was given to completion of on-going capital projects and in particular infrastructure projects with high impact on poverty reduction, equity and employment creation;

- **Counterpart funds**: priority was also given to adequate allocations for donor counterpart funds which is the portion that the County Government must give in support of the projects financed by development partners;

- **Covid-19 Socio-Economic Reengineering and Recovery**: Consideration was further given to interventions supporting Post-Covid 19 recovery; and

- **Strategic policy interventions**: further priority was given to policy interventions covering all wards especially those enabling social equity and environmental conservation.

4.3.2 Criteria for Resource Allocation

174. Over the Medium Term, the County Government will ensure that resource allocations will strive to allocate more resources towards the realization of the Social-Economic Development Agenda 23 as well as align the County to the "National Big Four Agenda" and the County Socio-Economic COVID 19 Re-Engineering Recovery Strategy with emphasis on the Key sectors.

The resource envelope available for allocation among the spending entities in the County comprises of

1.Share of National Revenue, which finances approximately 90 per cent of the budgeted expenditure and consists of Equitable Share and Conditional Grants; and

2. Locally Collected revenue including business permits, property rates, entertainment taxes, levies, fees and charges; and

3. Donor funding (Conditional Grants).

175. The following criteria will serve as a guide for allocating resources:

(i) Linkage of the proposed intervention to the Covid-19 Socio-Economic Reengineering and Recovery Strategy;

(ii) Cost effectiveness and sustainability of the proposed intervention;

(iii) Requirements for furtherance and implementation of ward-based development priorities; and

(iv) Meeting pending obligations as a first charge.

(v) Non–discretionary Expenditure: In the recurrent expenditure category, non-discretionary expenditures take the First Charge and include statutory obligations such as salaries, gratuity, pension and Pending Bills that are financed by the County government;

(vi) Ongoing Projects: In line with the National Policy, active monitoring and update will be given to the completion of all on-going projects in the County that includes infrastructure, building and constructions etc. this will enable job creation, equity and poverty reduction contrary to start of new projects

(vii) The CIDP2 identified Flagship Projects and Programs: The County Government will ensure the actualization of the Flagship Projects and programs across all corners of the County as identified in the Second County Integrated Development Plan, once achieved, they will achieve the Socio-Economic Transformation agenda of the County. 24 The CIDP2 has mainstreamed the National Big Four Agenda and the Governor's manifesto

(viii) Job Creation: Specific consideration to job creation based on sound initiatives identified in the CIDP2 and the County Socio-Economic re-engineering recovery strategy 2020/21 – 2022/23 will be considered. The County has huge untapped potential which constitutes a vibrant young labor force, fertile agricultural land and an ideal location for tourism;

(ix) Strategic Policy Interventions: Drivers of the economy that have the potential to unlock the County's Economy and have a long-term impact will be given priority such as County Rural Roads 3000 programme and other key support sectors of the County;

(x) Fiscal Discipline: This includes the absorption rate and efficiency in utilization of the allocated resources. Departments which can adhere to these criteria will have an added advantage in resource sharing.

176. Detailed budgets will be scrutinized and should additional resources become available in the process of firming up the resource envelope, the County Government will redirect them to inadequately funded strategic priorities.

4.4 Background Information and Key Results Areas by Sector

4.4.1 Agriculture Rural and Urban Development Sector

177. The overall goal of the sector is to attain food and nutrition security; sustainable management and utilization of land and the blue economy. The sector is a key player in economic and social development of the county through food production, employment and wealth creation, security of land tenure and land management.

178. The sector is the mainstay of the economy of Homa-Bay where small-scale farming is the norm. In fact, small-scale farming sub sector accounts for 74 percent of the total agricultural output and 70 percent of marketed agricultural produce. Most of production is carried out on farms averaging 0.2 to 1 hectare mostly on subsistence basis.

179. For the 2022/23 financial year, the focus of the Agriculture and Food Security sub sector will be directed at expanding the area under farming by; Establishing 40No. Model farms to transfer crop production technologies in the 40 Wards, Promotion of 8No. traditional high value crops, Upscaling upland and irrigated rice production in Rangwe, Homabay Town, Ndhiwa and Rachuonyo North with an area coverage of 60 Hectares, Establishing of on farm water harvesting for vegetable production in all 40 wards, Purchase of 8No. tractors and construction of machinery shed, operationalizing of 8No. commercial fruit tree nurseries, Establishing a county Agricultural training Centre at Rachuonyo North, undertake the construction of perimeter wall around Kendu Bay show ground, Procurement and distribution of farm inputs to 18000 farmers, construction of the post-harvest handling facility at Ndhiwa and other on farm storage facilities.

180. Under Fisheries Development and Management Services the focus of the sub-sector will be directed at promoting farmed fish production and improving capture fisheries management through having 1 patrol boats and 1 outboard engines (40HP) procured and operationalized, procuring 100,000No. of hooks to 5,000 fishermen, facilitate the Construction of 1 fish banda at a selected beaches in the riparian sub counties, Procure 8No. of pond liners county wide, sensitizing 400 fishermen with modern fishing activities on co-management, Construction of 10No. pit latrines at selected beaches, Construct 160No. of fish ponds (4 pounds per ward) in the whole county, procure 160,000 fingerlings, 40No. pond harvesting nets, 640 bags of fish feeds for all the 40 wards.

181. Under the livestock Development division, the department shall undertake and continue with these priorities: increase livestock productivity (in terms of milk production) and production by inseminating 2,000 animals; ensure livestock infrastructure development by improving 2 slaughter houses and improving 3 livestock auction rings and finally to improve livestock health and product qualities by reducing livestock disease burden.

182. Under Cooperative Development the sub-sector will continue focusing on the following areas; Governance of cooperative societies in all 40 wards, Capacity building new cooperative societies in all 40 NO. wards, continue with the Registration of new co-operatives in all 40

wards, have the cooperatives policy developed and plan for the International Cooperatives Day.

183. Under Lands and Physical planning: The focus of the sub-sector will be directed towards Preparation of 35% of County Spatial and Physical development plans; Preparation of part development plans; Documenting and reporting all the public lands; Site surveys as well as completion of random checks for various adjudication sections to facilitate land registration process, Land Banking, completion of symbio-city project in Mbita by procuring 40ft fabricated containers procured and installed with necessary auxiliary and lastly; surveying and demarcation of 8 No. markets and lastly the preparation of 6No. Valuation rolls.

184. Housing and Urban Development sub-sector will focus on adopting a proactive approach by conducting baseline survey and upgrading 2 informal settlements at Ndhiwa and Kendu Bay under Kenya Informal settlement Improvement Program (KISIP) .It will strive to mobilize resources for production of 25 affordable low-cost housing units while at the same time complete by equipping the ABT in Ndhiwa ,develop 5km lakefront land , Enhance resilience of the urban across the county in light of adverse climate change effect by mapping 5 hotspot settlements, develop plan and establish town board in collaboration with Kenya Urban Support Programme and lastly organizing 7 Human Settlements and Sustainable Urbanization Forums.

4.4.2 Energy, Infrastructure and ICT Sector

185. The main aim of the sector is to sustain and expand cost effective public utility infrastructure facilities and services in the area of energy, maritime, transport, petroleum, ICT in the line with the priorities in the constitution of Kenya and the CIDP.

Improvement of Transport Connectivity

186. Under General Administration, Planning and Support Services programme, the department will focus on supporting operations of different divisions and the department as a whole and; Support routine field visit to assess different works being implemented.

187. Under Road Development and Maintenance services programme, the department will focus on gravelling of 80 Kms road network in the County; Open 100 Kms ward roads; Design and construct 5 No. bridges in the affected areas; Construct 4 No. foot bridges in the affected areas; Routine road maintenance of 1750 Kms roads across the county.

188. Under Public works and maintenance services programme, the sector will focus on construction of 1No. Bus Park

Improvement of ICT Infrastructure

189. Under the ICT sub-sector of the entity will focus on ICT infrastructure development, equipping of the county's ICT hubs, equipping of the community library at Kendu Bay Town, and upgrading the county's website.

Improvement of Energy Infrastructure

190. Under the energy services programme, the sub-sector will be focused on supporting power connectivity to public facilities and households; provision of electrical transformers, installation of solar masts in urban and markets centers; installation of solar power in health centers; and establishment of solar parks in islands, beaches and high-density areas.

4.4.3 General Economics and Commercial Affairs

191. The General Economic and Commercial Affairs (GECA) Sector mandate straddles at strengthening cooperatives, growth and development of commerce, tourism promotion and development, savings and investment mobilization, employment creation, and industrial and entrepreneurship development. The sector is mandated to promote, co-ordinate and implement integrated socio-economic policies and programmes for a rapid industrialization of the economy so that there are better job and wealth creation opportunities for all. The sector's focus on wealth creation, industrial development, investments and promotion of trade and tourism development is tempered by the need preserve the sanctity of the environment.

192. The sector is a key driver of the County's economic growth and drives part of the Big Four Agenda in terms of food security and manufacturing. Its main activities include promoting sustainable tourism, accelerated industrial development, enhanced trade and ease of doing business as well as ensuring integration and inclusiveness of development in the commercial arena.

193. In terms of promoting trade, enterprise and industry, the sector will continue being focused on realizing sustainable growth and development of trade by improving the business environment, promoting growth of entrepreneurs and improving governance, marketing and investment; stimulating sustainable industrial development through value addition, industrial research, technology and innovation and creating an enabling environment for investment; and ensuring efficient service delivery through prudent management of public resources. Already, the maize processing plant building at Kigoto has been completed as has happened with phase I of the animal feeds processing plant. Over the last three years, 45No. toilets have been constructed in various markets in the county. Again, 20No. markets have been graveled in the entire county and the machine for the animal feeds factory delivered to Homa bay.

194. In terms of promoting tourism, the sector will continue to prioritize the mapping, preserving, developing, branding and promoting niche products especially local heritage, arts and cultural assets for improved earnings and economic empowerment; developing a vibrant and sustainable tourism industry; promoting and securing the county's tourism assets; marketing the county's rich tourism products within the county; empowering locals to participate in the promotion, developing and marketing of local tourism products and providing opportunities in uplifting living standards of the community members living around the sites. Already, mapping of tourism sites across the county and establishment of the proposed tourism management board of stakeholders to manage and control some critical sites in the county is ongoing.

4.4.4 Education Sector

195. The mandate of the education sector is to provide resources for renovation of existing infrastructure which include construction of new VTCs workshops, acquisition of tools and equipment, purchase of teaching and learning materials, disbursement of bursary funds, establishment of day-care centers, provision of subsidized vocational training center support grant (SVTCSG) and construction of ECDE/VTC across the 8 sub counties. Some of the medium-term projects include improving the quality of delivery and infrastructure facilities for ECDE learning and VTCs, strengthening the standards in all institutions by investing in centers of learning and promoting education access.

196. In the General Administration and Quality Assurance Services programme, the entity's focus will be on confirmation and recruitment of additional EYE teachers, human resources development, capacity building, and reducing school dropouts in learning institutions while striving to attain 100% enrolment rates.

197. Under the EYE and Vocational Training services programme will focus on infrastructural improvement in both EYE and VTC learning institutions; construction of 40 EYE classrooms; completion of construction, renovation, and rehabilitation of Asego Hill EYE center; procurement of supportive EYE learning aids and materials in 885 EYE centers for curriculum implementation; construction of 2 No. twin workshops in 2 No. VTC centers; equipping VTCs with tools and learning materials; construction of 4 No. door pit latrines in all VTCs; and conducting shows and exhibitions to sensitize the public about their mandates to encourage more trainees to enroll in VTCs.

4.4.5 Health

198. The Sector envision to provide affordable, efficient and high-quality health care services which could address the heavy disease burden in the county. Under the policy, planning and administrative support services programme, the main focus will be to ensure adequate remuneration for the existing staff establishment; employing more technical staff and improving their working conditions; ensuring supply of alternative power and safe water to all health facilities and; accommodation of staff functions in decent offices.

199. Under preventive and promotive health services programme the channel its efforts towards renovation of 3 Ward/Sub County facilities at Ogongo, Sindo SCH and Ndhiwa SCH, completion of 20 Ward facilities, renovation of 15 staff houses at HBCTRH and 4 more staff houses at the ward level that is Ndiru, Sindo, Kendu and Lambwe, and finally renovation of Health facilities at Makongeni, Nyagor, Kendu and Oyugis. On Community health services the department shall acquire 25 motorbikes, procure 8 incinerators, procure 270 sampling materials, procure one waste disposal equipment and finally procure 100 assorted equipment.

200. Other priorities include improving sanitation in all the trading centers; supporting universal health coverage under the ‘Big Four’ agenda and; handling epidemics and minimizing exposure to health risks, Collect, analyze, and disseminate accurate, timely data about the epidemiology of COVID-19 within its borders. High priorities include: ensuring high-quality

screening at points of entry, among contacts of cases, and other high-risk settings such as boarding schools and prisons, enhancing existing influenza-like illness, severe acute respiratory illness, and event-based surveillance systems; supporting complete and prompt investigation of cases and tracing of contacts; adapting health information systems for managing case and contact data; monitoring and reporting numbers, characteristics, and outcomes of cases that are both clinically diagnosed and laboratory confirmed; investigating rumors and supporting prompt communication to debunk false stories.

201. Under curative and rehabilitative health services programme, the sector will be aimed at upgrading the HBCTRH, constructing general wards at Kendu Bay Sub County Hospital, construction of a theatre at Sindo Health Centre, procuring 2 generators and procuring 25 Dental chairs at county referral.

202. Other priorities under curative and rehabilitative services include: strengthening capacity of healthcare facilities in the county to manage surge in patient visits and to effectively identify, isolate, and manage people with COVID-19 infection; assessing, developing, and managing inpatient capacity, including the establishment of temporary shelters, where necessary; implementing rigorous infection prevention and control, including the use of respiratory hygiene monitors at entry points; hand washing, and appropriate use of personal protective equipment; and training physicians and other clinicians for management of severe respiratory infection in both primary and referral settings.

203. Under the research and development services programme, the focus remains supporting disease surveillance and training of highly specialized cadres and implementing evidence-based interventions at individual and population-level to reduce COVID-19 transmission.

4.4.6 Public Administration and Inter/Intra - Government Relations Sector

204. The sector has been focused on providing strategic leadership and coordination of all recurrent and development interventions in the county; providing leadership and coordination in planning, resource allocation and results tracking; improving accountability and prudence in the management of the county's financial resources; mobilizing development assistance and ensuring optimum and equitable collection of revenue; and promoting development of appropriate infrastructure for effective operations of the public service.

205. The sector is focused on improving its systems for revenue administration such as indexing of property values, zonal approach, e-bill delivery, e-payments and improved enforcement. It considers devolution as important in ensuring that decisions are made closer to the local people, communities and businesses they affect. Consequently, ward administrators will have to play active role in ensuring compliance with regards to revenue collection within their respective jurisdiction. Ultimately, all revenue collected will have to be banked. To ensure this is possible, the finance bill will have to have appropriate provisions for ensuring compliance.

206. The sub-sector had to content with challenges of adverse effects of the covid-19 pandemic which hampered revenue collection locally and nationally; delayed funding from the exchequer; weak resource mobilization and revenue leakages; long procurement processes

affecting project implementation; and inadequate project implementation reports and follow-ups. To address those challenges, the sub-sector has had to

207. As part of measures to enhance coordination and improve service delivery, the office of the governor will continue improving office accommodation and fully operationalizing ward and enforcement offices; strengthening capacity in the service delivery units as well as in legal, communication, public participation and diaspora co-ordination units. Already, the Office has been able to renovate the Office of the First Lady and complete various sub-county offices and some ward offices.

208. As part of measures to ensure services are provided to the satisfaction of the electorate, the Office is focused on improving the performance frameworks in the county. Administrators will be put on performance contract and provided with more efficient accommodation. Administration offices will be provided with the necessary equipment including those for fire and water rescue as well as emergency power. Additional enforcement personnel have been attached to the offices and they will be required to develop comprehensive plans for enforcement of county regulations and disaster response.

209. The sub-sector is expected to strengthen the participation of the people in development through civic education processes and operationalizing structures for continuous civic education. Officers here should be ensuring county employees are giving their best to their government. Towards this end, new employees should be sufficiently inducted and continuously facilitated to acquire new skills and positive living values. Every year, the public service week will be taken seriously to promote reflections on the best practices for public service delivery.

210. The County Assembly has had to grapple with limitations including the budget ceiling set by CRA which does not adequately take care of local needs; delayed disbursement of funds from both the National and County treasury; inadequate project implementation capacity, e.g. lack of Works Officer or technical Engineers thus the Assembly has to rely on the Public Works Officer from Executive; lengthy procurement procedures which delay project implementation; lack of public land for establishment of ward offices and; delay in the procurement processes.

Enhancing Resource mobilization

211. The County Government of Homa Bay needs additional resources to plug funding gaps in its budget. Consequently, the sub-sector has focused on a number of strategies for mobilizing additional resources for implementing the CADP 2022/23:

- Fostering a shared vision of priorities and result areas with the broadest possible range of resource partners as a basis for strong, sustained, flexible, and predictable resourcing of the County's Development Programs and Projects;
- Pursuing partnerships and resources that help to connect shared, regional economic and trade blocs, international and global development goals in concurrence with the Sustainable Development Goals (SDGs) and their corresponding targets to the specific indicators and priorities of the National and County Government and the challenges the emerging democracies face in their quest to mainstream equitable and sustainable development;

- Working with United Nations Agencies, World Bank Programs, Bilateral Development Partners, Multi-Lateral Agencies, International Financing Institutions (IFIs), Local Banks and Cooperatives, Local and International Investors and Global Program Funding Agencies and other partners to align programmes and prevailing funding, technical assistance and capacity development support arrangements;
- Accelerating a scaled-up response to humanitarian crisis by engaging at local, national, regional, and global levels with public and private, traditional and emerging partners and exploring innovative financing and programme support opportunities.

4.4.7 Environmental Protection, Water and Natural Resources

212. The sector is mandated to ensure the people of Homa Bay County have ready access to adequate and healthy sanitation and that they live in a clean and well conserved environment that promotes their sustainable socio-economic development as well as ensure access to clean, quality and affordable water. It also has an important role in ensuring the sustainability of natural resources in the county and the nation at large.

213. Under the policy, planning and administrative support services programme, the main focus will be to ensure adequate remuneration for the existing staff establishment; employing more technical staff and improving their working conditions; improve general operations towards quality service delivery both at the HQs and Sub county offices.

214. Under Environmental Protection and Natural Resources Management Services programme the Department shall acquire and develop two new dumpsites, develop 3 storm water management structures, procure and install 200 coded litter bins, conduct 12 sensitization workshops on climate change resilience, rehabilitating 1 hectares of land, establishing a recycling plant, rehabilitating and conserving one degraded land, establishing 120 tree nurseries and distributing seedlings to 280 schools.

215. Under Water Supply and Sanitation Services programme the Department is aimed at rehabilitating and extending 4 Urban water supply schemes, rehabilitating and extending 4 Rural water supply schemes, drilling and equipping of 20 boreholes, installing of Roof catchment tanks in 20 public institutions, protecting 6 springs, constructing 2 decentralized treatment facilities and finally constructing 8 water storage and flood control structures(pans).

4.4.8 Social Protection, Culture and Recreation Sector

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

217. Over the last one year, the sector has managed to capacity building of 360 women, 120 youths, 50 people living with disability and established 8 forums for youth with special talent to showcase them. Already, the assigned works for the construction of Homa Bay County

Stadium is at 90% completion status. A GBV policy is already developed and deposited at the County Assembly for approval. The Disability and Child welfare policies are at drafting stage.

218. The sector's success is undermined by untimely disbursement of funds; inadequate staff at sub county offices; lack of transportation for the sports department to conduct fieldwork; procurement bureaucracies and system challenges; lack of legal frameworks; and budget and priority adjustments in the face of emergencies. To address these challenges, the sector would recommend recruitment of more staff at the sub county offices; improvement in the procurement processes to enhance service delivery; timely disbursement of funds; construction of more office space; having funds allocated for an intended project not being diverted to other projects; having line ministries i.e. Lands and Works departments to assist the department acquire the necessary documents to help undertake intended project; and enhanced monitoring and evaluation processes for the sector's programmes.

219. The sector priorities include: promotion and development of sports and sports facilities at all levels; improvement in the welfare of the vulnerable population as well as development and empowerment of youth and other vulnerable populations; improvement of resource mobilization; effective service delivery and implementation of programmes; capacity building on entrepreneurship and employment creation for the vulnerable populations.

220. As part of measures to improve Socio-Cultural Protection and Livelihoods of Youth, Vulnerable and Marginalized Groups, the sector is focused on capacity building for the vulnerable groups on entrepreneurship and, establishment of entrepreneurship linkages to youths, women and PWDs.The sector is committed to helping vulnerable populations to establish linkages with SMEPs for seed capital to start up business; engage with likeminded Non-state actors to establish Child Rehabilitation and rescue centers and GVB recovery centers; ensure compliance with AGPO reservation for vulnerable groups; and facilitating opportunities for youth and women to participate in development process at both levels.

221. As part of measures to identify, nurture and promote sports talents for prospective earnings from sports, the sector will prioritize further upgrading of the County Stadium and improvements on all sub-county stadia as well as procurement and distribution of quality sports equipment. The will undertake additional measures to empower PWDs with Paralympics and engage the National Ministry and corporate sponsors to support development of sports facilities.

4.4 Public Participation

222. The PFM Act 2012 provides for public participation in County Governance processes with emphasis of involving stakeholders during preparation of county policies, plans, laws and assessing county performance. Consequently, the development of this Strategy involved wide stakeholder consultations, including sector consultations, public hearings and the County Budget and Economic Forum. Effort was made to expand engagement and enhance collaboration towards development of a sound fiscal framework and guided prioritization of expenditure. The stake holders were from the various sectors that had long been profiled by the responsible departments with a view to realizing greater synergy through joint planning

and integrated implementation, monitoring and evaluation were targeted for invitation. These included: implementing partners, facility managers, civil society, unions and user groups.

223. All public consultations began with introductions and climate setting followed by review of objectives and highlights of the draft document facilitated by officers of the Directorate of Budget. Thereafter, presentations were made by representatives of various county government entities where they expounded on their mandates, achievements over the last year(s), including policies, citizens engaged/empowered, service delivery innovations introduced, projects implemented, issues to be addressed and the relevant key result areas, resource requirements and measures to enhance the fiscal space.

V. FISCAL RESPONSIBILITY IN FINANCIAL MANAGEMENT

5.1 Adherence to fiscal responsibility principles.

224. Section 107 of the PFM Act, 2012 and regulation 25 of the PFM (County Governments) Regulations, 2015 read alongside the Constitution provides for Fiscal Responsibility Principles which the County Governments has to adhere to. The principles require that:

- The County's public debt should never exceed twenty (20) percent of the County Government's total revenue at any one time.
- The County Government's wages should be capped at thirty-five (35) percent of the County Government's total revenue in the Medium Term.
- The approved expenditures of the County assembly should be as per senate's recommendations. This ideally should not exceed 7% of the total revenues of the County Government or twice the personnel emoluments of that County Assembly, which is ever low.
- The County Government's actual expenditure on development should be at least thirty (30) percent of the County Government's total expenditure.
- Fiscal risks should be managed prudently and,
- A reasonable degree of predictability for the level of tax rates and tax bases should be maintained, considering any tax reforms that may be made in the future.

225. The county budget for the FY 2022/23 and the Medium Term, will be prepared in such a manner that its complies with the stated principles. Where this is not possible, compliance statements will be prepared and submitted to the County Assembly.

i. The County public debt shall never exceed twenty per cent of the County Government's total revenue at any one time in the 2022/23 FY.

226. The County Government does not envision any external borrowing. Instead, the County treasury will ensure that all obligation to service providers are met on a timely basis to avoid the piling of Pending Bills. The County will continue to dedicate 5 percent of its equitable share towards settling opening bills. A committee will be constituted from time to time to examine pending claims and advise the Government on mechanisms of addressing emerging liabilities.

227. However, it is already evident to the County Government that exchequer releases for payment of salaries may delay from time to time. When that happens, the County treasury will always consider taking overdrafts from local commercial banks which must be settled within two months of taking. At any one time, the total overdraft taken shall not exceed 5% of the County's Total Budget for the year under consideration.

ii. **The County Government's expenditure on wages and benefits for its public officers shall not exceed thirty-five (35) per cent of the County Government's total revenue.**

228. Based on projections for 2022/23 FY, the County's expenditure on wages and benefits will approximately KSh 4,228,716,914 translating to 45.2 % of the total revenue expected for the financial year. Such expenditure is 10.2% above the ceilings provided in PFM regulations. However, the County Government is still confident that over the medium term, it will still be able to reign in the ballooning wage bill by implementing raft of measures and policies to be included in the compliance statement.

229. Part of the measures will include acting on the recommendations from CARPS so that the public service can be kept at its optimal level. Second, vacancies arising from natural attrition will not be filled unless it is absolutely necessary. Third, promotions and other personnel benefits that have implications on the wage bill will be carefully evaluated before being considered through the County HR Advisory Committee so that wage increases are strictly matched by productivity increases.

iii. The approved expenditures of a County Assembly shall not exceed seven per cent of the total revenues of the County Government or twice the personnel emoluments of that County assembly, which is ever low.

230. The expenditure of the County Assembly will account for 11.9% of the total projected expenditure for the FY 2022/23. This may be above the 7% proposed in PFM Regulations. However, due to the legal impracticalities of implementing this provision, the Commission on Revenue Allocation has taken over the task of determining the ceiling for the County Executive and the County Assembly. This will be printed on the CAR Bill and enacted by the Kenya's Parliament in the form of County Allocation Revenue Act.

iv. The County Government actual expenditure on development shall be at least thirty per cent It is projected that the County Government will spend 30% of its Budget on development in 2022/23 FY.

231. For the FY 2022/23 FY, the County Government of Homa Bay projects development expenditure at KSh 3,277,300,792. This will translate to 35% of the total projected revenue for the financial year. The County Government is committed to put more of its financial resources towards capital projects especially those with high impact on poverty eradication and job creation.

232. The County Government will commit the bulk of its development expenditures towards the completion of on-going projects, reviving of stalled projects that have been determined to be viable, implementation of flagship projects and other new project proposals that are deemed critical to service delivery. This trend in allocation will be continued over the Medium Term.

v. Fiscal risks shall be managed prudently.

233. The County government of Homa Bay is obliged to manage its fiscal risks prudently. To do that, the County Government will have a robust framework for identifying risks and managing them so that success of the county's programmes is not undermined. On the expenditure side, full implementation of e-procurement, stringent expenditure management controls and ensuring pricing that reflect the market prices will come in handy. On the revenue side, digitization of revenue collection, subjecting collectors to integrity tests and, mapping all revenue stream and plugging all leakages will be prioritized.

234. The County Government of Homa Bay has carefully considered the fiscal risks arising from contingent liabilities, potential impact of the Public Private Partnership and Financial Sector Stability. Furthermore, for the FY 2022/23, an emergency provision of KSh. 70 million will be factored in the budget to cater for urgent and unforeseen expenditure.

vi. A reasonable degree of predictability for the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in the future.

235. To ensure a reasonable degree of predictability for the level of tax rates, charges and tax bases, legislation on property rates, entertainment tax and produce cess will be amended through the Finance Acts depending on the fiscal strategy in a given year. The legislation will also contain clear justification for the fees and charges to be charged and the modalities for charging the same. The County Finance Acts will refer to the substantive legislation while proposing amendments to the charges, fees and taxes hence maintain a degree of predictability.

5.2. Financial Management of Fiscal Risks

236. The County Government has identified all the risk factors that likely to interfere with its government's fiscal performance leading to deviation from what was forecast in the medium-term or pose a threat to sustainability over the long-term. Such risks could materialize either as a result of a discrete event (e.g. a financial crisis) or the gradual accumulation of pressure (e.g. the accumulation of pending bills beyond a sustainable level) and effects of election that is likely to impact negatively on OSR performance that is part of the County's overall budget.

237. The policy formulation assumptions of the CFSP have been reviewed together with the risks that the County is exposed to in its operations. Managing fiscal risks will require a set of comprehensive actions including clearing the stock of pending bills and other liabilities, keeping taxes low, supporting valuable public services, and investing in the county's future so that productivity is significantly raised.

238. Managing fiscal risks will be through a four-stage process, modeled on international best practice. He first step will involve identifying the sources of fiscal risks and assessing their size and likelihood of realization. Even in cases where probabilities are difficult to assign, risks will be able to fall into categories of probable, possible, and remote based on judgments to assess their likelihood of occurrence. The second step will involve assessing which mitigating measures could be taken to reduce fiscal exposure. Such measures could be broadly

categorized as (i) those that impose a direct control aimed at limiting exposure (e.g., a ceiling on the issuance or stock of guarantees); (ii) regulation charges, incentives, and other indirect measures that would reduce risk-taking behavior (e.g., bank capital adequacy requirements, guarantee fees); (iii) risk sharing (e.g., partial guarantees) that also aims to discourage risk taking; and (iv) risk transfer to avoid or minimize impact (e.g., insurance, securitization).

239. The third step will involve determining whether to budget for unmitigated risks. In general, three budgetary mechanisms will be available to accommodate risks—appropriations for costs, rather than cash; contingency appropriations of an appropriate size that could be tapped as needed; and buffer funds-built overtime in the form of emergency resources set aside for meeting the costs of larger risks should they materialize. The final step will be to determine whether additional fiscal headroom is needed to accommodate some or all remaining fiscal risks, and take informed decisions on building a safety margin relative to their debt ceiling.

5.2.1 Assumptions

240. The first assumption is that global economy already being experiencing recovery from the effects of COVID-19 will trickle down to the county. This implies that the multiplier effects in the local economy can be felt soon and that resultant increase in economic activity in the County will make it possible to achieve set targets as funds that were previous earmarked or used to manage COVID-19 recovery can be channeled to other development programmes.

241. The second assumption is that Kenya's macroeconomic policies will remain "unchanged" over the medium term will therefore be based on current fiscal and monetary policies. This means the prospects for growth, inflation, employment and other key economic variables will remain as forecasted given the unchanged policy settings. For example, the County Government of Homa Bay County remains highly dependent on revenues from the National Government and Conditional Grants from various Development Partners. To this end, the County expects that all the revenues streams as encapsulated in the CARA 2022 will be released to the County for all the anticipated programmes and projects to take off irrespective of any change in the presidency

242. To ensure planned and sustainable growth, the County Government will continue to synergize its efforts in implementing the socio-economic priority programmes as articulated in the County's Integrated Development Plan III and all other relevant policy documents. While doing this, the County Government remains positive that critical ongoing programmes will be continued and flagship projects will be prioritized for completion so that citizens can begin to enjoy benefits from them. Equally, the County Government is positive that all funds that are not yet disbursed to the County, especially conditional grants will ultimately be disbursed in the current financial year.

243. Because adherence to all the fiscal principles as captured in the constitution of Kenya 2010, and the PFM Act, 2012 is critical, the County Government is positive that all its programmes and projects will have been implemented in a manner that is consistent with the provisions of local laws and other legal instruments such as the Procurement and Disposal Act and Regulations, among other existing policy guidelines. It is also hoped that disruptive

events, such as industrial action, political activities among others will not happen in a scale that could hinder the implementation of the programmes and projects targeted for in the FY 2022/23.

5.2.2 Risks to the 2022/23 Budget Framework

244. It is often a requirement that governments disclose, analyze, and manage risks to the public finances and ensure effective coordination of fiscal decision making across them. In this case, fiscal risks are factors that may cause their fiscal outcomes to deviate from expectations or forecasts. These factors comprise potential shocks to government revenues, expenditures, assets, or liabilities, which may not be reflected in the government's fiscal forecasts or reports.

245. Fiscal risks may arise from a range of different sources, which can be classified into two main categories:

- **Macroeconomic risks** which arise when outturns differ from forecasts for key macroeconomic variables, such as GDP, inflation, unemployment, interest rates, commodity prices, and exchange rates, which are themselves important determinants of fiscal performance. Notably, sharp deviations in nominal GDP growth may have large implications for government revenues as well as expenditures, and therefore for public debt.
- **Specific fiscal risks** which arise from the realization of contingent liabilities or other uncertain events, such as a natural disaster, the bailout of a troubled government entity or the collapse of a critical financial institution Each of these events can entail both immediate and/or ongoing costs to the government because of their explicit obligations (liabilities that have a legal or contractual basis) or implicit obligations ("insurer of the last resort"), which are not established by law or contract but are based on a moral obligation of the government that reflects public expectations and interest-group pressures.

246. The County Government of Homa Bay remains committed to improving the livelihoods of its people through a Socio-economic Transformative Agenda which entails risks that may hinder the fulfilment of fiscal objectives. These risks are threats to projected outlook for 2022/2023 FY Budget and Medium Term emanate from both external and internal quotas.

247. The specific risks include:

- Low global and national economic performance due to the effects of the COVID-19 pandemic leading to delays in disbursement of funds and low achievement of the set target;
- Adverse weather conditions that may accentuate low implementation of development projects;
- High public expectations against the resources available to the County;
- Public expenditure pressures especially recurrent expenditures and wage bill impacting negatively on the development projects implemented in the fiscal year;
- Heightened political mood during the electioneering period that may affect the implementation of the fiscal policies and budget for the FY 2022/23. Political interference

is likely to influence the distribution of resources or create hurdles in programme/project implementation. Key politicalevents that pose as risks include the County Executive and Assembly wrangles at the local level, political realignments and electoral canvassing. The electioneering period is highly likely to bring changes in policies emanating from what the citizenry of the county prefers which may derail the implementation of planned programs and projects. Political goodwill will be required to implement the budget to meet the objectives outlined herein.

- National and County Debt. Pending bills that hinder local development at both the micro and macro levels. That is, lack of payment for services and goods offered to the County impedes socio-economic development of individuals whilst at the same time incapacitates the implementation of new programmes and projects by the County. Economic incapacity of individuals in the County translates to the poor economic performance of the County;
- Industrial action has over time incapacitated the implementation of certain programmes in the County. The infamous health sector industrial actions have affected health services delivered locally and nationally;
- COVID-19 pandemic; and
- Human capital is essential for service delivery. The County staffing levels could at some technical areas be wanting and this exacerbates poor performance at the County.

248. In light of the existing risks and the level of exposure, the County Government, through its various entities, has put in place a risk management framework. It is now incumbent up the County Treasury to monitor the implementation of the policy and ensure entities have proposed mitigation measures in place. It is also expected that the County Contingency Fund will be able to alleviate the emergent issues not captured within the running budget.

5.3 Fiscal Structural reforms

249. The County Government is focused on improving efficiency, accountability and transparency in the management of public resources so that persistent structural challenges such as low productivity growth, high unemployment, insufficient levels of investment, high public and private indebtedness as well as weaknesses in the financial sector can be addressed.

250. To realize inclusive economic growth and sustainability in the long-run, the County Government will implement the following reforms.

5.3.1. Deepening Public Financial Management Reforms

251. The County Government of Homa Bay in its effort to ensure efficiency and effectiveness of public spending will continue order to strengthen expenditure control through necessary fiscal measures and prudent public financial management reforms. To facilitate the attainment of the priority projects, the County Government will focus on implementation and completion of ongoing priority projects and programmes as set out in their agenda with no new projects outside plans undertaken. As a measure of accountability, the County Government will adhere to strict project timelines and budgets through ground inspection of projects and robust public engagements.

5.3.2 Expanding Revenue Mobilization Reforms

252. The adverse performance of the last financial year highlighted the difficulty in preparing realistic revenue forecasts and the effect of Covid-19 pandemic on revenue collection. Funding gaps occasioned by revenue under-performance remain a major source of fiscal pressure for the County as it seeks to implement its budgets.

253. The County Government of Homa Bay will adopt other key strategies amongst them; mobilization of additional resources by strengthening enforcement, performance contracting exercises and completion of administrative reforms including the automation of all systems and expansion of the revenue base. This will continue to remain the key focus in the next FY.

5.3.3 Fostering Management of Government Assets Reforms

254. Establishment of a County Assets and Liabilities Management Committee which is mandated to develop (through a consultative process) an overarching Assets and Liabilities Management framework has been one of the main aims of the County. In addition, the Government will develop policies, guidelines and standards with the objective of ensuring that:

- All county departments maintain a complete and accurate register of assets and liabilities;
- There is a Rollout of standardized reporting tools on assets and liabilities management to all departments;
- All departments put in place consistent and seamless processes of managing Assets and Liabilities so that there is reduced misuse and under-utilization of County Government Assets;
- There is identification of user requirements in relation to acquiring an efficient and integrated assets and liabilities management information system;
- The County Government undertakes continuous research on global trends in assets and liability guidelines, legislation and regulations for the purpose of undertaking the assets and liabilities polities and Register;
- Risk management and mitigation register for assets and liabilities is developed; and
- There is adequate sensitization of all County Government departments on the risks associated with acquisition of assets.

260. Further, the County Government will focus on expenditure rationalization by;

- Promoting fiscal discipline, allocative and operational efficiency. The County will align County expenditures with total revenues and allocate budget to programs and activities that promote strategic priorities of the County whose outcomes shall have an impact on society while further ensuring the delivery of high-quality services at reasonable cost. The County Government proposes to allocate more resources to roads, health, Agriculture, Trade and Industries with the aim of improving the livelihood and welfare of County residents.

- In order to ensure continuity of service delivery, the County Government has embraced public private partnership (PPP) with national government through various ministries and parastatals such as KURA, state department of housing and urban development and KENHA to carry out some of the earmarked major projects/programmes within the County.

APPENDIX I: ISSUES AND RECOMMENDATIONS FROM PUBLIC PARTICIPATION

1. Agriculture, Rural and Urban Development Sector

S/No	Plenary Issue(s)	Government Response(s)
1.	Lack of extension personnel	Department of Agriculture to ensure that 20 motorbikes given to extension staff to increase extension service coverage and delivery are used for the purpose
2.	Fate of money that is disbursed late and it is not used as planned at the end of the year and being that agriculture has time based activities	Department of Agriculture to put in place measures to absorb the funds as soon as they become available even if delays are occasioned by the National Treasury
3.	Dealing with army worms that have negatively affected the agriculture sector.	Farmers to follow up with the Department of Agriculture so that they are given the best advice on pesticides which can best used to control army worms.
4.	Dealing with corruption cases that have been reported	Department of Agriculture to empower every stakeholder to report corruption cases to the relevant authority.
5.	Opaque mode of distributing farm-inputs among county residents/being hijacked by the MCA	Department of Agriculture to work closely with farmer groups, chiefs, ward administrators and other structures to help in identification of real farmers who are in agricultural production.
6.	Minimal supervision and oversight role to the already established CADC in terms of procurement a and day to day running of the committees	Department of Agriculture to train the 20 appointed administrators to be guiding the process
7.	Frequent breakdowns undermining access to tractors procured by county	Department of Agriculture to provide sufficient budgetary allocation for operations and maintenance of tractors
8.	How to measure the results now that reporting is output based	Department of Agriculture to issue baseline indicators to be incorporated so that the reports have baselines outcome for comparison in subsequent meetings.
9.	Dealing with farmers who lack knowledge on how to feed the fingerings and how to increase fish pond output	Department of Agriculture to use IFAD(ABDP) program to deal with emerging capacity and technology concerns of the farmers. Farmer groups to strengthen collaboration with the department of Fisheries for increased capacity and better services to all affected groups.
10.	Presence of other outlets apart from Kabondo Dairy	Department of Agriculture informed that there’s Rangwe, Rodi, Ndhiwa and Kochia dairy cooperatives that were recently formed
11.	Capture of tilapia being low and the law hindering BMU to have ponds at the lakeshore	Department of Agriculture to strengthen capacity building of the BMU leadership to reduce illegalities in the lake

12.	What is being done to control distribution of illegal fishing gears and protection of breeding sites	Department of Agriculture to increase routine lake-patrol and surveillance and awareness creation among fishermen through BMUs on need to embrace using right fishing gears. The newly introduced Kenya Coast Guard to supplement County Government efforts in controlling illegal fishing and fishing at fish breeding sites.
13	Controlling the water hyacinth menace	Department of Agriculture reported that this a multi sectoral issues that affects the whole Lake Region therefore it needs concerted effort from all concerned parties including LBC, LVLARC and LREB.
14.	Poor supervision and performance of agriculture-based cooperatives	Department of Agriculture reported that it has provided for training of more staff dealing with cooperatives
15.	Why the Department was no longer building new structure for housing civil servants	Department of Lands to look into housing concerns despite the budget allocation for housing having been on the decline thereby making it impossible to build new houses.
16.	What plans the housing department has for informal settlements which are within local municipalities.	Department of Lands to leverage the Kenya Informal Settlements Improvement Programme (KISIP) to deal with issues of informal settlements,
17.	Inadequate support to communities in acquiring title deeds	Department of lands to consider subsidizing acquisition of title deeds among vulnerable county residents in collaboration with National Land Commission
18.	Mechanisms to be used to open up the roads within municipality without demolishing structures which sit on road reserves.	Municipal Boards to ensure all major roads improved are improved to bitumen standard. However, all illegal buildings on road reserves should not be spared.
19.	Lack of irrigation initiates and kits to the farmers	Department of Agriculture to work towards insuring that the water sources is well utilized for irrigation
20.	Kigoto project taking too long to be completed and therefore its implementation should be fast-tracked	Department of Agriculture reported that the store is already completed awaiting operationalization.
21.	Lack of allocation for desilting silted up streams and water pans	Department of Agriculture supported the ideas of constructing roof catchment for running water and using the same for irrigation
22.	Allocation for crops that can bring income.	Department of Agriculture reported that there is an on-going sensitization to have more yields by encouraging plantation of cash crops.
23.	Lack of technical staff in the department	Department of Agriculture t is planning to recruit additional staff to help in collecting rental income in stalls owned by the county

2. Energy, Infrastructure and ICT Sector

S/No	Plenary Issue(s)	Government Response(s)
ENERGY SUBSECTOR.		
1.	Status of the Renewable Energy policy	Department of Energy to fast-tracking approval and implementation of the renewable energy policy so that policy procedures such as submissions to CEC and CA for approval are expedited.
2.	Skewed planning on matters that relates to energy programs	Department of Energy to always make reference to the Homa Bay Energy Strategic Plan that was developed in collaboration with CSOs to inform some of the priority areas.
3.	Low engagement of stakeholders in the sub-sector.	Department of Energy to strengthen collaboration and enhance participation of stakeholders in the energy subsector. Department of Energy to refer to the Strategic plan.
4.	Lack of an inventory for mineral resources	Department of Energy to establish an inventory of mineral resources and come up with strategies to make sure they are exploited sustainably.
5.	Low uptake of renewable energy products among last mile communities.	• Department of Energy to work hard to create regular awareness and sensitization sessions target underserved such communities • Department of Energy to link communities with actors/partners that deal in renewable energy products. • Department of Energy to come up with incentive to firms that deal in energy products to make energy products affordable • Department of Energy to ensure those who can't afford are supported. • Department of Energy to assist local groups to tap into the Green Climate Change funding opportunities for underserved communities through elaborate partnership with county government. • Department of Energy to promote uptake of green technologies i.e Briquettes, solar and Biogas etc.
6	Market solar lights that are not functional hence not serving economic purpose.	Department of Energy to local staff so that they able to undertake ongoing repairs and carry out routine maintenance of already installed market solar lights.
7.	How and where to reports cases of on electrical poles that end up falling down.	Department of Energy informed that such evens should be reported to KPLC or even the department of Energy itself.
TRANSPORT AND INFRASTRUCTURE		
8.	Why Roads not being done as per BQs	Department of Roads to strengthen routine supervision and create mechanism for public complaints
9.	What the Department of Roads was doing to ensure compliance with EMCA regulations	Department of Roads reported that it has been able to demonstrate compliance where possible so that it does not cause environmental degradation when doing major roads and other infrastructure works. Department of Roads to submit summary project reports regularly to NEMA.
10.	Lack of an environment plan to deal with effects of high impact projects	Department of Roads to partner with NEMA in coming up with an Environment Action Plan.
11.	Poor coordination and linkages between county and national government agencies involved in road development such as KeRRA ,KeNHA, KURA and CDF.	• Department of Roads to seek the establishment of a cooperation agreement between all road developers. • All other road agencies should seek no objection letters from the department of road so that there is no duplication of responsibilities
12.	Duplication of road works	Department of Roads to come up with a mechanism for joint planning between county and national government agencies involved in road development such as KeRRA, KeNHA, KURA and CDF.

13.	Pathetic status of Tom Mboya – Prison-Kakech-Kogelo kalanya-Kogot-Lwala-Kapita road serving many people.	• Department of Roads reported that a qualified contractor had been engaged urgently under Emergency program to carry out work on the road. • Department of Roads to make a habit of carrying out routine site visits by roads engineers on all roads being done in the county. • Department of Roads to engage surrounding community so that they get accurate feedback on the project.
14.	Increasing deaths cases along our highways due to lack of bumps.	Department of Roads explained that it was the responsibility of KeNHA to put up bumps but could only be on busy roads and local communities have an opportunity to raise such issues with KENHA through memorandums.
15.	Status of Sindo-Nyabera Road.	Department of Roads promised to engage the KeRRA leadership towards completion of the project.
16.	High incidence and recurrence of fire disasters	Department of Roads reported that was no longer their responsibility but would continue lobbying the executive to equip sub counties with firefighting machines.
17.	Status of Sindo-Magunga Road	Department of Roads reported that impressive progress had been witnessed on the road.
18.	Illegal bumps being put by Kazi Mtaani initiative.	Department of Roads reported that it would raise complains with relevant authorities for swift and appropriate action.
19.	Damages done on water infrastructure especially during the development of Lake Pry- Tom Mboya Link Road	Department of Roads reported that the Department of Water should be able to embark on repairs damaged sections since it had been given monies for the same.
20.	Maintenance of drainage of road works	Department of Roads to embark on routine maintenance of existing drainages.
21.	Boda-Boda parking	Department of Roads to designate parking sites for Boda-Boda.
22.	Poor state of roads in Homa Bay Municipality	Department of Roads to engage the Municipality on issues touching on roads within Homa Bay town.
ICT SUB-SECTOR.		
23.	Delay in finalizing ICT Policy, law and regulations.	Department of Education and ICT to prioritize completion of Homa Bay ICT Policy.
24.	Inactive County website.	Department of Education and ICT reported that it has been activating and updating county website on a regular basis.
25.	Insecurity and safety of county information and data.	Department of Education and ICT to procure data security software components.
26.	Low Internet connectivity in the County.	Department of Education and ICT to develop appropriate internet infrastructure at a central point where many end users can easily access internet services.
27.	Low budgetary allocations to the subsector.	Department of Education and ICT to engage county assembly leadership to understand the importance and contribution of ICT in driving economic growth hence allocating substantive budgets.
28.	Low capacity and negative perceptions among some county residents on ICT	Department of Education and ICT to prioritize educating and creating awareness on ICT in the whole county
29.	Failure by County to access grants meant to boost ICT programs and activities.	Department of Education and ICT to prioritize creating an enabling environment for ease of tapping funding and partnership opportunities.

3. General Economic and Commercial Affairs Sector

S/No.	Plenary Issue(s)	Government Response(s)
1.	Status of land purchased for cassava in West Gem	Department of Trade to seek clarification on that land from the relevant ministries
2.	Failure of Otati Feed Factory to take off	Department of Trade to allocate money for land purchase for Otati
3.	The toilets under Arujo Ward Based projects have not been delivered	Department of Trade reported that those projects should be completed and operationalized before end of the financial year.
4.	Aswekra-Makongeni-Got Rabuor-Sengenya	Department of Trade to find ways to combined them into a joint centre
5.	Homa Bay Central bus park	Department of Trade to ensure pending works are completed.
6.	Kabondo potato land	Department of Trade to pursue the title deed issue
7.	Fate of Kochia Pineapple Processing Factory and Rachuonyo Cotton Factory	Department of Trade to seek allocation of additional funds so that it can implement all pending projects
8.	Fate of Capital Fish Factory	Department of Trade promised to provide more information even though reviving the factory was a priority
9.	The status update on Kigoto store/Arujo animal feeds	Department of Trade has prioritized completion of the two projects this financial year. However, pending bills being quoted on them needed verification.
10.	The damaged toilet in Kiwiro Centre	Department of Trade indicated that the toilet would be renovated
11.	Status of Raila Ground in Oyugis Town	Department of Trade reported that it would be restored for development of stage and should revert to the public
12.	New market in Oyugis has containers distributed in the pathways	Department of Trade reported that the containers would be removed from the pathways
13.	Shoddy job done in Aswekra area of new market in Oyugis	Department of Trade reported that the project was done under the National government mandate. However, the County Government will step in to help where possible.
14.	Improved safety for children crossing the roads	Schools in town should have fly overs In order to prevent risks of accidents in the road

15.	Improvement of Orada Market	Department of Trade recognized the need for maintenance and access road
16	Settling disputes on the Jua kali land	Department of Trade to gazzete market lands spared for handicraft collection and ensure it is on public land
17.	Imbo market has been encroached, has no land, no toilet and open dams	Department of Trade was asked to survey to establish the truth, provide land for the market then fence it
18.	Need for Market in Gem Komolo	Department of Trade to assess the need and identify appropriate site for the same
19.	Improvement of Lala market	Department of Trade was asked to sink another toilet, install solar lighting and murram access road to the market
20.	Development of a cattle ring at Oriang-Nyangweso-Rangwe	Department of Trade recognized the need for a permanent location to centralize revenue location
21.	Improvement of Ogande centre	Department of Trade promised to seek additional budgetary allocation for toilets in such centers
22.	Old Town in Kendu Bay	Department of Trade was asked to relocate the junction to old Town
23.	Underutilized potential for Cotton in Kibiri	Department of Trade to liaise with department of agriculture to assess suitability of the area for cotton planting then activate the market once production starts.
24.	Need for toilets in Ogama (Kibiri)	Department of Trade to seek funding for new toilets in high traffic market centres
25.	Need for new market at Ngut-Ofayo in Kibiri	Department of Trade to assess need and viability of the market and then take steps to create one.
26	Establishment of a new Jua Kali center at Gingo Kasgunga	Department of Trade to assess need and viability of a jua kali centre and then take steps to establish it..
27	Unfair distribution of units at Rusinga market	Department of Trade to investigate the matter and take steps to ensure fairness in distribution of units.
28.	Establishment of a cattle ring at Kosewe ward	Department of Trade to assess viability of the proposal and seek funds to buy land for the same.
29.	Clarification about the Sikwadhi market at South Kabuoch	Department of Trade was informed that informed that it was developed by the national government
30.	Poor murraming of access road to Sindo market	Department of Trade to consider having it being redone

31.	Emergence hooligan at lake shores	Department of Trade to investigate the matter and liaise with BMUs or coast guards to deal with the matter
32.	Need for a market at Ndhiwa, Kanyikela Ward	Department of Trade to assess viability of the proposal and seek funds to buy develop the market
33.	Importance of revenue being collected from Sukari industry	Department of Trade was asked to negotiate with Treasury to find a way ploughed back the money for the benefit of locals

4. Education Sector

SN	Plenary Issues	Government Response(es)
1.	Confirmation of the EYE teachers	Department of Education confirmed that all EYE teachers will be confirmed during the FY 2022/2023
2.	Updated statistics of classrooms constructed in the previous FY	Department of Education was asked to have more classrooms built in EYE centres and have ongoing constructions completed. Department of Education was also asked to investigate and act on cases of new EYE classrooms being used by senior pupils and not EYE pupils
3.	Sector plans on the nutrition program	Department of Education was asked to seek to implement the program through partners and OVC approach. The sector promised more collaboration with willing partners to continue implementing the program as they hope for more funding by the County Treasury
4.	Status of policies development in the sector	Department of Education was asked to put in place all policies required to guide development in the sector. Members applauded the existence of the roadmap for engagement of stakeholders
5.	Materials for special needs education vis-à-vis other materials	Department of Education was told that there is a gap in the sector as it was costly to acquire learning material for special groups. It was agree that the sector will seek to collaboration with willing partners to support in obtaining learning materials for the special groups Develop policies that are all inclusive
6.	Lack of Budget for the bursary despite existence of an Act.	Department of Education to consult the County Assembly to repeal the sections not favourable to the department such as funding of non-devolved functions.
7.	Plans to set up centres for learners with special needs	Department of Education was told there is need to have policies to guide inclusive development to cutter for special needs
8.	Delay in disbursement of funds and mitigation measure	Department of Education was told to work closely and follow up with Country Treasury. The Director Budget was asked to champion availability of funding and expedite procurement processes.
9.	Status of MOU signed on matching funds	Department of Education was tasked to ask the current leadership to act on the MOUs

5. Health Sector

S/No.	Plenary Issue(s)	Government Response(s)
1.	Whether it was possible to target 4th ANC without having 1st ANC.	Department of Health explained that all pregnant mothers should visit health centers 4 times during their pregnancy. However, this has not been the case because many of them visit hospital and get back to TBA and only to appear after 36 weeks of their pregnancy.
2.	Why the Training of health workers normally target doctors and not others staff of various cadre	Department of Health promised that trainings would increase from 12 to 36 and the public health officers would be considered too.
3.	Inadequate staffing in the newly opened dispensaries at the ward level	Department of Health reported of having placed an advert and recruitment process was on going in the county Public Service. More emphasis to be given to Nurses and Clinicians to help in filling the gap in the new facilities
4.	Lack of facilitation/Stipend to the Community Health Workers	Department of Health to review the terms and conditions for the CHW. The stipend was proposed to be increased from ksh2000 to ksh 5000 as other counties e.g Siaya
5.	Lack of outreach programs in the wards	Department of Health to ensure outreach programmes ae scaled up to improve on the immunization coverage
6.	Launching of hospitals and being branded names with no facilities and equipment's	Department of Health promised that going forward the gazettment will be done to hospitals that need upgrading to various status
7.	Lack of staff housing	Department of Health explained there were financial constraints. However, there is a plan to improve the staff houses in all the facilities that already have none.
8.	Why some doctors were being allowed to divert patients to their private clinics.	Department of Health reported that it has put in place some measures to prevent doctors from diverting patients to their private clinics. However public can report such incidences when they occur

6. Public Administration and Governance Relations Sector

SN	Plenary Issues	Government Response(s)
1.	Further devolving services to villages	• Demarcating boundaries between villages • Recruitment of Village Administrators
2.	Improving coordination of field activities	Having a Chief Officer or a Director of Administration under the Office of the Governor

3.	Improving relationships between chiefs and ward administrators	• Encouraging sharing of information between the two offices • Having ward administrators attend chief's barazas and vice versa
4.	Improving office accommodation for Ward Administrators	• Completing offices that are under construction • Building offices where there are none
5.	Poor leadership undermining implementation of the ADP	• Election of responsible leaders especially MCAs • Educating the electorate on leadership and projects management

7. Social Protection, Culture and Recreation Sector

SN	Plenary Issues	Government Response(s)
1.	Distribution of kits to players with in the football clubs across the county and processes involved in the exercise	The stakeholders urged the sector for fair distribution of kits and cautioned them against distributing kits to non-players of relatives
2.	Inadequate staffing was noted as many youths across the county have no jobs	The sector was urged to recruit more youths to lower cases of insecurities across the county The sector was further urged to develop their sub-county offices to be able to recruit inclusively
3.	Factors considered while distributing funds to the sectors	Stakeholders were urged to refer to the earlier presentation made by Mr. Handel on considerations for allocation of funds prepared by the Budget Office
4.	Sectors long term and short-term priorities	The sector was urged to come up with as many priorities and plans as possible to enhance their service delivery
5.	Whether Paralympics sports have an allocation while preparing their budgets	The stakeholders lauded the sector for setting up good strategies to enhance their performance
6.	Allocation of funds for mobilization of the PWDs	The sector was urged to allocate some of their funds towards PWDs to use in creation of awareness
7.	Whether consultation was done on the construction of the stadium	Stakeholders having understood the fact that the stadium was a flagship project (that was in the governor's manifesto), they went ahead to appreciate the sector's efforts towards the development of the Homa Bay Town stadium.
8.	Enhanced coordination of Social Protection Programme	The Sector should fast-track establishment of an institutional framework for coordination of all social protection programs to create harmony and avoid duplication. The sector was also urged to map out its partners and develop a database to that effect
9.	Inadequate funding for talent development in the sector	The sector was urged to allocate more funds to talent development activities to be able to empower as many youths as possible

10.	Status of policies development in the sector	The Sector needs to fast-track amendment and enactment of legal frameworks (Policies, bills and legislations) that are aligned to the Constitution to facilitate efficient and effective implementation of sector activities
11.	Untimely disbursement of funds to the sector	The sector leadership was urged to follow up on the matter to ensure service delivery is enhanced in the sector
12.	Improvement of Security Improvement of Security	The County Government should enhance security and disaster preparedness measures to curb the current and emerging security and disaster threats especially around sports facilities, events, cultural sites and monuments.
13.	Capacity building	The County Government should build capacities to increase the county pool of talents and skills while rewarding to counter "Brain drain".
14.	Increase Public awareness	The Sector should increase public awareness on mandates of the sector and the rights of citizens as enshrined in the Constitution on the Bill of Rights to reduce discrimination and promote inclusivity.

8. Environmental Protection, Water and Natural Resources Sector

SN	Plenary Issues	Government Response(s)
1	Budget absorption rate	Department of Water to find ways to deal with delay in disbursement of funds and long procurement processes
2	Issue of vandalism	Department of Water reported that has been catalysed in the past due to the use of plastic pipes but going forward, the company has introduced the use of high density polyethylene (HDP) pipes with is not prone to vandalism. It was also expected that vandalism will reduce massively when the planned expansion programs are done. Finally, the company will also ICT for monitoring in the future.
3	Non Existence of sanitation projects in the Annual Development Plan	Department of Water informed participants that sanitation programmes are cross cutting and therefore could be captured in several budgets
4	Poor workmanship on some of the Ward Based Projects (WBP)	Department of Water indicated that very few selective WBP are not operational but majority are well developed and operational. The few not completed is due to contractual issues
5	Lack of HOMAWASCO budget line	Department of Water reported that budget for HomaWaSCo was part of its budget under the urban water management services sub-programme
6	Human Wildlife conflicts	KWS recommends that the department should come with programmes that will reduce human wildlife conflicts at the degraded areas
7	Acquisition of a dumpsite	Department of Water reported that acquiring dumpsites was the responsibility of the Department of Lands upon request by the Department of water. Later the land is transferred for to the department for development
8	Water line connectivity to Marindi-Health Centre	Department of Water reported that the project was not planned and therefore could be considered in the next budget
9	Connection to the direct lines services areas i.e. HBTRH	reported that HomaWaSCo is planning on developing a new direct line to the hospital
10	Budget requirement more than ceiling	Department of Water explained that its budget requirement way above the ceiling Department of Water provided. However, it would seek

		collaboration with Development partners. Additionally the budgeting framework is a 3 year rolling tool hence priorities unable to enter into the budget in a FY are rolled over the successive year
11	Standardization of waterlines	Department of Water reported that the standards of waterlines are two feet on the ground however unscrupulous contractor have been doing shoddy jobs on some of the water lines leading to breakages. Currently HOMAWASCO officers are repairing the breakages and removing the illegal lines. Plans to register qualified plumbers to do proper jobs.
12	Damages of water lines coursed by road constructions	Department of Water reported that a committee chaired by the Deputy Governor has been formed to look into this matter. It brings together the HOMAWASCO team, KERA and KURA representatives. It has also been ascertained that the ongoing road construction has damaged 4 blocks and the amount needed to repair the lines (KSh. 10,000,000).
13	Borehole validation	Department of Water asked interested parties to contact the depart for further negotiation
14	Uncontrolled Sand Harvesting leading to land degradation	Department of Water reported that the policy had been done by energy department
15	Revenue collection by HOMAWASCO	Department of Water reported that the company records a monthly collection ranging KSh. 1,000,000 to 5,000,000 max. This compared to the operation cost of KSh. 10,000,000 is lower hence request of electricity bill payment request to the mother department. Additionally, to improve the revenue going forward the company has established a new 8,000,000 water plant with only distribution lines yet to be constructed. The plant is expected to lower operational cost since it will use Solar (80%) and electricity (20%). In the short term the company intends to develop ATMs charging at KSh. 2 that will not only reduce the water cost but also improve on revenue collection.
16	Quality of water in Kendu Bay	Department of Water reported that quality of water in Kendu Bay was getting affected by the turbulent nature of River Awach. This would be solved by the starting operation of the new plant which can help in better treatment compared to the old plant
17	Non-revenue water	Department of Water reported that it had adopted some of the strategies required such as: • Enforcement unit in place • Licensing of plumbers
18	Sustainability of rural water installation	Department of Water reported that 209 out of 345 boreholes have been solarized however there are problem of vandalism. The department is current using WASREB guidelines to form rural water association to help in collection of revenue that could be used for maintenance and protection of the projects.