

**REPUBLIC OF KENYA**  
**COUNTY GOVERNMENT OF KAKAMEGA**



**DEPARTMENT OF FINANCE AND ECONOMIC PLANNING**

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**MEDIUM TERM**

**COUNTY FISCAL STRATEGY PAPER**

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**A wealthy and Vibrant County**

**February, 2023**

# County Vision and Mission

## Vision

*A wealthy and vibrant County offering high quality services to its residents*

## Mission

*To improve the welfare of the people of Kakamega County through formulation and implementation of all-inclusive multi-Sectoral policies*

Kakamega County Fiscal Strategy Paper, 2023.

To obtain copies of the document, please contact

Finance and Economic Planning

Town Hall Building

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**Kakamega, Kenya**

The document is also available on the official county website [www.kakamega.go.ke](http://www.kakamega.go.ke)

## **FOREWORD**

The Kakamega County Fiscal Strategy Paper (CFSP 2023) is prepared as provided under section 117 of the PFM Act, 2012. The Paper sets out the County Government priority Programmes to be implemented during the FY 2023/24 and over the Medium-Term Expenditure Framework (MTEF) period. Preparation of this document has been done through collaborative effort and therefore reflects the needs of the people of Kakamega County. The Paper has been aligned to key National and County policy documents which include and not limited to; the Kenya Vision 2030, MTP IV 2023 – 2027, Kakamega County Integrated Development Plan (CIDP 2023 – 2027) and Kakamega County Annual Development Plan (CADP 2023/24).

The County Government has continued to record positive economic development as a result of improved infrastructure, revitalized agricultural sector and the significant investments in other sectors including health, education and trade. To keep this development pace, the main focus of FY 2023/24 will be geared towards the Governor's six point agenda: Health, sanitation and hygiene; Wealth creation; Food security; Education; Social development and Good governance.

Despite the tremendous progress realized, the County Government is still faced with several challenges including; constrained financial resources, high unemployment rate and high level expectation on development projects. Strategies and measures aimed at addressing these challenges have been captured in this Paper. The Paper also gives parameters for the FY 2023/24 budget and the MTEF which are consistent with the County and National Government priority programmes and policies.

CPA. Livingstone Imbayi.  
**Executive Committee Member,  
Finance and Economic Planning**

## ACKNOWLEDGEMENT

The development of the CFSP 2023 was a collaborative effort by the County Departments and Agencies under the leadership and guidance of His Excellency the Governor, Hon. FCPA Fernandes Barasa, H.E the Deputy Governor Hon. Ayub Savula, the County Executive Committee Member for Finance and Economic Planning CPA Livingstone Imbayi, all the County Executive Committee Members and the Chief Officers for coordination of respective departments during preparation of this Paper.

In addition, I appreciate the Commission on Revenue Allocation (CRA), The National Treasury, The Office of the Controller of Budget (OCOB), County Budget and Economic forum (CBEF) members among other stakeholders who were very instrumental in preparation of this Paper by providing important information in their policy documents and advisories.

Lastly, I appreciate the technical team from the Finance and Economic Planning department that coordinated the development of this Paper.



CPA Samson Otieno  
**Chief Officer, Budget and Ward Development Projects**

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## ABBREVIATIONS AND ACRONYMS

<b>ASDSP</b>	Agricultural Sector Development. Support Programme
<b>ATVET</b>	Agricultural Technical and Vocational Education and Training
<b>BPS</b>	Budget Policy statement
<b>CADP</b>	County Annual Development Plan
<b>CBROP</b>	County Budget Review Outlook Paper
<b>CFSP</b>	County Fiscal Strategy Paper
<b>CIDP</b>	County Integrated Development Plan
<b>CRA</b>	Commission on Revenue Allocation
<b>CTRH</b>	County Teaching and Referral Hospital
<b>ERP</b>	Enterprise Resource Planning
<b>FY</b>	Financial Year
<b>GDP</b>	Gross Domestic Product
<b>HELB</b>	Higher Education Loans Board
<b>ICT</b>	Information Communication & Technology
<b>IFMIS</b>	Integrated Financial Management Information System
<b>KALRO</b>	Kenya Agricultural Livestock Research Organization
<b>KES</b>	Kenya Shillings
<b>KCSAP</b>	Kenya Climate Smart Agriculture Program
<b>KDDC</b>	Kakamega Dairy Development Corporation
<b>KIWASH</b>	Kenya Integrated Water, Sanitation and Hygiene
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>KYISA</b>	Kenya Youth Inter County Sports Association
<b>MSME</b>	Micro Small and Medium Enterprises
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTP</b>	Medium Term Plan
<b>NEMA</b>	National Environmental Management Authority
<b>ODF</b>	Open Defecation Free
<b>OVOP</b>	One Village One Product
<b>PFM</b>	Public Financial Management
<b>SDG</b>	Sustainable Development Goals
<b>UNICEF</b>	United Nations International Children's Emergency Fund



## **LEGAL BASIS FOR PUBLICATION OF THE COUNTY FISCAL STRATEGY PAPER**

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

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

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

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

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

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

(a) The Commission on Revenue Allocation;

(b) The public;

(c) Any interested persons or groups; and

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

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

## **RESPONSIBILITY PRINCIPLES IN THE PUBLIC FINANCIAL MANAGEMENT LAW**

In line with the Constitution, the new Public Financial Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM law (Section 107 (b)) states that:

- 1) The county government's recurrent expenditure shall not exceed the county government's total revenue.
- 2) Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure.
- 3) The County government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the County government revenue.
- 4) Over the medium term, the County government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
- 5) Public debt and obligations shall be maintained at a sustainable level as prescribed by the executive and approved by the County Assembly.
- 6) Fiscal risks shall be managed prudently.
- 7) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future

## OUTLINE OF THE COUNTY FISCAL STRATEGY PAPER FY 2023/2024

This paper contains six sections as summarized below;

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

**Section II** Outlines the economic context in which the 2023/2024 MTEF budget is prepared. It provides an overview of the recent economic developments and the macroeconomic outlook covering the national government and county level.

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

**Section IV** Provides a framework of managing the County Government's administrative units and the budgetary allocation of the county revenue among its departments.

**Section V** Presents the resource envelope and spending priorities proposed for the FY 2023/2024 MTEF Budget. Sector achievements and priorities are also reviewed for the FY 2019/20 – 2021/22 MTEF period.

**Section VI** Provides the conclusion.

## 1.0 EXECUTIVE SUMMARY

The County Fiscal Strategy Paper (CFSP 2023) covers the MTEF period 2023/2024 –2025/2026. The Paper has been prepared as provided for in Section 117 of the PFM Act, 2012 and sets out the priority programs and projects to be implemented in the FY 2023/2024 and over the MTEF period.

The implementation of the priority programs and projects over the medium term is expected to achieve the Government vision of a wealthy and economically vibrant County. The priorities to be pursued are in line with Kenya Vision 2030, MTP IV, Sustainable Development Goals (SDGs), the Governor’s Manifesto, the County Integrated Development Plan (2023 – 2027), among other policy documents.

The strategic priority areas include;

- i) Health Sanitation and Hygiene
- ii) Food security
- iii) Education
- iv) Wealth creation
- v) Social development
- vi) Good Governance

These priority programs are aimed at creating employment and ensuring socioeconomic stability hence improving living standards. The Paper also incorporates the National economic outlook updates to reflect changes in economic and financial trends. In preparation of this Paper, the National Budget Policy Statement (BPS) was a key reference document in aligning the County’s priorities to the National’s economic policy principles.

### 1.1 Building a wealthy and Economically Vibrant County

The focus of the County Government is to promote wealth creation and build an economically vibrant County through various strategies and a proper sustainable fiscal policy framework. Riding on the high resource potential and agricultural viability and value chains, mining, transport infrastructure, cultural tourism, strong governance and administrative structures, medical tourism, forestry and favorable weather conditions that present broad opportunities for investment, the County is placed in a better position for massive economic growth.

The County has elaborate plans towards strengthening the framework upon which a wealthy and economically vibrant County agenda would be built; however, there are challenges that need to be addressed gradually. They include: low level of local revenue collection, delays in disbursement of funds by the National government and expenditure pressures with respect to salary demands and operational costs which have impacted negatively on the County development agenda.

## **1.2 The County's Broad Strategic Priorities**

The County broad strategic priorities are derived from the Governor's manifesto include:

- a) Health, sanitation and hygiene
- b) Improving Governance
- c) Modernize agriculture towards achieving food security
- d) Social Development to empower communities
- e) Promote and Create wealth
- f) Improve education standards

To achieve the above priority areas, The County Government acknowledges that there is a need to partner with other stakeholders in its implementation.

This Paper therefore articulates priorities for economic policies and expenditure programs to be implemented during the MTEF period 2023/24 – 2025/26 in order to achieve the County goals.

## **1.3 Strategies for achieving a wealthy and Vibrant County**

### **1.3.1 Strategic priority I: Health Sanitation and Hygiene**

- Improving access to health services through health infrastructure development -ensure that the health facilities are upgraded, and well equipped to support service delivery
- Strengthen community health strategy;
- Strengthen the County medical supply chain to ensure all health facilities have adequate supply of Health Products and Technologies;
- Prioritize public healthcare by investing in public health services and disease prevention.
- Ensure adequate healthcare personnel in all the health facilities.

- Upscale Universal Health care through enrollment to NHIF.
- Enhance Community Health Strategy

### 1.3.2 Strategic priority II: Wealth creation

- Build industrial parks in each of the three regions by promoting industrialization and enhancing a vibrant service sector.
- Employment creation- create 10,000 new jobs in the next five years through the public service, in partnership with the private sector.
- Create and grow the Barasa Economic Empowerment program for the residents to participate in income generation, gainful employment and contribute to the growth of the county economy.
- Decentralize services of Kakamega Micro-Finance to the Community areas by having the Community Area Administrators process loan applications and have Sub-County Administrators compile and submit respective applications thereby reducing the cost of travel.
- Establishment of special economic zones and further provide innovation and incubation services to SME's.
- Empower the Jua, Kali Associations Across the county to provide high standards of products and services in a safe and secure and accessible environment.
- Enhance continues engagements with the private sector, to reduce their biggest challenges and eliminate excessive red tape for business to thrive in the county (Business environment promotion)
- Facilitate the revival of Mumias sugar, the growth of Butali and Kabras millers and establishment of new industries for wealth creation by creating a conducive business environment.
- Establish market and technological linkages to effectively link cottage industries to the export market to drive their growth via outsourcing.
- Offer incentives to those who would wish to invest in the hospitality industry, housing and manufacturing through hospitality industry and manufacturing promotion.
- Facilitate the establishment of the motorcycle assembly plant to offer affordable boda-boda to riders in the county and beyond, and further support the boda-boda riders through their cooperative to set up three mega spare parts shops in strategic areas of the county.

### 1.3.3 Strategic priority III: Food security

- Work with KALRO, Bukura Agricultural College and Masinde Muliro University of Science and Technology (MMUST) to improve on agriculture practices and diversify farming to commercialize new and adaptable breeds in crops, livestock and fisheries.
- Recruit, train and engage, equip and distribute agricultural extension services across the county.
- Give farmers incentives to increase yield and value by developing agro industrial zones and reducing post-harvest losses through commodity exchanges.
- Initiate and support farmer's cooperatives to form and engage in guaranteed contract farming for export markets by giving farmers forward contracts in the commodities market.
- Invest in value addition and agro-industries supported by a strong distribution system.
- Enhance access to farm inputs like tractors, seed and fertilizers and subsidized services like A.I.
- Provide incentives for the establishment of a dairy processing plant with value addition in other milk processing plans with value addition in other milk products.

### 1.3.4 Strategic priority V: Improve education and training standards

- Improve the quality of ECDE education in the county through various stakeholders meetings on best approaches.
- Promote emotional, physical and social development of the Children.
- Hire more ECDE teachers to reduce the teacher pupil ratio.
- Put all ECDE teachers on PNP through the existing scheme of service.
- Review the salaries of ECDE teachers regularly and support their on job training.
- Fully equip County Vocational and Training Institutions through partnerships with industry and other external partners.
- Raise the quality of County training institutions to National Training Institutes.
- Establish one TVTI as a center of excellence in every Sub-County.
- Support partnerships between universities and industry for incubation and commercialization of innovation.

- Increase bursaries allocation and support to every needy student to access quality education. This will be realized through a scheme supervised by the MCA's, Ward Administrators, and the office of the local chief

### **1.3.5 Strategic priority VI: Social Development**

- Build cultural and community multipurpose halls in every Sub-County to promote culture, creative arts, traditions and heritage.
- Scale up security and street lighting through the Nuru Gizani project in all urban centers and in all densely populated areas.
- Fast-track the completion of Bukhungu Stadium and upgrade other stadia in all Sub Counties.
- Establish three sports academies to identify, nurture and expose raw talents in football, Rugby, table tennis, swimming and volleyball, and further link them to local and international platforms.
- Facilitate suitable events to showcase and open external opportunities for Kakamega County and sports men and women.
- Link sports to the tourism circuit to attract regional and international athletes. 7. Encourage savings culture for the Youth and Women, strong work ethics to everyone and professionalization at work.
- Treat women and people with disability with respect and dignity and make them positive agents of development by being equal partners in development programs. This shall be achieved through removing them from the culture of dependence.
- Abolish all forms of discriminations against PLWD,
- Support women and PLWD owned businesses. This will be done through supporting them with affordable credit.

### **1.3.6 Strategic priority VI: Good Governance**

- Create a Kakamega Leadership caucus of elected leaders, National Government officials and private sector players to address cross-cutting issues such as security, investment and progressive development.
- Establish an annual interdenominational prayer breakfast spearheaded by the clergy to intercede for the county together with all our elected leaders and help eliminate any attempts to destroy County unity
- Entrenching and strengthening devolution up to the village levels and further creating a strong working relationship with the national coordination at all levels.



- Re-Establish the Ward Fund and strengthen its capacity to devolve funds to wards and identify and implement key projects and programs. These will fast-track development in all the 60 wards.
- Ensure at least one flagship project per year per ward in all the 60 wards.
- Establish a county patriotic youth program to engage form 4 leavers for 3 months volunteer service to the county and further facilitate international exchange programmes for students at all levels.
- Capacities build the county staff and all ward committee members 8. Empower each household by supporting CBO's and each member to access grants.

# **RECENT ECONOMIC DEVELOPMENT AND POLICY OUTLOOK IN 2022/23**

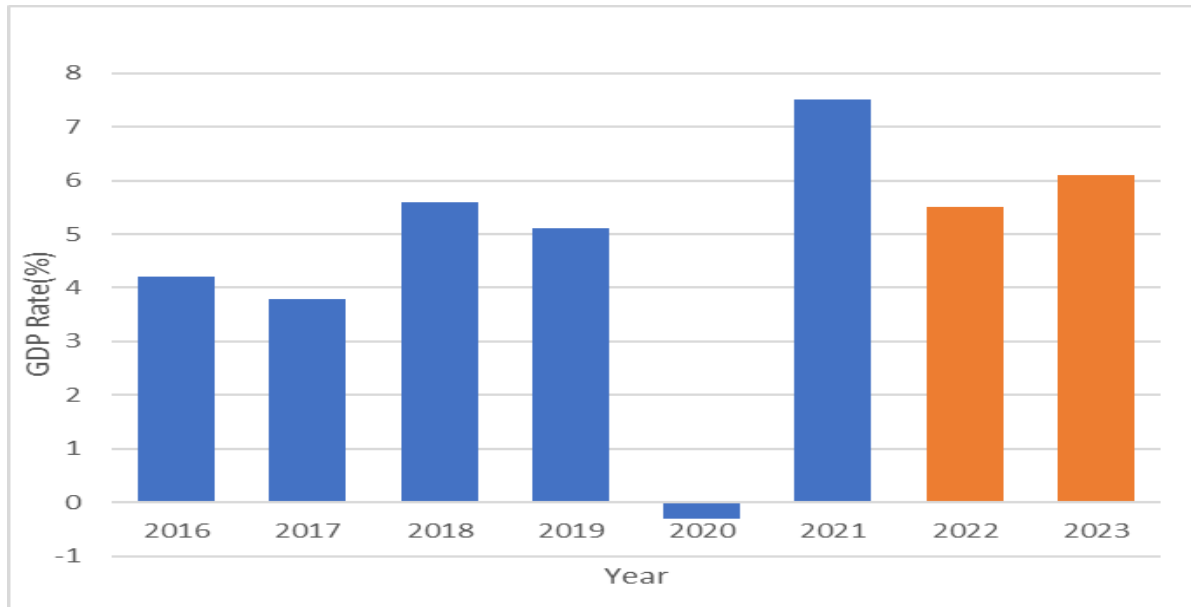
## **2.1 Review of Recent Economic Performance**

### **2.1.2 Economic Growth**

The Economic Survey Report, 2022 by Kenya National Bureau of Statistics (KNBS) revealed that the economy expanded in 2022 albeit at a slower pace than the 7.5 percent recorded in 2021. Real GDP is expected to have grown by 5.5 percent in 2022 supported by the services sector despite subdued performance in agriculture and weaker global growth. The economy is projected to rebound to 6.1 percent in 2023, reinforced by the Government's Bottom - Up Economic Transformation Agenda geared towards economic turnaround and inclusive growth.

In 2021, all economic activities registered positive growths except Agriculture, Forestry and Fishing which contracted by 0.2 per cent. Accommodation and Food Services, and Education services that had been severely affected by the pandemic grew significantly faster than those that were less affected in 2020. Economic growth in 2021 was supported by improved performances in key sectors of the economy including; Manufacturing (6.9%), Wholesale and Retail Trade (7.9%), Real Estate (6.7%), Transportation and Storage (7.2%), and Financial and insurance activities (12.5%). In contrast, dry weather conditions that characterized the better part of 2021 adversely affected agricultural production, especially growing of key crops such as maize, beans, vegetables, tea and coffee leading to a contraction in its growth during the review period.

**Figure 1: Annual GDP Growth Rates**

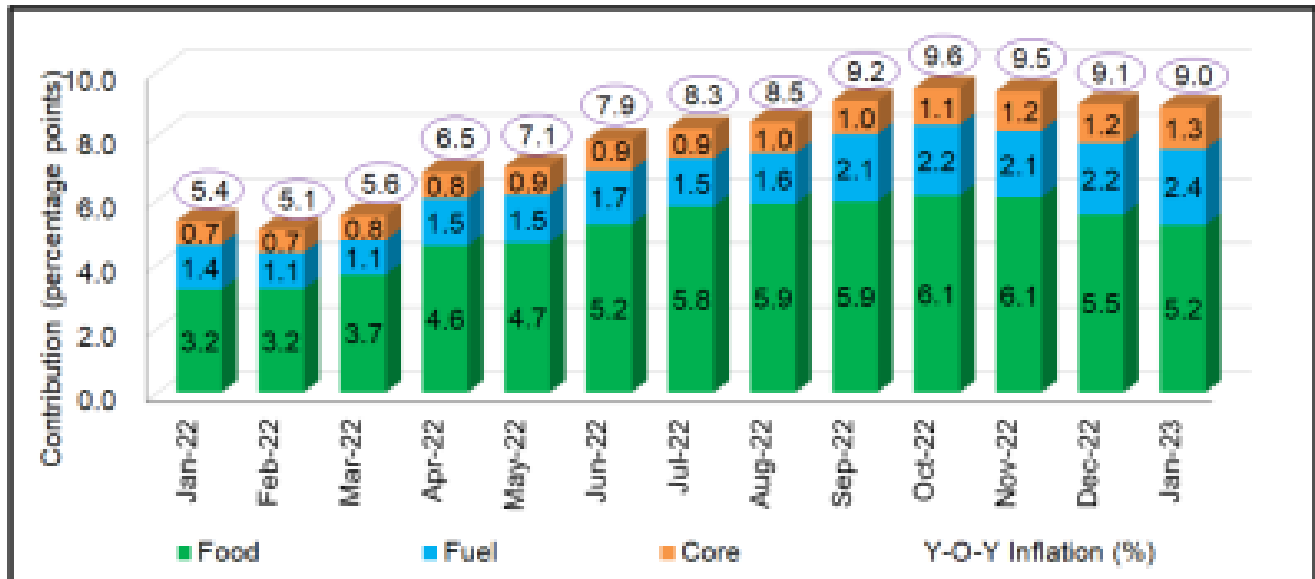


*Source: Budget Policy Statement, 2022*

### **2.1.3 Inflation Rate**

The year-on-year inflation rate eased for the third consecutive month in January 2023 but was still above the 7.5 percent upper bound target. Inflation rate eased to 9.0 percent in January 2023 from 9.1 percent in December 2022 and 9.5 percent in November 2022 due to a decline in food prices as a result of favorable rains and lower global commodity prices particularly for edible oils and wheat with the easing of international supply chain disruptions. However, this inflation rate was higher than the 5.4 percent recorded in January 2022. Overall annual average inflation increased to 7.9 percent in January 2023 compared to the 6.1 percent recorded in January 2022.

**Figure 2: Annual Inflation Rate**



*Source: Kenya National Bureau of Statistics*

Food inflation remained the main driver of overall year-on-year inflation in January 2023, contributing 5.2 percentage points, an increase, compared to a contribution of 3.2 percentage points in January 2022. The increase was mainly attributed to relatively higher prices key food items particularly cowpeas, maize grain (loose), beans, potatoes (Irish), green grams, and mangoes

Fuel inflation also increased to contribute 2.4 percentage points to year-on-year overall inflation in January 2023 from a contribution of 1.4 percentage points in January 2022. This was mainly driven by increases in electricity prices due to higher tariffs and increased prices of kerosene/paraffin, diesel and petrol on account of higher international oil prices and scaling down of the fuel subsidy.

The contribution of core (non-food non-fuel) inflation to year-on-year overall inflation has been low and stable, consistent with the muted demand pressures in the economy, supported by prudent monetary policy. The contribution of core inflation to overall inflation increased to 1.3 percentage points in January 2023 compared to 0.7 percentage points contribution in January 2022.

#### 2.1.4 Interest Rate

Monetary policy stance remains tight to anchor inflation expectations due to the sustained inflationary pressures, the elevated global risks and their potential impact on the domestic economy. In this regard, the Central Bank Rate was raised from 8.25 percent to 8.75 percent in November 2022 and retained at the same rate on 30th January 2023. (Figure 2.7). 124. The interbank rate

increased to 6.0 percent in January 2023 compared to 4.4 percent in January 2022 while the 91-day Treasury Bills rate also increased to 9.5 percent compared to 7.3 percent over the same period due to tight liquidity conditions.

### 2.1.5 Kenya Shilling Exchange Rate

In 2021, the Kenya Shilling weakened against currencies of key trading countries as reflected in the Trade Weighted Index (TWI), which increased by 5.4 per cent from 115.37 in 2020 to 121.66, as presented in Table 6.18. The Kenya Shilling depreciated against, the Pound Sterling (10.3%), the Euro (6.7%), the US Dollar (3.0%), Chinese Yuan (10.0%) and South African Rand (13.9%) in the period under review. Similarly, the Tanzanian and Ugandan Shillings gained against the Kenyan Shilling by 3.0 per cent and 6.4 per cent, respectively, in 2021.

**Table 1: Average Foreign Exchange Rates for Selected Currencies, 2017-2021**

Currency	Exchange Rate against KES				
	2017	2018	2019	2020	2021
1 US Dollar	103.41	101.29	101.99	106.47	109.65
1 Euro	116.73	119.63	114.18	121.65	129.76
1 Pound Sterling	133.20	135.25	130.18	136.73	150.85
1 Swiss Franc	105.04	103.58	102.62	113.61	119.98
1 UAE Dirham	28.15	27.58	27.77	28.99	29.85
1 Indian Rupee	1.59	1.48	1.45	1.44	1.48
1 Chinese Yuan	15.30	15.33	14.76	15.45	17.00
100 Japanese Yen	92.22	91.74	93.59	99.80	99.94
1 SA Rand	7.77	7.69	7.06	6.51	7.42
1 Egyptian Pound	5.80	5.69	6.07	6.74	6.99
TSh/KES	21.63	22.48	22.63	21.76	21.12
USh/KES	34.92	36.81	36.32	34.93	32.72
100 Rwanda Francs	8.11	8.50	8.82	8.86	9.13

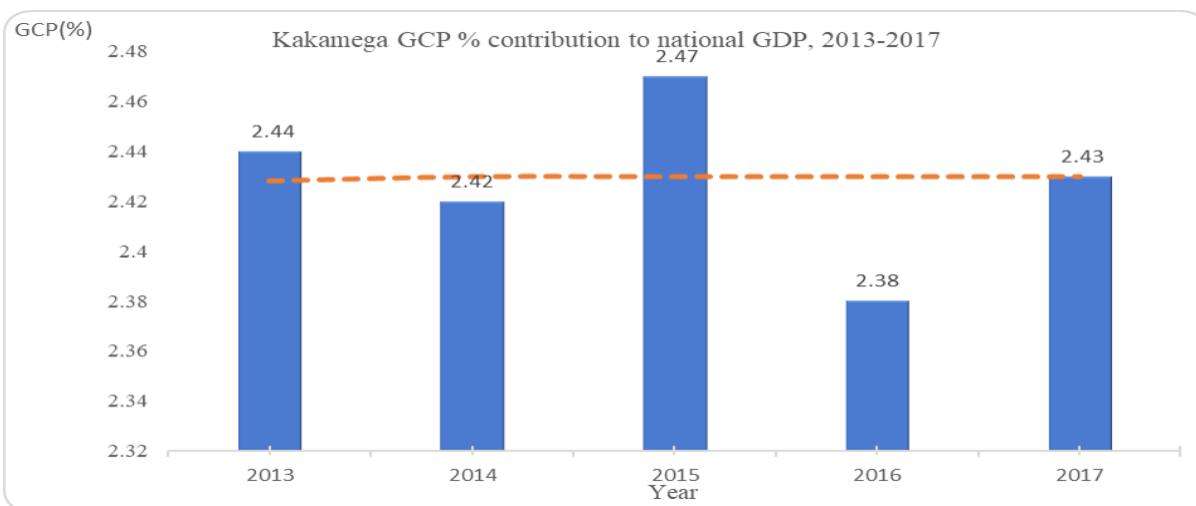
*Source: KNBS, Economic Survey 2022 Report*

## 2.2 Kakamega Gross County Product (GCP)

### 2.2.1 Contribution to National GDP

According to KNBS, Gross County Product Report 2019, the County's GDP was estimated at KES 182.563 Billion which is 2.4 per cent of the national GDP in 2017 (KES 7.524 Trillion). The average GCP contribution of the County to the National GDP in current prices is estimated at 2.43% in the five-year period. Figure 3 shows the county's GCP estimates over the period 2013-2017.

**Figure 4: Kakamega GCP per cent contribution to national GDP, 2013 – 2017**

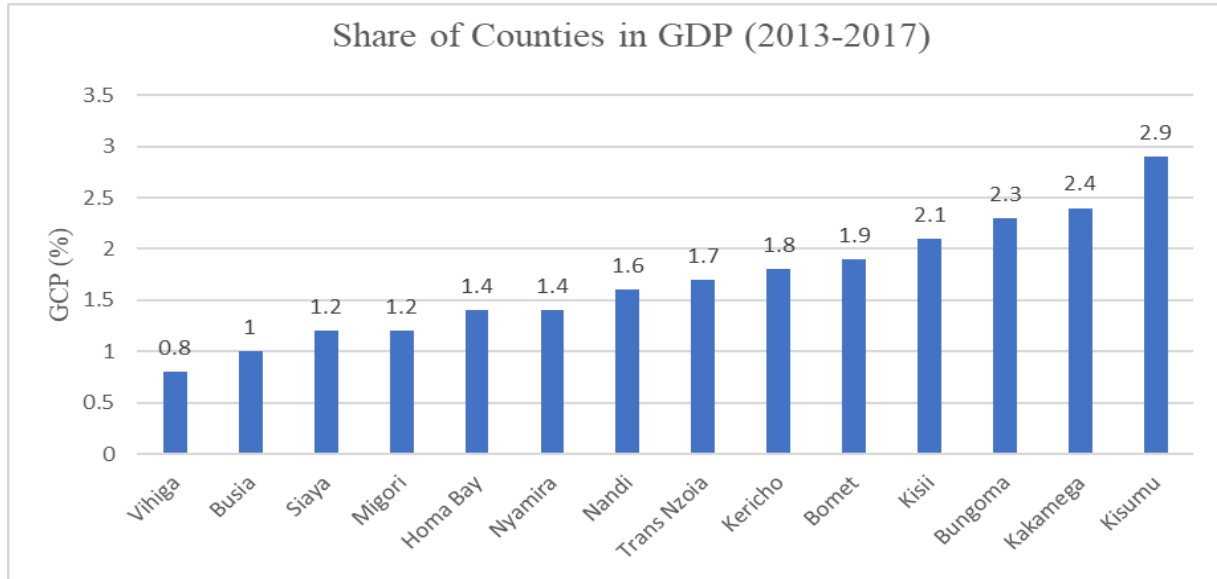


*Source: Gross County Product Report, 2019*

### 2.2.2 Comparison of GDP of Lake Region Economic Bloc Counties

The increase in GCP from 2016 to 2017 was principally attributed to increased agricultural production, accelerated sustained growth in transportation and vibrant service sector activities. The average GCP across all Counties is approximately 2.8%. Figure 4 compares the GCP of the Lake Region Economic Bloc Counties.

**Figure 5: Comparison of Lake Region Economic Bloc Counties in GDP (2013-2017)**

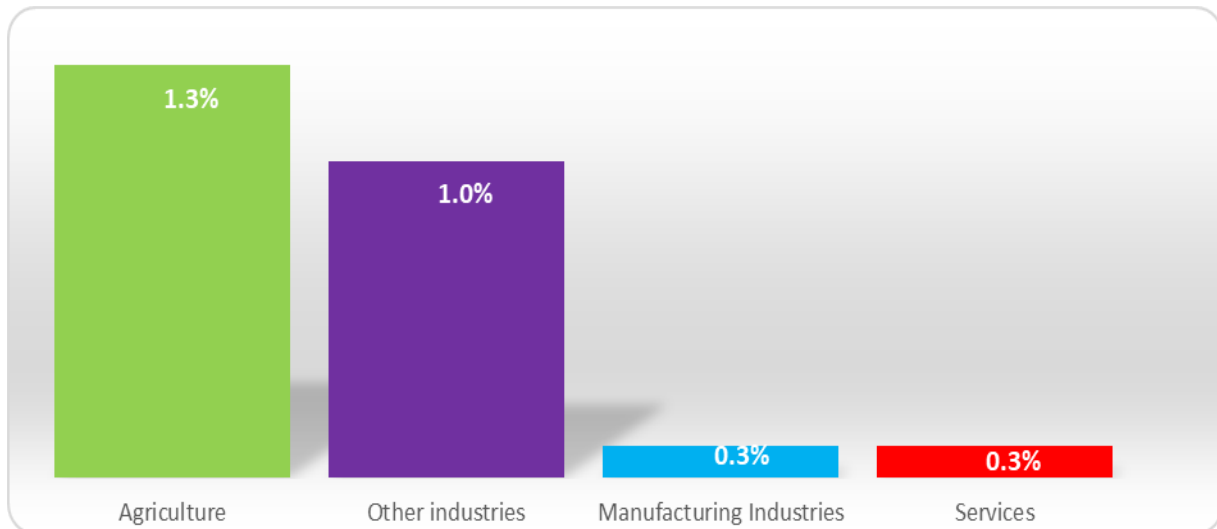


*Source: Gross County Product Report, 2019*

### 2.2.3 Contribution of Main Sectors to National GDP

Kakamega County was ranked ninth in agricultural activities among the 47 counties, hence, the sector significantly contributed to the Kakamega GCP. Other sectors that contributed to growth include; manufacturing industries, other industries and service sector as shown in figure 5.

**Figure 6: Contribution of main sectors to National GDP, 2017**



*Source: Gross County Product Report, 2019*

## 2.2.4 Economic Effect as a result of General Election

Election years in the country have largely been characterized by higher debt levels, reduced revenues, the slowdown in business capital expenditure, postponement of regulatory decisions as well as decreased lending activity. The 2022 general elections impacted negatively on county own source revenue thus creating pending bills.

## 2.2.5 Update on Fiscal Performance and Emerging Challenges

The fiscal and economic assumption underlying the 2022/23 budget entails improved collection of revenue from local sources and timely disbursements of funds by the National Treasury. The updated Fiscal Economic framework is optimistic, given that the local revenue collection trend has improved marginally over the MTEF period 2019/2020– 2021/22. Despite the several challenges that still exist, the County Government will continue with its policy of expenditure rationalization with a view to provide more funds to core services.

## 2.2.6 County Revenue Performance for Financial Year 2021/2022

The total local revenue collection was KES 1.221 Billion compared to the target in the revised budget of KES 1.6 Billion. This represents revenue shortfall of KES 378 Million or 23.65%. The National Government disbursements amounted to KES 12.9 Billion consisting of conditional grants amounting to KES 506 million and equitable shareable revenue of KES 11.398 Billion as provided in table 2. The total revenue available for spending was KES 14.69 Billion after the incorporation of transfers from the National Government and the balance from the previous FY 2020/21 of KES 1.72 Billion.

**Table 2: Summary of Revenue performance**

Revenue Item	Amount disbursed (KES)	
	2020/2021	2021/2022
Equitable shareable revenue	10,412,850,000	11,398,259,193
Grant to Level 5 Hospital	427,283,237	-
World Bank- THS-UCP	48,766,265	61,784,877



Revenue Item	Amount disbursed (KES)	
	2020/2021	2021/2022
DANIDA-UHDSP	29,610,000	11,535,563
World Bank-KCSAP	270,715,346	183,593,135
World Bank-KUSP(Development)	212,372,591	154,906,744
World Bank-KUSP(Recurrent)	8,800,000	
Roads Maintenance Levy Fund	315,071,072	
Grants to County Youth Polytechnics	102,349,894	-
User Fee foregone	37,789,290	-
Kenya Devolution Support Programme (KDSP) Level 2	78,009,910	78,009,910
Kenya Devolution Support Programme (KDSP) Level 1	45,000,000	-
Agricultural Sector Development Support Programme (ASDSP)	14,542,117	16,535,563
<b>Total</b>	<b>11,236,345,926</b>	<b>12,895,781,594</b>

*Source: CBROP, 2022*

### 2.2.7 Own Source Revenue

The County Revenue collection performance marginally improved in the FY 2021/22 as compared to the FY 2020/21. In the FY 2021/22, own source revenue was KES 1.221 Billion against the revised budget of KES 1.6 Billion compared to the FY 2020/21 where KES 1.118 was collected against a revised budget of KES 1.656. While the actual revenue collected in the FY 2021/22 represented a 76.4 percent of the revised revenue target, the FY 2020/21 represented a 67.5 percent of the revised revenue target.

**Table 3: Detailed Own Source Revenue Performance for FY 2020/2021**

Total Revenue	Actual Receipts (KES)		Approved Budget (KES)	Revised Budget (KES)	Actual Receipts (KES)
	2019/2020	2020/2021	2021/2022		
Single Business Permits	73,590,133	146,734,359	185,000,000	187,000,000	130,976,710
Market Fees/Barter Market	23,269,805	19,941,214	42,000,000	35,000,000	15,671,606
Property Rates	21,997,559	26,004,656	492,000,000	35,000,000	29,217,202
Agricultural Cess	49,821,550	53,517,028	62,964,219	50,000,000	58,265,921
Cess on Murrum	-	2,007,159	8,035,781	9,000,000	2,270,080
Slaughter House Fee	7,437,500	3,681,896	15,300,000	14,000,000	3,376,950
Bus Park Fee	25,255,360	22,167,910	45,000,000	45,000,000	30,504,150
Street Parking	9,575,180	15,341,420	12,000,000	15,000,000	14,572,310
Motor bike	5,582,800	3,400,324	6,500,000	5,000,000	1,100,500
Kiosk fees	3,980,220	5,787,450	5,500,000	6,000,000	4,676,533
Ground Rent	3,020,332	839,378	6,000,000	5,000,000	764,762
Stall Rent	4,086,553	3,254,105	2,200,000	2,000,000	3,011,925
Impounding Fees	2,084,840	1,789,241	3,000,000	4,000,000	1,657,468
Plan Approval	18,870,896	25,105,473	41,000,000	50,000,000	26,147,961
Survey fees	-	-		2,000,000	294,650
Public Toilet	1,445,888	2,998,270	2,000,000	3,000,000	2,740,600
Registration of Groups	258,310	330,850	500,000	300,000	268,650
Tree Nursery fees	-	-		-	1,000
Fire compliance	1,204,275	9,627,050	2,000,000	3,000,000	2,147,880
Noise control	716,300	373,200	1,500,000	1,000,000	836,486
Stock sales	5,539,130	8,807,770	15,000,000	15,000,000	7,428,095
Bukhungu Stadium	968,450	429,800	2,500,000	1,000,000	2,843,770
Hire fees	3,523,190	550,200	2,500,000	1,000,000	413,250
Advertisement	11,069,224	37,224,925	25,000,000	40,000,000	50,251,669
House Rent	-	2,802,155	3,000,000	5,000,000	2,347,297
Public Health	16,244,467	22,519,076	20,000,000	15,000,000	20,524,270
Bukura ATC	5,566,024	2,143,908	9,000,000	2,000,000	3,639,176

Total Revenue	Actual Receipts (KES)		Approved Budget (KES)	Revised Budget (KES)	Actual Receipts (KES)
	2019/2020	2020/2021	2021/2022		
Veterinary Services	5,035,625	8,642,175	7,000,000	10,000,000	9,476,125
Farm Mechanization	1,495,033	2,300,000	10,000,000	3,000,000	6,900
Farm Input	314,642,850	376,364,215	381,500,000	480,000,000	325,176,669
Health Services	218,548,945	134,119,987	278,000,000	217,000,000	201,203,002
Ambulance Services	-	-		500,000	402,500
NHIF	285,926,691	142,616,850	350,000,000	295,000,000	205,755,000
Weights and Measures	433,400	425,700	1,500,000	3,000,000	427,380
Interest/Dividend from Golf Hotel	1,313,320	-	500,000	-	-
Liquor Licenses	16,915,000	22,880,000	25,000,000	25,000,000	18,967,411
Commissions	-	6,760,066		14,200,000	12,956,749
Disposal of Assets	-	-			30,589,738
Others	41,384,609	6,748,173	50,000,000	2,000,000	763,005
<b>TOTAL</b>	<b>1,180,803,459</b>	<b>1,118,235,983</b>	<b>2,113,000,000</b>	<b>1,600,000,000</b>	<b>1,221,675,350</b>

Source: KCRA, 2022

### 2.3 National Government Revenue

Revenue from the National Government consisted of equitable shareable revenue of KES 10.412 Billion and total Conditional grants of KES 1.581 Billion. The summary of transfers from the National Government is highlighted in table 4.

**Table 4: Summary of Transfers from National Government FY 2020/2021**

Revenue Item	Amount disbursed (KES)	
	2020/2021	2021/2022
Equitable shareable revenue	10,412,850,000	11,398,259,193
Grant to Level 5 Hospital	427,283,237	-

Revenue Item	Amount disbursed (KES)	
	2020/2021	2021/2022
World Bank-THS-UCP	48,766,265	61,784,877
DANIDA-UHDSP	29,610,000	11,535,563
World Bank-KCSAP	270,715,346	183,593,135
World Bank-KUSP(Development)	212,372,591	154,906,744
World Bank-KUSP(Recurrent)	8,800,000	
Roads Maintenance Levy Fund	315,071,072	
Grants to County Youth Polytechnics	102,349,894	-
User Fee foregone	37,789,290	-
Kenya Devolution Support Programme (KDSP) Level 2	78,009,910	78,009,910
Kenya Devolution Support Programme (KDSP) Level 1	45,000,000	-
Agricultural Sector Development Support Programme (ASDSP)	14,542,117	16,535,563
<b>Total</b>	<b>11,236,345,926</b>	<b>12,895,781,594</b>

*Source: CBROP, 2021*

## 2.4 Comparison of Yearly Revenue receipts from the National Government

Table 5 presents a comparison of annual revenue receipts from the National government for the period 2016/17 – 2021/22.

**Table 5: Comparison of Yearly Revenue receipts from the National Government**

<b>FY</b>	<b>Equitable share</b>	<b>Conditional Grants</b>	<b>Total</b>
2016/2017	9,612,093,312	798,793,312	10,410,886,624
2017/2018	9,935,800,000	1,022,691,107	10,958,491,107
2018/2019	10,330,000,000	1,644,381,649	11,974,381,649
2019/2020	9,517,344,900	1,719,000,990	11,236,345,890
2020/2021	10,412,850,000	1,581,509,722	11,994,359,722
2021/2022	11,398,259,193	506,365,792	11,904,624,985

*Source: CBROP, 2022*

## **2.5 County Government Expenditure for FY 2021/2022**

Total expenditure in the FY 2021/22 amounted to KES 14.334 Billion against a revised target of KES 16.400 Billion, representing an under-spending of KES 2.092 Billion (12.65) percent deviation from the revised budget). The overall absorption rate was 87.41 per cent comprising of 94.27 per cent and 76.03 per cent for recurrent and development expenditure respectively. As indicated above, the performance for FY 2021/2022 at 87.47 per cent is high compared to that of FY 2020/2021 at 85.98 per cent

The overall recurrent expenditure amounted to KES 9.627 Billion, representing an under-spending of KES 584 Million from the approved revised recurrent expenditure of KES 10.212 Billion. The under-spending was in respect to delayed disbursement of equitable shareable revenue from the National Government and the unmet target of own source revenue.

Employee compensation was KES 5.318 Billion translating to 36.96 per cent of total revenues for the year which excludes salaries for the County Assembly. Operation and Maintenance (O&M) was KES 3.054 Billion (21.30 per cent)

### **2.5.1 Expenditure by Economic Classification**

Table 6 provides the details of expenditure by economic classification.

**Table 6: Economic Classification of Expenditure for FY 2020/21**

PAYMENTS	2019/2020	2020/2021	2021/2022			
	Actual		Approved budget	Revised budget	Actual	Deviation
	KES	KES	KES	KES	KES	KES
<b>1. RECURRENT</b>	<b>7,195,119,555</b>	<b>8,241,311,662</b>	<b>8,907,698,368</b>	<b>10,212,212,658</b>	<b>9,627,952,723</b>	<b>-584,259,935</b>
Compensation of Employees	4,469,521,710	5,484,660,128	5,059,140,952	5,318,316,962	5,298,343,908	-19,973,054
Operations and Maintenance - Executive	1,664,233,255	2,220,478,622	2,681,620,642	3,615,017,089	3,054,332,698	-560,684,391
County Assembly - Operations and Maintenance	1,061,364,590	536,172,912	1,166,936,774	1,278,878,607	1,275,276,117	-3,602,490
<b>2. DEVELOPMENT</b>	<b>4,984,337,228</b>	<b>5,578,140,225</b>	<b>7,301,205,181</b>	<b>6,188,026,337</b>	<b>4,706,935,588</b>	<b>-1,481,090,749</b>
Development projects	4,984,337,228	5,578,140,225	7,301,205,181	6,188,026,337	4,706,935,588	-1,481,090,749
<b>TOTAL EXPENDITURE</b>	<b>12,179,456,783</b>	<b>13,819,451,887</b>	<b>16,208,903,549</b>	<b>16,400,238,995</b>	<b>14,334,888,311</b>	<b>-2,065,350,684</b>

*Source: CBROP, 2022.*

Table 6 groups the total county expenditures for the previous year into three main categories;

- i) **Compensation of Employees;** This includes basic salaries paid to permanent and temporary employees and personal allowances paid as part of salary among other related costs.
- ii) **Operations/Use of goods and services;** It includes utilities, supply and services, domestic travel and subsistence, and other transportation costs, training expenses, hospitality supplies and services, routine Maintenance among other related costs.

- iii) **Development expenditures;** these are the funding to the various capital projects and programmes in the county departments.

### **2.5.2 Expenditure by Departments**

Table 7 depicts the absorption rates for county departments for the FY 2021/22.

**Table 7: Departmental Expenditure for the Period Ending 30<sup>th</sup> June 2022**

DEPARTMENT	Actual		Budget	Revised Budget	Actual	Absorption rate
	2019/2020	2020/2021	2021/2022			
	KES	KES	KES			
<b>EXPENDITURES</b>	<b>12,549,568,471</b>	<b>13,819,451,888</b>	<b>16,468,529,788</b>	<b>16,400,238,995</b>	<b>14,334,888,311</b>	<b>87.41</b>
<b>County Assembly</b>	<b>977,375,288</b>	<b>1,078,519,716</b>	<b>1,239,967,209</b>	<b>1,278,878,607</b>	<b>1,275,276,117</b>	<b>99.72</b>
Current	977,375,288	1,078,519,716	1,189,967,209	1,278,878,607	1,275,276,117	99.72
Development	0	0	50,000,000	0	0	-
<b>Agriculture, Livestock, Fisheries and Co-operatives</b>	<b>599,120,529</b>	<b>1,415,518,301</b>	<b>1,304,028,210</b>	<b>1,365,926,204</b>	<b>1,089,591,133</b>	<b>79.77</b>
Current	32,693,744	15,365,662	76,022,246	65,022,246	58,331,954	89.71
Development	566,426,785	1,400,152,639	1,228,005,964	1,300,903,958	1,031,259,179	79.27
<b>Health Services</b>	<b>2,000,779,761</b>	<b>1,764,378,723</b>	<b>2,048,957,603</b>	<b>2,105,141,171</b>	<b>1,720,674,844</b>	<b>81.74</b>
Current	899,943,165	733,055,531	717,949,997	1,248,416,901	1,019,036,835	81.63
Development	1,100,836,596	1,031,323,192	1,331,007,606	856,724,270.00	701,638,009	81.9
<b>Education, Science &amp; Technology</b>	<b>671,585,960</b>	<b>345,239,767</b>	<b>790,286,647</b>	<b>694,567,490</b>	<b>572,168,237</b>	<b>82.38</b>
Current	176,259,151	59,764,962	209,176,182	380,916,183	368,449,024	96.73



DEPARTMENT	Actual		Budget	Revised Budget	Actual	Absorption rate
	2019/2020	2020/2021	2021/2022			
	KES	KES	KES			
Development	495,326,809	285,474,805	581,110,465	313,651,307	203,719,213	64.95
<b>Roads, Public Works &amp; Energy</b>	<b>1,377,082,787</b>	<b>1,482,615,926</b>	<b>1,615,260,533</b>	<b>1,781,103,314</b>	<b>1,216,896,602</b>	<b>68.32</b>
Current	19,045,980	195,809,849	366,196,568	348,996,562	235,491,776	67.48
Development	1,358,036,807	1,286,806,077	1,249,063,965	1,432,106,752	981,404,826	68.53
<b>Lands, Housing, Urban Areas and Physical Planning</b>	<b>538,468,262</b>	<b>636,699,002</b>	<b>848,085,429</b>	<b>873,536,861</b>	<b>611,351,053</b>	<b>69.99</b>
Current	131,538,969	141,921,131	199,131,507	180,013,436	169,931,600	94.4
Development	406,929,293	494,777,871	648,953,922	693,523,425	441,419,453	63.65
<b>Social Services, Youth &amp; Sports</b>	<b>536,740,520</b>	<b>494,491,290</b>	<b>978,667,114</b>	<b>723,902,458</b>	<b>716,720,968</b>	<b>99.01</b>
Current	52,619,276	43,470,509	59,182,458	83,902,458	83,902,458	100.00
Development	484,121,244	451,020,781	919,484,656	640,000,000	632,818,510	98.88
<b>Trade, Tourism &amp; Industrialization</b>	<b>160,161,686</b>	<b>146,352,495</b>	<b>406,743,600</b>	<b>193,656,200</b>	<b>119,975,770</b>	<b>61.95</b>
Current	31,867,776	23,878,461	31,743,600	46,656,200	26,090,885	55.92
Development	128,293,910	122,474,034	375,000,000	147,000,000	93,884,885	63.87

DEPARTMENT	Actual		Budget	Revised Budget	Actual	Absorption rate
	2019/2020	2020/2021	2021/2022			
	KES	KES	KES			
<b>Water, Environment and Natural Resource</b>	<b>290,642,127</b>	<b>307,988,849</b>	<b>784,384,630</b>	<b>510,824,277</b>	<b>391,007,109</b>	<b>76.54</b>
Current	30,876,291	18,037,647	42,160,223	32,116,739	19,966,599	62.17
Development	259,765,836	289,951,202	742,224,407	478,707,538	371,040,510	77.51
<b>Public Service and Administration</b>	<b>4,862,678,119</b>	<b>5,504,430,962</b>	<b>5,792,556,824</b>	<b>6,083,352,088</b>	<b>5,999,637,891</b>	<b>98.62</b>
Current	4,852,059,106	5,412,057,922	5,581,556,824	5,901,223,641	5,826,270,822	98.73
Development	10,619,013	92,373,040	211,000,000	182,128,447	173,367,069	95.19
<b>Office of the Governor</b>	<b>194,191,616</b>	<b>169,807,618</b>	<b>179,298,098</b>	<b>223,289,701</b>	<b>181,108,983</b>	<b>81.11</b>
Current	178,035,859	163,361,747	145,348,098	220,289,701	181,108,983	82.21
Development	16,155,757	6,445,871	33,950,000	3,000,000	0	0
<b>County Treasury</b>	<b>185,126,067</b>	<b>313,715,644</b>	<b>371,926,190</b>	<b>458,434,556</b>	<b>362,210,406</b>	<b>79.01</b>
Current	185,126,067	312,715,644	276,926,190	387,434,556	330,162,390	85.22
Development	0	1,000,000	95,000,000	71,000,000	32,048,016	45.14
<b>County Public Service Board</b>	<b>31,624,954</b>	<b>23,887,947</b>	<b>17,441,462</b>	<b>19,256,667</b>	<b>19,247,667</b>	<b>99.95</b>

DEPARTMENT	Actual		Budget	Revised Budget	Actual	Absorption rate
	2019/2020	2020/2021	2021/2022			
	KES	KES	KES			
Current	31,624,954	23,887,947	17,441,462	19,256,667	19,247,667	99.95
<b>ICT, E-government &amp; Communication</b>	<b>123,990,795</b>	<b>135,805,648</b>	<b>90,926,238</b>	<b>88,369,401</b>	<b>59,021,531</b>	<b>66.79</b>
Current	26,055,197	19,464,935	17,926,238	19,088,761	14,685,613	76.93
Development	97,935,598	116,340,713	73,000,000	69,280,640	44,335,918	63.99

*Source: CBROP,2022*

## **2.6 Major Programmes and Projects implemented in the period 2019/20 – 2021/22**

### **2.6.1 Agriculture, Livestock, Fisheries and Cooperatives**

- ❖ Completed Ebushisoka Drainage works and purchased equipment for the project.
- ❖ Increased area under drainage with 20 Ha
- ❖ Purchased and distributed 120,000 bags of 25kg planting, 120,000 bags of 25kg top dressing fertilizers and 80,000 (2kg) packets of certified maize seed.
- ❖ Ploughed 65 acres under farm mechanization
- ❖ Distributed 54,000 chicks to 184 trained farmers groups across the county.
- ❖ Carried out 50 cooperative trainings and 6 inspections
- ❖ Supported 39 cooperatives with grants amounting to KES 20 Million
- ❖ Purchased 2,300 (25Kg) Bags of Fish Feeds distributed fish farmers.
- ❖ Rehabilitated and stocked Mwanzo, Lumino, X-DC and Mwamba dams with 25,000 fingerlings each
- ❖ Provided 13 Seine Nets, 15 Life Saving Jackets and 10 Digital Weighing Machines to fish farmers and fish farmer Groups
- ❖ Trained 1,989 fish farmers on best aquaculture management practices
- ❖ Procured and supplied 1,035,000 fingerlings
- ❖ Constructed 100 New Fish Ponds
- ❖ Rehabilitated 500 Dormant/Inactive Fish Ponds
- ❖ Vaccinated 195,229 cattle, 406 sheep, 215 goats, 12681 dogs and 578 cats against major disease
- ❖ 8,803 inseminations were carried out
- ❖ Constructed Burundu and Soysambu Cattle dip
- ❖ Supported 290 groups dealing with African leafy vegetable, dairy, fisheries and poultry.
- ❖ Constructed Inaya water pan and Isukha Central Hatchery

### **Impact**

These initiatives have improved County food security and enhanced people's standards of living. Maize production has increased from 2.4 million bags in 2016 to 2.9 million bags in 2020 while milk production has increased by 2 million litres over the same period.

## 2.6.2 Roads, Public Works and Energy

- ❖ A total of 86.40 Km of gravel roads upgraded to bitumen standards and maintained 8km including (Bukura -Shibuli Road 8.9km), Khwisero – Akatsa Road 7.2Km, Bushiangala - Eregi Road(9.3km), Lumakanda - Mwamba Road(7km),National Housing network, Kakamega Teaching and Referral road, Kencom Road, and various roads in Mumias and Kakamega towns) and ongoing Construction of Matungu - Ogalo Road(9.3km), Ombwaro - Manyulia Road (5.5km), Murrum – Shitirira and Malava –Tumbeni Roads (7.6km), Butali – Malekha(6Km) and Ingotse – Navakholo – Chebyusi(11.54km)
- ❖ Constructed and maintained 1484.17 km and 1251.25 km respectively of gravel roads;
- ❖ Constructed 12 bridges and box culverts (Mukombe Bridge, Lwatingu Bridge, Lumakanda bridge, Mutsembi Bridge, Majengo Bridge, Eshirumba Bridge, Mahira Bridge, Fesbeth Bridge, Chitechi Box Culvert, Lairi Box Culvert, Musembe Box Culvert and Mulunyingo box culvert) across the County and several others are still ongoing;
- ❖ Installed 41 high mast floodlights have been erected in various trading centres across the County;
- ❖ It has also installed 69 transformers and connected 1670 household to electricity across the county. This has improved trading environment and security.

### Impact

Investment in the road sector, where 85 % of the County roads are motorable has increased connectivity and improved accessibility. Moreover, installation of high mast flood lights has increased hours of doing business thus increased incomes among households.

## 2.6.3 Health Services

- ❖ Constructed, expanded and upgraded other health facilities across the County: Completed Chegulo, Silungai, Sango & Mutaho dispensaries, Constructed Central store at Likuyani Hospital and maternity block at Makunga hospital.
- ❖ In collaboration with Jacaranda Health, renovated pediatric ward at Lumakanda hospital and expanded/renovated & equipped Malava Hospital maternity block.
- ❖ In partnership with UNICEF, over 66,000 mothers have been able to access antenatal Care (ANC) services, skilled delivery and full package of child welfare services under Imarisha Afya ya Mama na Mtoto program.

## **Impact**

The employment of more health care workers and the expansion of infrastructure in health facilities has increased access to medical health care thus reducing morbidity and mortality.

### **2.6.4 Education Science and Technology**

- ❖ Constructed 44 classrooms in 14 county polytechnics Acquired 7.5 Acres of land for establishment of a new Polytechnic in Bunyala West ward, Shinoyi Shikomari Isumeyia ward and Butali Chegulo ward;
- ❖ Developed and implemented the schemes of service for County Polytechnics' instructors.
- ❖ Provided tuition subsidy to all trainees in the 63 County Polytechnics
- ❖ Acquired three (3) 32 seaters buses for County Polytechnics.
- ❖ Established two (2) new county polytechnic (Butali/Chegulo and Bunyala West).
- ❖ Completed construction of 48 ECDE Centres;
- ❖ Constructed to completion of 16 new ECDE Centres;
- ❖ Developed schemes of service for ECDE Teachers;
- ❖ Provided tuition subsidy to all children in 916 ECDE centres
- ❖ Acquired and distributed 22,044 and 3,340 child-friendly chairs and tables respectively to 334 ECDE Centres;
- ❖ Nzoia CP supplied 78 tables and 624 chairs to ECDE Centres.
- ❖ Developed and implemented a Scheme of service for all ECDE Teachers;
- ❖ Completed construction of 4 Centres of Excellence (Electrical and Plumbing Works);
- ❖ Undergraduate HELB Scheme disbursed funds to 1,743 students while Afya Elimu Fund disbursed to 517 students;
- ❖ County Education Scholarship Scheme benefited 74 students studying in both local and international universities.

## **Impact**

There has been increased access to quality education and training in all learning institutions in the County witnessed through increased enrolment.

## 2.6.5 Trade Industrialization and Tourism

- ❖ Completed construction of 2 open air markets (Dudi and Manyulia)
- ❖ Completed construction of Shisere, Khuqueen, Khumukwea, Shibuli, Matete, Malaha and Ingavira ablution blocks
- ❖ Completed construction of Matunda and Shinyalu stock rings
- ❖ Operationalized 22 market committees
- ❖ Completed renovation of Butere Market and meter separation of Shianda Market.
- ❖ Established Kakamega County Microfinance Corporation which has benefitted 552 MSMEs with loans totalling to KES. 64.74M, with a recovery of 89%.
- ❖ Designated and gazetted five heritage sites (Nabongo Shrines, Ikhongo Murwi, Mawe tatu, Misango Hills, Mugai stones and caves and Kambiri hills) to promote tourism;
- ❖ Organised tourism promotion and marketing events including Churchill Live Experience
- ❖ Established digital tourism marketing ‘Manya Ingo’
- ❖ Verified 2800 weighing and measuring equipment to enhance consumer protection.
- ❖ Raised revenue of 779,580 through verification of equipment across the county.
- ❖ Completed construction of 3 Juakali sheds ( Navakholo, Malava & Mumias West)
- ❖ Prepared a Master Plan for the Industrial Park

### Impact

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

## 2.6.6 Water, Environment and Natural Resource

- ❖ Developed a data base for all water sources in collaboration with KIWASH;
- ❖ Increased water connectivity by 210 Km and water storage capacity by 2,555.5 m<sup>2</sup> which has enabled 2.5% of households access safe piped water;
- ❖ Rehabilitated forty three (43) boreholes and drilled 2 boreholes around the county to increase access to clean and safe water;
- ❖ Solarized 3 water projects at Makhokho, Shibanga and Imalaba;

- ❖ Constructed handwashing points in health centres (Bushiri, Shibuname, Eshinamwenyuli, Emusala, Kharanda and Lusheya), Shinyalu market and Emusala schools;
- ❖ Constructed 87 rain water harvesting and storage systems at public institutions including schools, polytechnics and health centres in collaboration with development partners;
- ❖ Construction of five water projects (Musembe dam (98%), Lumino Dam (75%), Nandamanywa (53%), Kuvasali (69%), Yala/Butwehe (46%), Lwakhupa(97%) through funding from Kenya Devolution Support Programme ongoing.
- ❖ Increased the County tree cover by planting over 200,000 trees in selected public institutions, riparian areas and hilltops under the County Greening programme;
- ❖ Mapped county natural resources including wetlands and mining sites;
- ❖ Sensitized artisanal miners across the County on sustainable land use management and safety, in collaboration with the National Environmental Management Authority (NEMA), Directorate of Occupational Safety and Health Administration (DOSHA) and the Ministry of Mining;
- ❖ Developed legal frameworks to guide implementation of projects and programmes in the Department, including The Kakamega County Climate Change Act 2020;

## **Impact**

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

### **2.6.7 Social Services, Youth and Sports**

- ❖ Upgrading of Bukhungu Stadium to international standards (Phase II 46% complete) and upgraded other 15 sports fields
- ❖ Constructed 1080 houses for the vulnerable people
- ❖ Constructed Shinyalu Gender Based Violence Rescue Center
- ❖ Prepared the Kakamega County Disability Act 2022 and developed Kakamega County Children Policy 2022
- ❖ Promoted the development of sports talent through KYISA games, KICOSCA, EALASCA and Sports Support Programmes;
- ❖ Supported the deaf team to participate in the National Deaf Competitions
- ❖ Renovated Mumias, Nabongo and cultural centre, and Khayega Art Gallery
- ❖ Participated in Kenya National Music and Cultural Festivals



- ❖ Established and implemented the County Youth Service where 4,200 youth and women were engaged to provide services to the County

### **Impact**

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

## **2.6.8 Lands, Housing, Urban Areas and Physical Planning**

- ❖ Upgraded 2.1 Kms of earth roads to bitumen standards in kakamega municipality
- ❖ Constructed 7 Kms of Non-motorized transport within the municipalities
- ❖ Landscaped and beautified an area covering over 10,000 SMs of open spaces has seen green space for relaxation increase.
- ❖ The purchased 30.9 acres of land within the county for development
- ❖ Proposed land scaping of Muliro Gardens, Construction of Sudi Lane, Supa loaf Road in Kakamega to upgrading of non-motorized transport landscaping of sudi road, Construction of Taxi Parking in Kakamega Town
- ❖ Landscaped and rehabilitated Ambwere Junction -Bukhungu- Keere Road and Associated works in Kakamega Municipality
- ❖ Fenced Rosterman dumpsite
- ❖ Purchased a waste management truck
- ❖ Preparation of Malava and Butere Spatial Plans is on going
- ❖ Construction of Sichirai Market which is on-going at 85% complete
- ❖ Constructed Mumias Bust Park

### **Impact**

Improved the business environment, hygiene and town planning.

## **2.6.9 Public Service and County Administration**

- ❖ Completed and operationalized Likuyani Sub-County Administration Office
- ❖ Completed 10 bridges that had collapsed due to floods under disaster fund
- ❖ Organized 61 awareness forums on effects of alcohol and drug abuse across the County.

- ❖ Coordinated 58 public participation meetings/forums across the county
- ❖ Purchased a modern Fire Engine
- ❖ Completed and operationalized Bunyala West Ward Office
- ❖ Refurbished Shinyalu Sub County Office and the County Administration Office

## **Impact**

Establishment of devolved structures has improved access to government services and timely response to disasters and emergencies.

### **2.6.10 Finance and Economic Planning**

- ❖ Undertook project monitoring and evaluation exercises.
- ❖ Initiated the establishment of Sub-County Treasuries
- ❖ Yearly production of financial and planning policy documents –Annual Development Plan, County Budget Review and Outlook Paper, County Fiscal Strategy Paper, County Consolidated Budget, CIDP 2018-2022 term review, sector plans and CIDP 2023-2027
- ❖ Prepared draft asset management policy
- ❖ Achieved 95% payments through IFMIS;
- ❖ Timely preparation of financial statements and reports as required under PFM Act 2012.
- ❖ Operationalized the Kakamega County Investment Agency.

## **Impact**

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

### **2.6.11 ICT, e-Government and Communication**

- ❖ The development and implementation of the Enterprise Resource Planning (ERP) System.
- ❖ Point to pint connection of county offices at the headquarter (Bukhungu stadium, Kotecha, PC building, Public works and Mwauda offices);
- ❖ The procurement and operationalization of the cashless system (e-revenue collection) where four payment methods were fully established i.e. POS, USSD, Revenue portal and Mobile application and

- ❖ Purchased and distributed 200 POS gadgets distributed in the sub-counties and level 4 health facilities.
- ❖ Installation of Security Surveillance Cameras in county headquarters, Sahajanand building, Kotecha building, PC block B&C, Public works, Mwanda, and Bukhungu stadium Phase I, Bukhungu Stadium U-Turn, Kakamega Webuye road roundabout and Kakamega-Mumias Road (At Sahajanand).
- ❖ Development and operationalization of two E-Government Portals (revenue web portal and recruitment web portal).
- ❖ Establishment of the production studio at the county headquarters.
- ❖ Collaboration with ICT Authority in establishment of 9 centres through NG-CDF funding at Ikolomani, Navakholo, Matungu and Lurambi.

## **Impact**

Increased efficiency and effectiveness in service delivery through timely information dissemination and enhanced County visibility

### **2.6.12 Office of the Governor**

- ❖ Constructed, equipped and operationalized the Governor’s northern region office in Lugari Sub County;
- ❖ Drafted a total of 86 bills, out of which 47 have been enacted by the county assembly and 32 MOUs have been signed to improve effectiveness of governance processes;
- ❖ Conducted public participation forums with stakeholders across the county;
- ❖ Acquired and operationalized the Electronic County Integrated Project Management System (ECIPMS) to support real time monitoring and tracking of project progress;
- ❖ Acquired the Audit Teammate Software and renovated Butere and Lugari audit offices to support audit services

## **Impact**

There have been proper coordination and smooth implementation of county projects and programmes while enacted legislations and developed regulations have provided a legal framework for operationalization of county functions.

### **2.7 Implementation of FY 2021/22 Budget and Emerging Fiscal Challenges**

The implementation of budget for FY 2021/22 started smoothly despite uncertainty in disbursement of funds from the National government. Most expenditure during the first quarter was majorly recurrent in nature with employee cost taking a bigger percentage and emphasis placed on completion of ongoing projects and payment of pending bills. Challenges arising from the 2022 general election have affected the implementation of the budget.

Revenue collection in FY 2021/22 is showing a slight decrease from a similar period in the FY 2020/21. Data provided by KCRA for the first quarter of the FY 2021/22 indicates that the County Government was able to collect KES 220.28 million as compared to KES 228.49 million collected during the same period in the FY 2020/21. This represents a drop of KES 8.4 million (3.6 per cent) that can be attributed to the slow economic recovery following a number of Covid-19 containment measures.

Some of the notable challenges faced in the implementation of the County Projects and programs included;

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

## **2.8 Revised budgets**

Budget implementation for the first quarter of the financial year 2022/23 has faced several challenges key among them; COVID-19 pandemic effect, delays in exchequer releases by the National Treasury, continued expenditure demands from Departments and low own source revenue collections.

In view of the financial constraints, a supplementary budget for FY 2022/23 reflecting these changes is under preparation for approval by the County Assembly. The County Government will continue to rationalize and re-prioritize development and operational expenditures in order to spend within the budget.

## **2.9 Risks to the outlook**

Expansion of devolved system up to the grass root has brought in itself several challenges to the County government. Expenditure pressures have continued with salaries and operational demands from all County departments especially Health, Education and Public Service & Administration. The high wage bill poses a risk to sustainable implementation of the 2021/22 budget in the medium term by limiting funding for capital expenditure.

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

## **3 FISCAL POLICY AND BUDGET FRAMEWORK**

### **3.1 Overview**

The 2023/24 Medium-Term Fiscal Policy aims at supporting a sustainably wealthy and vibrant County by providing high quality services to improve the livelihoods of its citizens. The County Government will pursue prudent fiscal policies to ensure economic growth and development. In addition, these policies will provide support to economic activities while allowing for sustainable implementation of projects and Programs. Adhering to these policies will also enhance local revenue collection which will ensure there are adequate resources for capital investments.

In respect to local revenue generation, the County Government is striving to institute corrective measures to reduce revenue leakages through strengthening the Kakamega County Revenue Agency. The agency is responsible for efficient and effective revenue collections, enforcement of local revenue laws and regulations, continued automation of revenue collection systems and expansion of revenue streams as well as undertaking sensitization and education of the public on revenue matters.

### **3.2 Legal Framework**

The Budget process is provided in the legal framework including but not limited to The Constitution of Kenya, The County Government Act, 2012 and the Public Finance Management Act, 2012. The processes require collaboration with all stakeholders to ensure harmony in the operation of the County Governments and also boost the inter and intra government relations.

### **3.3 Adherence to Fiscal Responsibility Principles**

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

Some of the fiscal responsibility principles to be observed include:

- ❖ Over the medium term, a minimum of 30% of the County Government budget shall be allocated to development expenditure;
- ❖ The County Government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the County Government revenue as prescribed by the Public Financial Management Act (PFMA 2012). This is a challenging fiscal principle as the county is faced with a huge wage bill without equivalent corresponding revenue that supports cash flow to meet this requirement. The wage bill stands at 36.78% which excludes the County Assembly.
- ❖ The County Government will prepare a balanced budget where the expenditure estimates will be equal to the total revenue resource. This will help in avoiding instances of deficit financing thus eliminating the occurrence of pending bills at the end of each financial year.
- ❖ Borrowing shall be used for capital and development estimates only. While the county desires to borrow in future to fund its development agenda, this will be determined by the framework being developed by the National Government in consultation with the County Governments.

### **3.4 Fiscal structural reforms**

The County Government aims to widen the tax base by reviewing the relevant revenue legislations in order to improve revenue raising measures and efficiency. In order to achieve this objective, the County Government has strengthened the Kakamega County Revenue Agency.

Over the medium term, the County Government will rationalize its expenditure with an aim to reduce wastage. This will be done by ensuring there is improved accountability and transparency among the accounting officers who are in charge of public finances. The ongoing fiscal structural reforms will eliminate duplication.

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

### **3.5 Deficit Financing Policy**

The County Government intends to borrow from domestic and external sources for capital investments based on the framework developed by the National Treasury. Borrowing will be undertaken upon careful and critical analysis of the financial position and capability of the County Government in repaying the debts. The County Government plans to borrow up to a maximum of KES 2 Billion that will be used in the health sector especially for purchase of medical equipment and infrastructural development.

### **3.6 Expenditure Forecasts**

As required by the Public Finance Management Act, 2012 on fiscal responsibility principles, the County Government will prepare a balanced budget where expenditure is equivalent to revenue projections. The County Government expects overall expenditure estimates to remain almost the same as the budget for FY 2022/23 that shall incorporate the revised own source revenue targets.

Expenditure ceilings on goods and services for County Departments are based on the County priorities extracted from the CIDP 2023 – 2027. The ceilings are also adjusted based on expenditure trends, Covid-19 Socio-Economic Re-engineering Recovery Strategy and the County Government priority programs within the spending units. Inflation which affects the expenditure trends has been put into consideration. An emergency fund of KES 200 Million will be set aside to cater for any emergency issues that may arise during the FY 2023/24.



### **3.7 The FY 2023/2024 Budget framework**

The FY2023/24 budget framework is prepared in consideration of the macro-fiscal framework set where real GDP is expected to grow by 5.5 percent in FY2022/2023 and by 6.1 percent in the FY2023/2024.

## 4 MEDIUM-TERM EXPENDITURE FRAMEWORK

### 4.1 Division of Revenue Raised Nationally

Based on the Budget Policy Statement (BPS, 2023), the estimated revenue by the National Government in the FY 2023/24 is KES 3,628.8 billion. In this paper the National Treasury has proposed to allocate to County Governments KES 385.4 billion as their equitable share of revenue raised nationally.

### 4.2 County Governments Allocation

The BPS, (2023) proposes that the equitable share of revenue is KES 385.4 billion. This revenue is shared among County Governments based on the third basis formula approved by Parliament in September, 2020. The formula takes into account the following parameters; (i) Population (18%); (ii) Health Index (17%); (iii) Agriculture Index (10%); (iii) Urban Index (5%); (iv) Poverty Index (14%); (v) Land Area Index (8%); (vi) Roads Index (8%), and; (vii) Basic Share index (20%).

### 4.3 Additional Allocations

In addition to the equitable share, County Governments will receive KES 11.1 billion as additional allocations (Conditional and Unconditional) from the National Government share of revenue and KES 33.2 billion as an additional allocation from proceeds of loans and grants to County Governments.

**Figure 8: Additional Allocation to County Governments**

<b>Additional Unconditional Allocations from the National Government Share of revenue</b>	
<b>Additional Allocation</b>	<b>Amount in KES</b>
Court Fines from County Legislations	108,660,979
<b>Additional Conditional Allocations from the National Government Share of revenue</b>	
Construction of County Headquarters	454,000,000
Leasing of Medical Equipment	5,862,000,000
Aggregated Industrial Parks Programme	4,700,000,000

<b>Total</b>	<b>11,016,000,000</b>
<b>Additional Conditional Allocations Financed from proceeds of loans and grants from Development Partners for Financial Year 2023/24</b>	
<b>Total</b>	<b>33,192,137,407</b>

**Source:** Budget Policy Statement, 2023

#### 4.4 Kakamega County Resource Envelope

The resource envelope available for allocation among the spending entities is based on the updated Medium-Term Fiscal Framework which is outlined in Section IV and the Budget Policy Statement (2023) by the National Treasury. In view of the continued pressure that arise from wage bill and limited resources, MTEF budgeting will focus on adjusting expenditures to cater for the priority sectors.

Financing of County Government budget revolve around two main financing sources namely; transfers from the National Government and own source revenue. The shareable revenue transfers will account for 86.51 per cent of the expenditure priorities in the budget while 13.49 per cent will be financed from own revenue sources.

This will comprise of **KES 12,917,304,035** equitable shareable revenue and **KES 2,200,000,000** as own source revenue. The unspent balance from FY 2021/22 is estimated to be **KES 1,196,000,000** which makes up the 7.3 per cent of total resource envelope estimates of **KES 16,313,304,053** as presented in table 8.

**Table 8: Revenue resource envelope**

Revenue source	Approved Budget Estimates	Forecast		
	2022/23	2023/24	2024/25	2025/26
	KES	KES	KES	KES
Own sources	1,600,000,000	2,200,000,000	2,200,000,000	2,200,000,000
Balance brought forward – Equitable Share	965,400,461	1,196,000,000	935,677,000	935,677,000
Total equitable share	12,389,412,168	12,917,304,053	12,917,304,054	12,917,304,055
<b>TOTAL REVENUE</b>	<b>14,954,812,629</b>	<b>16,313,304,053</b>	<b>16,052,981,054</b>	<b>16,052,981,055</b>

*Source: CBROP, (2022) and BPS (2023)*

## 4.5 Spending Priorities for FY 2023/24 – FY 2025/26 MTEF Budget

The County government expenditure will focus on the following key priority areas;

- Health Sanitation and Hygiene
- Food security
- Education
- Wealth creation
- Social development
- Good Governance

## 4.6 Medium Term Expenditure Estimates

Table 9 gives the departmental total ceiling and guidance on resource allocation. Annex 1 and 2 provides provision for both recurrent and development estimates. This information will guide County Departments to adjust their budgets within their overall total ceiling.

## 4.7 Proposed Expenditure by Economic Classification

The total resource envelope estimates for the FY 2023/24 are **KES 16,313,304,053** excluding conditional grants. Out of this, recurrent expenditure is estimated to be **KES 5,057,304,053 (31.00%)**, employee compensation is estimated to be **KES 5,793,000,000 (35.51%)** excluding the County Assembly and development expenditure is estimated to be **KES 5,463,000,000 (33.49%)**. The estimates that will be transferred to the County Assembly are **KES 1,246,480,336 (7.64%)**.

**Table 9: Baseline Ceilings for FY 2022/23 – 2025/26**

Department/Agency	Approved Budget	Estimates	Forecast		% Proportion
	2022/2023	2023/2024	2024/2025	2025/2026	
	KES	KES	KES	KES	
<b>County Assembly</b>	<b>1,244,967,209</b>	<b>1,246,480,336</b>	<b>1,316,653,117</b>	<b>1,316,653,117</b>	<b>7.64</b>
Current	1,194,967,209	1,196,480,336	1,216,653,117	1,216,653,117	
Development	50,000,000	50,000,000	100,000,000	100,000,000	
<b>Agriculture, Livestock, Fisheries and Co-operatives</b>	<b>1,491,722,242</b>	<b>1,205,000,000</b>	<b>1,170,000,000</b>	<b>1,170,000,000</b>	<b>7.39</b>
Employee Cost	329,781,183	345,000,000	450,000,000	450,000,000	
Current	69,716,464	110,000,000	120,000,000	120,000,000	
Development	1,092,224,595	750,000,000	600,000,000	600,000,000	
<b>Health Services</b>	<b>4,538,353,897</b>	<b>4,938,843,899</b>	<b>5,233,500,000</b>	<b>5,233,500,000</b>	<b>30.27</b>
Employee Cost	2,917,004,326	3,100,000,000	3,033,500,000	3,033,500,000	
Current	648,264,483	1,238,843,899	1,500,000,000	1,500,000,000	
Development	973,085,088	600,000,000	700,000,000	700,000,000	
<b>Education, Science &amp; Technology</b>	<b>1,203,098,116</b>	<b>1,100,000,000</b>	<b>1,075,000,000</b>	<b>1,075,000,000</b>	<b>6.74</b>
Employee Cost	489,864,417	600,000,000	525,000,000	525,000,000	
Current	185,440,762	250,000,000	250,000,000	250,000,000	
Development	527,792,937	250,000,000	300,000,000	300,000,000	
<b>Roads, Public Works and Energy</b>	<b>1,545,364,346</b>	<b>638,000,000</b>	<b>898,000,000</b>	<b>898,000,000</b>	<b>3.91</b>
Employee Cost	86,791,715	90,000,000	63,000,000	63,000,000	
Current	335,471,705	40,000,000	35,000,000	35,000,000	
Development	1,123,100,926	508,000,000	800,000,000	800,000,000	

Department/Agency	Approved Budget	Estimates	Forecast		% Proportion
	2022/2023	2023/2024	2024/2025	2025/2026	
	KES	KES	KES	KES	
<b>Lands, Housing, Urban Areas and Physical Planning</b>	<b>815,101,593</b>	<b>675,000,000</b>	<b>1,230,000,000</b>	<b>1,230,000,000</b>	<b>4.14</b>
Employee Cost	49,704,493	70,000,000	330,000,000	330,000,000	
Current	176,041,333	255,000,000	300,000,000	300,000,000	
Development	589,355,767	350,000,000	600,000,000	600,000,000	
<b>Social Services, Youth &amp; Sports</b>	<b>934,533,632</b>	<b>1,300,000,000</b>	<b>934,500,000</b>	<b>934,500,000</b>	<b>7.97</b>
Employee Cost	51,286,562	63,000,000	84,500,000	84,500,000	
Current	52,994,824	392,000,000	250,000,000	250,000,000	
Development	830,252,246	845,000,000	600,000,000	600,000,000	
<b>Trade, Industrialization &amp; Tourism</b>	<b>410,679,449</b>	<b>390,000,000</b>	<b>464,500,000</b>	<b>464,500,000</b>	<b>2.39</b>
Employee Cost	43,593,350	50,000,000	84,500,000	84,500,000	
Current	29,366,888	55,000,000	80,000,000	80,000,000	
Development	337,719,211	285,000,000	300,000,000	300,000,000	
<b>Water, Environment and Natural Resources</b>	<b>624,615,499</b>	<b>315,000,000</b>	<b>403,000,000</b>	<b>403,000,000</b>	<b>1.93</b>
Employee Cost	59,613,969	60,000,000	63,000,000	63,000,000	
Current	36,612,083	55,000,000	40,000,000	40,000,000	
Development	528,389,447	200,000,000	300,000,000	300,000,000	
<b>Public Service and Administration</b>	<b>1,526,104,992</b>	<b>1,650,979,818</b>	<b>1,300,000,000</b>	<b>1,300,000,000</b>	<b>10.12</b>
Employee Cost	834,541,069	840,000,000	700,000,000	700,000,000	
Current	522,415,872	600,979,818	450,000,000	450,000,000	
Development	169,148,051	210,000,000	150,000,000	150,000,000	

Department/Agency	Approved Budget	Estimates	Forecast		% Proportion
	2022/2023	2023/2024	2024/2025	2025/2026	
	KES	KES	KES	KES	
<b>Office of the Governor</b>	<b>293,111,453</b>	<b>445,000,000</b>	<b>630,000,000</b>	<b>630,000,000</b>	<b>2.73</b>
Employee Cost	121,851,843	130,000,000	330,000,000	330,000,000	
Current	140,432,880	300,000,000	300,000,000	300,000,000	
Development	30,826,730	15,000,000	0	0	
<b>Finance and Economic Planning</b>	<b>684,285,803</b>	<b>2,109,000,000</b>	<b>2,150,000,000</b>	<b>2,150,000,000</b>	<b>12.93</b>
Employee Cost	348,622,416	355,000,000	350,000,000	350,000,000	
Current	255,663,387	504,000,000	600,000,000	600,000,000	
Development	80,000,000	50,000,000			
<b>Ward Base Projects ( to be transferred to respective departments</b>		<b>1,200,000,000</b>	<b>1,200,000,000</b>	<b>1,200,000,000</b>	
<b>County Public Service Board</b>	<b>63,184,783</b>	<b>80,000,000</b>	<b>80,000,000</b>	<b>80,000,000</b>	<b>0.49</b>
Employee Cost	46,443,864	50,000,000	45,000,000	45,000,000	
Current	16,740,919	30,000,000	35,000,000	35,000,000	
<b>ICT, E-Government &amp; Communication</b>	<b>115,758,443</b>	<b>220,000,000</b>	<b>290,000,000</b>	<b>290,000,000</b>	<b>1.35</b>
Employee Cost	33,397,513	40,000,000	55,000,000	55,000,000	
Current	16,472,186	30,000,000	35,000,000	35,000,000	
Development	65,888,744	150,000,000	200,000,000	200,000,000	
<b>Total for the County</b>	<b>15,490,881,457</b>	<b>16,313,304,053</b>	<b>17,175,153,117</b>	<b>17,175,153,117</b>	

## 4.8 Baseline Ceilings

The baseline estimates reflect the current Departmental spending levels. The Departmental ceilings in table 9 will form the indicative baseline for the FY 2023/24 budget. In the recurrent expenditure category, non-discretionary expenditures take first charge. Compensation of employees for the county overall expenditure should account for a maximum of 35 % of the budget revenues.

Adhering to this principle may not be achieved as there are challenges which affect the County Government in realizing local revenue targets and continued recruitment to cover the gap on capacity which has continually led to increase in county wage bill. Going forward, the County will address the issue of low local revenue and staff rationalization.

In this document, the ceilings include; employee cost, operations and development estimates. The employee cost will be centralized in the Department of Public Service and Administration for easier implementation. *This will be effected in the Appropriation Act of 2023.*

Development expenditures are undertaken on the basis of CIDP 2022 – 2027, Annual Development Plan (2022), the Governor’s Manifesto, Public participation report of February 2023 as well as departmental strategic priorities. The Proposed capital projects will be evaluated in the context of the following elements:

- (a) Emphasis will be placed on completion and operationalization of ongoing projects;
- (b) Projects that are in compliance with the County Government regulations and priorities as outlined in the County Integrated Development Plan, Annual Development Plan and which are fully justified for financing;
- (c) Community needs identified through public participation;
- (d) Department strategic needs that contribute greatly in addressing county’s socio-economic needs.



**The following will also be taken into consideration in order of priorities;**

- (a) Covid-19 Socio-Economic Re-engineering and Recovery Strategy;
- (b) Emerging issues which require much attention in provision of service delivery such as education support programs;
- (c) Cross cutting issues and other special programs of importance such as disaster management, youth development, gender, disability and HIV/AIDS;
- (d) Implementing projects that require massive resources in phases such as construction of Bukhungu Stadium, bitumen roads and Kakamega Teaching & Referral Hospital.

#### **4.9 Details of Department Priorities**

The MTEF for FY 2023/24 - FY 2025/26 period will ensure that there is adequate resource allocation based on program priorities that are aligned to CIDP 2023 – 2027 and CADP 2023/24 and Strategic Policy Initiatives that will accelerate growth, employment creation and poverty reduction.

**The sector development priorities are;**

##### **4.9.1 Agriculture, Livestock, Fisheries and Cooperatives Development**

This sector comprises the following: Crop production, Livestock Production, Veterinary Services, Cooperative Development, Irrigation, Fisheries Development, Kakamega Dairy Development Corporation and Bukura ATC.

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

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

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

## Programmes to be implemented

### Programme 1: Agricultural Extension and Research

Sub programme	Projects
Strengthening Agricultural extension services	(a) Establish demonstration centers. (b) Capacity building of farmers and staff through various extension methods and approaches (training, fields exhibitions and field days/visits) (c) Promote agribusiness, Agro-nutrition and environmental conservation and Aquaculture.
Agricultural training Infrastructure development	(d) Construction and renovation of Bukura ATC infrastructure (e) Farm development for training and revenue
Agriculture research liaison and value chains development	(f) Adopt and promote new technologies and innovations in value chains (g) Implement value chain-based programs co-funded by partners (ASDSPII, NAVCP) (h) Develop climate smart agriculture investment plan (CSAIP) (i) Conduct monitoring and evaluation of relevant county projects (j) Development of data management systems (k) Establish laboratory for quality assurance
Agricultural institutional development and Governance	(l) Develop governance structures and legal frameworks for various value chains.

### Programme 2: Livestock development

Sub programme	Projects (Investment)
Dairy Development	(a) Animal breeding (A.I., synchronization, embryo transfer) (b) Promotion of pasture and fodder development
KDDC-infrastructure and dairy development	(a) Milk production promotion through distribution of in-calf heifers (b) Completion of construction of Smart Dairy Farms (c) Construction of KDDC headquarters (d) Establishment of pasture and fodder in the SDFs (e) Purchase of breeding stock - pedigree in-calf heifers (f) Provision of dairy feeds and supplements to SDFs (g) Operationalization of Malava Milk Plant
Poultry development	(a) Indigenous chicken for poverty reduction and wealth creation (b) Promotion of alternative poultry feed systems (c) Promotion of poultry products value addition and marketing

Sub programme	Projects (Investment)
Small ruminant (sheep/goats) and non-ruminant (pigs/rabbit) development	<ul style="list-style-type: none"> <li>(a) Provision of exotic breeding stock (improved pig breeds, dairy bucks/rams)</li> <li>(b) Indigenous small ruminants (goat/sheep) for poverty reduction and wealth creation</li> <li>(c) Promotion of small ruminant (sheep/goats) and non-ruminant (pigs/rabbit) products value addition and marketing</li> </ul>
Apiculture development	<ul style="list-style-type: none"> <li>(a) Provision of apiculture production and handling sets</li> <li>(b) Promotion of hive products value addition and marketing</li> </ul>
Livestock disease and pest control	<ul style="list-style-type: none"> <li>(a) Provision and administration of animal vaccines</li> <li>(b) Provision of solar-run cold chain infrastructure</li> <li>(c) Establishment/rehabilitation and operationalization of cattle dipping infrastructure</li> <li>(d) Rehabilitation, equipping and operationalization of County Veterinary Investigation Laboratory</li> <li>(e) Provision of essential/emergency veterinary pharmaceuticals, equipment and supplies</li> </ul>
Veterinary public health	<ul style="list-style-type: none"> <li>(a) Establishment/rehabilitation and maintenance of slaughter infrastructure (slabs/abattoirs)</li> <li>(b) Provision of animal products inspection tools/equipment/attire and supplies</li> </ul>
Leather Development	<ul style="list-style-type: none"> <li>(a) Establishment of basic suspension drying and bulking infrastructure at ward level</li> </ul>
Livestock extension services	<ul style="list-style-type: none"> <li>(a) Conduct of/participation in field days, agricultural shows, exhibitions</li> <li>(b) Establishment of demonstration units/sites</li> <li>(c) Conduct of radio talk shows and e-extension</li> </ul>
Monitoring, Evaluation, Accountability & Learning	<ul style="list-style-type: none"> <li>(a) Data capturing and analysis infrastructure</li> <li>(b) Evidence capture infrastructure</li> </ul>

### Programme 3: Smallholder Irrigation and drainage Programme

Sub programme	Projects
Irrigation and drainage infrastructure development	<ul style="list-style-type: none"> <li>(a) Capacity building of small-holder irrigation farmers</li> <li>(b) Development of Smallholder irrigation and drainage schemes;</li> </ul>

### Programme 4: Cooperative's development

Sub programme	Projects
Governance of cooperatives	<ul style="list-style-type: none"> <li>(a) Revamping and strengthening of co-operatives</li> </ul>
	<ul style="list-style-type: none"> <li>(b) Establish cooperative enterprise development fund</li> </ul>

Support to Cooperatives	(c) Grants to cooperative societies to support value chains development and marketing
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### Programme 5: Fish Farming Productivity

Sub programme	Projects
Fish Pond Development	(a) Construction of fish ponds (b) Rehabilitation of fish ponds (c) Provision of fish subsidies- (fish feeds, fingerlings, DAP and lime) (d) Provision of fish feeds processing machines (e) Fish gears support
Hatchery Development	(f) Establishment of fish hatcheries
Fish Marketing and value addition	(g) Development of fish buying centers
Riverine and dam fisheries development	(h) Capacity building to management committees (i) Purchase and installation of cages (j) Stocking of dams and rivers

### Programme 5: Crop Production and Management services

Sub programme	Projects
Cash crop development	(a) Promotion of tea, coffee, soya beans, macadamia and sugarcane production
Food crop production	(b) Seeds and fertilizers subsidy provision (c) Provision of farm produce storage services (d) Farm mechanization- (Tractor services)
Horticulture promotion and development	(e) Banana production, promotion of fruit trees, floriculture, herbs and spices (f) Construction of greenhouses (g) Promotion of indigenous vegetable production (h) Food safety policy development
Crop pest and disease management	(i) Farmer capacity building, surveillances (j) Purchase of pesticides and equipment
Soil conservation and management	(k) Farmer capacity building (l) Soil testing

To undertake these Programs, the 2023/24 MTEF estimates for this Department are estimated to be KES 1,205,000,000 comprising of KES 750,000,000, KES 345,000,000 and KES 110,000,000 for Development, Employee costs and Recurrent expenditure respectively.

#### 4.9.2 Roads, Public Works and Energy

This sector comprises Roads, Public Works and Energy. The vision of the sector is to be a world class provider of cost-effective physical infrastructure, energy facilities and public works services. The

mission of the department is to provide efficient, affordable and reliable infrastructure and energy for sustainable economic growth and development through construction, modernization, rehabilitation and effective management of all infrastructures, provision of public works services and energy facilities.

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

**Sector priorities**

- Road construction and maintenance
- Bridge construction
- Construction of buildings and other public works
- Acquisition and installation of transformers
- Connection of electricity to households and public institution
- Provision of Clean energy
- Supervision of other construction works

**Programmes to be implemented**

**Programme 1: Roads Infrastructure Development**

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

## Programme 2: Energy Reticulation

Sub programme	Projects
Rural Electrification programme	<ul style="list-style-type: none"> <li>a) Electricity supply to households and public institutions</li> <li>b) Highmast power erection</li> <li>c) Solar street lighting</li> </ul>
Renewable energy	<ul style="list-style-type: none"> <li>a) Solarization of Public Institutions</li> <li>b) Partnership with development partners on connection of institutions and vulnerable households to solar energy, biogas and clean cooking</li> <li>c) Connections of households and institutions to alternative energy sources</li> </ul>

## Programme 3: Public works Management

Sub programme	Projects
Public works management	<ul style="list-style-type: none"> <li>a) Completion of material testing lab</li> <li>b) Construction of mechanical workshop</li> </ul>

To undertake these programs, the 2023/24 MTEF estimates for the Department are estimated to be KES 638,000,000. This comprises KES 90,000,000, KES 40,000,000 and KES 508,000,000 for Employee costs, Recurrent Operations and Development expenditure respectively.

### 4.9.3 Health Services

#### Introduction

This sector comprises of two directorates; Public Health and Medical Services. As of November 2022, data from the Master Facility List (MFL) shows that the county has a total of 365 health facilities and 425 community units. Public health facilities comprise of; one (1) level V hospital (CGH), fifteen (15) level-IV hospitals, fifty-five (55) level III facilities, and one hundred and twenty-two (122) level II facilities. It also has 140 private facilities, 25 faith-based facilities, six (6) NGO facilities and one (1) affiliated to academic institutions.

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

## The strategic objectives of the sector are;

- ❖ Improving access to health services through health infrastructure development by ensuring that the health facilities are upgraded, renovated and well equipped to support service delivery.
- ❖ To ensure adequate number of skilled, motivated, knowledgeable health workers with positive attitude;
- ❖ To improve the maternal and child health care;
- ❖ To ensure availability and access to essential health products and technologies and effective management system in all health facilities;
- ❖ Restore dignity of CHV's by making their timely and adequate remuneration and also make annual review of their incremental remuneration;
- ❖ Carry out household audit to identify and ensure that the Universal Health Care for the population above 65 years old across the county is undertaken at public expense;
- ❖ To reduce the risks and impact of non-communicable diseases (NCDs).

## Sector Priorities for MTEF Period 2022/2023 – 2024/2025

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

### Programme 1: Promotion of Curative health services

(Sub programme)	Projects (Investment)
Health Infrastructure Development	<ul style="list-style-type: none"><li>a) Complete construction of KCTRH Phase 1</li><li>b) Equipping of KCTRH Phase 1</li><li>c) Renovation of health centres and dispensaries</li><li>d) Upgrading health centres to level IV hospitals - Khwisero, Shianda, Makunga and Matete</li><li>e) Progressive Expansion and renovation of the existing health facilities</li><li>f) Equipping of Shamakhubu level IV Hospital</li><li>g) Completion and Equipping of Marakusi and Mutaho Dispensaries</li><li>h) Completion of Mortuaries- Butere, Mumias and Likuyani level IV Hospitals</li><li>i) Completion and operationalization of stalled health projects from CDF, Ward Fund and former Local Authorities (LATIF)</li></ul>

(Sub programme)	Projects (Investment)
	<ul style="list-style-type: none"> <li>j) Completion of Butere Level IV Hospital</li> <li>k) Connection of water and electricity in health centres and dispensaries</li> <li>l) Purchase of land and fencing of health facilities</li> </ul>
Quality health products and Technology	<ul style="list-style-type: none"> <li>m) Purchase and distribution of drugs and non-pharms</li> <li>n) Construction of drug storage facilities</li> <li>o) Equipping of health facilities</li> </ul>

### **Programme 2: Preventive and Promotive Health care services**

(Sub programme)	Projects (Investment)
Disease control	<ul style="list-style-type: none"> <li>a) Malaria prevention and control</li> <li>b) TB and leprosy treatment and management</li> <li>c) HIV/AIDS control</li> </ul>
Maternal and child healthcare promotion	d) Scale up maternal and childcare services
Family Planning	e) Promotion of family planning initiatives
Universal health care programme	f) Promote access to medical care
Blood transfusion services.	<ul style="list-style-type: none"> <li>g) Expansion of blood transfusion centre</li> <li>h) Establish blood satellite centres (Butere and Likuyani Hospitals)</li> </ul>
Nutrition services	i) Promotion of nutrition services
Community Health strategies	<ul style="list-style-type: none"> <li>j) Disease surveillance</li> <li>k) Hygiene promotion</li> <li>l) Jigger control and prevention</li> <li>m) Alcohol and drug abuse prevention</li> <li>n) Training/sentisization and awareness creation</li> <li>o) Establish integrated and comprehensive community service implementation</li> </ul>
WASH/CLTS (Community Led Total Sanitation)	<ul style="list-style-type: none"> <li>p) Certification of Open Defecation Free (ODF) villages</li> <li>q) Spring protection</li> </ul>
Promotion of Immunization Services	r) Expand immunization coverage
Health education and promotion	<ul style="list-style-type: none"> <li>s) Integrated school health education and promotion</li> <li>t) Increase Proportion of population with knowledge in key health messages</li> </ul>
Primary Health Care	u) Establishment of PCNs
Gender Based Violence	v) Capacity building on SGBV
Non.Communicable Diseases	w) Sensitization, intensified screening and reporting
Anti-microbial Stewardship	x) AMR surveillance
Infection prevention and control	y) Promotion of infection prevention and control



### Programme 3: General Administrative, Finance and Support Services

Sub program	Projects (Investment)
Administrative support services	a) Purchase of utility vehicles b) Gazettement of health facilities c) Signage for all Health facilities
Health standards and Quality Assurance	d) Trainings, Mentorship, Support supervision, Information products, Reviews of work plans, Project M & E
Human Resource management	e) Recruitment and promotion of healthcare workers f) Staff training and grants to medical training centres
Disability mainstreaming	g) Assess and categorize PWDs for registration h) Train CUs on Community based rehabilitation modules i) Assessment of learners with special needs j) Purchase of post rape kits k) Train Health care workers on Gender mainstreaming
Health Data and Information Management	l) Digitization of health facilities m) Establish Health Enterprise Architecture

To undertake these programs, the 2022/23 MTEF estimates for the Department are KES 4,938,843,899 comprising of KES 3,100,000,000, KES 1,238,843,899 and KES 600,000,000 for Employee costs, Recurrent and Development expenditure respectively

#### 4.9.4 Education, Science and Technology

The Department of Education, Science and Technology is made up of three Directorates; County Polytechnics; Early Childhood Development Education (ECDE); and Education Support.

##### **Vision**

Globally competitive in education, training, research and innovation for sustainable development.

##### **Mission**

To provide, promote, and coordinate quality lifelong education training integration for science and technology and innovation for sustainable development.

##### **Department Priorities**

- a) To promote access, equity, quality and relevant education and training;
- b) To manage vocational training in County vocational training centres;

- c) To manage Early Childhood Development Education (ECDE);
- d) To strengthen strategic partnerships and linkages in promotion of education in the County.

## Programmes to be Implemented in the MTEF Period

### Programme 1: County Polytechnic Improvement

Sub Programme	Projects
Polytechnic Tuition Subsidy	<ul style="list-style-type: none"> <li>i) Provision of subsidized polytechnic tuition</li> <li>ii) Purchase of polytechnic buses</li> <li>iii) Recruitment of Polytechnic instructors</li> <li>iv) Implementation of ATVET Programme</li> </ul>
Polytechnic Infrastructure Development	<ul style="list-style-type: none"> <li>v) Construction and equipping of twin workshops</li> <li>vi) Construction and equipping ICT Laboratory</li> <li>vii) Construction of 5 No. classrooms, 2 door and 6 door toilets and 5000ltr tank</li> <li>viii) Renovation and completion of county Polytechnics</li> <li>ix) Installation of 3-Phase electricity in County Polytechnics</li> <li>x) Fencing and installation of Gates in County Polytechnics</li> </ul>
Polytechnic Land Management	<ul style="list-style-type: none"> <li>xi) Acquisition of land for establishment of new polytechnic Centers</li> </ul>

### 2: Programme2: Early Childhood Development Education (ECDE)

Sub Programme	Projects
ECDE Tuition Subsidy	<ul style="list-style-type: none"> <li>i) Provision of Tuition Capitation funds to ECDE centers</li> </ul>
County ECDE School feeding Programme	<ul style="list-style-type: none"> <li>ii) Provision of food to ECDE children</li> </ul>
ECDE Infrastructure Development	<ul style="list-style-type: none"> <li>iii) Construction of new ECDE Centers</li> <li>iv) Renovation of ECDE centers constructed in Phase I and II</li> <li>v) Equipping ECDE centers with child friendly chairs and tables;</li> <li>vi) Equipping ECDE centers with ICT equipment</li> <li>vii) Acquisition and installation of assorted outdoor fixed equipment in ECDE centers;</li> </ul>
ECDE Land Management	<ul style="list-style-type: none"> <li>viii) Land acquisition for establishment of new ECDE centers</li> </ul>

### 3: Programme 3: Education Support Programme

Sub Programme	Projects
School Infrastructure	<ul style="list-style-type: none"> <li>i) Completion of ongoing projects in primary and secondary schools</li> </ul>

Development	
School Awards	ii) Provision of County Education Scholarships; iii) Provision of Ward Based Bursary; iv) County Higher Education Loans Board (HELB) Scheme

To undertake these Programmes, the 2023/24 MTEF estimates for the Department are KES 1,100,000,000 comprising of KES 600,000,000 for employee costs, KES 250,000,000 for Operations and Maintenance and KES 250,000,000 for development expenditure.

#### 4.9.5 Trade, Industrialization and Tourism

The Department is responsible for formulating and supporting strategies, plans and programs that promote and ensure expansion and diversification of trade, promotion of fair-trade practices, environmentally sustainable industrialization and tourism.

The vision of this department is to be the preferred hub for Trade Industrialization, and Tourism. The mission is to promote and sustain trade development, fair trade, Industrial growth, Investment, Tourism development and regulation for wealth creation and employment.

##### Priority areas

- a) Market infrastructure improvement
- b) Wealth Creation
- c) Fair trade practices and consumer protection.
- d) Industrial development, value addition and Investment
- e) Tourism promotion and development
- f) Affordable credit to Micro, Small and Medium Enterprises (MSMEs)

##### Programmes to be implemented

##### Trade Development and Investment

Sub programme	Projects
Market infrastructure Development	a) Construction of Open air markets b) Completion of Litambitsa, Shitsala, Shibinga, Bungasi and Koyonzo Open air markets

	<ul style="list-style-type: none"> <li>c) Refurbishments and maintenance of existing markets ( Matunda, Butali, Nambacha, Malinya, Butere, Bukura, Shianda, Mulwanda and Harambee)</li> <li>d) Fabrication and installation of modern Kiosks</li> <li>e) Construction of Morden stock rings</li> <li>f) Renovation of stock-rings (Lubao, Nambacha, Matunda and Butere).</li> <li>g) Construction of Boda-Boda sheds</li> <li>h) Construction of ablution blocks</li> </ul>
Micro and small enterprises development	a) Training of the MSME

## 2: Programme2: Fair trade and consumer protection

Sub Programme	Projects
Weights and Measures infrastructure development	<ul style="list-style-type: none"> <li>a) Purchase of mobile weigh bridge inspection Unit</li> <li>b) Refurbishment of weight and Measures laboratory in Kakamega</li> <li>c) Construction of a new Weight and Measures laboratory</li> <li>d) Equipping of weight and Measures laboratory</li> <li>e) Acquisition of secondary working standards</li> </ul>
Fair Trade and consumer protection services	<ul style="list-style-type: none"> <li>a) Certification of the standards</li> <li>b) Sensitization of public on fair trade practices</li> </ul>

## 3: Programme 3: Industrial development

Sub programme	Projects
Industrial development	<ul style="list-style-type: none"> <li>a) Completion of Dairy factory;</li> <li>b) Establishment of Tea factory;</li> <li>c) Development of motorcycle assembly plant</li> <li>d) Establishment of leather treatment and buying Centre.</li> <li>e) Establishment of industrial park</li> <li>f) Establishment of Maize factory</li> </ul>
a) Cottage industrial development and SME development	<ul style="list-style-type: none"> <li>b) Construction of Jua kali shades;</li> <li>c) Development of an Industrial Park;</li> <li>d) Acquisition of common user small scale processing equipment which will be installed at the Juakali sheds, e.g Peanut processing machine, oil pressing machine,</li> <li>e) Establishment of textile and clothing centres</li> <li>f) Development of OVOP</li> </ul>

	<ul style="list-style-type: none"> <li>g) Establishment of Incubation centres.</li> <li>h) Capacity building of MSMEs and Jua kali programme</li> <li>i) Development of wealth creation and empowerment strategy</li> </ul>
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**j) 4. Programme 4: Tourism promotion**

Sub programme	Projects
Heritage tourism	<ul style="list-style-type: none"> <li>a) Development of tourism heritage sites.</li> <li>b) Capacity building of communities on tourism</li> <li>c) Promote bull sport</li> </ul>
Marketing and promotion	<ul style="list-style-type: none"> <li>a) Organize digital marketing</li> <li>b) Promote Sports tourism</li> <li>c) Support tourism cultural festival and events</li> </ul>
Ecotourism	<ul style="list-style-type: none"> <li>a) Establish a wild life sanctuary and animal orphanage</li> <li>b) Establish water sports and recreation facilities</li> </ul>
Branding	<ul style="list-style-type: none"> <li>a) Establishment of signage at entry points and heritage sites.</li> <li>b) Branding of major roads.</li> </ul>

To undertake these programmes, the 2023/24 MTEF estimates for this sector are estimated to be KES 390,000,000 comprising KES. 50,000,000, KES 55,000,000 and KES. 285,000,000 for Employee costs, Recurrent and Development expenditure.

**4.9.6 Social services, Youth, Sports and culture**

This department has two directorates namely; Social Services, Children Services, Gender and Culture; Youth, Sports and Library Services. This department is responsible for domesticating and implementation of policies and legislations on youth, sports, social development, public entertainment, promoting sports and cultural activities in the county and management of recreational and multipurpose community social halls, libraries, museums, cultural and sports facilities and parks

The department's vision is to be a leader in provision of quality Social Services in an all- inclusive and just environment.

The mission is to promote talent, culture, empowerment of vulnerable groups and access to information while the goal of the department is to improve the welfare of people through Social Services, Sports, Culture and empowerment programs for Children, Youth, Women and persons

with Disabilities (PWD'S)

### Sectors priority areas

- a) To mobilize and empower communities for socio-economic development, disability mainstreaming and social assistance to vulnerable groups.
- b) To develop and promote sports activities in the County;
- a) To maximize the full potential of Youth and Gender mainstreaming through participatory engagements;
- b) To promote and protect culture and heritage
- c) To establish, promote, equip, manage, maintain and develop Library Services

### Programmes to be implemented

#### Program 1: Empowerment for Women, Persons with Disabilities and Vulnerable groups

Sub Program	Project/Program
Women Empowerment	Support to Women enterprises Capacity building for women
Persons with Disabilities Empowerment	Support enterprises for persons with disabilities Capacity building for persons with disabilities Issuance of assistive devices with people with disabilities
Gender Based Violence Prevention	Construction of gender-based rescue centres Gender based violence awareness
Support to Children and other Vulnerable people	Support to Child headed families Support to Charitable children's institutions Teen pregnancy awareness
Shelter improvement programme and other social infrastructure	Construction of low-cost houses Construction of social halls

## Programme 2: Youth Empowerment, sports Development and Library Services

Sub Programme	Project/Program
Development of sports facilities and infrastructure	<ul style="list-style-type: none"> <li>a) Completion of Bukhungu stadium</li> <li>b) Completion of Upgrading of sports fields</li> <li>c) Establishment of sports academies</li> </ul>
Promotion of sports talents	<ul style="list-style-type: none"> <li>a) Organize and hold tournaments for various sporting activities</li> <li>b) Participate in KICOSCA and KYSA Games</li> <li>c) Operationalize the Kakamega sports fund</li> <li>d) Procure and distribute Sports equipment to teams</li> <li>e) Support the upcoming sports clubs</li> </ul>
Youth Empowerment	<ul style="list-style-type: none"> <li>f) Implement Boda Boda empowerment program</li> <li>g) Hold Career expo</li> <li>h) Organize youth dialogue forum</li> </ul>
County Youth Service and Women Empowerment Programme	<ul style="list-style-type: none"> <li>a) Establishment of county youth service HQ</li> <li>b) Recruit, and offer short term employment to youth and women</li> <li>c) Offer vocational trainings to the recruits in the county polytechnics and offer support after their exit</li> </ul>
Library Services	<ul style="list-style-type: none"> <li>a) Construct and equip libraries</li> </ul>

## Program 3: Culture and Heritage

Sub Programme	Project
Promotion of arts Culture and heritage conservation	<ul style="list-style-type: none"> <li>a) Renovate and maintain the existing cultural centers</li> <li>b) Develop Cultural sites and green spaces</li> <li>c) Construct performing arts theatre halls</li> <li>d) Participate in music and cultural festivals</li> <li>(d) Organize and hold a forum for showcasing by local musicians</li> </ul>

To undertake these Programs, the 2023/24 MTEF estimates for the Department are KES 1,300,000,000 comprising of KES 63,000,000, KES 392,000,000 and KES 845,000,000 for Employee Costs, Recurrent and Development respectively.

#### **4.9.7 Water, Environment & Natural Resources**

The department is made up of three Sub-sectors namely; Water, Environment, Natural Resources and Climate Change.

##### **Vision**

A leading County in provision of sustainable access to adequate safe water in a clean and healthy environment.

##### **Mission**

To improve access to adequate, safe water and sewerage services, conserve and protect the environment, and promote sound utilization of natural resources, for sustainable development.

##### **Goal**

The department is charged with the responsibility of improving water provision in the County, conserving the environment and managing County natural resources.

##### **Department Priorities**

- a) Increase clean and safe water;
- b) Increase County Forest and tree cover and optimize sustainable utilization of natural resources
- c) Promotion of integrated solid waste management.
- d) Promote climate change, adaptation and mitigation
- e) Adoption of low carbon development pathways
- f) Investment in climate change resilient infrastructure

##### **Programmes to be Implemented in the MTEF Period**

##### **Programme 1: Water and Urban Sanitation service provision and management**



Sub Programme	Projects
Water Supply Services	(a) Containerized Water Treatment and Supplies (b) Countywide Water Connectivity (c) Solarization/hybridization of existing and new water schemes (d) Upgrading and developing the sewerage system.
Management on non-revenue water	(e) Metering of water connections
Urban Sanitation	(f) Expansion of sewerage network in Kakamega town; (g) Construction of sewerage plants in Mumias and other urban areas.

## Programme 2: Environmental Conservation

Sub Programme	Projects
Environmental Conservation	(a) Establish a waste to energy plant through public private partnership in waste management (b) Establish 2 solid waste transfer stations; (c) Construct refuse chambers and temporary holding sites (d) Acquire 20 skips (refuse collection containers) (e) Installation of 3 in 1 elevated litter bins (f) Conduct environmental education and awareness (g) Acquire 10 noise measuring devices (h) Acquire ambient Air Quality Monitoring station
Climate Change Management	(i) Integrate climate change adaptation into county level development planning and budgeting processes (j) Develop County Climate Change Vulnerability Assessment to enhance Disaster Risk Reduction Strategy (k) Map out environment disaster prone areas (l) Promote the use of renewable energy and green technologies e.g., solar, biogas (m) Implement Climate Change Mitigation and Adaptation to enhance Community resilience (n) Installation of Automatic Environmental and Climate Monitoring mechanisms (o) Promote climate smart agriculture and conservation practices (p) Establish county climate outlook forums

## Programme 3: Natural Resource Management

Sub Programme	Projects
Afforestation and Re-afforestation	(a) Establishment of environmental demonstration Centre. (b) Promote forest restoration capacity through afforestation and re-

	<p>afforestation</p> <p>(c) Protect and conserve riparian areas and other environment significant areas</p> <p>(d) Promotion of appropriate technologies on grafting and budding of indigenous fruit species and fodder production</p> <p>(e) Rehabilitate and reclaim abandoned mining sites</p>
Promotion of nature-based enterprises	<p>(f) Establishment of Ex Situ Conservation Initiatives;</p> <p>(g) Capacity building of environmental conservation groups.</p>
Mineral Resource management	<p>(h) Development of legislation on construction minerals;</p> <p>(i) Capacity Building of artisanal mining groups;</p> <p>(j) Rehabilitation of degraded areas.</p>

To undertake these Programs, the 2023/244 MTEF estimates for the Department are KES 315,000,000 comprising of KES 60,000,000 for employee costs, KES 55,000,000 for Operations and Maintenance and KES 200,000,000 for development expenditure.

#### 4.9.8 Lands, Housing, Physical Planning and Urban Development

##### Introduction

The department comprises Lands, Survey, Physical Planning, Housing and Urban Development.

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

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

##### Sector Priorities

- (a) Availing land for development projects and investments
- (b) Improving of urban transportation infrastructure

- (c) Provision of Conducive business environment within urban areas through construction of markets
- (d) Improving citizens living conditions through provision of affordable housing and adoption of Appropriate Building Materials Technology.
- (e) Ensuring that urban environment is conducive through cleaning services
- (f) Provision of recreational facilities through investment in parks and open spaces

### Programmes to be implemented

SUB-PROGRAMME	PROJECTS
Land Administration	<ul style="list-style-type: none"> <li>a) Purchase of land (Land Bank)</li> <li>b) Fencing of Public Land</li> <li>c) Acquisition of a County Land Information Management System</li> <li>d) Preparation of a Valuation roll</li> <li>e) Preparation of Physical development Plans</li> </ul>
Survey Services	<ul style="list-style-type: none"> <li>a) Establishment of County registry offices</li> <li>b) Surveying of government land</li> <li>c) Surveying of Market plots</li> <li>d) Acquisition of GIS data and images (KM<sup>2</sup>)</li> <li>e) Renewal of GIS Software license</li> <li>f) Calibration of Survey Equipment</li> <li>g) Purchase of Survey Equipment</li> </ul>
Slum Upgrading	Slum upgrading of Mjini, Shibale, Lukoye, Kambi Somali and Amalemba
Housing Services	Renovation of Public Rental Houses
Affordable housing	Affordable housing project
<b>MUMIAS MUNICIPALITY</b>	
Urban transport infrastructure services	<ul style="list-style-type: none"> <li>a) Urban Roads construction and maintenance</li> <li>b) Non- Motorized Transport construction</li> <li>c) Streetlights installation</li> <li>d) Landscaping</li> <li>e) Storm Water Drainage construction</li> <li>f) Recreation Park establishment</li> </ul>
Waste management	<ul style="list-style-type: none"> <li>a) Procurement of cleaning service providers</li> <li>b) Waste segregation sites developed</li> <li>c) Waste management sites developed</li> </ul>
Urban Human Resource Development	Citizen fora organized
<b>KAKAMEGA MUNICIPALITY</b>	

SUB-PROGRAMME	PROJECTS
Urban Infrastructure Development	<ul style="list-style-type: none"> <li>a) Urban roads construction and maintenance</li> <li>b) Non-motorized Transport construction</li> <li>c) Maintenance of Public buildings</li> <li>d) Ablution blocks construction</li> <li>e) Storm water drains Constructed</li> <li>f) Landscaping</li> <li>g) security street lights Installation</li> <li>h) flood lights installation and maintenance</li> <li>i) Acres of cemetery land purchased</li> <li>j) Maintenance of dumpsites</li> <li>k) Procurement of receptacles (refuse chambers, skips, dumpsters)</li> <li>l) litterbins Installation</li> <li>m) Procurement of cleaning service providers</li> </ul>

To undertake these programs, the 2023/24 MTEF estimates for this sector are estimated to be KES 675,000,000. This comprises KES 675,000,000, KES 70,000,000, KES 255,000,000 and KES 350,000,000 for Employee costs, Recurrent Operation and Development expenditure respectively.

**4.9.9 Public Service and Administration**

The department comprises the following sections; County Administration, Human Resource Management, Public participation and Civic Education, Records Management, Alcoholic Drinks Control Directorate, Performance Management, Transport, Disaster Management and Anti-Corruption.

The vision is to be the leading department in the provision of excellent human resource and administrative services in the county and beyond.

The mission is to provide quality and timely human resource and administrative services for sustainable environmental, social and economic development of Kakamega County.

**Sector Priority areas**

- a) Enhance human resource management and development in the County Public Service;
- b) Manage incidences of alcohol and drug abuse
- c) Ensure effective administrative structures at all devolved units in the county

- d) Enhance information and records management
- e) Establish efficient disaster and emergency response systems
- f) Coordinate County Government functions
- g) Operationalize Community Area Councils

## Programmes to be implemented

### Programme 1: Human Resource Management

Sub Programme	Projects
Human Resource Development	<ul style="list-style-type: none"> <li>a) Conduct Skills Gap Analysis;</li> <li>b) Conduct Employee Trainings;</li> <li>c) Develop Staffing Plans;</li> </ul>

### Programme 2: County Administration

Sub Programme	Projects
County administrative infrastructure improvement	<ul style="list-style-type: none"> <li>a) Construction of County HQ block;</li> <li>b) Construction of Sub County &amp; Ward Offices;</li> <li>c) Refurbishment of County, Sub County and Ward offices;</li> <li>d) Establishment of Records Management Centre</li> <li>e) Fencing of Sub County and Ward Offices</li> <li>f) Purchase of Specialized Band and Enforcement equipment</li> <li>g) Establishment of Enforcement Unit- Northern Region</li> </ul>
Disaster response and mitigation	<ul style="list-style-type: none"> <li>h) Construction of disaster Operation Centers;</li> <li>i) Purchase disaster specialized equipment.</li> <li>j) Purchase of Fire Engines</li> <li>k) Conducting Risk Mapping Surveys.</li> </ul>
Alcohol and Drug Abuse Control	<ul style="list-style-type: none"> <li>l) Construction of a Rehabilitation centers in the Northern region;</li> <li>m) Purchase of Specialized equipment for Rehabilitation Centres.</li> </ul>

To undertake these programs, the 2023/24 MTEF estimates for the Department are KES 1,650,979,818 comprising of KES 840,000,000, KES 600,979,818 and KES 210,000,000 for Employee Costs, Recurrent and Development expenditure respectively.

#### 4.9.10 Finance and Economic Planning

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

The vision of the department is “A leading sector in formulation of economic policies and provision of prudent public financial management in Kenya”.

The mission is to provide prudent financial management through effective Economic planning, robust resource mobilization, investment promotion, sustainable budgeting, transparent procurement, timely monitoring & evaluation and financial reporting.

## Programmes to be implemented

### Programme 1: Public Financial Management

Sub programme	Projects
Resource Mobilization	a) Acquisition of the Revenue automation system b) Acquisition of motor vehicles and motorcycles
Accounting and Financial services	a) Asset tagging and valuation. b) Acquisition and installation of Asset management systems.
Budget formulation	c) Formulation of budget policy documents

### Programme 2: Debt management

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

### Programme 3: Economic policy formulation and management

Sub programme	Projects
Economic policy formulation	a) Preparation of County development plans; b) Development of County project implementation guidelines; c) Undertake Monitoring and Evaluation of County projects, Programmes and Policies. d) Develop County Integrated Development Plan 2023-2027

## Programme 4: Investment Promotion

Sub programme	Projects (Investment)
Investment promotion	a) Lake Region Economic Bloc subscription b) Establishment of County Investment Centre c) Promotion of investment

To undertake these programs, the 2023/24 MTEF estimates for this Department are KES 2,109,000,000 comprising of KES 355,000,000 for employee costs, KES 504,000,000 for recurrent expenditure, KES 50,000,000 for development expenditure and KES 1,200,000,000 for ward-based projects. The implementation of ward-based projects will be transferred to the respective departments.

### 4.9.11 ICT, e-Government and Communication

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

The Vision is “A leading County in the provision of ICT, e-government and communication services in Kenya.”

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

## Programmes to be Implemented

### Programme 5: County Information Management

Sub programme	Projects (Investment)
Information and Communication Technology	a) Equipping of a County Production studio; b) Implementation of the ERP Modules(continuous); c) Enhance County connectivity; d) Establishment of the WI-FI sub-stations; e) Establishment of e-Government portals; f) Upscaling of the Integrated surveillance system.

Sub programme	Projects (Investment)
	g) Establishment of ICT centers.

To undertake these programs, the 2023/24 MTEF estimates for this Department are KES 220,000,000 comprising of KES 40,000,000 for employee costs, KES 30,000,000 for recurrent expenditure and KES 150,000,000 for development expenditure.

#### 4.9.12 Office of the Governor

##### Introduction

The office includes Governor’s Office, Deputy Governor’s Office, Cabinet Secretariat, County Secretary Office, Procurement, Internal Audit, Liaison, Chief of staff, Protocol, Advisory and Service Delivery Unit, Press Unit and Legal Unit.

##### Vision

Provide a conducive environment for a competitive and prosperous County.

##### Mission

Ensure effective and accountable leadership, promote a just, democratic environment and establish strong governance institutions to empower citizens for the achievement of socio-economic and political development.

##### Programmes to be implemented

##### Programme 1: Audit services

(Sub programme)	Projects (Investment)
Audit services development	Teammate System Refurbishment of regional audit offices



## Programme 2: Legal services

Sub Programme	Projects involved
Legal services	a) Bill tracking service system b) Establishment of legal research centre c) Construction of county court d) Conveyancing e) Legislative drafting f) Legal Aid Clinics g) Litigation

## Programme 3: Service Delivery

Sub programme)	Projects (Investment)
Improvement of county service delivery	Establishment of call centre

To undertake these Programs, the 2023/24 MTEF estimates for Office of the Governor are KES 445,000,000 comprising of KES 130,000,000, KES 300,000,000 and KES 15,000,000 for Employee costs, Recurrent and Development expenditure respectively.

### 4.9.13 The County Assembly

The county Assembly's functions include oversight, legislation and representation. The estimates for the County Assembly programs may change in the course of MTEF budgeting once the Commission of Revenue Allocation gives the ceilings for the budget for FY 2023/2024.

Sub programme)	Projects
Infrastructure development	❖ Construction of the county Assembly chambers ❖ Construction of the Speaker's residence.

To undertake these programs, the 2023/24 estimates are KES 1,276,480,336 comprising KES 1,196,480,336 for recurrent and KES 50,000,000 development expenditure.

#### **4.9.14 County Public Service Board**

The County Public Service Board is an independent entity established by the County Governments Act, 2012 to provide for organization, staffing and functioning of the County Public Service in ways that ensure efficient, quality and productive service delivery to the people.

##### **Flagship Programs**

- ❖ To build institutional capacity through the development of a skills inventory for the County.

To undertake these programs, the estimates for the Board are KES 80,000,000 comprising KES 30,000,000 for recurrent and KES 50,000,000 for Employee cost.

## 5 CONCLUSION

The set of policies outlined in this CFSP aim at striking a balance between priorities which keep changing and the emerging issues that are broadly in line with the CIDP and the fiscal responsibility principles outlined in the PFM Act, 2012. They are also consistent with the national strategic objectives which set a basis for County Government allocation of public resources.

Details of these strategic objectives are contained in the CIDP (2023 – 2027). The policies and sector ceilings provided in this document will guide the Departments/Agencies in preparation of the 2023/24 MTEF budget.

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

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

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