

REPUBLIC OF KENYA
COUNTY GOVERNMENT OF KAKAMEGA



DEPARTMENT OF FINANCE, ECONOMIC PLANNING AND ICT

MEDIUM TERM

COUNTY FISCAL STRATEGY PAPER

A wealthy and Vibrant County

February, 2024

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, 2024.

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

FOREWORD

The Kakamega County Fiscal Strategy Paper (CFSP 2024) 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 2024/25 and over the Medium-Term Expenditure Framework (MTEF) period. Preparation of this document has been done through a 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, the Bottom-Up Economic Transformation Agenda(BETA), Kakamega County Integrated Development Plan (CIDP 2023 -2027) and the County Annual Development Plan (C-ADP 2024/25).

Over the medium term period, the County Government has continued to record positive economic development as a result of improved health and sanitation services to the people, improved infrastructure and wealth creation initiatives, revitalized agricultural sector and the significant investments in other sectors including health, education and trade. To keep this development pace, the County main focus during the FY 2024/25 fiscal period will be geared towards the Governor's six point agenda: Health, sanitation and hygiene; Wealth creation and Infrastructural development; 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 2024/25 budget and the MTEF which are consistent with the County and National Government priority programmes and policies.



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

ACKNOWLEDGEMENT

The development of the CFSP 2024 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, Budget, Economic Planning and ICT CPA Livingstone Imbayi. I wish to acknowledge the input and support provided by all other County Executive Committee Members as well as the respective Chief Officers for coordination 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, Budget, Economic Planning and ICT department that coordinated the development of this Paper. It is my hope and desire that the information contained in this paper will guide the next phase of budget preparation.

Dr. Jeophita June Mwajuma
Chief Officer, Finance and Budget

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ABBREVIATIONS AND ACRONYMS

ASDSP	Agricultural Sector Development. Support Programme
ATVET	Agricultural Technical and Vocational Education and Training
BPS	Budget Policy statement
CADP	County Annual Development Plan
CBROP	County Budget Review Outlook Paper
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CTRH	County Teaching and Referral Hospital
ERP	Enterprise Resource Planning
FY	Financial Year
GDP	Gross Domestic Product
HELB	Higher Education Loans Board
ICT	Information Communication & Technology
IFMIS	Integrated Financial Management Information System
KALRO	Kenya Agricultural Livestock Research Organization
KES	Kenya Shillings
KCSAP	Kenya Climate Smart Agriculture Program
KDDC	Kakamega Dairy Development Corporation
KIWASH	Kenya Integrated Water, Sanitation and Hygiene
KNBS	Kenya National Bureau of Statistics
KYISA	Kenya Youth Inter County Sports Association
MSME	Micro Small and Medium Enterprises
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NEMA	National Environmental Management Authority
ODF	Open Defecation Free
OVOP	One Village One Product
PFM	Public Financial Management
SDG	Sustainable Development Goals
UNICEF	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 2024/2025

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 2024/2025 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 2024/2025 MTEF Budget. Sector achievements and priorities are also reviewed for the FY 2020/21 – 2022/23 MTEF period.

Section VI Provides the conclusion.

1.0 EXECUTIVE SUMMARY

The County Fiscal Strategy Paper (CFSP 2024) covers the MTEF period 2024/2025 –2026/2027. The Paper has been prepared as provided for in Section 117 of the PFM Act, 2012 and sets out the broad priority programs and projects to be implemented in the FY 2024/2025 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, Bottom-up Economic Transformation Agenda (BETA), Sustainable Development Goals (SDGs), the Governor’s Manifesto, the County Integrated Development Plan (CIDP)2023 – 2027, County Annual Development Plan (CADP) 2024-2025 among other policy documents.

The strategic priority areas include;

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

These priority programs are aimed at creating employment and enhancing socioeconomic development hence improving living standards. The Paper also incorporates the National economic outlook updates to reflect changes in economic and financial trends. Preparation of this Paper has taken into consideration the National Budget Policy Statement (BPS) 2024 to align the County’s priorities to the National 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 sustainable fiscal policy framework. Riding on the high resource potential in agricultural value chains viability, transport infrastructure, cultural tourism, strong governance and administrative structures, medical tourism, forestry, mining and

favorable climatic conditions that present broad opportunities for investment. Given these opportunities, 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 own source revenue collection, low commitment from development partners, delays in disbursement of funds by the National Government and expenditure pressures with respect to personnel emoluments and rising operational costs which have impacted negatively on the County's development agenda.

1.2 The County's Broad Strategic Priorities

The County's broad strategic priorities are drawn from Kenya Vision 2030, MTP IV, Bottom-up Economic Transformation Agenda (BETA), Sustainable Development Goals (SDGs), the Governor's Manifesto, the County Integrated Development Plan (CIDP)2023 – 2027, County Annual Development Plan (CADP) 2024-2025 among other policy documents. They include:

- a) Access to quality health, water and sanitation;
- b) Promote wealth creation and infrastructural development;
- c) Modernize and commercialize agriculture towards achieving food and nutrition security;
- d) Improve education standards;
- e) Social development to empower communities;
- f) Promote good governance.

To achieve the above, the County Government acknowledges the 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 2024/25 – 2026/27 in order to achieve the County transformative agenda.

1.3 Strategies for achieving a wealthy and Vibrant County

1.3.1 Strategic priority I: Access to quality health, water and sanitation;

- Improving access to health services through health infrastructure development by ensuring that the health facilities are upgraded, and well equipped to improve service delivery;
- Strengthen community health strategy through capacity building of Community Health Promoters;
- 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 Social Health Insurance Fund (SHIF).
- Enhance last mile connectivity under the “*Amatsi khumuliango*” clarion call;
- Enhance water production and quality through protection of water sources, construction, completion and operationalization of water supply infrastructure;
- Improving access to sanitation services through construction and rehabilitation of sewer systems in urban areas and pro- poor programmes targeting the rural areas;
- Promotion of locally led climate actions

1.3.2 Strategic priority II: Promote wealth creation and infrastructural development;

- Development of industrial parks and aggregation centers by promoting industrialization and enhancing a vibrant service sector in Southern, Northern and Central regions of the County.
- 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.

- Establishment of special economic zones and further provide innovation and incubation services to SME's.
- Business environment promotion- Enhance continuous engagements with the private sector to eliminate red tape for business to thrive in the county through establishment of a unified business permit;
- Support the sugar sector and establishment of new industries;
- 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 cooperatives to set up three mega spare parts shops in strategic areas of the County;
- Complete the valuation roll to enhance own source revenue generation to support the County development agenda;
- Ensure coordinated development through establishing of a GIS based County Spatial Plan;
- Enhance access to transport, ICT and energy infrastructure;

1.3.3 Strategic priority III: Modernize and commercialize agriculture towards achieving food and nutrition security;

- Work with KALRO, Bukura Agricultural College and Masinde Muliro University of Science and Technology (MMUST) to improve on agricultural practices and diversify farming to commercialize new and adaptable breeds in crops, livestock and fisheries;
- Enhance agricultural extension services across the county through recruitment, training and equipping extension officers;
- Provide farmer incentives to increase yield and value by developing agro industrial zones and reducing post-harvest losses through commodity exchange and value addition;
- Initiate and support farmers' cooperatives to form and engage in guaranteed contract farming for export markets by giving farmers forward contracts in the commodities market;
- Enhance access to farm inputs like certified seeds, fertilizers, subsidized A.I. services and farm mechanization; and
- Provide incentives for the establishment of a dairy processing plant with value addition and other milk products.

1.3.4 Strategic priority IV: Improve education standards;

- Improve the quality of ECDE education in the county through various stakeholder engagements on best practices;
- Promote curriculum implementation;
- Hire more ECDE teachers to reduce the teacher pupil ratio;
- Provision of training infrastructure and resources;
- Improve standards of County training institutions to the level of National Training Institutes;
- Support partnerships between universities and industry for incubation and commercialization of innovation; and
- Enhance access and equity to quality education through provision of bursaries and scholarships.

1.3.5 Strategic priority V: Social Development to empower communities

- Build cultural and community multipurpose halls to promote culture, creative arts, traditions and heritage;
- Scale up security and street lighting through the Nuru Gizani project;
- Fast-track the completion of Bukhungu Stadium and upgrade other mini- stadia;
- Establish sports academies to identify, nurture and expose raw talents in football, athletics, Rugby, table tennis, swimming and volleyball, and further link them to local and international platforms; and
- Support youth, women and people with disabilities owned businesses with affordable credit.

1.3.6 Strategic priority VI: Promote Good Governance

- Create Kakamega leaders 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 elected leaders;
- Entrenching and strengthening devolution up to the village level and creating a strong working relationship with the national coordination at all levels; and
- Establish the Ward based programmes to ensure equitable development in all the 60 wards.

RECENT ECONOMIC DEVELOPMENT AND POLICY OUTLOOK IN 2023/24

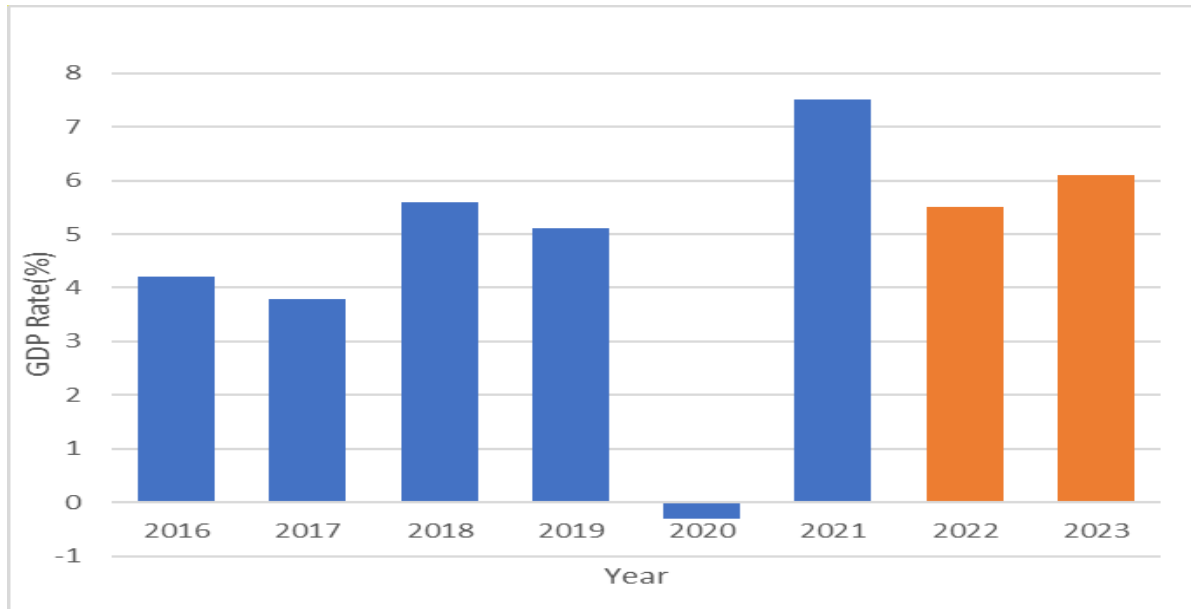
2.1 Review of Recent Economic Performance

2.1.2 Economic Growth

The Economic Survey Report, 2023 by Kenya National Bureau of Statistics (KNBS) revealed that the economy expanded in 2023 albeit at a faster pace than the 4.8 percent recorded in 2022. Real GDP was expected to grow by 5.5 percent in 2023 supported by the services sector despite subdued performance in agriculture and weaker global growth. The economy is projected to maintain at 5.9 percent in 2024, reinforced by the Government's Bottom - Up Economic Transformation Agenda geared towards economic turn around and inclusive growth as shown in figure 1.

In 2022, all economic activities registered positive growths except Agriculture, Forestry and Fishing which contracted by 1.6 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 2021. Economic growth in 2022 was supported by improved performance in key sectors of the economy including; Manufacturing (6.9%), Wholesale and Retail Trade (3.8%), Real Estate (4.5%), Transportation and Storage (5.6%), and Financial and insurance services (12.8%). In contrast, dry weather conditions that characterized the better part of 2022 adversely affected agricultural production, especially the key crops such as maize, beans, vegetables, tea and coffee leading to a contraction in its growth during the review period.

Figure 1: Trends in Annual GDP Growth Rates 2016-2023

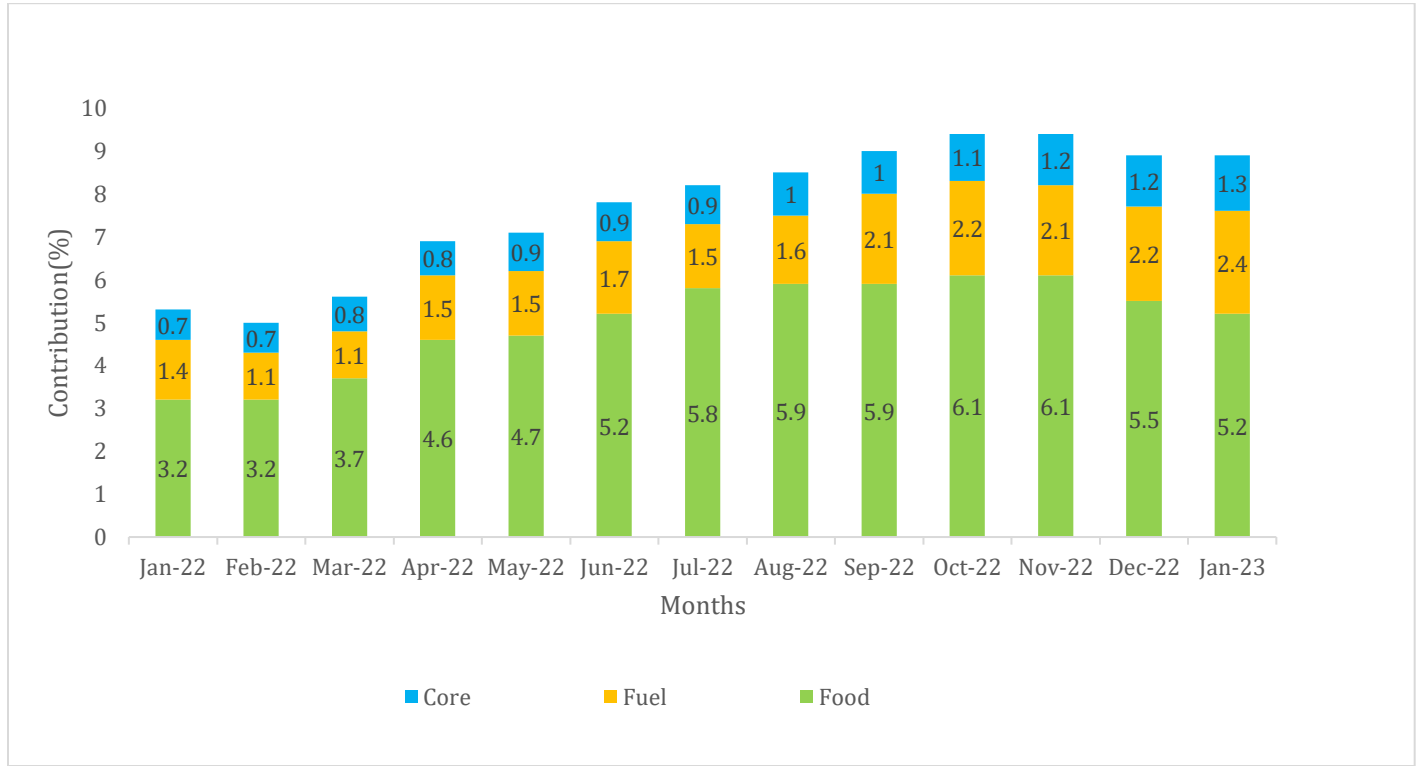


Source: Budget Policy Statement, 2024

2.1.3 Inflation Rate

The year-on-year inflation rate eased for the third consecutive month in December 2023 which was below the 7.5 percent upper bound target. Inflation rate eased to 6.6 percent in December 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 as shown in figure 2.

Figure 2: Annual Inflation Rate



Source: Kenya National Bureau of Statistics

Food inflation remained the main driver of overall year-on-year inflation in December 2023, contributing 7.7 percentage points, an increase, compared to a contribution of 5.2 percentage points in January 2023. The increase was mainly attributed to relatively higher prices key food items particularly Sugar, Tomatoes, cowpeas, beans, potatoes (Irish), green grams, and mangoes

Fuel inflation also increased to contribute 13.7 percentage points to year-on-year overall inflation in December 2023 from a contribution of 2.4 percentage points in January 2023. 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 3.4 percentage points in December 2023 compared to 1.3 percentage points contribution in January 2023.

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 8.75 November 2022 percent to 10.5 percent in June 2023 and retained at the same rate up to November 2023. The interbank rate increased to 11.32 percent in November 2023 compared to 4.61 percent in November 2022 while the 91-day Treasury Bills rate also increased to 15.32 percent compared to 9.19 percent over the same period due to tight liquidity conditions. This is as Shown table 1.

Table 1: Interest Rates for Selected Currencies, 2017-2022

YEAR	MONTH	Interbank Rate	91-Day Tbill	Central Bank Rate
2022	Nov	4.61	9.19	8.75
2022	Dec	5.39	9.33	8.75
2023	Jan	5.89	9.44	8.75
2023	Feb	6.42	9.62	8.75
2023	Mar	7.05	9.76	9.5
2023	Apr	8.55	10.04	9.5
2023	May	9.36	10.47	9.5
2023	June	9.55	11.49	10.5
2023	July	10.34	12.12	10.5
2023	August	12.57	13.25	10.5
2023	September	12.36	14.38	10.5
2023	October	12.7	14.96	10.5
2023	November	11.32	15.32	10.5

Source: Central Bank of Kenya

2.1.5 Kenya Shilling Exchange Rate

In the period under review, the Kenya Shilling continued to weaken against currencies of key trading countries. This was reflected in the Trade Weighted Index (TWI) which registered a 1.767 per cent increase from 121.66 in 2021 to 123.81 in 2022. The Kenya Shilling depreciated against, the US dollar (7.5%), the UAE dirham (7.5%), Saudi Riyal (7.4%) and Chinese Yuan (3.1%), Rwandese France (24.8%). However, the Kenya Shilling gained against, Tanzanian shilling (7.0%),

Ugandan shilling (4.5%), Euro (4.3%), Pound Sterling (3.3%), South African Rand (2.6%), and the Japanese Yen (9.8%) in 2022.

Table 2: Average Foreign Exchange Rates for Selected Currencies, 2017-2022

Currency	Exchange Rate against KES					
	2017	2018	2019	2020	2021	2022
1 US	103.41	101.29	101.99	106.47	109.65	117.87
1 Euro ²	116.73	119.63	114.18	121.65	129.75	124.19
1 Pound	133.20	135.25	130.18	136.73	150.85	145.80
1 Swiss	105.04	103.58	102.62	113.61	119.98	123.52
1 UAE	28.15	27.58	27.77	28.99	29.85	32.09
1 Indian	1.59	1.48	1.45	1.44	1.48	1.50
1 Chinese	15.30	15.33	14.76	15.45	17.00	17.53
100	92.22	91.74	93.59	99.80	99.94	90.15
1 SA	7.77	7.69	7.06	6.51	7.42	7.23
1	5.80	5.69	6.07	6.74	6.99	6.14
TSh/Ksh	21.63	22.48	22.63	21.76	21.12	19.74
US\$Ksh	34.92	36.81	36.32	34.93	32.72	31.30
100	8.11	8.50	8.82	8.86	9.13	11.39

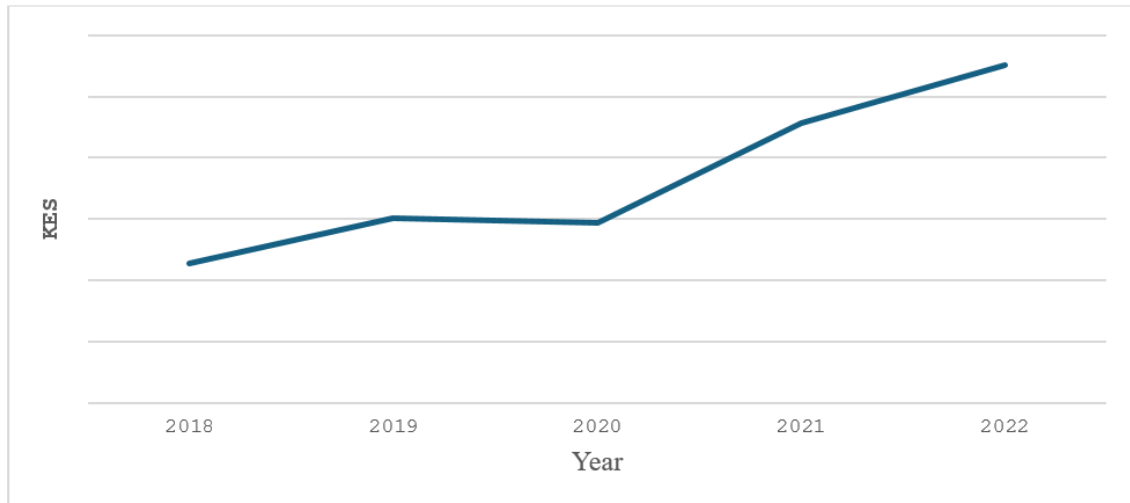
Source: KNBS, Economic Survey 2023 Report

Kakamega Gross County Product (GCP)

2.2.1 Contribution to National GDP

According to KNBS, Gross County Product Report 2023, the County's GDP was estimated at KES 195,207 Million which is 2.2 per cent of the national GDP in 2020 (KES 8.997 Trillion). The average GCP contribution of the County to the National GDP in current prices is estimated at 2.3 per-cent in the five period. Figure 2 shows the county's GCP estimates over the period 2018-2022.

Figure 2 : Kakamega GCP Contribution in Millions to National GDP, 2018-2022

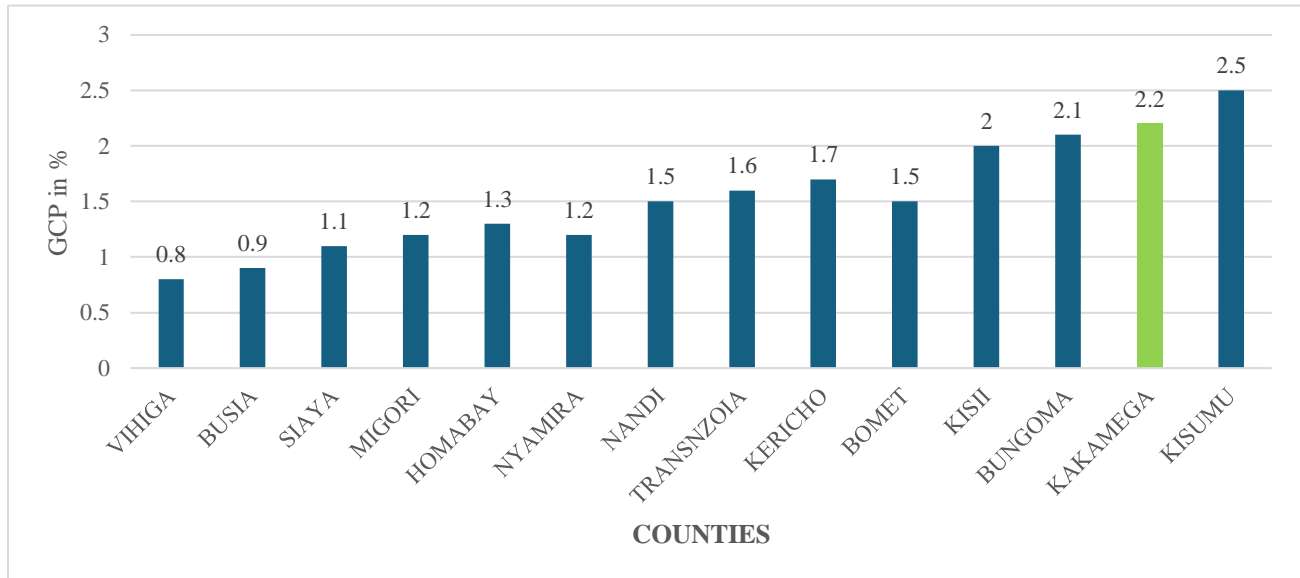


Source: Gross County Product Report, 2023

2.2.2 Comparison of GDP of Lake Region Economic Bloc Counties

The increase in GCP from 2021 to 2022 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 1.54%. Figure 4 compares the GCP of the Lake Region Economic Bloc Counties as shown in figure 3.

Figure 3 : Comparison of Lake Region Economic Bloc Counties in Average GCP (2018-2022)

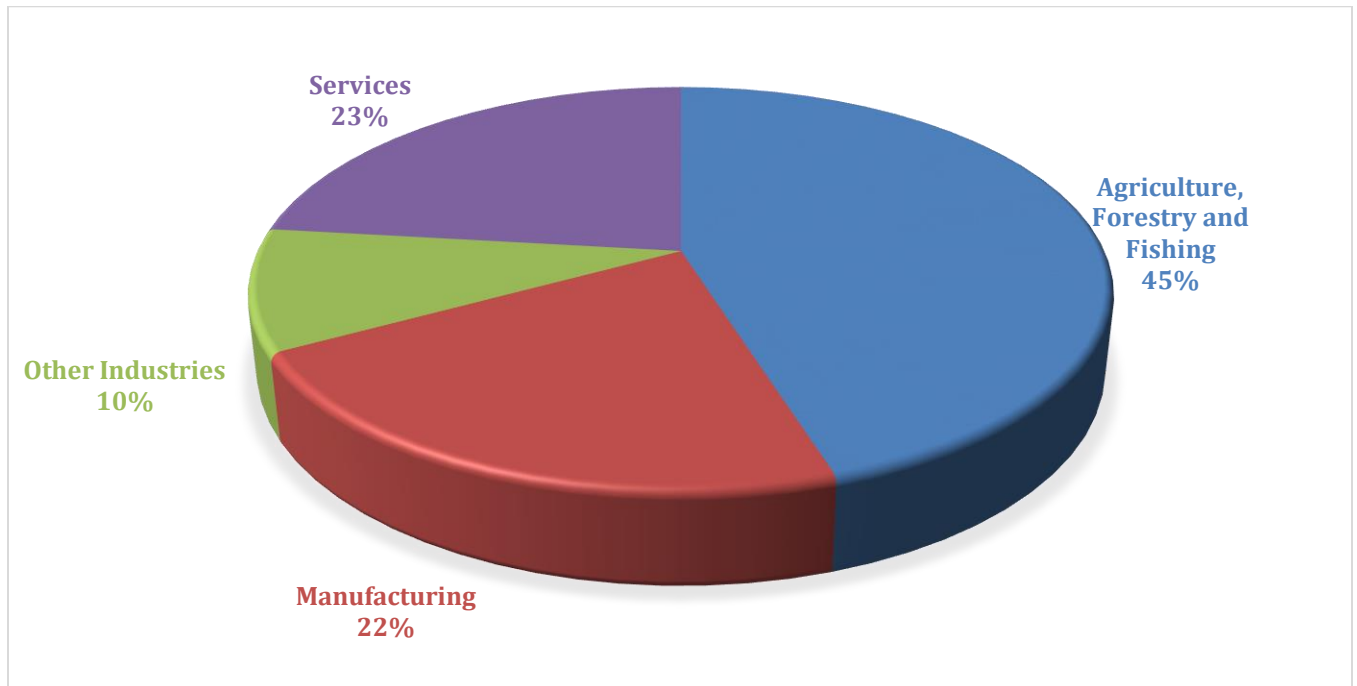


Source: Gross County Product Report, 2023

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 4

Figure 4: Average Contribution of main sectors to National GDP in Percentage, 2018-2022



Source: Gross County Product Report, 2023

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 particularly the delayed Kakamega Gubernatorial 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 2020/2021– 2022/23. 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 in line with the six- point agenda in the Governors manifesto.

2.2.6 County Revenue Performance for Financial Year 2022/2023

The total local revenue collection was KES 1.309 Billion compared to the target in the revised budget of KES 1.800 Billion. This represents revenue shortfall of KES 491 Million or 27.28%. This was mainly attributed to disruption in economic activities as a result of political interference during the 2022 general elections. The National Government disbursements amounted to KES 13.667 Billion. This amount consisted of conditional grants amounting to KES 286 Million and equitable shareable revenue of KES 13.381 Billion. The actual revenue for spending therefore was KES 14.976 billion. These funds included the transfers from the National Government and the balance brought forward from the FY 2021/22 of KES. 991 Million and KES. 286 Million for equitable shareable revenue and conditional grants respectively.

Table 3: Summary of Revenue performance

Revenue Item	Amount disbursed (KES)	
	2021/2022	2022/2023
Equitable shareable revenue	11,398,259,193	13,380,565,143
World Bank-THS-UCP	61,784,877	-
World Bank-KUSP(Development)	154,906,744	-
Kenya Devolution Support Programme (KDSP) Level 2	78,009,910	-
Kenya Devolution Support Programme (KDSP) Level 1	-	3,534,474
National Agricultural Value Chain Development Project (NAVCDP)	-	67,192,729
World Bank Kenya Climate Smart Agriculture KCSAP released	183,593,135	99,110,439
(Ida) World Bank Credit-Financing Locally Led Climate Programm (FFLOCA) ccis grant	-	22,000,000
Universal Healthcare in Devolved Units Programme(DANIDA)-UHDSP released	11,535,563	33,447,791
(Sida) Agricultural Sector Development Support Programme II (ASDSP II) released	16,535,563	11,287,905
Kenya Informal Settlement Improvement Project (KISIP 11	-	50,000,000
Total	12,895,781,594	13,667,138,481

Source: CBROP, 2023

2.2.7 Own Source Revenue

The County Revenue collection performance marginally improved in the FY 2022/23 as compared to the FY 2021/22. In the FY 2021/22, own source revenue was KES 1.309 Billion against the

revised budget of KES 1.8 Billion compared to the FY 2020/21 where 1.221 Billion was collected against a revised budget of KES 1.6 Billion. While the actual revenue collected in the FY 2022/23 represented a 72.72 percent of the revised revenue target compared to 76.4 percent of the FY 2021/22.

Table 4: Detailed Own Source Revenue Performance for FY 2022/2023

Total Revenue	Actual Receipts (KES)		Approved Budget (KES)	Revised Budget (KES)	Actual Receipts (KES)
	2020/2021	2021/2022	2022/2023		
Single Business Permits	146,734,359	130,976,710	150,000,000	122,854,000	170,248,245
Market Fees/Barter Market	19,941,214	15,671,606	20,000,000	15,374,000	13,176,103
Property Rates	26,004,656	29,217,202	100,000,000	76,870,000	24,490,768
Agricultural Cess	53,517,028	58,265,921	10,000,000	7,687,000	23,934,563
Cess on Murrum	2,007,159	2,270,080	10,000,000	7,687,000	7,414,451
Slaughter House Fee	3,681,896	3,376,950	9,000,000	6,918,300	6,601,907
Bus Park Fee	22,167,910	30,504,150	60,000,000	46,122,000	40,918,352
Street Parking	15,341,420	14,572,310	20,000,000	15,374,000	12,916,252
Motor bike	3,400,324	1,100,500	1,700,000	1,306,790	3,212,000
Kiosk fees	5,787,450	4,676,533	2,000,000	1,537,400	1,633,900
Ground Rent	839,378	764,762	2,000,000	1,537,400	608,976
Stall Rent	3,254,105	3,011,925	4,000,000	3,074,800	4,824,259
Land transfer				0	185,670
Burial fee				0	30,250
Impounding Fees	1,789,241	1,657,468		0	1,449,455
Plan Approval	25,105,473	26,147,961	35,000,000	26,904,500	23,045,518
Survey fees	-	294,650	2,000,000	1,537,400	471,288
Public Toilet	2,998,270	2,740,600	1,000,000	768,700	1,139,730
Registration of Groups	330,850	268,650	300,000	230,610	108,285
Tree Nursery fees	-	1,000		0	2,800
Fire compliance	9,627,050	2,147,880	2,000,000	1,537,400	2,147,175
Noise control	373,200	836,486	1,000,000	768,700	569,580
Stock sales	8,807,770	7,428,095	10,000,000	7,687,000	5,536,585
Bukhungu Stadium	429,800	2,843,770	3,000,000	2,306,100	1,338,000
Hire fees	550,200	413,250	1,000,000	768,700	549,200
Advertisement	37,224,925	50,251,669	65,000,000	49,965,500	48,408,453

Total Revenue	Actual Receipts (KES)		Approved Budget (KES)	Revised Budget (KES)	Actual Receipts (KES)
	2020/2021	2021/2022	2022/2023		
House Rent	2,802,155	2,347,297	3,000,000	2,306,100	2,749,999
Public Health	22,519,076	20,524,270	70,000,000	53,809,000	19,918,536
Bukura ATC	2,143,908	3,639,176	10,000,000	7,687,000	3,548,368
Veterinary Services	8,642,175	9,476,125	10,000,000	7,687,000	2,720,495
Farm Mechanization	2,300,000	6,900			
Farm Input	376,364,215	325,176,669	270,000,000	462,600,000	342,285,124
Health Services	134,119,987	201,203,002	300,000,000	230,610,000	214,063,104
Ambulance Services	-	402,500	1,000,000	768,700	377,600
NHIF	142,616,850	205,755,000	470,000,000	361,289,000	230,739,969
Weights and Measures	425,700	427,380	2,000,000	1,537,400	590,050
Interest/Dividend from Golf Hotel	-	-		0	2,585,000
Liquor Licenses	22,880,000	18,967,411	120,000,000	92,244,000	15,005,000
Commissions	6,760,066	12,956,749	15,000,000	11,530,500	5,495,909
Disposal of Assets	-	30,589,738	75,000,000	57,652,500	0
Hire of county machines			12,000,000	9,224,400	18,000
Poultry and fish development			7,000,000	5,380,900	2,378,710
Cess from factories			126,000,000	96,856,200	54,046,909
Direct credits	6,748,173	763,005		0	15,944,150
Recoveries				0	2,251,211
Own sources	1,118,235,983	1,221,675,350	2,000,000,000	1,800,000,000	1,309,679,899

Source: KCRA, 2023

2.2 National Government Revenue

Revenue from the National Government consisted of equitable shareable revenue of KES 12.389 billion and total Conditional grants of KES 286.5 million. The summary of transfers from the National Government is highlighted in table 5.

Table 5: Summary of Transfers from National Government FY 2022/2023

Revenue Item	Actual Receipts (KES)		
	2020/2021	2021/2022	2022/2023
IFAD			14,731,858
KEPI-(UNICEF)			11,129,850
Balance brought forward	2,282,395,716	1,719,735,907	991,152,975
Equitable Share	1,057,513,635	1,086,858,032	991,152,975
Conditional grant	1,224,882,081	632,877,875	-
Total Allocation from the National Government	11,994,359,724	11,749,721,876	12,675,985,506
Equitable share of revenue	10,412,850,000	11,398,259,193	12,389,412,168
Conditional Grants	1,581,509,724	351,462,683	286,573,338
Grant to Level 5 Hospital	427,283,237		
Roads Maintenance Levy Fund	315,071,072	-	
DANIDA Grant	29,610,000	11,535,563	33,447,791
User Fees foregone	37,789,290	-	
Agricultural Sector Development Support Programme (ASDSP)	14,542,117	16,539,198	11,287,905
Grant to County Youth Polytechnics	102,349,894	-	
Kenya Devolution support program Level 1	45,000,000	-	
Kenya Devolution support program Level 2	78,009,910	78,009,910	
World bank-Universal Health Care Fund-THS	48,766,266	61,784,877	
World bank-Kenya Climate Smart Agriculture)	270,715,346	183,593,135	99,110,439
Kenya Urban Support Programme Capital	212,372,592	-	3,534,474
National Agricultural and Rural Value Chain Inclusive Growth Project (NAVCDP	-	-	67,192,729
FLLoCA-(CCIS)	-	-	22,000,000
Kenya Informal Settlement Improvement Project- (KISIP II)	-	-	50,000,000
Total Revenue and Grants	15,394,991,423	14,691,133,133	14,976,818,380

Source: CBROP, 2023

2.3 Comparison of Yearly Revenue receipts from the National Government

Table 6 presents a comparison of annual revenue receipts from the National government for the period 2016/17 – 2022/23.

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

FY	Equitable share(KES)	Conditional Grants(KES)	Total(KES)
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
2022/2023	13,380,565,143	286,573,338	13,667,138,481

Source: CBROP, 2023

2.4 County Government Expenditure for FY 2022/2023

Total expenditure in the FY 2022/23 amounted to KES 14.398 Billion against a revised target of KES 16.198 Billion, representing an under-spending of KES 1.800 Billion (11.92) percent deviation from the revised budget). The overall absorption rate was 88.08 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 2022/2023 at 88.08 per cent is high compared to that of FY 2021/2022 at 87.47 per cent

The overall recurrent expenditure amounted to KES 10.69 Billion, representing an under-spending of KES 846 Million from the approved revised recurrent expenditure of KES 11.536 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 5.763 Billion translating to 38.48 per cent of total revenues for the year which excludes salaries for the County Assembly. Operation and Maintenance (O&M) was KES 3.699 Billion (24.70 per cent)

2.5.1 Expenditure by Economic Classification

Table 7 provides the details of expenditure by economic classification.

Table 7: Economic Classification of Expenditure for FY 2020/21

PAYMENTS	2020/2021	2021/2022	2022/2023			
	Actual		Approved budget	Revised budget	Actual	Deviation
	KES	KES	KES	KES	KES	KES
1. RECURRENT	8,241,311,662	9,627,952,723	9,891,105,463	11,338,338,440	10,948,458,821	389,879,619
Compensation of Employees	5,484,660,128	5,298,343,908	5,378,748,549	6,631,334,979	6,380,895,060	250,439,919
Operations and Maintenance - Executive	2,220,478,622	3,054,332,698	3,233,876,578	4,054,989,334	3,953,503,539	101,485,795
County Assembly - Operations and Maintenance	536,172,912	1,275,276,117	1,278,480,336	652,014,127	614,060,222	37,953,905
2. DEVELOPMENT	5,578,140,225	4,706,935,588	5,514,087,916	4,859,704,107	3,707,539,951	1,152,164,156
Development projects	5,578,140,225	4,706,935,588	5,514,087,916	4,859,704,107	3,707,539,951	1,152,164,156
TOTAL EXPENDITURE	13,819,451,887	14,334,888,311	15,405,193,379	16,198,042,547	14,655,998,772	1,542,043,775

Source: CBROP, 2023.

Table 7 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 8 depicts the absorption rates for county departments for the FY 2022/23.

Table 8: Departmental Expenditure for the Period Ending 30th June 2023

DEPARTMENT	Actual		Budget	Revised Budget	Actual	Absorption n rate
	2020/2021	2021/2022	2022/2023			
	KES	KES	KES	KES	KES	
EXPENDITURES	13,819,451,800	14,334,888,311	16,483,312,403	16,198,042,547	14,655,998,772	90.48
County Assembly	1,078,519,716	1,275,276,117	1,279,653,117	1,279,653,117	1,231,960,960	96.27
Recurrent	1,078,519,716	1,275,276,117	1,279,653,117	1,279,653,117	1,231,960,960	96.27
Development	0	0	0	0	0	0
Agriculture, Livestock, Fisheries and Co-operatives	1,415,518,301	1,089,591,133	1,279,115,008	1,292,532,506	1,102,498,002	85.3
Recurrent	15,365,662	58,331,954	51,109,044	87,968,194	72,602,276	82.53
Development	1,400,152,639	1,031,259,179	1,228,005,964	1,204,564,312	1,029,895,746	85.5
Health Services	1,764,378,722	1,720,674,842	2,048,957,602	1,784,225,977	1,461,070,616	81.89
Recurrent	733,055,531	1,019,036,837	717,949,997	1,353,476,400	1,206,865,733	89.17
Development	1,031,323,191	701,638,009	1,331,007,605	430,749,577	254,204,879	59.01
Education, Science & Technology	345,239,767	572,168,237	790,286,647	601,963,030	468,603,719	77.85
Recurrent	59,764,962	368,449,024	209,176,182	355,212,182	349,988,950	98.53
Development	285,474,805	203,719,213	581,110,465	246,750,848	118,614,769	48.07
Roads, Public Works & Energy	1,482,615,922	1,216,896,602	1,615,260,532	1,204,480,378	1,064,916,131	88.41
Recurrent	195,809,849	235,491,776	366,196,568	163,035,250	158,598,082	97.28
Development	1,286,806,073	981,404,826	1,249,063,964	1,041,445,128	906,318,049	87.03
Lands, Housing, Urban Areas and Physical Planning	636,699,002	611,351,053	848,095,428	683,909,907	341,530,402	49.94
Recurrent	141,921,131	169,931,600	199,131,506	241,052,965	181,269,226	75.2
Development	494,777,871	441,419,453	648,963,922	442,856,942	160,261,176	36.19
Social Services, Youth & Sports	494,491,290	716,720,968	978,667,115	546,323,235	484,192,084	88.63
Recurrent	43,470,509	83,902,458	59,182,459	189,375,392	171,251,764	90.43
Development	451,020,781	632,818,510	919,484,656	356,947,843	312,940,320	87.67

DEPARTMENT	Actual		Budget	Revised Budget	Actual	Absorption n rate
	2020/2021	2021/2022	2022/2023			
	KES	KES	KES	KES	KES	
Trade, Tourism & Industrialization	146,352,495	119,975,770	406,743,600	405,449,937	317,833,120	78.39
Recurrent	23,878,461	26,090,885	31,743,600	43,147,747	39,604,877	91.79
Development	122,474,034	93,884,885	375,000,000	362,302,190	278,228,243	76.79
Water, Environment and Natural Resource	307,988,849	391,007,109	784,384,630	385,370,486	295,933,459	76.79
Recurrent	18,037,647	19,966,599	42,160,223	43,807,631	31,573,069	72.07
Development	289,951,202	371,040,510	742,224,407	341,562,855	264,360,390	77.4
Public Service and Administration	5,504,430,962	5,999,637,891	5,792,556,824	6,586,910,437	6,511,766,520	98.86
Recurrent	5,412,057,922	5,826,270,822	5,581,556,824	6,502,292,852	6,455,150,081	99.27
Development	92,373,040	173,367,069	211,000,000	84,617,585	56,616,439	66.90
Office of the Governor	169,807,618	181,108,983	179,298,098	322,651,412	292,908,393	90.78
Recurrent	163,361,747	181,108,983	143,348,098	308,693,636	288,171,575	93.35
Development	6,445,871	0	33,950,000	13,957,776	4,736,818	33.94
County Treasury	313,715,644	362,210,406	371,926,190	980,412,079	978,393,598	99.79
Recurrent	312,715,644	330,162,390	276,926,190	702,831,028	702,417,687	99.94
Development	1,000,000	32,048,016	95,000,000	277,581,051	275,975,911	99.42
County Public Service Board	23,887,947	19,247,667	17,441,462	32,474,589	32,473,616	100
Recurrent	23,887,947	19,247,667	17,441,462	32,474,589	32,473,616	100
ICT, E-government & Communication	135,805,648	59,021,531	90,926,238	91,685,457	71,918,152	78.44
Recurrent	19,464,935	14,685,613	17,926,238	35,317,457	26,530,941	75.12
Development	116,340,713	44,335,918	73,000,000	56,368,000	45,387,211	80.52

Source: CBROP,2023

2.5 Major Programmes and Projects implemented in the period 2020/21 – 2022/23

2.6.1 Agriculture, Livestock, Fisheries and Cooperatives

- Purchased and distributed 390,000 bags of 25kg planting, 390,000 bags of 25kg top dressing fertilizers and 349,472 (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 and distributed 2,300 (25Kg) Bags of Fish Feeds fish farmers.
- Provided 13 Seine Nets, 15 Life Saving Jackets and 10 Digital Weighing Machines to fish farmers and fish farmer Groups
- Procured and supplied 1,035,000 fingerlings
- Rehabilitated 500 Dormant/Inactive Fish Ponds
- Vaccinated 197,329 cattle, 406 sheep, 215 goats, 12,735 dogs and 578 cats against major diseases
- 12,427 artificial inseminations were carried out
- Supported 290 groups dealing with African leafy vegetable, dairy, fisheries and poultry.

Impact

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

2.6.2 Roads, Public Works and Energy

- A total of 55.65 Km of gravel roads upgraded to bitumen standards and maintained 3km of bitumen roads including (Bushiangala - Eregi Road(9.3km), Lumakanda - Mwamba Road(7km) and Otiende Water Access roads(0.34Km)) and ongoing Construction of Matungu - Ogalo Road(9.3km), Ombwaro - Manyulia Road (5.5km), Murram – Shitirira and Malava –Tumbeni Roads (7.6km), Butali – Malekha(6Km), Ingotse – Navakholo – Chebyusi(11.54km), Harambee- Musamba- Khaunga Bridge(12.5Km) and Lumakanda Manyonyi(7Km).
- Constructed and maintained 1400.8 km and 1085.03 km respectively of gravel roads;

- Constructed 10 bridges and box culverts (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 Mulwanda, Chevoso, Petros Nyapora and Evihande Bridge are still ongoing;
- 15 high mast floodlights have been erected in various trading centres across the County;
- Installed 60 transformers and connected 1670 household to electricity across the county.

Impact

Investment in the road sector, where 97% of the County roads are motorable has improved connectivity and accessibility. Moreover, installation of high mast flood lights has increased hours of doing business thus improved household incomes.

2.6.3 Health Services

- In collaboration with Jacaranda Health, equipped various health facilities with assorted medical equipment to improve services;
- Constructed and operationalized Mutaho Dispensary in Ikolomani Sub-County hence reducing the distance to the nearest health facility;
- In collaboration with Jacaranda Health, constructed and operationalized the maternity block at Malava level IV Hospital to improve maternal and child health.
- Established Kakamega County Health Services Fund (KCHSF) to provide legal framework for facilities and public health units to raise, retain and use funds received for delivery of effective and quality health services
- Ensured constant supply of medical drugs in the health facilities across the county.
- In collaboration with Jacaranda Health, launched and operationalized Lumakanda level IV maternity and pediatric wards.
- Installed the Oxygen generating plant at CGH.
- Increased Community Health Promoters stipend from KES 2,000 to KES 2,500 and enrolled them to NHIF.

Impact

Infrastructure development has improved access to quality and affordable healthcare services, improved service delivery and reduced maternal and child mortality.

2.6.4 Education Science and Technology

- ❖ Constructed 22 polytechnic classrooms, supplied branded teaching and learning materials to CPs. In addition, constructed class rooms, pit latrines and installed 5000 liters - water tanks in nine (9) county polytechnics; Bunyala Central CP, Itumbu CP, Kisa West CP, Mabanga CP, Bunyala West CP, Indangalasia CP, Mwira CP, Masaba CP, Butso Central CP .
- ❖ Purchased three (3) buses for Soy, Butere and Kakamega County Polytechnics and acquired 3 Acres of land for establishment of Bunyala West Polytechnic.
- ❖ Established and operationalized new county polytechnics at Butali Chegulo, Ebutunyi and Bunyala West
- ❖ Provided tuition subsidy to 13,320 trainees in the 67 County Polytechnics and provided ATVET training to 600 Students.
- ❖ Developed and implemented a scheme of service for Polytechnic instructors where 443 instructors were engaged on permanent and pensionable terms.
- ❖ Constructed and equipped 63 ECDE Centres including Lubambo, Mutaho, Eshibinga, Eshirotsa, Eshirali, Khwisero, Siyombe, Eshiyenga, Musidi, Mukhonje, Panpaper, Chenjeni, St. Christopher Nyapora, Koyonzo and Emurabe ECDE.
- ❖ Developed and implemented a scheme of service for ECDE teachers where 1,939 were engaged on permanent and pensionable terms.
- ❖ Renovated 6 ECDE Centres namely; Mutoto, Shisasari, Eshiruli, Shanderema, Ebubala, and Mukhweya
- ❖ Provided tuition subsidy worth KES. 59,500,000 to 107,522 pupils in 925 public ECDE Centres.
- ❖ Disbursed KES. 60,000,000 HELB funds to 8,958 students
- ❖ In collaboration with the health department, 517 students undertaking medical courses have benefited from the Afya Elimu Fund
- ❖ The County Education Scholarship Scheme worth KES. 75,000,000 benefited 86 students i.e. 74 ongoing students and 12 newly recruited students studying in both local and international universities
- ❖ Awarded 33,526 needy students a bursary worth KES. 120 million (KES. 2 million per ward).

Impact

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

Trade Industrialization and Tourism

- Constructed Dudi Open Air Market, Kipkaren Modern Market and ongoing construction of Lidambitsa, Shiatsala, Bungasi, Koyonzo and Shibinga open air markets
- Constructed Shisere, Khuqueen, Khumukwea, Shibuli, Matete, Malaha and Ingavira ablution blocks.
- Constructed Matunda and Shinyalu stock rings

- Operationalized 22 market committees
- Renovated Butere Market and meter separation of Shianda Market.
- Established Kakamega County Microfinance Corporation which has benefitted 1621 MSMEs worth KES. 205,004,338.
- Developed Electronic Loan Management System to enhance efficiency of loan management
- Designated and gazetted five heritage sites (Nabongo Shrines, Ikhongo Murwi, Mawe tatu, Misango Hills, Mugai stones and caves and Kambiri hills) to promote tourism;
- Organized tourism promotion and marketing events including Churchill Live Experience
- Established digital tourism marketing ‘Manyo Ingo’ platform
- Organized three (3) day Kenya Cultural Tourism and Food Conference, Festival and Expo from the 16th -18th March 2023 at Bukhungu Stadium in Kakamega town.
- Developed Kakamega County Tourism Information Centre website as an avenue to enhance marketing and information dissemination.
- Mapped and documented tourism attraction sites and facilities
- constructed of 3 Juakali sheds in Navakholo, Malava & Mumias West
- Prepared a Master Plan for the Industrial Park

Impact

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

2.6.5 Water, Environment, Natural Resources and Climate Change

- Enhanced efficiency of KACWASCO as a water service provider through reduction of Non Revenue Water (NRW) operating scheme in Kakamega, Mumias, Shinyalu, Butere, Navakholo, Malava and Lugari serving 33,936 households.
- Operationalized Kakamega County Rural Water and Sanitation Company (KACRWASCO) serving 2,672 households;
- Completed transformative water supply schemes including Lwakhupa in Navakholo, Lumino Dam in Lugari and in partnership with Kenya Red Cross, constructed Misango hills water supply project in Khwisero.
- Completed Shianda/Elwasambi, Nyapora, Ogallo, Khwisero Girls, Handidi, Shamiloli, Bukura/Ekapwonje, Chevoso, Chombeli, Manda/Shivanga, Marenyo, Iranda, Mungakha and Mukulusu Water Supply Projects;

- Solarized 7 (seven) water projects including Eshisiru, Makunga, Chevoso, Chombeli, Bukura/Ekapwonje, Mungakha and Mukulusu
- Increased the County tree cover by planting over 492,200 trees in selected public institutions, riparian areas and hilltops under the County Greening programme;
- Established and operationalized Climate Change Unit in the County to act as a secretariat for Climate change matters
- Installed 2 automated weather stations at Likuyani and Matungu to enhance climate information service
- Supported Lugari community Forest Association in establishment of a tree nursery by installation of tree nursery infrastructure with capacity to generate half a million tree seedlings per year.
- Conducted Ward Based Participatory Climate Risk Assessment that culminated in development of County Climate Change Action Plan
- Established and trained County Climate Change governance structures comprising of;
 - the Climate Change Steering Committee;
 - Climate Change Technical Working group;
 - 60 Ward Climate Change Planning committees; and
 - County Assembly Committee responsible for Climate change
- Collaborated with partners to rehabilitate degraded landscape by planting 50,000 tree seedlings in the county in sites such as Shikusa Block, Nyayo tea zone, Misango Hills and public institutions;
- Established an environmental demonstration plot at Bukura Agricultural Training College for demonstration of genetic and biological resources;
- Collecting of solid waste in County Markets;

Impact

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

2.6.6 Social Services, Youth and Sports

- Constructed 1080 shelter units for the vulnerable people in the county
- Constructed Bukhungu Stadium Phase II up to 47% level of completion

- Upgraded Matete, Solyo, Mukumu, Emanani, Pan Paper, Mung'ang'a, Khwisero, Lumakanda and Musanda Sports fields
- Issued assistive devices to 220 beneficiaries
- Trained and presented teams to KICOSCA and KYISA games emerging overall champions in Soccer (Men) and Tug of war (Women)
- Held Governor's Cup
- Renovated Mumias Cultural centre
- Constructed Khayega Art Gallery, Eshimuli Shrines Administration Block and Shinyalu Gender based Violence Rescue Center
- Empowered 3,600 Women and 1,800 Youth in the County Youth Service and Women Empowerment Programme
- Participated in the Kenya Music and Cultural Festival and emerged the overall champions for the 8th time in a row.
- Developed the County Youth, Children's and Social protection Policies
- Trained 1,200 bodaboda riders and issued them with road safety riding safety gears and driving licenses.

Impact

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

2.6.7 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 Kakamega and Mumias municipalities
- Landscaped and beautified an area covering over 10,000 M² of open spaces
- Prepared the county housing policy, valuation for rating bill and county estate management regulations
- Purchased 30.9 acres of land within the county for development
- Landscaped and rehabilitated Ambwere Junction -Bukhungu- Keere Road and Associated works in Kakamega Municipality
- Fenced and maintained Rosterman du mpsite
- Constructed Kambi Somali market in Kakamega municipality

- Preparation of valuation roll is on-going at 90%
- Construction of Sichirai Market which is on-going at 95% completion level.
- Constructed Mumias Bust Park.

Impact

These initiatives have improved the business environment, hygiene and town planning.

2.6.8 Public Service and County Administration

- Conducted 58 awareness forums on effects of alcohol and drug abuse across the County.
- Coordinated 61 public participation forums across the county
- Completed and operationalized Bunyala West, Isukha West, Isukha East, Butsotho South, Nzoia Ward Offices and Likuyani sub-county Office.
- Acquired a fire engine
- Refurbished Liaison Office in Nairobi, Shinyalu Sub County Office, the County Administration Office and the Audit offices at the County HQs.

Impact

Establishment of devolved administrative structures has improved access to government services whereas strengthening the Disaster Unit ensured timely response to disasters and emergencies.

2.6.9 Finance and Economic Planning

- ❖ Established automated assets and liabilities information system that has enabled management of County assets and liabilities;
- ❖ Operationalized e-Procurement system and achieved 95% payments through IFMIS thus enhanced transparency and accountability;
- ❖ Improved audit reports from adverse to qualified by strengthening internal control systems;
- ❖ Prepared County economic and budgeting policy documents as per the set timelines (CIDP, Sectoral plans, CADP, CBROP, CFSP, MTEF)

Kakamega County Investment and Development Agency

- ❖ Generated a report on agricultural investment promotion for 3 priority crops (Sunflower, Avocado and Upland Rice) in the county in

partnership with Japan International Co-operation Agency(JICA)

- ❖ Partnered with USAID Kenya investment mechanism to develop a resource mobilization and investment promotion strategy
- ❖ In collaboration with USAID facilitated setting up of an organic Fertilizer factory- Sanergy Collaborative (Regen Organics)

Kakamega County Revenue Agency

- ❖ Acquired an Integrated Revenue Management System that has minimized leakages and eased reconciliations.
- ❖ Improved collection of own source revenue from KES 1.2 billion in FY 2021/2022 to KES 1.3 Billion in FY 2022/2023

Impact

There have been improvements in financial management, timely implementation of county plans, enhanced revenue collection, and promoted Kakamega as an investment destination.

2.6.10 ICT, e-Government and Communication

- Developed and operationalized three e-Government Portals; an Integrated Revenue Management System, Recruitment Web Portal and Supplier Management System
- Established the production studio at the County headquarters to support production of local content;
- Redesigned and upgraded Local Area Network (LAN) at the County Headquarters.
- Improved internet connectivity by increasing bandwidth at the County Headquarters from 40Mbps to 50Mbps and Sahajanand and Kotecha office buildings from 30Mbps to 40Mbps respectively
- Installed and configured 69 IP telephones at the county headquarters to enhance communication.
- Acquired an e-Board Management System which automated all cabinet meetings.

Impact

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

2.6.11 Office of the Governor

- 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;

- Partitioned Sahajanand audit office to support audit services
- Acquired and operationalized an Electronic County Integrated Project Monitoring System(e-CIPMS)

Impact

Improved 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.

2.6 Implementation of FY 2022/23 Budget and Emerging Fiscal Challenges

The implementation of the budget for FY 2022/23 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 elections affected the implementation of the budget.

Revenue collection in FY 2022/23 is showing a slight increase from a similar period in the FY 2021/22. Data provided by KCRA for the half year of the FY 2022/23 indicates that the County Government was able to collect KES 362 million as compared to KES 301 million collected during the same period in the FY 2023/24. This represents a drop of KES 61 million (17 per cent) that can be attributed to the closure of sugar factories and low staff morale.

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;

2.7 Revised budgets

Budget implementation for the first half of the financial year 2023/24 has faced several challenges key among them; delays in exchequer releases by the National treasury, continued additional expenditure demands from Departments and low own source revenue collections.

In view of the financial constraints, a supplementary budget for FY 2023/24 reflecting these changes was prepared and approved 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.

2.8 Risks to the outlook

Expansion of devolved system 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 2023/24 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 2024/25 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 achieve 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 economic growth.

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 Finance 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 38.48% 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 revenue 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 by acquiring and operationalizing the Integrated Revenue Management System and recruitment of staff on permanent and pensionable terms.

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 transparency and accountability among the accounting officers who are in charge of public finances. The on-going 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. To achieve value for money, there is 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.

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 2024/25 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 and the County Annual Development Plan 2024-2025. The ceilings are also adjusted based on expenditure trends 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 100 Million will be set aside to cater for any emergency issues that may arise during the FY 2024/25 in accordance to the PFM Act 2012.

3.7 The FY 2024/2025 Budget framework

The FY2024/25 budget framework is prepared in consideration of the macro-fiscal framework set where real GDP is expected to grow by 5.6 percent in FY2023/2024 and by 5.9 percent in the FY2024/2025.

4 MEDIUM-TERM EXPENDITURE FRAMEWORK

4.1 Division of Revenue Raised Nationally

Based on the Budget Policy Statement (BPS, 2024), the estimated revenue by the National Government in the FY 2023/24 is KES 4,096.0 billion. In this paper the National Treasury has proposed to allocate to County Governments KES 401.6 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 recommended by the Commission of Revenue Allocation in December, 2023. The formula takes into account the following parameters; (i) Population (18%); (ii) Health Index (17%); (iii) Agriculture Index (10%); (iii) Urban Services Index (5%); (iv) Poverty Head Count Index (14%); (v) Land Area Index (8%); (vi) Roads Index (8%), and; (vii) Basic Share index (20%).

The allocation to County Governments' equitable revenue share of KES 401.6 billion in FY 2024/25 is informed by the following prevailing circumstances:

- i. Need for continuous rationalization of expenditures by eliminating non-core expenditures while improving efficiency in development projects implementation so as to contain expenditure growth, stabilize debt and reduce debt vulnerabilities;
- ii. Shortfalls in revenue in any given financial year. However, County Governments continue to receive their full allocation despite the budget cuts affecting the National Government entities.
- iii. Increased expenditures for National Government for purposes of debt servicing coupled with a weakening shilling against the dollar;
- iv. Low ordinary revenue collections attributed to the ongoing geopolitical shocks. This includes the Russia-Ukraine war which has negatively affected the dollar and the international debt market;

- v. In the spirit of devolution, the National Government is committed to fully devolving functions that it has historically performed since devolution and which are county government functions such as the library services which was transferred to the County Governments together with the attendant allocations in the FY 2023/24; and
- vi. The proposal to increase the equitable share to KES 401.6 billion in the FY 2024/25 is equivalent to 25.5 percent of the last audited accounts (KES 81 Draft 2024 Budget Policy Statement 1,573.42 billion for FY 2019/20) and as approved by Parliament. The proposed allocation therefore meets the requirement of Article 203(2) of the Constitution that equitable share allocation to counties should not be less than 15 per cent of the last audited revenue raised nationally, as approved by the National Assembly

4.3 Additional Allocations

In the County Governments Additional Allocations Bill (CGAAB), 2024 for FY 2024/25, the National Treasury proposes to allocate total of KES 58.242 billion as additional allocations (Conditional and Unconditional). Out of this KES 11.486 billion will be financed from the National Government share of revenue and KES 46.756 billion as additional allocations from proceeds of loans and grants from development partners. In order to continue operationalizing the National Government’s programme on County Aggregation and Industrial Parks, each County Government will be allocated KES250 million as a conditional grant in FY 2024/25. This conditional grant from the National Government’s share of revenue translates to KES 7.25 billion to the twenty - nine (29) County Governments that did not benefit in the FY 2023/24. The additional conditional allocations are meant to support specific national policy objectives to be implemented by County Governments as shown in table 9

Table 9: Additional Allocation to County Governments

Additional (Conditional & Unconditional) Allocations from the National Government's Share of revenue for Financial Year 2024/2025		
S/No.	Additional Allocation	Amount in Ksh
1.	Unconditional allocation financed from court fees and fines emanating from contravention of County Legislation (10 counties)	108,660,979
2.	Unconditional allocation financed from the 20% Share of Mineral Royalties (32 counties)	2,934,923,147
3.	Conditional allocation for the Construction of County Headquarters (4 counties: Lamu, Isiolo, Nyandarua & Tana River)	768,130,000
4.	Conditional allocation for County Aggregated Industrial Parks (CAIP) Programme - Ksh 250 million per county for remaining 29 counties)	7,250,000,000
5.	Conditional allocation for Transfer of Library Services function (33 counties)	424,616,045
A. Sub Total 1		11,486,330,171
Additional Conditional Allocations Financed from proceeds of loans and grants from Development Partners for Financial Year 2024/25		
S/No.	Additional Allocation	Amount in Ksh
1.	IDA (World Bank) Credit - National Agricultural Value Chain Development Project (NAVCDP)	6,765,000,000
2.	IDA (World Bank) Credit - Food Systems Resilience Project (FSRP)	3,315,000,000
3.	IDA (World Bank) Credit - Water & Sanitation Development Project	5,700,000,000
4.	DANIDA Grant - Primary Health Care in Devolved Context Programme	487,500,000
5.	IDA (World Bank) Credit - Financing Locally - Led Climate Action (FLLoCA) Program – County Climate Resilience Investment (CCRI) Grants	6,187,500,000
6.	KfW (German Financial Cooperation) Credit - Co-Financing Locally- Led Climate Action (FLLoCA) Program – County Climate Resilience Investment (CCRI) Grant	1,200,000,000
7.	KfW (German Financial Cooperation) Credit - Drought Resilience Programme in Northern Kenya (DRPNK) Project	919,994,940
8.	IDA (World Bank) Credit - Emergency Locust Response Project (ELRP)	1,900,000,000
9.	IFAD - Kenya Livestock Commercialization Project (KeLCoP)	378,730,000
10.	IFAD - Aquaculture Business Development Project (ABDP)	300,000,000
11.	IDA (World Bank) Credit – Kenya Urban Support Project (KUSP) – Urban Development Grant (UDG)	7,852,888,960
12.	IDA (World Bank) Credit – Kenya Urban Support Project (KUSP) – Urban Institutional Grant (UIG)	1,575,000,000
13.	IDA (World Bank) Credit - Kenya Informal Settlement Improvement Project (KISIP II)	10,109,198,488
14.	UNFPA Grant - 10th Country Kenya Programme	65,190,000
B. Sub Total 2		46,756,002,388
TOTAL (A +B)		58,242,332,559

Source: Budget Policy Statement, 2024

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

(2024) 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 sources namely; transfers from the National Government and own source revenue. The shareable revenue transfers will account for 79.89 per cent of the expenditure priorities in the budget while 13.41 per cent will be financed from own revenue sources. This will comprise of **KES 16,405,736,766** equitable shareable revenue and **KES 2,200,000,000** as own source revenue. The unspent balance from FY 2023/24 is estimated to be **KES 1,100,000,000** which makes up the 6.70 per cent of total resource envelope estimates of **KES 16,405,736,766** as presented in table 10.

The County also envisages additional resources from donor funding and National Government additional allocation grants. This has not been captured in the Budget since the respective bills are yet to be assented to.

Table 10: Revenue resource envelope

Revenue source	Approved Budget Estimates		Revised Estimates	Forecast		
	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27
	KES	KES	KES	KES	KES	KES
Own sources	1,600,000,000	2,200,000,000	2,200,000,000	2,200,000,000	2,500,000,000	2,500,000,000
Balance brought forward – Equitable Share	965,400,461	1,196,000,000	752,266,374	1,100,000,000	1,100,000,000	1,100,000,000
Total equitable share	12,389,412,168	12,917,304,053	12,912,646,262	13,105,736,766	13,105,736,766	13,105,736,766
TOTAL REVENUE	14,954,812,629	16,313,304,053	15,864,912,636	16,405,736,766	16,705,736,766	16,705,736,766

Source: CBROP, (2023) and BPS (2024)

4.5 Spending Priorities for FY 2024/25 – FY 2026/27 MTEF Budget

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

- i) Access to quality health, water and sanitation;
- ii) Promote wealth creation and infrastructural development;
- iii) Modernize and commercialize agriculture towards achieving food and nutrition security;
- iv) Improve education standards;
- v) Social Development to empower communities;
- vi) Promote Good Governance

4.6 Medium Term Expenditure Estimates

Table 11 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 resource envelope of KES 16.405 billion comprising of a Development allocation of KES 4.68 billion (30%), Personnel Emoluments of KES 6.2 billion (37.7%), transfer to the County Assembly KES 1.2 billion (7.3%) and Operation and Maintenance costs of KES 4.14 billion (25.2 %).

Table 11: Baseline Ceilings for FY 2024/25 – 2026/27

Department/Agency	Approved Budget	Approved Estimates	Forecast	Forecast	Forecast
	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	KES	KES	KES	KES	KES
County Assembly	1,244,967,209	1,246,480,336	1,204,821,103	1,204,821,103	1,204,821,103
Current	1,194,967,209	1,196,480,336	1,204,821,103	1,204,821,103	1,204,821,103
Development	50,000,000	50,000,000	-	-	-
Agriculture, Livestock, Fisheries and Co-operatives	1,491,722,242	1,205,000,000	795,700,000	795,700,000	795,700,000
Employee Cost	329,781,183	345,000,000			
Current	69,716,464	110,000,000	95,700,000	95,700,000	95,700,000
Development	1,092,224,595	750,000,000	700,000,000	700,000,000	700,000,000
Health Services	4,538,353,897	4,938,843,899	1,801,678,582	1,801,678,582	1,801,678,582
Employee Cost	2,917,004,326	3,100,000,000			
Current	648,264,483	1,238,843,899	1,301,678,582	1,301,678,582	1,301,678,582
Development	973,085,088	600,000,000	500,000,000	500,000,000	500,000,000
Education, Science & Technology	1,203,098,116	1,100,000,000	563,500,000	623,500,000	623,500,000
Employee Cost	489,864,417	600,000,000			
Current	185,440,762	250,000,000	413,500,000	473,500,000	473,500,000
Development	527,792,937	250,000,000	150,000,000	150,000,000	150,000,000
Roads, Public Works and Energy	1,545,364,346	638,000,000	788,800,000	888,800,000	738,800,000
Employee Cost	86,791,715	90,000,000			
Current	335,471,705	40,000,000	38,800,000	38,800,000	38,800,000
Development	1,123,100,926	508,000,000	750,000,000	850,000,000	700,000,000

Department/Agency	Approved Budget	Approved Estimates	Forecast	Forecast	Forecast
	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	KES	KES	KES	KES	KES
Lands, Housing, Urban Areas and Physical Planning	815,101,593	675,000,000	430,350,000	400,350,000	400,350,000
Employee Cost	49,704,493	70,000,000			
Current	176,041,333	255,000,000	280,350,000	250,350,000	250,350,000
Development	589,355,767	350,000,000	150,000,000	150,000,000	150,000,000
Social Services, Youth & Sports	934,533,632	1,300,000,000	974,240,000	1,034,240,000	1,034,240,000
Employee Cost	51,286,562	63,000,000			
Current	52,994,824	392,000,000	434,240,000	434,240,000	434,240,000
Development	830,252,246	845,000,000	540,000,000	600,000,000	600,000,000
Trade, Industrialization & Tourism	410,679,449	390,000,000	388,519,298	388,519,298	388,519,298
Employee Cost	43,593,350	50,000,000			
Current	29,366,888	55,000,000	48,519,298	48,519,298	48,519,298
Development	337,719,211	285,000,000	340,000,000	340,000,000	340,000,000
Water, Environment and Natural Resources	624,615,499	315,000,000	367,001,980	367,001,980	367,001,980
Employee Cost	59,613,969	60,000,000			
Current	36,612,083	55,000,000	53,350,000	53,350,000	53,350,000
Development	528,389,447	200,000,000	313,651,980	313,651,980	313,651,980
Public Service and Administration	1,526,104,992	1,650,979,818	6,945,312,177	7,070,312,177	7,220,312,177
Employee Cost	834,541,069	840,000,000	6,200,000,000	6,350,000,000	6,500,000,000
Current	522,415,872	600,979,818	645,312,177	620,312,177	620,312,177

Department/Agency	Approved Budget	Approved Estimates	Forecast	Forecast	Forecast
	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	KES	KES	KES	KES	KES
Development	169,148,051	210,000,000	100,000,000	100,000,000	100,000,000
Office of the Governor	293,111,453	445,000,000	310,000,000	310,000,000	310,000,000
Employee Cost	121,851,843	130,000,000			
Current	140,432,880	300,000,000	300,000,000	310,000,000	310,000,000
Development	30,826,730	15,000,000	10,000,000	10,000,000	10,000,000
Finance and Economic Planning	684,285,803	2,109,000,000	471,613,626	466,613,626	466,613,626
Employee Cost	348,622,416	355,000,000			
Current	255,663,387	504,000,000	465,613,626	460,613,626	460,613,626
Development	80,000,000	50,000,000	6,000,000	6,000,000	6,000,000
Ward Base Projects (to be transferred to respective departments		1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
County Public Service Board	63,184,783	80,000,000	29,100,000	29,100,000	29,100,000
Employee Cost	46,443,864	50,000,000			
Current	16,740,919	30,000,000	29,100,000	29,100,000	29,100,000
ICT, E-Government & Communication	115,758,443	220,000,000	135,100,000	125,100,000	125,100,000
Employee Cost	33,397,513	40,000,000			
Current	16,472,186	30,000,000	35,100,000	25,100,000	25,100,000
Development	65,888,744	150,000,000	100,000,000	100,000,000	100,000,000
Total for the County	15,490,881,457	16,313,304,053	16,405,736,766	16,705,736,766	16,705,736,766

4.8 Baseline Ceilings

The baseline estimates reflect the current Departmental spending levels. The Departmental ceilings in table 11 will form the indicative baseline for the FY 2024/25 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. During budget implementation, 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 2024.*

Development expenditures are undertaken on the basis of CIDP 2023 – 2027, County Annual Development Plan 2024-2025, the Governor’s Manifesto, Public participation report of February 2024 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, County Annual Development Plan;
- (c) Community needs identified through public participation;
- (d) Projects and programmes geared towards wealth and employment creation;
- (e) 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) Emerging issues which require much attention in provision of service delivery such as education support programs;
- (b) Cross cutting issues and other special programs of importance such as disaster management, youth development, gender, disability and HIV/AIDS;
- (c) Implementing County transformative projects that require massive resources in phases such as construction of Bukhungu Stadium, Industrial parks, last mile water connectivity (*Amatsi Khumuliango*), upgrades of roads to bitumen standards and Kakamega Teaching & Referral Hospital.

4.9 Details of Department Priorities

The MTEF for FY 2024/25 - FY 2026/27 period will ensure that there is adequate resource allocation based on program priorities that are aligned to CIDP 2023 – 2027, CADP 2024/25 and Strategic Policy Initiatives that will accelerate economic growth, employment creation and poverty reduction.

The sector development priorities are;

4.9.1 Agriculture, Livestock, Fisheries and Cooperatives Development

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

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 on effective and efficient farming methods.

Agriculture accounts for over 52.3 percent of the Gross County Product (GCP) directly or indirectly employing over 80 percent 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

Table 12 : 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 trainings, 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 generation
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 (ASDSP II, NAVCDP) (h) Conduct monitoring and evaluation of relevant County projects (i) Development of data management systems (j) Establish laboratory for quality assurance
Agricultural institutional development and Governance	(k) Develop governance structures and legal frameworks for various value chains.

Table 13 : 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 (c) Milk production promotion through distribution of in-calf heifers (d) Construction of Smart Dairy Farms (SDF) (e) Construction of KDDC headquarters (f) Establishment of pasture and fodder in the SDFs (g) Purchase of breeding stock - pedigree in-calf heifers (h) Provision of dairy feeds and supplements to SDFs
Poultry development	(i) Indigenous chicken for poverty reduction and wealth creation (j) Promotion of alternative poultry feed systems (k) Promotion of poultry products value addition and marketing
Small ruminant (sheep/goats) and non-	(l) Provision of exotic breeding stock (improved dairy bucks/rams, pig breeds)

Sub programme	Projects (Investment)
ruminant (pigs/rabbit) development	(m) Promotion of indigenous non-ruminant (pigs/rabbit) and small ruminant (sheep/goats) products value addition and marketing
Apiculture development	(n) Provision of apiculture production and handling sets (o) Promotion of hive products value addition and marketing
Livestock disease and pest control	(p) Provision and administration of animal vaccines (q) Provision of solar-run cold chain infrastructure (r) Establishment/rehabilitation and operationalization of cattle dipping infrastructure (s) Provision of essential/emergency veterinary pharmaceuticals, equipment and supplies
Veterinary public health	(t) Provision of animal products inspection tools/equipment/attire and supplies (u) Establish health holding yards
Leather Development	(v) Establishment of basic suspension drying and bulking infrastructure at ward level
Kenya livestock commercialization project (KeLCoP)	(w) Value chains promotion
Monitoring, Evaluation, Accountability & Learning	(x) Data capturing and analysis infrastructure (y) Evidence capture infrastructure

Table 14: Smallholder Irrigation and drainage Programme

Sub programme	Projects
Irrigation and drainage infrastructure development	(a) Capacity building of small-holder irrigation farmers (b) Development of Smallholder irrigation and drainage schemes;

Table 15 : Programme 4: Cooperative development

Sub programme	Projects
Cooperatives Governance promotion	(a) Cooperative governance promotion
Cooperative capacity building	(b) Establish cooperative hubs
	(c) Grants to cooperative societies to support value chains development and marketing

Programme 5: Fish Farming Productivity

Sub programme	Projects
Fish Pond Development	(a) Construction of climate proof fish ponds (b) Provision of fish subsidies- (fish feeds, fingerlings, DAP and lime)

Sub programme	Projects
	(c) Provision of fish feeds processing machines (d) Fish gears support
Hatchery Development	(e) Establishment of fish hatcheries
Fish Marketing and value addition	(f) Development of fish buying centers
Riverine and dam fisheries development	(g) Capacity building of management committees (h) Purchase and installation of cages (i) Stocking of dams and rivers

Table 16: 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, surveillance (j) Purchase of pesticides and equipment
Soil conservation and management	(k) Farmer capacity building (l) Soil sampling, testing and management

To undertake these programs, the 2024/25 MTEF estimates for the Department are estimated to be KES 795,700,000. This comprises of KES 95,700,000 and KES 700,000,000 for recurrent operations and development expenditure respectively

4.9.2 Roads, Public Works and Energy

This sector comprises of Roads, Public Works and Energy directorates. The vision is a county with a world class road network that is spurring social-economic development. 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.

Sector priorities

- Road construction and maintenance
- Bridge construction
- Construction of buildings and other public works
- Acquisition and installation of transformers and high mast floodlights
- Connection of electricity to households and public institutions
- Provision of Clean energy
- Supervision of all construction works in the County

Programmes to be implemented

Table 17 : Programme 1: Roads Infrastructure Development

Sub Programmes	Projects
Bitumen roads	a) Upgrade of roads to bitumen standards b) Bitumen Roads maintenance
Gravel roads	c) Construction of Gravel roads (10 km per ward) d) Maintenance of major roads e) Acquisition of Road equipment: Graders, water bowser trucks, bulldozers, excavators, rollers, bed trailers.
Road access and connectivity	f) Construction of Bridges and Box culverts

Table 18 : Programme 2: Energy Reticulation

Sub programme	Projects
Rural Electrification programme	a) Electricity supply to households and public institutions b) Highmast power erection c) Solar street lighting
Renewable energy	d) Solarization of Public Institutions e) Connection of institutions and vulnerable households to solar energy, biogas and clean cooking f) Connections of households and institutions to alternative energy sources

Table 19 : Programme 3: Public works Management

Sub programme	Projects
Public works management	a) Completion of material testing lab b) Construction of mechanical workshop

To undertake these programs, the 2024/25 MTEF estimates for the Department are estimated to be KES 788,800,000. This comprises of 38,800,000 and KES 750,000,000 for recurrent operations and development expenditure respectively.

4.9.3 Health Services

Introduction

This sector comprises of three directorates; Public Health, Medical Services and Health Administration, Planning & Budgeting. As of January 2024, data from the Master Facility List (MFL) shown in the table 20;

Table 20 : Kakamega County Health Facilities

Category of facility	Number
Level V Hospital	1
Level IV Hospital	15
Level III Facilities	55
Level II Facilities	123
Private Facilities	137
Faith Based Facilities	24
Non-Governmental Facilities	3
Academic Affiliated Institution	1
Total	359

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;

- ❖ To ensure that there is a good health financing system which can raise adequate funds for health, protect people from financial catastrophe, allocate resources, and purchase goods and services in ways that improve quality, equity, efficiency and mobilization of resources from partners for the provision of enhanced health services.
- ❖ To enhance the monthly stipend for the CHPs, equip them with modern CHP kits and appropriate data collection equipment and payment of their NHIF.
- ❖ To ensure comprehensive service delivery in all our Level 4 and 5 facilities by the introduction of new services across the county.
- ❖ Complete, equip and operationalize the new Level VI hospital as a premier teaching and referral centre in the region in a bid to promote medical tourism, offer employment and increase revenue collection.
- ❖ Construct, renovate, expand and operationalize healthcare infrastructure across the county
- ❖ Establish an Integrated Health Information System that shall ensure seamless interconnectivity and interoperability in the various points of service.
- ❖ To ensure adequate number of skilled, motivated, knowledgeable health workers with positive attitude.
- ❖ To improve maternal and child health care;
- ❖ To ensure availability and access to essential health products and technologies and effective management system in all health facilities; and
- ❖ To enhance sanitation and hygiene coverage across the county.

Sector Priorities for MTEF Period 2024/2025 – 2026/2027

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

Table 21 : Programme 1: Promotion of Curative health services

Sub programme	Projects (Investment)
Health Infrastructure Development	<ul style="list-style-type: none"> a) Completion of KCTRH Phase 1 b) Renovation of health centres and dispensaries c) Continuous upgrading of Khwisero, Matete, Makunga and Mumias West level IV Hospitals d) Progressive expansion, completion, renovation and operationalization of the existing health facilities e) Completion of Shamakhubu level IV Hospital f) Completion and operationalization of mortuaries in Butere and Likuyani level IV Hospitals

Sub programme	Projects (Investment)
	<ul style="list-style-type: none"> g) Completion and operationalization of stalled health projects from CDF, Ward Fund and former Local Authorities (LATIF) h) Completion and operationalization of Butere Level IV Hospital i) Connection of water and electricity in health centers and dispensaries j) Purchase of land and fencing of health facilities k) Construction of maternity and pediatric units at Likuyani, Matungu and Navakholo level 4 Hospitals in collaboration with Jacaranda health l) Construction of pit latrines in health facilities. m) Development of facility master plans.
Kakamega County Health Services Fund	n) Progressive implementation of the Health Facilities Improvement Fund (HFIF)
Blood transfusion services	<ul style="list-style-type: none"> o) Expansion of blood transfusion centre p) Establish blood satellite centres (Butere and Likuyani Hospitals)
Quality health products and Technology	<ul style="list-style-type: none"> q) Purchase and distribution of health commodities to facilities. r) Construction of commodity storage facilities s) Equipping of health facilities

Table 22 : Programme 2: Preventive and Promotive Health care services

Sub programme	Projects (Investment)
Disease control	<ul style="list-style-type: none"> a) Malaria prevention and control b) TB and leprosy treatment and management c) HIV/AIDS control
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
Nutrition services	g) Promotion of nutrition services
Community Health strategies	<ul style="list-style-type: none"> h) Disease surveillance i) Hygiene promotion j) Jigger control and prevention

Sub programme	Projects (Investment)
	<ul style="list-style-type: none"> k) Alcohol and drug abuse prevention l) Training/sensitization and awareness creation m) Establish integrated and comprehensive community service implementation
WASH/CLTS (Community Led Total Sanitation)	<ul style="list-style-type: none"> n) Certification of Open Defecation Free (ODF) villages o) Spring protection
Promotion of Immunization Services	<ul style="list-style-type: none"> p) Expand immunization coverage
Health education and promotion	<ul style="list-style-type: none"> q) Integrated school health education and promotion r) Increase Proportion of population with knowledge in key health messages
Primary Health Care	<ul style="list-style-type: none"> s) Establishment of Primary Care Networks
Gender Based Violence	<ul style="list-style-type: none"> t) Capacity building on SGBV
Non-Communicable Diseases	<ul style="list-style-type: none"> u) Sensitization, intensified screening and reporting
Anti-microbial Stewardship	<ul style="list-style-type: none"> v) Anti-microbial Resistance surveillance
Infection prevention and control	<ul style="list-style-type: none"> w) Promotion of infection prevention and control
Health standards and quality assurance	<ul style="list-style-type: none"> x) Sensitization, inspection and licensing

Table 23 : Programme 3: General Administrative, Finance and Support Services

Sub program	Projects (Investment)
Administrative support services	<ul style="list-style-type: none"> a) Purchase of 7 utility vehicles for support supervision b) Gazettement of health facilities c) Signage for all Health facilities
Monitoring, Evaluation and Research	<ul style="list-style-type: none"> d) Trainings, Mentorship, Support supervision, Information products, Reviews of work plans, Project M & E e) Development and monitoring of AWP, APR, ADP and projects/programmes. f) Development of policies, laws, regulations and strategies g) Review of research protocols, maintenance of repository
Human Resource management	<ul style="list-style-type: none"> h) Recruitment, replacement and promotion of healthcare workers

Sub program	Projects (Investment)
	i) Staff training and grants to medical training centres
Disability mainstreaming	j) Assess and categorize PWDs for registration k) Train CUs on Community based rehabilitation modules l) Assessment of learners with special needs
Health Data and Information Management	m) Digitization of health facilities n) Establish Health Enterprise Architecture

To undertake these programs, the 2024/2025 MTEF estimates for the Department are KES 1,801,678,582 comprising of KES 1,301,678,582 and KES 500,000, 000 recurrent and development expenditure respectively. Recurrent Operations will be supplemented by Appropriation in Aid.

4.9.4 Education, Science and Technology

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

The vision is to be globally competitive in education, training, research and innovation for sustainable development. The mission is to provide, promote, and coordinate quality lifelong education training integration for science & 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 centers;
- 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 2024/2025 – 2026/2027

Table 24 : Programme 1: County Polytechnic Improvement

Sub Programme	Projects
Polytechnic Tuition Subsidy	a) Provision of subsidized polytechnic tuition b) Purchase of polytechnic buses c) Recruitment of Polytechnic instructors d) Acquisition of training resources

Sub Programme	Projects
	<ul style="list-style-type: none"> e) Implementation of ATVET Programme f) Innovation and skills exhibition
Polytechnic Infrastructure Development	<ul style="list-style-type: none"> g) Construction and equipping of polytechnic workshops h) Construction and equipping ICT Laboratories i) Construction of 5 No. classrooms, 2 door and 6 door toilets and installation of 5000ltr tank j) Renovation and completion of county Polytechnics k) Installation of 3-Phase electricity in County Polytechnics l) Fencing and installation of Gates in County Polytechnics m) Acquisition of land for establishment of new and expansion of existing polytechnic centers n) Acquisition of furniture for established county polytechnics o) Acquisition of tools and equipment for established county polytechnics

Table 25 : Programme2: Early Childhood Development Education (ECDE)

Sub Programme	Projects
ECDE development	<ul style="list-style-type: none"> a) Provision of Tuition Capitation funds to ECDE centers b) Purchase and implementation of standardized teaching/ learning materials c) Provision of food to ECDE children d) Construction of new ECDE Centers including the model centers at regional level e) Renovation of ECDE centers constructed in Phase I and II f) Equipping ECDE centers with child friendly chairs and tables; g) Equipping ECDE centers with ICT equipment h) Acquisition and installation of assorted outdoor fixed equipment in ECDE centers; i) Land acquisition for establishment of new ECDE centers

Table 26 : Programme 3: Education Support Programme

Sub Programme	Projects
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County Education support	<ul style="list-style-type: none"> a) Completion of ongoing projects in primary and secondary schools b) Provision of County Education Scholarships; c) Provision of Ward Based Bursary d) Provision of County Higher Education Loans Board (HELB) Scheme
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To undertake these Programmes, the 2024/25 MTEF estimates for the Department are KES 563,500,000, comprising of KES 413,500,000 for operations and maintenance and KES 150,000,000 for development expenditure.

4.9.5 Trade, Industrialization and Tourism

The Department is composed of the following directorates: trade, industrialization, Weights & Measures, tourism and one semi- autonomous agency; Kakamega County Microfinance Corporation. It 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 is to be the preferred hub for Trade, Industrialization, and Tourism. The mission is to promote and sustain trade development, fair trade, industrial growth, tourism development and regulation for wealth creation and employment.

Priority areas

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

Programmes to be implemented for the MTEF period 2024/2025 – 2026/2027

Table 27 : Programme 1: Trade and enterprise development

Sub programme	Projects
Market infrastructure improvement	<ul style="list-style-type: none"> a) Construction of Open air markets b) Completion of Shiatsala, Shibinga, Bungasi and Koyonzo Open air markets c) Refurbishments and maintenance of existing markets (Matunda, Butali, Nambacha, Malinya, Butere, Bukura, Shianda, Mulwanda and Harambee) d) Fabrication and installation of modern Kiosks e) Construction of Modern stock rings f) Renovation of stock-rings (Lubao, Nambacha, Matunda and Butere). g) Construction of Boda-Boda sheds h) Construction of ablution blocks
Credit services	<ul style="list-style-type: none"> i) Credit to Micro, Small and Medium Enterprises j) Capacity building to traders

Table 28 : Programme2: Weights and measures

Sub Programme	Projects
Consumer protection	<ul style="list-style-type: none"> a) Purchase of mobile weigh bridge inspection Unit b) Equipping of weight and Measures laboratory c) Acquisition of secondary working standards d) Certification of the standards e) Sensitization of public on fair trade practices

Table 29 : Programme 3: Industrial development

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

	<ul style="list-style-type: none"> k) Development of OVOP l) Establishment of Incubation centres. m) Capacity building of MSMEs and Jua kali programme n) Development of wealth creation and empowerment strategy
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Table 30 : Programme 4: Tourism promotion

Sub programme	Projects
Tourism product development and diversification	<ul style="list-style-type: none"> a) Development of tourism heritage sites. b) Capacity building of communities on tourism c) Promote bull sport d) Establish a wild life sanctuary and animal orphanage e) Establish water sports and recreation facilities
Tourism promotion and Marketing	<ul style="list-style-type: none"> f) Organize digital marketing g) Promote Sports tourism h) Support tourism cultural festival and events
County Branding	<ul style="list-style-type: none"> i) Establishment of signage at entry points and heritage sites.

To undertake these programmes, the 2024/25 MTEF estimates for this sector are estimated to be KES 388,519,298 comprising of KES. 48,519,298 and KES. 340,000,000 for Recurrent and Development expenditures respectively.

4.9.6 Social Services, Sports, Youth, Gender and Culture

This department has the following directorates; Social Services, Children Services, Gender and Culture; Youth, Sports and Library Services.

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 (PWDs)

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 and maintain Library Services

Programmes to be implemented in MTEF Period 2024/2025 – 2026/2027

Table 31 : Program 1: Gender Development and Support to Vulnerable Groups

Sub Program	Project/Program
Women Empowerment	<ul style="list-style-type: none"> a) Support to Women groups through issuance of grants b) Capacity building for women groups
Persons with disability empowerment	<ul style="list-style-type: none"> c) Support enterprises for persons with disabilities d) Capacity building for persons with disabilities e) Issuance of assistive devices to persons with disabilities
Gender Based Violence Prevention	<ul style="list-style-type: none"> f) Construction and operationalization of gender-based rescue centres g) Gender based violence awareness
Shelter improvement	<ul style="list-style-type: none"> h) Development of low-cost houses

Table 32 : Program 2: Children Services

Sub Program	Project/Program
Child Protection and Support	<ul style="list-style-type: none"> a) Construction of Child friendly Centers b) Support to Child headed households c) Teen pregnancy awareness forums d) Support Children Charitable Institutions

Table 33 : Programme 3: Youth Empowerment, Sports Development and Library Services

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

Table 34 : Program 4: Culture and Heritage

Sub Programme	Project

Preservation of culture and heritage	<ul style="list-style-type: none"> a) Equipping and maintaining existing cultural centers b) Develop Cultural sites and green spaces c) Construct performing arts theatre halls d) Participate in music and cultural festivals e) Organize and hold a forum for showcasing by local musicians f) Documentation and Digitization of indigenous culture g) Development of social halls
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To undertake these Programmes, the 2024/25 MTEF estimates for the department are KES 974,240,000 comprising of KES 434,240,000 and KES 540,000,000 for Recurrent and Development respectively.

4.9.7 Water, Environment, Natural Resources and Climate Change

The department is made up of the following sub-sectors; Water, Environment, Natural Resources and Climate Change.

The vision is to be a leading County in provision of sustainable access to adequate safe water in a clean and healthy environment. The mission is 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.

Department Priorities

- a) Increase access to clean and safe water
- b) Enhance county forest and tree cover and optimize sustainable utilization of natural resources
- c) Promote integrated solid waste management
- d) Promote climate change, adaptation and mitigation

- e) Adopt low carbon development pathways
- f) Invest in climate change resilient infrastructure

Programmes to be implemented in the MTEF Period 2024/2025 – 2026/2027

Table 35 : Programme 1: Water Service Provision and Management

Sub Programme	Projects
Water Supply Services	<ul style="list-style-type: none"> a) Completion and operationalization of water supply infrastructure. b) Containerized Water Treatment and Supplies c) Countywide Water Connectivity d) Solarization/hybridization of existing and new water schemes e) Ward Based Water Projects f) Underground Water Exploration - Boreholes g) Rehabilitation, augmentation and Expansion of water projects h) Conservation of water catchment areas

Table 36 : Programme 2: Sanitation Service Provision and Management

Sub Programme	Projects
Sanitation Services	<ul style="list-style-type: none"> (a) Expansion of sewerage network in Kakamega town (b) Construction of sewerage plants in Mumias town (c) Upgrading and developing the sewerage system in other urban areas

Table 37 : Programme 3: Environmental Protection and Conservation

Sub Programme	Projects
Integrated solid waste management	<ul style="list-style-type: none"> a) Establish 3 Material Recovery Facilities b) Management of solid waste in markets c) Establish 2 solid waste transfer stations; d) Construct refuse chambers and temporary holding sites e) Establish a waste to energy plant through public private partnership in waste management f) Acquire 20 skips (refuse collection containers) g) Installation of 3 in 1 elevated litter bins

Sub Programme	Projects
	h) Conduct environmental education and awareness
Environmental pollution control	i) Environmental enforcement and compliance j) Public sensitization k) Acquire 10 noise measuring devices l) Acquire ambient Air Quality Monitoring station
Development of environmental legislations	m) Development of solid waste management regulations

Table 38 : Programme 4: Natural Resource Management

Sub Programme	Projects
County greening	(a) Establishment of environmental demonstration Centre. (b) Promote forest restoration capacity through afforestation and re-afforestation (c) Fencing of Kakamega forest (d) Protect and conserve riparian areas and other environment significant areas (e) Promotion of appropriate technologies on grafting and budding of indigenous fruit species and fodder production (f) Rehabilitate and reclaim abandoned mining sites (g) Establishment of indigenous tree nurseries
Promotion of nature-based enterprises	(h) Establishment of Ex Situ Conservation Initiatives; (i) Capacity building of environmental conservation groups.
Natural Resource management	(j) Development of legislation on construction minerals; (k) Capacity Building of artisanal mining groups; (l) Rehabilitation of degraded areas. (m) Mapping and risk assessment in mining areas

Table 39 : Programme 5: Climate Change, Mitigation and Adaptation

Sub Programme	Projects
Climate Change Management	<ul style="list-style-type: none"> (a) Integrate climate change adaptation into county level development planning and budgeting processes (b) Develop County Climate Change Vulnerability Assessment to enhance Disaster Risk Reduction Strategy (c) Map out environmental disaster prone areas (d) Promote the use of green energy technologies e.g., solar, biogas, hydro power and efficient cooking technologies (e) Implement Climate Change Mitigation and Adaptation to enhance Community resilience (f) Installation of Automatic Environmental and Climate Monitoring mechanisms (g) Promote climate smart agriculture and conservation practices (h) Establish county climate outlook forums (i) Restoration of water bodies and water catchment areas

To undertake these Programs, the 2024/25 MTEF estimates for the Department are KES 367,001,980 comprising of KES 53,350,000 for Operations and Maintenance and KES 313,651,980 for development expenditure.

4.9.8 Lands, Housing, Physical Planning and Urban Areas

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

The vision of the department 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 of 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 in the MTEF period 2024/2025- 2026/2027

Table 40 : Program 1: Land Management Services

Sub Program	Projects
Land Administration	(a) Establishment of a Land Bank (b) Completion of Valuation roll (c) Preparation of Local Physical Development Plans (d) Establishment of Land Management Information System
Urban development services	(e) Delineation of urban areas (f) Acquisition of urban design software
Survey services	(g) Fencing of Public Land (h) Survey of markets (i) Acquisition of GIS data and Images (j) Acquisition of GIS Software

Table 41 : Programme 2: Public Housing Development Services

Sub Program	Projects
Slum Upgrading	(a) Upgrading of Slums
Housing services	(b) Fencing and renovations of Public rental houses (c) Construction of affordable housing units

Mumias Municipality

The vision is to be a modern regional competitive, livable and economically vibrant municipality where people choose to live, work and visit. The mission is to provide and distribute quality services that are affordable, accessible, sustainable and equitably distributed to all.

Mandate

Overall delivery of services including waste management

Priority Areas

- (a) Development Control
- (b) Preparation of annual strategic plans for the Municipality
- (c) Providing a framework for regulated urban Agriculture
- (d) Disaster preparedness and response

Table 42 : Program Name: Urban Development Services- Mumias Municipality

Sub Program	Projects
Urban Infrastructure Development	<ul style="list-style-type: none">a) Maintenance of urban roadsb) Installation of streetlightsc) Construction of storm water drainage systemsd) Construction of a recreation Parke) Construction and equipping of a multi-purpose hallf) Refurbishment of markets within the municipalityg) Construction of an open-air marketh) Construction of a bus terminali) Establishment of a fire stationj) Installation of fire hydrants
Waste Management	<ul style="list-style-type: none">(a) Provision of Cleaning Services(b) Construction of a sewer line(c) Development of Waste segregation sites

Kakamega Municipality

The vision is to be an efficient municipality, offering quality services to its internal and external stakeholders. The mission is to provide quality services that are accessible, affordable, effective, efficient and sustainable

Strategic Objectives

- i) Strengthen Corporate Governance
- ii) Promotion, regulation and provision of refuse collection and solid waste management
- iii) Promotion of provision of public health services
- iv) Enforcement of law and order
- v) Maintenance of recreational parks, green spaces and social amenities
- vi) Enhance Own Source Revenue collection
- vii) Provision of clean water and sanitation

Table 43 : Program 1: Urban Development Services- Kakamega Municipality

Sub Program	Projects
Urban Infrastructure Development	a) Construction of storm water drains b) Construction of Non-Motorized Transport (NMT) c) Construction of a modern bus park d) Construction of disaster management centre e) Installation of Streetlights f) Installation of fire hydrants g) Construction of a multi-purpose hall
Waste Management	h) Construction of a sewer line i) Provision of Cleaning Services j) Maintenance of dumpsite k) Construction of receptacles and Litter bins

To undertake these programs, the 2024/25 MTEF estimates for this sector are estimated to be KES 430,350,000 This comprises of KES 280,350,000 and KES 150,000,000 for Recurrent Operation and Development expenditure respectively.

4.9.9 Public Service and County Administration

The department comprises of 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 Enforcement.

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 in 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) To ensure law and order is maintained and safety of government property

Programmes to be implemented in the MTEF period 2024/2025- 2026/2027

Table 44 : Programme 1: General Administrative and support services

Sub Programme	Projects
Human Resource Management	<ul style="list-style-type: none"> a) Installation of office clocking system b) Automation of Human Resource Management services;
Transport and Fleet Management	<ul style="list-style-type: none"> c) Management of utility motor vehicles

Table 45 : Programme 2: County Administration services

Sub Programme	Projects
County administrative infrastructure improvement	<ul style="list-style-type: none"> a) Construction of County HQ block; b) Refurbishment of County offices; c) Purchase of Specialized Band and Enforcement equipment
Disaster management	<ul style="list-style-type: none"> d) Construction of disaster Operation Centers; e) Purchase disaster specialized equipment. f) Purchase of Fire Engines and equipment
Alcohol and Drug Abuse Control	<ul style="list-style-type: none"> g) Establishment of Rehabilitation centers in the Southern and Northern regions; h) Purchase of Specialized equipment for rehabilitation centres.

Table 46 : Programme 3: Sub County and Ward Administration

Sub Programme	Projects
Sub County and ward Administrative infrastructure Development	<ul style="list-style-type: none"> a) Construction, refurbishment and fencing of Sub County & Ward Offices;

To undertake these programs, the 2024/25 MTEF estimates for the Department are KES 6,920,312,177 comprising of KES 6,200,000,000, KES 645,312,177 and KES 100,000,000 for the overall County Government Employee Cost, Recurrent and Development expenditure respectively.

4.9.10 Office of the Governor

The office includes Governor's Office, Deputy Governor's Office, Cabinet Secretariat, County Secretary Office, Internal Audit, Liaison, Chief of staff, Intergovernmental relations, Protocol, Governor's Advisory Unit, Service Delivery and Risk Management Unit, Technical Services, Financial Management Services, Resource Mobilization Unit, Special Programme office, Governor's Press Unit and County Law Office.

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

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

Sector strategic objectives

- ❖ To establish efficient systems for execution of cabinet business
- ❖ To improve coordination of operations of the County Public Service for efficient service delivery
- ❖ To link the County Government with national government, other county governments, local and international agencies
- ❖ To offer legal services to the County government and the public
- ❖ To coordinate overall organization of the County Public Service for execution of county government policies
- ❖ To coordinate formulation of policies and legislations

Programmes to be implemented

Table 47 : Programme 1: Management and Administration of County Functions

Sub Programme	Projects (investment)
Infrastructure development	a) Construction of the Governor's Residence b) Construction of the Deputy Governor's Residence
Governor's press unit services	c) Acquisition of Specialized communication Equipment

Table 48 : Programme 2: Support, Coordination and Service Delivery

Sub programme	Projects (Investment)
Service Delivery and Risk Management	a) Establishment of a call centre
County Audit services	b) Expansion of Audit services at sub-county offices
County Legal Services	c) Maintenance of Bill tracking service system d) Establishment of Legal Resource Centre e) Construction of Likuyani County Court

To undertake these Programs, the 2024/25 MTEF estimates for Office of the Governor are KES 310,000,000 comprising of KES 300,000,000 and KES 10,000,000 recurrent and development expenditure respectively.

4.9.11 The County Assembly

The County Assembly’s functions include oversight, legislation and representation. The Assembly consists of sixty elected and thirty nominated members, the Speaker, who is an ex-officio member and the Clerk.

The vision is to be a model County Assembly that fulfills its constitutional mandate to the people of Kakamega County.

The mission is to facilitate political, economic and social cultural growth of the County through effective legislation, objective oversight and representation.

Programmes to be implemented:

Table 49 : Programme 1: County Assembly Infrastructure Improvement

Sub programme	Projects
Administrative infrastructure development	<ul style="list-style-type: none"> ❖ Construction of the County Assembly chambers ❖ Construction of the Speaker's residence. ❖ Construction of County Assembly Parking Bay

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To undertake these programs, the 2024/25 estimates are KES 1,204,821,103 for recurrent expenditure.

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. The board operates through six (6) committees - Establishment, Recruitment & Selection committee, Training & Development committee, Advisory & Discipline committee, Ethics, Compliance and Human Resource Audit committee, ICT and Records Management committee, Finance and Administration Committee

The vision is to be a professional board that provides excellent public service.

The mission is to attract, develop and retain an efficient and effective human capital in a competitive manner for quality public service delivery.

Strategic Objectives

The Strategic objectives for the County Public Service Board are to: -

- Strengthen institutional capacity of the Board to deliver on its mandate
- Establish functional and efficient HR systems and policies in the public service
- Promote national Values and Principles in the county public service

Programmes to be implemented in the MTEF period 2024/2024- 2026/2027

Table 50 : Programme 1: General Administration and support services

Sub programme	Projects
Human Resource Management	a) Acquisition of Staff skills assessment and development system b) Acquisition of Staff Recruitment and Capacity Building Management System

To undertake these programs, the estimates for the Board KES 29,100,000 for recurrent expenditure.

4.9.12 Finance, Budget, Economic Planning, ICT, e-Government and Communication

This sector comprises of the following sub-sectors: Finance & Budget, Economic Planning & Investments and ICT, e-Government & Communication. The sector also has two semi-autonomous agencies namely: Kakamega County Revenue Agency (KCRA) which is mandated to collect and report County’s Own Source Revenue and Kakamega County Investment and Development Agency (KCIDA) which is mandated to attract, promote and facilitate investments.

The vision of the department is to be 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 in the MTEF period 2024/2025 – 2026/2027

Table 51 : Programme 1: Public Finance Management

Sub programme	Projects/Strategies
Resource Mobilization	<ul style="list-style-type: none"> a) Enhance own source revenue collection b) Conduct feasibility studies and proposals c) Research on County Investment opportunities and gaps d) Develop a legal framework for the establishment of the County Wealth Creation Capital
Accounting and Financial services	<ul style="list-style-type: none"> a) Prudent financial management and reporting b) Asset tagging and valuation. c) Acquisition and installation of Asset management systems.
Budget formulation	<ul style="list-style-type: none"> d) Formulation of budget policy documents
Public debt management	<ul style="list-style-type: none"> e) Implement risk management framework; f) Develop a Debt Management Strategy Paper

Table 52 : Programme 2: Economic policy formulation and management

Sub programme	Projects/Strategies
Economic policy formulation	a) Preparation of County Development Plans and Reports; b) Development of County project implementation guidelines; c) Undertake Monitoring and Evaluation of County projects, Programmes and Policies.

Table 53 : Programme 3: Investment Promotion and facilitation

Sub programme	Projects/Strategies
Investment promotion and facilitation	a) Lake Region Economic Bloc subscription b) Establishment of County Investment Centre c) Preparation of investment promotion documents d) Conducting investment forums

Table 54 : Programme 5: ICT Infrastructure Development

Sub programme	Projects
County Connectivity	Installation of LANs Erection of WIFI substations Establish and equip a County data centre
Digital Economy Awareness	Establish ICT training laboratory
ICT Capacity Development	Train Youths on Digital Literacy Skills Train officers on High-End specialized skills
Security Surveillance	Install CCTV cameras

Table 55 : Programme 6: Adoption of e-Government Services

Sub programme	Projects
Automation	Support and maintain e-Government services

Sub programme	Projects
e-Government Services	Establish Government portals Re-engineer websites

Table 56 : Programme 7: County Information Management and Awareness

Sub programme	Projects
Media production	a) Equip county production studio b) Install integrated digital publicity boards

To undertake these programs, the 2024/25 MTEF estimates for this Department are KES 471,613,626 comprising of KES 465,613,626 for recurrent expenditure, KES 6,000,000 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. The department of ICT comprises of KES 135,100,000 out of which KES 35,100,000 is for recurrent expenditure while KES 100,000,000 is for development expenditure.

5 CONCLUSION

The set of policies outlined in this CFSP aim at striking a balance between varying/changing priorities 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 2024/25 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 need to ensure that recurrent resources are utilized efficiently and effectively before funding is considered for programs.

Proper implementation of the budget is critical towards providing services that will promote sustainable economic growth. This will be achieved through collaborative efforts from all the stakeholders including County Government departments, civil society, communities, County Assembly and development partners. This calls for continuous consultations with each other, finding solutions and encouraging innovation to build a sustainable County.

Participatory monitoring, evaluation, learning and reporting will play a critical role in the implementation of the projects and programs envisaged in this Paper.