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

October, 2021

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, 2022.

To obtain copies of the document, please contact

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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 2022) 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 2022/23 and over the MTEF period. Preparation of this document has been done through collaborated 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 III 2018 – 2023, Kakamega County Integrated Development Plan (CIDP 2018 – 2022) and Kakamega County Annual Development Plan (CADP 2022/23).

The County Government has continued to record positive economic development as a result of improved infrastructure, revitalized agricultural sector and the significant investments in other sectors including health, education and trade. To keep this development pace, the main focus of FY 2022/23 will be geared towards wealth and employment creation. The County Government will focus on five core areas which are aligned to the Big four agenda as outlined: Transforming the Agricultural Sector; Infrastructure Development including motorable road networks and housing; achieve universal Health Care; Promote trade and industrial development and Increase access to clean and safe water.

Despite the tremendous progress realized, the County Government is still faced with several challenges including; constrained financial resources, high unemployment rate, effects of Covid-19 pandemic and the anxiety attributed to the general elections scheduled in August, 2022. Strategies and measures geared to address these challenges have been captured in this Paper. The Paper also gives parameters for the FY 2022/23 budget and the Medium-Term Expenditure Framework which are consistent with the County and National Government priority Programmes and policies.

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ACKNOWLEDGEMENT

The development of the FY 2022/23 CFSP was a collaborative effort by the County Departments and Agencies under the leadership and guidance of His Excellency the Governor, Hon. Dr. FCPA Wycliffe Ambetsa Oparanya. I also wish to acknowledge the leadership and guidance by H.E the Deputy Governor, the County Executive Committee Member for Finance, Economic Planning and ICT, all the County Executive Committee Members and the Chief Officers for coordination of respective departments during the preparation of this Paper.

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

Lastly, I appreciate the technical team from the County Budget Office, the Financial Reporting Unit, Accounting and Economic Planning that coordinated the development of this Paper.

CPA Samson Otieno
Ag. Chief Officer, Finance.

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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
CBR	Central Bank Rate
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
KIHBS	Kenya Integrated Household Budget Survey
KIWASH	Kenya Integrated Water, Sanitation and Hygiene
KNBS	Kenya National Bureau of Statistics
KYISA	Kenya Youth Inter County Sports Association
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
PPP	Public Private Partnership
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 prudency 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 2022/2023

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 2022/2023 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 2022/2023 MTEF Budget. Sector achievements and priorities are also reviewed for the FY 2018/19 – 2020/21 MTEF period.

Section VI Provides the conclusion.

1.0 EXECUTIVE SUMMARY

The County Fiscal Strategy Paper (CFSP 2022) covers the MTEF period 2022/2023 – 2024/2025. The Paper has been prepared as provided for in Section 117 of the PFM Act, 2012 and sets out the priority programs and projects to be implemented in the FY 2022/2023 and 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 III, the Big Four Agenda, Sustainable Development Goals (SDGs), the Governor's Manifesto, the County Integrated Development Plan (2018 – 2022), the Covid-19 Socio-Economic Re-Engineering Recovery Strategy 2020/21 – 2022/23 among other policy documents.

The strategic priority areas include;

i) Infrastructure development,
ii) Revitalization of agriculture,
iii) Provision of quality education and training,
iv) Increasing access to clean and safe water,
v) Provision of affordable quality health care;
vi) Improving business environment.

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

1.1 Building a wealthy and Economically Vibrant County

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

The County has elaborate plans towards strengthening the framework upon which a wealthy and economically vibrant County agenda would be built; however, there are challenges that need to be addressed gradually. They include: low level of local revenue collection due to effects of Covid 19 pandemic, delays in disbursement of funds by the National government and expenditure pressures with respect to salary demands and operational costs which have impacted negatively on the County development agenda.

1.2 The County's Broad Strategic Priorities

The County broad strategic priorities are;

a) Transforming the Agricultural Sector;
b) Infrastructure development
c) Achieve universal Health Care;
d) Promote trade and industrial development
e) Access to clean and safe water by all.

To achieve the above priority areas, the County Government acknowledges that there is 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 2022/23 – 2024/25 in order to achieve the County goals.

1.3 Strategies for Achieving a Wealthy and Vibrant County

1.3.1 Strategic priority I: Transforming the Agricultural Sector

- Enhance uptake of new agricultural technologies which will improve yields and reduce costs of production;
- Enhance Agribusiness development focussing on: Commercialization and value addition of dairy, fish, poultry, horticulture and cereals;
- Strengthening of smallholder farmer organizations and developing market linkages for smallholder farmers including to regional and international retail and wholesale value chains.

1.3.2 Strategic priority II: Infrastructure Development

- Improvement of road network and connectivity through construction and maintenance of tarmac and gravel roads as well as bridges and box culverts;
- Connecting households and institutions to electricty;
- Improve ICT infrastructure;
- Sports promotion through construction of stadia and talent centres;
- Improvement of service delivery through construction of admistrative offices.

1.3.3 Strategic priority III: Achieve universal Health Care

- Complete and equip the County Teaching and Referral Hospital to offer specialised treatment;
- Strengthen community health strategy;
- Strengthen the County medical supply chain to ensure all health facilities have adequate supply of pharmaceutical and non-pharmaceutical products;
- Digitize all health care service operations;
- Expand scope and coverage of the *"Imarisha Afya ya Mama na Mtoto*" Programme to all heath facilities in the County to reduce infant, child and maternal deaths;
- Enhance Universal Health care through enrollment to NHIF.

1.3.4 Strategic priority IV: Promote trade, tourism and industrial development

- Promotion of secure trading environment through improvement of market infrastructure;
- Promotion of industrial growth;
- Promote tourism;
- Promotion of fair trade practices and consumer protection.

1.3.5 Strategic priority V: Improve education and training standards

- Implementation of ECDE and Polytechnic Capitation programme;
- Improvement of learning and training environment through infrastructure development;
- Implementation of the ECDE school based feeding program;
- Provision of education support through bursaries and schorlaships to improve access to education.

1.3.6 Strategic priority VI: Improve access to clean and safe water

- Construction and augumentation of water infrastructure to improve access to clean and safe water;

- Promotion of rain water harvesting and storage technologies at household and institutional level;
- Construction of sewerage lines in Kakamega, Mumias and other urban centres.

2.0 RECENT ECONOMIC DEVELOPMENT AND POLICY OUTLOOK IN 2021/22

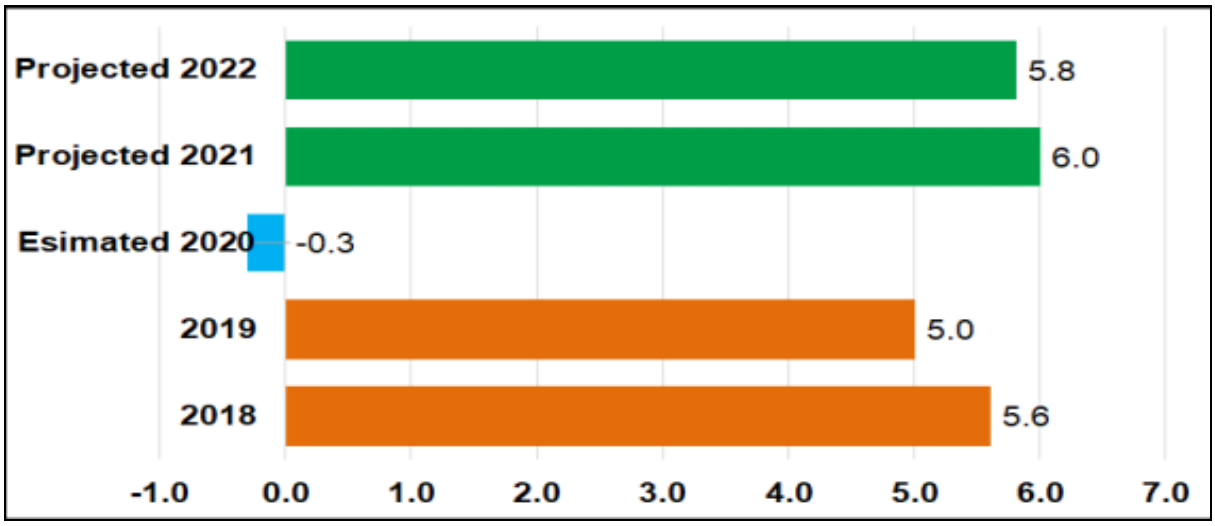
2.1 Review of Recent Economic Performance

2.1.1 Economic Growth

The Economic Survey Report, 2021 by Kenya National Bureau of Statistics (KNBS) estimated that the real domestic growth contracted by 0.3 per cent in 2020 from a growth of 5.0 per cent in 2019 owing to emergence of the Covid-19 pandemic (see figure 1). To curb the spread of the virus, the Government introduced temporal restrictive measures during the second quarter of 2020 which negatively impacted key sectors of the economy especially those related to some businesses, tourism and educational activities.

The contraction spread across all sectors but was more pronounced in accommodation and food services (47.7 per cent), education (10.7 per cent), transport (7.8 per cent) and manufacturing (0.1 per cent). The contraction was cushioned by growth in Agriculture, Forestry and Fishing (4.8 per cent), Construction activities (11.8 per cent), Finance & Insurance activities (5.6 per cent), Information, Communication and Technology (4.8 per cent) and Human health and social workers activities (6.7 per cent). The economy is projected to rebound in 2021 and grow by 6.0 per cent, though the growth is projected to drop to 5.8 per cent in 2022 owing to the general elections.

Figure 1: GDP Growth Rates



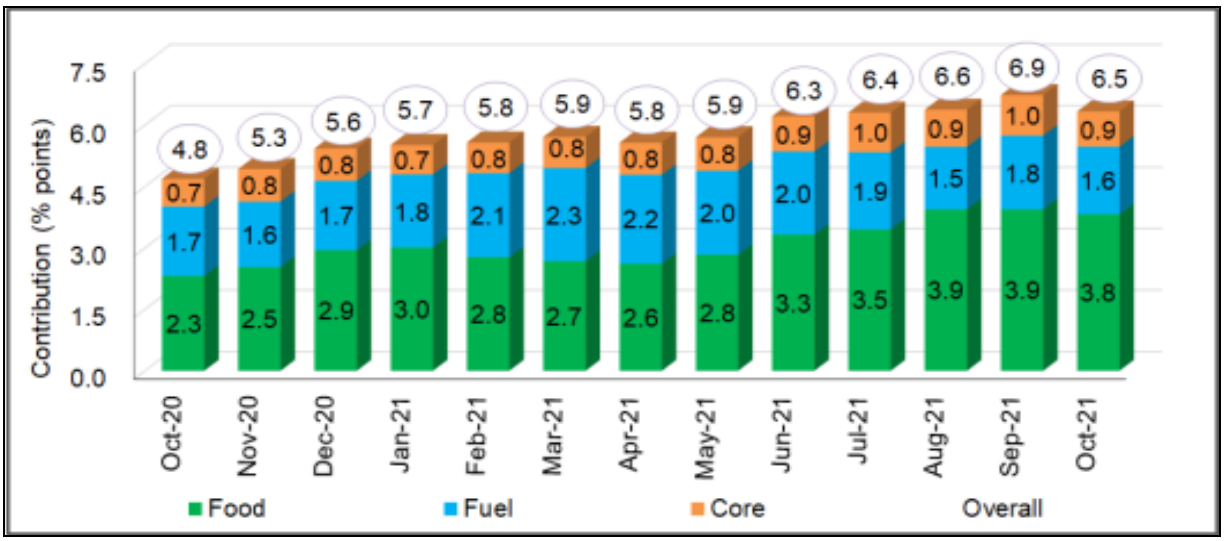
Source: *Budget Policy Statement, 2022*

2.1.2 Inflation Rate

The BPS 2022 notes that the overall inflation rate as measured by the Consumer Price Index (CPI) has remained low, stable and within the policy target range of 5+/-2.5 per cent since 2017. The year-on-year inflation rate increased to 6.45 per cent in October 2021 from 4.84 percent in October 2020 principally driven by higher food prices. The main drivers of inflation were food commodities attributed to dry weather conditions and supply constraints leading to rise in prices of food items particularly tomatoes, spinach, beef with bones, onions, oranges and Potatoes. Another key driver was increase in oil prices that led to increase in costs of transportation.

On average, inflation was lower in the first quarter of 2021 compared to a similar quarter of 2020. However, there was a significant rise in the inflation rate during the second quarter and this trend is likely to continue in the second half of 2021 partly due to higher energy and transportation prices as indicated in figure 2.

Figure 2: Annual Inflation Rate



Source: *Budget Policy Statement, 2022*

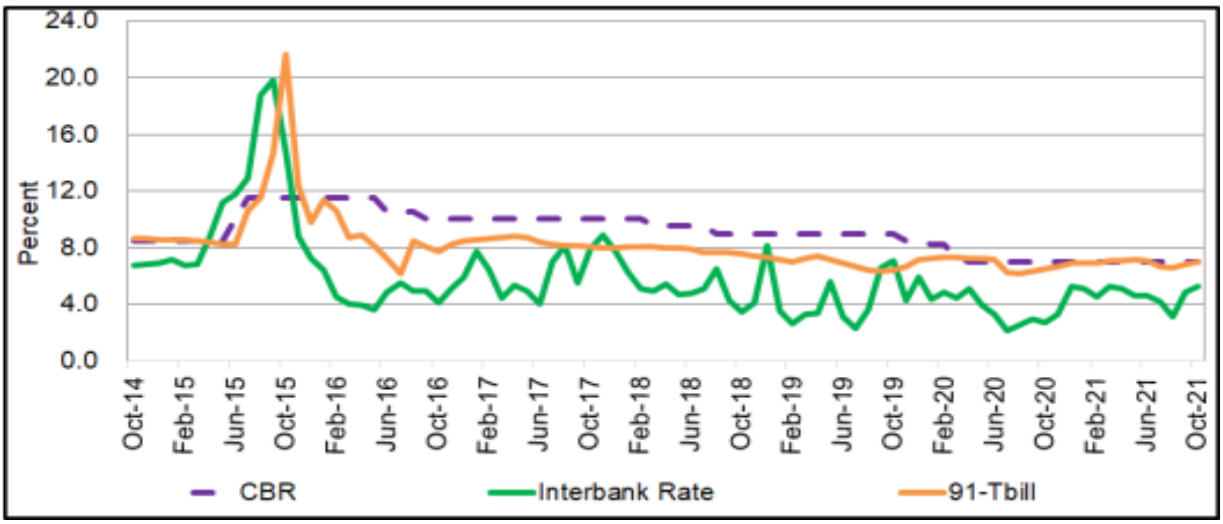
2.1.3 Interest Rate

In an effort to support the economy recover from the negative effects of Covid-19 pandemic, the Central Bank of Kenya (CBK) lowered the Central Bank Rate (CBR) from 7.25 per cent in March 2020 to 7.0 per cent in April through to December and was retained at 7.0 per cent on 28th September 2021 in order to support credit access by borrowers distressed by Covid-19

pandemic as indicated in figure 3. The Interbank rate increased to 5.3 per cent in October 2021 from 2.7 per cent in October 2020.

The average lending rate remained stable at 12.1 per cent in August 2021 compared to 11.9 per cent in August 2020 while the average deposit rates declined from 6.6 per cent to 6.3 per cent over the same period. The 91-day Treasury Bills rate was at 7.0 per cent in October 2021 compared to 6.5 per cent in October 2020, the 182-day Treasury Bills rate increased to 7.4 per cent from 6.9 per cent while the 364-day also increased to 8.3 per cent from 7.8 per cent.

Figure 3: Short Term Interest Rates



Source: *Budget Policy Statement, 2022*

2.1.4 Kenya Shilling Exchange Rate

The foreign exchange market experienced some volatility largely due to uncertainties with regard to Covid-19 Pandemic. The exchange rate of Kenya Shilling against the US Dollar depreciated from KES 108.6 in October 2020 to KES 110.9 in October 2021. The Kenyan Shilling also depreciated against the Euro and Sterling Pound but remained relatively stable as compared to most Sub-Saharan Africa currencies.

The Kenya Shilling weakened by 2.0 per cent against the US Dollar in the year to October 2021. This performance was lower than that of Rwanda Franc, Nigerian Naira, Mauritius Rupee, Burundi Franc and Ghanian Cedi but stronger than that of Tanzania Shilling, Botswana Pula, Uganda Shilling, South African Rand and Namibian Dollar. The stability in the Kenya currency was supported by increased remittances, adequate foreign exchange reserves and favorable horticultural exports.

Table 1: Average Foreign Exchange Rates for Selected Currencies, 2016-2020

Currency	Exchange Rate against KES				
	2016	2017	2018	2019	2020*
1 US Dollar	101.50	103.41	101.29	101.99	106.47
1 Euro	112.33	116.73	119.63	114.18	121.65
1 Pound Sterling	137.66	133.20	135.25	130.18	136.73
1 Swiss Franc	103.04	105.04	103.58	102.62	113.61
1 UAE Dirham	27.64	28.15	27.58	27.77	28.99
1 Indian Rupee	1.51	1.59	1.48	1.45	1.44
1 Chinese Yuan	15.29	15.30	15.33	14.76	15.45
100 Japanese Yen	93.55	92.22	91.74	93.59	99.80
1 SA Rand	6.93	7.77	7.69	7.06	6.51
1 Egyptian Pound	10.14	5.80	5.69	6.07	6.74
TSh/KES	21.54	21.63	22.48	22.63	21.76
USh/KES	33.68	34.92	36.81	36.32	34.93
100 Rwanda Francs	7.53	8.11	8.50	8.82	8.86

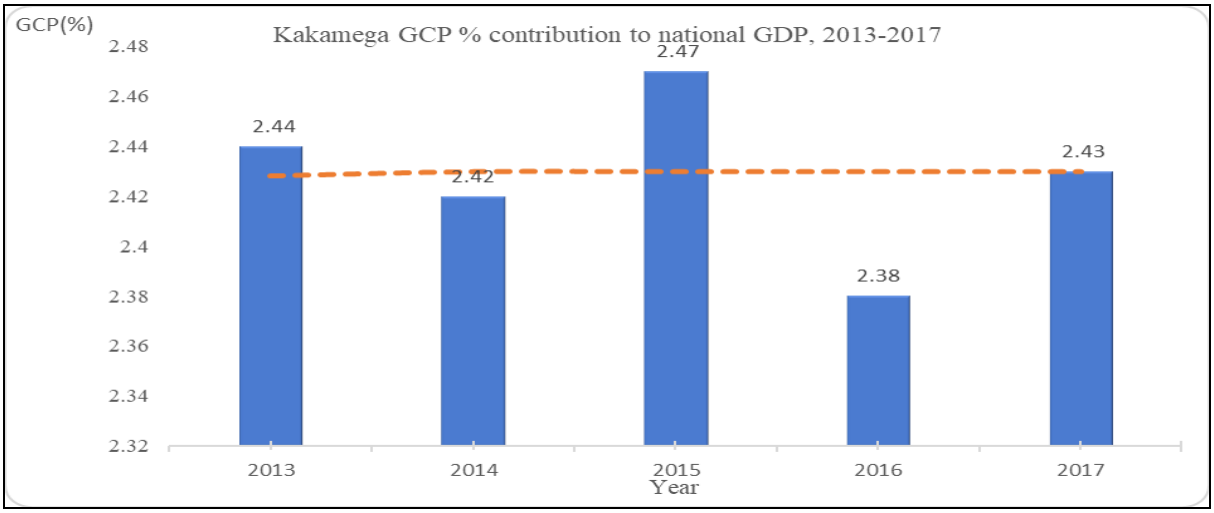
Source: *KNBS, Economic Survey 2021 Report*

2.2 Kakamega Gross County Product (GCP)

2.2.1 Contribution to National GDP

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

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

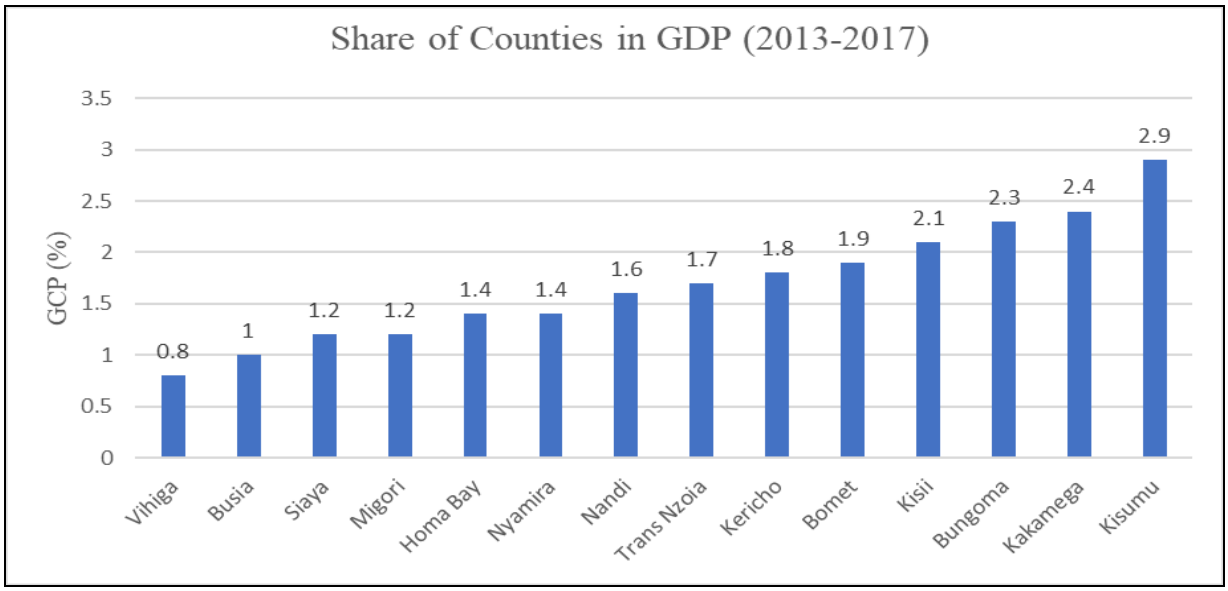


Source: *Gross County Product Report, 2019*

2.2.2 Comparison of GDP of Lake Region Economic Bloc Counties

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

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

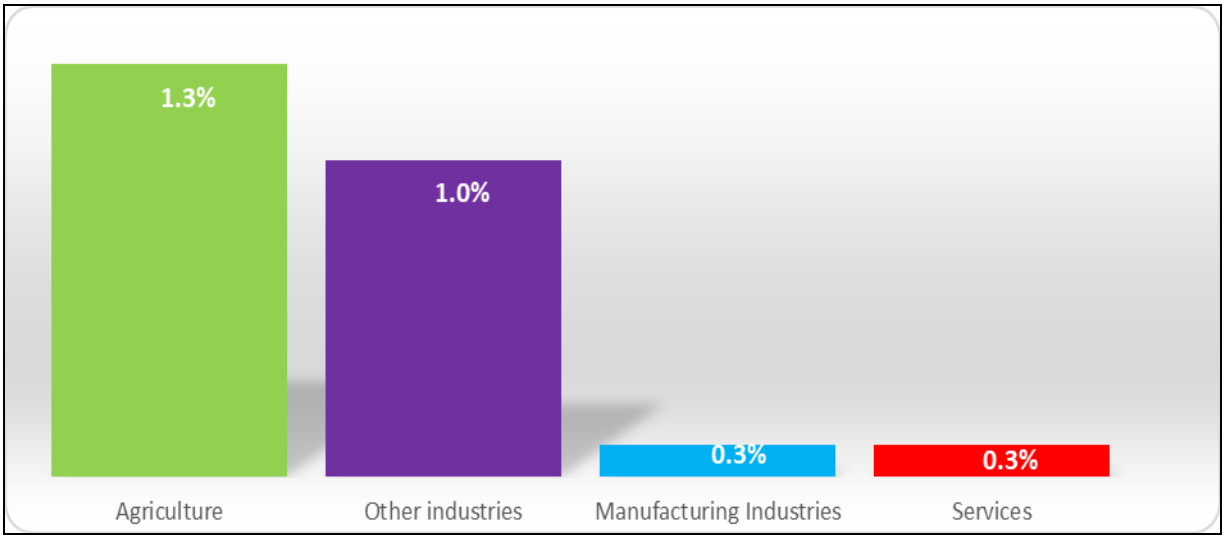


Source: *Gross County Product Report, 2019*

2.2.3 Contribution of Main Sectors to National GDP

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

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



Source: *Gross County Product Report, 2019*

2.3 Economic Effect of the Covid-19 Pandemic

The Country was hit by the Covid-19 pandemic which has adversely affected various sectors of the economy. According to 2020 KNBS Covid-19 survey, about 52.1 per cent of the County population were self-employed in 2015/16 but the share declined to 26.3 per cent in 2020 survey on labor participation with majority of workers (36.8 per cent) reporting decrease in income due to Covid-19. Due to the pandemic, the total visitor numbers, revenue and employment generated by tourism industry declined by approximately 50 per cent. Micro Small and Medium Enterprises sector was mostly affected.

The wholesale and retail trade sector which has the highest number of establishments lost 12.5 hours in usual and actual hours in a week. This indicating the adverse effects on the service sector implying loss of productivity, output and employment. In addition, the manufacturing sector was hard hit and lost 14.8 hours per week. Gender Based Violence (GBV) in the County increased during the Covid-19 period. Based on the survey 26.6 per cent of the respondents in

the County indicated to have witnessed or heard a form of domestic violence in their community since MOH instituted Covid-19 containment measures.

2.4 Update on Fiscal Performance and Emerging Challenges

The fiscal and economic assumption underlying the 2021/22 budget entailed 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 2018/19 – 2020/21. Despite the several challenges that still exist, the County Government will continue with its policy of expenditure rationalization with a view to provide more funds to core services.

2.4.1 County Revenue Performance for Financial Year 2020/2021

The total local revenue collection was KES 1.118 Billion compared to the target in the revised budget of KES 1.656 Billion. This represents revenue shortfall of KES 538 Million or 32.4%. The National Government disbursements amounted to KES 11.994 Billion consisting of conditional grants amounting to KES 1.581 Billion and equitable shareable revenue of KES 10.412 Billion as provided in table 2. The total revenue available for spending was KES 15.394 Billion after the incorporation of transfers from the National Government and the balance from the previous FY 2019/20 of KES 1.057 Billion and KES 1.224 Billion for equitable share and conditional grants respectively.

Table 2: Summary of Revenue performance

Revenue	Actual Receipts (KES)	Approved Budget (KES)	Revised Budget (KES)	Actual Receipts (KES)	Percentage performance
	2019/2020	2020/2021			
Equitable shareable	9,517,344,900	10,571,100,000	10,412,850,000	10,412,850,000	100%
Conditional grants	2,527,640,055	1,765,074,348	1,722,442,281	1,581,509,722	91.8%
Balance brought forward – Equitable Share	558,218,397	1,033,587,342	1,057,513,635	1,057,513,635	100%
Balance brought forward – Conditional Grants			1,224,882,081	1,224,882,081	100%
Own source revenue	1,180,803,459	2,113,000,000	1,656,000,000	1,118,235,983	68%
Other Sources – Ministry of Health	78,930,000	-	-	-	-
Total	**13,862,936,811**	**15,482,762,690**	**16,073,687,997**	**15,394,991,421**	**95.8%**

Source: *CBROP, 2021*

2.4.1.1 Own Source Revenue

The County Revenue collection performance was marginally low in the FY 2020/21 as compared to the FY 2019/20. In the FY 2020/21, own source revenue was KES 1.118 Billion against the revised budget of KES 1.656 Billion compared to the FY 2019/20 where KES 1.180 was collected against a revised budget of KES 1.628. While the actual revenue collected in the FY 2020/21 represented a 67.5 percent of the revised revenue target, the FY 2019/20 represented a 72.5 percent of the revised revenue target.

This indicates that in terms of target achievement, actual performance in FY 2020/21 was short of the achievement of FY 2019/20 by 5 percent. The shortfall in revenue collection was mainly attributed to disruption in economic activities as a result of the global Covid-19 pandemic. The summary of own source revenue performance is presented in table 3.

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

Total Revenue and Grants	Actual Receipts			Approved Budget (KES)	Revised Budget (KES)	Actual Receipts (KES)
	2017/2018	2018/2019	2019/2020	2020/2021		
Own sources	**441,333,276**	**896,660,752**	**1,180,803,459**	**2,112,999,997**	**1,656,000,000**	**1,118,235,983**
Market Fees	25,824,915	33,397,604	23,269,805	42,000,000	45,287,224	19,941,214
Single Business Permit	68,599,290	79,968,601	73,590,133	185,000,000	86,913,399	146,734,359
Rates	30,750,567	18,555,615	21,997,559	492,000,000	42,588,167	26,004,656
Cess	27,155,400	49,240,668	47,722,650	62,964,219	62,301,238	53,517,028
Cess on Murram	-	5,000	2,098,900	8,035,781	9,570,238	2,007,159
Slaughter House	1,840,155	2,094,795	7,437,500	15,300,000	14,253,353	3,681,896
Bus Park	47,579,674	40,742,790	25,255,360	45,000,000	66,756,513	22,167,910
Street Parking	6,994,650	11,667,960	9,575,180	12,000,000	14,942,811	15,341,420
Motor Bike	1,107,160	5,933,010	5,582,800	6,500,000	4,916,593	3,400,324
Kiosk Fee	2,013,180	3,385,980	3,980,220	5,500,000	6,148,429	5,787,450
Ground Rent			2,405,503	6,000,000	4,827,340	839,378
Stall Rent	1,516,460	1,512,360	1,681,050	2,200,000	1,559,271	3,254,105
Impounding Fee	369,250	1,144,295	2,084,840	3,000,000	4,325,016	1,789,241
Plan Approval	8,250,495	16,531,643	18,870,896	41,000,000	50,280,622	25,105,473
Public Toilet	870,506	1,113,330	1,445,888	2,000,000	1,163,292	2,998,270
Reg of Groups	115,200	226,420	258,310	500,000	270,333	330,850
Fire Compliance			1,204,275	2,000,000	1,215,822	9,627,050
Noise Control	21,100	715,050	716,300	1,500,000	639,124	373,200
Stock Sales	11,085,320	11,985,875	5,539,130	15,000,000	15,831,106	8,807,770
Bukhungu Stadium	1,529,700	3,913,200	968,450	2,500,000	2,471,363	429,800
Hire Fee	421,900	1,412,430	3,523,190	2,500,000	2,092,507	550,200
Advertisement	7,548,005	17,535,426	11,069,224	25,000,000	34,897,608	37,224,925

Total Revenue and Grants	Actual Receipts			Approved Budget (KES)	Revised Budget (KES)	Actual Receipts (KES)
	2017/2018	2018/2019	2019/2020	2020/2021		
House Rent	2,560,755	1,516,416	3,020,332	3,000,000	5,904,668	2,802,155
Public Health	7,383,301	15,367,433	16,244,467	20,000,000	29,913,707	22,519,076
Bukura ATC	2,747,861	5,295,121	5,566,024	9,000,000	18,041,509	2,143,908
Veterinary Services	6,506,526	4,820,570	5,035,625	7,000,000	10,408,311	8,642,175
Farm Mechanization	-	1,495,033	1,750,750	10,000,000	15,000,000	2,300,000
Farm Input	-	178,928,435	314,642,850	381,500,000	480,000,000	376,364,215
Health Services	148,164,792	202,918,504	218,548,945	278,000,000	216,926,728	134,119,987
NHIF	-	130,502,050	285,926,691	350,000,000	295,100,188	142,616,850
Weights &Measures	316,205	696,700	433,400	1,500,000	3,635,787	425,700
Interest	-	450,000	1,313,320	500,000	-	-
Liquor	12,717,890	17,886,326	16,915,000	25,000,000	22,545,691	22,880,000
Kiosks	2,013,180	3,385,980	-			
Nursery fees	56,000	20,700	-			
Commissions					1,647,208	6,760,066
Others	17,287,019	35,681,412	41,128,892	49,999,997	83,624,834	6,748,173

Source: *KCRA, 2021*

2.4.1.2 National Government Revenue

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

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

Revenue Item	Amount disbursed (KES)		Deviation (KES)
	2019/2020	2020/2021	
Equitable shareable revenue	9,517,344,900	10,412,850,000	895,505,100
Grant to Level 5 Hospital	427,283,241	427,283,237	-
World Bank-THS-UCP	61,794,598	48,766,265	(13,028,333)
DANIDA-UHDSP	42,358,750	29,610,000	(12,748,750)
World Bank-KCSAP	100,133,871	270,715,346	170,581,475
World Bank-KUSP(Development)	278,312,862	212,372,591	(74,740,271)
World Bank-KUSP(Recurrent)	8,800,000		
Roads Maintenance Levy Fund	295,575,656	315,071,072	19,495,416
Grants to County Youth Polytechnics	76,923,328	102,349,894	25,426,566

Revenue Item	Amount disbursed (KES)		Deviation (KES)
	2019/2020	2020/2021	
User Fee foregone	37,789,290	37,789,290	-
Kenya Devolution Support Programme (KDSP) Level 2	-	78,009,910	78,009,910
Kenya Devolution Support Programme (KDSP) Level 1	30,000,000	45,000,000	15,000,000
Agricultural Sector Development Support Programme (ASDSP)	18,926,430	14,542,117	(4,384,313)
COVID-19 Allowances for health staff	78,930,000	-	(78,930,000)
COVID-19 Grant	262,173,000	-	(262,173,000)
Total	**11,236,345,926**	**11,994,359,722**	**758,013,796**

Source: *CBROP, 2021*

2.4.1.3 Comparison of Yearly Revenue receipts from the National Government

Table 5 presents a comparison of annual revenue receipts from the National government for the period 2016/17 – 2020/21.

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

FY	Equitable share	Conditional Grants	Total
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	11,974,981,652
2019/2020	9,517,344,900	1,719,000,990	11,236,345,926
2020/2021	10,412,850,000	1,581,509,722	11,994,359,722

Source: *CBROP, 2021*

2.4.2 County Government Expenditure for FY 2020/2021

Total expenditure for FY 2020/21 was KES 13.819 Billion against a revised target of KES 16.073 Billion, representing an under-spending of KES 2.254 Billion (14.02 per cent deviation from the revised budget). The overall absorption rate was 85.98 per cent comprising of 91.1 per cent and 79.3 per cent for recurrent and development expenditure respectively. The performance

for FY 2020/21 at 85.98 percent compares favorably with that of the FY 2019/20 at 82.22 per cent.

The overall recurrent expenditure was KES 8.241 Billion, representing an under-spending of KES 801 Million from the approved revised recurrent expenditure of KES 9.042 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 5.484 Billion translating to 35.6 per cent of total revenues for the year which includes salaries for the County Assembly. Operation and Maintenance (O&M) costs was KES 2.756 Billion (17.9 per cent). Of the total expenditure of KES 13.819 Billion, KES 5.578 Billion was spent on development projects and programs translating to 40.4 per cent. Within the year, KES 1.078 Billion (7.0 per cent) was transferred to the County Assembly.

2.4.2.1 Expenditure by Economic Classification

Table 6 provides the details of expenditure by economic classification.

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

PAYMENTS	2019/20	2020/21			
	Actual	Approved budget	Revised budget	Actual	Deviation
	KES	KES	KES	KES	KES
1. RECURRENT	**7,625,120,823**	**8,724,087,342**	**9,042,464,685**	**8,241,311,662**	**(801,153,023)**
Compensation of Employees	4,403,293,692	4,963,356,325	5,538,112,871	5,484,660,128	(53,452,743)
Operations and Maintenance - Executive	2,244,451,843	2,693,794,243	2,850,163,051	2,220,478,622	(629,684,429)
County Assembly - Operations and Maintenance	977,375,288	1,066,936,774	654,188,763	536,172,912	(118,015,851)
2. DEVELOPMENT	**4,924,447,648**	**6,758,674,348**	**7,031,223,312**	**5,578,140,225**	**(1,453,083,087)**
Development projects	4,924,447,648	6,758,674,348	7,031,223,312	5,578,140,225	(1,453,083,087)
TOTAL EXPENDITURE	**12,549,568,471**	**15,482,761,690**	**16,073,687,997**	**13,819,451,887**	**(2,254,236,110)**

Source: *CBROP, 2021.*

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

i) **Compensation of Employees;** This includes basic salaries paid to permanent and temporary employees and personal allowances paid as part of salary among other related costs.

ii) **Operations/Use of goods and services;** It includes utilities, supply and services, domestic travel and subsistence, and other transportation costs, training expenses, hospitality supplies and services, routine Maintenance among other related costs.

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

2.4.2.2 Expenditure by Departments and Agencies

The overall Departmental expenditure was satisfactory. Most County Departments performed fairly well with the departments of Public Service and Administration (96.34 per cent), Roads, Public Works & Energy (95.95 per cent) and The County Public Service Board (90.02 per cent) registering the highest expenditure of allocated funds.

On the other hand, the departments of ICT, e-Government and Communication (64.48 per cent), Education, Science & Technology (57.27 per cent) and Trade, Tourism and Industrialization (43.56 per cent) had the lowest absorption rate of allocated funds. Table 7 presents the expenditure by the County Departments and Agencies.

Table 7: Departmental Expenditure for the Period Ending 30th June 2021

DEPARTMENT	Actual		Budget	Revised Budget	Actual	Absorption Rate
	2018/2019	2019/2020	2020/2021			
	KES	KES	KES			
EXPENDITURES	**11,154,027,983**	**12,549,568,471**	**14,365,824,916**	**16,073,687,997**	**13,819,451,887**	**85.98%**
County Assembly	**893,516,738**	**977,375,288**	**1,116,936,774**	**1,278,945,309**	**1,078,519,716**	84.33%
Current	893,516,738	977,375,288	1,066,936,774	1,228,945,309	1,078,519,716	87.76%
Development	-	-	50,000,000	50,000,000	-	0.00%
Agriculture, Livestock, Fisheries and Co-operatives	**355,855,298**	**599,120,529**	**1,127,212,529**	**1,608,370,189**	**1,415,518,300**	**88.01%**
Current	57,962,757	32,693,744	56,206,565	57,308,057	15,365,662	26.81%
Development	297,892,541	566,426,785	1,071,005,964	1,551,062,132	1,400,152,639	90.27%
Health Services	**1,673,577,719**	**2,000,779,761**	**1,891,242,766**	**2,106,075,334**	**1,764,378,723**	**83.78%**
Current	488,744,742	899,943,165	826,346,215	827,129,306	733,055,531	88.63%
Development	1,184,832,977	1,100,836,596	1,064,896,551	1,278,946,028	1,031,323,192	80.64%
Education, Science & Technology	**379,798,444**	**671,585,960**	**856,336,794**	**602,775,960**	**345,239,767**	**57.27%**
Current	30,776,950	176,259,151	206,986,900	203,464,400	59,764,962	29.37%
Development	349,021,494	495,326,809	649,349,894	399,311,560	285,474,805	71.49%
Roads, Public Works & Energy	**1,539,262,134**	**1,377,082,787**	**1,670,249,901**	**1,545,126,863**	**1,482,615,926**	**95.95%**
Current	10,911,433	19,045,980	30,178,829	208,683,829	195,809,849	93.83%
Development	1,528,350,701	1,358,036,807	1,640,071,072	1,336,443,034	1,286,806,077	96.29%
Lands, Housing, Urban Areas and Physical Planning	**178,594,564**	**538,468,262**	**682,324,344**	**988,811,024**	**636,699,002**	**64.39%**
Current	92,961,647	131,538,969	169,605,544	183,132,646	141,921,131	77.50%

DEPARTMENT	Actual		Budget	Revised Budget	Actual	Absorption Rate
	2018/2019	2019/2020	2020/2021			
	KES	KES	KES			
Development	85,632,917	406,929,293	512,718,800	805,678,378	494,777,871	61.41%
Social Services, Youth & Sports	**298,436,204**	**536,740,520**	**729,032,936**	**616,742,936**	**494,491,290**	**80.18%**
Current	26,641,572	52,619,276	83,032,936	92,242,936	43,470,509	47.13%
Development	271,794,632	484,121,244	646,000,000	524,500,000	451,020,781	85.99%
Trade, Tourism & Industrialization	**162,885,933**	**160,161,686**	**386,605,000**	**335,985,000**	**146,352,495**	**43.56%**
Current	29,501,573	31,867,776	56,605,000	38,985,000	23,878,461	61.25%
Development	133,384,360	128,293,910	330,000,000	297,000,000	122,474,034	41.24%
Water, Environment and Natural Resource	**157,915,053**	**290,642,127**	**358,591,639**	**412,118,394**	**307,988,849**	**74.73%**
Current	30,728,948	30,876,291	39,459,572	25,736,214	18,037,647	70.09%
Development	127,186,105	259,765,836	319,132,067	386,382,180	289,951,202	75.04%
Public Service and Administration	**4,904,586,912**	**4,862,678,119**	**5,675,745,880**	**5,713,720,880**	**5,504,430,962**	**96.34%**
Current	4,798,713,628	4,852,059,106	5,510,745,880	5,514,220,880	5,412,057,922	98.15%
Development	105,873,284	10,619,013	165,000,000	199,500,000	92,373,040	46.30%
Office of the Governor	**269,222,770**	**194,191,616**	**244,937,432**	**209,037,432**	**169,807,618**	**81.23%**
Current	239,222,770	178,035,859	209,437,432	198,537,432	163,361,747	82.28%
Development	30,000,000	16,155,757	35,500,000	10,500,000	6,445,871	61.39%
County Treasury	**304,780,353**	**185,126,067**	**499,070,652**	**418,826,608**	**313,715,644**	**74.90%**
Current	179,780,353	185,126,067	394,070,652	398,826,608	312,715,644	78.41%
Development	125,000,000	-	105,000,000	20,000,000	1,000,000	5.00%
County Public Service Board	**35,595,861**	**31,624,954**	**32,979,122**	**26,537,547**	**23,887,947**	**90.02%**

DEPARTMENT	Actual		Budget	Revised Budget	Actual	Absorption Rate
	2018/2019	2019/2020	2020/2021			
	KES	KES	KES			
Current	35,595,861	31,624,954	32,979,122	26,537,547	23,887,947	90.02%
ICT, E-government & Communication	**-**	**123,990,795**	**211,495,921**	**210,614,521**	**135,805,648**	**64.48%**
Current	-	26,055,197	41,495,921	38,714,521	19,464,935	50.28%
Development	-	97,935,598	170,000,000	171,900,000	116,340,713	67.68%

Source: *CBROP,2021*

2.5 Major Programmes and Projects implemented in the period 2018/19 – 2020/21

2.5.1 Agriculture, Livestock, Fisheries and Cooperatives

- **One Cow Initiative** – 480 in-calf heifers distributed to farmers and 708 heifer calves have been passed over;
- **Smart Dairy unit established** - Khwisero and Kabras Smart dairy units;
- **Artificial Insemination (AI)** – Enhanced access to AI services through training of 23 AI service providers who have served 37,355 cows;
- **ATVET** – 48 heifers distributed to ATVET students;
- **Poultry Farming** – 88,000 chicks distributed and 4,665 chicks brooded and distributed to groups at one month-old;
- **Disease Prevention** – 931,825 cattle, 12,313 sheep, 9,546 goats, 64 donkeys and 379 pigs vaccinated against major diseases; 68,779 dogs and 678 cats vaccinated against rabies;
- **KALRO diagnostic Laboratory** – Renovated and operationalized the laboratory at KALRO;
- **Cattle dips** - Constructed Burundu and Soysambu Cattle dips;
- **Fish Farming and Productivity** – Purchased and distributed 261.30 tonnes of fish feeds and 489,200 male Tilapia fingerlings to 489 farmers, constructed Lutonyi fish warehouse, rehabilitated and stocked Musembe, Lugulu, Siyenga and Mwamba dams with 25,000 fingerlings and provided 50 predator nets, 50 birds nets, 21 PVC liners, 60 seine nets to farmers and farmer groups;
- **Farm Input Subsidy** – Distributed 415,000 bags of planting fertilizer, 415,000 bags of top-dressing fertilizer and 475,464 (2 kg) packets of maize seeds;
- **Tea development** – 400,000 Seedlings distributed to farmers in Shinyalu, Ikolomani and Khwisero Sub-counties for infilling;
- **Tissue culture banana** – Purchased and distributed 15,000 tissue culture;
- **Farm Mechanization Services (Tractor services)** – A total of 3,520.86 acres of land have been ploughed;
- **Irrigation** – Total area of land under irrigation is 362 acres, 4,315 acres under drainage;

- **Bukura ATC-** Developed tea nursery, Dairy unit constructed, block A renovated, constructed a concrete slab, purchased ICT equipment and furniture from prisons;
- **Cooperatives Support –** Provided tools and equipment and grants for value addition and agro-processing to 54 Cooperatives Societies and developed cooperative policy;
- **KCSAP-** 313 groups supported with over 200M to improve agriculture production.

Impact

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

2.5.2 Roads, Public Works and Energy

- Completion of 35.70 km of road to bitumen standards. The roads include: Bukura - Shibuli rd 9.2km) Soy – Kogo Rd 13 km, Lumakanda Town – Lumakanda Junction Rd 4 km, Hill School Logma Guest House, National Housing network, Kakamega Teaching and Referral Hospital Road, Shibuli – Bukura road, Kencom Road, and various in Mumias and Kakamega towns)
- Initiation of 32.2 km of new bitumen road which include: Bushiangala - Eregi – Lusiola (9.3km), Lumakanda – Mwamba (7.2km), Tsalwa - Ombwaro – Manyulia (5.5km), Matungu – Ogalo (9.2km) and Lwakhupa - Mutoma Road (1km)
- Installed 32 high mast floodlights in various trading centres across the County;
- Constructed a total of 1,121.77km under 10 km per ward road project and 939 km of road maintained.
- Eight bridges/box culverts installed.

Impact

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

2.5.3 Health Services

- Constructed the Kakamega County Teaching and Referral Hospital Phase 1 (93% complete)
- Construction of Shamakhubu level IV hospital (82% complete)
- Constructed Mumias Level IV hospital which is 98% complete and partially operational
- Constructed modern funeral parlour at the CGH which is operational
- Renovated Old mortuary, kitchen, Ward 6 Covid-19 Isolation, In-patient and Out-patient Wards at the CGH
- Constructed Biomedical Waste Management Ware House and installed medical waste treatment plant at the CGH.
- Installed CCTV cameras at CGH
- Constructed Oxygen generating plant at CGH
- Equipped all level IV with assorted medical equipment
- Enhanced regular supply of drugs and medical consumable in all public health facilities
- Constructed, expanded and upgraded other health facilities across the County: Chepkombe, Lutasio, Silungai, Chegulo OPD Blocks and Nyapora (Maternity) dispensaries, Khwisero Hospital; Laboratory and Drug Store, Manyala Hospital; Bio digester, Musanda Dispensary; renovations, Shianda Health Centre; Maternity Block and Female ward and Likuyani Hospital; Paediadric ward
- In partnership with NHIF and other development partners, over 8,840 vulnerable households were put under medical cover which enabled them access health care services
- In partnership with UNICEF, over 61,000 mothers have been able to access antenatal Care (ANC) services, skilled delivery and full package of child welfare services under Imarisha Afya ya Mama na Mtoto program. Among them, 5,085 needy and vulnerable mothers are under cash transfer program to assist mothers meet essential needs for the child and mother survival.

Impact

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

2.5.4 Education Science and Technology

Polytechnic Directorate

- Polytechnic tuition subsidy capitation of KES 15,000 per trainee has increased enrolment from 6,966 in 2017/18 to 10,359 in the FY 2020/21;
- Constructed gate and toilets at Eshiabwali CP and ongoing construction of 10 polytechnic classrooms and 3 staffrooms at Binyenya, Mundeku, Musamba, Kabras and Butsotso Central CPs;
- Equipped all the CPs with assorted tools and equipment to a ratio of approximately 1 equipment to 2 trainees (1:2);
- Supplied branded teaching and learning materials to CPs;
- Acquired 3 Acres of land for establishment of a new Polytechnic in Bunyala West ward;
- Developed schemes of service for Polytechnic Instructors.

ECDE Directorate

- ECDE tuition subsidy (capitation) has increased enrolment from 107,777 in 2017/18 to 124,500 in 2020/21;
- Completed construction of 48 ECDE Centres and commenced construction of 22 others;
- Provided Teachers guides, Children's Workbooks and branded exercise books to all ECDE Centres.
- Developed schemes of service for ECDE Teachers;
- Renovated 20 ECDE Centres;
- Acquired and distributed 44,088 and 6,680 child-friendly chairs and tables respectively to 304 ECDE Centres;
- Nzoia County Polytechnic supplied 78 tables and 624 chairs to ECDE Centres.

Education support

- Completed construction of 4 Centres of Excellence (Electrical and Plumbing Works);
- Construction of Multipurpose Hall at Mabole Secondary ongoing;
- Undergraduate HELB Scheme disbursed funds to 1,743 students while Afya Elimu Fund disbursed to 517 students;
- County Education Scholarship Scheme benefited 12 students studying in local universities. Total enrolled students is 60;

- County Ward Based Bursary Scheme benefitted 30,839 students studying in colleges and secondary schools;
- Supported public learning institutions in provision of learning infrastructure and equipment;

Impact

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

2.5.5 Trade Industrialization and Tourism

- Constructed 4 modern markets (Nambacha, Mumias West, Kipkaren and Bukura);
- Fabricated and installed 51 modern kiosks;
- Completed construction of 5 ablution blocks in Nangili, Shisere, Matete, Khuqueen and Kambiri markets;
- Constructed Nambacha and Butere stock rings;
- Renovated Mulwanda and Butali markets;
- Designated and gazetted five heritage sites (Nabongo Cultural center, Ikhongo Murwi, Misango hills, Mawa tatu;
- Acquired primary Weights and Measures standards;
- Constructed 3 Juakali sheds (Navakholo, Mumias West, and Malava);
- Ongoing construction of 2 open air markets (Dudi and Manyulia) which are at 60% and 90% completion levels respectively; and
- Kakamega County Microfinance Corporation has loaned out a total of KES 45, 755,000 to 570 MSMEs across the County.

Impact

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

2.5.6 Water, Environment and Natural Resource

- Developed a data base for all water sources in collaboration with KIWASH.
- Increased Water Connectivity by 210 Km
- Water storage Capacity was increased by 2,555.5 m3

- Rehabilitated forty-three (43) boreholes which are currently in use, and thus increasing access to water.
- Drilled 2 number of boreholes to increase access to clean and safe water.
- Solarized 3 number of projects at Makhokho, Shibanga and Imalaba Water Supply Projects.
- Installed two (2) number containerized water treatment plants systems as an improved technology for the county water projects at Musembe Dam Water Supply Project and Lumino Dam Water Supply Project.
- Constructed 87 rain water harvesting and storage systems at public institutions including schools, polytechnics, health centres around the County in collaboration with partners.
- Completed three out of five Kenya Devolution Support Programme water projects including Musembe Dam Water Supply Project, Lwakhupa Water Supply Project and Kuvasali Gravity Water Supply Project.
- Completed two key flagship water projects i.e., Lumino Dam and Misango Water supply Projects.
- Increased the County tree cover by planting over 200,000 trees in selected public institutions, riparian areas and hilltops under the County Greening programme.
- Mapped county natural resources including wetlands and mining sites.
- Sensitized artisanal miners across the County on sustainable land use management and safety, in collaboration with the National Environmental Management Authority (NEMA), Directorate of Occupational Safety and Health Administration (DOSH) and the Ministry of Mining.
- Developed legal frameworks to guide implementation of projects and programmes in the Department, including The Kakamega County Climate Change Act 2020.
- Mobilized resources through collaborations and partnerships to develop 88 Water Supply projects and other departmental activities with partners such as NICCO Japan, USAID KIWASH, Water Mission, Acacia Exploration Kenya Ltd, The Water Project, Lake Victoria North Water Works Development Authority World Vision, Afya Halisi, Living Waters, ADS-Western, Christian Aid, Kenya Devolution Support Programme and The Kenya Red Cross.

Impact

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

2.5.7 Social Services, Youth and Sports

- Upgrading of Bukhungu Stadium to international standards (Phase II 35% complete);
- Constructed 720 houses to the vulnerable people
- Completed construction of Shinyalu Gender Based Violence Rescue Center
- Supported 60 Vulnerable groups/Institutions
- Reviewed Kakamega County Disability Bill
- Conducted baseline survey for PWDs in the County;
- Supported 32 Children Charitable Institutions with food donations
- Trained 120 youth on leadership and governance
- Trained 36 football coaches in the northern region
- Promoted the development of sports talent through KYISA games, KICOSCA, EALASCA and Sports Support Programmes;
- Supported the deaf team to participate in the National Deaf Competitions
- Renovated Mumias cultural centre
- Ranked position 1 in the Kenya National Music and Cultural Festival seven years in a row.
- Supported 50 cultural practitioners (PAL festival launch, herbalists, Musindi Band)
- Established and implemented the County Youth Service where 3,000 youth and women were engaged to provide services to the County;
- Trained and issued drivers' license to 600 boda boda operators
- Conducted capacity building for 600 youth and 300 women on various talent and empowerment skills;
- Promoted integration among East African Countries by participating in Jumuia ya Africa Mashariki Festival in Tanzania 2019;
- Participated in UNESCO cultural festival in Kisumu to promote national integration;

Impact

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

2.5.8 Lands, Housing, Urban Areas and Physical Planning

- Upgraded 6.9 Kms of earth roads to bitumen standards and Constructed 7 Kms of Non-motorized transport within the municipalities
- Landscaped and beautified an area covering over 10,000 SMs of open spaces has seen green space for relaxation increase.
- The purchased 30.9 acres of land within the county for development
- Constructed two major markets i.e Shirere and Kambi somali markets
- Preparation of Malava and Butere Spatial Plans is on going
- Construction of Sichirai Market which is on-going at 40% complete
- Construction of Mumias Bust Park which is at 75 % complete

Impact

Improved the business environment, hygiene and town planning.

2.5.9 Public Service and County Administration

- Completed construction of Ikolomani and Likuyani Sub-County offices;
- Constructed County HQ Annex and installed lifts;
- Constructed seven (7) ward offices;
- Constructed Rehabilitation Centre;
- Refurbished five (5) offices (Sahajanand, Old County HQs, Kotecha Building, Malava and Shinyalu);
- Constructed Police houses in Navakholo;
- Handled various disaster Occurrences in the County (Musingu High School dorm fire, Kakamega Stampede and collapsed bridges due to floods) under disaster fund;
- Organized 127 awareness forums on effects of alcohol and drug abuse across the County;
- Coordinated 58 public participation meetings/forums across the county.

Impact

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

2.5.10 Finance and Economic Planning

- The County Own Source Revenue collected was KES. 1.118 Billion in FY 2020/21 marginal drop of 5.25 percent from the KES 1.18 Billion achieved in the FY 2019/20 due to the COVID-19 disruptions;
- To improve on project tracking activities, 13 monitoring and evaluation exercises were undertaken.
- Achieved a qualified report from a disclaimer report throught improved internal control systems.
- Undertook the Mid-Term of the Kakamega County CIDP 2018-2022 in preparation for the CIDP 2022-2027.
- Prepared the draft asset management policy.
- Prepared respective budget and Economic Policy documents as required by Law.
- Undertook investment opportunities mapping in all the 12 Sub-Counties.
- County staff were trained in CIPMIS to improve on project documentation.
- Operationalized the E-procurement system.

Impact

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

2.5.11 ICT, e-Government and Communication

- Undertook point to point connection of County offices at the headquarter (Bukhungu stadium, Kotecha, PC building, Public works and Mwauda offices);
- Procurement and operationalization of the cashless system (e-revenue collection)
- Purchased and distributed 200 POS gadgets distributed in the sub-counties and level 4 health facilities.
- Development and implementation of the Enterprise Resource Planning (ERP) System.
- Installation of Security Surveillance Cameras in county headquarters, Sahajanand building, Kotecha building, PC block B&C, Public works, Mwauda, and Bukhungu stadium Phase I, Bukhungu Stadium U-Turn, Kakamega-Webuye road (roundabout) and Kakamega-Mumias Road (At Sahajanand).
- Development and operationalization of two E-Government Portals (revenue web portal and recruitment web portal).

- Establishment of the production studio at the County headquarters.
- In collaboration with ICT Authority provided technical for 9 centres through NG-CDF funding at Ikolomani, Navakholo, Matungu and Lurambi.
- Sustained information sharing through County documentary.

Impact

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

2.5.12 Office of the Governor

- Completed furnishing of the County Court;
- Refurbished Audit Offices in Lugari and Butere;
- Acquisition of project management system.

Impact

The project management system has enabled the county in planning managing, and keeping records of its projects.

2.6 Implementation of FY 2021/22 Budget and Emerging Fiscal Challenges

The implementation of budget for FY 2021/22 started smoothly despite uncertainty in disbursement of funds from the National government. Most expenditure during the first quarter was majorly recurrent in nature with employee cost taking a bigger percentage and emphasis placed on completion of ongoing projects and payment of pending bills. Challenges arising from the outbreak of Covid-19 pandemic have affected the implementation of the budget. However, there is reprieve coming from the access to wide range of vaccines as well as the drop in the overall National and County positivity rates.

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

Given that the general elections are scheduled in August 2022 and based on performance in the first quarter of the FY 2021/22, it is foreseen that the revenue target of KES 2.113 Billion may not be achieved and this shall necessitate revising the revenue targets downwards.

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

- Effects of Covid-19 pandemic;
- 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 quarter of the financial year 2021/22 has faced several challenges key among them; COVID-19 pandemic, insufficient budget for some programs resulting to pending bills, delays in exchequer releases by the National Treasury, continued expenditure demands from Departments and a review of own source revenue target downwards.

In view of the financial constraints, a supplementary budget for FY 2021/22 reflecting these changes is under preparation for approval by the County Assembly. The County Government will continue to rationalize and re-prioritize development and operational expenditures in order to spend within the budget.

2.8 Risks to the outlook

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

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

3.0 FISCAL POLICY AND BUDGET FRAMEWORK

3.1 Overview

The 2021/22 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 which 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.

3.1.1 Legal Framework

The Budget process is provided in legal frame work 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 boosting the inter and intra government relations.

3.1.2 Adherence to Fiscal Responsibility Principles

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

Some of the fiscal responsibility principles to be observed include:

- Over the medium term, a minimum of 30% of the County Government budget shall be allocated to development expenditure;
- The County Government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the County Government revenue as prescribed by the Public Financial Management Act (PFMA 2012). This is a challenging fiscal principle as the county is faced with huge wage bill without equivalent corresponding revenue that support cash flow to meet this requirement. The wage bill stands at 35.6%.
- 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.

3.2 Fiscal structural reforms

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

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

The County Government will also strive to ensure there is efficient and effective execution of the budget. This will be made possible through expenditure tracking and taking corrective measures on any deviations and instilling strong internal controls on expenditure. To achieve value for money there is need to strengthen audit function

through continuous review of audit risks and periodic monitoring and evaluation of projects and programmes.

3.3 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 financial position and capability of the County Government in repaying the debts. The County Government plans to borrow up to a maximum of KES 2 Billion that will be used in the health sector especially for purchase of medical equipment and infrastructural development.

3.4 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 2021/22 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 2018 – 2022. The ceilings are also adjusted based on expenditure trends, Covid-19 Socio-Economic Re-engineering Recovery Strategy and the County Government priority programs within the spending units. Inflation which affects the expenditure trends has been put into consideration. An emergency fund of KES 100 Million will be set aside to cater for any emergency issues that may arise during the FY 2022/23.

3.5 The FY 2022/2023 Budget framework

The FY2022/23 budget framework is prepared in consideration of the macro-fiscal framework set where real GDP is expected to grow by 6.0 percent in FY2021/2022 and by 6.2 percent in the FY2022/2023. Inflation rate is expected to remain low and stable below 6 percent.

4.0 MEDIUM-TERM EXPENDITURE FRAMEWORK

4.1 Division of Revenue Raised Nationally

Based on the Draft Budget Policy Statement (BPS, 2022), the ordinary revenue collected by the National Government in the FY 2020/21 was KES 1,562 billion against a target of KES 1,578.8 billion, representing a shortfall of KES 16.8 billion. The Division of Revenue Bill (DoRB), 2022 has proposed to allocate to County Governments KES 370 billion as their equitable share of revenue raised nationally. This is a retention of the allocation in FY 2021/22 as presented by figure 6.

Figure 7: Division of Revenue Raised Nationally

Type/level of allocation	2018/19	2019/20	2020/21	2021/22	2022/23
National Government	1,367,069	1,554,916	1,517,700	1,398,799	1,764,100
Of which:					
Leasing of Medical Equipment	9,400	6,205	6,205	7,205	5,200
Supplement for construction of county headquarters	605	300	300	332	454
Equalization Fund	4,700	5,760	6,500	6,788	7,485
County equitable share	314,000	316,500	316,500	370,000	370,000
Total shareable revenue	**1,681,069**	**1,877,176**	**1,840,700**	**1,775,624**	**2,141,584**

Source: Draft Budget Policy Statement, 2022

4.2 County Governments Allocation

The BPS, (2022) proposes that the equitable share of revenue is KES 370 billion. This revenue is shared among County Governments based on the third basis formula approved by Parliament in September, 2020. The formula takes into account the following parameters; (i) Population (18%); (ii) Health Index (17%); (iii) Agriculture Index (10%); (iii) Urban Index (5%); (iv) Poverty Index (14%); (v) Land Area Index (8%); (vi) Roads Index (8%), and; (vii) Basic Share index (20%).

In addition to the equitable share, County Governments will receive conditional allocations amounting to KES 5.65 Billion for leasing medical equipment and construction of County headquarters; and Equalization Fund to the marginalized areas of KES 7.4 Billion.

Figure 8: Allocation Among County Governments

Type/level of allocation	2018/19	2019/20	2020/21	2021/22	2022/23
County equitable share	314,000	316,500	316,500	370,000	370,000
Additional conditional allocations, of which:					
Leasing of medical equipment	9,400	6,205	6,205	7,205	5,200
Supplement for construction of county headquarters	605	300	300	332	454
Allocations from loans and grants	33,242	39,090	30,204	32,334	31,382
Total County Allocations	**372,741.9**	**378,305**	**369,868**	**409,871**	**407,036**

Source: Draft Budget Policy Statement, 2022

4.3 Conditional Grants

As a result of the High Court Ruling on Petition No. 252 of 2016 in December, 2020, which directed that conditional or non-conditional allocations are not items to be provided for in the Division of Revenue Act, these allocations (conditional or non-conditional) were not included in the Division of Revenue Act and the BPS, 2022. The Senate approved the Division of Revenue Bill, 2021 without the conditional grants and consequently this CFSP does not contain conditional or non-conditional allocations.

The National Treasury through the BPS (2022) directed that all grants to County Governments be coordinated by the line Ministry which shall oversee development of frameworks and conditions to be met by Counties to receive the grants. The Accounting Officer will have the sole authority for approval of funds and must review/approve financial reports prior to submission to the National Treasury.

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 Draft Budget Policy Statement (2022) by the National Treasury. In view of the continued pressure that arise from wage bill and limited resources, MTEF budgeting will focus on adjusting expenditures to cater for the priority sectors.

Financing of County Government budget revolve around two main financing sources namely; transfers from the National Government and own source revenue. The shareable revenue transfers will account for 89.31 per cent of the expenditure priorities in the budget while 10.69 per cent will be financed from own revenue sources.

This will comprise of **KES 12,389,412,168** equitable shareable revenue and **KES 1,600,000,000** as own source revenue. The unspent balance from FY 2021/22 is estimated to be **KES 965,400,461** which makes up the 6.45 per cent of total resource envelope estimates of **KES 14,954,812,629** as presented in table 8.

Table 8: Revenue resource envelope

Revenue source	Approved Budget Estimates	Forecast		
	2021/22	2022/23	2023/24	2024/25
	KES	KES	KES	KES
Own sources	**2,113,000,000**	**1,600,000,000**	**2,113,000,000**	**2,113,000,000**
Balance brought forward – **Equitable Share**	965,400,461	965,400,461	935,677,000	935,677,000
Balance brought forward – **Conditional grant**	309,626,239	-	-	-
Allocations from the National Government				
Total equitable share	12,389,412,168	12,389,412,168	12,389,412,168	12,389,412,168
Conditional Grants				
World Bank Universal Health Care Fund	73,144,291	-	-	-
KCSAP – Kenya Climate Smart Agriculture Project	338,783,306	-	-	-
Agricultural Sector Development Support Programme (ASDSP)	28,082,288	-	-	-
DANIDA Grant	23,071,125	-	-	-
Kenya Devolution Support Programme – Level 2	78,009,910	-	-	-
Kenya Informal Settlement Improvement Project - (KISIP II)	150,000,000	-	-	-
Total conditional allocations - Development Partners	**691,090,920**	-	-	-
TOTAL REVENUE	**16,468,529,788**	**14,954,812,629**	**15,438,089,168**	**15,438,089,168**

Source: *CBROP, (2021) and BPS (2022)*

4.5 Spending Priorities for FY 2022/23 – FY 2024/25 MTEF Budget

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

- Transforming the agricultural sector;
- Development of road network to enhance accessibility;
- Enhance access to universal and affordable health care;
- Increase access to safe and clean water;

- Enhance access to quality education and training;
- Promote fair trade development and industrial growth and investment;
- Improve ICT infrastructure;

4.6 Medium Term Expenditure Estimates

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

4.7 Proposed Expenditure by Economic Classification

The total resource envelope estimates for the FY 2022/23 are **KES 14,954,812,629** excluding conditional grants. Out of this, recurrent expenditure is estimated to be **KES 2,787,993,759 (18.68%),** employee compensation is estimated to be **KES 5,200,323,771 (34.77%)** and development expenditure is estimated to be **KES 5,776,527,890 (38.63%)**. The estimates that will be transferred to the County Assembly are KES **1,189,967,209 (7.96%).**

Table 9: Baseline Ceilings for FY 2022/23 – 2024/25

Department/Agency	Approved Budget	Estimates	Forecast	
	2021/2022	2022/2023	2023/2024	2024/2025
	KES	KES	KES	KES
County Assembly	**1,239,967,209**	**1,239,967,209**	**1,244,967,209**	**1,197,917,209**
Current	1,189,967,209	1,189,967,209	1,194,967,209	1,147,917,209
Development	50,000,000	50,000,000	50,000,000	50,000,000
Agriculture, Livestock, Fisheries and Co-operatives	**1,621,125,501**	**1,579,481,262**	**1,491,722,242**	**1,504,873,489**
Employee Cost	317,097,291	317,097,291	329,781,183	342,972,430
Current	76,022,246	73,954,172	69,716,464	69,714,064
Development	1,228,005,964	1,188,429,799	1,092,224,595	1,092,186,995
Health Services	**4,853,769,455**	**4,530,443,789**	**4,538,353,897**	**4,662,724,445**
Employee Cost	2,804,811,852	2,804,811,852	2,917,004,326	3,033,684,499
Current	717,949,997	681,278,403	648,264,483	648,264,483
Development	1,331,007,606	1,044,353,534	973,085,088	980,775,463
Education, Science & Technology	**1,237,310,125**	**1,179,102,508**	**1,203,098,116**	**1,222,392,693**
Employee Cost	447,023,478	471,023,478	489,864,417	509,458,994
Current	209,176,182	367,016,182	185,440,762	185,362,762
Development	581,110,465	341,062,848	527,792,937	527,570,937
Roads, Public Works and Energy	**1,698,714,105**	**1,181,249,544**	**1,545,364,346**	**1,548,836,014**
Employee Cost	83,453,572	83,453,572	86,791,715	90,263,383
Current	366,196,568	352,934,426	335,471,705	335,471,705
Development	1,249,063,965	744,861,546	1,123,100,926	1,123,100,926

Department/Agency	Approved Budget	Estimates	Forecast	
	2021/2022	2022/2023	2023/2024	2024/2025
	KES	KES	KES	KES
Lands, Housing, Urban Areas and Physical Planning	**895,878,211**	**737,962,043**	**815,101,593**	**817,089,773**
Employee Cost	47,792,782	47,792,782	49,704,493	51,692,673
Current	199,131,507	185,306,666	176,041,333	176,041,333
Development	648,953,922	504,862,595	589,355,767	589,355,767
Social Services, Youth & Sports	**1,027,981,116**	**816,758,175**	**934,533,632**	**936,485,095**
Employee Cost	49,314,002	49,314,002	51,286,562	53,338,025
Current	59,182,458	55,784,025	52,994,824	52,988,824
Development	919,484,656	711,660,148	830,252,246	830,158,246
Trade, Industrialization & Tourism	**448,660,283**	**378,782,746**	**410,679,449**	**412,023,183**
Employee Cost	41,916,683	41,916,683	43,593,350	45,337,084
Current	31,743,600	30,912,514	29,366,888	29,334,888
Development	375,000,000	305,953,549	337,719,211	337,351,211
Water, Environment and Natural Resources	**841,705,754**	**726,443,446**	**737,615,499**	**739,799,682**
Employee Cost	57,321,124	57,321,124	59,613,969	61,998,528
Current	42,160,223	38,942,932	36,612,083	36,601,262
Development	742,224,407	630,179,390	641,389,447	641,199,892
Public Service and Administration	**1,454,676,389**	**1,474,881,729**	**1,526,104,992**	**1,522,716,635**
Employee Cost	721,260,517	743,443,336	**834,541,069**	**867,922,712**
Current	522,415,872	601,306,570	522,415,872	522,415,872
Development	211,000,000	130,131,823	169,148,051	132,378,051
Office of the Governor	**296,463,332**	**282,502,053**	**293,111,453**	**297,785,527**

Department/Agency	Approved Budget	Estimates	Forecast	
	2021/2022	2022/2023	2023/2024	2024/2025
	KES	KES	KES	KES
Employee Cost	117,165,234	117,165,234	121,851,843	126,725,917
Current	145,348,098	142,382,615	140,432,880	140,268,880
Development	33,950,000	22,954,204	30,826,730	30,790,730
Finance and Economic Planning	**707,140,052**	**660,815,670**	**684,285,803**	**698,030,700**
Employee Cost	335,213,862	335,213,862	348,622,416	362,567,313
Current	276,926,190	275,329,880	255,663,387	255,463,387
Development	95,000,000	50,271,928	80,000,000	80,000,000
County Public Service Board	**62,099,024**	**61,226,951**	**63,184,783**	**65,042,538**
Employee Cost	44,657,562	44,657,562	46,443,864	48,301,619
Current	17,441,462	16,569,389	16,740,919	16,740,919
ICT, E-Government & Communication	**123,039,231**	**105,195,504**	**115,758,443**	**116,894,343**
Employee Cost	32,112,993	32,112,993	33,397,513	34,733,413
Current	17,926,238	21,275,985	16,472,186	16,432,186
Development	73,000,000	51,806,526	65,888,744	65,728,744
Total for the County	**16,508,529,787**	**14,954,812,629**	**15,603,881,459**	**15,742,611,327**

Source: *CFSP, 2022*

4.8 Baseline Ceilings

The baseline estimates reflect the current Departmental spending levels. The Departmental ceilings in table 9 will form the indicative baseline for the FY 2022/23 budget. Development Programmes prioritize projects which are key to development of the County economy and also the governor's objectives as outlined in his manifesto. In the recurrent expenditure category, non–discretionary expenditures take first charge. Compensation of employees for the county overall expenditure should account for a maximum of 35 % of the budget revenues.

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

In this document, the ceilings include; employee cost, operations and development estimates. The employee cost will be centralized in the Department of Public Service and Administration for easier implementation. ***This will be effected in the Appropriation Act of 2022.***

Development expenditures are undertaken on the basis of CIDP 2018 – 2022, Annual Development Plan (2022), the Governor's Manifesto, Public participation report of November, 2021 as well as departmental strategic priorities. The Proposed capital projects will be evaluated in the context of the following elements:

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

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

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

4.9 Details of Department Priorities

The MTEF for FY 2022/23 - FY 2024/25 period will ensure that there is adequate resource allocation based on program priorities that are aligned to CIDP 2018 – 2022 and CADP 2022/23 and Strategic Policy Initiatives that will accelerate growth, employment creation and poverty reduction.

The sector development priorities are;

4.9.1 Agriculture, Livestock, Fisheries and Cooperatives Development

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

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

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

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

Programmes to be implemented

Programme 1: Agricultural Extension and Research

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

Programme 2: Livestock development

Sub programme	Projects (Investment)
Dairy Development	(a) Animal Breeding (AI) (b) Pasture and fodder development
KDDC-infrastructure and dairy development	(c) One Cow initiative expansion (d) Development of Smart Dairy farms (e) Construction of KDDC headquarters.
Poultry development	(f) Supply Poultry to farmers (g) Support poultry value chain
Other livestock development	(h) Rabbit farming promotion (i) Dairy Goat farming promotion (j) Pig farming promotion (k) Apiculture (Bee Farming) (l) Emerging livestock
Livestock disease and pest control	(m) Vaccination (n) Cattle dip rehabilitation (o) Tick and pest control (p) Construction of spray race

Sub programme	Projects (Investment)
	(q) Equipping and rehabilitation of Veterinary Labs
Veterinary public health	(r) Rehabilitation and maintenance of slaughter slabs (s) Construction of slaughter houses

Programme 3: Smallholder Irrigation and drainage Programme

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

Programme 4: Cooperative's development

Sub programme	Projects
Governance of cooperatives	(a) Revamping and strengthening of co-operatives
Support to Cooperatives	(b) Establish cooperative enterprise development fund
	(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 fish ponds (b) Rehabilitation of fish ponds (c) Provision of fish subsidies- (fish feeds, fingerlings, DAP and lime) (d) Provision of fish feeds processing machines (e) Fish gears support
Hatchery Development	(f) Establishment of fish hatcheries
Fish Marketing and value addition	(g) Development of fish buying centres
Riverine and dam fisheries development	(h) Capacity building to management committees (i) Purchase and installation of cages (j) Stocking of dams and rivers

Programme 5: Crop Production and Management services

Sub programme	Projects
Cash crop development	(a) Promotion of tea, coffee, soya beans, macademia 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	(e) Banana production, promotion of fruit trees, floriculture,

Sub programme	Projects
promotion and development	herbs and spices (f) Construction of green houses (g) Promotion of indigenous vegetable production (h) Food safety policy development
Crop pest and disease management	(i) Farmer capacity building, surveillances (j) Purchase of pesticides and equipment
Soil conservation and management	(k) Farmer capacity building (l) Soil testing

To undertake these Programs, the 2022/23 MTEF estimates for this Department are estimated to be KES 1,579,481,262 comprising of KES 1,188,429,799, KES 313,097,291 and KES 73,954,172 for Development, Employee costs and Recurrent expenditure respectively.

4.9.2 Roads, Public Works and Energy

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

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

Programmes to be implemented

Programme 1: Roads Infrastructure Development

Sub Programmes	Projects
Road construction and Maintenance	a) Bitumen road b) Gravel road (10 km per ward) c) Roads maintainance

Sub Programmes	Projects
	d) Labor based road maintenance
Bridges and culverts Construction	a) Bridges b) Box culverts
Road construction equipment	Acquisition of Road equipment: Graders, water bowser trucks, bull dozers, excavators, rollers, bed trailers.

Programme 2: Energy Reticulation

Sub programme	Projects
Rural Electrification programme	a) Electricity connections to households and public institutions b) Highmast power erection c) Electricty supply to households on existing transformers

Programme 3: Public works Management

Sub programme	Projects
Public works management	a) Completion of material testing lab

To undertake these programs, the 2022/23 MTEF estimates for the Department are estimated to be KES 1,181,249,544. This comprises of KES 83,453,572, KES 352,934,426 and KES 744,861,546 for Employee costs, Recurrent Operations and Development expenditure respectively.

4.9.3 Health Services

Introduction

The Sector comprise of two departments namely; Public Health and Medical Services. The County has 348 health facilities including one (1) County General Hospital, twelve (12) County hospitals, four (4) mission hospitals, sixty-four (64) health centers, ten (10) nursing homes, one hundred and twenty-seven (127) dispensaries and seventy-nine (79) private clinics. The County has hospital bed capacity of 1,812 beds out of which 1,070 and 772 beds are available in public and private health facilities respectively

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 increase the awareness and knowledge on healthcare services by equipping the community with health information;
- To renovate, construct, upgrade, equip and network health facilities;
- To ensure adequate number of skilled, motivated, knowledgeable health workers with positive attitude;
- To improve the maternal and child health care;
- To ensure availability and access to essential health products and technologies and effective management system in all health facilities; and
- To reduce the risks and impact of non-communicable diseases (NCDs).

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

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

Programme 1: Promotion of Curative health services

(Sub programme)	Projects (Investment)
Health Infrastructure Development	a) Complete construction of KCTRH Phase 1 b) Equipping of the CTRH Phase 1 c) Continous upgrading of Level five Hospital (CGH) – Dialysis Unit, Doctor's Plazza & Intern's Flat d) Upgrading health centres to level IV hospitals - Khwisero, Shianda, Makunga, Elwesero, Bukura and Matete e) Progressive Expansion and renovation of the exisiting level IV hospitals f) Completion of Shamakhubu level IV Hospital g) Equipping of Mumias and Shamakhubu level IV hospitals h) Equipping of all other health facilities; levels II, III and IV i) Completion and Equiping of Sango, Marakusi,Mutaho and Forest Dispensaries j) Continous rehabilitation and renovation of Health Centres and Dispensaries k) Construction of Mortuaries- Butere, Mumias and Likuyani Hospitals l) Completion and operationalization of stalled health projects from CDF, Ward Fund and former Local Authorities (LATIF) m) Construction of Butere Level IV Hospital
Quality health products and	n) Purchase and distribution of drugs and non-pharms o) Construction of drug storage facilties

(Sub programme)	Projects (Investment)
Technology	

Programme 2: Preventive and Promotive Health care services

(Sub programme)	Projects (Investment)
Disease control	a) Malaria control b) TB and leprosy treatment and management c) HIV/AIDS control
Maternal and child healthcare promotion	d) Promote Imarisha Afya ya Mama na Mtoto programme
Family Planning	e) Promotion of family planning initiatives
Universal health care programme	f) Promote access to medical care
Blood transfusion services.	g) Acquisition of equipment for processing and screening blood components; h) Establish blood satellite centres (Matungu and Matunda Hospitals)
Nutrition services	i) Promotion of nutrition services
Community Health strategies	j) Disease surveillance k) Hygiene promotion l) Jigger control and prevention m) Alcohol and drug abuse prevention n) Training/sentisization and awareness creation o) Establish integrated and comprehensive community service implementation
WASH/CLTS (Community Led Total Sanitation)	p) Certification of Open Defacation Free (ODF) villages
Promotion of Immunization Services	q) Expand immunization coverage
Health education and promotion	r) Integrated school health education and promotion s) Increase Proportion of population with knowledge in key health messages

Programme 3: General Administrative, Finance and Support Services

Sub program	Projects (Investment)
Administrative support services	a) Purchase of utility vehicles b) Gazettement of health facilities c) Signage for all Health facilities
Health standards and Quality Assurance	d) Trainings, Mentorship, Support supervision, Information products, Reviews of work plans, Project M & E

Sub program	Projects (Investment)
Human Resource management	e) Recruitment and promotion of healthcare workers f) Staff training and grants to medical training centres
Disability mainstreaming	g) Assess and categorize PWDs for registration h) Train CUs on Community based rehabilitation modules i) Assessment of learners with special needs j) Purchase of post rape kits k) Train Health care workers on Gender mainstreaming
Health Data and Information Management	l) Digitization of health facilities m) Establish Health Enterprise Architecture

To undertake these programs, the 2022/23 MTEF estimates for the Department are KES 4,530,443,789 comprising of KES 2,804,811,852, KES 681,278,403 and KES 1,044,353,534 for Employee costs, Recurrent and Development expenditure respectively.

4.9.4 Education, Science and Technology

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

Vision

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

Mission

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

Department Priorities

a) To promote access, equity, quality and relevant education and training;
b) To manage vocational training in County vocational training centres;
c) To manage Early Childhood Development Education (ECDE);
d) To strengthen strategic partnerships and linkages in promotion of education in the County.

Programmes to be Implemented in the MTEF Period

Programme 1: Polytechnic Improvement

Sub Programme	Projects
Polytechnic Tuition Subsidy	i) Provision of subsidized polytechnic tuition
	ii) Implementation of ATVET Programme
Polytechnic Infrastructure Development	iii) Construction and equipping of twin workshops iv) Construction and equipping ICT Laboratory v) Construction of 3 No. Polytechnic classroom blocks vi) Installation of 3-Phase electricity in County Polytechnics vii) Fencing and installation of Gates in County Polytechnics viii) Construction of Modern kitchen
Polytechnic Land Management	ix) Acquisition of land for establishment of new polytechnic Centres

Programme 2: Early Child Development and Education

Sub Programme	Projects
ECDE Tuition Subsidy	i) Provision of Tuition Capitation funds to ECDE centres
County ECDE School feeding Programme	ii) Provision of food to ECDE children
ECDE Infrastructure Development	iii) Construction of new ECDE Centres iv) Maintenance of ECDE centres constructed in Phase I and II v) Supply and delivery of child friendly chairs and tables to ECDE centres; vi) Construction of toilets and installation of water tanks vii) Acquisition and installation of assorted outdoor fixed equipment in ECDE Centres;
ECDE Land Management	viii) Land acquisition for establishment of new ECDE Centres

Programme 3: Education Support Programme

Sub Programme	Projects
School Infrastructure Development	i) Completion of ongoing projects in primary and secondary schools
School Awards	ii) Award to top performing KCSE and KCPE Schools iii) Provision of County Education Scholarships; iv) Provision of Ward Based Bursary; v) County Higher Education Loans Board (HELB) Scheme

To undertake these Programmes, the 2022/23 MTEF estimates for the Department are

KES 1,179,102,508 comprising of KES 471,023,478 for employee costs, KES 367,016,182 for Operations and Maintenance and KES 341,062,848 for development expenditure.

4.9.5 Trade, Industrialization and Tourism

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

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

Priority areas

a) Market infrastructure improvement
b) 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

Programme 1: Trade Development and Investment

Sub Programme	Projects
Market infrastructure Development	(a) Construction of open air markets (b) Renovation of existing Markets (c) Fabrication and installation of modern Kiosks (d) Construction of stock rings (e) Construction of ablution blocks
Micro and small enterprises development	(f) Issuance and recovery of loans (g) Training of the MSMEs

Programme 2: Fair trade and consumer protection

Sub Programme	Projects
Weights and	(a) Refurbishment of weight and Measures laboratory in

Sub Programme	Projects
Measures infrastructure development	Kakamega
Fair Trade and consumer protection services	(b) Inspection, verification of the standards (c) Certification of the standards (d) Sensitization of public on fair trade practices

Programme 3: Industrial development

Sub Programme	Projects
Industrial development	(a) Establishment of Maize factory; (b) Completion of Dairy factory; (c) Construction of Tea factory; (d) Establishment of leather curing and buying Centre.
Cottage industrial development and SME development	(e) Equipping of Jua kali shades; (f) Fencing and acquisition of Industrial park land; (g) Development of OVOP (h) Establishment and equipping of information centers.

Programme 4: Tourism promotion

Sub Programme	Projects
Heritage tourism	(a) Land acquisition at Ikhongo Murwi (b) Development partnerships with local communities in management of heritage sites
Marketing and promotion	(c) Organize digital marketing (d) Sports tourism-organize Kakamega Rugby sevens (e) Promote bull sport (f) Organize tourism cultural festival and event
Ecotourism	(g) Establish a wild life sanctuary
Branding	(h) Establishment of signage at entry points and heritage sites

To undertake these programs, the 2022/23 MTEF estimates for the Department are KES 378,782,746 comprising of KES 41,916,683 for employee costs, KES 30,912,514 for Recurrent expenditure and KES 305,953,549 for Development expenditure.

4.9.6 Social services, Youth, Sports and culture

This department has the directorates namely; Social Services, Labour and Children; Sports, Youth and gender; Culture, Heritage and Library Services, and Administration. The directorate of Sports, Youth and gender has two key programs; the Kakamega County Youth and Women Empowerment Service; the Kakamega County Youth and Sport fund.

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

The mission is to improve the welfare of people through Social Services, Sports, Culture and empowerment programs for Children, Youth, Women and persons living with Disabilities (PWD'S)

The philosophy is *''**empowering lives**''* with the core values of team work, Integrity, Professionalism, Innovation and fairness

Sectors priority areas

a) To promote, preserve and develop all functional aspects of Culture for Sustainable development;
b) To coordinate care, protection and welfare of Children in the County;
c) To develop and promote sports activities in the County;
d) To maximize the full potential of Youth and Gender mainstreaming through participatory engagements;
e) To establish, promote, equip, manage, maintain and develop Library Services in Kakamega County;
f) To mobilize and empower communities for socio-economic development, disability mainstreaming and social assistance to vulnerable groups.

Programmes to be implemented

Programme 1: Social Services, Labour and Children

Sub Programme	Project
Development and Social Protection	(a) Shelter Improvement programme (b) Social Empowerment Fund (Conduct a baseline survey, Support to Vulnerable persons/groups, PWDs support programme-Economic empowerment) (c) Gender Based Violence Rescue Centre (Northern region) (d) Shinyalu GBV rescue centre
Children welfare services	(e) Children rescue centre (f) Street children Rehabilitation (g) Children support programme

Programme 2: Sports, Youth and Gender

Sub Programme	Projects
Development of sports facilities	(a) Bukhungu stadium (phase II) (b) Sports Fund (c) Sports equipment (1 per ward and two centres for PWDs)
Youth, Women PWDs empowerment and mainstreaming	(d) Business incubation centres (e) Youth employment platform (f) Development of county youth service HQ

Programme 3: Culture, Heritage and Library services

Sub Programme	Project
Promotion of arts Culture and heritage conservation and preservation	(a) Khayega arts gallery (Shinyalu Subcounty) (b) Renovation of Mumias Cultural centre phase II (c) Cultural sites and green spaces

To undertake these Programs, the 2022/23 MTEF estimates for the Department are KES 816,758,175 comprising of KES 49,314,002, KES 55,784,025 and KES 711,660,148 for Employee Costs, Recurrent and Development respectively.

4.9.7 Water, Environment & Natural Resources

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

Vision

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

Mission

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

Goal

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

Department Priorities

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

Programmes to be Implemented in the MTEF Period

Programme 1: Water and Urban Sanitation service provision and management

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

Programme 2: Environmental Conservation

Sub Programme	Projects
Environmental Conservation	(a) Establish a waste to energy plant through public private partnership in waste management (b) Establish 2 solid waste transfer stations;

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

Programme 3: Natural Resource Management

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

To undertake these Programs, the 2022/23 MTEF estimates for the Department are KES 726,443,446 comprising of KES 57,321,124 for employee costs, KES 38,942,932 for Operations and Maintenance and KES 630,179,390 for development expenditure.

4.9.8 Lands, Housing, Physical Planning and Urban Development

Introduction

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

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

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

Sector Priorities

(a) Availing land for development projects and investments
(b) Improving of urban transportation infrastructure
(c) Provision of Conducive business environment within urban areas through construction of markets
(d) Improving 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

Program 1: Land Management Services

Sub Program	Projects
Land Administration	(a) Establishment of a Land Bank (b) Completion of Valuation roll (c) Establishment of Land Management information System
Land Use Planning	(d) Preparation of Physical development Plans
Survey services	(e) Fencing of Public Land (f) Survey of markets (g) Acquisition of GIS data and Images

Sub Program	Projects
	(h) Acquisition on of GIS Softwires

Programme 2: Public Housing Development

Sub Program	Projects
Slum Upgrading	(a) Upgrading of Slums Turbo, Karim and Nubian
Public Rental Housing services	(b) Preparation of County Housing Policy (c) Renovations of Public houses (d) Fencing of Public Houses (e) Extension of Sewer line to Mudiri estate

To undertake these programs, the 2022/23 MTEF estimates for this sector are estimated to be KES 737,962,043. This comprises of KES 102,792,782, KES 130,306,666 and KES 504,862,595 for Employee costs, Recurrent Operation and Development expenditure respectively.

Mumias Municipality

Vision

A modern regional competitive, livable and economically vibrant Municipality where people choose to live, work and visit

Mission

To provide and distribute quality, affordable, accessible and sustainable services to all.

Mandate

Overall delivery of services including waste management

(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

Program Name: Urban Development Services- Mumias Municipality

Sub Program	Projects
Urban Infrastructure	(a) Construction of Non-Motorized Transport (pedestrian walkways)

Sub Program	Projects
Development	(b) Construction of a Modern Bus Park (c) Maintenance of Infrastructure (Urban roads, Markets and toilets) (d) Construction of Streetlights (e) Construction of Urban Bitumen roads (f) Installation of CCTVs
Waste Management	(g) Provision of Cleaning Services (h) Construction of receptacles and Litter bins

Kakamega Municipality

Vision

To be an efficient Municipality, offering quality services to its internal and external stakeholders

Mission

To provide quality Services that are accessible, affordable, effective, efficient and sustainable

Strategic Objectives

a) Strengthen Corporate Governance;
b) Promotion, regulation and provision of refuse collection and solid waste management;
c) Promotion of provision of public health services;
d) Enforcement of law and order;
e) Maintenance of recreational parks, green spaces and social amenities;
f) Enhance local revenue collection;
g) Provision of clean water and sanitation;

Municipality Functions

a) Improve and maintain infrastructure
b) Enhance waste management within the Municipality
c) Ensure coordinated and controlled urban development within the Municipality
d) Revenue collection within the Municipality

e) Facilitate and regulate public transport
f) Control of urban Agriculture
g) Prepare its budget for approval by the county executive committee and administer the budget as approved.

Program 1: Urban Development Services- Kakamega Municipality

Sub Program	Projects
Urban Infrastructure Development	a) Construction of Closed water drains Construction of Non-Motorized Transport (pedestrian walkways b) Construction of a Modern Bus Park c) Maintenance of Urban roads d) Maintenance of Public Toiles e) Maintenance of Markets f) Construction of Streetlights g) Construction of Urban Bitumen roads h) Equipping and furnishing of social hall
Landscaping and Beautification	i) Development and rehabilitation and Maintenance of Muliro Gardens j) Landscaping of social hall k) Landscaping of demolished streets
Waste Management	l) Provision of Cleaning Services m) Maintenance of dumpsite n) Construction of receptacles and Litter bins
Public Health Services	o) Provision of urban health services

4.9.9 Public Service and 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 Anti-Corruption.

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

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

Sector Priority areas

a) Enhance human resource management and development in the County Public Service;
b) Manage incidences of alcohol and drug abuse
c) Ensure effective administrative structures at all devolved units in the county
d) Enhance information and records management
e) Establish efficient disaster and emergency response systems
f) Coordinate County Government functions
g) Operationalize Community Area Councils

Programmes to be implemented

Programme 1: Human Resource Management

Sub Programme	Projects
Human Resource Development	a) Conduct Skills Gap Analysis; b) Conduct Employee Trainings; c) Develop Staffing Plans;

Programme 2: County Administration

Sub Programme	Projects
Human Resource Development	a) Conduct Skills Gap Analysis; b) Conduct Employee Trainings; c) Develop Staffing Plans;
County administration infrastructure Development	d) Construction of County HQ block; e) Completion and Construction of sub county,& ward offices; f) Refurbishment of County offices; g) Establishment of Records Management Centre
Disaster response and mitigation	h) Construction of disaster Operation Centers; i) Purchase disaster specialized equipment. j) Purchase of Fire Engines k) Conducting Risk Mapping Surveys.
Alcohol and Drug Abuse Control	l) Construction of a Rehabilitation center in the Nothern and Southern region; m) Purchase of Specialized equipment for Rehabilitation Centres.

To undertake these programs, the 2022/23 MTEF estimates for the Department are KES 1,474,881,729 comprising of KES 743,443,336, KES 601,306,570 and KES 130,131,823 for Employee Costs, Recurrent and Development expenditure respectively.

4.9.10 Finance and Economic Planning

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

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

Programmes to be implemented

Programme 1: Public Financial Management

Sub programme	Projects
Resource Mobilization	a) Aquisition of the Revenue automation system b) Acquisition of motor vehicles and motor cycles
Accounting and Financial services	a) Asset tagging and valuation. b) Acqisition and installation of Asset management system.

Programme 2: Debt management

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

Programme 3: Economic policy formulation and management

Sub programme	Projects
Economic policy formulation	a) Preparation of County development plans; b) Development of County project implementation guidelines; c) Undertake Monitoring and Evaluation of County projects,Programmes and Policies. d) Develop draft County Integrated Development Plan 2022-2027

Programme 4: Investment Promotion

Sub programme	Projects (Investment)

Sub programme	Projects (Investment)
Investment promotion	a) Investment in the Lake Region Bank b) Establishment of County Investment Centre c) Promotion of investment in affordable housing, tourism and agriculture through PPPs

To undertake these programs, the 2022/23 MTEF estimates for this Department are KES 660,815,670 comprising of KES 335,213,862 for employee costs, KES 275,329,880 for recurrent expenditure and KES 50,271,928 for development expenditure.

4.9.11 ICT, e-Government and Communication

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

The Vision is to be a leading County in the provision of ICT, e-government and communication services in Kenya. The mission is to provide efficient and robust innovative information systems and infrastructure as well as accessible communication services that enable the county meet its set goals, aspirations and targets for delivery of quality services to the citizens of Kakamega County.

Programmes to be Implemented

Programme 5: County Information Management

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

To undertake these programs, the 2022/23 MTEF estimates for this Department are KES 105,195,504 comprising of KES 32,112,993 for employee costs, KES 21,275,985 for recurrent expenditure and KES 51,806,526 for development expenditure.

4.9.12 Office of the Governor

Introduction

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

Vision

Provide a conducive environment for a competitive and prosperous County.

Mission

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

Programmes to be implemented

Programme 1: Audit services

(Sub programme)	Projects (Investment)
Audit services development	Teammate System Completion of refurbishment of Butere office

Programme 2: Legal services

Sub Programme	Projects involved
Bill preparation	Bill tracking service system

Programme 3: Service Delivery

Sub programme)	Projects (Investment)
Improvement of county service delivery	Prefeasibility

To undertake these Programs, the 2022/23 MTEF estimates for Office of the Governor are KES 282,502,053 comprising of KES 117,165,234, KES 142,382,615 and KES 22,954,204 for Employee costs, Recurrent and Development expenditure respectively.

4.9.13 The County Assembly

The county Assembly's functions include oversight, Legislation and representation. The estimates for the County Assembly programs may change in the course of MTEF budgeting once the Commission of Revenue Allocation gives the ceilings for budget for FY 2020/2021.

Flagship projects/programs

- Construction of the county Assembly chambers
- Construction of Speaker's residence.

To undertake these programs, the 2022/23 estimates are KES 1,239,967,209 comprising of KES 1,189,967,209 for recurrent and KES 50,000,000 development expenditure.

4.9.14 County Public Service Board

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

Flagship Programs

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

To undertake these programs, the estimates for the Board are KES 61,226,951 comprising of KES 16,569,389 for recurrent and KES 44,657,562 for Employee cost.

5.0 CONCLUSION

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

Details of these strategic objectives are contained in the CIDP (2018 – 2022). The policies and sector ceilings provided in this document will guide the Departments/Agencies in preparation of the 2022/23 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 are in line with County Government priorities. Departments need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans in allocating resources. There is also need to ensure that recurrent resources are being utilized efficiently and effectively before funding is considered for programs.

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

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

6.0 ANNEX

Annex 1: Recurrent Budget Estimates Ceilings

Department	Approved	Approved Budget	Estimates	Forecast	
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	KES	KES	KES	KES	KES
County Assembly	**1,066,936,774**	**1,189,967,209**	**1,189,967,209**	**1,194,967,209**	**1,147,917,209**
Recurrent	1,066,936,774	1,189,967,209	1,189,967,209	1,194,967,209	1,147,917,209
Agriculture, Livestock, Fisheries and Co-operatives	**355,286,578**	**389,119,537**	**391,051,463**	**399,497,647**	**412,686,494**
Recurrent	56,206,565	76,022,246	73,954,172	69,716,464	69,714,064
Employee Costs	299,080,013	313,097,291	317,097,291	329,781,183	342,972,430
Health Services	**3,561,790,892**	**3,518,761,849**	**3,486,090,255**	**3,565,268,809**	**3,681,948,982**
Recurrent	826,346,215	717,949,997	681,278,403	648,264,483	648,264,483
Employee Costs	2,735,444,677	2,800,811,852	2,804,811,852	2,917,004,326	3,033,684,499
Education, Science & Technology	**647,955,938**	**656,199,660**	**838,039,660**	**675,305,179**	**694,821,756**
Recurrent	206,986,900	209,176,182	367,016,182	185,440,762	185,362,762
Employee Costs	440,969,038	447,023,478	471,023,478	489,864,417	509,458,994
Roads, Public Works and Energy	**106,576,494**	**445,650,140**	**436,387,998**	**422,263,420**	**425,735,088**
Recurrent	30,178,829	366,196,568	352,934,426	335,471,705	335,471,705
Employee Costs	76,397,665	79,453,572	83,453,572	86,791,715	90,263,383
Lands, Housing, Urban Areas and Physical Planning	**264,598,604**	**242,924,289**	**233,099,448**	**225,745,826**	**227,734,006**
Recurrent	169,605,544	199,131,507	130,306,666	121,041,333	121,041,333
Employee Costs	94,993,060	43,792,782	102,792,782	104,704,493	106,692,673
Social Services, Youth & Sports	**128,346,938**	**104,496,460**	**105,098,027**	**104,281,386**	**106,326,849**
Recurrent	83,032,936	59,182,458	55,784,025	52,994,824	52,988,824
Employee Costs	45,314,002	45,314,002	49,314,002	51,286,562	53,338,025
Trade, Industrialization & Tourism	**93,063,349**	**69,660,283**	**72,829,197**	**72,960,238**	**74,671,972**
Recurrent	56,605,000	31,743,600	30,912,514	29,366,888	29,334,888
Employee Costs	36,458,349	37,916,683	41,916,683	43,593,350	45,337,084

Department	Approved	Approved Budget	Estimates	Forecast	
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	KES	KES	KES	KES	KES
Water, Environment and Natural Resources	**90,729,884**	**95,481,347**	**96,264,056**	**96,226,052**	**98,599,790**
Recurrent	39,459,572	42,160,223	38,942,932	36,612,083	36,601,262
Employee Costs	51,270,312	53,321,124	57,321,124	59,613,969	61,998,528
Public Service and Administration	**5,523,755,880**	**1,243,676,389**	**1,344,749,906**	**1,356,956,941**	**1,390,338,584**
Employee Costs	4,963,656,325	721,260,517	743,443,336	834,541,069	867,922,712
Recurrent	560,099,555	522,415,872	601,306,570	522,415,872	522,415,872
Office of the Governor	**318,221,311**	**258,513,332**	**259,547,849**	**262,284,723**	**266,994,797**
Recurrent	209,437,432	145,348,098	142,382,615	140,432,880	140,268,880
Employee Costs	108,783,879	113,165,234	117,165,234	121,851,843	126,725,917
Finance and Economic Planning	**712,545,519**	**608,140,052**	**610,543,742**	**604,285,803**	**618,030,700**
Recurrent	394,070,652	276,926,190	275,329,880	255,663,387	255,463,387
Employee Costs	318,474,867	331,213,862	335,213,862	348,622,416	362,567,313
County Public Service Board	**75,510,133**	**62,099,024**	**61,226,951**	**63,184,783**	**65,042,538**
Recurrent	32,979,122	17,441,462	16,569,389	16,740,919	16,740,919
Employee Costs	42,531,011	44,657,562	44,657,562	46,443,864	48,301,619
ICT, E-Government & Communication	**68,527,645**	**46,039,231**	**53,388,978**	**49,869,699**	**51,165,599**
Recurrent	41,495,921	17,926,238	21,275,985	16,472,186	16,432,186
Employee Costs	27,031,724	28,112,993	32,112,993	33,397,513	34,733,413
Total for the County	**13,013,845,939**	**8,930,728,802**	**9,178,284,739**	**9,093,097,715**	**9,262,014,364**

Annex 2: Development Budget Estimates Ceilings

Department	Approved	Approved Budget	Estimates	Forecast	
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	KES	KES	KES	KES	KES
County Assembly	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Agriculture, Livestock, Fisheries and Co-operatives	1,071,005,964	1,228,005,964	1,188,429,799	1,092,224,595	1,092,186,995
Health Services	1,064,896,551	1,331,007,606	1,044,353,534	973,085,088	980,775,463
Education, Science & Technology	649,349,894	581,110,465	341,062,848	527,792,937	527,570,937
Roads, Public Works and Energy	1,640,071,072	1,246,063,965	744,861,546	1,123,100,926	1,123,100,926
Lands, Housing, Urban Areas and Physical Planning	512,718,800	648,953,922	504,862,595	589,355,767	589,355,767
Social Services, Youth & Sports	646,000,000	919,484,656	711,660,148	830,252,246	830,158,246
Trade, Industrialization & Tourism	330,000,000	375,000,000	305,953,549	337,719,211	337,351,211
Water, Environment and Natural Resources	319,132,067	742,224,407	630,179,390	641,389,447	641,199,892
Public Service and Administration	165,000,000	211,000,000	130,131,823	169,148,051	132,378,051
Office of the Governor	35,500,000	33,950,000	22,954,204	30,826,730	30,790,730
Finance and Economic Planning	105,000,000	95,000,000	50,271,928	80,000,000	80,000,000
ICT, E-Government & Communication	170,000,000	73,000,000	51,806,526	65,888,744	65,728,744
Total for the County	**6,758,674,348**	**7,534,800,985**	**5,776,527,890**	**6,510,783,742**	**6,480,596,962**