

REPUBLIC OF KENYA



HOMA BAY COUNTY GOVERNMENT

DEPARTMENT OF

FINANCE, ECONOMIC PLANNING AND SERVICE DELIVERY

MEDIUM TERM EXPENDITURE FRAMEWORK

FISCAL STRATEGY PAPER

2021

Building Back a More Resilient and Thriving County

February 2021

Foreword

The preparation of this Homa Bay County Fiscal Strategy Paper is a requirement under section 117 of PFM Act of 2012. It sets out the county priority programmes to be implemented during the financial year 2021/2022 and over the MTEF period. The document is aligned to key National and County policy documents which include and not limited to; the Kenya Vision 2030, MTP III 2018-2022, Homa Bay County Integrated Development Plan (CIDP 2018-2022) and Homa Bay County Annual Development Plan (CADP 2021/2022).

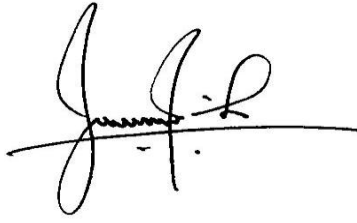
Despite the marginal gains in infrastructure, agricultural production and ICT sectors of the economy, the county economy largely suffered a beating as a result of macro-economic effects of Covid-19. To build back better, the main focus of the CFSP 2021 will thus be on accelerating post-covid socio-economic recovery in the County. In that respect, it is imperative that the County's Covid-19 response strategy is implemented so that a more inclusive growth, economic stability and support are provided to the private sector. This will include providing financing, training, and equipment among other offerings to micro and small enterprises in the county.

Whereas the County continues to suffer from inadequate financial resources, high unemployment rates, political related issues and the COVID-19 pandemic, the CFSP 2021 has captured a raft of measures geared towards addressing these challenges. The measures are consistent with the National Government priority programs, strategies and policies especially those captured in the Budget Policy Statement for the FY 2021/2022.

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

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

Finally, I urge Members of the County Assembly to give effect to the intentions in this document by allocating sufficient weights and resources to the various sub-sectors that will be implementing it.

A handwritten signature in black ink, appearing to read 'Nicholas Obuya K'Oriko', written over a horizontal line.

Hon. Nicholas Obuya K'Oriko

CEC Member in charge of Finance, Economic Planning and Service Delivery
County Government of Homa Bay

Acknowledgements

The development of the Homa Bay County Fiscal Strategy Paper (CFSP) 2021 has been a collaborative effort of the County Government under the able leadership of His Excellency the Governor, Hon. Cyprian Awiti, H.E. the Deputy Governor, Hon Hamilton Orata, the County Executive Committee Members and particularly, Mr. Nicholas K’Oriko the CEC member in charge of Finance, Economic Planning and Service Delivery. Valuable contributions also came from Members of the County Assembly, especially members of the Budget and Appropriations Committee led by Hon. Julius Gaya.

The preparation of this fiscal strategy paper continues to be a collaborative effort from an array of expertise of professionals and key stakeholders in the County. We are grateful for their inputs. We are also grateful for those who provided inputs during the various public participation fora conducted in the County, in addition to comments from the Commission for Revenue Allocation and other stakeholders

The Paper sets out the broad strategic priorities and policy goals that will guide the County Government of Homa Bay in preparing its budget for the coming Financial Year 2021/22, and over the medium term. It’s also specifying the framework for raising revenue, estimating expenditure and dealing with fiscal balances as and when they occur. It envisions that all these occur within a fiscal framework that is affordable and sustainable over the medium term, in compliance with the fiscal responsibility principles set out in the Public Finance Management Act, 2012 and its operationalizing Regulations of 2015.

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

Lastly, special thanks go to officers at the Directorate of Budget: Handel Nyang’aya, Emmanuel Kamboga, Christine Amondi, Steve Owino, Mohamed Ramadhan, Harriet Oketch, Ken Oyier and Anne Muga for their tireless endeavors to ensure the 2021 CFSP came to fruition.

Mr. Noah Otieno
Chief Officer – Finance, Economic Planning & Service Delivery
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Abbreviations and Acronyms

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

Legal Basis for the Publication of the Homa Bay County Fiscal Strategy Paper (CFSP) 2021

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

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

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

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

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

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

- a) The Commission on Revenue Allocation;
- b) The public;
- c) Any interested persons or groups; and
- d) Any other forum that is established by legislation.

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

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

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

Fiscal Responsibility Principles in the Public Financial Management Law

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

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

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

- a) The county government's recurrent expenditure shall not exceed the county government's total revenue;
- b) Over the medium term a minimum of thirty percent (30%) of the county government's budget shall be allocated to the development expenditure;
- c) the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage (35%) of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;
- d) Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- e) The county debt shall be maintained at a sustainable level as approved by county assembly;

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

(g) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

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

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

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

- (a) the County Executive Committee member with the approval of the County Assembly shall set a limit on the County Government's expenditure on wages and benefits for its public officers pursuant to Section 107(2) of the PFM Act;
- (b) the limit set under paragraph (a) above, shall not exceed thirty-five (35) percent of the County Government's total revenue at any one time;
- (c) for the avoidance of doubt, the revenue referred to in paragraph (b) shall not include revenue that accrue from extractive natural resources including oil and coal;
- (d) the county public debt shall never exceed twenty (20%) percent of the county government total revenue at any one time;
- (e) the county annual fiscal primary balance shall be consistent with the debt target in paragraph (d);
- (f) the approved expenditures of a county assembly shall not exceed seven percent (7%) of the total revenue of the county government or twice the personnel emoluments of that county assembly, whichever is lower;
- (g) pursuant to section 107(5) of the PFM Act 2012, the county government actual expenditure on development shall be at least thirty (30) percent in conformity with the requirement under section 107(2)(a) of the Act;
- (h) if the county government does not achieve, the requirement of regulations 25(1)(f) above at the end of the financial year, the County Executive Committee member for finance shall submit a responsibility statement to the County Assembly explaining the reasons for the deviation and provide a plan on how to ensure annual actual expenditure outturns as well as the medium-term allocation comply with the provisions of section 107(2)(a) of the Act and these regulations in the subsequent year; and
- (i) The compliance plan above shall be binding and the County Executive Committee member for finance shall ensure implementation.

I: OVERVIEW OF THE COUNTY FISCAL STRATEGY PAPER 2021

1.1 Introduction

1. This year's Fiscal Strategy Paper is the eighth to be prepared under the devolved system of government. It has proposals for building a more resilient and thriving county are in line with the national proposals as captured in the National Budget Policy Statement (NBPS), 2021 whose theme is 'building back better: strategy for resilient and sustainable economic recovery.'
2. The Fiscal Strategy Paper contains:
 - An assessment of the current state of the economy including macroeconomic forecasts
 - The financial outlook with respect to Government revenue, expenditures and borrowing for the next financial year and over the medium term.
 - The fiscal responsibility principles and financial objectives over the medium-term including limits on total annual debt; and
 - Statement of Specific Fiscal Risks.
3. The Paper is entrenched in the National Government's third MTP priorities, Kenya Vision 2030, Sustainable Development Goals (SDGs), Homa Bay County's Integrated Development Plan (CIDP) 2018-2022, as well as the National Medium-Term Expenditure Framework (MTEF) 2021/2022 – 2023/2024 as captured in the Budget Policy Statement of 2021.
4. The Paper is focused on supporting the county's ongoing priority programmes while deepening the structural reform measures to increase their impact. To ensure fairness and objectivity, a criteria was developed for apportioning the available public resources among the various sectors and programmes of the County Government of Homa Bay that are bidding for resources within the limited envelop.

1.2 Theme for the FY 2021/22: 'Building Back a More Resilient and Thriving County.'

5. The Covid-19 pandemic has had a devastating effect on both global and national economies, with the local economy of Homa Bay County not being spared. On the domestic front, the economic impact of the pandemic is already being felt across all sectors of the economy. Thus, the 2021 CFSP is premised on the need to urgently overcome the immediate socio-economic challenges that the country faces today. At the heart of the policies in this document is the desire to foster a conducive environment critical to return the economy back to its long term growth path, while at the same time, providing impetus for building a cohesive and prosperous county.

6. This 2021 CFSP therefore articulates priority interventions and structural reforms as well as sectoral expenditure programs to be implemented under the Medium Term Expenditure Framework for FY 2021/22– 2023/24, in order to achieve the County Government’s goal of building back better. To respond to the current challenges and cushion Homa Bay County citizens and businesses from the adverse effects of the covid-19 pandemic, the Government will be implementing additional measures to return the economy back to a growth trajectory even with persistence of the coronavirus pandemic.
7. To harmonize her efforts and make them lasting, the Government is finalizing a Post Covid-19 socio economic reengineering and recovery strategy paper which will guide efforts to mitigate the adverse impacts of the Pandemic and even re-position the economy on a steady and sustainable growth trajectory. Successful implementation of the Post-Covid-19 socio economic reengineering and recovery strategy paper is predicated on faster implementation of policy, legal and institutional reforms that are necessary for effective implementation of the Strategy.
8. Further, the Government has prioritized the implementation of the “Big Four” Agenda which has gained traction over the past three years. The Agenda is designed to help achieve the social and economic pillars of Kenya Vision 2030 and all development aspirations espoused in the Constitution of Kenya promulgated in 2010. Actualization of policies and programmes under each pillar is expected to accelerate and sustain inclusive growth, create opportunities for decent jobs, reduce poverty and income inequality and ensure that we create a healthy and food secure society in which Kenyans have access to affordable and decent housing.

1.2.1 Addressing Priority Concerns

9. As indicated above, the 2021 CFSP articulates measures that will stimulate growth, promote job creation, reduce poverty and protect the vulnerable groups and businesses. To achieve these, the Government will:
 - Roll out the Post-Covid-19 socio economic reengineering and recovery strategy.
 - Harness the implementation of the “Big Four” Agenda for improving living conditions and creating additional employment opportunities.
 - Foster a secure and conducive business environment by maintaining macroeconomic stability, enhancing security, improving business regulations and providing additional support;
 - Fast-track development of critical infrastructure in the county such as roads, energy and water, among others, so as to reduce the cost of doing business as well as promote competitiveness of local products;
 - Transform some target economic sectors for broad based sustainable economic growth;
 - Improve access to education and health services, and strengthen health care systems;

- Support the youth, women and persons with disability to enable them actively contribute to the economic recovery agenda;
- Implement various structural reforms to enhance the efficiency of public service delivery while at the same time ensuring accountability for better macroeconomic and fiscal stability, sustained credit ratings, improved fiscal discipline and minimized corruption.

1.2.2 Improving the Medium-Term Expenditure Process

10. As part of an effort to improve the MTEF process, the County Government will remain focused on the full adoption of results-based management through program-based budgeting, strengthening of budget execution and monitoring structures. Entrenching performance-based systems has remained a priority for the current administration and therefore, budgetary allocations for the financial year 2021/22 shall be based on efficacy of proposed programmes, projects and activities. Programmes, projects and activities that will be funded are those that are linked to clearly specified objectives and targets.
11. Within the fiscal space provided, the County Government of Homa Bay will still strive to be more efficient in its investment decisions. Greater fiscal discipline and careful alignment of resources towards key result areas will be emphasized. In particular, there will be a clear focus on better control of expenditure as well as operating within the core mandates of the County Government.

1.3 Linkage with BPS

12. The 2021 County Fiscal Strategy has borrowed heavily from the National Government's 2021 Budget Policy Statement whose theme is of "building back better"; strategy for resilient and sustainable economic recovery. The various policies and structural reforms prioritized under the Economic Transformation Agenda to foster rapid social-economic transformation have equally been prioritized by the County Government of Homa Bay. These include:
 - Up-scaling investment in ICT and digital infrastructure.
 - Facilitating clean, green and resilient growth; enhanced resilience of the economy to global supply chain shocks.
 - Enabling better disaster preparedness and management.
13. In addition, the Government will pay greater attention to economic governance, inequality, social cohesion, gender, youth, regional integration, and international cooperation. The National Government has also identified four key strategic areas of focus over the next five years that will accelerate broad based economic growth. This will help in transforming the lives of the Kenyans.
14. The National Government Strategy for harnessing 'The big Four' Plan is well articulated in the 2021 Budget Policy Statement. The County Government will therefore work very closely with the National Government in all efforts aimed at:

- Liberating the urban poor from the ‘poverty of dignity’ caused by poor housing and inadequate services.
- Transitioning the Kenyan youth from being ‘wage earners’ to ‘owners of capital’.
- Building a holistic base of human capital that is food secure and health assured.
- Jump-starting the shift from being a country of net consumption to one of production leading to creation of jobs and improved livelihoods.

15. As part of the county effort to consolidate gains and unlock potential for economic development, public investments in the financial 2021/22 will be focused more on:

- Improvement of County Governance.
- Creating a conducive Business Environment
- Developing the necessary infrastructure for Inclusive Growth
- Promoting the use of Information, Communication and Technology (ICT)
- Providing quality and relevant EYE and vocational education.
- Empowering Youth and Women for employment creation
- Expanding access to quality Social Services
- Stimulating Tourism Recovery, Sports and Culture.
- Conserving the environment and developing more water sources
- Providing adequate, affordable and reliable energy

II: RECENT ECONOMIC DEVELOPMENTS AND THE MEDIUM TERM OUTLOOK

2.1 Introduction

16. In 2020, the Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and the swift containment measures, which have not only disrupted the normal lives and livelihoods, but also to a greater extent businesses and economic activities. As a result, our economy contracted by 5.7 percent in the second quarter of 2020 from a growth of 4.9 percent in the first quarter in 2020. The economy is therefore estimated to slow down to a growth of around 0.6 percent in 2020 from the earlier projection of 2.6 percent in the 2020 Budget Review and Outlook Paper (BROP). Economic growth is projected to recover to 6.4 percent in 2021 due to in part, the lower base effect in 2020. In terms of fiscal years, economic growth is projected to grow by 3.5 percent in FY 2020/21 and further to 6.2 percent over the medium term
17. The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate that support exports. Year-on year overall inflation remained within the Government target range of 5 ± 2.5 percent in December 2020 at 5.6 percent from 5.8 percent in December 2019. This lower inflation was mainly supported by a reduction in food prices
18. The foreign exchange market has largely remained stable but partly affected by a significant strengthening of the US Dollar in the global markets and uncertainty with regard to the Covid-19 pandemic. Despite this, the current account deficit is estimated to improve to 5.1 percent in 2020 from 5.8 percent in 2019 mainly supported by an improvement in the trade balance

2.2 Recent Economic Developments

Global and Regional Economic Developments

19. The outbreak and spread of the Covid-19 Pandemic and the ensuing containment measures have devastated global economies. As a result, the global economy is projected to contract by 4.4 percent in 2020 from a growth of 2.8 percent in 2019 (**Table 1**). This economic outlook is worse than the growth reported during the 2008 - 2009 global financial crisis.
20. Advanced economies are projected to contract by 5.8 percent in 2020 from a growth of 1.7 percent in 2019. Significant contraction of the economy is projected in the United States (-4.3

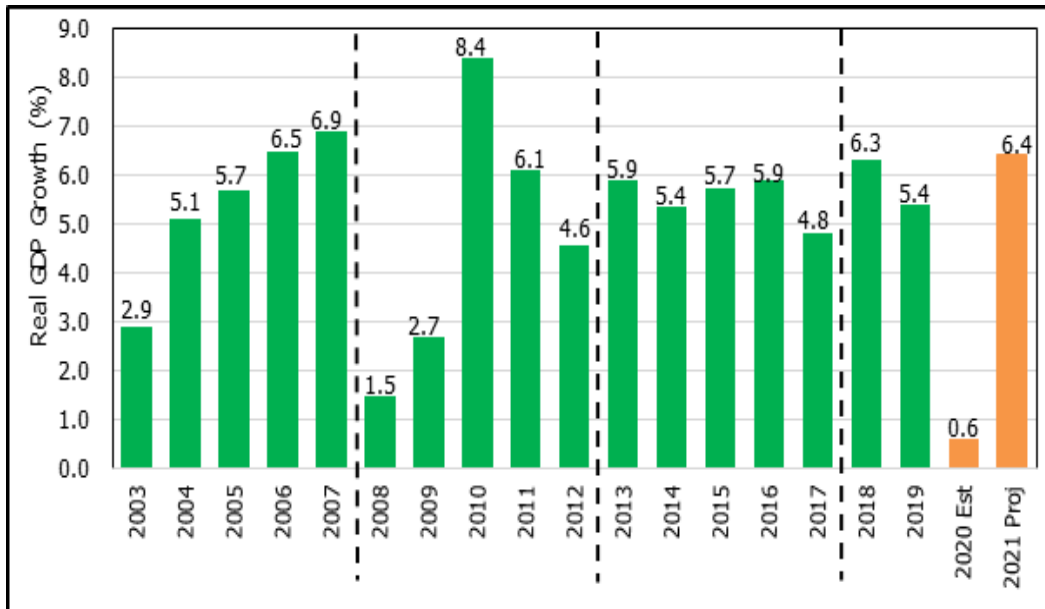
percent), Japan (-5.3 percent) and the United Kingdom (9.8 percent). Growth in the Euro area is expected to contract by 8.3 percent in 2020 from a growth of 1.3 percent in 2019.

21. The emerging markets and developing economies are also projected to contract by 3.3 percent in 2020 from a growth of 3.7 percent in 2019. All major economies are projected to contract in 2020 except China which is projected to grow by 1.9 percent, a slowdown from a growth of 6.1 percent in 2019.
22. **The Sub-Saharan African region** has not been spared the negative impact of the pandemic with the region projected to contract by 3.0 percent in 2020 from a growth of 3.2 percent in 2019. The largest impact of the crisis on growth has been for tourism-dependent economies, while commodity-exporting countries have also been hit hard. Growth in more diversified economies will slow significantly, but in many cases will still be positive in 2020.
23. Growth in the **East African Community (EAC) region** is estimated to slow down to 1.0 percent in 2020 compared to a growth of 6.2 percent in 2019. This growth will be supported by positive growths in Kenya, Tanzania and Rwanda. Economic activities in Burundi and Uganda are expected to contract in 2020.

2.3. Domestic Economic Developments

24. Prior to the outbreak of Covid-19 pandemic, Kenya's economy was strong and resilient despite the challenging global environment. The broad-based economic growth for 2018 and 2019 averaged 5.9 percent outperforming the 5.5 percent for the previous 5 years (2013 to 2017) and the average growth rate of 4.7 percent in the period 2008 to 2012 (**Figure 1**).
25. In 2020, the Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and the swift containment measures, which have not only disrupted the normal lives and livelihoods, but also to a greater extent businesses and economic activities. As a result, our economy is estimated to slow down to around 0.6 percent in 2020 from a growth of 5.4 percent in 2019. Looking ahead, the economy is projected to recover and grow by about 6.4 percent in 2021 and above 6.2 percent over the medium term.

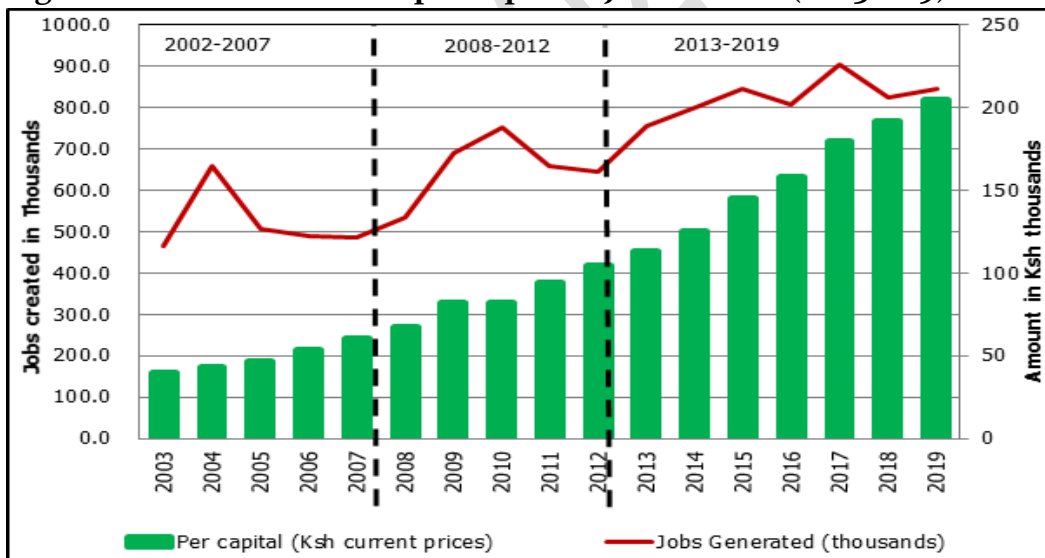
Fig 1: Broad-based Economic Growth from 2008- 2012



Source of Data: Kenya National Bureau of Statistics

Per capita income rose from KSh. 113,539 in 2013 to KSh. 204,783 in 2019, a compounded annual growth rate of 1.5 percent. This enabled generation of around 827,000 new jobs per year in the period 2013-2019 up from 656,500 new jobs per year in the period 2008-2012 (Figure).

Figure 2: Trends in Income per capita and Job Created (2003-2019)

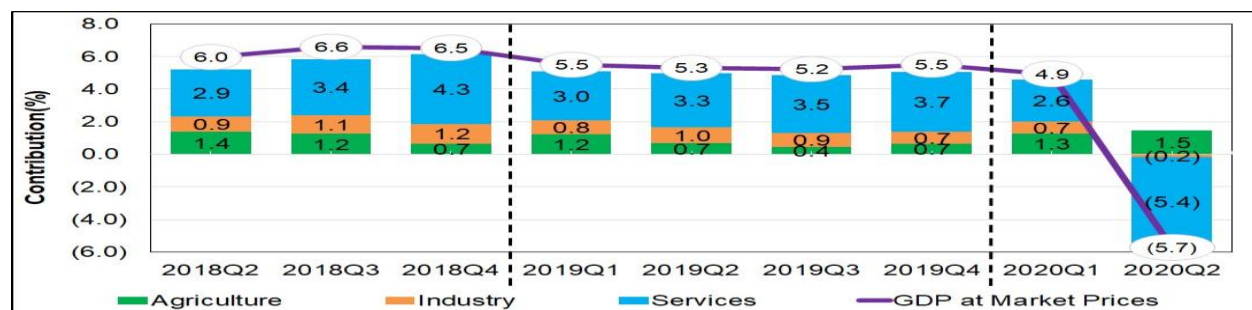


Source of Data: Kenya National Bureau of Statistics

2.4. National Macro-Economic Outlook

26. The Kenya economy remained resilient in 2019 and grew by 5.4 percent compared to 6.3 percent in 2018. The slowdown of growth was mainly attributed to reduced agricultural activity following delayed and inadequate rainfall in the first half of 2019. Service-oriented sectors remained resilient and supported economic activity.
27. The agriculture sector recorded an improved growth of 6.4 percent in the second quarter of 2020 compared to a growth of 2.9 percent in the corresponding quarter of 2019. The sector's performance was supported by a notable increase in tea production, cane deliveries, milk intake and fruit exports. The sector's contribution to GDP growth was at 1.5 percentage points in the second quarter of 2020 compared to 0.7 percentage points over the same period in 2019
28. The non-agriculture (service and industry) sectors was adversely affected by the Covid-19 pandemic during the second quarter of 2020. As a result, the sector contracted by 8.5 percent in the second quarter of 2020 down from a growth of 6.4 percent in a similar quarter in 2019. The sector's contribution to real GDP was 5.6 percentage points in the second quarter of 2020 compared to a contribution of 4.3 percentage points in the same quarter of 2019.
29. Services sector contracted by 11.0 percent in the second quarter of 2020 compared to a growth of 6.8 percent in the same quarter in 2019. The decline was largely characterized by substantial contractions in Accommodation and Food Services (83.3 percent), Education (56.2 percent), and Transportation and Storage (11.6 percent). Growth in the service sub-sector was mainly supported by financial and Insurance, Information and communication and Public Administration. The Services sub-sector contributed -5.4 percentage point to real GDP growth in the second quarter of 2020 compared to the 3.3 percentage point contribution in the same quarter of 2019

Figure 3: Economic Performance (Contribution to GDP)



30. The industry sector contracted by 1.0 percent in the second quarter of 2020, compared to a growth of 5.4 percent in the same quarter of 2019. This was mainly due to a decline in activities in the electricity and water supply and manufacturing sub sector. The industry

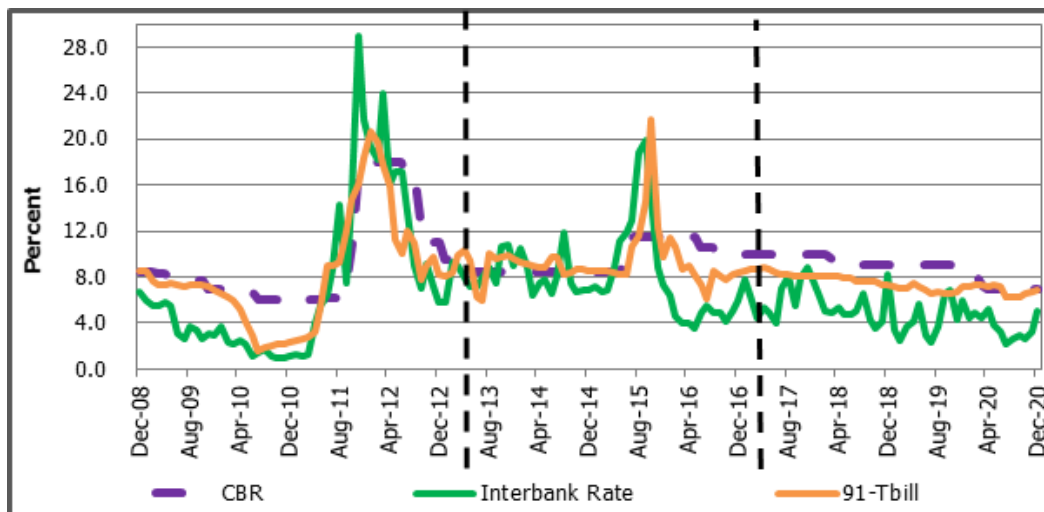
sector was however supported by construction sector which grew by 3.9 percent in the second quarter of 2020. The industry sector accounted for -0.2 percentage points of growth in second quarter of 2020 compared to 0.7% percentage contribution of GDP in 2019.

Interest rates

31. Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.00 percent on November 26, 2020 same as in April 2020 to signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprises, distressed by COVID-19 pandemic. The interbank rate declined to 5.1 percent in December 2020 from 6.0 percent in December 2019 in line with the easing of the monetary policy and adequate liquidity in the money market

32. The 91-day Treasury Bills rate was at 6.9 percent in December 2020 from 7.2 percent in December 2019. Over the same period, the 182-day Treasury Bills rate declined to 7.4 percent from 8.2 percent while the 364-day decreased to 8.3 percent from 9.8 percent

Fig. 5: Short-Term Interest Rates, Percent

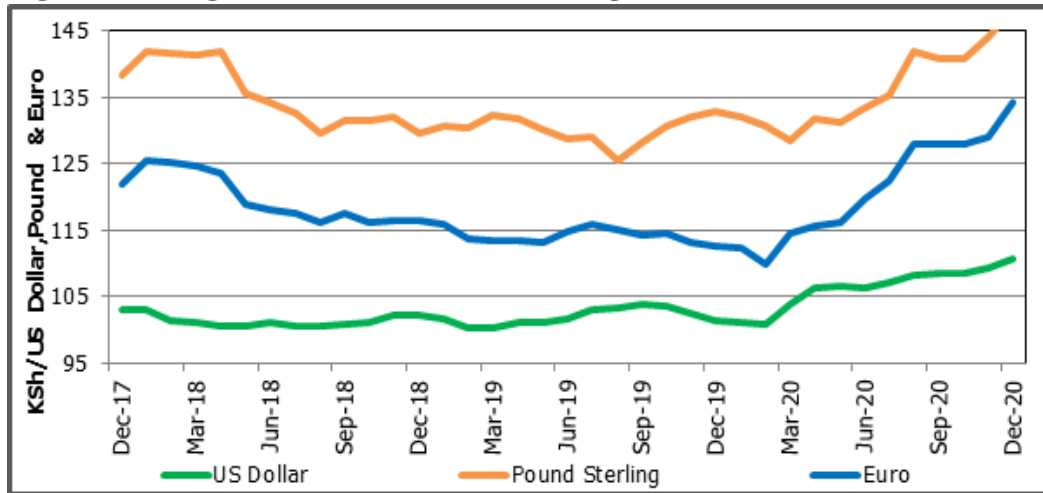


Source Kenya National Bureau of Statistics

Kenya Shilling Exchange Rate

33. The foreign exchange market has largely remained stable but was partly affected by a significant strengthening of the US Dollar in the global markets and uncertainty with regard to the Covid-19 pandemic. In this regard, the Kenya Shilling to the dollar exchanged at KSh. 110.6 in December 2020 compared to KSh. 101.5 in December 2019.

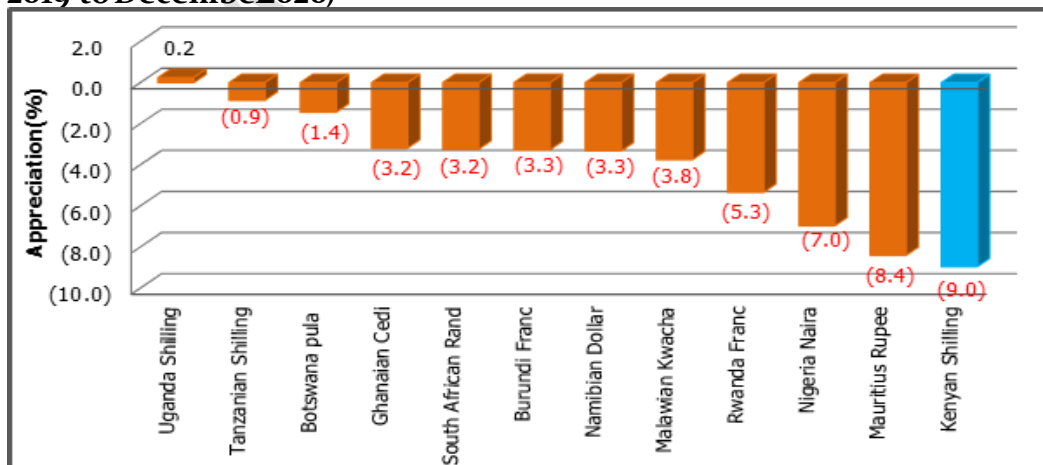
Fig. 6: Exchange Rate in US Dollars, Sterling Pound and Euro



Source of Data: Central Bank of Kenya

Like most Sub-Saharan Africa currencies, the Kenya Shilling has remained relatively stable, weakening by only 9.0 percent against the US Dollar (Figure 7). This stability in the Kenya Shilling was supported by increased remittances and adequate foreign exchange reserves.

Figure 7: Performance of selected currencies against the US Dollar (January 2019 to December 2020)



The Stock Market

34. Activity in the capital market slowed down with equity share prices declining as shown by the NSE 20 Share Index. The NSE 20 Share Index was at 2,834 points by end- December 2018 from 3,712 points in December 2017. The depressed share prices resulted in lower market capitalization of KSh. 2,102 billion in December 2018 from KSh. 2,522 billion in December 2017. The decline reflects trends in the global equities markets as investors shift to bond markets in expectation for a further hike in the U.S. interest rates on strong jobs and economic data.

Balance of Payments

35. During the FY 2019/20, the current account deficit remained stable at USD 4,786 million compared to USD 4,727 million in the FY 2018/19 mainly reflecting reduced imports despite lower receipts from services and secondary income transfers.

36. The balance in the goods account improved by USD 715 million to a trade deficit of USD 9,450 million in the FY 2019/20, due to lower merchandise imports. The decline in merchandise imports largely reflected savings in the oil import bill due to low oil prices that prevailed in the first half of 2020. Merchandise exports remained resilient reflecting improvements in tea and re-exports.

37. Imports from China accounted for 22.3 percent of total imports to Kenya during the year to June 2020 hence the largest source of imports. During the period, imports from the European Union accounted for 13.4 percent of total imports and decreased to USD 2,066 million while the share of imports from Africa decreased to 12.5 percent, equivalent to USD 1,929 million. The resilience in merchandise exports was mainly attributed to re-exports of goods and oil products. Furthermore, despite a drop in April 2020 due to COVID-19, horticultural exports normalized in May as the sector benefited from the cessation of restrictions in key destination markets and increased cargo capacity.

38. Kenya's exports to Africa improved by USD 98 million to USD 2,213 million reflecting increases in exports to EAC and COMESA regions. The share of exports to EAC increased to 23.5 percent in FY 2019/20 from 21.7 percent in FY 2018/19. However, there was a reduction in exports to the rest of the world, majorly to the U.S.A, Netherlands and India.

39. Receipts from transport and travel services remained subdued in the first half of 2020 due to the cessation of international travel on account of COVID-19. As a result, the balance in the services account worsened by USD 593 million to a surplus of USD 1,293 million in FY 2019/20 from USD 1,886 million in 2018/19. The reduction was due to lower receipts from

transport, travel and other services mainly insurance and finance, financial services and telecommunication. The balance on the primary income account worsened by USD 45 million to a deficit of USD 1,633 million. The surplus on the secondary income account declined from USD 5,230 million in FY 2018/19 to USD 5,003 million in the FY 2019/20. The reduction was mainly in transfers to non-governmental organizations.

40. Remittances remained resilient against the backdrop of COVID-19. In the year to June 2020, total remittance inflows stood at USD 2,809 million, 1.5 percent higher than the USD 2,768 million in the year to June 2019, reflecting significant increases in inflows from the US and South Africa. The capital account recorded reduced inflows by USD 66 million in the FY 2019/20, due to a decrease in project grants. The financial account recorded lower net inflows by USD 585 million in FY 2019/20.

2.5. County Economic Developments

41. By the end of 2019, Homa Bay county's economic prospects were positive with increased growth of GDP expected. However, COVID-19 has had negative effects on the economic activities of the county leading to loss of jobs and closing of businesses. Food, accommodation and entertainment establishments were closed to avoid the spread of COVID- 19. This led to the loss of jobs for people working in related sectors.
42. To increase the disposable income for the County Residents, the County Government of Homa Bay instituted measures such as waiving of rates for agricultural produce, market traders and boda boda riders. Additional measures such as provision of water, water tanks, soaps and detergents; fumigation of offices and other public places; subsidized payment of water service provided and settlement of water bills were implemented among other programmes.
43. Apart from the Covid-19 response measures, the transport connectivity of the county continued to be enhanced with many county trunk roads being improved to bitumen standard. Large parts of Oyugis-Sondu, Oyugis-Kendu Bay, Olare-Imbo, Rangwe-Suneka and Omoya-Onyedhi roads have been improved over the last one year thereby significantly easing movements of goods and labor.
44. With many households resorting agriculture during the covid-19 period, the county experienced a bumper harvest thereby improving food security and nutrition for many of those households. For households that were able to monetize their surplus, that represented an increase in the disposable incomes thereby stimulating effective demand in their localities.

2.5.1 Revenue Performance

45. During FY 2019/20, the County received Kshs.6.16 billion as the equitable share of the revenue raised nationally, Kshs.645.65 million as total Conditional Grants, raised Kshs.118.50 million as own-source revenue, generated Kshs.156.09 million as AIA, and had a cash balance of Kshs.1.05 billion from FY 2018/19. The County also received Kshs.176.29 million as “other revenues” outside its budget. The total funds available for budget implementation during the period amounted to Kshs.8.31 billion.

46. During the first half of FY 2020/21, the County Government of Homa Bay received KSh. 1.84 billion in terms of exchequer releases from the National Treasury. This represents 23.4% of the total printed estimates of revenue for the FY 2020/21.

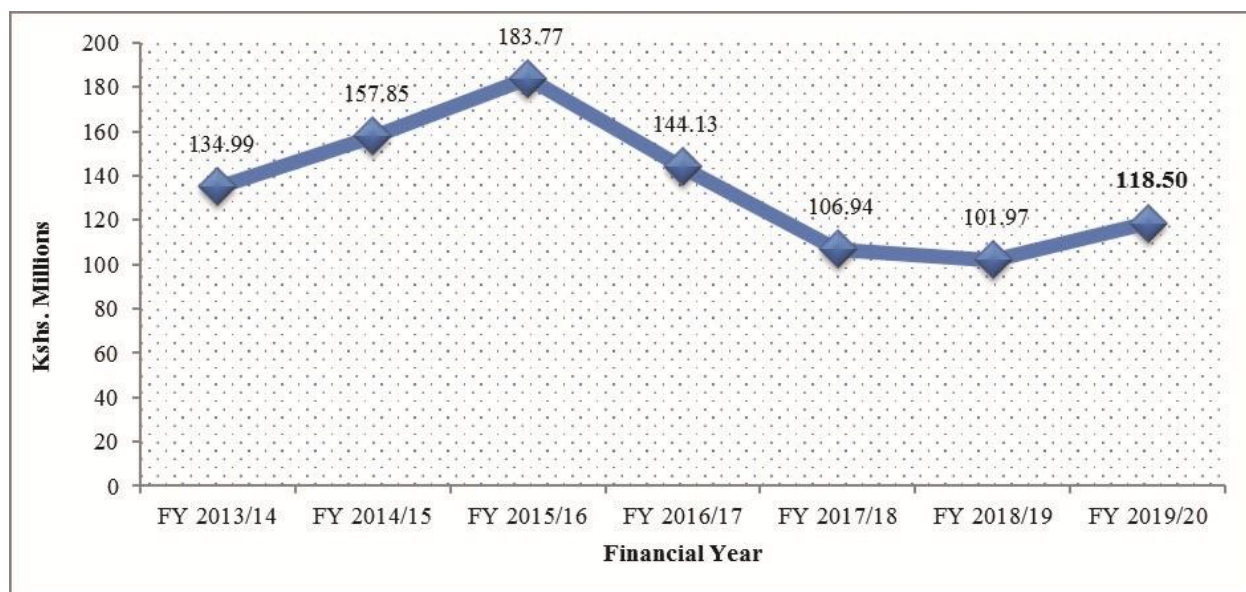
Table 1: Homa Bay County, Revenue Performance in FY 2019/20

S/No	Revenue	Annual CARA, 2019 Allocation (in KSh.)	Annual Budget Allocation (in KSh.)	Actual receipts in the FY 2019/20 (in KSh.)	Actual Receipts as a Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	6,741,450,000	6,741,450,000	6,161,685,300	91.4
B.	Conditional Grants from the National Government Revenue				
1.	Compensation for User Fee Foregone	22,185,346	22,185,346	22,185,346	100.0
2.	Leasing of Medical Equipment	131,914,894	131,914,894		-
3.	Road Maintenance Fuel Levy Fund	191,360,531	191,360,531	139,703,885	73.0
4.	Rehabilitation of Village Polytechnics	35,163,298	35,163,298	35,163,298	100.0
	Sub Total	380,624,069	380,624,069	197,052,529	51.8
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	53,812,849	53,812,849	47,973,189	89.2
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	350,000,000	350,000,000	248,805,986	71.1
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	30,000,000	30,000,000	30,000,000	100.0
4.	IDA (WB) Credit: Kenya Urban Support Project	119,361,500	119,361,500	85,371,975.40	71.5

	(KUSP) –Urban Development Grant (UDG)				
5.	DANIDA Grant	19,968,750	19,968,750	19,968,750	100.0
6.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	17,858,004	17,858,004	7,679,002	43.0
7.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Institutional Grants (UIG)	8,800,000	8,800,000	8,800,000	100.0
Sub Total		599,801,103	599,801,103	448,598,902.55	74.8
D	Other Sources of Revenue				
1.	Own Source Revenue	-	117,334,645	118,503,747	100.9
2.	Balance b/f from FY 2018/19	-	1,070,112,000	1,054,447,420	98.5
3.	Other Revenues	-	-	176,292,000	-
4.	A-I-A	-	60,256,879	156,091,866	259.0
Sub Total		-	1,247,703,524	1,494,880,033	119.8
Grand Total		7,721,875,172	8,969,578,696	8,312,671,764	92.5

The trend in own-source revenue collection from FY 2013/14 to FY 2019/20 is shown in Figure 8.

Figure 8: Trend in Own-Source Revenue Collection from FY 2013/14 to FY 2019/20



Source: Homa Bay County Treasury

47. During FY 2019/20, the County generated a total of Kshs.118.50 million as own-source revenue. This amount represented an increase of 16.2 per cent when compared to Kshs.101.97 million realized in FY 2018/19, and represented 100.9 per cent of the annual target.
48. During the first quarter of FY 2020/21, the County generated a total of Kshs.15.1 million as own-source revenue. This amount represented a decrease of 43.7 per cent when compared to Kshs.26.80 million realized during the same period in FY 2019/20, and was 5.1 per cent of the annual target. The significant decrease was attributed to closure of business and other restrictions meant to curb the spread of COVID -19 pandemic.

2.5.2 Expenditure Review

49. During FY 2019/20, A total of Kshs.7.19 billion was spent on Development and Recurrent programmes and represented 88.3 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.2.19 billion and Kshs.4.99 billion on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 62.5 per cent while that incurred on Recurrent programmes represented an absorption rate of 91.5 per cent.
50. During the first half of the FY 2020/21, a total of KSh. 2.58 billion was spent including KSh. 1.83 billion on recurrent and KSh. 0.75 billion on development. Of the KSh. 1.83 billion for recurrent, KSh. 1.53 billion was spent on compensation to employees and KSh. 0.3 billion on operations and maintenance.

2.5.3 Expenditure by Economic Classification

51. During FY 2019/20, Analysis of expenditure by economic classification indicated that Kshs.3.37 billion was spent on Compensation to Employees, Kshs.1.63 billion on Operations and Maintenance, and Kshs.2.19 billion on Development expenditure.

Table 2: Summary of FY 2019/20 Expenditure by Economic Classification

Expenditure Classification	Budget (KSh.)	Exchequer Issues (KSh.)	Expenditure (KSh.)	Expenditure as a Percentage of Total Expenditure (%)	Absorption (%)
Recurrent Expenditure	5,460,291,696	5,233,602,284	4,994,063,052	69.5	91.5
Compensation to Employees	3,581,046,570	3,647,976,570	3,368,948,799	46.9	94.1
Operations and Maintenance	1,879,245,126	1,585,625,714	1,625,114,253	22.6	86.5

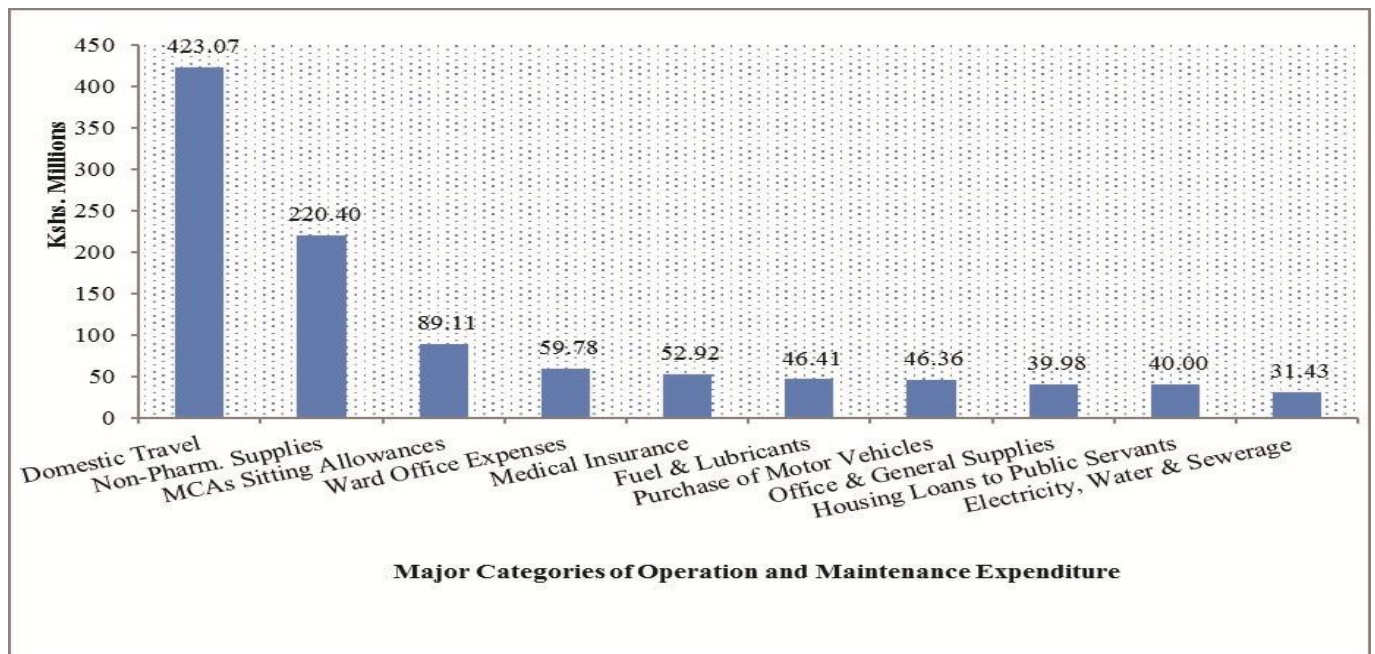
Development Expenditure	3,509,287,001	2,857,737,695	2,194,200,877	30.5	62.5
Development Expenditure	3,509,287,001	2,857,737,695	2,194,200,877	30.5	62.5
Total	8,969,578,697	8,091,339,979	7,188,263,929	100.0	80.1

Source: Homa Bay County Treasury

52. During FY 2019/20 Expenditure on Compensation to Employees was 46.9 per cent of the total expenditure for the financial year and represented an increase of 7.7 per cent compared to FY 2018/19 when the County spent Kshs.3.13 billion.

53. During the first half of the FY 2020/21, Analysis of expenditure by economic classification indicates that KSh. 1,527.8 million was spent on Compensation to Employees and KSh. 304.2 million on Operations and Maintenance. In all, KSh. 1,832.1 million was spent.

Fig. 9: Homa Bay County, Operations and Maintenance Expenditure by Major Categories in FY 2019/20



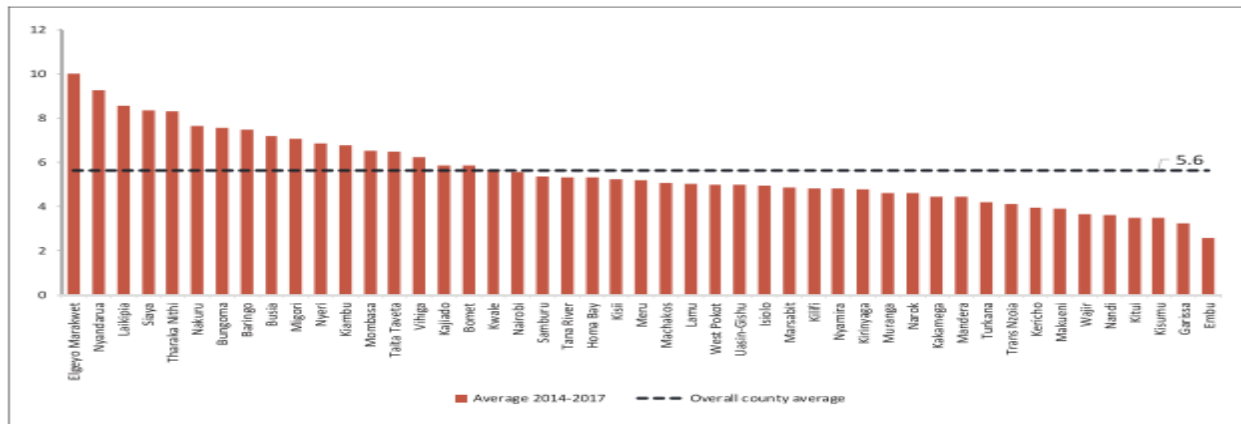
Source: Homa Bay County Treasury

54. The County spent KSh. 89.11 million on Committee Sitting Allowances for the 61 MCAs and Speaker against the annual budget allocation of Kshs.110.76 million. The average monthly sitting allowance was KSh. 121,737 per MCA against the SRC’s recommended monthly ceiling of KSh. 124,800.

55. During the period, expenditure on Domestic Travel amounted to KSh. 423.07 million and comprised of KSh. 162.47 million spent by the County Assembly and KSh. 260.60 million

by the County Executive. Expenditure on Foreign Travel amounted to KSh. 15.55 million by the County Executive

Fig. 10: Average GCP Growth



Source of Data: Kenya National Bureau of Statistics (Gross County Product - 2019)

56. The expected level of growth in Homa Bay County will be supported by increased production in agriculture and infrastructure, especially roads, water and energy. The improved investment climate is being brought about by promotion and marketing of the county through investment forums. On-going investments in trade, education, health services and social protection are also expected to contribute to the county’s growth. In collaboration with a number of development partners, the county is keen on enhancing contract farming, clustered rural enterprises and value addition with a view to reaching all potential markets.

2.6 Risks to the Economic Outlook

57. Risks from the global economies relate to persistence of the Covid-19 pandemic and required lockdowns, voluntary social distancing and its effect on consumption, the ability of laid off workers securing employment in other sectors, rising operating cost to make work places more hygienic and safe, reconfiguration of disrupted global supply chains, extent of cross-border spill overs occasioned by weaker external demand and funding shortfalls.

58. On the domestic front, risks will emanate from weaker external demand, reduced tourist arrivals and containment measures due the Covid-19 pandemic. In addition, the economy will continue to be exposed to risks arising from public expenditure pressures, particularly wage related recurrent expenditures and the erratic weather related shocks that could have negative impact on energy generation and agricultural output leading to higher inflation that could slow down growth.

59. The Government is continually monitoring these risks and taking appropriate monetary and fiscal policy measures to preserve macroeconomic stability and strengthen resilience in the economy. To cushion the country against the downsides of the risks, the Government is implementing an Economic Stimulus Package to protect lives and livelihoods. Implementation of the “Big Four” Agenda will unlock better growth, and positively impact on the lives of people through jobs creation and poverty reduction. The Government is also planning a Post Covid-19 Economic Recovery Strategy to return the economy on a stable growth path. Additionally, the diversified nature of our economy continues to offer resilience to any global challenges.
60. Risk management in Kenya is guided by The Public Finance Management Act, 2012. It captures the spirit on prudent management of risk. The Statement of Specific Fiscal Risks (SSFR) clearly outlines county’s exposure to fiscal risks that are associated with assumptions used for fiscal projections, public debt dynamics, operations of county government organs, contingent liabilities, vulnerabilities of the financial sector, as well as risks associated with external forces beyond our control.
61. The statement broadly seeks to address the following:
- i. It guides towards ensuring that macroeconomic assumptions are broadly accurate. This is despite the fact that the failure to meet revenue collection targets remains a major concern;
 - ii. Occurrence of adverse weather conditions continues to negatively affect agricultural productivity within the County.
 - iii. There is need to factor in the effects of the ongoing prolonged rains. Key emphasis is placed on the mitigation measures against destructive tendencies to existing infrastructure.
 - iv. The stability of the financial Sector remains paramount towards ensuring that the sector is adequately capitalized in the supply of capital to SME within the County.
62. **Mitigation Measure:** The County Government of Homa Bay however remains focused on putting in place preventive measures to ensure the fiscal outturn is as desired and, revenue and expenditure returns are as planned. The County government will monitor the above risks and undertake appropriate measures to safeguard against these risks should they materialize.

III: STRATEGY FOR BUILDING BACK A MORE RESILIENT AND THRIVING COUNTY

3.1 Preamble

63. The Covid-19 Pandemic has devastated global economies with Kenya not being spared. The economic impact of the Pandemic is already being felt across all sectors of the economy. Thus, the need to urgently overcome the immediate socio-economic challenges has become a matter of priority for the CFSP 2021.
64. At the heart of the policies in this document, is the desire to work closely with the National Government to foster a conducive environment critical to have the economy return to long term growth path. The CFSP 2021, therefore articulates priority policies and expenditure programs to be implemented under the Medium Term Expenditure Framework for FY 2021/22– 23/24 in order to provide an enabling environment for a resilient and sustainable economic recovery to continue safeguarding livelihoods, jobs, businesses and industrial recovery.
65. Building on the gains made by the National Government Stimulus packages, the County Government will implement a Post Covid-19 Socio-Economic Reengineering and Recovery Strategy (SERRS) which will mitigate the adverse impact of the Pandemic on the economy and further re-position the economy on a steady and sustainable growth trajectory. Successful implementation of the PostCovid-19 SERRS is predicated on more effective implementation of proposed measures.
66. The County Government will ensure that all proposed policies are implemented within the specified timelines. In this regard, the County Assembly will be expected to pass some key legislations required to facilitate implementation of the Post-Covid-19 SERRS. Furthermore, the County Government must accelerate the implementation of programmes linked to the “Big Four” Agenda which has gained traction over the past three years.
67. The Agenda is designed to help achieve the social and economic pillars of our Vision 2030 and the development aspirations espoused in the Kenyan Constitution. Actualization of policies and programmes under each pillar is expected to accelerate and sustain inclusive growth, create opportunities for decent jobs, reduce poverty and income inequality and ensure that we create a healthy and food secure society in which Kenyans have access to affordable and decent housing.

3.2 Priority Policy Measures

68. As indicated above, the CFSP 2021 is focused on implementation of measures that will stimulate growth, promote job creation, reduce poverty and protect vulnerable groups and businesses. To achieve these, the Government will:
- Roll out its Post-Covid-19 socio economic reengineering and recovery strategy.
 - Harness the implementation of the “Big Four” Agenda for improving living conditions and creating additional employment opportunities.
 - Foster a secure and conducive business environment by maintaining macroeconomic stability, enhancing security, improving business regulations and providing support;
 - Fast track development of critical infrastructure in the county such as roads, energy and water, among others, so as to reduce the cost of doing business as well as promote competitiveness of local products;
 - Transform economic sectors for broad based sustainable economic growth;
 - Improve access to education and health services, and strengthen health care systems;
 - Support youth, women and persons with disability to enable them actively contribute to the economic recovery agenda;
 - Implement various structural reforms to enhance the efficiency of public service delivery while at the same time ensuring accountability for better macroeconomic and fiscal stability, sustained credit ratings, improved fiscal discipline and minimized corruption.

3.2.1 Implementing the Covid-19 Reengineering and Recovery Strategy

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

70. The Strategy is focused on strengthening the system of financial management; transforming and re-engineering public service delivery to adapt to the “new normal; improving the capacity of the County Government of Homa Bay to soften the impacts of Covid-19 pandemic on its most vulnerable citizens; escalating and sustaining investment in the key sectors of the economy with greatest potential for poverty eradication and improvement of social outcomes; improving county industrialization capabilities especially worker skills, capital, technology and infrastructure for business development, seamless connectivity and industrial growth; improving the overall safety and comfort of citizens in all places;

developing effective, comprehensive policy and legislative frameworks; and developing capacity for effective multi-sector coordination, partnerships development, resource mobilization, programme implementation and developing and strengthening impact assessment.

3.2.1.1 Improved Coordination of Intervention Efforts

71. The Strategy has highlighted the need for a multi-sectoral approach that unites all actors to work together better and more sustainably. Different committees and teams that have been proposed at all levels including at the National Government, County Government and Development partners are expected to work closely together for the good of the County. Only then will synergies and economies of scale be realized, duplication of efforts eliminated and wastage of resources be avoided.
72. There is recognition that the realization of the strategic outputs under each cluster will require an effective implementation, coordination, monitoring and reporting framework. This is especially necessary because failures of past strategies have largely been due to the absence of such a framework and the lack of political goodwill.
73. Consequently, the Strategy has provided for coordination of the implementation of the proposed measures through a Covid-19 Reengineering and Response Committee. At the CEC level, there is a County Recovery Steering Committee headed by the Deputy Governor to provide policy guidance and leadership on implementation, monitoring learning and knowledge management.
74. Further, the Department of Finance and Economic Planning will establish a fully functional County Statistical Unit, develop a framework for data collection and reporting in each county entity, establish a depository for all critical county information and data; and strengthen the county capacity for evidence-based county programming and planning.

3.2.1.2 Health Systems Strengthening

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

3.2.1.3 Improved Climate Change Adaptation

76. For the water, environment, natural resources and climate change cluster, the strategic focus is on improving adaptation to climate change while intensifying conservation efforts through

agroforestry, climate-smart agricultural practices; promoting of water efficiency; renewable energy and green technologies.

3.2.1.4 Improved Food Security and Nutrition

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

3.2.1.5 Improved Protection of Livelihoods for the Most Vulnerable

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

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

3.2.1.6 Protection of Workers

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

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

3.2.1.7 Enhanced Support to Businesses and Growth of the Private Sector

82. For the commerce and industry cluster, the strategic focus is on encouraging trade and supporting micro, small and medium enterprises (MSMEs) through capacity building, creation of enabling environments and improving access to credit facilities and market. Other measures include: formulating a county industrial development strategy and preparing action plans for the development of specific value chains; fast-tracking value addition projects and; formulating an investment scheme to encourage investment in specific value chains and develop competitive activities in niches where there is capability to reach global markets.
83. The County Government is focused on creating structures to showcase investment opportunities in Homa Bay County and spur the flow of FDIs into the County; developing a framework for Public Private Partnerships (PPPs) to ensure effective collaboration in development of strategic industries; instituting measures to increase local and national demand for locally manufactured goods; instituting measures to increase export of locally manufactured goods including setting up a special economic zone; incentivizing technology transfer and innovation especially through enforcement of local content and promotion of niche exports; and building local capabilities by ensuring capital markets meet local needs, there are specific industries to support enterprise and, there is coordinated learning across all enterprises and activities.

3.2.1.8 Safe and Remedial Learning

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

3.2.1.9 Sustainable Settlement and Affordable Housing

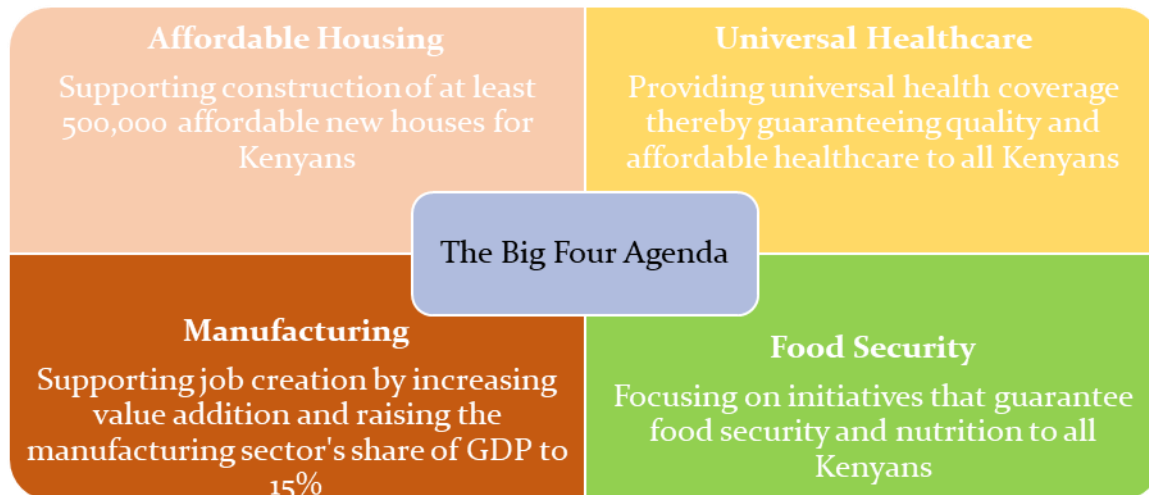
85. For the lands, housing and urban development cluster, the focus is on promoting shared prosperity through covid-responsive and climate-resilient spatial planning; development of water-fronts and other resource-based opportunities in urban areas; improving housing infrastructure in informal settlements;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

3.2.2 Harnessing the ‘Big Four’ Agenda

86. The County Fiscal Strategy Paper 2021 will seek to accelerate the implementation of the ‘Big Four’ agenda which has gained traction over the past two years. The County Government of

Homa Bay is taking steps to support the implementation of the various policies and programmes aligned to each of the big four pillars with a view to accelerating and sustaining inclusive growth, creating opportunities for productive jobs, reducing poverty and income inequality and providing a better future for all citizens.

Fig.11: The ‘Big Four’ Plan



3.2.2.1 Food Security

87. Under the Nutrition and Food Security pillar, the County Government through the department of Agriculture has initiated projects aimed at providing farm inputs to farmers within the county as well fully operationalize the post-harvest grain storage facility in Kigoto (Suba South) to enhance food security. Ultimately, the County Government will construct a post-harvest grain storage facility in each of the 8 sub counties.

3.2.2.2 Manufacturing

88. Under the manufacturing pillar, the County Government will continue to work closely with the National Government on development of industrial infrastructures such as Export Processing Zones, Special Economic Zones and Industrial Parks across the country including establishment of a modern industrial park at Riwa. This will be in addition to the construction of a number of value addition plants across the county.

3.2.2.3 Universal Health Coverage

89. Under the universal health coverage pillar, the County Government of Homa Bay has embarked on a mission to construct and equip new health facilities across the county in various wards in order to improve accessibility. Further, funds have been allocated for the recruitment of poor households in the County to take up cover under NHIF. It is expected

that the representative sample of 2,000 households covered today will generate the required feedback to guide the countywide rollout of the universal health programme.

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

3.2.2.4 Affordable housing

91. Access to adequate and affordable housing remains a key concern in Homa Bay County and Kenya as a whole. The 2019 population and housing census estimates that 10 million Kenyans dwell in slums while over 90 percent of Kenyans living in urban areas live in rented houses, 65 percent of whom live in informal settlements. Access to housing finance is also a major problem for majority of Kenyans which is evidenced by the fact that there are only 25,000 mortgages in the country. To realize the goal of affordable housing, the County Government through the department of housing, has provided adequate land for the Affordable Housing Program and further processed the ownership of the land within Homa Bay town meant for the affordable housing project.
92. The County Government of Homa Bay will seek to leverage the financing of “The Big Four” Plan programmes, by engaging the National Government as well as the private sector players and development partners. Significant progress is expected to be made in this respect, with private sector and development partners coming on board to fund Big Four projects and programmes.

3.2.3 Ensuring a Conducive Business Environment

93. The County Government of Homa Bay aims to ensure there is an enabling environment for businesses to blossom. The County Government will support regulatory reforms, promote competition and help create incentives for businesses to keep their costs down. It will equally partner with the National Government to improve security so as to attract and encourage investment and job creation. Additionally, it will take additional steps to improve revenue collection without undermining the attractiveness of the county to investment.
94. As part of measures to improve the environment for doing business, it will support construction of modern markets and stalls, provision of affordable credit to small and medium-sized businesses, lighting of trading centers, provision of infrastructural support for the establishment of cereals milling plant and fruit processing factory and other cottage industries. The County Government will also work closely with the National Government on

development of industrial infrastructures including establishment of a modern industrial park at Riwa.

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

3.2.3.1 Expansion of the Road Network

96. In order to ensure every citizen enjoys the benefits of an expanded road network, the County Government will scale up the improvement of the road network across the county. This will continue to open up many areas to economic activities and spur growth in other sectors of the economy.

97. In respect to critical trunk roads, the construction of Mbita-Sindo-Magunga road is expected to have significant impact on access to Ruma National Park and agricultural corridors of Gwassi. The completion of Oyugis-Kendu Bay, Omoya-Onyedhi and Olare-Imbo roads have had significant impact in improving connectivity within and between Karachuonyo, Kasipul and Rangwe constituencies thereby enabling enhanced trade and movement of goods and labour.

98. The construction of additional roads under the Low Volume Seal Road Programme to connect more agricultural areas as well as all critical beaches around Lake Victoria will be very important. In that respect, construction of the Magina-Pala-Kowuonda Road could have significant positive impact on the economy of Ndhiwa especially on the sugar and fruit industry. Mfangano Ring Road, Rusinga Ring Road and Kanyadhiang-Homa Hills – Kadel Ring Road are other critical roads the construction of which are expected to significantly improve transport connectivity within Homa Bay County.

3.2.3.2 Adequate, Affordable and Reliable Energy Supply

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

100. Under the “Big Four” Agenda, effort will be focused on connecting all level 3 and 4 health facilities to electricity through grid and off-grid solutions. The food and nutrition agenda will also be supported through irrigation, value addition, connecting electricity to water points and livestock holding grounds. The affordable housing will be boosted by supplying electricity to housing units.
101. The County Government of Homa Bay will continue to support the last mile connectivity programme by providing matching funds where possible so that all public facilities, including schools, trading centres, health centres, water points and administrative offices are connected to electricity whether through the grid or off-grid solutions. In order to promote a 24-hour economy and enhance security in designated areas, additional street lights have been set for installation in all wards.

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

102. Information, communication and technology will continue to play a significant role in the County economy. Amidst the disruptions caused by Covid-19 Pandemic and most people working from homes, ICT has taken center stage in driving activities in other economic activities and as such it has shown great potential to increase economic growth and improve the lives of Kenyans.
103. The County Government takes cognizance of the critical role ICT and innovation play in overall development. As such, the attainment of sustainable development hinges on the county’s ability to reap on the full potential of technological advancement and innovations in ICT.
104. Going into the FY 2021/22, the County Government is set to make better investments in ICT sector, which could greatly improve access to Government services and enable even youths access job opportunities outside Kenya. In that respect, the County Government will work with the National Government to improve access to ICT infrastructure and connectivity through the roll out of the Basic Voice Infrastructure in its most under-served locations.
105. To further improve access to information and e-government services, the County Government will work with the National Government to establish more Innovation Hubs that provide free Wi-Fi and internet access, digital devices and work spaces for use by members of the public. This will facilitate the training and mentorship of youths on access to online jobs, incubation of technological innovations and training and mentorship of entrepreneurs under the white box programme.

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

3.2.4 Increasing Investment in Infrastructure

107. Realizing that infrastructure development contributes enormously towards improving the county's competitiveness and interconnectivity and laying ground for achieving economic growth, the County Government of Homa Bay will continue to invest heavily in new roads, jetties, power stations, and ICT.

108. As part of measures to accelerate the opening of rural areas, the County Government of Homa Bay will implement a 15-million per ward for program for roads. It is expected that each ward will identify roads to be developed or maintained under the programme. This, enhanced with the installation of solar lights in many trading centers and informal settlements, is expected to increase connectivity and improve security while business hours are extended.

109. On transport safety, the County Government will undertake additional measures to ensure safety including regular trainings, advocacy and policing of the various modes of transport. To enhance access to stable, reliable and affordable energy, priority will be placed on increasing the energy mix through exploiting locally available energy sources including the vast potential of renewable energy. In addition, the County Government will continue to invest in increasing access to electricity through providing matching funds for connecting institutions and poor households to electricity, especially under the rural electrification programme.

3.2.5 Improving Access to Quality Education and Health Care

110. The County Government of Homa Bay recognizes the need and benefits of investment in human capital. Such investments are critical in driving inclusive economic growth as the knowledge and skills required to be competitive in the information age are made accessible to all. The National and County Government have been investing in all social sectors leading to improvements in the country's human capital index as shown by the 2020 World Bank Human Capital Index where Kenya ranked second in Africa and 94th globally.

111. As proof of how high the premium the Government has put on human capital development, the Government has invested in quality and relevant education including revamping the Vocational and Early Years' Education and Training (TVET) sub sectors. To

reduce the financial burden on vulnerable households, the Government has also scaling up social safety nets through provision of bursary and cash transfers.

112. The County Government of Homa Bay will continue to invest in expanding access to quality early year's education and improving the outcomes of our vocational training centers. Previous investments have seen increased enrolment, improved institutional administration and teacher-development. With the free primary and day secondary education, the County Government is focused on a hundred percent transition from ECD through to secondary school. This will be achieved through construction, equipping and staffing of County VTCs, EYE and Baby Care centers; rolling out of bursary programme to the needy students; introducing a school feeding programme through partnerships with NGOs, and provision of scholarships to the bright and needy students.
113. The County Government is also focused on making quality health care affordable to all its citizens through improved health system financing and funding from the exchequer. Specific measures over the MTEF period include: construction and equipping of new health facilities across the county in various wards in order to improve accessibility; allocation of funds for the recruitment of poor households in the County to take up cover under NHIF and eventual rollout of the universal health programme; strengthening Community Health Strategy through use of Community Health Volunteers (CHVs) to reach out to as many citizens as possible in a bid to promote disease prevention and awareness; and, recruitment and training of health personnel including physicians and clinical staff.

3.2.6 Empowering Youth, Women and Differently Abled Persons

114. High unemployment rates among the youth and dependency among women and Differently Abled Persons (DAPs) remains a major challenge for economic development in Homa Bay County. There is need for youth, women and DAPs to be equipped with the required skills for effective participation in the economy. Towards this end, the County Government of Homa Bay is focused on working in partnership with businesses, organized labor and community representatives, to have young people exposed to the world of work through internships, apprenticeships, mentorship and entrepreneurship.
115. The County Government will set aside additional funds to support enterprises owned by the youth, women and DAPs while at the same time continue to avail the 30 percent preferential Access to Government Procurement Opportunities. Further, The Government will continue to create a conducive environment for micro, Small and Medium Size Enterprises (SMSEs) to thrive as they are the pillar to create jobs for the youth, women and DAPs.

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

3.2.7 Enhancing Service Delivery

117. The County Government of Homa Bay has continued to receive conditional grants from the National Government. This enabled it to implement various projects and programmes for equitable and sustainable development.

118. During the FY 2020/2021, The County Government is premised to receive a total of KSh. 6.7 million as allocation from Equitable Share in line with Article 204 of the Constitution. It is also premised to receive KSh. 200.9 million from the road maintenance fuel levy; KSh. 40.4 million from the Ministry of Education for rehabilitation of village polytechnics and; KSh. 22.2 million from the Ministry of Health as compensation for user fees forgone.

119. In addition to this, the County Government will be able to receive: KSh. 45 million from the World Bank's Kenya Devolution Support Programme (KDSP Level I); KSh. 26.6 million from Danida for Covid-19 Support for Level II and III health facilities; KSh. 119.4 million from Kenya Urban Support Program (KUSP) for financing infrastructure in urban areas; KSh. 198.5 million from the National Agriculture and Inclusive Growth Project; KSh. 30.5 million from Agriculture Sector Development Support Programme and; KSh. 33 million from Transforming Health Systems for Universal Care Project.

120. The County Government also expects to benefit from phase II of Kenya Informal Settlement Improvement Project (KISIP II) with the support from the World Bank Group as a participating county. The project will improve access to basic services through upgrading infrastructure, land tenure regularization and strengthening institutional capacity in identified informal settlements.

121. Implementation of The National Policy to Support Enhancement of County Governments' Own-Source Revenue has become imperative in addressing challenges around OSR collection and administration faced by the County Government of Homa Bay. Moreover, implementation of an integrated revenue management system will eliminate leakages, high costs of collecting revenues and address OSR collection and administration

challenges over the years. Further, plans are underway to develop principal laws which will anchor county revenue measures in line with Article 210(1) of the constitution.

122. On the Big Four agenda, the County Government of Homa Bay will continue to partner with the National Government whereby the county Government provides land while the National Government provide the required infrastructure in form of power, water and roads. To foster manufacturing sector, the County Government is focused on value addition especially on animal feeds and maize processing. On health care, the County Government of Homa Bay is focused on expanding the health infrastructure by adding maternity wings, increasing human resource and equipment. This ensures availability of health services at the grassroots level leading to improvement in the wellbeing of Kenyans as well as the efficacy of the County Governments in fighting against the Covid-19 Pandemic.

3.2.8 Entrenching Fiscal Reforms

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

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

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

126. The Covid-19 crisis has presented an opportunity to reprogram and rationalize the stalled projects and ensure compliance with PIM Guidelines for appraising new projects. A comprehensive stock taking baseline will be undertaken so that data on all public investments

can be captured in a centralized system with the aim of carrying out a thorough analysis to help identification of projects which qualify for re-appraisal, re-prioritization, and rationalization. This will serve to guide fiscal consolidation measures.

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

3.2.9 Sectoral Transformation for Broad Based Sustainable Economic Growth

3.2.9.1 Development of the Tourism Sector

128. Despite the huge promise, the tourism sector in Homa Bay has continued to underperform. The situation has been aggravated by the Covid-19 Pandemic and the ensuing containment measures. The massive cancellation of hotel bookings prompted by lockdowns and travel bans imposed by various countries in an effort to curb the spread of the virus, occasioned massive job and income losses by many Kenyans directly and indirectly employed in the tourism sector.

129. To stimulate recovery of the tourism sector, the Government is scaling up efforts to promote aggressive post Covid-19 tourism marketing and providing support for establishment or refurbishment of important facilities through the Tourism Finance Corporation.

130. The County Government will step up efforts to create an enabling environment for the sector to thrive in addition to marketing Homa Bay as a preferred tourism destination in the Western Circuit. With the easing of travel restrictions, opening of international travel, implementation of protocol for management of restaurants and eateries, execution of Magical Kenya Tourism and Travel health and safety protocols and subsequent 'Safe Travels' Stamp endorsements and Safer Tourism Seal, the County Government is focused on working, in partnership with key stakeholders, to support the development and performance of music, drama, and dance; exhibition of works of art and crafts; and fostered discussions of matters of literacy, historical, scientific, and education importance.

3.2.9.2 Sustainable Management of Land

131. Land as a factor of production is critical to economic, social, political and cultural development. Secure access to land, sustainable land use planning and equitable distribution

of land remain immensely important for food security, employment creation and the socio-economic development of the country.

132. Towards this end, the Government will continue to support the development of a County Spatial Plan (CSP) and A County Land Use Policy (CLUP), construct and renovate more houses using Appropriate Building Technologies, digitize land records, enhance land survey by developing topographical and thematic maps and geo-referencing land parcels, develop a policy framework for public land management strategy, and fast track implementation of a Public Land Information Management System (PLIM).

IV: BUDGET FOR FY 2021/2022 AND THE MEDIUM TERM

4.1 Fiscal Framework

133. The FY 2021/22 and the medium term budget framework will continue to adopt a fiscal consolidation strategy. In that strategy, County Government Entities (CGE) will be encouraged to adopt efficiency in allocation of resources and ensure value for money by promoting sustainability and affordability. In addition, the Government will ensure efficiency not only in revenue administration but also in how own-source revenues are utilized.

134. The fiscal framework for the FY 2021/22 and the medium term budget is based on the County Government's policy priorities and macroeconomic policy framework set out in Chapters II and III. This can be captured in table 3 as follows:

Table 3: Fiscal Framework for the Medium Term, FY 2020/21-2023/24 (in KSh.)

	Approved Estimates FY 2020/21	Draft Estimates FY 2021/22	Projected Estimates FY 2022/23	Projected Estimates FY 2023/24
Total Revenue	7,808,246,827	9,385,333,636	10,385,359,706	11,568,667,590
Equitable Share	6,741,450,000	7,927,212,254	8,799,205,602	9,767,118,218
Conditional Grants	716,466,889	1,087,727,785	1,141,561,788	1,268,038,592
Own Source Revenue	350,329,938	370,493,597	444,592,316	533,510,780
Total Expenditure	8,919,095,611	9,385,333,636	10,385,359,706	11,568,667,590
Recurrent Expenditure	5,577,859,944	5,782,418,689	6,163,306,608	6,582,904,522
<i>Personnel Emoluments</i>	<i>3,904,648,860</i>	<i>4,066,073,956</i>	<i>4,228,716,914</i>	<i>4,440,152,760</i>
<i>Operations and Maintenance</i>	<i>1,673,211,084</i>	<i>1,716,344,733</i>	<i>1,934,589,694</i>	<i>2,142,751,762</i>
Development Expenditure	3,341,235,667	3,602,914,947	4,222,053,098	4,985,763,068
Fiscal Balance	(1,110,848,784)	0	0	0
Financed by other incomes and balances b/f	1,110,848,784	0	0	0

4.1.1 Revenue Projections

135. In the FY 2021/22, the County’s total revenue including Appropriation-in-Aid (A-I-A) is projected to increase to KSh. 9.38 billion up from the KSh. 8.92 billion expected in the FY 2020/21. Revenue performance will be underpinned by enhanced exchequer releases and the on-going reforms in revenue administration.

136. Equitable Share will amount to KSh. 7.93 billion (84.5% of the total budget) in FY 2021/22 from the KSh. 6.74 billion (85.7% of total budget) in the FY 2020/21. Conditional grants from both the National Government and Development Partners will amount to KSh. 1.09 billion (11.6% of the total budget) in the FY 2021/22 from the KSh. 0.73 billion (9.3% of the total budget) in the FY 2020/21. Own-Source Revenue will amount to KSh. 0.37 billion (3.9% of the total budget) in the FY 2021/22 from KSh. 0.35 billion (4.4% of the total budget) in the FY 2020/21.

4.1.2 Expenditure Projections

137. The overall nominal expenditure for FY 2021/22 is projected to increase by KSh. 1.52 billion (19%) from the estimated KSh. 7.86 billion printed for the FY 2020/21. The expenditures comprise of recurrent of KSh. 5.78 billion (62.6 percent of the total estimates) and development of KSh. 3.60 billion (38.4 percent of the total estimates).

138. Of the KSh. 5.78 billion for current spending, KSh. 4.07 billion will be for compensation to employees (43.3 percent of the total estimates) whereas current programs, operations and maintenance will account for KSh. 1.72 billion (18.3 percent of the total estimates) in the FY 2021/22.

139. Reflecting the medium-term expenditure framework trends, the table 4 below provides the projected expenditures by sector over the MTEF period 2021/22-2023/24.

Table 4: Summary Expenditure Projections by Sector (in Millions of KSh.)

COUNTY MTEF SECTOR	FY 2021/22 DRAFT ESTIMATES			FY 2022/23 PROJECTIONS			FY 2023/24 PROJECTIONS		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Agriculture, Rural and Urban Development	238.9	765.6	1,004.5	235.6	894.1	1,129.6	247.4	1,005.6	1,252.9
General Economic and Commercial Affairs	147	174.4	321.4	149	232.5	381.5	160.5	322.2	482.7
Energy, infrastructure and ICT	75.3	1,267.7	1,343.0	92.5	1,508.3	1,600.7	111.6	1,790.5	1,902.1
Education	540.6	130	670.6	551.7	115.5	667.2	579.2	121.3	700.5
Health	2,422.1	443.3	2,865.40	2,582.3	532.0	3,114.3	2,739.8	650.4	3,390.2
Social Protection, Culture and Recreation	74.3	164.9	239.2	80.1	185.9	266	85.9	217.2	303.1
Environmental Protection, Water and Natural Resources	120.1	386.3	506.4	123.7	440.2	563.9	129.9	512.2	642.1

Public Administration and Inter-Government Relations	2,164.10	270.7	2,434.8	2,348.4	313.8	2,662.2	2,528.6	366.5	2,895.2
TOTAL ESTIMATES	5,782.4	3,602.9	9,385.3	6,163.3	4,222.2	10,385.4	6,582.9	4,985.8	11,568.7

140. In the FY 2021/2022, the health sector is expected account for the largest portion of all expenditure at 30.5% followed by public administration sector at 25.9%; energy, infrastructure and ICT sector at 14.3%; agriculture, rural and urban development sector at 10.7%; education sector at 7.1%; environmental protection, water and natural resources sector at 5.4%; general economic and commercial affairs sector at 3.4% and; social protection, culture and recreation sector at 2.5%.

4.2 Budget Priorities

141. The County Government of Homa Bay is committed to implementing priority programmes captured in the County Integrated Development Plan (CIDP) for the plan period while taking into account emerging issues such as Covid-19. Obviously, there is the need to optimize use of county revenue and other resources during the period. And for those optimal results, the County Government has adopted a framework for better quality services based on strong links between resources, budgeting, monitoring and clear expectations for delivering planned outcomes.

142. Whilst consolidating earlier gains, the Medium-Term Expenditure Framework for 2021/22 – 2023/24 will primarily focus on priority programmes aimed at socio-economic reengineering and recovery, achieving the “Big Four” Agenda and making it easy for the current administration to consolidate gains by completing its on-going projects. These priorities notwithstanding, the County Government will strive to ensure that public spending leads to high quality outcomes within a sustainable and affordable framework. In this regard, spending will be directed towards the most critical needs of the county with the aim of achieving quality outputs and outcomes with existing or lower level of resources. Further the County Treasury will ensure CGEs request for resources are realistic and take into account the resource constraints, in light of the fiscal consolidation policy.

4.2.1 Revenue Enhancement

143. The County Government of Homa Bay recognizes that it exists to provide services to the people of Homa Bay. To make this possible, it must mobilize revenue mainly from the equitable share, conditional and unconditional grants, Own Source Revenues (OSR) and borrowing. Therefore, the County Government will focus its attention on each revenue stream individually.

4.2.1.1 Enhancing Collection of Own-Source Revenue

144. It is a matter of fact that revenue mobilization in the County has been well below potential, limited by structural factors such as low per capita income, a large informal sector, a largely peasant agriculture and an insignificant manufacturing and modern services sector. This has implied a very low effective revenue base despite the relatively impressive growth profile of the County. Consequently, the County Government of Homa Bay has had to review its practices towards increasing collection of OSR in the FY 2021/22.
145. Obviously, enhancing revenue collections requires choosing carefully what items or activities are to be taxed (defining the tax base). It also requires properly determining the appropriate rates to be charged on each item/activity (tax rate) and how to get as many items/activities as possible to be captured (coverage ratio). Thereafter, the next challenge is how best to get the largest proportion of the actual value of the item or activity to be captured (valuation ratio) and, how to increase the collection ratio (the proportion of collected revenue that ends up at the County Revenue Fund account).
146. With regard to making all revenue collection activities legal, the County Government is taking steps to ensure there exists clear and unambiguous legal authority for collecting every category of revenue. This implies a specific and sufficiently detailed county legislation for every revenue stream. And such legislation will only be considered complete if they have clear, well-defined methodology for all revenue processes ranging from the definition of the revenue base, to collection, to enforcement, to reporting. To ensure maximum compliance with constitutional provisions and national policy, model laws developed jointly by CRA, COG and KLRC shall be adapted to the largest extent possible.
147. The County Government will ensure there exists clear linkage between the County Finance Act and other county revenue laws. Whereas the various county revenue legislations will provide the legal authority to impose taxes and set the initial rate, it is the County Finance Act that will set out the framework for all revenue that is collectable each year. Any variation to the taxes for any particular year will thus be set out in the County Finance Act for that year while the county revenue legislations will remain unchanged (unless substantially amended).
148. Revenue enhancement efforts will be focused on measures that will bring the greatest revenue gains. By completely understanding the individual pattern of revenue collection, effort will be concentrated on areas with the most revenue potential. This will require identifying and estimating the size of the base for all categories including SBP, Cess, Market fees, Parking fees, Rents, Land-based revenue, Property taxes, Liquor licensing, Tourism charges, Transit charges, Construction minerals charges, Advertising and Royalties among others. Thereafter, coverage, valuation and collection ratios can be measured for each revenue category so that revenue collection is maximized.

149. In order that unwelcome distortions in the behavior of taxpayers may not be triggered, the County Government will be focusing on the policy objective of every revenue stream so that charges are priced and administered accordingly. Where possible, some services will be priced to recover full cost unless other factors such as the ability to pay, overall general benefit to society or marginal cost pricing can come into play. In that regard, services with mainly private good characteristics will be charged while those with user and non-user benefit will be financed using public money. Where possible, some services will be charged in a manner that mimics private sector (e.g. water, parking, renting out a county-owned venue) while others such as garbage collection, street cleaning, public parks and other public goods will be financed by taxes.
150. In order not to kill the goose that lays the golden egg, the County Government shall ensure revenue-producing assets are allocated sufficient maintenance funding. For that matter, part of the funds generated by any particular county asset will be ring-fenced for purposes of ensuring such asset continues are regularly maintained and improved so that they remain operational and they never fall into a state of disrepair so soon.
151. To the extent possible, the County Government will strive to minimize the transaction cost of collecting revenue. Options for annual or monthly billing shall be considered so that costs are saved for both the County Government and the citizen. User accounts shall be opened for payments like market and parking fees and, advance payments shall be incentivized through discounting.
152. Information and Communication Technology (IT) will also be used where possible to save costs. In property valuation, use will be made of mass valuation methods that maximize on computer technology. In business registration, payments will be automated to the extent possible and all the enforcement will do is to follow up. Ultimately, all tax, license payments and charges will be harmonized even across the various areas formerly served by different local authorities within the same county.
153. All processes and information systems that underpin revenue collection shall be integrated. This way, all new systems created or purchased work will have to work seamlessly together with existing ones so that there is minimum disruption and improved reporting and forecasting.

4.2.1.2 Maximizing Receipts from Equitable Share

154. The County Government of Homa Bay has been losing out to other counties in terms of equitable share for the simple reason that its health facilities are not being used optimally. Therefore, the Department of Health has embarked on measures to maximize the use of existing facilities in the county. In that regard, the department has focused on conducting an assessment to determine the cause of low day visits to and night stays in the County's health

facilities. Part of the explanation already given is that perhaps there is a sub-optimal mix of services and interventions currently provided in the County's health facilities.

155. As part of measures to enhance the revenue effort in health facilities, the Department of Health has proposed a number of Dispensaries that should be upgraded to the level of Health Centres so that some services they offer can be charged what with more citizens being enrolled into the Universal Health Coverage. If anything, being on health insurance has the stimulating effect on hospital visits.

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

4.2.1.3 Strengthening Mobilization of External Resources

157. As part of measures to ensure the County's resource mobilization efforts are coordinated appropriately and desired results are achieved with a high level of impact, the County treasury will undertake to establish a fully functional external resources unit to coordinate and drive the resource mobilization initiatives. Select employees with specific competencies to provide appropriate input (e.g. strategic, technical, monitoring) shall be seconded to be part of the unit and, sufficient time and budget shall be dedicated to resource mobilization initiatives. Periodically, progress of the unit shall be reviewed and corrective or reinforce measures shall be instituted whenever necessary.

158. As part of measures to support sustainable flow of external resources into the county, the County Government of Homa Bay will rest the success of her efforts on a number of pillars:

- Fostering a shared vision of priorities and result areas with the broadest possible range of resource partners as a basis for strong, sustained, flexible, and predictable resourcing of the County's Development Programs and Projects;
- Pursuing partnerships and resources that help to connect shared, regional economic and trade blocs, international and global development goals in concurrence with the Sustainable Development Goals (SDGs) and their corresponding targets to the specific indicators and priorities of the National and County Government and the challenges the emerging democracies face in their quest to mainstream equitable and sustainable development;
- Working with United Nations Agencies, World Bank Programs, Bilateral Development Partners, Multi-Lateral Agencies, International Financing Institutions (IFIs), Local Banks and Cooperatives, Local and International Investors and Global Program Funding

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

- Accelerating a scaled up response to humanitarian crisis by engaging at local, national, regional, and global levels with public and private, traditional and emerging partners and exploring innovative financing and programme support opportunities;
- Broadening the base of resource partners to promote the universality and impartiality of the public service delivery anchored on the protection and promotion of inherent fundamental human rights and freedoms, as well as in the best interest of fulfilling the mandates of the County Governments as envisaged in the County Governments Act, Laws of Kenya;
- Capitalizing on the long-standing engagement with citizens and the private sector in high income countries, principally through strategic networking and collaboration, fundraising and advocacy to mobilize public resources and secure goodwill of the public towards effective implementation of the County's development programmes and projects;
- Investing the resources mobilized in a prudent, cost effective manner that guarantees value for money while promoting optimal benefits and long-term impacts to the citizens of Homa Bay County; and
- Undertaking more robust results-based programming, programme implementation and management and budgeting while strengthening quality monitoring, evaluation, reporting and knowledge management, and recognizing our partners more systematically for their contributions to the realization of our development aspirations and goals.

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

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

161. The County Government is already working on a data base of all potential partner including their interests, their mode of funding or support and the terms which may accompany any partnership agreement. Ultimately, the County will spare no effort to meet their different requirements and modalities. Apart from traditional financing, the County

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

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

- Meeting face to face as much as possible;
- Having a mix of people (strategic, technical, negotiation) on ‘the sell’ team;
- Keeping county documents clear and concise;
- Developing interesting advocacy material;
- Using personal contact points as much as possible;
- Ensuring county information is correct and up to date;
- Timing the engagement with the potential partner’s funding cycle;
- Highlighting past work successes to demonstrate competence;
- Maintaining communication and always following up; and
- Using every opportunity to engage.

163. During engagement of potential partners, the County Government of Homa Bay will always strive to sell itself in the best way possible. Presentations, proposals or concept notes developed will be strictly those that are relevant to the mutual interests of the potential partners and the County Government.

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

165. For purposes of effective management and reporting, the County Government of Homa Bay will put in place appropriate management arrangements for all its projects for which it will have gained resource support. The first action will be to appropriately acknowledge a partner’s contribution in the form of formal letter, press release, website article, at meetings, or using social media. This is expected to help maintain a positive partnership. Only

responsible officers will be overseeing the management of partner projects, reporting of work activities and budget expenditure.

166. Project work plan and timeline, which is often in the form of a Logical framework (LogFrame), will be followed effectively and, the frequency and method of reporting will be included in any agreement. Ideally, inception, mid-term and terminal report, or are at project milestones or some other frequency requested by the partner will be adopted. Ultimately, the County Government will make it its business to comply with partner requirements and submit progress updates from time to time.
167. As part of communicating results, the County Government of Homa Bay will have a communication strategy for all its projects. Communication will be done both internally and by an external professional who will be expected to ensure project messages are appropriate for intended audiences. Project results will be used to advocate what has been achieved and the value of the work being done, in conjunction with the resource partner. Use will be made of brochures and factsheets as well as presentations at conferences and relevant committee meetings.
168. In all communications, the partner, key results, lessons learned and opportunities for future work will be acknowledged. Therefore, successful projects will be promoted to demonstrate to present partners and other potential partners that the Homa Bay County is worth investing in and can add value to their reputation through association. This way, the County Government will have a strong base to advocate for further support to continue existing partnerships. Equally, the County Government will publicize the completion of its projects such as through press releases.

4.2.2 Expenditure Prioritization

169. The County Government of Homa Bay has had to deal with limited resources amidst demand for many public services. This means the government's priorities have had to be clear so that the County Treasury can sequence requests by County Government Entities (CGEs) in a manner that guarantees the best possible results for Homa Bay County.
170. On the one hand, the County Government recognizes that spending on areas such as research and development, education, and infrastructure may facilitate the achievement of economic growth in the long term but at the same time it is not prudent to ignore those who want the fruits of growth in the short term. On the other hand, spending on health and cash transfers to the poor will meet the immediate needs of the poor but may neglect productive investments. Hence, a balance must be struck between current and capital spending.
171. The first step in the prioritization process was to determine the resource envelop and update the fiscal framework accordingly. Thereafter, the budget directorate would have the

budget strategy determined at the County Executive Committee level. Here, CEC members are able to determine (1) the affordable total, (2) new policies to be accommodated, and (3) any changes (often reductions) in existing policy provision.

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

4.3 Budgetary Allocation

173. The budgetary allocation to each MTEF sector and County Government Entity is summarized in the Annexures I and II of this strategy.

4.3.1 Baseline Ceilings

174. The baseline estimates (FY 2020/21) reflect the current spending levels in sector programmes. In the recurrent setting, non-discretionary expenditures have taken first charge. Development expenditures have been allocated on the basis of the on-going flagship projects, Ward Projects and the Covid -19 Socio-Economic Reengineering and Recovery Strategy and CADP 2020 priorities.

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

- a) **On-going projects:** emphasis was given to completion of on-going capital projects and in particular infrastructure projects with high impact on poverty reduction, equity and employment creation;
- b) **Counterpart funds:** priority was also given to adequate allocations for donor counterpart funds which is the portion that the County Government must give in support of the projects financed by development partners;
- c) **Covid-19 Socio-Economic Reengineering and Recovery:** Consideration was further given to interventions supporting Post-Covid 19 recovery; and
- d) **Strategic policy interventions:** further priority was given to policy interventions covering all wards especially those enabling social equity and environmental conservation.

4.3.2 Criteria for Resource Allocation

The FY2021/22 Medium-Term Budget will be finalized after approval by the County Assembly but only after a thorough scrutiny to curtail spending on nonproductive areas and ensure resources are directed to priority programmes.

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

- (i) Linkage of the proposed intervention to the Covid-19 Socio-Economic Reengineering and Recovery Strategy;
- (ii) Linkage of the proposed intervention to the ‘Big Four’ Plan either as drivers or enablers;
- (iii) Linkage of the proposed intervention with the objectives of CIDP 2018-2022;
- (iv) Degree to which the proposed intervention is addressing the core mandate of the CGE prioritizing it;
- (v) Cost effectiveness and sustainability of the proposed intervention;
- (vi) Requirements for furtherance and implementation of ward-based development priorities; and
- (vii) Meeting pending obligations as a first charge.

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

4.4 Expenditure Priorities by Sector

178. Allocation and utilization of resources in the medium term will be guided by the priorities outlined in the County Integrated Development Plan (CIDP 2018-2022), Fiscal Strategy Paper (FSP) and other county plans; and in accordance with section 107 of the PFM Act 2012. The county government will prioritize expenditures within the overall sector ceilings and strategic sector priorities drawn from the county goals included in the CIDP 2018-2022.

179. The medium term expenditure framework will focus on, (1) Improving macroeconomic balance by developing a consistent and realistic fiscal framework; (2) Improving the allocation of resources to strategic priorities between and within sectors; (3) Increasing commitment to predictability of both policy and funding so that departments can plan ahead and programs can be sustained; and (4) Providing spending units with a hard budget constraint and increased autonomy, thereby increasing incentives for efficient and effective use of funds.

180. Based on the Medium-Term Framework, the County Government of Homa Bay will continue focusing on;

- Improving both health and education outcomes by focusing on accessibility, affordability and quality. This will be enhanced by construction, rehabilitation and equipping of additional facilities; Operationalization of a community strategy, support towards continuous professional improvements and provision of essential supplies.
- Improving infrastructure including roads, energy, ICT and safe water for the residents of Homa Bay. The allocation to the sector is expected to continue rising over the medium term.
- Enhancing agricultural productivity and output; increasing livestock production and productivity; improving management, conservation, control and development of fisheries; urban and rural development controls; creating a conducive environment for business and investment; and promoting selected industrial clusters around key agriculture, livestock and fisheries' products.
- Improving the social welfare, particularly of the youth, women and persons with disability while at the same time investing in the promotion of local tourism, culture and sports with a view to increasing earnings from the sports, culture and the arts sector.

4.4.1 Agriculture, Rural and Urban Development Sector

181. The overall goal of the sector is to attain food and nutrition security as one of the “Big Four” initiatives for increased agricultural productivity and processing through sustainable management, utilization of land and the blue economy. The sector is a key player in economic and social development of the county through food production, employment and wealth creation, foreign exchange earnings, security of land tenure and land management. The ARUD sector comprises of three sub-sectors of agriculture, livestock, fisheries and food security, lands, housing and urban development and County Municipal Board.

4.4.1.1 Agriculture, Livestock and Fisheries Sub Sector

182. Agriculture is the backbone of Homa-Bay economy due to availability of vast arable land suitable for crop production (both food and cash crops). Therefore, the goal of the sub-sector is to create an enabling environment for agricultural development including increased investment in the sector and, improved service delivery and coordination of sub-sector functions, programmes and activities. Towards this goal, the sub-sector has been allocated KSh. 619.4 million consisting of KSh. 165.1 million for recurrent expenditure and KSh. 454.3 for development priorities in the FY 2021/2022.

183. Under the policy, planning and general administration and support services programme, the sub-sector has been allocated KSh. 170.1 million consisting of KSh. 165.1 million for recurrent and KSh. 5.0 for development. In this programme, the priorities include: creating an enabling environment for agricultural development through completion of bills and policies to support agricultural development; construct offices for agriculture, livestock and fisheries offices at devolved levels; and fully establish and operationalize an agricultural training center (ATC).
184. Under the crop, land and agribusiness development services programme, the sub-sector was allocated KSh. 344.9 million for development priorities. In this programme, the priorities include: increasing crop productivity and outputs for enhanced food security; establishing an ATC and continuing investment in agricultural mechanization; transferring modern farming technologies to farmers through establishment of model farms; improving agricultural extension services and application of contemporary science and technology including mobile platforms, lead farmers' initiatives, FFSs, apprenticeships, field days & exhibitions; and promoting sustainable land use and environmental conservation. The sub-sector will also promote access to markets for different farm produce across the county; enhance access to credit and inputs among farmers; promote traditional high value crops through seed multiplication/bulking sites establishment and; support establishment of commercial fruit tree nurseries.
185. Under the cooperatives development and food security enhancement services programme, the sub-sector has been allocated KSh. 35.7 million for development purposes. In this programme, the priorities include: continuing sensitization of farmers on post-harvest handling approaches to reduce post-harvest losses and promote uptake of on-farm grain storage by farmers by subsidizing cost of access to metal silos; providing subsidized seeds and fertilizers across the wards; and promoting harvesting of run-off water. The sub-sector will also support registration and capacity building of cooperative societies; reviving and strengthening dormant cooperative societies and; auditing all cooperative societies to ensure they employ best practices.
186. Under fisheries resources development services programme, the sub-sector has been allocated KSh. 33.7 million for development purposes. In this programme, the sub-sector priorities include: enhancing sustainability of fisheries through improved surveillance and control of illegal fishing; improving quality and safety of fisheries through construction of modern fish landing site facilities and adoption of modern fish production technologies; enhancing availability of fisheries resources through construction and stocking of fish ponds and fish cages and supply of farmed fish feeds and fish harvesting nets. The sub-sector will strive to customize relevant national policies and legislations, promote cage farming, establish model fish farms for technology transfer, facilitate farmers to access quality seeds and feeds, facilitate fisheries value chain actors to access credit facilities in order to improve

their enterprises, strengthen protection of breeding grounds and develop species specific fisheries management plans while enhancing sustainability in fisheries value chains.

187. Under the livestock development services programme, the sub-sector has been allocated KSh. 35 million for development purposes. In this programme, the sub-sector priorities include: dairy development, clean milk production and marketing, sheep and goat production through breed improvement; upgrading of the local animals through provision of artificial insemination services; livestock disease and vector control; and promotion of apiculture through modern bee hives. There will also be support to extension delivery by employment of additional livestock extension personnel at the ward level.
188. The sub-sector has been encouraged to accelerate implementation of its projects and enhance partnership with its implementing agencies; prioritize crops that would have greater impact on income poverty; consider desilting of water pans and streams; improve storage and tracking of subsidized fertilizers and; enhance water supply to and training of fish farmers.

4.4.1.2 Lands, Housing and Urban Development

189. The main objective for lands, housing, urban development and physical planning sub-sector is to ensure enhanced administration, equitable access, secure tenure, proper housing and sustainable management of land resources. Towards this objective, the sub-sector has been allocated KSh. 171.4 million consisting of KSh. 51.7 million for recurrent expenditure and KSh. 119.7 for development priorities in the FY 2021/2022.
190. Under the land and physical planning services programme, the Sub-sector has been allocated KSh. 104.7 million for development purposes. In this programme, the priorities for the sub-sector: preparing a covid-responsive and climate-resilient integrated county spatial, physical and part-development plans; digitizing the building-plans approval processes; operationalizing the county valuation and rating Act of 2020; escalating acquisition and registration of land for public purposes; completing the inventory of public lands; conducting site surveys and random checks for various adjudication sections to facilitate land registration processes; surveying and demarcating markets; and facilitating lakefront planning and development through LREB.
191. Under the housing and urban development services programme, the sub-sector has been allocated KSh. 29.1 million consisting of KSh. 14.1 million for recurrent expenditure and KSh. 15.0 million for development purposes. In this programme, the priorities for the sub-sector include: facilitating delivery of 2,000 affordable homes under the 'Big Four' agenda; developing green building guidelines through ABMT centers; streamlining housing revenue management; prioritizing waste sorting at household and community levels and; providing modern housing infrastructure within informal settlements under KISIP.

192. The Sub-sector will also: establish and strengthen urban boards and committees including municipalities, towns and market centers to improve their management practices; facilitate preparation of integrated urban area development plans across the county; delineate urban boundaries for municipalities, towns and market centers; establish urban green spaces, recreation centers and childcare centers in urban areas; upscale and replicate key programmes particularly the ‘Kazi Mtaani’ initiative across the county urban jurisdictions to enhance levels of hygiene and social safety nets for the urban poor and; involve citizen groups in project formulation, implementation and monitoring.

4.4.1.3 Homa Bay Municipal Board

193. The municipal board of Homa-Bay exists to provide overall leadership and coordination of effective use of available resources for provision of services that matches the demands of the Municipal residents. Towards this mission, the sub-sector has been allocated KSh. 213.7 million consisting of KSh. 22.1 million for recurrent expenditure and KSh. 191.6 for development priorities in the FY 2021/22.

194. Under the policy, planning and administration services programme, the sub-sector has been allocated KSh. 22.1 million for recurrent purposes. In this programme, the Board has prioritized providing a policy framework for socio-economic investments and economic use of space infrastructure and other public facilities; identifying, analyzing and addressing planning issues; harnessing existing opportunities for development of Homa Bay Municipality; and promoting other measures for mitigating issues and challenges in the Municipality.

195. Under the urban development services programme, the Board has been allocated KSh. 191.6 million for building and maintaining of functional infrastructure facilities; providing a framework for security of land tenure; promoting appropriate land use in various locations and determining permissible densities within given sites.

196. The Board was encouraged to come up with and implement measures for controlling movement of animals within Homa Bay Municipality especially around the bus stage. The Board was also encouraged to come with modalities for efficiently collecting bus park fees and ensuring road reserves are free of obstructive developments.

4.4.2 Energy, Infrastructure and ICT Sector

197. The Sector acts an enabler to other sectors of the economy with an aims to sustain and expand cost-effective public utility infrastructure facilities and services in the areas of energy, maritime, transport, petroleum, ICT in line with the priorities in the Constitution of Kenya and the CIDP. Sustaining and expanding physical infrastructure is also geared towards the realization of “The Big Four” Plan.

4.4.2.1 Energy and Mining Sub-Sector

198. The core mandate of the energy sub-sector is to optimize power supply in Homa Bay County so as to improve on its sufficiency and reliability, promote alternative sources of energy and regulate and control the construction minerals industry. To deliver on this mandate, the sub-sector has been allocated KSh. 148.6 million consisting of KSh. 21.7 million for recurrent expenditure and KSh. 126.9 for development priorities in the FY 2021/2022.
199. Under the energy services programme, the sub-sector has been allocated KSh. 122.9 million for development purposes. In this programme, the sub-sector priorities include: adoption of green power sources across the county; enhancing energy use efficiency especially for cooking and lighting; improving distribution of grid power and; construction of energy centers.
200. Under the mineral resources development and marketing services programme, the sub-sector has been allocated KSh. 4.0 million for the express purpose of streamlining the construction minerals industry in the county. In this regard, the sub-sector is expected to address the over-exploitation and under-charging of sand resources in the county especially around Chuowe beach and other adjoining areas.
201. The sub-sector will be working in collaboration with different stakeholders (national and development partners) to expand energy access by increasing the number of households connected to grid power, installing more solar lights in markets, health centers and other public facilities; modernize and maintain existing solar lights; promote use of low-cost energy technologies and develop a policy to regulate on mineral resource exploitation.

4.4.2.2 Roads, Public Works and Transport

202. The key mandate of this sub-sector is to provide efficient, safe, affordable and reliable infrastructure for sustainable economic growth and development through construction, modernization, rehabilitation and effective management of all infrastructure facilities. Thanks to the on-going efforts, Homa Bay County has been opened up significantly for business using own equipment either inherited from National Government or those acquired by the County Government. In an attempt to enhance that effort, the sub-sector has been allocated KSh. 1,170 million consisting of KSh. 49.3 million for recurrent expenditure and KSh. 1,120.7 for development priorities.
203. Under the road development and maintenance services programme, the sub-sector has been allocated KSh. 1.1 billion for development purposes. The expenditure will be focused on: acquisition of additional construction equipment and supervision vehicles; routine

maintenance of 860 Km of classified and unclassified roads; opening 120km of new roads across the 40 wards within the county; gravelling of 300 km of roads within the different wards in the county and; constructing four (4No.) single span bridges. Further, the roads directorate will enforce quality road constructions through ensuring tenders are awarded to the most competent contractors and that road inspectors and supervisors work closely with local administrators to have more supervisory presence during such works.

204. Under the public works and maintenance services programme, the sub-sector has been allocated KSh. 7.5 million for recurrent purposes. In this programme, the sub-sector is focused on: formulating the county public works policy and regulations; improving management of county building projects and; rehabilitating county works offices. The public works and inspection directorate will be focused on implementing the safety standard policy and safety standard regulations on inspections to improve safety and standards of county infrastructure to at least 50%.
205. Under the transport services programme, the sub-sector has been allocated KSh. 20 million for development purposes. In this programme, the sub-sector is focused on construction of a model jetty at Sena Beach in Mfangano and; training of four thousand (4,000) motor cyclists in collaboration with the National Transport Safety Authority.
206. The sub-sector will continue its collaboration with the National Government and the African Development Bank to complete tarmacking of Mbita-Sindo-Magunga-Agolo Muok road, Kendu Bay-Oyugis road and Omoya-Ndiru-Kodhoch road, among others.

4.4.2.4 Information and Communication Technology

207. The County Government of Homa Bay recognizes that ICT can be leveraged to drive socio-economic reengineering particularly in the provision of public services. In the past three years, the ICT sub-sector has been able to set up an ICT innovation hub and a digital printing facility in Homa Bay Town. The sub-sector was equally able to network the County Treasury and Office of the Governor to enable them benefit from the fiber-optic infrastructure. With the emergence of Covid-19, it is important that this capability is enhanced and extended to all County Government Entities.
208. In the FY 2021/22, the sub-sector has been allocated KSh. 24.4 million consisting of KSh. 4.3 million for recurrent expenditure and KSh. 20.1 for development priorities. With this, the sub-sector will apply itself to improving internet connectivity and capacity building of staff in the County on digitizing public service delivery. In particular, the sub-sector will formulate an ICT policy; provide CEC members with tablets; connect sub-county offices with internet; building another sub-county innovation hub and improve the official county

website. The sub-sector will also be maintaining the existing fiber optic connectivity and support trainings of the youth in partnership with National Government on Ajira programme.

4.4.3 General Economic and Commercial Affairs Sector

209. The Sector is mandated to promote, co-ordinate and implement integrated socio-economic policies and programmes for a rapidly industrializing economy.

4.4.3.1 Trade, Industry and Enterprise Development

210. The main thrust of the sub-sector is to improve the business environment and promote growth of entrepreneurs; create an enabling for investment and stimulate industrial development through value addition, industrial research and innovation support; and ensure efficient service delivery through prudent management of public resources. Towards those objectives, the sub-sector has been allocated KSh. 285.5 million consisting of KSh. 142.5 million for recurrent expenditure and KSh. 143.0 for development purposes.

211. Under the trade and entrepreneurship development services programme, the sub-sector has been allocated KSh. 96.0 million for development purposes. In this programme, the sub-sector priorities include supporting local MSMEs through affordable financing, situation-responsive training, universal mentorships, government contracts, equipment acquisition, incubation and networking. Apart from training and providing loans to 4,000 traders and preserving the 30% procurement for MSMEs owned by youth, women and Persons Able Differently, the Sub-sector will upgrade and operationalize 40 markets across all wards. The sub-sector will also work with KIRDI, TMUC and other stakeholders to establish 1No. Incubation Centre in Homa Bay Town. Towards this objective, the Sub-sector will set up a liaison desk in partnership with the NCCI to assist local business people with incubation, registration, standardization and planning.

212. Under the industrial development and investment services programme, the Sub-sector has been allocation KSh. 47.0 million for development purposes. The funds will be channeled towards strengthening mobilization of investment and creating a conducive environment for continuous investment and promoting clustered industrialization along the county's most promising value chains.

213. With the emergence of Covid-19, the sub-sector has been encouraged to enforce modern designs on all markets within its control so that all stalls are adequately spaced, properly aerated and have adequate WASH facilities. Further, all markets should have adequate management and security arrangements so that vulnerable persons can do business for longer hours without fear of losses. All these will require development and implementation of sound

policies and laws on optimal raising of revenue, equitable allocation of spaces, timely responses to crises and sustainable waste management.

4.4.3.2 Tourism Sub-Sector

214. The focus of the tourism sub-sector in the 2021/22 FY will be on formulating and implementing effective tourism strategies extending to hospitality, transport, storage, sports, culture and entertainment. The bottom-line is to review the tourism value and supply chains with a view to removing impediments and ensuring full utilization of the county's tourism assets.

215. In the FY 2021/22, the sub-sector has been allocated KSh. 35.9 million consisting of KSh. 4.5 million for recurrent expenditure and KSh. 31.4 for development priorities. These funds will be channeled towards mapping of tourist assets in the county; development and marketing of 2No. tourist attraction sites; training of tourism stakeholders and; mobilization of resources for development of tourism in the county.

4.4.4 Education Sector

216. The core mandate of the sector is to ensure all learners of school going age in Homa-Bay from all walks of life get access to quality, relevant education equitably hence playing a critical role in developing skilled and competent workforce to drive socio-economic growth and development in the long-term. To deliver on this mandate, the sector has been allocated KSh. 670.6 million consisting of KSh. 540.6 million for recurrent expenditure and KSh. 130 for development purposes.

217. Under the general administration and quality assurance services programme, the sector has been allocated KSh. 525.6 million for recurrent purposes. In this programme, the focus is on strengthening supervision to support quality teaching and learning; ensuring appropriate and timely remuneration of teachers and instructors; setting aside and equitably allocating bursary to the neediest learners and; implementing feeding programmes in EYE centers within severe hardship areas.

218. Under the ECD and vocational training services programme, the sector has been allocated KSh. 145.0 million consisting of KSh. 15 million for recurrent and KSh. 130 million for development purposes. The funds shall be channeled towards construct of model classrooms, workshops and dormitories in VTCs; construction of model EYE centres; supporting training of staff and securing engagement of partners to support capacity strengthening of EYE and Vocational Training centres; provision of quality teaching and learning materials and; making of learning facilities compliant to covid-19 prevention and containment protocols.

219. It is expected that by the end of the FY 2020/21, the sub-sector would be having policies to guide EYE and VT functions of the department. Equally, the sector will be able to implement additional measures aimed at increasing access to Early Years Education and vocational training, reduce inequalities among learners, and exploit science, technology and innovation to achieve global competitiveness of the county's huge labor force.

4.4.5 Health Sector

220. The overarching goal for the sector is to provide affordable, efficient and high-quality health care services which could address the heavy disease burden in the county. Towards this goal, the sector has been allocated KSh. 2,865.4 million consisting of KSh. 2,422.1 million for recurrent expenditure and KSh. 443.3 for development purposes in the FY 2021/2022.

221. Under the policy, planning and administrative support services programme, the sector has been allocated KSh. 2,066.4 million for recurrent purposes including: providing adequate remuneration for the existing staff establishment; employing more staff and improving their working conditions; ensuring supply of alternative power and safe water to all health facilities and; accommodation of staff functions in decent offices.

222. Under preventive and promotive health services programme, the sector has been allocated KSh. 344.4 million consisting of KSh. 144.4 million for recurrent expenditure and KSh. 200 million for development purposes in the wards. These funds shall be channeled towards: improving sanitation in all the trading centres; facility improvement at all levels below level 4 including construction and equipping of health facilities in all wards; supporting universal health coverage under the 'Big Four' agenda and; handling epidemics and minimizing exposure to health risks, Collect, analyze, and disseminate accurate, timely data about the epidemiology of COVID-19 within its borders. High priorities include: ensuring high-quality screening at points of entry, among contacts of cases, and other high-risk settings such as boarding schools and prisons, enhancing existing influenza-like illness, severe acute respiratory illness, and event-based surveillance systems; supporting complete and prompt investigation of cases and tracing of contacts; adapting health information systems for managing case and contact data; monitoring and reporting numbers, characteristics, and outcomes of cases that are both clinically diagnosed and laboratory confirmed; Investigating rumors and supporting prompt communication to debunk false stories.

223. Under curative and rehabilitative health services programme, the sector has been allocated KSh. 449.6 million consisting of KSh. 206.3 million for recurrent expenditure and KSh. 243.3 million for development purposes. The funds shall be dedicated to: improving supply of drugs, medical and non-medical supplies in level 4 facilities; upgrading of level 3 facilities to level 4 status; acquiring fully-equipped ambulances for referral purposes; and improving the supply and availability of essential drugs and medical commodities and streamlining the system of referral to decongest higher level health facilities, Strengthen

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

224. Under the research and development services programme, the sector has been allocated KSh. 5 million for recurrent purposes including supporting disease surveillance and training of highly specialized cadres and Implement evidence-based interventions at individual and population-level to reduce COVID-19 transmission. High priorities include: assessment, monitoring, and movement restrictions in contacts of and other persons at high risk of COVID-19 infection; implementing rigorous hand hygiene in all congregate settings, such as schools, prisons, stadiums, transportation hubs, offices, shopping malls, and large religious congregations; and supporting limited, respectful social distancing in settings at high risk of widespread transmission.

4.4.6 Public Administration and Inter-Governmental Relations Sector

225. The Sector provides overall policy direction and leadership to the county, oversee the human resource function in the county public service, coordinate county policy formulation and implementation, resource mobilization, allocation and management, strengthening the devolved units, coordinating implementation of county policies and mainstreaming the disadvantaged in county development as well as oversight, monitoring, evaluation and reporting on the use of public resources and service delivery.

4.4.6.1 County Executive Services

226. The mandate of the Office of the Governor is to provide strategic leadership and coordination that creates optimal conditions for accelerated, inclusive and sustainable development in the county. The mandate extends to instituting county public service reforms to ensue efficient and effective service delivery; providing leadership and guidance in human resource management; management and coordinating cross-government operations especially in field offices and; formulating sound public administration policies. To deliver on this mandate, the Office has been allocated KSh. 682.9 million consisting of KSh. 622.9 million for recurrent expenditure and KSh. 60 million for development purposes in the FY 2021/22.

227. The County Executive is focused on a raft of measures for improving its effectiveness. They include:

- Decentralization of services both administratively and technically services to the extent possible so that Sub-Counties and Wards are made centers of effective service delivery;
- Capacity building of officers in line with the provisions of the Code of Regulations;
- Implementation of the Procurement and Disposal Act, 2015. This would reduce bureaucracies associated with procurement and enable competitive sourcing of contractors and suppliers;
- Increased digitalization of county processes so that services provided are quick, personalized and at the convenience of citizens;
- Focusing on effective communication to all stakeholders including the public on government policies, interventions and plans;
- Enhanced collaboration with National Government to ensure security of County Government structures and projects;
- Putting all government officers on performance contract so that targets for revenue collection and service delivery translate into better services for the publics;
- Pursuing innovative and politically-smart policies so that locally-led initiatives that are problem-driven or asset-based are widely supported;
- Improving the interface between service providers and local populations so that there is a positive state presence and trust is built between all actors; and
- Supporting hybrid arrangements in which state and non-state actors, formal and informal institutions work together to deliver services that reflect the values and ways of life of the local populations.

4.4.6.2 Finance, Economic Planning and Service Delivery

228. The mandate of the sub-sector is to ensure optimal planning and budgeting, cost-effective mobilization of internal revenue and external resources and, prudent and lawful utilization of public resources. To deliver on this mandate, the sub-sector has been allocated KSh. 538.2 million consisting of KSh. 433.1 million for recurrent and KSh. 105.1 million for development purposes in the FY 2021/22.

229. The priority for the sub-sector towards which the funding shall be directed include: adhering to public financial management principles; improving budget formulation and control; continuing implementation of all modules of the Integrated Financial Management Systems (IFMIS); enhancing asset management through conducting revaluations and preparing valuation rolls; enhancing revenue collection through automation of revenue collection processes; updating of asset register and implementation of an asset management

system; conducting Medium Term Expenditure Framework (MTEF) consultations; reducing the stock of debt inherited from defunct local authorities and pending bills; increasing innovative financing for capital projects such as through Public Private Partnership (PPP); strengthening budget monitoring; and renovating/refurbishing finance offices.

230. In addition, the sub sector will seek to improve economic planning and coordination through strengthening policy formulation, planning, budgeting and implementation of CIDP and The County Strategic Investment Plan 2014-2020; linking budgeting and planning; ensuring availability of county statistics by developing County Statistical Data Management System; tracking of implementation of development policies, strategies and programmes through regular monitoring and evaluation and enhancing of monitoring and evaluation system ; improving economic planning coordination through reviewing of County Integrated Development Plan (CIDP) and preparation of Annual Development Plan (ADP); ensure availability of county statistics and improve research and development in the county.

4.4.7 Social Protection, Culture and Recreation Sector

231. The sector plays a strategic role in the county's transformation and socio- economic development through implementation of economic empowerment and special programmes for communities and vulnerable groups hence protecting their rights. Furthermore, the sector undertakes promotion of sustainable employment, gender equity and equality, promotion of diverse cultures, arts and sports.

232. The sector is mandated to formulate, mainstream and implement responsive policies through coordinated strategies for sustained and balanced socio-cultural, sports, recreation, empowerment of vulnerable, marginalized groups and areas for economic development of the County. In this regard, the sector will complete Homa Bay stadium, procure and distribute sport kits, capacity build the vulnerable group on entrepreneurship, establish entrepreneurship linkage for youth, women and persons living with disability. In the FY 2021/22, the sector has been allocated KSh. 239.2 million consisting of KSh. 74.3 million for recurrent expenditure and KSh. 164.9 for its development priorities.

233. The sector is committed to promoting constructive youth participation in development processes and ensuring that county programs are youth-centered and youth-friendly. In this respect, the sector will prioritize the establishment of a Youth Talent Academy to support the youth especially those outside school to harness their talents towards enhanced livelihoods while strengthening their contributions to the economic growth.

234. The sector is equally committed to social protection through mainstreaming of vulnerable and marginalized members of the society. In this respect, the sector shall prioritize the

provision of assorted assistive devices to PWDs, capacity building for women and youth on alternative sources of income to reduce unemployment and extreme poverty and construction of a rescue and rehabilitation center at Kosele.

4.4.8 Environmental Protection, Water and Natural Resources Sector

235. The sector is mandated to ensure the people of HomaBay County have ready access to adequate and healthy sanitation and that they live in a clean and well conserved environment that promotes their sustainable socio economic development. It also has an important role in ensuring the sustainability of natural resources in the county and the nation at large. To realize this, the sector has been allocated a total of KSh.399 million consisting of KSh. 119.3 million for recurrent expenditure and KSh.280 million for development purposes.

236. The Sector has an important role to develop and manage water resources and infrastructure for sustainable water supply. To achieve this the sub sector will; Develop and implement a county water master plan to ensure equitable and sustainable provision of water to all citizens, especially the vulnerable and underserved ; designate WASH as an essential service with corresponding funding; Strengthen governance of Community Water Projects (CWP) to enable them meet their operations and maintenance needs (RUAs) for sustainability; Promote Public Private Partnership in provision of water and Sanitation, cleaning, collection and disposal of solid waste to prevent spread of COVID 19 and Develop sewerage systems for urban centres such as Oyugis, Kendu Bay, Sindo and Ndhiwa.

237. The sector is equally committed to Environmental protection and Natural resource management. To realize the above mandate the subsector will; Improve the resilience of households by promoting climate-smart technologies that mitigate and improve adaption to climate change such as agro forestry, climate smart agricultural practices; water efficiency and conservation; renewable energy and green technologies; Increase forest cover to at least 10% of the land area by promoting private tree nurseries, on farm tree planting, rehabilitation of degraded areas, and establishment of protected forests; and Intensify efforts to conserve natural resources and environmental conservation even with post-pandemic economic imbalances, given that there is a real danger of losing ecosystem service benefits, possibly forever.

4.5 Public Participation

238. The development of this Strategy involved wide stakeholder consultations, including sector consultations, public hearings and the County Budget and Economic Forum. Effort was made to expand engagement and enhance collaboration towards development of a sound fiscal framework and guided prioritization of expenditure.

239. The stake holders for the various sectors had long been profiled by the responsible departments with a view to realizing greater synergy through joint planning and integrated

implementation, monitoring and evaluation. The participation came largely from implementing partners, facility managers, civil society, unions and user groups.

240. The consultations were held at Staridge Hotel between the dates of 27th of January and 4th of February. The consultations began with introductions and climate setting followed by a review of objectives facilitated by the Director of Budget. Thereafter, presentations from the department chief officer on the draft proposal 2021/2022 linked to the strategic issues for the various departments.

241. Afterwards, the floor was opened for discussions and recommendations. The views from the participants were recorded by the economist who was appointed by the convener and charged with the responsibility of preparing budget reports for the sector.

V: FISCAL RESPONSIBILITY IN FINANCIAL MANAGEMENT

5.1 Fiscal Responsibility Principles

242. In line with the Constitution, Section 107 of the Public Finance Management (PFM) Act, 2012 and regulation 25 of the PFM (County Governments) Regulations, 2015 sets out the Fiscal Responsibility Principles which the County Governments has to adhere to; The law stipulates that:

- i. The County public debt shall never exceed twenty (20%) of the County Government's total revenue at any one time;
- ii. The County Government wages shall be contained at thirty-five (35) percent of the County Government's total revenue in the Medium Term;
- iii. The approved expenditures of a County assembly will be as per senate's recommendations. This shall not exceed seven percent (7%) of the total revenues of the County Government or twice the personnel emoluments of that County Assembly, whichever is lower;
- iv. The County Government actual expenditure on development shall be at least thirty (30) percent of the County Government's total expenditure;
- v. Fiscal risks shall be managed prudently; and
- vi. A reasonable degree of predictability for the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

5.1.1 Adherence to fiscal responsibility principles

243. In the 2021/22 FY and the Medium Term, the County Treasury will ensure that the Budgets are prepared in a way that ensures strict adherence to this principle. In keeping with the prudent and transparent management of public resources, the County Government of Homa Bay has adhered to the fiscal responsibility principles as set out in the statute as follows:

- i. **The County public debt shall never exceed twenty percent of the County Government's total revenue at any one time**

244. In the 2021/22 FY, the County does not plan to borrow externally. However, should that become necessary, the borrowing shall be done in compliance with these provisions laid out in the PFM Act of 2012 and regulations? The County Government will also ensure that its entire obligation to the suppliers is met on a timely basis to avoid piling of Pending Bills.

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

245. In 2021/22 FY, the County’s expenditure on wages and benefits will be at KSh. 4,066,073,956 of the total expenditure. This represents 43.3% of the total allocation. The County plans to hire and fill critical gaps in the various Departments, this additional expenditure has been factored in the CFSP 2021/22 FY ceilings. However, there is confidence that expenditure on wages and personnel benefits will drop to the level of 35% within the next couple of years as the revenue efforts are enhanced.

246. Additional measures will be undertaken to subdue the ballooning wage bill. First, the county will try to implement recommendations from the CARPS program so that county public service is kept at its optimal level. Second, vacancies arising from natural attrition will not be filled unless it is absolutely necessary. Third, promotions and other personnel benefits that have implications on the wage bill will be carefully evaluated before being considered through the County HR Advisory Committee so that wage increases are strictly matched by productivity increases.

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

247. The expenditure of the County Assembly will account for 12% of the total expenditure in 2021/22. The County is not in adherence to this principle. This is as a result of the County Assembly implementation of their flagship project on the construction and completion of the Speaker’s residence. Allocation to the County Assembly is also determined by the Commission of Revenue Allocation (CARA) an independent constitutional body.

iv. **The County Government actual expenditure on development shall be at least thirty per cent**

248. It is projected that the County Government will spend 35% of its Budget on development in 2021/22 FY. This will be mostly on expenditure towards the completion of on-going projects, ward projects, flagship projects and other service delivery initiatives. The County Government development budget allocation over the medium term has been consistently above 30 percent which is the minimum provided in Section 107 of the PFM Act. The

amount set aside for development purposes is KSh. 3,602,914,947 representing 38.4% of the total expenditure proposed for the FY 2020/21. This means the provision of the Act will be complied with.

v. Fiscal risks shall be managed prudently.

249. Fiscal risks will be managed prudently through the implementation of e-procurement, prudent expenditure management on items and pricing that should reflect the market prices as much as possible.

250. Further, the County Government of Homa Bay has carefully considered the fiscal risks arising from contingent liabilities, potential impact of the Public Private Partnership and Financial Sector Stability. Furthermore, for the FY 2021/22, a Contingency provision of KSh.80 million will be factored in the budget to cater for urgent and unforeseen expenditure.

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

251. To ensure a reasonable degree of predictability for the level of tax rates, fee charges and tax bases will be amended through the Finance Acts depending on the fiscal strategy in a given year. The legislation will also contain clear justification for the fees and charges to be charged and the modalities for charging the same. The County Government of Homa Bay has consistently ensured that revenue rates and incidences of revenue raising measures are kept at a minimum with little variation to ensure businesses can reasonably predict them. This predictability is adjudged to be good for business planning and for making the environment conducive to private sector activities.

5.2. Financial Management of Fiscal Risks

252. This highlights the assumptions, risks and structural reforms underlying the budgetary and fiscal policies. Fiscal risks are factors that can cause a government's fiscal performance to deviate from what was forecast in the medium-term or pose a threat to sustainability over the long-term. Risks can materialize either as a result of a discrete event (e.g. a financial crisis) or the gradual accumulation of pressure (e.g. the accumulation of pending bills beyond

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

- 253.** The County Government's approach to managing fiscal risks will be through a five-stage process, modeled on international best practice. The first step is to identify the source, scale and likelihood of each risk. The second step is to disclose the risk to raise awareness and ensure accountability. Then we proceed to mitigate the risk in a manner that is cost-effective and consistent with the County Risk Management Policy.

5.2.1 Assumptions

254. The global economic activity is expected to gradually recover from the effects of COVID-19. This implies that the multiplier effects in the local economy will likely be felt in the course of the year. An increase in economic activity in the County will accelerate the achievement of the targets and have the County channel the funds meant for COVID-19 recovery to development programmes.

255. The County is highly dependent on revenues from the National Government and Conditional Grants from various Development Partners. To this end, the County expects that all the revenues streams as envisaged in the CARA 2020 will be released to the County for all the anticipated programmes and projects to take off. Through the Third Generation Revenue Sharing Formula to be implemented in the FY 2021/22, it is expected that the equitable share to the County will increase from Kshs. 7.86 Billion to 8.6 Billion. This is a Kshs. 730 Million increase (8.5%) from the current allocation.

The County is desirous of ensuring that ongoing programmes and projects that are ongoing and from the previous financial year are undertaken. Funds not disbursed to the County, in form of Conditional Grants are expected to be disbursed in the current financial year.

256. Adherence to all the fiscal principles as captured in the constitution of Kenya 2010, and the PFM Act, 2012 is of the essence in the County operations. All programmes and projects

implemented are to also adhere to other legal instruments such as the Procurement and Disposal Act and Regulations among other existing policy guidelines. Disruptive events, such as political activities among others are not expected to hinder the implementation of the programmes and projects targeted for the FY 2021/22.

257. To ensure planned and sustainable growth, the County Government of Homa Bay will continue to synergize its efforts in implementing the socio-economic priority programmes as articulated in the County's Integrated Development Plan II (2018-2022) and all other relevant policy documents.

5.2.2 Risks to the 2021/22 Budget Framework

258. The County Government of Homa Bay in pursuing its goal of improving the livelihoods of its residents through Socio-economic Transformative Agenda which acknowledges that various risks may hinder the fulfilment of its fiscal objectives. The risk to the projected outlook for 2021/2022 FY Budget and Medium Term emanate from both external and internal quotas. These are the potential risks associated with the implementation of county fiscal plan include:

- a) Low global and national economic performance due to the effects of the COVID-19 pandemic leading to delays in disbursement of funds and low achievement of the set target;
- b) Adverse weather conditions that accentuate low implementation of development projects;
- c) High public expectations against the resources available to the County;
- d) Public expenditure pressures especially recurrent expenditures and wage bill impacting negatively on the development projects implemented in the fiscal year;
- e) Political interference is likely to influence the distribution of resources or create hurdles in programme/project implementation. Key political events that pose as risks are the County Executive and Assembly wrangles at the local level, the Building Bridges Initiative and the National electoral canvassing;

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

259. In light of the existing risks and the level of exposure, the County through the Departments has set into place for implementation the Risk Policy and mitigation measures. It is expected that the County Contingency Fund is to alleviate the emergent issues whose budget is within the set budget.

5.2.3 Fiscal Structural reforms

260. Homa Bay County Government seeks to implement several reforms in the management of its fiscal position. This will result in enhanced efficiency in revenue collection, strengthened revenue mobilization, and elimination of unproductive expenditures. The county has an immense potential to increase revenue collection, administration and usage. Coupled with austerity measures, the County will have a better fiscal position.

261. The County Government is focused in promoting a balanced growth through all its sectors: productive, infrastructure, social or administration sectors. Consequently, it has become imperative that reforms are implemented in the areas of expenditure management and revenue administration. This must be done with a view to increasing efficiency of processes, decreasing cost of service delivery and increasing satisfaction of employees,

service users and service providers. Some of the potential reforms to the fiscal framework for the FY 2020/21 include:

5.2.4 Deepening Public Financial Management Reforms

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

5.2.5 Expanding Revenue Mobilization Reforms

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

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

5.2.6 Fostering Management of Government Assets Reforms

265. Establishment of a County Assets and Liabilities Management Committee which is mandated to develop (through a consultative process) an overarching Assets and Liabilities Management framework has been one of the main aims of the County. In addition, the

Government will develop policies, guidelines and standards with the objective of ensuring that:

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

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

- i. Promoting fiscal discipline, allocative and operational efficiency. The County will align County expenditures with total revenues and allocate budget to programs and activities that promote strategic priorities of the County whose outcomes shall have an impact on society while further ensuring the delivery of high-quality services at reasonable cost. The County Government proposes to allocate more resources to roads, health, Agriculture, Trade and Industries with the aim of improving the livelihood and welfare of County residents.
- ii. In order to ensure continuity of service delivery, the County Government has embraced public private partnership (PPP) with national government through various ministries and parastatals such as KURA, state department of housing and urban development and KENHA to carry out some of the earmarked major projects/programmes within the County.

**ANNEX I: CEC APPROVED CEILINGS FOR THE FY 2021/2022 EXPENDITURE
FRAMEWORK**

Vote Number	Name of Spending Entity	Revenue/Expense Category	RECURRENT		DEVELOPMENT	
			Approved 2020/21	CFSP Ceiling 2021/22	Approved 2020/21	CFSP Ceiling 2021/22
5111	Department of Agriculture, Livestock, Fisheries and Food Security	Gross	178,973,123	165,127,711	359,416,619	454,300,000
		A-I-A	58,274,799	31,006,643		
		Net				
		Salaries	123,507,660	127,212,890		
		Grants				336,194,589
		Others (esp. Funds)				
5112	Department of Tourism, Sports, Youth, Gender, Culture and Social Services	Gross	51,581,669	78,836,738	112,000,000	196,300,000
		A-I-A		1,000,000		
		Net				
		Salaries	39,033,620	40,204,629		
		Grants				
		Others (esp. Funds)				
5113	Department of Roads, Public Works and Transport	Gross	74,918,799	49,296,570	781,589,735	1,120,712,708
		A-I-A	20,868,000	22,674,800		
		Net				
		Salaries	35,581,848	36,649,303		
		Grants				294,216,122
		Others (esp. Funds)				600,000,000
5114	Department of Energy and Mining	Gross	35,782,555	21,684,228	70,000,000	126,900,000
		A-I-A		4,800,000		
		Net				
		Salaries	8,084,040	8,326,561		
		Grants				
		Others (esp. Funds)				40,000,000
5115	Department of Education and ICT	Gross	534,230,308	544,914,914	120,000,000	150,100,000
		A-I-A		1,900,000		
		Net				
		Salaries	354,280,164	364,908,569		
		Grants				43,252,905
		Others (esp. Funds)		103,000,000		40,000,000
5116	Department of	Gross	2,080,866,777	2,422,067,926	360,320,190	443,300,000

	Health	A-I-A	149,347,885	169,139,520		
		Net		-		-
		Salaries	1,948,364,108	2,045,782,313		
		Grants		73,596,596		153,297,872
		Others (esp. Funds)				200,000,000
5117	Department of Lands, Housing, Urban Development & Physical Planning	Gross	51,163,399	51,675,033	72,702,230	119,667,870
		A-I-A	7,031,132	3,125,600		
		Net				
		Salaries	30,111,180	31,014,515		
		Grants				
		Others (esp. Funds)				
	Department of Trade, Industrialization & Enterprise Development	Gross	192,949,199	142,527,898	100,935,404	143,900,000
		A-I-A	4,700,000	4,841,000		
		Net				
		Salaries	122,144,244	125,808,571		
		Grants				
		Others (esp. Funds)				60,000,000
5119	Department of Water Services, Sanitation, Environment & Forestry	Gross	119,384,105	120,100,410	280,000,000	386,300,000
		A-I-A	3,400,000	4,060,000		
		Net				
		Salaries	56,039,636	57,720,825		
		Grants				
		Others (esp. Funds)				240,000,000
5120	Department of Finance, Economic Planning & Service Delivery	Gross	227,484,743	433,121,622	121,216,648	104,246,317
		A-I-A	141,889,353	127,946,034		
		Net				
		Salaries	228,154,872	239,562,616		
		Grants				34,500,526
		Others (esp. Funds)		70,000,000		50,000,000
5121	County Executive/ Office of the Governor	Gross	600,298,418	622,904,685	46,000,000	60,000,000
		A-I-A				
		Net				
		Salaries	423,841,788	436,557,042		
		Grants				
		Others (esp. Funds)				
5122	County Public Service Board	Gross	77,694,705	78,704,736	2,000,000	5,000,000
		A-I-A				

		Net				
		Salaries	16,939,860	17,448,056		
		Grants				
		Others (esp. Funds)				
5123	County, Assembly Service Board	Gross	923,232,576	1,029,394,205	122,283,800	100,600,000
		A-I-A				
		Net				
		Salaries	514,200,836	529,626,861.10		
		Grants				
		Others (esp. Funds)				
5124	Homa Bay Municipal Board	Gross	18,973,123	22,062,013	130,000,000	191,588,052
		A-I-A				
		Net				
		salaries	4,376,004	5,251,205		
		Grants			118,361,500	146,361,500
		Others (esp. Funds)				
EXPENDITURE BY ECONOMIC CLASSIFICATION			5,184,124,376	5,782,418,689	2,678,464,626	3,602,914,947
PROJECTED EXPENDITURE 2021/22						9,385,333,636
APPROVED EXPENDITURE 2020/21						7,862,589,002
EXPECTED INCREASE (18.68%)						1,468,703,100

ANNEX II: SUMMARY OF EXPENDITURE PROJECTIONS BY SECTOR, ENTITY AND PROGRAMME, FY 2020/21 – 2023/24 (MILLIONS OF KSH.)

Entity Code	Sector/ Entity/ Programme	FY 2020/2021 APPROVED			FY 2023/2024 DRAFT ALLOCATION			FY 2022/2023 PROJECTIONS			FY 2023/2024 PROJECTIONS		
		Current	Capital	Total	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
	AGRICULTURE, RURAL AND URBAN DEVELOPMENT SECTOR	256.7	562.1	818.8	238.9	765.6	1,004.5	235.6	894.1	1,129.6	247.4	1,005.6	1,252.9
5111	Department of Agriculture, Livestock, Fisheries and Food Security	178.9	359.4	538.3	165.1	454.3	619.4	160.2	479.24	639.44	168.2	502.702	670.902
	Policy and Planning Service	178.9	0	178.9	165.1	5.0	170.1	160.2	10.0	170.2	168.2	10.0	178.2
	Crop, land and Agriculture Services	0	250.3	250.3	0	344.9	344.9	0	354.4	354.4	0	372.1	372.1
	Food Security services	0	35.4	35.4	0	35.7	35.7	0	39.27	39.3	0	41.2	41.2
	Fisheries Resources Development Services	0	38.7	38.7	0	33.7	33.7	0	37.07	37.1	0	38.9	38.9
	Livestock Development Programme	0	35	35	0	35.0	35.0	0	38.5	38.5	0	40.4	40.4
5117	Department of Lands, Housing, Urban Development and Physical Planning	51.2	72.7	123.9	51.7	119.7	171.4	53.2	184.9	238.1	55.91	226.95	282.86
	Land and Physical Planning	0	35.4	35.4	0	104.7	104.7	0	109.9	109.9	0	76.95	76.95
	Housing and Urban Development	0	37.3	37.3	14.1	15.0	29.1	14.5	75.0	89.5	15.25	150.0	165.25
	General Administration	51.2	0	51.2	37.6	0.0	37.6	38.7	0	38.7	40.66	0	40.66
5124	Homa Bay Municipal Board	26.6	130	156.6	22.1	191.6	213.7	22.2	229.9	252.1	23.3	275.9	299.2
	Policy Planning Services	26.6	0	26.6	22.1	0	22.1	22.16	0	22.2	23.26	0	23.3
	Urban Development Services	0	130	130	0	191.6	191.6	0	229.9	229.9	0	275.9	275.9
	GENERAL ECONOMIC AND COMMERCIAL AFFAIRS SECTOR	194.4	112.9	307.3	147.0	174.4	321.4	149.0	232.5	381.5	160.5	322.2	482.7
5112	Department of Tourism, Sports, Gender, Culture and Social Services	1.5	12	13.5	4.5	31.4	35.9	9	32.1	41.1	13.5	38.5	52
	Tourism and Culture Services	1.5	12	13.5	4.5	31.4	35.9	9	32.1	41.1	13.5	38.52	52.02
5118	Department of Trade, Industrialization and Enterprise Development	192.9	100.9	293.8	142.5	143.0	285.5	140	200.4	340.4	147	283.68	430.68

	Trade and Entrepreneurship Development Services	0	70	70	0	96.0	96.0	0	144.0	144.0	0	216.0	216.0
	Industrial, Development and Investment Services	0	30.9	30.9	0	47.0	47.0	0	56.4	56.4	0	67.7	67.7
	Planning and administrative Services	192.9	0	192.9	142.5	0	142.5	140	0	140.0	147	0	147.0
ENERGY, INFRASTRUCTURE AND ICT SECTOR		114.7	856.6	971.3	75.3	1,267.7	1,343.0	92.5	1,508.3	1,600.7	111.6	1,790.5	1,902.1
5114	Department of Energy and Mining	35.8	70	105.8	21.7	126.9	148.6	22.4	133.2	155.6	23.0	140.5	163.5
	Energy Services	0	66	66	0	122.9	122.9	0	129.0	129.0	0	135.5	135.5
	Mineral Resource Development and Marketing Services	0	4	4	0	4.0	4.0	0	4.2	4.2	0	5.0	5.0
	Planning and Administrative Support Services	35.8	0	35.8	21.7	0	21.7	22.4	0	22.4	23.0	0	23.0
5113	Department of Roads, Public Works and Transport	74.9	781.6	856.5	49.3	1,120.7	1,170.0	58.9	1,344.8	1,403.7	75.2	1,613.8	1,689.0
	General Admin, Planning and Support Services	65.1	0	65.1	41.8	0	41.8	43.9	0	43.9	45.2	0	45.2
	Public Works and Maintenance Services	9.8	0	9.8	7.5	0	7.5	15.0	0	15.0	30.0	0	30.0
	Road Development and Maintenance	0	781.6	781.6	0	1,120.7	1,120.7	0	1,344.8	1,344.8	0	1,613.8	1,613.8
5115	Department of Education and ICT	4	5	9	4.3	20.1	24.4	11.2	30.2	41.3	13.4	36.2	49.6
	ICT Services	4	5	9	4.3	20.1	24.4	11.2	30.2	41.3	13.4	36.2	49.6
EDUCATION SECTOR		530.2	115	645.2	540.6	130.0	670.6	551.7	115.5	667.2	579.2	121.3	700.5
5115	Department of Education and ICT	530.2	115	645.2	540.6	130.0	670.6	551.7	115.5	667.2	579.2	121.3	700.5
	General admin and Quality Services	513.9	0	513.9	525.6	0.0	525.6	541.4	0	541.4	568.4	0	568.4
	EYE and Vocational Training Services	16.3	115	131.3	15.0	130.0	145.0	10.3	115.5	125.8	10.8	121.3	132.1
HEALTH SECTOR		2,080.90	360.3	2,441.20	2,422.1	443.3	2,865.4	2,582.3	532.0	3,114.3	2,739.8	650.4	3,390.2
5116	Department of Health Services	2,080.90	360.3	2,441.20	2,422.1	443.3	2,865.4	2,582.3	532.0	3,114.3	2,739.8	650.4	3,390.2
	Planning and Admin Support Programme	1,818.10	0	1,818.10	2,066.4	0.0	2,066.4	2,169.7	0	2,169.70	2,278.20	0	2,278.2
	Preventive and Promotive Health Services	64.4	160	224.4	144.4	200.0	344.4	158.8	240.0	398.84	190.6	300.0	490.6
	Curative and Rehabilitative Health Services	193.4	200.3	393.7	206.3	243.3	449.6	243.8	292.0	535.76	256	350.4	606.4

	Research and Development Services	5	0	5	5.0	0.0	5.0	10.0	0.0	10.00	15.0	0.0	15.0
SOCIAL PROTECTION, CULTURE AND RECREATION SECTOR		50.1	100	150.1	74.3	164.9	239.2	80.1	185.9	266.0	85.9	217.2	303.1
5112	Department of Tourism, Sports, Gender, Culture and Social Services	50.1	100	150.1	74.3	164.9	239.2	80.1	185.9	266.0	85.9	217.2	303.1
	Policy planning and General Admin Services	41.9	0	41.9	50.1	0.0	50.1	51.6	0	51.6	53.2	0	53.2
	Social Development and Empowerment Services	3	0	3	13.0	10.0	23.0	17.0	0	17	20.0	0	20.0
	Management and Development of sport Facilities	5.2	100	105.2	11.2	154.9	166.1	11.5	185.9	197.42	12.7	217.2	229.9
ENVIRONMENTAL PROTECTION, WATER AND NATURAL RESOURCES SECTOR		119.3	280	399.3	120.1	386.3	506.4	123.7	440.2	563.9	129.9	512.2	642.1
5119	Department of Water Services, Sanitation, Environment and Forestry	119.3	280	399.3	120.1	386.3	506.4	123.7	440.2	563.9	129.9	512.2	642.1
	Water Supply And Management Services	0	230	230	0	340	340	0	390	390	0	450	450
	Environmental Protection and Management Services	0	50	50	0	46.3	46.3	0	50.2	50.2	0	62.2	62.2
	General Administrative	119.3	0	119.3	120.1	0	120.1	123.7	0	123.7	129.9	0	129.9
PUBLIC ADMINISTRATION AND INTRA/INTER-GOVERNMENT RELATIONS SECTOR		1,837.7	291.5	2,129.2	2,164.1	270.7	2,434.8	2,348.4	313.8	2,662.2	2,528.6	366.5	2,895.2
5120	Department of Finance, Economic Planning and Service Delivery	227.5	121.2	348.7	433.1	105.1	538.2	444.3	126.1	570.4	466.5	151.3	617.8
	Planning, Budgeting and Development Coordination services	30.9	0	30.9	30.8	0.0	30.8	32.3	0.0	32.3	34.0	0.0	34.0
	Strategy and Services Improvement Services	3.2	13.9	17.1	8.2	16.9	25.1	8.6	20.3	28.9	9	24.3	33.3
	Resource Mobilization services	22.2	0	22.2	19.2	8.2	27.4	20.2	9.8	30.0	21.2	11.8	33.0
	Financial Management Services	42.1	77.3	119.4	87.0	50.0	137.0	91.4	60.0	151.4	95.9	72.0	167.9
	General Administration and Support Services	129.1	30	159.1	287.9	30.0	317.9	291.8	36.0	327.8	306.4	43.2	349.6

5121	County Executive Services/Office of the Governor	600.3	46	646.3	622.9	60.0	682.9	685.2	72.0	757.2	728.4	90.0	818.4
	Governance and Coordination Services	181.8	46	227.8	117.5	0.0	117.5	129.3	0	129.3	142.2	0	142.2
	Strategy and Service Delivery Improvement Services	115.5	0	115.5	44.9	0.0	44.9	49.4	0	49.4	54.3	0	54.3
	Public Service Administration Support Services	303	0	303	460.5	60.0	520.5	506.6	72.0	578.6	531.9	90	621.9
5122	County Public Service Board	77.7	2	79.7	78.7	5.0	83.7	86.57	5.0	91.57	88.156	9.0	97.2
	Policy and Planning	53.6	2	55.6	25.4	5.0	30.4	27.9	5.0	32.9	27.5	9.0	36.5
	Personnel Sourcing and Management Services	23.3	0	23.3	23.6	0.0	23.6	26.0	0	26.0	28.6	0.0	28.6
	Performance Management Services	0.8	0	0.8	29.7	0.0	29.7	32.7	0	32.7	32.1	0.0	32.1
5123	County Assembly Service Board	932.2	122.3	1054.5	1,029.4	100.6	1,130.0	1,132.3	110.7	1,243.0	1,245.6	116.2	1,361.8
	Legislative Services	424.5	0	424.5	481.3	0	481.3	529.4	0	529.4	582.4	0	582.4
	Oversight and Control Services	15.3	0	15.3	71.1	0	71.1	78.2	0	78.2	86.0	0	86.0
	Ward Representation Services	84	0	84	25.5	0	25.5	28.1	0	28.1	30.9	0	30.9
	Policy, Planning and Administrative Support Services	408.4	122.3	530.7	451.5	100.6	552.1	496.7	110.7	607.4	546.3	116.2	662.5
	TOTAL VOTE	5,184.0	2,678.4	7,862.4	5,782.4	3,602.9	9,385.3	6,163.3	4,222.2	10,385.4	6,582.9	4,985.8	11,568.7

ANNEX III: SUMMARY OF ISSUES AND RECOMMENDATIONS FROM PUBLIC PARTICIPATION ON 2021 COUNTY FISCAL STRATEGY PAPER .

A. SECTORAL CONSULTATIONS

SECTOR	ISSUE(S)	RESPONSES/ RECOMMENDED ACTIONS
Agriculture, Rural and Urban Development Sector	<ul style="list-style-type: none"> ▪ Movement of cows all over the town more so around the bus stage ▪ Dealing with corruption cases have been reported. ▪ Fate of money that is disbursed late and it is not used as planned at the end of the year. ▪ Fate of FTC which was converted to Tom Mboya University College. <ul style="list-style-type: none"> ▪ Dealing with army worms that have negatively affected the agriculture sector. ▪ Lack of extension personnel ▪ Fate of the many fish ponds that had been constructed but have since been abandoned. ▪ Dealing with farmers lack of knowledge on how to feed the fingerings. ▪ How to increase fish pond output. ▪ Why the housing department is no longer building new structure for housing civil servants? ▪ What plans the housing department has for informal settlements which are within the municipality. ▪ What mechanisms will use to open up the roads within municipality without demolishing structures which sit on road reserves. ▪ Whose responsibility of it is for collecting bus park fees. ▪ What the allocated amount is for SymbioCity and whether it was fully utilized during the corona pandemic period. 	<ul style="list-style-type: none"> ▪ Enforcing by-laws which will regulate the issue of cows within the town center. ▪ Empowering every stakeholder to report corruption cases to the relevant authority. ▪ Departments have limited control over funds flow from the national government. However, they should put in place measures to absorb the funds as soon as they become available. ▪ The Department of Agriculture plan to establish another FTC at Riwa ▪ Farmers can follow up with the DoA so that they are given the best advice on pesticides which can best used to control army worms. ▪ 20 motorbikes have been given to extension staff to increase extension services coverage and delivery. ▪ The lands department has an exit strategy for the SymbioCity project. However, some groups have failed to implement them. Nevertheless, the IFAD program will deal with emerging capacity and technology concerns. ▪ The DoA has a plan of deepening the ponds to increase the fish capacity and all affected youths will be covered. ▪ Budget allocation for housing has been on the decline thereby making it impossible to build new houses. ▪ Kenya Informal Settlements Improvement Programme (KISIP) is coming in to deal with issues of informal settlements, ▪ All major towns roads will be improved to bitumen standard. All buildings on road reserves will not be spared. ▪ The department responsible for urban development shall be responsible for collecting bus park fees with the supervision of the County Treasury. ▪ The SymbioCity project is at 70% rate of completion. The delay in completion was just due to late disbursement of funds from the national government. Ultimately, the SymbioCity project will be completed.
General Economic and Commercial	<ul style="list-style-type: none"> ▪ Revenue collection at Simbi Nyaima and other Tourist Sites are not done by the County 	<ul style="list-style-type: none"> ▪ Issues of revenue collection at tourism sites are being streamlined. For the case of Simbi Nyaima, a board is already in place.

Affairs Sector	<p>Government.</p> <ul style="list-style-type: none"> ▪ There are poor marketing strategies for the County’s Tourist offerings. ▪ There exists no legislation to support tourism development in the county. ▪ The infrastructure at, to and from Ruma National Park are in pathetic state. ▪ There are inadequate partnerships to support the development of the sector. ▪ Projects in the sector are taking too long to be completed. ▪ The funds being allocated for the Revolving funds (20M) not adequate taking into considerations the impacts of Covid 19. ▪ There is no objective criteria for choice of market to be developed. ▪ Some critical markets have no toilets and access roads. ▪ The land on which Goyo Market sits needs a title deed in the name of the County Government. 	<ul style="list-style-type: none"> ▪ The tourism department will try to involve local tour guides in collection of revenue. ▪ The Department is already working on a Tourism Policy. ▪ The Department is working on a partnership with KWS and KURA to improve roads serving Ruma National Park. ▪ The Department is partnering with KWS and other county stakeholders to map all tourism sites. ▪ Capacity building of all tourism players in the County is being considered. ▪ The Trade Department will work closely with chambers of commerce to source for more funds for trading purposes. ▪ The trade department was over ambitious in planning for many projects (15 No.), However, due to scarcity it has scaled down to a few projects. ▪ Markets to be developed were being chosen through ward-level consultations. However, sometimes this was demand driven where the land is provided by the community ▪ Some markets were developed after need assessments by partners e.g. UNDP developed Nyakwere market. ▪ Goyo market would be considered in the planning process for the next FY once the legality of the land in question is determined.
Energy, Infrastructure and ICT Sector	<ul style="list-style-type: none"> ▪ Equal distribution of power ▪ Maintenance and repair of solar lights ▪ Solar lighting of markets ▪ Engagement with KPLC for rural electrification ▪ Installment of alarms/CCTV cameras for security purposes ▪ Construction of Geothermal power stations ▪ Digitizing of operations at head quarters ▪ Inadequate funding ▪ Sustaining engagement with key stakeholders ▪ Inadequate policy framework 	<ul style="list-style-type: none"> ▪ Ensure equal distribution of power services across all wards ▪ Provide for maintenance and repair of solar lights. Also engage technicians to move around and identify those that need repairs. ▪ Consider all markets for solar lighting ▪ Provide matching funds for rural electrification ▪ Provide for installment of alarms/CCTV cameras at strategic points ▪ Liaise with KenGen to establish a geothermal power station ▪ Have a digital system at the county head quarters ▪ Continued engagement with key stakeholders ▪ Formulation of policy for energy development and management
	<ul style="list-style-type: none"> ▪ Opening of new roads ▪ Incomplete works and stalled projects 	<ul style="list-style-type: none"> ▪ Providing for opening of more new roads ▪ Ensuring complete quality roads works ▪ Assigning honest and qualified road inspectors

	<ul style="list-style-type: none"> ▪ Inadequate road inspections and oversight ▪ Inadequate roads networking within the county ▪ Increasing allocation for Murram ▪ Having the presence contractors at the site ▪ Having contractors report to the admins office before starting the job ▪ Awarding tenders the lowest most responsive bidders as competent contractor ▪ Ensuring BQs are adhered to 	<p>and overseers</p> <ul style="list-style-type: none"> ▪ Using quality (certified) Murram for road development ▪ Enforce the presence of contractor on project sites ▪ Requiring contractors to report at the offices of local administration officials before embarking ▪ Using costed and signed BQs to guide monitoring and evaluation. ▪ Entrust Ward Admins with tracking works being done and to ensure the BQs are adhered to ▪ Restrict every ward inspector to inspecting a maximum of 20 roads
Health sector	<ul style="list-style-type: none"> ▪ Whether or not UHC employees are factored in county budget. ▪ Why the county referral hospital was charging KSh. 60 when it is captured as KSh. 30 in the Finance Act. ▪ What the Health Department was doing to weed out ghost workers and create fiscal space for more investments. ▪ Why the total amount being disbursed was going down despite the increased number of casual workers being recruited being recruited in health. ▪ Whether it was possible to target 4th ANC without having 1st ANC. ▪ Why some doctors were being allowed to divert patients to their private clinics. ▪ Whether Homa Bay had become free from covid-19 now that covid updates and community education had stopped. 	<ul style="list-style-type: none"> ▪ The MOH clarified that UHC workers are supposed to be paid by national government even though they work for county government. ▪ The MOH explained that the finance bill will have to be amended to reflect reality on the ground. ▪ The MOH is trying hard to eliminate ghost workers but this has not been easy because those ghost workers have necessary requirements and qualification. ▪ There was a time when some doctors were testing positive for covid 19 and qualified casual workers had to replace them. Again, if a doctor is going for leave, the gap is replaced by casual workers. ▪ All pregnant mothers should visit health centres 4 times during their pregnancy. However, this has not been the case because many of them visit hospital only after 36 weeks of their pregnancy. ▪ The MOH has put in place some measures to prevent doctors from diverting patients to their private clinics. However public can report such incidences when they occur. ▪ Every Friday, MOH provided updates about the covid 19 pandemic. The update usually addresses the number of people affected, recovered, deaths and gives out education on ways to prevent further spread. The update is done through local broadcasting (sunset radio). One can also contact through official lines 0111648109 Email:manager@homabayec.or.ke
Education	<ul style="list-style-type: none"> ▪ When the County would complete the construction of ongoing and awarded ECDE classrooms ▪ How to ensure bursary allocation is increased and reach the most vulnerable people 	<ul style="list-style-type: none"> ▪ The education department reported that currently, 13 ECDE centers are complete and in use ▪ The education department reported that national policy guideline took too long to be available. However, it's already done and the EYE education policy is now underway ▪ Drafting of ECDE Policy is currently

	<ul style="list-style-type: none"> ■ The public does not feel the value for their money on projects in the sector ■ Why the Sector has not developed a county policy for ECDE. ■ When the sector would prepare and publicize their ECDE projects data capturing status, locations and year of inception ■ Whether the sector has decided on standard of their ECDE classroom size and design in the BQ ■ How the sector was engaging with the stakeholders/partners in the project implementation ■ How the sector is addressing the issue of the 19 now that wards did not receive bursary ■ What the sector was doing to formulate policies related to the sector. ■ Whether the Sector plans on training other remaining staff on Covid-19 pandemic protocols ■ What strategies the sector had put in place to take care of PLWD ■ Whether special institution teacher to child ratio (1:15) was being observed. ■ What the sector was doing to ensure transparency on the funds allocated ■ Whether the sector plans to confirm ECDE teachers ■ What the sector was doing to rationalize deployment as some schools do not have a county teacher ■ What limits the County from constructing at least a classroom per ward like other counties 	<p>ongoing as the ECDE road map already in place. Bursary Act is now available</p> <ul style="list-style-type: none"> ■ The education department reported that capacity building of teachers of teachers (special needs) was still going when a surging covid-19 cases happened disrupting the process. ■ The education department reported that special need education had not been given the attention it deserved. However, the county is putting efforts at the ECDE level as two sp and two teachers were trained on special education. ■ The education department reported that learners with special needs are to be integrated with other learners ■ The education department reported that currently, EYE teacher to child ratio is at 1:70. However, recruitment of more teachers will be done as soon as funds became available for the exercise. ■ The education department reported that issues of staffing and balancing is still on-going as the sector yearn for an increase in fiscal space to recruit more teachers and instructors. ■ The education department reported that most of the policies being mentioned are now being developed. ■ The education department reported that most its budget formulation and execution activities are done openly and transparently. All information are available in the office for anyone who may be interested.
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<p>Social Protection, Culture and Recreation Sector</p>	<ul style="list-style-type: none"> ▪ Whether the ministry would comply with the county government objective to support sporting activities. ▪ Whether Ndiru Cultural Centre would be constructed and if land had been transferred to the County Government for the project. ▪ Whether the budget being approved complies with BBI recommendations. ▪ Why a Child rescue center could not be put up at Kosele despite the rampant child abuse cases in the area. ▪ When a talent Centre involving all games would be constructed in Homa Bay County. ▪ Why the County bus cannot be dedicated to transporting of teams. ▪ Why the sports kit sharing was such an issue. ▪ Fate of Empowerment of youth and women to prosper. 	<ul style="list-style-type: none"> ▪ The Department will lobby for more funds to support sports. ▪ The Department reported that land for Ndiru Cultural Center had been handed over to the county government awaiting ministry of lands to approve the transfer Already, there's KSh. 10 million allocations for the project phase one, but was affected by COVID 19,10 m was used for emergency. ▪ The Department clarified that BBI proposals will only be considered in the budget once BBI becomes law. ▪ The Department will work on a partnership with development partners to construct Child Rescue Centers for each block including one for Rachuonyo at Kosele. ▪ The Department indicated that it would prioritize a talent center once the stadium is complete and that there's a project to start all sports county team both intra and extra sporting activities. ▪ This department clarified that it can only fuel and pay driver but not service the County Bus since it's under transport department. ▪ Only team officials will be sent to collect the kits personally during distribution but not MCAs. ▪ More resources need to be allocated for empowerment of the youth, women and the vulnerable.
<p>Environment Protection, Water and Natural Resources Sector</p>	<ul style="list-style-type: none"> ▪ Water supplies around Sindo town was a big mess. ▪ The performance of school greening project needs evaluations. ▪ Whether or not Rang'wa hills was gazetted what with the on-going massive deforestation. ▪ Concerns about the water sanitation and sewage disposal and management within Homa bay town mainly in along Sofia - Makaburini sewerage. ▪ Concerns about stalled projects at Kang'eyo. ▪ Misappropriation of KSh. 54 million within the sector. ▪ What happened to the allocation of funds from UN for water kiosks at Shauri Yako. ▪ Whether funds would be available for tree nursery development. ▪ Whether funds would be available for climate change. ▪ Issue of homa hills and plastics in lake Victoria. ▪ Issue of floods and how the 	<ul style="list-style-type: none"> ▪ The Department reported that enough fund was available for the distribution of water in Sindo Township. ▪ The Department reported that planning for school greening would be accomplished through environmental clubs in the school ▪ The Department reported that it would allocate funds for tree nurseries. However, to work best, members should be organized in groups to ease seedling allocation and fund allocation. ▪ The Department reported that Kenya forestry services was in charge of Rang'wa Forest. ▪ The Department promised to follow up on waste situation at Makaburi and stalled project at Kang'eyo. ▪ The Department reported that there would be increase in fund allocation for climate change, environment management and sanitation. ▪ The Department reported that there would be introduction of on sight sanitation system and they would open to new technologies. The assessment is already done only execution remaining either pay contractor for work completed and dismiss him or pay and allow completion of the project. ▪ To be discussed and follow up made and report to be forwarded to finance department for verification. ▪ The Department reported that the County

	<p>county plans to mitigate their impacts.</p> <ul style="list-style-type: none"> ▪ Regulation of sand harvesting and reclamation of harvesting sites. ▪ Critical issues not captured in the CIDP ▪ The water hyacinth menace ▪ Use of gravity for provision of quality water ▪ Tanks provided for public are being raided ▪ Why was it that there was no meaningful public participation on ADP 2021 ▪ Need for decentralization of funds in Homa Bay county ▪ Delay in disbursement of funds. ▪ Alienation of urban centers with respect to water supply ▪ Automated meters that make water unavailable for rural households who cannot pay ▪ Discharge of effluent into lake (research shows over (70)). ▪ Impact of the over 300 toilets around Shauri Yako 	<p>government incorporation with county government has set up a fully funded committee to perform the task of flood management</p> <ul style="list-style-type: none"> ▪ The county government had sponsored a bill for control of sand harvesting and the assembly is already supporting it. ▪ There is a window for reviewing the CDP so that some of those issues can be captured in the CIDP. ▪ Other uses for the water hyacinth need to be explored including processing to produce manure. ▪ Allocate more funds for water distribution including the use of gravity. ▪ The Department reported that it would take action about tanks being raided. ▪ The Department reported that since there is no law on public participation there was no threshold set for effective participation. ▪ Funding was already centralized to the extent possible. ▪ The Departments were encouraged to put in place measures to improve funds flow. ▪ The Department reported that 5 centers have already been identified: Oyugis, Homabay, Mbita, Ndhiwa and Kendubay Piping is already being laid in Homabay. ▪ The Department reported that it had put in place measures for adoption of integrated solid waste management system. ▪ The Department reported As a function of HOMAWASCO and to be funded by the trust fund
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B. PUBLIC HEARINGS

SECTOR	ISSUE(S)	RESPONSES/RECOMMENDATIONS
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<p>Agriculture, Rural and Urban Development Sector</p>	<ul style="list-style-type: none"> ▪ Existence of a partnership between department agency and implementation agency to provide improve the drainage system at Oluch-Kimira. ▪ Plans for agro-processing machines. ▪ Allocation for crops that can bring income. ▪ Lack of allocation for desilting silted up streams and water pans. ▪ The case of Victoria farms where there is no water for fishponds and training for groups. ▪ Enhancing the storage of Subsidized fertilizer. ▪ Fate of hatcheries. ▪ Kigoto project taking too long to be completed. 	<ul style="list-style-type: none"> ▪ The Department explained that thee is a drainage system at oluch kimira which is managed by two departments; agriculture and KOSFIP. ▪ The Department explained that thee agro-processing machine is under the department of trade so one can contact the department in case there is need of the machine. ▪ The Department reported that there is on-going sensitization to have more yields by encouraging plantation of cash crops. ▪ The Department decried the small funds allocated for irrigation. ▪ The Department supported the ideas of constructing roof catchment for running water and using the same for irrigation. ▪ The Department reported that a deport would be constructed at Oyugis to supplement the store in Kendu Bay. • Kigoto project is being completed soon.
<p>Energy, Infrastructure and ICT Sector</p>	<ul style="list-style-type: none"> ▪ The roads being constructed are not inspected and not supervised. ▪ The contractors awarded the tenders are most times not present at the site. ▪ Many roads in the county are inaccessible. ▪ The contractors do not notify and involve the local authorities of their presence in their respective work sites. ▪ Most tenders are awarded to incompetent contractors. ▪ Power outages frequent in some areas. ▪ Solar lights are mostly not functional. ▪ Insufficient lighting in the market areas 	<ul style="list-style-type: none"> ▪ Have road inspectors inspect and overseer road construction. ▪ Let the contractor awarded the tender be at site ▪ Open new roads ▪ Contractors awarded the tender should report to the admins office before starting the job ▪ County should award the tender to a competent contractor. ▪ Equal distribution of power ▪ Maintenance and repair of solar ▪ All market areas to be empowered by solar lights. ▪ Engagement with KPLC for rural electrification ▪ Installment of alarms/CCTV cameras for security purposes ▪ Construction of Geo-thermal power stations ▪ Technicians to walk around and survey status of the solar. ▪ Have a digital system at the county head quarters
<p>Health sector</p>	<ul style="list-style-type: none"> ▪ Health projects taking so long to come to completion with some stalled. Some contractors have even abandoned project sites ▪ Increment of health workers to be sufficient for quality service delivery. ▪ Health workers such as CHVs not being paid regularly yet offer critical services and play an important role at the community level ▪ Medical drugs are lacking in our facilities and doctors mostly prescribe for patients to buy from 	<ul style="list-style-type: none"> • The allocated amount for development shall first be used to complete the ongoing projects before starting new projects. Projects which were not completed in 2019/20 have been budgeted for in the current financial year. • Political power should not be given priority to service and budget implementation. • The department is trying hard to eliminate ghost workers but this has not been easy because those ghost workers have necessary requirements and qualification which other works have. • CHVs are being paid on a quarterly basis and a cheque has been issued to cover their payment to date

	<p>external chemists</p> <ul style="list-style-type: none"> ▪ A lot need to be done in the area of medical awareness in order to promote prevention ▪ Awarding of contracts to people who do not have the financial capacity or people who are connected politically ▪ Health workers not motivated enough to serve the public ▪ What is the department going to do about the island residents in terms of emergencies or referral services ▪ Review of the cost of medical services at health facilities 	<ul style="list-style-type: none"> • Essential drugs will be provided for at any health facility and the county government has made arrangements to ensure that facilities are well stocked • Insufficient fund allocation to health department cannot allow the health workers to be employed to sufficient, however, soon the department will be able to increase the health workers. • Sometimes it is due to delay of disbursement of funds from national government. There is ongoing negotiation with health workers through their union officials to harmonize staff wages and ensure that their salaries and wages are no longer delayed. • Medical equipment's and medical drugs should be available in the facility at affordable price and be easily accessible. • The department is educating public on how they can best prevent teen pregnancies through civil education and best ways to prevent STIs. <ul style="list-style-type: none"> ▪ Contracts should be awarded to competent and qualified contractors who are capable to complete the projects as required. ▪ Keen supervision to ensure that our health facilities are standard state to ensure public can access services easily. ▪ Budget implementation should be key to efficient service delivery.
Education Sector	<ul style="list-style-type: none"> ▪ The 100M for bursary not fully utilized ▪ Lack of ICT education ▪ Lack of independent Contractors and also lack of regular assessment. ▪ Well stipulated report on how funds have been used ▪ Need for completion of all started classrooms. ▪ Are there auditors in Homa Bay county who audit the reports? ▪ The ECDE and vocational training centres lacks learning materials ▪ How many ECDE centres and EYE centers are in each ward? ▪ The issue of starting new projects without completing the old projects. ▪ Lack of well remuneration to ECDE and EYE teachers 	<ul style="list-style-type: none"> ▪ There will be a follow up on the utilization of bursary and more allocation will be provided. ▪ All vocational training centres will be fully introduced to ICT education and ICT will be integrated to EYE level ▪ Contracts which can be performed by locals will be awarded to them and also fair contracting process will be implemented. Regular assessment on the work done will be provided to public. ▪ There are auditors who audit the financial statements and give their opinions. The auditors are independent in giving their opinion.
General Economic	<ul style="list-style-type: none"> ▪ Most completed market latrines 	<ul style="list-style-type: none"> ▪ Policy should be formulated to enable management

<p>and Commercial Affairs Sector</p>	<p>are not operational</p> <ul style="list-style-type: none"> ▪ Joint Loans are not presented to traders ▪ Presence of unauthorized intermediaries in the allocation of market stalls in Kendu Market. ▪ Lack of empowerment of locals and prioritization of resource allocation. ▪ Lack of policy, poor disposal and waste management. ▪ Poor workmanship some constructors something to worry about. ▪ Market construction and upgrading projects not completed. ▪ How the locals can benefit from establishments such as Sukari industry ▪ There are intermediaries who exploit local fish traders, poor waste disposal that has threatened the fish habitat. ▪ Lack of funds for monitoring and evaluation of stated projects. ▪ Projects take too long to be completed, there are no time plan for projects i.e. Arujo, kigoto ,Ongeng markets not complete. ▪ Poor access roads to Nyakwere, Chabera markets and Sukari industries. ▪ As a county what are we thinking of pineapple processing factory. ▪ East Africa Community to construct one market stall market around Mbita upon provision of Land. ▪ There are no representatives of the Kenya National Chamber of Commerce in the county budget committee. ▪ There are no policy formulated to protect and exempt persons with disability from taxation. 	<p>of market latrines.</p> <ul style="list-style-type: none"> ▪ National government to redirect loan account management to the county management to enable distribution to traders. ▪ County government to take charge of distribution of market stalls, scrutinize and eradicate any unauthorized persons in Kendu market. ▪ Locals should be the immediate beneficiaries to county resources and the projects should be source of empowerment. ▪ Policies protecting and managing waste disposals and management should be formulated by the county assembly. ▪ Award of tenders to unqualified personnel. ▪ Local groups, CBO and market committees should be created to help in management of markets. ▪ Equitable share of revenues levied from Sukari industries with locals being immediate beneficiaries. ▪ County government to create policies for fish trading and safeguard traders against exploitation by intermediaries, and control waste disposal. ▪ Funds to be provided/allocated for monitoring and evaluation of county projects. ▪ Early disbursement of funds is recommended to enable good strategy and planning of projects execution. ▪ County government improve status of market access roads, Sukari industry to construct a 600m road as per their earlier legal agreement with the county government. ▪ County government to partner with donors in construction of processing factories for pineapple ▪ Reallocation of development funds to combat covid-19 pandemic has delayed implementation of most market projects. ▪ County government placed about 30% for the persons with disability in trade ministry.
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<p>Public Administration and Inter/Intra-government Relations Sector</p>	<ul style="list-style-type: none"> ▪ The county Administration structure is not well outlined compared to the National government. ▪ County government lacks public officers for a proper service delivery. ▪ Highlighting and encouraging the ward base sensitization and public participation to the citizens. ▪ Lack of administrative officers at the ward levels making most ward Administrators not to be easily accessible by the public. ▪ Flagship projects; most projects that are allocated always in the budget are not brought to the attention of the public. ▪ Does the County have in place public participation and civic education policy and law that would guarantee citizens on their civil rights in development work? ▪ Ward administrators do not have the mandate to finance projects and control finances thus making their hands tied to development issues. ▪ Project Management Committee[PMCs] are not well paid and to some cases payments are not made to them 	<ul style="list-style-type: none"> ▪ Ward administrators to be innovative at ward base issues to come up with policies and ways of wealth/ resource creation. ▪ Public participation to be taken at the ward level. ▪ Generation of money; 1,the ward administrators should oversee and control the revenue collected from their wards. 2, A fee charge should be put to those having the permit by the ward administrators to cut down trees. ▪ Policy guidelines that outline the activities done by the Project Management Committee. ▪ Provision of a project completion certificate by the ward administrators. ▪ Motivation of Project Management Committee through some payments. ▪ There should be a proper coordination between the office of the MCA and that of the ward administrator to avoid conflict of interest. ▪ County public participation and civic education policy and law is at the final stages. ▪ Enforcing the monitory aspects at the ward based level. ▪ There should be decentralization from the county to the sub-county level in finance management obtained from revenue collected. ▪ There is need to support and facilitate PMCs considering the good work they are doing.
<p>Social Protection, Culture and Recreation Sector</p>	<ul style="list-style-type: none"> ▪ Is of Paralympics within the county? ▪ Why is the department using MCAS to distribute spots kits as opposed to using existing sports structures? ▪ Why neglect other sports within the sector. ▪ How best the department is able to strengthen the cultural groups from bottom to top 	<ul style="list-style-type: none"> ▪ Not included in the budget. ▪ For the next time only team officials will be sent to collect the kits personally or through federations. ▪ There's a plan to start all sports within the county and have a county team. ▪ A cultural center will be established once budgeted in the next financial year. ▪ Cultural centers such as simbi Nyaima has

	<p>approach.</p> <ul style="list-style-type: none"> ▪ Whether there a plan of rehabilitating existing cultural centers. ▪ What is the Sector doing to obtain information about people with disability all over the county to enable planning? ▪ Why is it that there no any sign language interpreter at Homabay referral hospital. 	<p>already been budgeted.</p> <ul style="list-style-type: none"> ▪ The sector will work with collaboration of national government ministry of health to achieve full support of people with disability ▪ The sector will coordinate with health department to improve on the same.
<p>Environment Protection, Water and Natural Resources Sector</p>	<ul style="list-style-type: none"> • Water sanitation and sewage disposal • Climate change within the county • Tree nursery projects to be included in budget and funded • Whether the sector is concerned with flood affected areas within the county • Toilet at Nyamira market in East Gem Ward which sank • Water conservation at Rangwe they are turning into burrow pits • Issue of providing engineer reports on all projects within the sector 	<ul style="list-style-type: none"> • The sector is planning to lobby for more fund allocation in the next financial year to be able to deal with water sanitation and waste rehabilitation effectively • Since climate change is uncontrollable, the sector will set aside funds in the next year's financial year allocation to deal with climate change • The sector is aiming to include it in the next financial year and support through providing seeds and funds • County government with collaboration of national government caters for the areas affected by floods within the county.. • The sector had not received the query but an immediate action to be taken • To be included in the next financial year • The sector will come up with summary of the project reports and share through ward administrators