

REPUBLIC OF KENYA



**HOMA BAY
COUNTY GOVERNMENT**

**DEPARTMENT OF
FINANCE AND ECONOMIC PLANNING
(COUNTY TREASURY)**

**COUNTY FISCAL STRATEGY
PAPER**

2024/2025

***“Sustaining the GENOWA Agenda for
Accelerated and Inclusive Growth”***

February, 2024

FOREWORD

Guided by Section 117 of the PFM Act (2012), Part III of the PFM Regulation (2015) and the provisions of the County Government Act relating to planning, the County Government of Homa Bay, through the County Treasury, has prepared the County Fiscal Strategy Paper (CFSP) and County Debt Management Strategy Paper (CDMSP) for FY 2024/25 and over the medium-term period. Broadly, this CFSP links planning with budgeting by outlining the broad sectoral strategic priorities and policy goals that feed into the County budget estimates for the FY 2024/25. In so doing, the planning document clearly lays out the strategies for raising revenue from various sources, how the projected revenue will be expensed, and how County debts will be managed in the medium-term. Besides, this document sets out the equitable formular for sharing of the County resources by providing sectoral and programmes ceilings for the FY 2024/25 and over the medium-term period.

In the process of developing this policy document, the County Treasury considered the views of the public, stakeholders, various interested persons/groups, other forums established by legislation, County Sector Working Group reports, the Commission of Revenue Allocation, and the county executive among others; but in accordance with Sec. 117(a) of the PFM Act. Further, this policy document is anchored on the Vision 2030, the Medium-Term Plan 2023-2027, the Bottom-up Economic Transformation Agenda (BETA), Sustainable Development Goals (SDGs), Homa Bay County Integrated Development Plan 2023-2027, the GENOWA agenda, and the approved County Annual Development Plan 2024/25 among others.

Cognizant of the scarcity of resources to meet our unlimited needs, the preparation of this CFSP FY 2024/25 has taken into account the social, economic, demographic, political, and environmental diversities of Homa Bay County. Consequently, the allocation of the resources has been informed by a combination of the above macro and microeconomic determinants. To fully '*Sustaining the GENOWA Agenda for Accelerated and Inclusive Growth*', for economic transformation, we strongly urge departments to ensure efficiency and effectiveness while complying with the fiscal responsibility principles and other provisions of the law.

Importantly, we are sincerely grateful to Her Excellency the Governor and His Excellency the Deputy Governor, for their transformational leadership which is anchored on good governance, accountability, service delivery, and accountability. Lastly, it is my humble plea that the Members of the County and relevant house committees consider and adopts to this essential planning policy document.


Hon. Solomon Obiero
County Executive Committee Member,
County Department of Finance and Economic Planning
County Government of Homa Bay

ACKNOWLEDGMENTS

The crafting of the Homa Bay County Fiscal Strategy Paper (CFSP) 2024 stands as a testament to the concerted efforts of the County Government, led by Her Excellency the Governor, Hon. Gladys Nyasuna Wanga (EGH), alongside H.E. the Deputy Governor, Hon. Joseph Oyugi Magwanga, and the dedicated County Executive Committee Members. A particular acknowledgment is owed to Hon. Solomon Obiero, the CEC member overseeing Finance and Economic Planning, whose steadfast leadership was instrumental in steering this endeavor.

Further, we extend our gratitude to the Members of the County Assembly, particularly the Budget and Appropriations Committee under the adept leadership of Chair, Hon. Jeff Ongoro, for their invaluable contributions.

The substantial input from a diverse array of local professionals and key stakeholders during the series of public participation meetings held throughout the County was pivotal. Special mention is warranted for the insights provided by the Commission for Revenue Allocation, which greatly informed our fiscal priorities for the fiscal year 2024/2025 and beyond.

In line with the principles of fiscal responsibility outlined in the Public Finance Management Act, 2012, and its accompanying Regulations of 2015, the County Government of Homa Bay has refined its fiscal framework to ensure efficiency, effectiveness, and sustainability over the medium term.

As the Chief Officer overseeing Finance, I extend sincere appreciation to my fellow County Chief Officers for their unwavering cooperation and diligence in shaping this document. Particularly commendable is the tireless dedication of our directors and technical officers, led by Lawrence Smith (Director of Budget and Economic Planning) and his Deputy, Willys Bolo, whose expertise proved invaluable in the preparation of this important planning document.

Special recognition is also extended to the members of the public, the Commission on Revenue Allocation (CRA), the National Treasury, the County Treasury, the Officer of the Controller of Budget (OCOB), the County Budget and Economic Forum (CBEF), our stakeholders, administrators, and the general public whose contribution enriched the document's development process.

Lastly, heartfelt gratitude is owed to the dedicated technical staff at the Directorate of Budget and Economic Planning led by Harriet Atieno whose unwavering commitment was indispensable in developing the CFSP 2024.



Mr. Alphonse Werah
Chief Officer – Finance
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ABBREVIATIONS AND ACRONYMS

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

Legal Basis for the Preparation of the Homa Bay County Fiscal Strategy Paper (CFSP) 2024

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) National Treasury
 - c) Office of the Controller of Budget
 - d) The public;
 - e) Any interested persons or groups; and
 - f) 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 sub-section (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 towards development expenditures;
- 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 (2015) 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.

CHAPTER ONE: OVERVIEW OF THE COUNTY FISCAL STRATEGY PAPER 2024

1.1 Introduction

1. The County Fiscal Strategy Paper (CFSP 2024) is the 11th to be prepared under the devolved system of government and the second, under the current administration of H.E. the Governor, Gladys Nyasuna Wanga (EGH, CBS) and the Deputy Governor, H.E, Joseph Oyugi Magwanga. This CFSP outlines strategies for “*Sustaining the GENOWA Agenda for accelerated and inclusive growth*”. The priorities captured herein are aligned with the Vision 2030, the Medium-Term Plan 2023-2027, the Bottom-up Economic Transformation Agenda (BETA), Sustainable Development Goals (SDGs), Homa Bay County Integrated Development Plan (CIDP) 2023-2027, the GENOWA agenda, and the approved County Annual Development Plan 2024/25.

2. The CFSP 2024 provides: An assessment of the recent economic developments, macroeconomic forecast; medium-term fiscal outlook; and fiscal responsibility in financial management.

3. The CFSP 2024 sets out the priority programs, policies and reforms to be implemented in the Medium-Term Expenditure Framework (MTEF) by the County Government of Homa Bay.

4. It comes at a time when the County Government is already implementing the third generation CIDP 2023-2027. Besides, the document has been prepared cognizant to the tight fiscal space, high interest rates, inflationary pressure, and climate change-related challenges.

1.2 The theme for the FY 2024/25 is “Sustaining the GENOWA Agenda for Accelerated and Inclusive Growth.”

5. Her Excellency the Governor has consistently advocated for opening of the window to limitless possibilities in Homa Bay County. This would require setting up and sustaining frameworks that bring forth possibility so that citizens are able to call upon their passions rather than their fears, their strengths instead of their weakness, find joy rather than sorrow and open their fins to swim. This has meant not only restructuring the narrative but also establishing environments and working arrangements where possibility can grow.

6. The CFSP 2024 is premised on positioning Homa Bay County as the preferred environment to reside, work, and invest. This has remained an open invitation and an inspiration for the people to support the new Genowa Government in creating ideas and events that would foster potential and unleash everyone’s creativity, vitality and ingenuity required to positively identify and tap into county sectors that have tremendous potential to create jobs, boost inclusive economic and reduce poverty. It is because the need to deliver on economic empowerment by creating employment opportunities, ensuring equitable distribution of resources, and social security while also growing our revenues.

7. The county fiscal policy objectives over the medium term include: Entrenching good governance, prudent financial management and service delivery; providing modern health facilities, an innovative and effective medication supply system, and sufficient, well- trained and equipped health workforce to improve the healthcare system; promoting success in today's labour market and investing in early years education (EYE) and skills development; enhancing food

security by investing in transformational agri-food systems for resilient livelihoods; reversing the shortages and high-water costs and ensuring universal access to clean water.

8. The county's fiscal effort will also be focused on revitalizing the county economy through expanding manufacturing and trade as well as the blue, creative and digital economies to optimize the county's full economic potential. The county will continue investing in quality, sustainable and resilient infrastructure to promote access for agriculture, trade, tourism, and development in general. Importantly, the county will leverage on its diverse plethora of natural resources and raw materials to potentially grow the economy while ensuring inclusion of all genders, people abled differently, youths, and other marginalized populations within the county.

9. Besides, the County Government of Homa Bay intends to leverage on the National Government's BETA strategies and development initiatives to further economically transform the county. Hence, special attention will be drawn on (i) Agricultural transformation and inclusive growth; (ii) Micro, Small and Medium Enterprise (MSME) Economy; (iii) Housing and Settlement; (iv) Healthcare; and (v) Digital Superhighway and Creative Industry, which are the five sectors envisaged to have the largest impact and linkages to the economy for improving households' welfare.

1.2.1 Continuing to Build Back Better

10. As indicated, the CFSP 2024 aims at devising mechanisms for sustaining and expanding the gains made by county government of Homa Bay under the **GENOWA Agenda**. These include: Expanding investments in "green" infrastructure for expanded access; Mitigating the climate change and protection; Expanding our manufacturing and industrial capacities; Mechanization of agriculture through value addition management; Overcoming all health emergencies occasioned by communicable diseases while improving the quality of health care with emphasis on universal healthcare coverage and vaccination, reduction of mortality rates, broadening prevention, treatment and combating HIV/AIDS, malaria, tuberculosis and non- communicable diseases; Improved access to affordable and quality EYE and vocational training centers; Promoting the development of sports, tourism talent and the blue economy; Espousing science, innovation and technology particularly in areas of data generation and management; clean energy, nutrition and dietetics, artificial intelligence, telemedicine; Improving climate change preparedness, adaptation and resilience; Strengthening public finance management systems; Supporting good governance and establishing structures that enhance transparency, accountability and other national values and principles as defined by the Constitution of Kenya, 2010.

1.2.2. Improving Revenue Collection

11. As part of the county's economic revitalization plan, the government will scale up its revenue collection and management systems to optimize and realize the targeted **OSR of KSh. 1,392,206,351 (including A-In-A of KSh. 1,051,066,642 and KSh. 341,139,709 for the Ordinary OSR)** in the FY 2024/25. In order to achieve this, the county government will undertake administrative, functional, and policy reforms, which will be defined from time-to. Some of the planned strategies include but not limited to reviewing the tax rates; mapping and introducing new revenue streams; periodic auditing of the cashless revenue collection and management systems; adequate staffing and provision of the necessary tools of trade to collectors; fully operationalizing the County Revenue Board; continuous public awareness and sensitization (civic engagements) on their tax obligations through quarterly revenue

days; ensuring the tax payers get value for money by providing quality services; maximum accountability to the public on the use of public resources; and plugging all revenue leakages. Overall, these proposals will be implemented by reviewing and revising the County Finance Act in accordance with the underpinning legislations and laws.

12. With the establishment and operationalization of five municipalities (namely Homa Bay, Mbita, Ndhiwa, Kendu Bay and Oyugis Municipalities), an upward trajectory is expected on land and property values. Further, the urbanization of these areas and the surrounding populations is expected to growth, resulting in increased development and subsequently revenue for the county. In preparation of the same, the county government, through the departmental of Lands and Urban Development is not only in the process of reviewing property and land rates but also developing valuation rolls as part of the on-going reforms.

13. In Homa Bay County, a majority of the private sector players are small and micro enterprises that operate outside the purview of government regulations. These businesses are in the subsistence economy where they contravene – or are not subject to – some of a variety of rules and regulations, including labour laws, environmental laws, registration, and taxation. To reach out to them, the County Government will shift focus to the businesses themselves and their owners (including the self-employed) so that they are supported to pay up revenue in more structured ways. Where possible, the County Government will pursue their formalization to increase access to various opportunities available to formal firms, including better access to credit, increased opportunities to engage with large firms and government contracts, reduced harassment by police and municipal officials, and access to broader training and support programmes.

1.2.3 Reducing Revenue Leakage Through Non-compliance and/or Outright Fraud

14. The County Government of Homa Bay will take a data-driven approach to mapping and tracking all revenue payable. While data-driven capabilities at scale will only be deployed systematically, revenue officers will consistently be exposed to building experience with the latest innovations. Only well-meaning revenue officers who are ready prove their mettle will be elevated. With digitization, the county will be able to create a massive trail of data that support more-effective revenue and payment programs.

15. On revenue policy, the County Government of Homa Bay will implement various revenue policy measures to further boost revenue collection. First, the County Government will review and operationalize the various County Revenue Policies and the Medium-Term Revenue Strategy. The County Revenue Policy Framework will enhance administrative efficiency, provide consistency and entrench predictability in revenue legislation and management of revenue spent at source. More important, the Medium-Term Revenue Strategy will provide a comprehensive approach of undertaking effective revenue reforms for boosting collection and improving revenue generation over the medium term.

1.2.4 Improving the Medium-Term Expenditure Process

16. The County Government of Homa Bay has prioritized improving efficiency in public spending to ensure value for money by eliminating non-priority expenditures; retiring expensive and unsustainable consumption subsidies; removing unnecessary exemptions; scaling up the use of Public Private Partnerships financing for commercially viable projects; rolling out an end-to-end

e-procurement system; and streamlining the initiation, execution, delivery and sustainability of public investment projects.

17. In light of the change in priorities under the new administration, expenditure ceilings in the CFSP 2024 have been revised to reflect the emerging realities. All proposed County Entity Budget for the FY 2024/25 has been scrutinized carefully to ensure efficiency and effectiveness in line with the **GENOWA Agenda** as aptly captured in the Third CIDP and other strategic interventions critical to building an accountable, equitable, people-centered, inclusive and transparent county, which transforms the general welfare of its residents.

18. Budgeting for the county priority programmes will be developed through a value-chain approach under four clusters: (i) Productive Sectors, including Trade, Agriculture, Blue, Creative and Digital Economy; (ii) Infrastructure and Technology sectors; (iii) Social Sectors; and (iv) Governance and Public Administration sectors. This process will ensure linkage in the value chain cycle in the resource allocations. The process will also ensure efficient resources get allocated to all the components along the value chain while eliminating elements of duplication.

19. Besides improving the MTEF process, the County Government of Homa Bay will remain focused on the full adoption of results-based management through program-based budgeting (PBB), strengthening of budget execution, reporting, and monitoring mechanisms. Entrenching a performance-based system is a major priority for the **GENOWA** administration. Therefore, budgetary allocations for the financial year 2024/25 shall be based on efficacy of the sectoral proposed programmes and projects as defined in the various sector working group reports for 2024. As guided by the PBB, only those priority programmes with SMART objectives and outcomes/targets shall be funded in the FY 2024/25.

1.3 Linkage with BPS

20. The CFSP 2024 is aligned with the National Government's Budget Policy Statement (BPS 2024) which is focused on economic turnaround and inclusive growth. Similarly, the County Government of Homa Bay will emphasize employment creation, equitable distribution of resources, social security protection, food security, promotion of investment, trade, and tourism, environmental protection, and infrastructural, health, and education access across the county. However, achieving these calls for expanded revenue growth in the FY 2024/25 and the medium-term period.

21. Both the National and County Government are focused on increasing investments in sectors envisaged to have the biggest impact on the economy as well as on household welfare. While the National Government of Kenya will be implementing its priorities under five core pillars of the Bottom-up Economic Transformation Agenda (BETA) including Agricultural Transformation; Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Industry, the County Government will pursue a six pillar **GENOWA** Agenda focused on: Good Governance and Service Delivery Excellence; Enhanced food security and development of agri-food value chains; Nurturing environments for children and other disadvantaged groups; Optimum development of the blue, creative, digital and enterprise economies; World-class infrastructure and tooling for enhanced economic competitiveness; and Access to quality and affordable healthcare services.

CHAPTER TWO: RECENT ECONOMIC DEVELOPMENTS & MEDIUM-TERM OUTLOOK

2.1 Introduction

21. The global economy recorded an impressive growth of 5.9% in 2021, a significant improvement from the previous year's 3.2% decline. The main driver of this growth was increased global trade and activity due to the easing of COVID-19 restrictions. Developed countries recorded a growth of 5.3% in 2021. This is quite impressive considering her 4.3% decline the previous year.

22. However, the sub-Saharan Africa region faced several challenges related to the pandemic that had a major economic impact. Nevertheless, the region recorded a growth of 4.3 percent in 2021, a significant improvement from the 2.0 percent decline in 2020. The East African Community (EAC) also recorded a remarkable growth of 4.9 percent in 2021, compared to just 1 percent growth in 2020. The recovery of the global economy contributed significantly to this growth.

23. Overall, the global economy has shown remarkable resilience in the face of the pandemic, and these growth numbers are a testament to the collective efforts of governments and industries worldwide.

24. According to estimates, the global economy has experienced a significant slowdown, with a growth rate of 2.9 percent in 2022 and a small peak of 1.7 percent in 2023. This decreasing trend in global economic activity is widespread and can be attributed to the tightening of monetary policy. Despite high inflation rates, containment measures have been implemented, largely due to the negative impact of the ongoing Ukraine conflict, which continues to destabilize economic activity.

2.2 Recent Economic Developments

25. The global economy is experiencing challenges arising from global supply chain disruptions due to the prolonged Russia -Ukraine conflict, elevated global interest rates due to inflationary pressures limiting access to credit and exacerbating debt servicing costs; and significant losses and damages due to frequent extreme weather events increasing fiscal pressures. As such, global growth is projected to slow down to 3.0 percent in 2023 and 2.9 percent in 2024 from 3.5 percent in 2022 which is below the historical (2000–2019) average of 3.8 percent (**Table 2.1**).

Table 2.1: Global Economic Performance

Economy	Growth (%)			
	Actual		Projected	
	2021	2022	2023	2024
World	6.3	3.5	3.0	2.9
Advanced Economies	5.4	2.6	1.5	1.4
Of which: USA	5.9	2.1	2.1	1.5
Euro Area	5.3	3.3	0.7	1.2
Emerging and Developing Economies	6.8	4.1	4.0	4.0
Of which: China	8.4	3.0	5.0	4.2
India	9.1	7.2	6.3	6.3
Sub-Saharan Africa	4.7	4.0	3.3	4.0
Of which: South Africa	4.7	1.9	0.9	1.8
Nigeria	3.6	3.3	2.9	3.1
Kenya*	7.6	4.8	5.5	5.5

Source: IMF World Economic Outlook, October 20230 - *National Treasury Projection

26. The geopolitical fragmentation arising from the Israeli-Palestinian conflict and elevated global oil prices on account of supply cuts by major oil exporters, particularly Saudi Arabia and Russia could weigh on the global economic outlook.

27. Advanced economies are projected to record a slower growth of 1.5 percent in 2023 and 1.4 percent in 2024 from 2.6 percent in 2022 mainly driven by lower growth in the Euro Area. The slowdown in growth in the advanced economies is a result of aggressive monetary policy tightening that has contributed to a significant deterioration of global financial conditions.

28. Growth in the emerging markets and developing economies is projected to decline relatively modestly, from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024, although with notable shifts across regions. In sub-Saharan Africa, growth is projected to decline to 3.3 percent in 2023 from 4.0 percent in 2022 reflecting worsening climate change-related shocks, inflationary and exchange rate pressures, and domestic supply issues, including, notably, in the electricity sector. Growth in the region is expected to rebound to 4.0 percent in 2024, picking up in four-fifths of sub-Saharan Africa's countries, and with strong performances in non-resource-intensive countries.

2.3 Domestic Economic Development

29. The Kenyan economy in 2022 demonstrated resilience in the face of severe multiple shocks that included the adverse impact of climate change, the lingering effects of COVID-19, global supply chain disruption, and the impact of the Russia- Ukraine conflict. As such, the economic growth slowed down to 4.8 percent in 2022 from 7.6 percent in 2021 but broadly aligned with the pre-pandemic decade average of 5.0 percent (Table 2.2). This growth was largely supported by the robust growth of service sectors, particularly transport and storage, financial and insurance, information and communication, and accommodation and food services sectors. However, the agriculture sector contracted by 1.6 percent due to the adverse weather conditions that affected the reduction of crops and livestock.

Table 2.2: Sectoral GDP Performance

Sectors	Annual Growth Rates		Quarterly Growth Rates			
	2021	2022	2022 Q1	2022 Q2	2023 Q1	2023 Q2
1. Primary Industry	0.5	(1.0)	(0.4)	(1.5)	5.8	7.6
1.1. Agriculture, Forestry and Fishing	(0.4)	(1.6)	(1.7)	(2.4)	6.0	7.7
1.2. Mining and Quarrying	18.0	9.3	23.8	16.6	3.3	5.3
2. Secondary Sector (Industry)	6.8	3.5	4.4	4.2	2.4	1.8
2.1. Manufacturing	7.3	2.7	3.8	3.6	2.0	1.5
2.2. Electricity and Water supply	5.6	4.9	3.2	5.6	2.5	0.8
2.3. Construction	6.7	4.1	6.0	4.5	3.1	2.6
3. Tertiary sector (Services)	9.6	6.7	8.5	7.7	6.0	5.9
3.1. Wholesale and Retail trade	8.0	3.8	4.9	4.1	5.7	4.2
3.2. Accommodation and Restaurant	52.6	26.2	40.1	44.0	21.5	12.2
3.3. Transport and Storage	7.4	5.6	7.7	7.2	6.2	3.0
3.4. Information and Communication	6.1	9.9	9.0	11.2	9.0	6.4
3.5. Financial and Insurance	11.5	12.8	17.0	16.1	5.8	13.5
3.6. Public Administration	6.0	4.5	6.2	3.8	6.6	3.8
3.7. Others	10.8	5.2	6.7	5.5	4.9	5.0
of which: Professional, Admin & Support Services	7.1	9.4	13.1	10.9	7.3	5.5
Real Estate	6.7	4.5	6.0	5.0	5.2	5.8
Education	22.8	4.8	4.6	4.4	3.6	4.5
Health	8.9	4.5	5.7	4.4	5.4	5.0
Taxes less subsidies	11.9	7.0	9.5	6.1	5.3	3.8
Real GDP	7.6	4.8	6.2	5.2	5.5	5.4

Source: Kenya National Bureau of Statistics, 2024

29. Despite the challenging environment, the Kenyan economy is demonstrating resilience with growth performance well above the global and SSA average. In the first half of 2023, the economic growth averaged 5.4 percent (5.5 percent Q1 and 5.4 percent Q2). This growth was primarily underpinned by a rebound in agricultural activities and a continued resilience of service sectors. All economic sectors recorded positive growths in the first half of 2023, though the magnitudes varied across activities.

Agriculture: In the first half of 2023, the agriculture sector rebounded strongly following improved weather conditions and the impact of fertilizer and seed subsidies provided to farmers by the Government. The sector grew by 6.0 percent in the first quarter and 7.7 percent in the second quarter. The strong performance was reflected in enhanced production, especially of food crops which led to a significant increase in exports of tea, coffee, vegetables, and fruits. However, the production of cut flowers and sugarcane declined during the period.

Services: The services sector continued to sustain strong growth momentum in the first half of 2023 growing by 6.0 percent in the first quarter and 5.9 percent in the second quarter. The robust performance was reflected in the notable growth of information and communication (driven by increases in wireless internet and fiber-to-home subscriptions), wholesale and retail trade, accommodation and food services (driven by a recovery in tourism), transport and storage, financial and insurance (due to strong private sector credit growth and lending to the government) and real estate (supported by sustained expansion of the construction industry).

Industry: In the first half of 2023, the industrial sector recorded lower growths of 2.5 percent in the first quarter and 1.8 percent in the second quarter compared to growths of 4.4 percent and 4.2 percent, respectively in similar quarters in 2022. The slowdown in growth was mainly reflected in manufacturing, electricity, and water supply sub-sectors. Activities in the manufacturing sector, which accounts for nearly half of the industrial sector output, were hampered by a decline in the manufacture of both food (particularly sugar production) and non-food products while the electricity sub-sector slowed down due to a notable decrease in electricity generation from all sources, except geothermal.

Inflation Outcomes

30. Inflation had remained above the Government target range of 5 ± 2.5 percent from June 2022 to June 2023. To anchor inflation expectations, the Monetary Policy Committee (MPC) gradually raised the policy rate (Central Bank Rate (CBR)) from 7.50 percent in May 2022 to 10.50 percent in June 2023 and further to 12.50 percent in December 2023. The tightening of the monetary policy was to address the pressures on the exchange rate and mitigate second-round effects including from global prices. This will ensure that inflationary expectations remain anchored while setting inflation on a firm downward path towards the 5.0 percent mid-point of the target range.

31. Consequently, inflation eased gradually to 6.8 percent in November 2023 from a peak of 9.6 percent in October 2022 and has been within the target range for the five months of FY 2023/24. However, inflation has remained sticky in the upper bound of the Government's target range since July 2023. The easing of inflation was also supported by lower food prices.

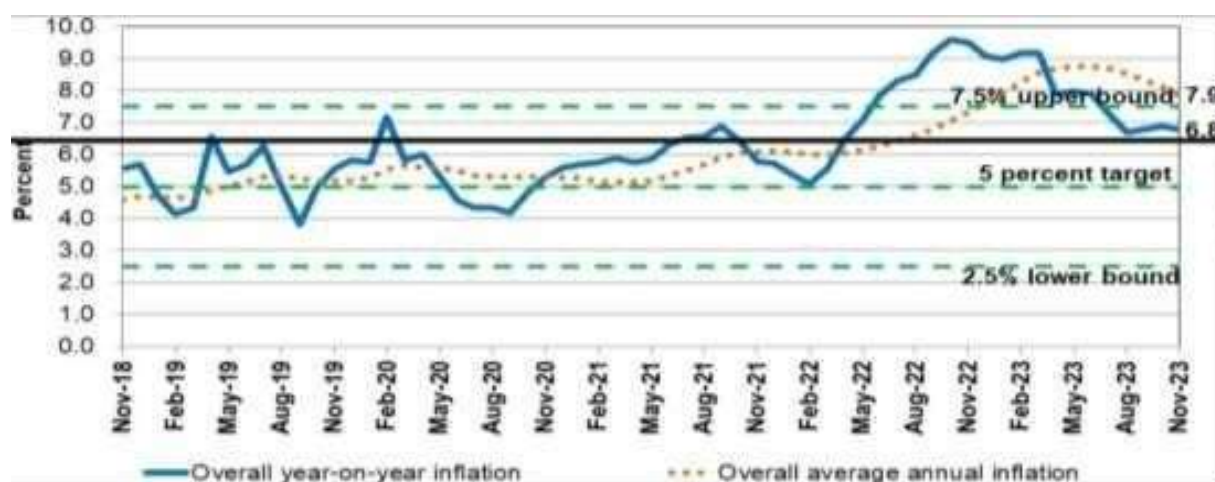
32. Food inflation remained the dominant driver of overall inflation in November 2023. However, it declined to 7.6 percent in November 2023 from a peak of 15.8 percent in October 2022 supported

by the general decline in international food prices, government interventions through zero rating of select food commodities, and improved weather conditions that enhanced production of fast-growing food items, thus moderating their prices. Nonetheless, sugar prices remained elevated driven by domestic and global factors.

33. Fuel inflation remained elevated reflecting the impact of the rise in international oil prices. It increased to 15.5 percent in November 2023 from 11.7 percent in November 2022. The increase reflects the impact of higher international oil prices, depreciation in the shilling exchange rate gradual withdrawal of the fuel subsidization from September 2022, and the upward adjustment of electricity tariff from April 2023. In addition, the upward adjustment of VAT on petroleum products in July 2023 from 8.0 percent to 16.0 percent to eliminate tax credits from the sector exacted upward pressures on prices. However, prices of cooking gas continued to decline and moderated inflation reflecting the impact of the zero-rating of VAT on liquefied petroleum gas (LPG).

34. Core (non-food non-fuel) inflation remained stable at 3.3 percent in November 2023, from a peak of 4.4 percent in March 2023. The decline is attributed to the tight monetary policy and muted demand pressures.

Figure 2.1: Inflation Rate (In Percent)



Source: Monetary and Credit Developments, 2024

35. Broad money supply, M3, grew by 19.5 percent in the year to September 2023 compared to a growth of 6.1 percent in the year to September 2022). The primary source of the increase in M3 was an improvement in the Net Foreign Assets (NFA) of the banking system and resilient domestic credit. The increase in NFA mainly reflected the improvement in commercial banks' foreign assets.

36. Net Domestic Assets (NDA) registered a growth of 10.9 percent in the year to September 2023, compared to a growth of 17.6 percent over a similar period in 2022. The growth in NDA was mainly supported by an increase in domestic credit particularly resilient private sector credit and net lending to the government. Growth of domestic credit extended by the banking system to the Government declined to a growth of 16.0 percent in the year to September 2023 compared to a growth of 19.8 percent in the year to September 2022.

37. Growth in private sector credit from the banking system remained resilient partly reflecting improving business conditions and demand for working capital. Credit advances to the private sector grew by 12.2 percent in the year to September 2023 compared to a growth of 12.9 percent in the year to September 2022. Improved credit expansion was registered in various sub-sectors that include finance and insurance, manufacturing, agriculture transport, and communication. However, there were fluctuations in the Monthly (month-on-month) credit flows to the private sector which amounted to KSh 47 billion in September 2023 compared to KSh 52.4 billion in September 2022.

Interest Rates Developments

38. Reflecting the tight monetary policy stance and liquidity conditions in the money market, interest rates increased in the year to November 2023. The interbank rate increased to 11.4 percent in November 2023 compared to 4.6 percent in November 2022 while the 91-day Treasury Bills rate increased to 15.4 percent compared to 9.2 percent over the same period. The introduction of the interest rate corridor, in August 2023, is expected to align the interbank rate to the Central Bank Rate and thereby improve the transmission of the monetary policy.

39. Commercial banks' average lending and deposit rates increased in the year to September 2023 in tandem with the tightening of the monetary policy stance. The average lending rate increased to 14.0 percent in September 2023 from 12.4 percent in September 2022 while the average deposit rate increased to 8.6 percent from 6.8 percent over the same period. Consequently, the average interest rate spread declined to 5.3 percent in September 2023 from 5.6 percent in September 2022.

External Sector Developments

40. The current account deficit improved to USD 4,160.5 million (4.1 percent of GDP) in September 2023 compared to USD 5,928.1 million (5.3 percent of GDP) in September 2022. The current account balance was supported by an improvement in the trade balance account and resilient remittances

41. In the year to September 2023, exports contracted by 2.0 percent mainly due to a decline in horticultural exports particularly cut flowers despite an improvement in receipts from tea and manufactured exports. The increase in receipts from tea exports reflects higher prices attributed to lower global supply due to drought amid resilient demand from traditional markets.

42. On the other hand, imports declined by 13.2 percent in the 12 months to September 2023, mainly reflecting lower imports of infrastructure-related equipment, manufactured goods, oil, and chemicals. Oil prices remain elevated on account of increased geopolitical fragmentation and global oil supply cuts by major oil exporters, particularly Saudi Arabia and Russia. As a result, the trade account balance improved by USD 2,429.5 million to a deficit of USD 9,741.7 million in September 2023.

43. Net receipts on the services account declined by USD 928.2 million to USD 671.8 million in September 2023 compared to a similar period in 2022. This was mainly on account of a decline in receipts from transport despite an increase in receipts from tourism as international travel continues to improve. Net Secondary income remained resilient owing to an increase in remittances which amounted to USD 4,142 million in the 12 months to September 2023, and were 3.5 percent higher compared to a similar period in 2022.

44. The capital account balance improved by USD 12.6 million to register a surplus of USD 144.1 million in September 2023 compared to a surplus of USD 131.5 million in the same period in 2022. Net financial inflows slowed down but remained vibrant at USD 3,144.8 million in September 2023 compared to USD 4,784.7 million in September 2022. The net financial inflows were mainly in the form of other investments, financial derivatives, and direct investments. Portfolio investments registered a net outflow during the period.

45. The overall balance of payments position slowed down to a surplus of USD 1,044.4 million (1.0 percent of GDP) in September 2023 from a surplus of USD 2,225.9 million (2.0 percent of GDP) in September 2022.

Foreign Exchange Reserves

46. The banking system's foreign exchange holdings remained strong at USD 13,968.3 million in September 2023, an improvement from USD 11,337.4 million in September 2022. The official foreign exchange reserves held by the Central Bank stood at USD 7,651.8 million compared to USD 7,787.5 million over the same period. Commercial banks' holdings improved to USD 6,316.5 million in September 2023 from USD 3,549.9 million in September 2022.

47. The official reserves held by the Central Bank in September 2023 represented 4.1 months of import cover as compared to the 4.4 months of import cover in September 2022. It, however, fulfilled the requirement to maintain a minimum of 4.0 months of import cover to provide an adequate buffer against short-term shocks in the foreign exchange market.

Exchange Rate Developments

48. Kenya like several other countries is experiencing foreign exchange challenges due to the rise of US interest rates. In November 2023, the Kenya Shilling weakened by 24.7 percent against the US Dollar, 31.9 percent against the Sterling Pound, and 32.2 percent against the Euro, compared to a similar period in 2022. The Kenya Shilling exchanged at an average of KSh 152.0 in November 2023 compared to an average of KSh 121.9 in November 2022. Against the Euro, the Kenya shilling weakened to exchange at KSh 164.2 in November 2023 compared to KSh 124.2 in November 2022 while against the Sterling Pound, the Kenyan Shilling also weakened to exchange at KSh 188.6 compared to KSh 143.0, over the same period. The Kenyan Shilling was supported by increased remittances, adequate foreign exchange reserves, and strong export receipts.

49. The Government has taken measures to stabilize the foreign exchange market which includes the Government-to-Government petroleum supply arrangement. This arrangement is mainly intended to address the US Dollar (USD) liquidity challenges and exchange rate volatility caused by the global dollar shortage and sports market reactions that were driving volatility and a false depreciation that was a scarcity value as well as market distortion.

2.4 Capital Markets Developments

50. Activity in the capital markets slowed down in November 2023 compared to November 2022 as advanced economies tightened their monetary policy amid inflationary pressures. The NSE 20 Share Index declined to 1,496 points in November 2023 compared to 1,638 points in November 2022 while Market capitalization declined to KSh 1,436 billion from KSh 1,971 billion over the same period.

51. In the domestic secondary bond market, bond turnover declined by 16.1 percent to KSh 644.86 billion in September 2023 from KSh 768.84 billion in September 2022. In the international market, yields on Kenya's Eurobonds decreased by 106.8 basis points at the end of September 2023 compared to September 2022.

2.5 County Fiscal Performance for 2023

52. The budget implementation in the first half of the FY 2023/2024 registered a slowed growth in own-source revenues largely due to an overly ambitious revenue projection and the restricted collections from the health sector which have now been ring-fenced under the recently enacted Facility Improvement Fund Act. The total county revenue basket is KSh. **11,698,088,814**. This is broken down into various sources as tabulated below.

PROPOSED REVISED COUNTY REVENUE FY 2023/24						
	OSR	EQUITABLE SHARE	CONDITIONAL GRANTS	EQUALIZATION FUND	BAL. B/F	TOTAL
Revised Estimate II	1,392,206,351	8,128,387,250	1,372,154,607	131,603,304	142,874,788	11,167,226,300

Notably, based on the performance of the OSR for the first of the year, the county's revenue for FY 2023/24 is expected to be KSh. **1.20** billion, majorly due to the low performance of the health revenue, because of the long period of industrial strike by healthcare workers.

Expected Recurrent and Development Expenditure for FY 2023/2024

53. The recurrent expenditure is expected to be **KSh. 7,659,925,512** against the approved **KSh. 7,719,298,082** to accommodate the adjustments made in the local own-source revenue performance. Development expenditure will also be expected to be **KSh. 3,507,300,788** against the approved allocation of **KSh. 3,978,790,732**. The changes shall comply with the development vote being at least **30%**, therefore in compliance with the fiscal responsibility principles as provided in the PFM Act, 2012. In line with the resource allocation review, the ceilings for the respective county entities will be provided as follows:

Figure 2.3 Expenditure Ceilings per Department

County Government Entity/ Department	Revised Estimates II FY 2023/2024			Draft Estimates for the FY 2024/2025			Projected Estimates for the FY 2025/2026		
	Recurrent	Development	Total (R+D)	Recurrent	Development	Total (R+D)	Recurrent	Development	Total (R+D)
Agriculture and Livestock	218,133,168	473,466,625	691,599,793	210,480,293	246,619,961	457,100,254	231,528,322	450,393,761	681,922,084
Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	152,824,776	76,474,966	229,299,742	133,719,567	52,896,987	186,616,554	147,091,524	66,036,133	213,127,657
Roads, Public Works, Transport and Infrastructure	163,377,863	955,031,538	1,118,409,401	157,385,190	677,974,496	835,359,686	173,123,709	826,422,356	999,546,065
Blue Economy, Fisheries, Mining and Digital Economy	96,286,892	103,950,000	200,236,892	90,898,817	96,191,161	187,089,978	99,315,581	91,927,711	191,243,292
Education, Human Capital Development and Vocational Training	1,218,293,589	263,590,000	1,481,883,589	1,153,301,659	120,000,000	1,273,301,659	1,268,631,825	227,609,965	1,496,241,790
Public Health and Medical Services	2,531,816,248	604,902,012	3,136,718,260	2,873,659,240	270,000,000	3,143,659,240	2,608,278,253	519,055,896	3,127,334,148
Lands, Physical Planning, Housing and Urban Development	53,085,062	261,858,615	314,943,677	55,313,342	925,353,262	980,666,604	54,244,676	169,249,428	223,494,104
Trade, Industry, Tourism, Cooperative Development and Marketing	166,447,292	388,815,570	555,262,862	165,259,292	200,000,000	365,259,292	176,285,221	335,742,244	512,027,465
Water, Sanitation, Irrigation, Environment, Energy and Climate Change	274,482,343	470,482,343	744,964,686	230,284,923	200,000,000	430,284,923	261,013,415	412,306,003	673,319,418
Finance and Economic Planning	695,412,358	49,232,066	744,644,424	707,575,155	251,935,539	959,510,694	706,783,684	37,432,079	744,215,764
Governance, Administration, Communication and Devolution	373,033,698	32,000,000	405,033,698	400,000,546	50,000,000	450,000,546	484,903,460	27,632,000	512,535,460
Executive Office of the Governor	463,898,971	100,000,000	563,898,971	522,146,771	80,000,000	602,146,771	585,361,448	86,350,000	671,711,448
County Public Service Board	92,033,555	4,000,000	96,033,555	69,457,403	4,000,000	73,457,403	79,703,143	3,454,000	83,157,143

County Assembly Service Board	1,053,468,687	122,283,800	1,175,752,487	962,234,456	122,564,789	1,084,799,245	1,158,815,556	166,704,140	1,325,519,696
Homa Bay Municipal Board	28,808,993	19,250,000	48,058,993	29,756,691	15,000,000	44,756,691	29,432,360	17,653,877	47,086,237
Kendu Bay Municipal Board	10,060,000	10,000,000	20,060,000	9,870,274	8,000,000	17,870,274	8,657,301	8,635,000	17,292,301
Mbita Municipal Board	10,060,000	10,000,000	20,060,000	9,870,274	8,000,000	17,870,274	8,657,301	8,635,000	17,292,301
Ndhiwa Municipal Board	10,060,000	10,891,972	20,951,972	9,870,274	8,000,000	17,870,274	8,657,301	9,405,218	18,062,519
Oyugis Municipal Board	10,060,000	10,000,000	20,060,000	12,833,620	8,000,000	20,833,620	9,716,982	8,635,000	18,351,982
Total Estimates	7,659,925,512	3,507,300,788	11,167,226,300	7,803,917,787	3,344,536,195	11,148,453,982	8,100,201,064	3,473,279,810	11,573,480,874

Source: County Treasury, 2024

2.6 Fiscal Priorities

54. The County Government of Homa Bay has six key areas of focus for its budget and financial management that reflect adjustments in resource allocation to align with shifting economic, social, and developmental needs. The priorities underscore the government's commitment to ensuring that available funds are directed towards addressing the most pressing challenges and opportunities. They include:

1. Maintaining Fiscal Stability:

55. Maintaining fiscal stability remains a top priority for the County Government of Homa Bay. This will mean that expenditures do not exceed revenues, debt is controlled and a healthy reserve fund is maintained. Consequently, the County Government undertakes to do the following

- Observe fiscal sustainability by ensuring budgetary decisions are financially responsible and do not create long-term fiscal challenges.
- Prioritize reducing debt and liability levels, refinancing debt to lower interest rates, and avoiding excessive debt accumulation through the recently established Debt Management Unit.
- Enhance revenue generation by implementing revenue policies that promote growth, diversification of revenue sources, and pursuit of new revenue streams as spearheaded by the new Revenue Board.
- Implement cost containment by identifying and eliminating wasteful expenditures, promoting efficiency, and reducing administrative costs as spearheaded by the County Treasury.

2. Providing Quality Public Services:

56. Providing quality public services, such as education, healthcare, social, cultural, and environmental services remain a top fiscal priority for the County Government of Homa Bay. This

involves ensuring that public services are adequately funded and that they meet the needs of citizens. That explains why 43.2% of the total county government resources have been channeled to the social sector, including health, education, and social services.

57. To improve the quality of public services being offered, the county government undertakes to:

- Conduct a thorough review of existing services to identify areas where the quality-of-service delivery falls short of expectations.
- Develop a service improvement plan based on the feedback received, including timelines, budgets, and performance indicators to measure progress and identify areas that need further attention.
- Provide training and development opportunities for staff to enhance both technical and soft skills training, including customer service and communication skills.
- Invest in upgrading and maintaining infrastructure and equipment necessary for delivering high-quality services including vehicles, communication technology, and other resources needed to support service delivery.
- Develop systems and processes that promote transparency and accountability in service delivery, including tracking and reporting on service delivery performance, establishing a grievance mechanism for service users, and creating a culture of continuous improvement.
- Engage with service users and other stakeholders to get feedback on service quality and incorporate their views into service improvement efforts.

3. *Investing in Infrastructure:*

58. One of the other main fiscal priorities for the County Government of Homa Bay is to invest in infrastructure such as roads and bridges. These are considered essential to promoting economic growth and improving the quality of life for citizens. That is why the roads and water departments have been allocated 15.5% of the county resources despite the huge investments by development partners in the water sector.

59. To accelerate investment in infrastructure, the County Government undertakes to:

- Develop a comprehensive plan that outlines the infrastructure needs of the county and sets out a roadmap for investment in them over the long term.
- Engage with the private sector to leverage their expertise, resources, and innovation to accelerate infrastructure development through partnerships to design, finance, and deliver infrastructure projects, as well as through leveraging public-private partnerships (PPPs) to share risks and costs.
- Streamline regulatory processes and approvals to reduce delays and facilitate investment in infrastructure, including simplifying regulatory processes, reducing bureaucratic hurdles, and improving coordination with national government.
- Develop innovative financing mechanisms to mobilize additional funding for infrastructure development through municipal bonds, green bonds, and other innovative financing tools to raise capital for infrastructure projects.
- Prioritize sustainability in infrastructure development by incorporating climate resilience, energy efficiency, and green infrastructure into project design and construction.
- Use data and analytics such as GIS mapping to inform infrastructure investment decisions and ensure that investments are targeted to areas of greatest need.

4. Promoting Economic Development and Empowerment:

60. Another key priority for the County Government of Homa Bay is promoting local economic development, which involves attracting new businesses, creating jobs, and fostering innovation.

Other than maintaining fiscal stability, improving the quality of public services, and investing in infrastructure, the county government undertakes to:

- Create a supportive business environment by streamlining regulatory processes, reducing bureaucracy, and providing access to financing and technical assistance for entrepreneurs and small businesses.
- Invest in workforce development programs that provide training and support to workers to help them gain the skills and knowledge needed to succeed in both the local and international job market.
- Attract investment by creating a pro-business climate that offers incentives for businesses to locate and invest in the county such as holding the forthcoming Homa Bay County Investment conference slated for the 29th of February 2024, tax incentives, infrastructure improvements, and other benefits to attract investment and support economic growth.
- Support entrepreneurship by providing resources through the SME Fund to help start-ups and small businesses grow and succeed, including offering access to capital, mentorship, and other support services to help entrepreneurs start and grow businesses.
- Promote tourism by investing in attractions sites and marketing efforts to attract visitors to the county through initiatives such as the annual Roan Antelope Half Marathon, improvement of Simbi Nyaima lakefront, Takawiri island, Mfangano sand beaches, Homa Hills, Tom Mboya Museum, Abasuba Community Peace Museum, Kanjira Archaeological site, Bala Hot springs, Ojijo Oteko Shrine and Nyamgondho Wuod Ombare.

2.7 Fiscal Policies

61. The County Government of Homa Bay has had to make critical adjustments to its financial strategies and guidelines. These changes reflect the government's proactive response to evolving economic conditions and priorities, aiming to maintain fiscal responsibility while effectively addressing the financial needs of the community. The adjustments include:

1. Revenue Mobilization Policies:

62. The County Government of Homa Bay will continue to implement favourable taxation policies, especially for property and entertainment taxes. Tax rates will be kept competitive with neighbouring counties; tax codes will be simplified to make them more user-friendly, and tax collection will be streamlined to make it easier for taxpayers to comply with tax requirements. Tax revenue will be used to fund impactful projects and tax stakeholders will be engaged to come up with more effective and responsive tax policies.

63. The County Government will explore and promote revenue diversification through measures such as expanding the tax base, encouraging economic development, and seeking grants and other

funding sources. Ultimately, the County Government has established a Cashless Revenue Collection System and set up a Revenue Management Board to oversee the entire revenue mobilization process.

2. Expenditure policies:

64. The County Government of Homa Bay will continue to implement impactful expenditure policies. This means the county government will be conducting needs assessments to identify areas where public expenditures can have the most impact, such as infrastructure, education, healthcare, and social services. Once identified, more resources will be directed toward higher-priority areas.

65. To ensure public expenditures are aligned with measurable outcomes, the County Government will continue to implement performance-based budgeting. This will help the county government identify areas where improvements can be made and ensure that public expenditures are being used effectively.

66. To leverage resources and increase the impact of public expenditures, the County Government will foster partnerships with private sector organizations and non-profit organizations. Such partnerships could unlock funding and enable the implementation of essential infrastructure projects, social programs, and other initiatives.

67. To unlock climate change funds and escalate the protection of the environment, the County Government will focus on long-term sustainability by investing in projects and programs that will have lasting benefits for residents including green infrastructure, education, and workforce development programs.

3. Public Debt Management Policies:

68. The County Government of Homa Bay through the newly established Debt Management Unit will continue to manage its debt levels strategically using multifaceted approaches to minimize any negative impact of debt on fiscal stability.

69. The County Government will revamp debt management functions including technical expertise to focus on key debt generation bases. This will institute a priority focus on debt to follow through on strategy and plan for effective debt management.

70. The County Government will negotiate debt terms in a move to restructure debt obligations.

71. Budget implementation will be a critical process in the management of debt to ensure that the County only borrows for viable projects with well-appraised returns. This will involve among other activities effective management of cash flows, implementing cost reduction strategies, strong internal controls and sealing resource leakages, and allocating resources towards debt servicing.

72. The County will emphasize seeking partnerships with the private sector to finance critical development priorities under the Public Private Partnership framework such as Build Own Operate (BOO) and Build Own Transfer (BOT) to ensure timely implementation of its priorities.

73. Additionally, the County Government will consider alternative revenue sources, such as selling unused assets or leasing unused space to generate additional income.

78. Finally, the County Government will put in place effective debt management systems that will regularly monitor debt levels to ensure that it maintains sustainable debt levels. This will help to identify potential issues early and take corrective action before the debt becomes unmanageable. Ultimately, the County Government will avoid excessive borrowing, and prioritize debt reduction to ensure fiscal stability in the long term. This will be achieved by setting realistic revenue and expenditure targets, monitoring fiscal performance regularly, and avoiding unnecessary expenses. The County Government will also maintain adequate reserves to provide and cushion against unexpected revenue shortfalls or expenditures. These reserves will also help to improve the county's credit rating and lower borrowing costs.

4. Fiscal Decentralization Policies:

79. As part of measures to transfer financial resources and decision-making authority to lower levels, the County Government of Homa Bay will continue to support county government entities to have more control over their public finances, including revenue generation and expenditure management. Some of the policies will include:

- Devolving financial powers to municipalities to collect taxes, float infrastructure bonds, and spend on impactful programmes. This can help municipalities to manage their finances independently and cater to local needs more effectively.
- Enhancing the capacity of municipalities to mobilize external funding and explore new sources of revenue, such as property taxes, user fees, and local taxes. This will help municipalities develop the requisite technical skills and knowledge to manage finances more effectively as well as fund local services and infrastructure projects.
- Strengthening budgeting processes by involving citizens and other stakeholders in the budgeting process, publishing budget information, and developing multi-year budget plans. This can help ensure transparency and accountability in the budgeting process.

5. Fiscal Equalization Policies:

80. The County Government of Homa Bay will continue to support all devolved units so that they have sufficient resources to provide basic public services and promote social welfare. This will be done by:

- Increasing transfers to devolved units to help equalize their fiscal capacity through grants, subsidies, or revenue-sharing arrangements.
- Entering into revenue-sharing agreements to ensure that all devolved units have adequate resources to provide services.
- Implementing property tax reform to ensure that tax revenue is generated equitably through regular property assessments, adjustments to tax rates, or expanding the tax base.
- Building capacity of devolved units through training and technical assistance to ensure that they are equipped to manage their finances effectively.

2.8 FISCAL RESPONSIBILITY

81. The Constitution and the Public Financial Management (PFM) Act, 2012, set out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. In MTEF Estimates for the FY 2023/24, the County Government of Homa Bay has attempted to comply as follows:

Compliance with Requirements for Development Spending

82. The County Government of Homa Bay has ensured adherence to the required ratio of development to recurrent expenditures of at least 30:70 over the medium term, as set out in the PFM Act. Out of a revised resource envelop of KSh. 11,167,226,300, the development expenditure will be Kenya Shillings 3,507,300,788 representing 31.4% of the total revised expenditure estimates for the FY 2023/24 while recurrent expenditure will account for Kenyan Shillings 7,659,925,512 representing 68.6 % of the county budget.

Compliance with Requirements for Wage Expenditure

83. The County Government will strive to implement the PFM regulation 25(1) (a) (under the provisions of Section 107(2) (a) of the PFM Act of 2012) which requires that the County government's expenditure on wages and benefits of public officers shall not exceed 35 percent of the County Government's total revenue. At KSh. 5,857,575,427, the revised allocation for personnel emoluments constitutes 52% of the county's total revised estimates of revenue. Whereas this figure is above the 35% stipulated in PFM regulations 25(1) (b) (County Regulations), measures are being instituted to comply with this requirement within the next three years.

2.9 Economic Outlook in 2024/2025

84. The economy is projected to remain strong and resilient in 2023, and 2024 and over the medium term supported by the continued robust growth of the services sectors, the rebound in agriculture, and the ongoing implementation of measures to boost economic activity in priority sectors by the Government. As such, the economy is expected to remain strong and expand by 5.5 percent in both 2023 and 2024 (5.5 percent in FY 2023/24 and 5.4 percent in FY 2024/25)

From the supply side, this growth will be driven by a strong recovery in the agriculture sector supported by the anticipated adequate rainfall in most parts of the country and a decline in global commodity prices that will reduce the cost of production. Additionally, Government intervention measures aimed at lowering the cost of production such as the ongoing fertilizer and seed subsidy program and provision of adequate affordable working capital to farmers will support the growth of the sector.

85. The industry sector will be driven mainly by increased activities in manufacturing and construction subsectors. The manufacturing subsector will be supported by improved availability of raw materials following the recovery in agriculture production and a decline in global commodity prices which will support food processing. The construction subsector will be driven

by sustained investment in the Affordable Housing programme, PPP infrastructure projects, and the ongoing work on building and maintaining public infrastructure. The electricity and water supply subsectors are expected to remain vibrant due to the anticipated increase in demand as industrial and residential consumption grows.

86. The services sector will be supported by resilient activities in accommodation and restaurant, financial and insurance, information and communication, wholesale and retail trade, and transport and storage, among others. The accommodation and restaurant subsector will be supported by the continued increase in tourist arrivals as international travel recovers following the global economic slowdown and the Government's effort to revamp the sector, through the promotion of international conferences, cultural festivals, and promoting wildlife safaris. The transport and Storage subsector will be supported by the improvement of critical national and regional trunk roads that have the highest economic impact and the adoption of electric vehicles which signals a new era of mobility. Activities in the information and communication subsector will be supported by the laying of an additional National Fiber Optic network which will enable the Country to achieve the required national bandwidth to expedite the deployment and development of rural telecommunication services.

On the demand side, growth will be driven by an improvement in aggregate demand. Aggregate demand will be supported by household private consumption and robust private sector investments coupled with Government investments as the

Risks to the Economic Outlook

87. There are downside risks emanating from domestic as well as external sources. On the domestic front, risks relate to unpredictable weather conditions due to the impact of climate change which could adversely affect agricultural production and result in domestic inflationary pressures and food insecurity. Additionally, tight fiscal space due to the impact of the multiple shocks that have affected the global and domestic economy might lead to tight liquidity conditions for financing the budget.

88. On the external front, uncertainties in the global economic outlook stemming from the escalating geopolitical fragmentations could result in higher commodity prices which poses a risk to domestic inflation outcomes leading to further tightening of financial conditions. Additionally, weaker global demand due to the slowdown of the global economic recovery could adversely affect Kenya's exports, foreign direct investments, and remittances. Continued strengthening of the US dollar against other global currencies arising from aggressive monetary policy tightening presents significant risks to financial flows and puts pressure on the exchange rate with implications for growth and inflation.

89. The upside risk to the domestic economy relates to the early easing of global financing conditions and lower international fuel and food prices, which would strengthen Kenya's external balances. Faster than projected rebound in economic activities that would result in higher Government revenues providing fiscal space that would support fiscal consolidation.

90. The Kenyan Government continues to monitor the domestic and external environment and will take appropriate policy measures to safeguard the economy against the adverse effects of the risks if they were to materialize.

CHAPTER THREE: SUSTAINING THE GENOWA AGENDA FOR ACCELERATED AND INCLUSIVE DEVELOPMENT

3.1 Preamble

91. The 2024 County Fiscal Strategy continues to chart a course towards accelerated, inclusive, and sustainable development of Homa Bay County, building upon the foundation laid by the Genowa Administration in its first one and a half years in office. As the County Government embarks on crafting this strategy, it is imperative to recognize the inter-connectedness of economic growth, social equity, and environmental stewardship. The strategy prioritizes initiatives that not only spur rapid progress but also ensure that the benefits of development are shared equitably among all segments of society, leaving no one behind.

92. The County government is committed to fostering an environment where innovation thrives, enabling the county to address longstanding challenges while embracing emerging opportunities. Sustainability lies at the core of this strategy, with a focus on preserving the county's natural resources and fostering resilience in the face of evolving global challenges. Through collaboration, transparency, and sound fiscal management, the county aims to uphold the principles of good governance and accountability, laying the groundwork for a prosperous and resilient future for all residents of Homa Bay County.

3.2 Priority Policy Measures

93. Central to the sustaining the **GENOWA** agenda for accelerated, inclusive, and sustainable development is the collaborative spirit of the County Government of Homa Bay, as it seeks to forge strong partnerships with the National Government and other stakeholders. This collaborative ethos is pivotal in nurturing an environment conducive to fostering economic prosperity, advancing social welfare, and promoting environmental stewardship. The 2024 CFSP serves as a blueprint, outlining priority policies and expenditure programs that will be implemented within the MTEF period 2024/25– 2026/27.

94. The measures identified in this strategy are designed to create the necessary conditions for driving forward accelerated, inclusive, and sustainable development across Homa Bay County. They include:

- a) Harnessing the implementation of the “Bottom-Up Economic Transformation Agenda 2024/25” of the Government of Kenya for reducing the cost of living and improving livelihoods, while at the same time fostering sustainable inclusive economic transformation.
- b) Enhancing the business environment by maintaining macroeconomic stability, enhancing security, improving business regulations and providing support;
- c) Fast tracking 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;
- d) Transforming the county's economic sectors for broad based sustainable economic growth;

- e) Improving access to education, health services, and social welfare programs which are essential to improve human development indicators and uplifting vulnerable populations;
- f) Supporting youth, women and persons with disability to enable them actively contribute to the economic recovery agenda; and
- g) Implementing 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.

95. Building on the gains made by both National and County Governments over the last one and a half years, the priority policy measures outlined herein represent a steadfast commitment to sustaining accelerated, inclusive, and sustainable development in Homa Bay County. Through strategic interventions spanning economic revitalization, social welfare enhancement, and environmental stewardship, the county government priority is to consolidate the progress already being made and propel communities towards a brighter future.

3.2.1 Harnessing Implementation of the Bottom-Up Economic Transformation Agenda in Homa Bay County

96. The Government of Kenya has implemented a series of impactful interventions over the past year, resulting in significant achievements across various sectors. Notably, the economy has displayed resilience, with a growth rate of 5.6 percent in the first three quarters of 2023, surpassing global and Sub-Saharan African averages. Economic expansion is projected to continue at 5.5 percent in 2023 and 2024, driven by private sector growth, robust performance in service sectors, agricultural rebound, and policy measures supporting key sectors under the BETA. The national government has provided access to affordable credit through the 'Hustlers Fund' to over 20 million Kenyans and MSMEs, initiated fertilizer and seed subsidies to enhance food security, reformed the National Health Insurance Fund for universal health coverage, and facilitated affordable housing through the Housing Levy.

97. The national government's future efforts are being focused on policy reforms, market revitalization, domestic resource mobilization, institution restructuring, and digitization to sustain economic recovery, address development challenges, and promote inclusive growth. These measures are aimed at enhancing human capital development, ensuring market efficiency, increasing revenue collection, improving governance, and leveraging digitization for streamlined government processes and service delivery.

98. To leverage the national government agenda outlined above, the CFSP 2024 is focused on aligning county government efforts with these key priorities while tailoring interventions to the unique needs and context of Homa Bay County. Central to the approach is a commitment to policy reforms that promote economic resilience, social equity, and environmental sustainability.

99. By embracing market revitalization initiatives, the County government will seek to stimulate growth in key sectors, empower entrepreneurs, and create opportunities for local businesses.

Concurrently, the county government will prioritize domestic resource mobilization to fund critical development projects and programs, ensuring sustainable financing for county priorities.

100. Institution restructuring efforts will be directed at enhancing governance, accountability, and efficiency in service delivery, fostering a conducive environment for growth and development. Again, the county government recognizes the transformative potential of digitization and commits to leveraging technology to modernize government processes, improve access to services, and enhance transparency and accountability. Through these concerted efforts, the county government hopes to harness the national government agenda to propel the county towards inclusive growth, sustainable development, and a brighter future for all.

Fig.3.1: The ‘Bottom-Up Economic Agenda’ Plan

3.2.1.1 Agricultural Transformation and Inclusive Growth

101. To leverage the national agenda for agricultural transformation and inclusive growth, the County Government of Homa Bay is committed to aligning its strategies with the overarching goals outlined by the national government. Recognizing agriculture as a fundamental driver of economic transformation and livelihood improvement, the county government will prioritize initiatives aimed at enhancing agricultural productivity, supporting smallholder farmers, and reducing the cost of food.

102. Building on the successes of nationwide farmer registration and fertilizer subsidy programs, the county government will continue to invest in essential infrastructure for post-harvest management and storage to prevent losses. Furthermore, the county government will work to streamline policies and interventions to ensure efficiency, transparency, and accuracy in the distribution of agricultural inputs.

103. By mainstreaming priority value chains and focusing on increasing food production, boosting smallholder productivity, and reducing the cost of living, the county government efforts will contribute to the overall goal of achieving agricultural transformation and inclusive growth in our county. Through these concerted actions, we aim to create tangible benefits for farmers, increase food security, and drive economic prosperity for all residents.

3.2.1.2 Transforming the Micro, Small and Medium Enterprise (MSME) Economy

104. To leverage the national agenda for transforming the Micro, Small, and Medium Enterprise (MSME) economy, the County Government is committed to implementing targeted initiatives that support the growth and development of MSMEs, particularly those at the bottom of the pyramid. Drawing inspiration from the success of the Financial Inclusion Fund, colloquially known as the Hustlers Fund, the County will explore avenues to enhance access to affordable credit and financial services for MSMEs, while also promoting savings culture.

105. Additionally, the County Government will work towards streamlining business licensing processes, establishing MSME Business Development Centers in every sub-county, and creating industrial parks and business incubation centers to foster entrepreneurship and innovation. By aligning County Government efforts with the national agenda, the county will be able to unlock

the full potential of MSMEs as engines of socio-economic transformation, providing income opportunities for marginalized segments of the population and contributing to overall economic growth and prosperity in our county.

3.2.1.3 Housing and Settlement

106. To leverage the national agenda for Housing and Settlement, the County Government of Homa Bay is dedicated to collaborating with national initiatives such as the Affordable Housing Programme to ensure the realization of accessible and adequate housing for all residents. By aligning county government efforts with the national goal of providing at least 400 units of affordable houses annually, the government aims to significantly increase the percentage of affordable housing supply within the county.

107. The commitment extends to facilitating the delivery of affordable houses and enabling low-cost housing mortgages, thereby addressing housing affordability challenges and promoting inclusive urban development. Through strategic partnerships and targeted interventions, the county government will work tirelessly to ensure that every resident has access to safe, decent, and affordable housing, thus contributing to the realization of the constitutional right to housing and settlement for all.

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

3.2.1.4 Healthcare

109. To leverage the national agenda for healthcare, the County Government is committed to ensuring the delivery of high-quality, accessible healthcare services to all residents. Aligned with the Bottom-Up Economic Transformation Agenda, the county government recognizes healthcare as a fundamental right and a cornerstone of socio-economic development. Building on the progress made by the Kenya Kwanza Administration, the county government will prioritize the implementation of Universal Health Coverage (UHC) initiatives, including the establishment of fully public-financed primary healthcare systems and digital health management information systems.

110. Furthermore, the County Government will strengthen health financing mechanisms, enhance human capital in the public health sector, and promote preventive and promotive healthcare services at the community level. Through strategic partnerships and innovative approaches, the county government will strive to guarantee every resident access to comprehensive and quality healthcare, thus contributing to the overall well-being and prosperity of our county.

3.2.1.5 Digital Superhighway and Creative Economy

111. To leverage the national agenda for Digital Superhighway and Creative Economy, the County Government of Homa Bay is committed to fostering an environment conducive to digital innovation and creative entrepreneurship. Recognizing the digital economy as a catalyst for opportunity and competitiveness, the County Government will prioritize investment in digital infrastructure and skills development to ensure universal broadband availability and promote digital literacy from primary school to tertiary education levels.

112. Furthermore, the County Government will collaborate with stakeholders to establish ICT hubs for digital innovation in every ward, providing platforms for youth empowerment and enterprise development. In tandem, the County Government will support the growth of the creative economy by protecting intellectual property rights, mainstreaming arts and culture infrastructure development, and facilitating the monetization of creative endeavors such as film and music. Through these concerted efforts, the County Government aims to harness the transformative power of technology and creativity to drive economic growth, foster innovation, and empower our communities in line with the BETA.

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

113. As part of its strategy to improve the business environment and expand the private sector, the County Government of Homa Bay is committed to implementing prudent fiscal policies aimed at fostering strong economic growth, facilitating business growth, and promoting industrial development to spur job creation. This initiative entails supporting regulatory reforms, fostering competition, and instituting incentives to lower business operating costs. Additionally, the County Government will collaborate with the National Government to enhance security measures, thereby attracting investments and encouraging job opportunities within the county while maintaining its appeal as an investment destination.

114. In furtherance of its goal to cultivate a conducive business environment, the County Government will prioritize infrastructure development by constructing modern markets and stalls, augmenting the existing infrastructure in areas like Rodi Kopany, Ndhiwa, and Kendu Bay. Furthermore, the County Government will focus on enhancing security and extending trading hours by implementing solar lighting in all trading centers. Complementary to these efforts, the County Government will sustain its initiatives to provide accessible credit to small and medium-sized enterprises through the establishment of robust funds dedicated to supporting trade activities across the county.

115. Moreover, recognizing the pivotal role of transportation infrastructure in economic development, the County Government will collaborate with the National Government to bolster the county's transport system. This collaboration aims to improve connectivity through road construction and jetties, facilitating efficient movement of goods and people within and beyond the county's borders. By bolstering infrastructure assets and enhancing interconnectivity, the County Government anticipates significant improvements in the ease of doing business, thereby fostering economic growth, prosperity, and competitiveness for the citizens of Homa Bay.

3.2.3 Fast-tracking Development of Critical Infrastructure

116. Acknowledging the pivotal role of infrastructure development in fostering socio-economic progress and job creation, the County Government of Homa Bay remains steadfast in its commitment to prioritize the advancement of critical infrastructure. Recognizing these investments as indispensable for realizing the county's economic objectives, the government underscores its dedication to enhancing road networks, jetties, energy provisions, water supply, sewerage systems, and information and communication technology (ICT) infrastructure. By bolstering these essential components, the government seeks to ensure that citizens reap the benefits of expanded infrastructure assets, thereby catalyzing accelerated development across various sectors of the economy.

3.2.3.1 Expansion of the Road Network

117. Recognizing the pivotal role of road infrastructure in catalyzing economic growth and facilitating accelerated development, the County Government of Homa Bay has prioritized comprehensive strategies aimed at expanding the county's road network. Improved transport infrastructure not only enhances the efficiency of rural capital but also reduces travel time and vehicle operating costs, thereby fostering productivity across various sectors. Moreover, well-maintained roads streamline the marketing of agricultural produce and lower the delivered cost of essential goods, thereby bolstering local economies. In line with this vision, the county government has allocated funds for the regular maintenance of existing roads and infrastructure, alongside implementing a robust program allocating KSh. 12 million per ward for road development and maintenance.

118. To further enhance rural connectivity and promote economic activities, the county government will intensify efforts to install solar lights in trading centers and informal settlements, thereby extending business hours and improving security. Additionally, prioritizing transport safety through regular training, advocacy, and policing initiatives will be paramount. Moreover, the county government aims to bolster access to stable and affordable energy by diversifying the energy mix through harnessing renewable sources. Furthermore, investment in increasing electricity access, especially in rural areas, will be emphasized to support economic growth and enhance livelihoods.

119. Strategically aligning infrastructure investments with economic and environmental considerations, the county government has devised criteria for proper investment appraisal. This entails prioritizing projects that enhance trade, improve access to services, and foster sustainable land use. Notably, the construction and improvement of critical trunk roads, such as the Mbita-Sindo-Magunga road and Magina-Pala- Kowuonda route, will significantly enhance connectivity and spur economic activities within and beyond the county. Furthermore, the construction of additional roads under the Low Volume Seal Road Programme, including the Kanyadhiang-Homa Hills-Kadel Road and Mfangano Ring Road, is poised to bolster transport connectivity and drive economic growth across Homa Bay County. Through these concerted efforts, the county government aims to ensure equitable access to the benefits of an expanded road network, fostering socio-economic development and prosperity for all citizens.

3.2.3.2 Adequate, Affordable and Reliable Energy Supply

120. The socio-economic prosperity and overall well-being of the residents of Homa Bay County hinge significantly on access to adequate, affordable, and reliable energy supply. With this recognition, the County Government is steadfast in its commitment to collaborate closely with the National Government to ensure the efficient production, transmission, and distribution of clean and affordable energy.

121. Aligned with the BETA, the County Government of Homa Bay will intensify efforts to enhance energy access across various sectors. Priority will be given to connecting all level 3 and 4 health facilities to electricity, utilizing both grid and off-grid solutions. Additionally, initiatives to support the food and nutrition agenda, including irrigation and value addition, will be bolstered by extending electricity to water points and livestock holding grounds, thereby enhancing productivity and food security. Furthermore, the county government will play a pivotal role in advancing the affordable housing agenda by facilitating the provision of electricity to housing units, fostering livability and comfort.

122. Moreover, the County Government of Homa Bay remains committed to supporting the last mile connectivity program, providing matching funds where feasible to ensure all public facilities, such as schools, trading centers, health centers, water points, and administrative offices, are seamlessly connected to electricity. Recognizing the importance of a vibrant 24-hour economy and enhanced security, the county will embark on installing additional street lights in all wards, promoting safer and more conducive environments for economic activities. Through these concerted efforts, the County Government of Homa Bay aims to propel socio-economic development and improve the quality of life for its residents through enhanced energy access and reliability.

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

123. Information, communication, and technology (ICT) continue to emerge as pivotal drivers of economic growth and societal advancement in the County's landscape. The upheavals triggered by the Covid-19 Pandemic underscored the indispensable role of ICT in catalyzing activities across various economic sectors, unveiling its immense potential to bolster economic expansion and uplift the livelihoods of Kenyan citizens.

124. Recognizing the transformative power of ICT and innovation in holistic development, the County Government is poised to ramp up its investments in the ICT sector in the forthcoming fiscal year. This strategic move aims to enhance accessibility to government services and create avenues for youth to tap into job opportunities beyond national borders. Collaborating closely with the National Government, the County Government will spearhead initiatives to bolster ICT infrastructure and connectivity, particularly in underserved areas, through the deployment of the Basic Voice Infrastructure.

125. In tandem with efforts to broaden access to information and e-government services, the County Government will champion the establishment of additional Innovation Hubs in collaboration with the National Government. These hubs will serve as vibrant centers equipped with free Wi-Fi, digital devices, and conducive workspaces, fostering a conducive environment

for skills development, technological innovation incubation, and entrepreneurial mentorship. Concurrently, concerted efforts will be made to bolster youth engagement in high-end skill training programs like the Presidential Digital Talent Programme, augmenting digital job prospects and nurturing a culture of innovation and creativity across the county's diverse landscapes. Through these strategic interventions, the County Government is poised to harness the full potential of ICT as a catalyst for inclusive growth, youth empowerment, and socioeconomic transformation.

3.2.4 Transforming Economic Sectors for Broad-Based Economic Transformation

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

126. Despite the huge potential, the tourism sector in Homa Bay has continued to underperform. Recognizing the untapped opportunities inherent in its rich cultural heritage, diverse natural landscapes, and vibrant local communities, the County Government is committed to revitalizing the tourism and hospitality industry. Through strategic partnerships with key stakeholders and targeted investment in infrastructure development, marketing initiatives, and community engagement programs, the County aims to unlock the full potential of its tourism assets. By leveraging its unique offerings, including scenic beaches along Lake Victoria, cultural festivals, eco-tourism sites, and culinary experiences, Homa Bay County seeks to position itself as a premier destination for domestic and international travelers, driving economic growth, job creation, and sustainable development in the region.

127. To support sports development in the country, the Government is embracing sports tourism as a way of marketing Homa Bay as the Land of Endless Mystiques. Hosting significant sports events will not only boost sports development but also enhance tourism. Consequently, the Government of Homa Bay is undertaking the upgrade of various sub-county sports stadia for events and tournaments, aiming to position Homa Bay as the premier sports and tourism destination in the Western Circuit. The County Government will collaborate with key stakeholders to not only support the development and performance of sports but also to promote music, drama, and dance. Additionally, initiatives such as the exhibition of works of art and crafts and fostering discussions on matters of literacy, historical, scientific, and educational importance will be prioritized to create a vibrant cultural scene that further contributes to tourism and community engagement.

128. For the County Government of Homa Bay, promoting culture and the arts is not merely about preserving traditions and heritage; it is about fostering community identity, economic growth, and social cohesion. By investing in cultural activities, supporting local artists, and showcasing the richness of county heritage, the County Government will not only celebrate the past but also pave the way for a vibrant future. Through collaborative efforts between the government, stakeholders, and the community, the county government will strive to create a thriving cultural landscape that attracts tourists, empowers artists, and enriches the lives of all residents.

3.2.4.2 Ensuing Sustainable Management of Land for Socio-Economic Development

129. In recognizing land as a fundamental factor of production crucial to multifaceted development, the County Government of Homa Bay is committed to intensifying its investment in

policies and programs aimed at efficient land management. This encompasses initiatives targeting land use optimization, tenure security enhancement, facilitation of land title access, and the establishment of transparent and reliable land registration systems. Ensuring equitable land distribution, particularly in rapidly urbanizing areas, alongside fostering sustainable land use planning and secure land access remains paramount in the County's agenda. To this end, the government will persist in supporting the formulation of a comprehensive County Spatial Plan (CSP) and a robust County Land Use Policy (CLUP), while also promoting the adoption of Appropriate Building Technologies and the digitization of land records. Additionally, the County will prioritize the development of a policy framework for public land management strategies and expedite the implementation of a Public Land Information Management System (PLIM) to enhance land governance.

130. Capitalizing on the momentum generated by the National Government's strides in digitizing land records and streamlining land transactions to combat fraud, corruption, and manipulation, the County Government is poised to complement these efforts. Collaboration with the National Government will involve supporting the rollout of electronic land registration in Homa Bay and expediting the processing and registration of title deeds. Concurrently, the County Government will align its strategies with the National Spatial Plan (NSP) and National Land Use Policy (NLUP), modernize land offices, and bolster land survey capabilities through the development of topographical and thematic maps and the geo-referencing of land parcels. By synergizing efforts and leveraging technological advancements, Homa Bay aims to enhance land management efficiency, promote inclusive development, and safeguard the interests of its residents for sustained socio-economic progress.

3.2.4.3 Environmental Protection, Water and Natural Resources Conservation

131. Environmental conservation and ensuring access to clean water are foundational pillars for achieving inclusive and resilient socio-economic development, as recognized by the County Government of Homa Bay. Consequently, the county has placed a high priority on the implementation of comprehensive environmental conservation programs, with a particular focus on safeguarding water catchment areas and advancing ongoing water supply initiatives. Additionally, to bolster sanitation infrastructure coverage, significant efforts have been directed towards the modernization and expansion of urban sewerage systems, alongside the construction of VIP toilets in 22 market centers.

132. Looking ahead, the County Government of Homa Bay will sustain its commitment to prioritize the sustainable exploitation, utilization, management, and conservation of the environment, along with the protection of vital water catchment areas. This entails a multifaceted approach, including ongoing public awareness campaigns on environmental justice, the expansion of the adopt-a-tree program to encompass all educational institutions, and the promotion of conservation-focused business models. By fostering a culture of environmental stewardship and adopting proactive conservation measures, Homa Bay aims to ensure the long-term vitality of its natural resources while promoting sustainable socio-economic growth for its residents.

3.2.4.4 Enhancing the Productivity of and Livelihoods in the Agricultural Sector

133. The County Government has historically been directly involved in resource management, particularly in forestry, rather than farming, often engaging in activities such as agricultural input supply, rural credit provision, and marketing agricultural products. Recognizing that private sector efficiency may surpass government interventions, especially in areas like forestry where long-term investments are crucial, the Government will explore optimal business models for executing these functions. Leveraging its access to capital at lower rates, the government aims to ensure sustainable production in forestry and other agricultural sectors.

134. Looking ahead, the County Government's policy for promoting sustainable livelihoods in the agricultural sector will focus on several key areas. Firstly, enhancing capability through the provision of essential infrastructure and services such as education, preventive healthcare, diversified agricultural options, and access to transportation and information services. Secondly, improving equity by prioritizing the capabilities and access of marginalized groups, including minorities and women, through land redistribution, secure land and resource rights, management of common property resources, and equitable access to services and credit. Lastly, increasing social sustainability by reducing vulnerability through measures such as disaster prevention, counter-seasonal strategies for food security, accessible healthcare, and conditions for lowering fertility rates, all aimed at ensuring the resilience and well-being of agricultural communities.

3.2.5 Improving Access to Quality Social Services, including Education and Healthcare

3.2.5.1 Provision of Quality and Relevant Education

135. The County Government of Homa Bay recognizes the pivotal role of investing in human capital to foster inclusive economic growth and competitiveness in the digital era. In alignment with this vision, the Government has significantly increased its allocation of resources to the education sector, aiming to enhance the country's human capital index. Notably, investments have been directed towards revitalizing both vocational training and early years' education sectors, reflecting the Government's commitment to providing quality and relevant education.

136. To alleviate the financial burden on vulnerable households and promote equitable access to education, the Government has expanded social safety nets, including bursaries and cash transfers. In the previous fiscal year alone, over 19,000 students benefited from bursaries, with an additional 300 students receiving scholarships. Looking ahead, the County Government remains steadfast in its commitment to expanding access to quality early years' education and improving learning outcomes in vocational training centers. Key priorities include infrastructure expansion, teacher development initiatives, and the introduction of a comprehensive school feeding program in underserved areas, supported by partnerships with NGOs. Additionally, efforts will be intensified to ensure a seamless transition from early childhood development through secondary education, coupled with the expansion of scholarship opportunities for deserving students from disadvantaged backgrounds.

3.2.5.2 Provision of Quality Health Care Services

137. The County Government remains committed to ensuring equitable access to quality healthcare services for all citizens through enhanced health system financing and strategic budget allocations. Over the medium-term expenditure framework (MTEF) period, the Government will implement targeted measures to bolster healthcare infrastructure, including the up grading of existing facilities and construction and equipping of new health facilities in underserved areas in the county, thereby enhancing accessibility for all residents.

138. Furthermore, efforts will be directed towards expanding healthcare coverage by allocating funds for health promotion including equipping and enrolling Community Health Promoters in the National Social and Hospital Insurance Fund (NSHIF) and advancing towards the full roll-out of a county universal health program. To reinforce community-based healthcare initiatives, the Government will strengthen the Community Health Strategy by leveraging Community Health Promoters (CHPs) to facilitate widespread disease prevention efforts and health awareness campaigns.

139. Moreover, addressing the critical shortage of healthcare professionals is paramount, and thus the County Government will prioritize the recruitment and training of essential medical personnel, including physicians and clinical staff. These concerted efforts underscore the Government's unwavering commitment to improving healthcare delivery and promoting overall wellness among its citizens.

3.2.5.3 Strengthening Social Safety Nets

140. The County Government recognizes the pivotal role of social safety nets in safeguarding vulnerable segments of society from the adverse impacts of poverty-related shocks. In collaboration with the National Government, efforts will persist in ensuring that vulnerable individuals gain access to essential support through established Social Safety Nets Programmes like Inua Jamii, particularly in light of prevailing economic challenges, with a focus on facilitating cash transfers to alleviate financial strains.

141. To address the evolving needs of vulnerable populations, the Government remains committed to extending support to those most in need while devising a sustainable financing strategy for the County's Safety Net Programmes. Additionally, a robust institutional framework will be put in place to streamline and enhance the coordination of social protection initiatives across the county, thereby optimizing the effectiveness and reach of these vital support mechanisms for vulnerable communities.

3.2.6 Empowering Vulnerable Populations to Contribute to Economic Development

142. Addressing the pressing issues of high unemployment rates among the youth and dependency among women and differently-abled persons (DAPs) is crucial for unlocking the full economic potential of Homa Bay County. Recognizing this imperative, the County Government is resolutely committed to partnering with various stakeholders, including businesses, organized labor, and community representatives, to uplift and empower these vulnerable demographics. Through a

multifaceted approach encompassing internships, apprenticeships, mentorship, and entrepreneurship programs, tailored to meet the specific needs of each group, the youth, women, and DAPs will acquire vital skills aligned with the demands of the contemporary job market.

143. Furthermore, the County Government pledges to allocate additional resources to bolster enterprises owned by these vulnerable groups, while ensuring equitable access to government contracts through the provision of 30 percent preferential procurement opportunities. Understanding the pivotal role played by micro, small, and medium-sized enterprises (MSMEs) in driving economic growth and fostering inclusivity, the Government is committed to creating an enabling environment conducive to the growth and sustainability of these businesses.

144. Moreover, in acknowledgment of the indispensable role that social grants play in mitigating poverty, the County Government will enhance support systems and livelihood assistance for disadvantaged individuals, ensuring they share in the benefits of the county's economic prosperity. By allocating a minimum of 0.3 percent of its Gross County Product (GCP) to cash transfer programs aimed at vulnerable groups, the Government underscores its commitment to fostering social protection and inclusive growth.

145. Looking ahead, the County Government is poised to allocate additional resources to youth empowerment programs, including the expansion of initiatives like the "Kazi Mtaani" Programme to reach a wider demographic of young people. Moreover, by investing in supportive ICT infrastructure, such as the provision of free Wi-Fi in ICT innovation hubs, the Government aims to enhance access to opportunities offered through initiatives like the Ajira Programme, thus empowering local youth and contributing to overall county development.

146. Additionally, leveraging educational scholarships, vocational training programs, entrepreneurship incubation, community development projects, leadership and empowerment workshops, and technology and innovation hubs, the County Government will establish a holistic framework for empowering youth, women, and DAPs, ensuring sustainable socio-economic development and a thriving future for all residents of Homa Bay County.

3.2.7 Enhancing Public Service Delivery

3.2.7.1 Entrenching Fiscal Reforms

147. The County Government remains steadfast in its commitment to combat corruption, recognizing its detrimental impact on economic development through the unwarranted loss of funds. To this end, the Government has intensified its anti-corruption efforts by implementing a comprehensive set of measures aimed at bolstering accountability throughout the public finance management cycle.

148. In order to enhance the effective and efficient management of public resources, the National Government has been working on an initiative to reform the Public Procurement and Disposal System. This means transparency will be prioritized by making all Government tenders publicly accessible, thus mitigating opportunities for corruption. Additionally, stringent expenditure controls will be implemented alongside prudent financial management reforms.

149. To ensure optimal value for money, the County Government will focus on the timely implementation and completion of priority projects outlined in the County Annual Development Plan 2024/25. Adherence to strict project timelines and budgets will be enforced through on-site project inspections and robust public engagements. Moreover, the Government will continue to adhere to the Public Investment Management (PIM) Guidelines Circular No. 16/2019, providing a standardized framework for the management of public investments across all stages.

150. Amidst the risks posed by the potential global economic downturns, the County government will reevaluate and rationalize stalled projects while ensuring compliance with PIM Guidelines for appraising new projects. A comprehensive baseline assessment will be conducted to centralize data on all public investments, facilitating a thorough analysis to identify projects eligible for reevaluation, reprioritization, and rationalization, thereby guiding fiscal consolidation efforts.

151. To establish a standardized mechanism for the regular monitoring, flagging, and declaration of project statuses across all entities, manuals for Economic Project Appraisal and Monitoring and Evaluation of Projects are being developed. The County Government is committed to implementing these manuals systematically to ensure effective project management and accountability.

3.2.7.2 Enhancing Service Delivery

152. The County Government of Homa Bay has consistently received its allocated share of National Government Revenue along with conditional grants, enabling the implementation of various projects and programs aimed at fostering equitable and sustainable development across the region.

153. Recognizing the pivotal role of Own Source Revenue (OSR) in augmenting financial resources and enhancing service delivery, the County Government is committed to optimizing revenue collection. To address challenges associated with revenue collection and administration, the Government will expedite the implementation of the National Policy to Support Enhancement of County Governments' OSR. Moreover, efforts will be intensified to bolster internal capacity in public financial management, alongside finalizing the development of additional revenue bills necessary for the operationalization of the Finance Bill 2024/25.

3.3 Enables for Full Implementation of the Strategy

3.3.1 Fiscal Prudence

154. Fiscal prudence stands as a linchpin in Homa Bay County's quest to sustain its upward trajectory. It embodies the county government's commitment to judiciously managing financial resources, ensuring they're allocated efficiently to propel development initiatives forward. Upholding principles of transparency, accountability, and sustainability, the County Government of Homa Bay prioritizes sound fiscal practices.

155. Transparency and accountability are paramount, with the government maintaining an open book on financial transactions and decisions. Timely and accurate financial reports shall be

continuously provided, granting citizens and stakeholders insight into the utilization of public funds. Mechanisms like budget hearings and audits will be employed to further bolster accountability, holding officials responsible for fiscal choices.

156. Efficient resource allocation shall be another hallmark of our fiscal prudence. The County Government shall prioritize investments that yield the greatest impact on economic growth, social development, and service delivery. Through rigorous budget planning and performance monitoring, the County Government shall ensure funds are channeled into critical areas such as healthcare, education, infrastructure, and public safety.

157. Debt management shall be carefully navigated, with the county government adopting prudent borrowing practices to maintain stability. Borrowed funds shall be invested in projects yielding long-term benefits, steering clear of excessive debt accumulation and ensuring favorable refinancing terms. This approach safeguards the county's financial health and minimizes risks.

158. Revenue enhancement efforts shall be ramped up, seeking to boost county revenue through efficient revenue collection and innovative revenue streams. Fair and equitable tax policies shall be upheld, broadening the tax base while reducing revenue leakages. This maximizes financial resources for development projects and public services.

159. Contingency planning will continue to be integral, with emergency reserves set aside to address unforeseen events like natural disasters or economic downturns. Adequate reserves shall enable effective response to emergencies without jeopardizing long-term financial stability.

Investment in capacity building shall be maintained to ensure the county's financial management personnel are equipped with the requisite skills and expertise. Training programs and professional development opportunities shall help with empowering PFM staff to manage public finances effectively, enhancing fiscal discipline and achieving development objectives.

160. Public-private partnerships (PPPs) shall be leveraged to finance infrastructure projects and service delivery initiatives without burdening the budget. By tapping into private investment and expertise, the county shares risks and responsibilities, negotiating PPPs that benefit the community.

3.3.2 Strategic Investment

161. Strategic investment stands as an important enabler in Homa Bay County's quest for accelerated economic growth and inclusive development, as outlined in the County Integrated Development Plan (CIDP) 2023/27. The county blueprints prioritize investments in critical areas such as infrastructure, social services, and institutional development, aiming to bolster the county's annual growth rate while enhancing living standards for residents.

162. Recognizing the profound impact of reproductive health on socio-economic development, the County Department of Health will be doubling down on investments in reproductive health services. This strategic move seeks to promote family planning, reduce child mortality rates, and ultimately contribute to broader socio-economic advancement.

163. With a substantial portion of the county's population comprising young people, targeted investment in education, health, and job creation initiatives shall become paramount. Programs like School Feeding Programs and Early Year Education classes shall be rolled out to ensure equitable access to quality education and healthcare services for every child.

164. The economically active population, particularly those aged 15-64, will receive focused attention through investments in value-addition technologies, support for the informal sector (Jua Kali), and entrepreneurship programs. By nurturing innovation, fostering job creation, and fostering ICT development, the county will be able to harness the immense potential of this demographic group for sustainable economic growth.

165. Collaborative partnerships with national and international agencies, private sector stakeholders, and development partners is considered crucial for mobilizing resources and expertise towards sustainable development goals. Initiatives like the Lakefront Regeneration Initiative and carbon trading projects will continue to underscore the county government's commitment to forging strategic alliances for long-term development impact.

166. The promotion of Public-Private Partnerships (PPPs) will remain a key strategy to unlock capital investment in vital sectors such as tourism, infrastructure, and environmental conservation. By harnessing the expertise and resources of private sector partners, the county government will be able to accelerate the implementation of development projects and enhances service delivery for its residents.

167. Investment in infrastructure development, spanning roads, energy, and healthcare facilities, are deemed fundamental to improving accessibility, reliability, and efficiency for investors. Not only do the infrastructure support economic activities, but they also enhance the overall quality of life for residents, laying a robust foundation for sustained growth.

168. Continuous monitoring and evaluation of investment strategies shall be imperative to ensure effective resource allocation and performance tracking. By rigorously assessing the impact of incentives, investment flows, and regulatory frameworks, the county government shall be able to make informed decisions to optimize its investment portfolio and steer towards its development objectives with precision.

3.3.3 Technology Adoption

169. Information, communication, and technology has emerged as an indispensable element in cost reduction amid the lessons learnt from the disruptions brought about by the Covid-19 pandemic. Recognizing the pivotal role of ICT, the County Government has placed a strategic emphasis on ICT and innovation, establishing a dedicated directorate aimed at fostering the digital economy.

170. Establishment of digital hubs across the county stands as a cornerstone initiative to promote digital literacy and foster innovation among residents. These hubs will be serving as focal points for equipping individuals with essential digital skills and nurturing a culture of technological innovation.

171. Through strategic partnerships with stakeholders such as the ICT Authority and StarLink, the County government hopes to realize last-mile connectivity projects, ensuring that even remote

areas have access to reliable internet services. Additionally, efforts are underway to leverage initiatives like the National Optic Fiber Backbone Initiative (NOFBI), laying the groundwork for robust digital infrastructure.

172. In tandem with expanding access to technology, the county government is committed to ensuring the security and integrity of information systems, coupled with regular maintenance of ICT equipment and infrastructure to sustain operational efficiency. The integration of Enterprise Resource Planning (ERP) systems into government operations is one approach being considered to streamline administrative processes, enhance service delivery, and promote transparency and accountability in governance.

173. To nurture a skilled workforce equipped for the digital age, the county will be investing in ICT training programs offered through vocational training centers and internship initiatives, empowering individuals with relevant skills for the evolving job market. In parallel, the county government will be actively developing and implementing an ICT regulatory framework designed to facilitate business innovation and create opportunities for online employment, thus bolstering economic growth and fostering entrepreneurship.

3.3.4 Sustainable Development

174. Sustainable development stands as a pivotal enabler in the mission to sustain the rise and shine of Homa Bay County, embodying a holistic approach that balances economic prosperity, social equity, and environmental stewardship. At its essence, sustainable development aims to meet the needs of the present generation without compromising the ability of future generations to meet their own needs. Here's how sustainable development serves as a key enabler for the county's continued progress:

175. The County Government shall integrate the principles of environmental conservation and resource management into all economic growth endeavors. By promoting sustainable practices in sectors such as agriculture, tourism, and energy, the county will be able to minimize environmental degradation while fostering long-term resilience.

176. The County Government shall also prioritize social inclusivity and equity, ensuring that development initiatives benefit all segments of society. Through policies that address social disparities, promote education and healthcare access, and empower marginalized communities, the county will be able to build a foundation for shared prosperity and well-being.

177. As a measure to foster economic resilience, the County Government shall diversify its revenue streams, promote local entrepreneurship, and invest in innovative technologies. By harnessing the potential of sectors such as renewable energy, eco-tourism, and sustainable agriculture, the county government will be able to reduce reliance on volatile industries while fostering economic growth that is both inclusive and environmentally sustainable.

178. Encouraging community engagement and participation in decision-making processes, particularly in the planning and implementation of development projects, the county government will be able to foster a sense of ownership and accountability, ensuring that initiatives align with local priorities and values.

179. Resilience-building measures will be embraced to mitigate the impacts of climate change and natural disasters. By investing in infrastructure, disaster preparedness, and climate adaptation strategies, the county enhances its ability to withstand and recover from environmental shocks, safeguarding both lives and livelihoods.

180. Finally, the county government will continue to promote intergenerational equity by safeguarding natural resources and cultural heritage for future generations. By adopting a long-term perspective and balancing short-term gains with the preservation of ecosystem integrity, the county government will ensure a legacy of prosperity and abundance for generations to come.

3.3.5 Inclusive Governance

181. Inclusive governance stands as a cornerstone in the developmental framework of Homa Bay County, encompassing a myriad of factors and mechanisms aimed at fostering representation, participation, and accountability within the community.

182. Firstly, representation and diversity shall be prioritized, ensuring that decision-making bodies reflect the rich tapestry of demographics within the county. That way, governance structures shall better resonate with the voices and experiences of all constituents.

183. Secondly, active citizen participation shall be facilitated through policies that promote engagement via consultations, forums, and robust feedback mechanisms. This ensures that the community's perspectives are integrated into the decision-making process, fostering a sense of ownership and collective responsibility.

184. Access to information will continue to serve as a foundational pillar of inclusive governance in Homa Bay, with transparent and accessible data disseminated through platforms such as the county website. Empowering residents with knowledge enable informed participation and enhances accountability.

185. Upholding the rule of law and establishing robust accountability mechanisms are imperative for fostering trust and integrity within the county governance framework. By adhering to principles of fairness and justice, the county government will instill confidence in its actions and decisions.

186. Social and economic inclusion shall be championed through policies that address disparities and promote equal opportunities for all residents. By breaking down barriers and fostering a level playing field, inclusive governance ensures that no one is left behind.

187. Empowering marginalized groups will remain a fundamental aspect of inclusive governance in the county, with targeted policies and programs designed to uplift communities facing systemic challenges. By amplifying their voices and addressing their unique needs, the county government will be working towards creating a more equitable society.

188. Capacity building will remain essential for equipping government officials and stakeholders with the skills and knowledge needed to address diverse needs effectively. By investing in continuous learning and development, the county's inclusive governance ensures that governance structures remain adaptive and responsive.

189. The county government will continue to leverage technology and innovative solutions to enhance accessibility and participation, making governance processes more inclusive and responsive to the needs of the community. Enacting policies and legislation that explicitly promote inclusivity and prohibit discrimination will also be crucial for creating an enabling environment for inclusive governance to thrive.

190. Fostering collaboration and partnerships between government, civil society, and other stakeholders in a manner that leverages collective expertise and resources will be prioritized, driving sustainable development initiatives forward. Mechanisms for conflict resolution and mediation shall also be established to ensure that disputes are addressed promptly and fairly, allowing all voices to be heard and contributing to social cohesion.

3.3.6 Community Engagement

191. Community engagement emerges as a pivotal component in sustaining the growth and prosperity of Homa Bay County. It entails collaborative efforts with individuals and groups to address pertinent issues, make informed decisions, and effectively implement initiatives that resonate with the community's needs and aspirations.

192. The county government will establish transparent and accessible communication channels using various methods to disseminate information and provide updates on ongoing projects and developments. The government will be engaging in active listening to understand and address community concerns, ideas, and feedback, thereby fostering an environment of mutual understanding and respect.

193. By ensuring the active participation of diverse community members, including marginalized groups, the county government will be able to ensure that engagement processes are inclusive and representative of the entire community. Community members will be involved in decision-making processes to promote ownership, accountability, and collective contribution towards shared goals and objectives. Again, the county government will form strategic partnerships with local organizations, community leaders, and stakeholders to leverage collective expertise, resources, and networks in enhancing community engagement efforts.

194. As part of measures to empower community members, the county government will be providing opportunities for active involvement and decision-making, thereby fostering a sense of ownership and agency in shaping their collective future. Mechanisms for continuous feedback and dialogue with the community will also be established, ensuring that their voices are heard, and concerns are addressed in a timely and responsive manner.

195. For the County Government of Homa Bay, respecting and honoring diverse cultural practices, traditions, and values within the community will be paramount, hereby promoting inclusivity and understanding among community members. Engagement strategies shall be flexible and adaptable to accommodate the evolving needs, priorities, and dynamics of the community over time.

196. Maintaining transparency county about goals, processes, and outcomes of engagement initiatives shall be observed, thereby building trust, credibility, and accountability within the community. Long-term engagement initiatives that foster enduring relationships, trust, and collaboration within the community shall be adopted, leading to lasting positive outcomes and impact. Fair and transparent mechanisms for addressing conflicts and disagreements within the

community shall also be established, thereby fostering harmony, unity, and cohesion among community members.

197. Empowering local communities is essential for ensuring that economic development initiatives are inclusive, responsive, and sustainable. Through participatory decision-making processes, capacity-building initiatives, and inclusive development projects, Homa Bay County can address the unique needs and aspirations of its residents. Engaging communities in planning and implementation fosters a sense of ownership and accountability, leading to more effective and culturally appropriate solutions. Furthermore, investing in community-led projects such as cooperatives, women's groups, and youth programs can stimulate entrepreneurship, create jobs, and enhance social cohesion within the county.

198. Unlocking and unleashing the endless potential of Homa Bay County necessitates a holistic approach integrating infrastructure development, human capital investment, natural resource utilization, and business environment enhancement. By implementing these pillars and enablers cohesively, the county can transcend its status as an economic backwater and emerge as a dynamic engine of growth and prosperity in the East African region, leveraging the transformative power of Lake Victoria and its strategic location bordering Uganda and Tanzania. Guided by a vision of a healthy and wealthy county living in harmony with its environment, effective fiscal management, strategic investments, and inclusive governance will sustain the rise and shine of Homa Bay County, fostering determination, resilience, and innovation to build a brighter future for generations to come.

CHAPTER FOUR: BUDGET FOR THE FY 2024/2025 AND MEDIUM TERM

4.1 Fiscal Framework

199. The fiscal framework for the FY 2024/25 Budget is based on the county priorities within the existing macroeconomic environment. The County Government is committed to implementing priority programmes espoused in the County Integrated Development Plan (CIDP) while considering the availability of resources during the period. Further, the framework prioritizes prudent fiscal policy as a commitment towards sound financial management practices as entrenched in the Public Finance Management Act, 2012.

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

201. Luckily, the National Government's fiscal policy seeks to support structural reforms of the County Government's economies that are consistent with long term growth objectives, employment creation and an equitable distribution of income. The policy is aimed at promoting investment and export expansion while enabling the Government to finance public services, redistribution and development in an affordable and sustainable budget framework. Consequently, the County's fiscal framework for the FY 2024/25 and the medium-term budget is consistent with that of the National Government.

Table 2: Fiscal Framework for the Medium Term, FY 2024/25-2026/27 (in KSh.)

Revenue/Expenditure Category	Revised Estimate II FY 2023/24	Draft Estimates FY 2024/25	Projected Estimates FY 2025/26	Projected Estimates FY 2026/27
Total Revenue	11,167,226,300	11,148,453,982	11,023,318,604	11,457,950,466
Equitable Share	8,128,387,250	8,247,595,879	8,441,225,975	8,735,348,573
Conditional Grants	1,372,154,607	1,419,448,142	1,007,902,009	1,108,692,210
Own Source Revenue	341,139,709	371,737,917	401,253,680	412,779,048
Appropriations–In-Aid (Health Sector)	1,051,066,642	981,068,740	1,038,173,306	1,041,890,637
Share of equalization fund	131,603,304	128,603,304	134,763,634	159,239,998
Other Sources (Including Bal. B/F)	142,874,788	-	-	-
Total Expenditure	11,167,226,300	11,148,453,982	11,023,318,604	11,457,950,466
Recurrent Expenditure	7,659,925,512	7,803,917,787	7,606,089,837	7,791,406,317
<i>Personnel Emoluments</i>	5,857,575,427	5,765,678,453	5,737,336,549	5,868,223,321
<i>Operations and Maintenance</i>	1,802,350,085	2,038,239,334	1,868,753,288	1,923,182,996
<i>Development Expenditure</i>	3,507,300,788	3,344,536,195	3,417,228,767	3,666,544,149

4.1.1 Revenue Projections

202. In the FY 2024/25, the County’s total revenue including Appropriation-in-Aid (A-I-A) is projected to decrease to KSh. **11,148,453,982** from the KSh. **11,587,873,002** expected in the FY 2023/24. Conditional grants from both the National Government and Development Partners are projected to be KSh. **1,419,448,142** in the FY 2024/25, which is up from the KSh. **948,933,530** million. Own-Source Revenue (which includes A-In-A) is projected at KSh. **1,352,806,657**.

4.1.2 Expenditure Projections

203. As required by Public Finance Management Act, 2012 on fiscal responsibility principles the County Government of Homa Bay remains intentional in maintaining a balanced budget in the ratio of 1:1 for expenditure versus projected revenue. The County expects overall expenditure estimates to remain within the approved budget. Expenditure ceilings on goods and services for the County departments are based on the County priorities extracted from the CIDP III, and are adjusted based on expenditure trends, recovery strategy and the County change of priority programs within the spending units. Inflationary effects on the expenditure trends have been put into consideration.

204. Overall expenditure for FY 2024/25 is projected at KSh **11,148,453,982** compared to the approved estimates of KSh **11,587,873,002** for FY 2023/24. These expenditures comprise of recurrent of KSh **7,803,917,787** (including personnel emolument KSh 5,765,678,453 and O&M of KSh 2,038,239,334) and development of KSh **3,344,536,195**.

Table 3: Projected Expenditures by Entity over the MTEF period 2024/25-2025/26

County Government Entity/ Department	Approved Estimates for the FY 2023/2024			Draft Estimates for the FY 2024/2025			Projected Estimates for the FY 2025/2026		
	Recurrent	Development	Total (R+D)	Recurrent	Development	Total (R+D)	Recurrent	Development	Total (R+D)
Agriculture and Livestock	218,133,168	473,466,625	691,599,793	210,480,293	246,619,961	457,100,254	231,528,322	450,393,761	681,922,084
Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	152,824,776	76,474,966	229,299,742	133,719,567	52,896,987	186,616,554	147,091,524	66,036,133	213,127,657
Roads, Public Works, Transport and Infrastructure	163,377,863	955,031,538	1,118,409,401	157,385,190	677,974,496	835,359,686	173,123,709	826,422,356	999,546,065
Blue Economy, Fisheries, Mining and Digital Economy	96,286,892	103,950,000	200,236,892	90,898,817	96,191,161	187,089,978	99,315,581	91,927,711	191,243,292
Education, Human Capital Development and Vocational Training	1,218,293,589	263,590,000	1,481,883,589	1,153,301,659	120,000,000	1,273,301,659	1,268,631,825	227,609,965	1,496,241,790
Public Health and Medical Services	2,531,816,248	604,902,012	3,136,718,260	2,873,659,240	270,000,000	3,143,659,240	2,608,278,253	519,055,896	3,127,334,148
Lands, Physical Planning, Housing and Urban Development	53,085,062	261,858,615	314,943,677	55,313,342	925,353,262	980,666,604	54,244,676	169,249,428	223,494,104
Trade, Industry, Tourism, Cooperative Development and Marketing	166,447,292	388,815,570	555,262,862	165,259,292	200,000,000	365,259,292	176,285,221	335,742,244	512,027,465
Water, Sanitation, Irrigation, Environment, Energy and Climate Change	274,482,343	470,482,343	744,964,686	230,284,923	200,000,000	430,284,923	261,013,415	412,306,003	673,319,418
Finance and Economic Planning	695,412,358	49,232,066	744,644,424	707,575,155	251,935,539	959,510,694	706,783,684	37,432,079	744,215,764
Governance, Administration, Communication and Devolution	373,033,698	32,000,000	405,033,698	400,000,546	50,000,000	450,000,546	484,903,460	27,632,000	512,535,460
Executive Office of the Governor	463,898,971	100,000,000	563,898,971	522,146,771	80,000,000	602,146,771	585,361,448	86,350,000	671,711,448
County Public Service Board	92,033,555	4,000,000	96,033,555	69,457,403	4,000,000	73,457,403	79,703,143	3,454,000	83,157,143

County Assembly Service Board	1,053,468,687	122,283,800	1,175,752,487	962,234,456	122564789	1,084,799,245	1,158,815,556	166,704,140	1,325,519,696
Homa Bay Municipal Board	28,808,993	19,250,000	48,058,993	29,756,691	15,000,000	44,756,691	29,432,360	17,653,877	47,086,237
Kendu Bay Municipal Board	10,060,000	10,000,000	20,060,000	9,870,274	8,000,000	17,870,274	8,657,301	8,635,000	17,292,301
Mbita Municipal Board	10,060,000	10,000,000	20,060,000	9,870,274	8,000,000	17,870,274	8,657,301	8,635,000	17,292,301
Ndhiwa Municipal Board	10,060,000	10,891,972	20,951,972	9,870,274	8,000,000	17,870,274	8,657,301	9,405,218	18,062,519
Oyugis Municipal Board	10,060,000	10,000,000	20,060,000	12,833,620	8,000,000	20,833,620	9,716,982	8,635,000	18,351,982
Total Estimates	7,659,925,512	3,507,300,788	11,167,226,300	7,803,917,787	3,344,536,195	11,148,453,982	8,100,201,064	3,473,279,810	11,573,480,874

4.2 Budget Priorities

205. The county through the MTEF will implement priority programmes under the CFSP 2024 to accelerate economic recovery and enhance service delivery. This will be achieved through strong linkages between policy, budgeting, implementation and monitoring and evaluating of planned outcomes. The county will strive to ensure that public spending remains affordable within a sustainable framework.

206. In this regard, public spending will be directed towards the most critical needs of the county with the aim of achieving quality outputs and outcomes with optimum utilization of resources. Further, the county will ensure CDAs' requests for resources take into account the resource constraints in light of the fiscal consolidation policy taking into account: responsible management of public resources; building a resilient, more productive and competitive county economy; delivering better public services within a tight fiscal environment, and the need to deepen governance, anti-corruption and public financial management reforms to guarantee transparency, accountability and efficiency in public spending. The need to allocate resources based on peoples felt needs and the impact they promise to deliver will also be considered.

4.2.1 Revenue Enhancement

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

4.2.1.1 Enhancing Collection of Own-Source Revenue

208. Resource mobilization within the county has been of low potential and therefore there is need to make relevant adjustment to enhance more revenue collection within the county. The causes of low revenue collection have been analyzed to be existence of large informal sector, a largely peasant agriculture, insignificant manufacturing and modern service sectors. These factors are

undermining effective revenue base despite the impressive growth of profile of the county. The County Government of Homa Bay has reviewed these practices in order to ensure maximum revenue collection in the FY 2024/25.

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

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

211. 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.

212. Revenue enhancement efforts will be focused on measures that will bring the greatest revenue gains. Effort will be concentrated on areas with there is more revenue potential, having understood the pattern of revenue collection. The major areas of potential revenue collection realized by the County Government include Single Business Permits, 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.

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

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

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

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

4.2.1.2 Maximizing Receipts from Equitable Share

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

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

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

220. 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

221. There is need for the County treasury to establish a fully functional external resources unit to coordinate and drive the resource mobilization initiatives. By enhancing this, the desired results will be achieved with high level of impact. Selection of employees with specific competencies to provide appropriate input (e.g. strategic, technical, monitoring) shall be seconded

to be part of the unit and, sufficient time and budget shall be dedicated to resource mobilization initiatives. Periodically, progress of the unit shall be reviewed and corrective or reinforce measures shall be instituted whenever necessary.

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

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

224. 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;

225. 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;

226. 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;

227. 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;

228. 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;

229. 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;

230. 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

231. 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.

232. 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.

233. 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.

234. 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.

235. 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).

236. 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.

237. 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 are 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.

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

239. 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.

240. 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

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

242. 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.

243. 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.

244. 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

245. The budgetary allocation to each MTEF sector and County Government Entity largely reflected their on-going commitments and budget priorities for the FY 2024/25. Views of the public and key stakeholders were considered and amendments were made where necessary. The allocations were captured in the form of ceilings for entities and programmes per sector.

4.3.1 Baseline Ceilings

246. The baseline estimates (FY 2024/25) 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 C-ADP 2024 priorities.

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

- a) **On-going projects:** emphasis will be 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) **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

247. Over the Medium Term, the County Government will ensure that resource allocations will strive to allocate more resources towards the realization of the Social-Economic Development Agenda 63 as well as align the County to the “National BETA Agenda” and the County **GENOWA Agenda** with emphasis on the Key sectors.

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

- a) Share of National Revenue, which finances approximately 90 per cent of the budgeted expenditure and consists of Equitable Share and Conditional Grants; and
- b) Locally Collected revenue including business permits, property rates, entertainment taxes, levies, fees and charges; and
- c) Donor funding (Both conditional and unconditional grants).

249. The following criteria apply as the guide for allocating resources in FY 2024/25:

- i. Cost effectiveness and sustainability of the proposed intervention;
- ii. Requirements for furtherance and implementation of ward-based development priorities; and meeting pending obligations as a first charge.
- iii. Non-discretionary Expenditure: In the recurrent expenditure category, non-discretionary expenditures take the First Charge and include statutory obligations such as salaries, gratuity, pension and Pending Bills that are financed by the County government;
- iv. Ongoing Projects: In line with the National Policy, active monitoring and update will be given to the completion of all on-going projects in the County that includes infrastructure, building and constructions etc. this will enable job creation, equity and poverty reduction contrary to start of new projects.
- v. The CIDP identified Flagship Projects and Programs: The County Government will ensure the actualization of the Flagship Projects and programs across all corners of the County as identified in the third County Integrated Development Plan, once achieved, they will achieve the Socio-Economic Transformation agenda of the County. The CIDP has mainstreamed the National BETA Agenda and the Governor's manifesto.
- vi. Job Creation: Specific consideration to job creation based on sound initiatives identified in the CIDP, the County has huge untapped potential which constitutes a vibrant young labor force, fertile agricultural land and an ideal location for tourism;
- vii. Strategic Policy Interventions: Drivers of the economy that have the potential to unlock the County's Economy and have a long-term impact will be given priority such as County Rural Roads programme and other key support sectors of the County;
- viii. Fiscal Discipline: This includes the absorption rate and efficiency in utilization of the allocated resources. Departments which can adhere to these criteria will have an added advantage in resource sharing

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

4.4 Background Information and Key Results Areas by Sector

Agriculture, Rural and Urban Development Sector

251. Agriculture Rural and Urban Development (ARUD) sector is made up of two (2) departments, one (1) division and five (5) municipalities namely; Department of Agriculture and Livestock and Department of Lands, Housing and Urban Development, Division of Blue Economy and Fisheries, Homa Bay Municipality, Kendu Bay Municipality, Mbita Municipality, Ndhiwa Municipality and Oyugis Municipality.

252. The overall goal of the sector is to attain food and nutrition security; sustainable management and utilization of land and the blue economy

253. To actualize the sector's economic significance, the County's development agenda will be implemented through nine (9) programmes for the period 2024 namely;

- Policy, Planning, General Administration and Support Services.
- Crop, Land and Agribusiness Development Services.
- Food Security Enhancement Services.
- Livestock Development Services,
- Blue Economy Development Services.
- Fisheries Resources Development Services.
- Lands and Physical planning.
- Housing and Urban Development Services.
- Municipal Development Services.

254. During this period (FY 2022/2023), the sector was allocated KSh. **1,018,261,687**. Key achievements recorded during this period include distribution of subsidised farm inputs to 68,000 beneficiaries, procurement and operationalization of 4 tractors, vaccination of 48,000 heads of cattle, procuring and spraying 250 cows, procuring and distributing 250 bee hives, conducting 250 lake patrols, constructing a pit latrine, supplying farmers with 450,000 fingerlings, and procuring 3344 bags of fish feeds, completed the Local Physical and Land Use Development Plan for Oyugis Town 2021-2031; finished works on Akuba market through the Symbio-City Change Project; constructed the ABMT building in Ndihiwa; and completed the Homabay Municipality modern market. The C19 Junction-Tom Mboya University link road is being upgraded to bitumen quality, as is the ABSA bank junction to St. Paul Catholic Church, and the Homa Bay bus park, which is also being renovated.

255. Despite these achievements, the sector encountered various challenges in its pursuit of goals, encompassing inadequate funds allocation and late disbursement, hindering planned activities. Issues included low adoption of modern production technologies, a shortage of technical extension staff, and non-motorable transport facilities. Pest and disease incidences, poor rural access roads affecting marketing, inadequate office space, and limited resources for monitoring lake fisheries activities were highlighted. High costs of aquaculture production inputs, weak regulatory policies for cooperative societies, and inadequate public awareness on land matters posed additional hurdles. Delays in county spatial plan preparation, land disputes, a lack of utility vehicles for fieldwork, unplanned public land, and budgetary constraints were also notable challenges. Reallocation of projects, insufficient technical staff, delayed procurement processes, and delayed payment of project certificates further complicated implementation and completion.

256. During the MTEF period 2024/25 the key priorities are; Under the Department of Agriculture and Livestock, the sub sector plans to: Support 8,000 beneficiaries with subsidized farm inputs, Construct and rehabilitate 40% at Kimira and Oluch Schemes in collaboration with the National Government (NG); Procure 4 more agricultural machinery (tractors); Complete construction of Mechanization Service Centre, Complete construction of FTC at Wangapala in Homa Bay East, Procure and install 40 solar powered irrigation systems/kits, Establish 40 on-farm water harvesting structures (Pans), Construct 20 metal silos fabricated by ATDCs and sold to farmers at subsidized prices, initiate construction cotton ginnery in collaboration with NG, Construct a slaughter houses, Vaccinate 25,0000 animals, Spray 192,000 animals, Construct 9 crush pens and Construct 11 cattle dips.

257. Under Fisheries; County plans to commence the development of Lakefront Master Plan and Lakefront & Marine spatial plan, develop 2 sustainable wetlands, Construct 10 fish landing bandas with cold storage facility, Construct 10 fish dry stores, establish 2 Mini ice plants, Construct Omena Fish Dryers, Procure and Distribute 800 predator nets, Prepare and approve 2 Local

Physical and Land Use Development Plans, prepare sub county valuation roll.

258. Under Lands and Physical Planning sub-sector, the investments will be geared towards; Development of a County spatial plan, formulation of Land Use Development Plan. Development of Quarterly Application reports, Mapping and Surveying of public and private land, survey and demarcation of market and trading centres, construction of survey offices, regularization of land tenure, digitalization of land records, valuation roll and Land banking for future development.

259. Under Housing and Urban Development; the allocations given will be directed towards the following priorities; Renovation of government houses, construction of ABMT centres, Training persons on ABMT, Upgrading of Informal Settlement, Formulation of urban planning policy, Preparation of legal documentations and Planning of the waterfront.

260. Under Municipalities; develop Kendu Bay and Homa Bay Lake fronts, Bitumize 50 Km of Municipal roads, Relocate existing sewage treatment plant in Homa bay Municipality.

261. The sector is a key player in economic and social development of the county through food production, employment and wealth creation, security of land tenure and land management. In order for the sector to realize all its set priority programmes, projects and activities in the FY 2024/2025, the sector has been allocated KSh. **1,844,839,413** comprising of development and recurrent expenditures.

4.4.2 Energy, Infrastructure and ICT Sector

262. The Energy, Infrastructure, and ICT (EII) comprises of 5 subsectors namely: Roads, Transport, Public works, and Energy and Information communication technology. The sector creates an enabling environment for other sectors of Homa Bay County to contribute immensely towards accelerating the realization of sustainable economic growth and development, wealth creation and poverty reduction.

263. During the FY 2022/23 the sector approved budgetary allocation was KShs. **1,118,409,401**. In order to increase access to power connectivity and use of renewable source of energy in the county, the energy subsector for the period under review managed to: refurbish 700No. Sub county street lights in collaboration with REREC and KPLC; install 80No. Market solarlights; install 2No. Solar parks in Takawiri and Ngothe and Islands and install 5No. Transformer (Mbita, Ndihiwa, Sindo and Oyugis); 60% of renovation related works for government building and routine supervision of constructions taking place in the County to ensure compliance to set building and construction standards and codes.

264. To support and improve access and connectivity the infrastructure sub sector managed to gravel 104kms of county roads; Open 255kms of new wards roads; construct and rehabilitate 3No.foot bridges and constructed and rehabilitated and 580kms of county roads maintained; To enhance efficiency in accessing government services and wealth creation the ICT sub sector managed to issues 350No. Licenses to private actors in the Digital space to help in the installation of ICT hardware and software in the center and upgraded county website.

265. Despite the milestones, the sector has also faced several challenges that have negative impact to the general performance they include; Potential land use conflicts due to complexity of acquisition of land for sector projects; vandalism of infrastructure facilities; inadequate and high turnover of experienced and technical staff; inadequate funding which negatively affect project implementation; slow implementation of capital projects occasioned by local contractor's capacity

inadequacy has gradually culminated to project delays, cost overruns and possible Legal and contract challenges arising from arbitration and contractual issues impacting on project implementation; issues of accruing pending bills limiting the fiscal space for the sector to implement all its desired projects on time.

266. The sector is committed to ensure the challenges are addressed for ease of implementation of the current budget FY 2023/24 and the subsequent budget for the FY 2024/25 by implementing the following measures: Purchase new equipment's and routine maintenance of existing ones; develop and implement necessary policies, laws, regulations and plans to support the realization of the sub-sector vision and mission; develop and implement strategies aimed at attracting more financial resources or investors with vested interest in the sector; commit some percentage of development allocation towards reducing pending bills hence creating fiscal space to implement other new priority projects; embrace multi-sectoral approaches in addressing and responding to challenges likely to impact on the works being carried out i.e. vandalism of infrastructure projects, resource limitation and technical capacity gaps; engagement of contractors with capacity to ensure timely completion of projects and develop procurement plans, advertise works and award on time to avoid last minute rush hence contributing to under-performance and budgetary absorption.

267. During the FY 2024/25 and the Medium Term period, the sector will implement the following programmes to achieve key strategic interventions as highlighted under Energy sub sector; install 20No. transformers at the sub county headquarters; install 80No. transformers across the 40 wards; increase households connected to last mile programme by 20%; install 240No. market solar lights across the 40 wards; routine maintenance of market solar lights; install 1No. Solar-park in the island; construct 1No. Energy Information Resilient center; capacity building of the Vulnerable community groups (women, youths and PWDs trained on renewable energy technologies; construct 1No. Briquette manufacturing plant; install 80No. Bio digesters across the 40 wards and 1000No. households benefiting from the clean cook stoves installed at ward level.

268. Under Infrastructure sub sector efforts and investments will be channeled towards; opening 550kms of new ward roads; routine maintenance of 750kms of county roads; construction and rehabilitation of 1No. Jetty in collaboration with support from KPA; construction of 10No. modern boda-boda sheds; improving Rusinga Airstrip; construction of 1No.moden bus park; refurbishment and maintenance of government offices across all the 8 sub counties; Maintenance of Machines, equipment's, plants and vehicles; acquisition of 1No.double cab project utility vehicle; 4No. filed motorcycles; 1No.grader and 1No. excavator.

269. Under ICT sub sector the priority areas will include: construction and equipping of 40No.digital hubs in all the 40 wards; increasing fiber optic connectivity covering 400kms; increasing internet connection to government departments; installation of 5No. LED display screens across the county; acquisition and installation of 2No.ERP systems; installation of CCTVs covering 2No.departments; digital literacy programme and training for 4000No. citizens; equipping 7No. Vocational Training Centers with ICT gadgets; connecting 7No. Vocational Training Centers to WI- FI; development of 2No. Digital Innovation platforms and creation of 5No. WIFI hotspot programmes.

270. To implement the above priority interventions, the sector's ceiling will be KShs. **935,359,686** (including KSh. 100,000,000 for ICT and Energy and another KSh. 835,359,686 for roads and infrastructural development)

4.4.3 General Economics and Commercial Affairs

271. The General Economic and Commercial Affairs (GECA) core mandate is to promote, coordinate and implement integrated socioeconomic policies and programme for a rapidly industrializing economy. The focus is to improve the business environment, promoting growth of entrepreneurs and improving governance, marketing and investment stimulating sustainable industrial development through value addition, tourism, industrial research, technology and innovation and creating an enabling environment for investment and ensuring efficient service delivery through prudent management of public resources.

272. During the MTEF period, the department in the **FY 2023/24** was allocated a total of **KSh. 555,262,862** comprising of **KSh. 166,447,292** for recurrent expenditure taking care of personnel emoluments and routine office operations and **KSh 388,815,570** for development expenditure respectively. The total allocation was distributed per programme as follows **KSh. 175,322,700** was distributed to Trade Cooperative and Entrepreneurship services, **KSh. 213,492,870** to Tourism Industrial and Investment Promotion Services and finally **KSh. 166,447,292** to Planning and Administrative Services.

273. In the period under review ,**FY 2022/23** some of the key achievements included completion and operationalization of Kigoto maize milling plant; purchase and delivery of the 9-ton per hour animal feeds processing plant awaiting installation once the factory house is complete ;completion of the financial and management audits in 20 cooperative societies; training of 8 cooperative societies on financial management ,leadership, marketing and group dynamics revival of 3 cooperative societies in Rangwe, Karachuonyo and Homa Bay town.

274. The department also initiated the development of Lake Simbi Nyaima which is currently on tendering process; initiated the operationalization of the Homa Bay County Liquor and Licensing Act of 2015 and the Homa Bay County Development and Corporation Act of 2020; successful organization of the Inaugural Roan Antelope Half Marathon at Ruma National Park and mapping of all tourist attraction sites in Homa Bay. Finally, the department was able to register 9 cooperative societies including Boda boda saccos, 5 agricultural cooperatives and 3 trader-based saccos; provided the necessary emoluments to all personnel and facilitated the departmental operations.

275. Despite the milestones the sector also experienced challenges that have negative impact on the general performance such as ;inadequate connectivity and transportation network including roads that hindered the movement of goods and people affecting trade and economic activities especially in Suba South; difficulty in accessing financial and credit that hampered business expansion particularly for the micro and small-sized enterprises; limited access to information about market trends and technological advancement that hinders businesses from staying competitive and innovative; over-dependence on agriculture which makes the sector vulnerable to shocks and market fluctuations; limited access to modern communication and information technology which inhibits local businesses from effectively marketing their products; limited access to basic services like electricity , water and sanitation in some markets affecting business

productivity; lack of well-established supply chains and market linkages which often limits business to scale up and access broader markets; lack of regulation and policies which leads to uncertainty and difficulty in planning for business.

276. To ensure the delivery of the sector's core mandate the sector is committed to ensure the challenges are addressed for ease of implementation of the current budget **FY 2023/2024** and subsequent budget for the **FY 2024/2025** by implementing the following measures: Formulation of a comprehensive sector plan that outlines clear goals, priorities and action plan; improvement of county road networks, transportation facilities and digital connectivity to facilitate movement of goods and people; encouragement of entrepreneurship by establishing business incubators and provision of support to start-ups and SMEs i.e. access to finance, mentorship and training; establishment of a robust monitoring and evaluation framework to assess the impact of initiatives, identify challenges and make informed adjustments; collaborate with financial institution to increase access to financial services for businesses; promote agri-business by supporting processing and value addition activities, reducing post-harvest losses and enhancing agricultural productivity

277. During the **FY 2024/25** and the MTEF period, the sector will implement the following programmes to achieve key strategic interventions: Trade and Industrial Development Services; Investment Promotions; Cooperative Development and Marketing; Tourism Development and Marketing Services.

278. Under Trade and Industrial Development Services efforts and investments will be channeled towards; Establishment of business incubation centers, Trade exhibitions, Capacity building of SMEs, Establishment of trade fund kitty, Establishment of a special Economic zone and Market upgrade.

279. Under Investment Promotion Services the priority areas will include: County Investment mobilization Project whereas under Cooperative Development and Marketing Services; Tourism Development and Marketing the priority areas will be Shirika Endelevu, Development of Niche products and Digital Market outreach projects. To implement the above priority interventions in the FY 2024/2025, the sector has been allocated **KSh. 325,259,292**.

4.4.4 Education Sector

280. Education Sector is comprised of four programmes namely; Early Years Education Services, Vocational Education and Training Services, Human Capital Development Services and General Administration and Quality Assurance Services. The Sector is a critical player in promoting political, social, and economic development through education and training to create a knowledge-based economy.

281. The Sector realized a number of achievements during the 2020/21-2022/23 MTEF period. These includes: enrolment of learners in public EYE centers which grew from 79,858 pupils in FY 2021/22 to 82,156 in FY 2023/24. Enrolment of learners with special needs increased from 637 learners in FY 2021/22 to 942 in FY 2023/24. The number of trainees enrolled in vocational centers depicted a negative trend having decreased from 3,001 in FY 2021/22 to 2,790 in FY 2023/2024 (7% change). The number of VET institutions rose from 30 in FY 2021/22 to 34 in FY 2023/24.

282. The Sector increased its skilled workforce in public EYE centers by recruiting 1693 teachers (reducing teacher pupil ratio to 1:40 against the required 1:30) and 144 instructors (reducing instructor to trainee ratio to 1:20 against the required 1:10). To improve teacher/instructor management services, the Sector will continue to recruit additional, confirm most, capacity built, conduct quality assurance checks and routinely assess teachers and instructors. In addition to reduction of staffing gaps, most EYE teachers were retooled on CBC reforms.

283. The MTEF 2024/25- 2026/27 coincides with a period when the sector is undergoing major reforms in line with the Governor's Manifesto on County Education Sector Reforms. These reforms aim to promote quality and inclusive education, training and research for sustainable development and ensure socio-economic development.

284. Under General Administration and Quality Assurance Services, the Sector targets to enroll 86,000,000 learners in pre-primary schools; enroll 800 SNE learners in EYE centers; confirm 846 teachers on permanence and pensionable terms; retrain 800 teachers on CBC curriculum; recruit 197 teachers; enroll 4,500 trainees in VTCs; enroll 20 trainees with special needs in VTCs; confirm 50 VET instructors on permanence and pensionable terms; sensitize 34 managers on CBET curriculum; recruit 50 VET instructors; carry out assessments in 920 institutions across the county for quality and standards and strengthen policies development.

285. Under Early Years Education, the sector targets to construct 80No classrooms and toilets in EYE centers; equip 886 centers with teaching and learning materials and collaborate with partners and communities to roll out the school feeding programme in all EYE centers.

286. Under Vocational Education and Training, the sector intends to construct 7No workshops; construct 1No hostel; construct 10No toilets in ten identified VTCs; refurbish 1No VTC and equip 34No workshops in the existing VTCs with tools, equipment and learning aid.

287. Under Human Capital Development, the sector intends to continue providing Fins to Swim and Genowa Fundi Mang'ula scholarships to over 900 beneficiaries; support over 40,000 vulnerable students to benefit from the Bursary Programme.

288. To implement these programmes, the Sector has been allocated KShs. **1,273,301,659** in FY 2024/25.

4.4.5 Health

289. The Health sector envisions a county free of preventable diseases and controllable ill health. Over the review period, the budgetary allocation for the Sector increased from Kshs 2.316 billion

in FY 2021/22 to KSh 3.127 billion in FY 2022/23 and KSh 3.133 billion in FY 2023/24. The sector expenditure for FY 2022/23 was Kshs 3.079B translating to an absorption rate of 98.5%. The resources were utilized to achieve the following; Increase in TB Treatment Success rate from 93% in 2021/2022 to 94% in 2022/2023, reduction of HIV Mother Child Transmission rate from 8.2% in 2021/2022 to 5.2% in 2022/2023, and increased 4th ANC coverage from 45.9% in 2021/2022 to 49.8% in 2022/2023, increased skilled birth delivery from 74.2 % in 2021/2022 to 75.7% in 2022/2023 and reduced teenage pregnancy rate of 22.3% to 21.6% over the same period.

290. The DPHMS also expanded access to healthcare services, promoted healthy lifestyles through the community health services approach, improved maternal and child health, Renovated and completed facilities at the ward level, procured an ambulance (THS), Procured assorted medical equipment for Levels 2 and 3 and Trained health workers. These interventions will enhance service delivery at levels 2, 3, and 4 in the county to cater to the increased referral service demand.

291. During the MTEF period 2020/21 to 2022/23, the sector faced some emerging issues and challenges which negatively impacted the achievement of the planned outputs and health outcomes. These include inadequate health equipment and machinery, inadequate commodities and supplies, Inadequate specialized services, inadequate human resources for health, Declining funding from development partners (Donor fatigue), Cumulated pending bills, Early teen pregnancies, Inaccessibility of some health facilities in various wards, Inadequate infrastructure/housing for healthcare workers, Financial inability by vulnerable groups to access health services through insurance, Inadequate allocation and reallocation of health funds and Delay of remittance of statutory deductions.

292. The sector is committed to ensuring the challenges are addressed for subsequent budget for FY2024/25 by implementing the following measures; Project Management Committees (PMCs) will hold oversight meetings periodically. The spending units will develop annual work plans and procurement plans which are to be adhered to; the operationalization of the Health Act, Community Health Services Act, and FIF Act; the Provision of grants to health facilities; Enhancement of domestic health financing; Strengthening collaboration with other stakeholders and line departments/ministries; the sector should explore and identify innovative ways of increasing health infrastructure and equipment through placements; Develop a transition strategy/plan for partner activities; strict adherence to PFM ACT 2012 to address pending bills and increased allocation to the health sector.

293. The sector focuses on sustainable technologically driven, evidence based and client centered health care system across the county. The sector prioritizes: To improve Reproductive Maternal Neonatal Child & Adolescent Health care; Improve human resource; revert the rising level of Non-Communicable Diseases and mental health; Enhance access to essential health care that is affordable, equitable, equitable and responsive to population needs; Eliminate communicable conditions; Strengthen collaboration with both private and other development partners and reduce the rising cases of injuries.

294. During the FY 2024/25 and the medium-term period, the sector will implement the following programmes to achieve key strategic interventions. Under the General administration, planning, management, support, and coordination programme, the main focus will be providing service delivery and coordinating department-wide functions and programs. Under the Human

resources management and development sub-program, key priorities intervention includes Staff recruitment, 100 per year by employing; health care workers (nurses, doctors and various specialized skills) at all levels. Compensation to employees, Staff promotions/re-designations (500 per year), Capacity building of staff, providing scholarships to health care workers at a projected cost of KSh 2,134,048,375. On the Office operations and maintenance sub-programme, key priorities interventions include the procurement of utility vehicles for the sub-counties (8) and maintenance of motor vehicles at an estimated cost of Ksh 25M. Under Management and coordination of the health services sub-programme, key priority interventions include, conducting board meetings, Conducting stakeholder forums, Conducting TWG meetings, and developing and disseminating policies/guidelines/regulations/strategies at an estimated cost of Ksh 1.648 million.

295. Under the curative and rehabilitative health services programme, the health sector will channel its efforts towards construction/completion and equipping of OPD complex at referral, funeral Parlour at referral, Ndiru ward, and upgrading and equipping level 4 facilities, renovation of facilities and staff houses, Improving supply of health commodities, General wards to be constructed (Rachuonyo North Sub County hospital) at Ksh 10M, Construction of Theatres at Suba South Sub-county Hospital at Ksh 20M, Procurement of generators at Ksh 3.75M, Procurement of Dental chairs at HBCTRH at 1M and Facilities allocate operational devices (Sub County HC). Under the Non-Communicable Diseases control sub-programme key priority areas include; screening and management of cancer, Identification, and management of patients with diabetes, high blood pressure, and mental illness. Under Health Products and technologies priority interventions; Procurement of HPTs (medicines, non-pharmaceuticals, laboratory reagents, radiological films and cartridges, nutrition products, blood & blood products, dental products, ophthalmological products, ICT materials at a projected cost of Ksh 203,940,000.

296. Under the preventive and promotive health services programme, the health sector will channel its efforts towards; Ward/sub-county facility renovation at Ogongo, Suba South Sub-county Hospital, and Ndhiwa Sub County Hospital at an estimated cost of Ksh 8.6M, 20 Ward facility completions at Ksh 80M, 15 Staff houses renovation HBCTRH at 20M, 5 Staff house renovation (Ndiru, Sindo, Kendu, Lambwe) at Ksh 7.5M, 4 Facilities Renovation (Makongeni, Nyagor, Kendu, Oyugis) at Ksh 3.6M, 10 Procurement of equipment and machinery at Ksh 80M, On Community health services, Acquisition of 25 motorbikes at approximately Ksh 5M, 8 Procurement of incinerators at Ksh 5M, 270 Procurement of sampling machines at Ksh 2M and 40 No. Procurement of waste disposal equipment at Ksh 1M. On Disease surveillance and control, priority interventions include, Digitize weekly epidemiological reports, Detect and follow up on suspected AFP cases, Operationalize the emergency operation Centre, Establish port health at a projected cost of Ksh 4.12M.

297. Specifically, the County Government will focus on achieving the following over the medium term: On the community health strategy sub-program, key priority interventions include, Payment of CHP stipends, Role out of e-CHIS, Establishing more CUs, Conducting quarterly dialogue days, Rolling out a community score card, Community sensitization/outreaches on PHC, Equip the CHPs with kits at an estimated cost of Ksh 91,340,400 M. Under the Environmental health, water, and sanitation (WASH) interventions sub-programme, key priority interventions include: Strengthen CLTS, Conducting food & water sampling and testing, Procurement of water sampling and testing kits, Facilitate hospital waste management at an

estimated cost of Ksh 1.03M. On the HIV control interventions sub-programme key priority interventions include, Conducting HIV counseling and testing services, Initiating all HIV-positive patients on treatment, Supporting adherence and follow-up on treatment, Strengthen PMTCT services at an estimated cost of Ksh 15.45M. On the Malaria control interventions sub-programme key priority interventions include; Integrate LLINs distribution in ANC, Strengthen case management at facility and community level, Providing pregnant women with IPT, and Sensitize the community on malaria prevention at an estimated cost of Ksh 3M.

298. Under Reproductive, maternal, neonatal, and child health services sub-programme, key priority areas will include; availing quality maternal neonatal child services (preconception care, early initiation of ANC, post-partum FP, skilled deliveries, post-natal care, early essential newborn care, outreach services, mentorship), Develop MPDSR response matrix, Promote growth monitoring, Implement IMNCI, Implement early childhood development services at an estimated cost of Ksh 1.6 million.

299. Under the Immunization sub-programme, key priority areas include; Providing and maintaining the cold chain, conducting immunization RRIs, Conducting defaulter tracing, and availing and distributing antigens at an estimated cost of Ksh 2M.

300. Under the Health promotion sub-programme, key priority areas include; commemorate health days, Sensitize the community on healthy living, Establish and operationalize HPAC, Develop and distribute IEC materials, Conduct mass media campaigns at Ksh 1.03M.

301. On the Nutrition sub-programme, key priority areas include the supplementation of mothers and children with micronutrients, Providing nurturing care services, and Identification and management of severe malnutrition at Ksh 18M.

302. Under the TB sub-programme, key priority areas include identifying and treating TB cases and conducting defaulter tracing at a cost of Ksh 10.3M.

303. Under the Primary health services sub-programme, key priority areas include; providing comprehensive primary health care (integrated services) in all level 2 and 3 facilities, Establishing and operationalize PCNs in all sub-counties, Digitization PCNs, Strengthen the linkages between the community units and health facilities at Ksh 15M.

304. Under the Research and Development Services programme, key priority interventions will include, conducting operational research in the department, supporting staff with approved abstracts to attending national/ international conferences, Holding a best practices forum in the county, Establishing an institutional ethical review committee, Establishing a county data repository, Activate the departmental website at a projected cost of Ksh 4.5 million.

4.4.6 Public Administration and Inter/Intra - Government Relations Sector

305. Public Administration and Intergovernmental Relations (PAIR) constitute one of the eight Budget Sectors that have been created to ensure efficient approach to planning and budgeting. The Sector consists of five sub-sectors each with specific mandates and functions. Finance and Economic planning, Governance Administration and Devolution, Executive Office of the governor Public Service Board and the County Assembly.

306. This sector plays a pivotal role in providing county leadership, overseeing policy direction, and contributing to the realization of the county's development agenda. It actively promotes sound public finance management and accountability within the county, coordinates sectoral development planning, and ensures the efficiency of the Public Service.

307. Additionally, the sector develops a robust legislative and regulatory framework, and upholds administrative justice and the right to information. Most importantly, the sector plays a critical role in the realization of the Sector's mandate and strategic objectives as outlined in the County Integrated Development Plan, respective Legislative Acts, and the Executive Order No. 1 of 2022 on the Organization of the Government of Homa-Bay.

308. During the implementation of the FY 2020/21 to FY 2022/23 budgets the five sub sectors realized various achievements of the targeted outputs and outcomes. This includes facilitated the executive to fulfil the Constitutional mandate, fostered intergovernmental relations and cooperation, promoted sound public financial management ,accountability, strengthened coordination between policy formulation policy, planning and budgeting, ensured efficiency of the Public Service, strengthened ow source revenues and financial matters, promoted citizen centric public service ,promoted accountability and transparency in public financial management, Completion of the new governors building, Recruitment of the Revenue and the Enforcement staff to improve on the service delivery. Carried out the human resource audit that that is guiding the streamlining of jobs to staff, payroll and other staff management activities.

309. During the reporting period, the sector identified challenges which include limited stakeholder engagement in previous budget formation process, unexpected budgetary cuts, Delayed funding from the exchequer. Liquidity challenges from seasonal fluctuation and unpredictable funding from the national government and own source, Unreconciled expectation among stakeholders. Inadequate project implementation reports and follow-ups and frequent IFMIS downtime among others.

310. The sector undertook stakeholder's participation in the budget making process for the 2024/25-2026/27 MTEF period that highlighted key priority areas emanating from the Citizens. The Sector has cross-sectoral linkages with all the other MTEF Sectors whose services and outputs contribute to the achievements of its outputs and outcomes. The Sector also interacts with other public and private sector institutions whose mandates either fall within this Sector's mandate or are dependent on the Sector's contribution.

311. During the 2024/25-2026/27 Medium Term Budget Framework the sector will ensure the proposed programmes and projects are in line with the priorities of the Kenya Vision 2030, the Medium-Term Plan, the Government priorities related BETA and the County Integrated Plan. The sector plans to implement the prioritized activities within 13 programs and 37 sub-programs.

312. In addition, the Sector will continue to enhance efficiency and effectiveness in service delivery and promote comprehensive public financial management, intensify resource mobilization and strengthen monitoring and evaluation. To effectively execute the Sector priorities, the Sector was allocated KShs. **2,865,315,160** in the 2022/2023 Financial Year however in the FY 2024/2025, the sector has been allocated KShs. **1,132,147,317** to take care of both recurrent and development priority areas and programmes

313. To achieve the sectoral goals and objectives and ensure optimal resource utilization, intra and inter-sectoral linkages need to be harmonized, sustained and strengthened.

4.4.7 Environmental Protection, Water and Natural Resources

314. The Environmental Protection, Water and Natural Resources Sector comprises of 5 subsectors namely: Environmental Management and Forestry Development Services, Water Supply and Sanitation services, Irrigation Development and Management Services, Climate Change Management Services and Mineral Management and Marketing Services. The sector is mandated to build capacity of communities on sustainable management of environment, water and sanitation resources, enforcement of regulations and standards, harnessing underground and surface water capabilities using modern technologies, and improving development and maintenance of environment, water and sanitation resources.

315. The sector is therefore focused on conservation and management of forests, water catchments, and management of wetlands, restoration of degraded land, green economy, waste management, pollution control, integrated regional development, water resources management, increase access to water and sanitation and mitigation and adaptation to the effects of climate change among other programmes.

316. During FY2021/22-2022/23, the Sector had an approved expenditure of KShs. 583,107,591 out of which in the FY 2021/22, KShs 298,184,421 and KShs. 284,999,170 in FY2022/23. For the period under review, environment protection and management services programme had focused to promote, conserve and protect environment in a sustainable manner through a number of outputs by the end of the plan, the programme managed to initiate the process to acquiring land in readiness for the development of a dumpsite, acquired and distributed 30 skips in different designated towns and purchased and installed together with partners 25 coded litter bins.

317. The Forestry development Services did manage to established 1 green space and supplied 54 public schools with different tree seedlings as part of the strategy to contribute towards the realization forest cover and

318. In addressing climate change concerns and impacts that poses threat to the majority of vulnerable county residents, the programme focused on enhancing adaptive capacity of the locals to the shocks and risks associated to various climate hazards so far, the programme through funding from world bank under Financing Locally Led Climate Actions (FLLOCA) programme and counterpart funding from the County the programme managed to establish and operationalize 40 ward climate change governance structures, conducted 1No. Trainer of Trainees training session, conducted ward level Participatory climate risk assessment sessions that led to the preparation of 40 Participatory Climate Risk Assessment (PCRA) reports and developed a 5 year County Climate Change Action Plan 2023-2027 consultation geared towards

319. Under Water Supply Services Program during the period under review, the focus was to increase access to safe and sustainable water from 40% to 60% to the people of Homa Bay County by 2024 by the end implementing prioritized projects, the programme managed to rehabilitate and expand 5 urban water and 28 rural water infrastructure projects, installed roof catchment tanks in

3 public schools, rehabilitated and protected 6 spring and also drilled and equipped 34 boreholes across the county

320. Notwithstanding these milestones, the sector experienced a number of challenges that includes; destruction of water and sewerage infrastructure by ongoing road construction projects by different agencies, Inadequate development budget to implement all the desired programs and Projects, Illegal water connections leading huge loss in terms of revenue leakages, Provision of low quantity of water to county residents due to low capacity in water treatment and testing infrastructure, High cost of operation and maintenance due to dilapidated pipelines, Vandalism of water pipelines, Inadequate policies and legal frameworks, Inadequate working tools and equipment i.e. laptops, and tetrameters for hydrogeological survey; less skilled personnel due to natural attrition and retirement, Weak management committees for community water supplies, Vandalism of water supplies, Inadequate working tools and equipment i.e. laptops, survey equipment, software etc., Improper solid waste management in various urban and rural centres e.g. no designated waste disposal sites, mushrooming of dumping sites in informal settlements, Inadequate budgetary allocation for Environmental protection and management services, breakdown of solid waste management equipment and facilities due to lack of funds for proper operations and maintenance.

321. The sector is committed to ensure the challenges are addressed for ease of implementation of the current budget FY 2023/24 and the subsequent budget for the FY 2024/25 by implementing the following measures : working closely with the road construction agencies and agree on a framework to maintenance of destroyed water pipes, collaborate with the enforcement unit to help reduce issues of vandalism, lobbying county assembly budget committee for increase in the allocations to the sector, carry out routine governance capacity sessions for the PMCs, Prioritizing recruiting more technical staff to aid in the implementation of sector programs

322. During the FY 2024/25 and the Medium Term period, the sector will implement the following programmes to achieve key strategic interventions as highlighted under Environmental Management and Forestry Development Services: Developing 2 dumping sites, acquiring 2 Waste Truck, acquiring 15 Skips, acquiring 100 Coded litter bins, developing and equipping Environment education resource center, Sanitization of Stakeholders and institutions on the best environment management practices, conducting 2 advocacy initiatives on Behavioral and attitude change among stakeholders in relation to effective waste management, organizing 10 Capacity building sessions for Citizens and technical staffs in matters environmental protection management, establishing 2 Stakeholder engagement forums on environment conservation, purchasing 8 Noise meters, rehabilitation and conservation of Degraded lands, reclamation and rehabilitation of wetlands and riparian areas, conservation of water towers, developing 1 green spaces ,establishing 40 Community tree nurseries, re-greening of 3 Public Institutions, Training of CFAs and re-afforestation of Degraded hill- tops and forest areas

323. Under Water Supply and Sanitation Management Services the priority areas will include: extending 63km of Urban water lines, connecting 3250 New households with water, constructing 1No water treatment Plant, constructing 4 Storage water tanks, drilling and equipping 40 Boreholes with solar, Protecting 10 Springs, installing 10 Roof catchment tanks in public institutions, extending and rehabilitating 1 Rural water supply, construction of a Decentralized Treatment Facility (DTF), rehabilitation of Mbita DTF at 10%, construction of 10% of Homa-Bay

Town Sewerage Plant, construction of 10% of Oyugis Town Sewerage Plant and construction of 4 ablution blocks

324. The Irrigation Development and Management Services will focus on; Constructing 19 new water pans, rehabilitating 17 Existing water pans, developing a new irrigation scheme, conducting Irrigation capacity development to 20No. small holders irrigation farmers, providing with kits 20 Community groups PWDs, women and youths within wards bordering the Lake with Domestic irrigation kit, establishing 9 model irrigation farms

325. The Climate Change Management Services will channel investment towards; developing and reviewing Plans, strategies, reports, regulations and guidelines, holding 16 Participatory climate change engagement and deliberations geared towards coming up with climate change Actions, holding 12No. Climate change capacity development workshops, Incorporation of Climate change mitigation and adaptation actions by different sectors in their plans and expenditure frameworks, developing 3No. Disaster response centers and early warning systems, establishing 5 County Climate Change resilience hubs and nodes, Financing Climate innovations and climate action award schemes and developing Carbon trade investment portfolio

326. The mineral management and marketing services will prioritize; mapping of Artisan mining sites, training 2000 miners on Safe mining practices, developing Acts and Policies on regulation of mining activities and enforcing adherence to mining regulations

327. To implement the above priority interventions in the FY 2024/2025, the sector has been allocated KSh **677,077,007** to take care of development and recurrent expenditure priority programmes in the FY 2024/25.

4.4.8 Social Protection, Culture and Recreation

328. This sector comprises of the 3 sub-sectors namely Gender Equality and Inclusivity; Youth, Sports and Talent Development; and Cultural Heritage and Social Services.

329. The allocation of the department as per the Revised Estimates budget for the FY 2022/23 was KSh. **220,059,599** for both development and recurrent votes. Of which, the department absorbed KSh. **191,375,978**, equivalent to 87.0%.

Some of the Notable Achievements Include:

330. Under Culture and Creative Sector, the department promoted cultural practices and commenced the development of a Cultural Center at Ndiru Kagan.

331. Under of Social Services and Women Empowerment, the department carried out teenage pregnancy campaigns in the county, Sensitized the public on Sexual Gender Based Violence (SGBV), undertook women empowerment programs and the launched the SGBV Policy.

332. Under Management and Development of Sports and Sports Facilities programme, the department constructed the Homa Bay County Stadium to 95% completion status and continued with sports talent development programs.

333. Further, the department managed to facilitate 15 teams that participated in the cultural site and also formulated policies, regulations, laws and procedures that was enacted.

334. As well, the department managed to empower 20 women groups in writing fundable proposal and also 300 youths were train to Mainstreamed to Employment Opportunity.

In the FY 2024/25, the sector plans:

335. Under Management and Development of Sports and Sports Facilities programme, the sector plans to (i) Design and produce incubation center (ii) Construct 8 No subcounty playgrounds (iii) Completion of the construction of the drainage works and sanitary fitting in the Homa Bay stadium (iv) Completion of the construction of the perimeter wall at the Homa Bay stadium

336. Under Social Services and Women Empowerment, the sector plans to (i) train youths on financial literacy skills; (ii) Roll out youth climate programs in collaboration with the directorate of climate; (iii) Disseminate youth policy participation on youths in governance (iv) Strengthen youth technical working groups and linkages to global markets

337. Under Culture and Creative Sector development services, the sector plans to (i) support affirmative actions for improved youth involvements in public procurement, decision making platforms, and political spaces (ii) establish youth empowerment fund and also youth integrated empowerment centers across the county.

338. To realize these planned programs in the FY 2024/2025, the sector has been allocated proposed KSh. **186,616,554.**

4.5 Public Participation

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

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

4.6 Enhancing Resource Mobilization

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

342. 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;

343. 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;

344. 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.

CHAPTER FIVE: COUNTY FISCAL RESPONSIBILITY IN FINANCIAL MANAGEMENT

5.1 : Fiscal Responsibility Principles

345. The Public Finance Management Act, 2012 and the Public Finance Management (County Governments) Regulations 2015 provide the fiscal responsibility principles to ensure prudent and transparent management of public resources. Section 107(2) sets out the following fiscal responsibility principles which must be enforced by the county treasury in order to ensure prudent use of public funds to accelerate provision of services and development programmes:

- 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 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 of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly (35% as per section 25 (1-b) of the Public Finance Management County Regulations, 2015)
- 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
- g) A reasonable degree of predictability with respect to the level of tax rates and tax base shall be maintained, taking into account any tax reforms that may be made in the future.

5.1.1 : Adherence to the Fiscal Responsibility Principles

(a) County Resource Envelop Visa-vie Projected County Expenditure

346. The County Government will endeavor to prepare and execute a balanced budget where the expenditure estimates will be equal to the total revenue resource envelope. This will help in avoiding instances of deficit financing thus eliminating the occurrence of pending bills at the end of each financial year hence creating enough fiscal space to enable the County implement critical priority programmes that have direct impact to the citizens of Homa-Bay County.

(b) Management of Personnel Emolument

347. The County Government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the County Government revenue as prescribed by the Public Finance Management Act (PFMA 2012). This is one of the challenging fiscal principles to enforce however the County is committed to address and bring the current wage bill to a manageable level.

348. For the FY 2024/25, Personnel emolument has been allocated KSh. **5,857,575,427** representing 51%. This is above the 35 percent threshold provided by the Public Finance Management (County Governments) Regulations, 2015. However, the County government is committed to complying with the required percentage in the medium-term. Some of the measures being implemented is revenue expansion, elimination of redundancy, freezing on new recruitments unless deemed unavoidable, and period payroll audit among other factors.

349. To ensure compliance to the above principle, the County will implement the following strategies/measures: streamline the implementation of PWC recommendations based on the staff audit process; ensure departments develop, update and monitor their staff establishment on regular basis to reduce issues of ghost workers; routine audit of payroll so as to discourage payroll fraud, improve legal compliance and reveal flaws that need to be sealed; embrace secondment of technical staffs to departments with staff shortage to help build their capacities to perform better; vacancies arising from natural attrition will not be filled unless it is absolutely necessary; 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 increase are strictly matched by productivity.

(c) Allocation of 30% Towards Development Expenditure

350. For the FY 2024/25 Homa-Bay County has allocated KSh. **3,507,300,788** for development expenditure representing 31% of the total allocation, 39% of the development allocation are conditional grants. The County government will ensure adherence to development to recurrent expenditure ratio of at least 30:70, over the medium term as set out in the PFM Act, 2012. The County government will continue to enforce austerity measures to ensure that recurrent expenditure is kept at the lowest level possible hence releasing more budgetary allocation towards capital investments.

(d) Management of County Debts and Other Liabilities

351. The proposed budget for the FY 2024/25 is expected to be a balanced and in the event their need for borrowing then this will be guided by the DMSP 2024. Instead, the paper recommends

leveraging on other financing mechanisms including PPPs, Joint ventures and grants. By the end of the FY 2022/2023, the county debt portfolio was **KSh. 567 million** with greatest portion of the amount being pending bills owed to contractors. This paper also proposes taming the increase of County debts, coupled with implementation of debt resolution strategies as reflected in the Debt Management Strategy.

5.2: Management of Fiscal Risks

352. Deviation from fiscal outcomes expected at the time of budget formulation might create significant impact on government finances and impair the capacity of government and agencies to use fiscal policy to stabilize economic activity and support long-term growth. The County government takes into consideration fiscal risks instigated by macroeconomic variables, such as fluctuations in growth, inflation, interest rate and exchange rate, government explicit or implicit obligation that materializes due to the occurrence of a particular event, lack of expenditure control and low performance in the OSR which will be addressed in order to ensure prudent fiscal performance.

353. The County government through this paper will adopt the following steps in managing its Fiscal risks in (a & b) below among the risks identified;

- a. Identify the source, scale and likelihood of the risk.
- b. Disclose the risk to raise awareness and ensure accountability.
- c. Mitigate the risk in a cost-effective and consistent manner in line with broader policy objectives.
- d. Provision for risks that cannot be mitigated but whose size and timing are relatively certain.
- e. Accommodate residual risks when setting the overall fiscal policy stance.

(a) Crystallization of Contingent Liabilities

354. Contingent liabilities are potential liabilities that may occur depending on the Outcome of uncertain future events. They are not reflected in the CFSP financial position but are adequately disclosed. However, a contingent liability is only recorded in the financial statements if the contingency is probable and the amount of the liability can reasonably be estimated. Contingent liability can be explicit or implicit. Explicit Contingent liabilities are Specific County's obligations established by law or a contract authorized by law. The county is legally mandated to settle such an obligation when it becomes due. On the other hand, implicit contingent liabilities represent a moral obligation or expected burden for the county not in the legal sense but based on public expectations and political intervention.

355. Contingent liabilities are frequently not recorded directly in the budget and thus are not subjected to budgetary oversight. These could lead to poor quantification of Contingent Liabilities and the possibility of large unplanned expenditures if it manifests. The County Government of Homa Bay will strive to monitor these contingent liabilities to avoid fiscal difficulties in the budget year in the event they materialize. Moreover, the county has identified a number of key sectors including health, water, housing, roads, trade and industry in which it wishes to work with the private sector through the Public Private Partnerships framework.

(b) Other Fiscal Risks

Natural Disasters and Man-made Hazards

356. Crises and disasters remain a major concern for various economies across the globe including Homa-Bay County. In order to respond to vulnerabilities associated with different disasters and other hazards, the County will provide necessary emergency support services through the provision of the emergency response kitty to those who are affected and on the other hand enhance its disaster risk management and financing framework by fast tracking the enactment of the Disaster Risk Management Bill (No. 24 of 2023).

357. This will ensure that there will be an over-arching framework that guides disaster risk management in the county. In addition, the Government will fast track the finalization of the disaster risk financing framework under the Public Finance Management Act, 2012 in order to enhance efficient and effective resource mobilization for disaster risk management in county as well as development of Disaster Risk Financing Strategy 2023 -2027 and mainstreaming disaster expenditure reporting into the Government financial reporting framework.

Climate Change Related Fiscal Risks to the Economy

358. Climate change has become a pressing issue globally, and like other economies, the Homa-Bay County's economy is vulnerable to its ravaging impacts. To minimize the economic and fiscal risks of climate change phenomenon, the County government will continue to pursue a low carbon-climate resilient development path by prioritizing the implementation of the county climate change policy, law and the County Climate Change Action Plan 2023-2027.

359. The frameworks above will enable the County establish and operationalize climate change governance structures necessary for the coordination of climate change programmes within the devolved units, attract extra financial resource to support the underfunded climate change priority programmes and provide an avenue through which development partners will build synergies with county departments and communities in the implementation of climate change programmes.

360. To enhance financial flow from the Green Climate Fund (GCF) to the Counties, Homa-Bay County will endeavor to develop bankable project proposals to be considered by GCF and also provide necessary support towards the implementation of climate change programmes by national government within the County. The Government will also implement the Financing Locally-led Climate Action (FLLoCA) Program in collaboration with National Government and development partners to manage climate risks.

5.2.1 Assumptions

361. Macroeconomic policies are typically assumed to be "unchanged" over the projection period and based on current fiscal and monetary policies. The forecasts represent the likely outcomes for growth, inflation, employment and other key economic variables forgiven unchanged policy settings. 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 encapsulated in the CARA2024 will be released to the County for all the anticipated programmes and projects to take off.

362. To ensure planned and sustainable growth, the County Government will continue to synergize its efforts in implementing the socio-economic priority programmes as articulated in the County's Integrated Development Plan III (2023-2027) and all other relevant policy documents. The County is desirous of ensuring that ongoing programmes and projects are undertaken and completed. Funds not disbursed to the County, in form of Conditional Grants are expected to be disbursed in the current financial year.

363. 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 industrial action, political activities among others are not expected to hinder the implementation of the programmes and projects targeted for the FY 2024/25.

5.2.2 Risks to the 2024/25 Budget framework

364. The County Government of Homa Bay remains committed to reduce the cost of living and improving livelihoods, while at the same time fostering a sustainable inclusive economic growth through *Genowa Transformative Development Agenda* that lays emphasis on prudent management of risks likely to hinder the fulfilment of the County's fiscal objectives. These risks are threats to projected outlook for 2024/2025 FY Budget and Medium-Term Expenditure Framework that emanate from both external and internal quotas.

365. The Specific Risks Include:

(a) High Expenditure on Personnel Emoluments: Despite the County's wage bill, surpassing the stipulated 35% of the total revenue. The County leadership is committed to addressing this critical fiscal principle by implementing raft of strategies in **5.1.1. (b)**

(b) Low performance in the Own Source Revenue (OSR): The County recognizes the impact that Own Source Revenue (OSR) has in the overall budget and any decrease or minimal performance of any of the revenue stream has direct consequence to the implementation of prioritized development projects by County stakeholders.

366. The County Revenue Board is committed to ensure all its projected OSR targets are realized by implementing the following strategies:

- a. Continue with the implementation of Cashless system of revenue mobilization reforms that is line with the proposed Integrated County Revenue Management System. This will ensure uniformity in the collection, recording, and reporting of own source revenues and generate reliable data for revenue forecasting and revenue enhancement.
- b. Partner with National Government in building capacity of the Revenue Board and Revenue staffs on tax policy and enhancement of own source revenue administration measures this will go a long way in enhance performance of Own Source Revenue, tax analysis and Revenue Forecasting to ensure setting of realistic revenue targets hence enhancing OSR overall performance.

- c. Improve valuation and rating of properties in line and conformity with the National Rating Bill 2023.
- d. Develop proper mechanisms and procedures for claiming and payment of Contribution in Lieu of Rates (CILOR); and timely updating of valuation rolls.
- e. Introduce new revenue raising measures in conformity with Article 209 (5) of the Constitution and the County Governments (Revenue Raising Process), Bill 2023.

Increasing Level of Pending Bills

367. The issue of Pending debts/bills continues to be a major economic policy challenge facing the Homa-Bay County government. Consequently, the County is subjected to the risk of higher interest rate and other unpredictable cost elements. The pending bill portfolio stands at **KSh 567** million with great efforts by the County government to offset the eligible and verified pending bill by the task force. In addition to strategies in **5.1.1 (d)**

368. The County through the Debt Management Strategy Paper (DMSP) will provide guidance among things in case of borrowing, evaluate the costs and risks of various Debt Management Strategies and provides recommendations on meeting its obligations geared towards clearing of debts.

369. Promote the aspect of expenditure capping to avoiding getting into more liabilities, auditing of the existing debt; ensure timely remittance of statutory deductions to avoid penalties, debt restructuring in case of any such arrangement and swapping, negotiation for writing off of old debts and reduction of accumulation of legal fees.

Low Absorption Development Expenditure

370. Absorption capacity for development budget across sectors remained largely low over the period 2013-2022. This is largely attributed to poor conceptualization of programs, inadequate capacity for technical designs, delay of disbursement of equitable share by the national government, declining own source revenue and inefficient costing of projects. Also, the low budget turnout for conditional grants at only 55% largely contributed to this low absorption as most conditional grants are development in nature.

371. To remedy and improve on the absorption of development budget, the County will only ensure projects that have gone through the preliminary processes will be accommodated in the budget. Secondly, upgrade technical capacities for design through further training and outsourcing, in order to improve flow and control of resources required for implementation of development programs. Adequate and predictable cash flow will also mitigate this challenge

Fiduciary Risks

372. Homa-Bay County is not exceptional of facing fiduciary risks that doesn't portray utilization of funds for their intended purposes, not achieving value for-money and/or not properly accounted the revenues and expenditures hence leading to malpractices such as corruption that drains the effective use of county resources to facilitate realization of development for all.

373. The County Government will implement various measures/strategies to improve public

financial management system such as strengthening participatory planning process, improving accounting and reporting systems, promoting transparency, enhancing capacity and ensuring downward accountability within the devolved system of governance. Any circumstance or situation that prevents from managing the funds in an economic, efficient, effective and equitable manner invites fiduciary risks.

374. Develop and implement Fiduciary Risks Reduction Action Plan (FRRAP) with clear activities to address the essential public financial management reform initiatives for mitigating and minimizing the fiduciary risks associated with County operations. The action plan covers the public financial management processes like planning, budgeting, implementing, accounting, auditing, reporting and monitoring.

Over Reliance on National Government Transfers

375. This risk is also likely to undermine the County's fiscal autonomy. Coupled with the unpredictability on account of the delays in release of the resources, it poses another risk to proper

Implementation of the County's Budget

376. The County will develop alternative approaches of implementing development projects that would largely leverage on PPP frameworks, creating enabling environment for investor to put their resources in a number of high impact projects.

Shortage of Technical Staffs

377. The County will develop HRM needs (through technical gap analysis) across all the sectors to identify critical technical position to be filled up by County Public Service Board through an elaborate recruitment, posting and deployment of essential technical staffs to support in the implementation of development projects that calls for technical expertise.

ANNEX I: Recurrent Expenditure Estimates

ESTIMATES FOR RECURRENT FY 2024/2025			
County Government Entity/Department	Recurrent Estimates	Compensation Employees to	O&M
Agriculture and Livestock	210,480,293	190,553,525	19,926,768
Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	133,719,567	83,952,751	49,766,816
Roads, Public Works, Transport and Infrastructure	157,385,190	140,541,654	16,843,536
Blue Economy, Fisheries, Mining and Digital Economy	90,898,817	76,286,892	14,611,925
Education, Human Capital Development and Vocational Training	1,153,301,659	891,173,789	262,127,870
Public Health and Medical Services	2,873,659,240	2,072,804,248	800,854,992
Lands, Physical Planning, Housing and Urban Development	55,313,342	42,308,719	13,004,623
Trade, Industry, Tourism, Cooperative Development and Marketing	165,259,292	148,767,292	16,492,000
Water, Sanitation, Irrigation, Environment, Energy and Climate Change	230,284,923	208,204,000	22,080,923
Finance and Economic Planning	707,575,155	452,893,111	254,682,044
Governance, Administration, Communication and Devolution	400,000,546	350,000,000	50,000,546
Executive Office of the Governor	522,146,771	341,389,661	180,757,110
County Public Service Board	69,457,403	53,244,549	16,212,854
County Assembly Service Board	962,234,456	511,240,454	450,994,002
Homa Bay Municipal Board	29,756,691	22,945,272	6,811,419
Kendu Bay Municipal Board	9,870,274	3,803,640	6,066,634
Mbita Municipal Board	9,870,274	3,803,640	6,066,634
Ndhiwa Municipal Board	9,870,274	3,803,640	6,066,634
Oyugis Municipal Board	12,833,620	6,556,056	6,277,564
Total	7,803,917,787	5,604,272,893	2,199,644,894

Source: County Treasury, 2024

ANNEX II: A-In-A Revenue Projections

A-IN-A REVENUE TARGETS BY FACILITY FOR FY 2024/25				
SNO.	FACILITY	MONTHLY	QUARTERLY	ANNUAL TARGET
1	COUNTY REFERRAL HOSPITAL	21,000,000.00	63,000,000.00	252,000,000.00
2	RACHOUNYO COUNTY HOSPITAL	5,200,000.00	15,600,000.00	62,400,000.00
3	RACHOUNYO NORTH S/COUNTY	3,000,000.00	9,000,000.00	36,000,000.00
4	NDHIWA SUB COUNTY HOSPITAL	3,000,000.00	9,000,000.00	36,000,000.00
5	MBITA SUB COUNTY HOSPITAL	3,000,000.00	9,000,000.00	36,000,000.00
6	KABONDO SUB COUNTY HOSPITAL	3,000,000.00	9,000,000.00	36,000,000.00
7	RANGWE SUB COUNTY HOSPITAL	3,000,000.00	9,000,000.00	36,000,000.00
8	SUBA SOUTH S/COUNTY HOSPITAL	3,000,000.00	9,000,000.00	36,000,000.00
9	MAGUNGA L4 HOSPITAL	3,000,000.00	9,000,000.00	36,000,000.00
10	KISEGI L4 HOSPITAL	2,000,000.00	6,000,000.00	24,000,000.00
11	PALA L4 HOSPITAL	2,000,000.00	6,000,000.00	24,000,000.00
12	TOM MBOYA L4 HOSPITAL	3,000,000.00	9,000,000.00	36,000,000.00
13	OGONGO L4 HOSPITAL	2,000,000.00	6,000,000.00	24,000,000.00
14	MAKONGENI L4 HOSPITAL	3,000,000.00	9,000,000.00	36,000,000.00
15	MARINDI L4 HOSPITAL	2,000,000.00	6,000,000.00	24,000,000.00
16	NYANG'IELA L4 HOSPITAL	2,000,000.00	6,000,000.00	24,000,000.00
17	OTHORO L4 HOSPITAL	2,000,000.00	6,000,000.00	24,000,000.00
18	MIRIU L4 HOSPITAL	2,000,000.00	6,000,000.00	24,000,000.00
19	OBER L4 HOSPITAL	2,000,000.00	6,000,000.00	24,000,000.00
20	NDIRU L4 HOSPITAL	2,000,000.00	6,000,000.00	24,000,000.00
21	KANDIEGE L4 HOSPITAL	2,000,000.00	6,000,000.00	24,000,000.00
22	NYANDIWA L4 HOSPITAL	2,000,000.00	6,000,000.00	24,000,000.00
23	MALELA L4 HOSPITAL	2,000,000.00	6,000,000.00	24,000,000.00
24	SENA L4 HOSPITAL	2,000,000.00	6,000,000.00	24,000,000.00
25	PUBLIC HEALTH REVENUES	1,000,000.00	3,000,000.00	12,000,000.00
26	OTHER HEALTH CENTRES**	1,555,728.33	4,667,184.99	18,668,739.96
	TOTAL	81,755,728.33	245,267,184.99	981,068,739.96

Source: Homa Bay County Department of Health, 2024

ANNEX III: CONDITIONAL GRANTS

COUNTY GOVERNMENT OF HOMA BAY COUNTY		National Treasury (Donors)	County Gov. Contribution	TOTAL GRANTS	Source of Funding
CONDITIONAL GRANTS ALLOCATION	FY 2023/24	FY 2024/25	FY 2024/25	FY 2024/25	
Court Fines	-	-	-	-	
Share of Mineral Royalties (20%)	-	-	-	-	
Construction of County Headquarters	-	-	-	-	
County Aggregation & Industrial Parks	250,000,000	-	-	-	
Road Maintenance Levy	-	177,974,496	-	177,974,496	Ministry of Roads
Community Health Promoters	-	69,425,512	-	69,425,512	Ministry of Health
Primary Healthcare Devolved System Program (DANIDA)	12,300,750	10,383,750	-	10,383,750	DANIDA
Kenya Informal Settlement Improvement Project (KISIP) II	100,000,000	880,353,262	-	880,353,262	IDA (World Bank)
FLLOCA KFW	-	-	-	-	
FLLOCA IDA	200,000,000	-	-	-	
National Agricultural Value Chain Development (NAVCDP)	250,000,000	151,515,152	5,000,000	156,515,152	
KDSP II	-	37,500,000	-	37,500,000	IDA (World Bank)
KUSP-UIG	1,194,559	35,000,000	-	35,000,000	IDA (World Bank)
ABDP	12,509,422	12,909,422	3,281,739	16,191,161	IFAD (Americas)
Leasing of medical equipment	124,723,404	-	-	-	
Nutrition International	30,000,000	-	-	-	
Kenya Urban Support Programme (UDG)	1,145,356	-	-	-	
National Agriculture and Rural Inclusive Growth Project (NARIG)	-	-	36,104,809	36,104,809	County Govt. of H/Bay

Agricultural Sector Development Support Programme (ASDSP)	4,159,580	-	-	-	
Provision of Fertilizer Subsidies	165,917,803	-	-	-	
Livestock Value Chain Support Project	14,321,680	-	-	-	
TOTAL	1,166,272,554	1,375,061,594	44,386,548	1,419,448,142	

APPENDIX IV: ISSUES & RECOMMENDATIONS FROM PUBLIC PARTICIPATION

1. Agriculture, Rural and Urban Development Sector

Issues raised by public participation	Responses given by duty bearers	Investments prioritized by public participation	Priority ranking
Lack of access to markets for agricultural products	The CGHB is working to improve market access through road construction and market infrastructure development	Improvement of market infrastructure Construction of roads leading to priority markets Establishment of market linkages	High
Limited extension services and technology adoption	The CGHB is working to improve extension services and promote technology adoption in agriculture	Provision of agricultural machinery Training programs for farmers	High
Poor infrastructure hindering agricultural productivity	The CGHB is working to upgrade agricultural infrastructure such as irrigation systems	Rehabilitation of Luch Kimira Irrigation Scheme. Establishment of irrigation schemes in high-potential areas such as Olambwe Promotion of water harvesting techniques Development of community water sources	High
Lack of access to agricultural inputs and extension services Lack of access to information on Status of Cotton Genery, Sunflower, Palm Oil, Tractors, Apiculture Services	The CGHB has stepped up provision of agricultural inputs and extension services	Investment in extension services, Provision of subsidized inputs, and support for farmer cooperatives	High
Lands, physical planning, housing and urban development			
Lack of updated valuation roll	The CGHB is working on a new valuation roll that started FY 2022/23	Consultancy works on a valuation roll for all the municipalities to increase revenue	High
Lack of a county spatial plan	The CGHB in partnership with development partners is working on the development of a county spatial plan	Work on development of a Homabay County spatial plan	High
Public amenities in private land	The CGHB is planning to survey and demarcate public and private lands together with market/trading areas	Invest on survey and demarcation of public land and market areas to reduce loss of revenue and conflicts between the public and the land owner	High

Presence of undeveloped land	The CGHB is planning to demarcate undeveloped public land to be used in development	Identify public land through surveys and provide them for development	High
Inadequate technical staffs and vehicles for survey activities	The CGHB has employed a valuer, physical planners, surveyors. The CGHB is planning to purchase a double cab for field work activities	Prioritize allocation of at least 1 vehicle for 2 sub counties to assist in field work activities. Employ and capacity build staffs.	High
Poor slum conditions	The CGHB in partnership with the world bank is planning to upgrade 8 slums	Prioritize the selected slums to ensure the project is completed	High
Capture fisheries and aquaculture development services			
Over exploitation especially of the fisheries resources	Decline in the quantity and quality of fish and fingerlings products' No training to fishermen on sustainable fisheries resource utilization.	Lay emphasis on conservation of the lake catchment areas, by allocating adequate resources towards that effort. Training of small holder fish farmers	High
Piracy and cross-border conflict	No monitoring control and surveillance activities that have been going on the sites.	Enhance security for the lake operators (fishermen) by introducing multidisciplinary team approach to patrol the lake (Kenya coast guard service, marine police, border patrol unit & the beach management units).	High
Policy and regulatory frameworks not inherently interconnected	Policies formulated are not interconnected.	Development of regulations, policies, strategies and management plans to sustainably exploit and utilize fisheries and blue economy resources.	High
Illegal unreported and unregulated (IUU) fishing activities	BMU should be tasked to take care of such cases through the elected representatives	Develop relevant regulations for cage fish farming along the marine.	High
Lack of essential amenities at the at the beaches like fish landing sites, electricity, toilets, access roads and portable water	Few landing sites, a lot of open defecation	Improve infrastructure for better management of both solid and waste water, emanating from human activities in the riparian settlements doing street lighting and electricity connection along the beaches and marine line. Construction of toilets at the beaches.	High

Financing investments in blue economy and fisheries	Lot of fish farmers end up in getting loans which are unsustainable and ending up giving up with farming, -fish feeds are so costly and other farming products.	Lobby and sensitize the financial and insurance service providers to design tailor-made products to serve the local investors in fisheries and blue economy.	High
Lack of promotion in fish farming	No predator kits distributed to farmers	Increase the distribution of predator kits to farmers and construction of more fish pond and fish feed processing unit.	High
demarcation of fish breeding sites	A lot of conflicts due to lack of mapping	Lands department will work with the county to do mapping and construction of different breeding sites	High

2. Energy, Infrastructure and ICT Sector

Key Issues Raised	Justification	Proposed Recommendations / Strategies To Be Considered	Ranking
Inadequate budgetary provision to facilitate implementation priority interventions	The sector is an enabler to the realization of County's Economic growth	The treasury to consider allocating the sector KSh. 1.2B with Infrastructure sub-sector getting the lion share followed by Energy and ICT sub-sectors in that sequence	High
Rationalizing sector priority interventions to match the resource envelop	The sector priority interventions are relevant and has significant contribution to the Economy	Review subsector targets to match the available budgetary ceilings	High
High cost of implementing most of the development projects	Inflated cost of doing some projects	Adopt use labor-based approach to deliver on some of the projects	High
Inadequate Fiscal effort by subsectors in enhancing the resource envelop	The subsectors doing very little to raise more revenues	Sub-sector Revenue Raising Measures ICT -Create enabling environment for investors in the Digital space. -Increase the number private actors engaging in the ICT business hence attracting more licenses to such operator. -Renewal of ICT operators. INFRASTRUCTURE -Invest more on maintenance of plants and equipment's to have them in good condition that attracts other users. -Map out artisans engaging in the construction industry -Registration of contractors in the construction industry -Renewal of their practicing certificates -Boda-boda charge -Parking fee ENERGY: -Registration of innovators in the county -Renewal of practicing certificate	High
Poor workmanship in some of the county roads	Low quality of road construction works	-Engage contractors with capacity. -Strengthen the PMCs -Strengthen the subsector M&E Unit. -Develop parallel reports to be compare with the reports by the engineers and contractors	High
Difficulties in Accessing some of the public	Difficulties in accessing some of public amenities	Prioritize construction of more access roads	High

and social amenities in the County		connecting to beaches, markets, schools and hospitals	
Sustainability of county road network	Pathetic status of some County roads	Prioritize routine maintenance of county roads so as to ensure they serve their intended purpose	High
Exclusion of PMCs in the management of County projects	Some projects decisions are made minus the input of PMCs	Subsectors implementing ward-based projects to ensure meaningful engagement of the PMCs	High

3. General Economic and Commercial Affairs Sector

Key Issues Raised	Justification	Proposed Recommendation
Proposed Development Ceiling to be raised to Ksh.425 million in FY 2024-25	To provide more funds for the SMEs, Niche products promotion, Market Infrastructure, Industrialization and Tourist attraction	Allocate sufficient funds that will create significant impact and result in timely completion of projects
Quality Solar Lighting in Markets	Leads to enhanced security and economic growth through increased business hours in the evening for customers and traders	Install floodlight masts with high quality battery in strategic markets. Regular maintenance to avoid invasion of the panels by bees who attack traders and livestock like the case of Chiga Market where a donkey was killed by bees and hundreds of people injured
Market Maintenance	To be enhanced especially in far-away locations to motivate traders in payment of County Levies	Prioritize identification of dumping sites in markets. Ensure regular cleaning, provision of latrines, water and electricity supply, fencing and security of traders and their goods.
Market Construction	Construct market facilities on identified public land to avoid disputes with private land owners who obstruct traders from using facilities or sometimes charge them	Observe regional balance in locating markets to ensure equitable distribution of opportunities. Complete ongoing market works like Ringa and RIAT Markets
Industrial Development	Ensure completion of works on Kigoto Maize Milling Plant and focus on other cottage industries like Jaggery, Cotton ginneries, Pineapple, Sweet potatoes	Strike a balance between high level industrial development and cottage industries and promotion of locally produced Jua Kali Artefacts
Promotion of Niche Products, tourist attraction sites, digital marketing	Identify products with local impact to ensure local participation	Involve local entrepreneurs in actualizing the niche products availability of affordable credit and markets for products
Investment Conferences and Investor Mobilization funds	Focus on investments that stimulate local enterprise growth	Direct more resources on already identified opportunities and seek partnerships
The Cooperative Development Fund	To provide funds that will revitalize the cooperative movement as a vehicle for pooling resources for growth of enterprises	Focus on strengthening the existing cooperative societies in strategic areas such as farming, fishing, SMEs and other informal sectors
Observe project implementation timelines	Timely release of funds for SMEs, Jua kali grants, is essential to avoid delays in actualizing the results	Policies on access to the funds should be friendly and accommodative of the local citizens repayment abilities. Beneficiaries to be trained earlier on how to utilize the funds.
Support to PMCs		Payments to PMC members should be fast tracked and paid at every level of completion. The respective departments to work out modalities of achieving this idea

Use of Labour based contracts in small projects	Timely facilitation to avoid temptation of being compromised by contractors	Ensure timely facilitation to make the events successful at all times.
Facilitation of Cluster Leaders on County events	This will save time and result in ownership of the projects Delay or no facilitation at all hampers the cluster leaders' movement as they mobilize citizens to attend County fora such as public participation or seeds distribution	

4. Education Sector

Sub-Sector	Key Issues Raised	Justification(s)	Investment Priority	Priority Rank
Early Years Education (EYE)	Provision for nutritional support to the learners	Many learners drop out of school because of hunger. Nutritional program will be key in addressing malnutrition and related health challenges affecting the EYE learners	Fully fund and operationalize the nutritional support program for the EYE learners	High
EYE	Poor and inadequate infrastructure (classrooms)	The dilapidated mabati structures with dusty floors are health and safety hazardous to the learners. The existing structures are not adequate hence over congested and crowded	Immediate tilling or plastering of the floors of classrooms Constructing 4 more modern EYE per ward Constructing plywood on the inner walls of mabati structures	High High Medium
EYE	Inadequate teaching and learning materials	Poor quality education foundation for the children compared to those in private schools	Adequately procure and supply EYE with all the basic/necessary tools, resources, and teaching aids	High
EYE	Remuneration for the EYE teachers/instructor	Delays in monthly stipends for the teachers The remuneration is not commensurate to the workload	County to ensure timely payment of their monthly salaries County to consider increasing salary progressively	High Medium
Scholarships & Bursaries	Inadequate allocation	Only a small percentage of the deserving benefits from the two programs, thus leaving out many who are needy and deserving The KSh. 5,000 allocated for bursary is inadequate given fee increases by scholars and changes in socio-economic factors	The scholarship and bursary beneficiaries should be increased beyond the current numbers to accommodate and benefit more. Bursary amount especially for the post-primary education should be increased to at least KSh. 10,000 per head.	High

			There should be limited political interferences especially by the MCAs and ward administrators during selection of the beneficiaries. Increase allocation for Bursary and scholarship to KSh. 270M in FY 2024/25	
EYE	Confirmation of the serving teachers	The over 800 ECD teachers currently on contracts have been contracted for years which is against the labor laws. Teachers suffer from job insecurity, hence the high turnover	County government to confirm all the currently serving teacher and promote them accordingly to reduce the high turnover	High
EYE	Understaffing of teachers	Understaffing results into high workload for teachers due to high teacher-to-learner ratio	County to recruit 800 more teachers in FY 2024/25	High
EYE	Stalled EYE centers	Construction of over 30 EYE centers stalled	County to map out stalled EYE centers and prioritize their completion	High
EYE	CBC training for teachers	Many teachers are adequately trained on CBC curriculum	Consider refresher training for the 800 teachers but gradually	High
Vocational Training Centers (VTC)	Genowa fundi Mang'ula scholarship	The scholarship is only limited to two courses at the VTC The requirement of ID to qualify for the scholarship is discriminatory	Department of education to consider expanding the scope of the scholarship beyond two courses Consider doing away with the 18 and above requirement (ID) to be more inclusive	Medium High
VTC	Staffing and recruiting more instructors	VTCs are seriously understaffed, hence high workload	County to recruit 80 more instructors Also confirm all the instructors currently on contract	High
VTC	Workshops and Structures	Most of our VTCs are not equipped and lack appropriate facilities including workshops	Fully construct and equip at least 200 workshops for VTC across the county	High
VTC	Construction of toilets and dormitory/hostels	Inadequate accommodation facilities for the learners especially those from far Poor state of existing toilets in some VTCs	Construct hostels to accommodate students from far Consider constructing toilets for improved health and well-being	Low High
(a) Bursary committee members welfare should be taken into account and their allowances paid to cover for their communication and other logistics (b) Primary headteachers to stop micro-managing the EYE and allow the management to have full control (c) The selection of the bursary beneficiaries should be very participatory				

(d) Missing cheques should be traced and re-issued to the beneficiaries

Health Sector

Issue	Justification	Recommendation
Incomplete maternity wing, poor drainage system, and a leaking ceiling at Nduru Health Center in Lambwe and Waware Dispensary in Rusinga.	Budget constraints may have delayed the completion of the maternity wing, drainage system, and leaking ceiling. It is only so that once a project is started, it should be completed and the community gets its full benefit.	Strategic planning through prioritization by completing critical areas first or phased construction based on anticipated demand.
Inadequate drugs at Gembe Health Center Mbita Subcounty	Facilities may have limited budgets for purchasing medications, leading to shortages or inadequate supplies of essential drugs. This is caused by late reimbursement from insurance providers.	Allocate sufficient funds for drug procurement, and storage infrastructure and prioritize on essential medications based on disease burden and community health needs. A Health Information System is also required for the facilities to ensure that there is medication reconciliation and real-time monitoring of drug supplies. This will ensure that there is optimization in drug utilization.
Understaffing at Otondo Health Centre (Kabondo East Ward), Kome Dispensary (Ndhiwa), Kodondi Health Centre and Nduru Health Centre	The opening of many health facilities occasioned this then we had to spread thin in staffing the facilities.	Lobby for additional staff to be recruited
Incomplete construction of Muga Jwelu Dispensary (Kakelo Ward), Kobodo Dispensary (Ndhiwa Sub-County), Ragwe (West Kasipul), Okeno Dispensary, Kirambo Dispensary (Kasungu), Kanyikela Dispensary (Ndhiwa), Samakera Health Center (Ruma Kaksingri), Ogera Dispensary and Alum Dispensary (West Karachuonyo) Inadequate staff houses and renovation at Lianda Health Centre, Kobodo Dispensary, Wagwe Health Center, and Alum Dispensary (West Karachuonyo)	The county allocated budgets for construction projects but faced unexpected cost overruns or insufficient funds to complete the project as planned.	More funds are to be allocated to the Ward Based projects and prioritization should be done to ensure that ongoing projects are completed first before launching new projects.

<p>Just 1 structure constructed at Ponge Dispensary, Rariu Dispensary (Rangwe Gem East) and Oneno Dispensary</p> <p>No laboratory structure at Kimonge Health Centre and Kobodo Dispensary</p>		
<p>Delayed salary payments of casual workers at Kodondi Dispensary</p>	<p>This normally occurs when there are delays in reimbursement by NHIF and at the county level to release funds to the health facilities. Discussions have already been commenced with treasury on prompt release of funds to the facilities from the CRF.</p>	<p>Conduct roundtable meeting with treasury on timely release of funds</p>
<p>No Electricity at Kodondi Health Centre</p>	<p>In remote areas, health centers may lack access to the electricity grid due to insufficient infrastructure. They may lack the necessary funding to install and maintain electrical systems</p>	<p>In remote areas where extending the electricity grid is not feasible or cost-effective, off-grid renewable energy solutions such as solar power can be used. HBCG should support the adoption of these technologies through funding, technical assistance, and capacity building.</p>
<p>More sensitization needed for the ASYGRH programme to reduce teenage pregnancy</p>	<p>The department is fast tracking the development of these policies e.g. the ASYGRH policy document</p>	<p>ASYGRH focal person to avail the document</p>
<p>Inequitable resource allocation for Level 4 facilities in different sub counties in the ADP</p>	<p>Sub-counties with higher population densities or larger populations may receive more resources based on the perceived need for services and infrastructure to support a larger number of residents. There is also limited budgetary resources at the county due to competing priorities, revenue generation capacity, and debt obligations (pending bills)</p>	<p>Conduct thorough needs assessments to understand the unique challenges and requirements of each sub-county</p> <p>Develop transparent criteria and guidelines for resource allocation that prioritize equity and fairness. Consider factors such as population size and Health outcomes</p> <p>Adopt equity-focused budgeting practices to ensure that sub-counties with the greatest needs receive the highest levels of support.</p>

5. Public Administration and Governance Relations Sector

Key Issues Raised	Justification	Proposed Recommendations /Strategies	Ranking
Weak governance structures especially within devolved units.	The sector is mandated to ensure seamless service delivery throughout all the devolved units	<ul style="list-style-type: none"> Establishing the village administrator's offices. Enactment of appropriate laws, policies, and regulations. Organization of public forums for citizen input. Construction of the ward administrator's office. Construction of the county headquarters not a priority. 	High
Accumulated Pending bills.	The sector is working to ensure that the contractors are paid within the year of the contract	<ul style="list-style-type: none"> All the pending bills be budgeted under finance to ensure they are all captured and budgeted for. 	High
Revenue leakages.	The county government is putting structures in place to optimize revenue collection.	<ul style="list-style-type: none"> Training of the revenue staff Disciplinary action on rogue revenue staff Revenue staff should not be posted to their area of familiarity. Rotate and transfer the revenue staff to reduce complacency and familiarity. Reward and motivate the revenue staff. Enhance supervision of revenue collection. Reduce the tax rates to reduce tax evasion and bribery. 	High
Revenue Mobilization	Revenue mobilization is one of the key sectors mandates.	<ul style="list-style-type: none"> Improve market infrastructure to enable more revenue to be collected. Improve on access roads to markets to increase accessibility for more businesses. Use asset disposal as a revenue stream. Mapping more revenue streams especially in rural areas. Operationalize markets that have infrastructure. The county government should gazette all their markets. Transfer devolved national government units' properties to the county government. Designate market days to the markets to improve on their visibility. Underdeveloped plots to be reposed by the government. Ensure once the market infrastructure is in place all the traders should operate within the market. 	High

Recruitment of professionals should be a priority.	The County government is working to ensure that the job descriptions are matched with the skills of the staff.	<ul style="list-style-type: none"> Recruitment of the county staff should strictly be on merit and should not be biased politically. 	High
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6. Social Protection, Culture and Recreation Sector

Key Issues Raised	Justification	Proposed Recommendations	Ranking
Capacity building on staff handling the children at safe space	We are looking for partners to capacity build our stuff. We also ensure our stuff have at least a diploma in sports education	We plan to have a safe space at every sub county	High
Involvement of PWDs in sport activities	It has been realized that Most PWDs are idle and does not frequently interact with members of society and therefore their talents cannot be identified and properly utilized to generate income for them.	The sector to consider organizing Paralympic tournament within the county so that PWDs can get a chase to explore their talents and get to interact with the community at large.	High
Employment of Village administrators	There is lack of proper communication at the village level on county government issues and adverts that are not properly being handle by the existing chiefs and assistant chiefs.	County Government of home bay should consider employing Village admins so that clear information concerning Government projects and plans reaches the normal citizens at the village level including PWDs who are not prompt to this information	High
Safe space and technical staff working in those places	There are many children's who are struggling with the basic needs and most of them are orphans and are living with the guardians who again at the end is not taking care of them as required.	More Safe space to be constructed in every sub county to take care of children who are orphans and are unable to get access to basic needs. Qualified officers and Capacity building on stuff handling the children at safe space who have knowledge in community service be deployed in those safe space to handle children who are there.	Medium

Play grounds at ward level, Identification and nurturing of sports talents	Most of the clubs at the ward level are struggling to get play fields so that they can upgrade their performance level. Some of the existing play grounds are in primary schools and there are difficulties in accessing them leading to collapse of most of clubs. Poor performance by most clubs due to lack of frequent tournaments and exposure that can improve their experience.	<p>Play grounds should be constructed in all 40 wards and the process of accessing them should not be tight. County government through the department of Sport should help in funding clubs at the ward level and also help in picking talented players to going the county team.</p> <p>Improved services for identification and nurturing of talents.</p>	High
Budget allocation and Support for GBV.	GBV activities are not properly being handle by the county government to the expectation. Most of the victims end up in pathetic situations and break up of families due to lack of support from the concerned bodies both financially and emotionally.	<p>The budgetary committee should consider increasing allocation to support GBV activities so that the victims involved should not feel abandoned and can still take care of their children.</p> <p>Provision of education on victims' rights and mentoring them should be a priority to the county through the concerned department.</p>	High
Involvement of youths in county jobs and award tenders	Most of youths with various skills are idling in the village making them to involve in multi –activities causing insecurity in those areas.	<p>County government should create a percentage for youth in all the recruitment done at the public service board to improve employment rate for yours and upgrade their lives.</p> <p>There is also a need to train youths on E-procurement process so that youths with skills and capability can be involved /accommodated in tendering process.</p>	High

8. Environmental Protection, Water and Natural Resources Sector

Key Issues Raised	Justification	Response Given by Duty Bearers	Investment prioritized by public participation	Priority Ranking
The Sector have set its sight on initiating new projects while the sector has got almost the highest number of are stalled projects as well as damaged projects in the county	It is only in order that once a project is stated it's completed and wananchi gets the benefit as well the government getting revenue where necessary before other projects are initiated	The department is putting efforts on reviving stalled projects as well as reclamation of damaged projects	The sector to consider developing a database for all its projects with their current status The sector to consider first directing its resource to revive its dead projects as well as complete the stalled projects before focusing on new projects e.g. reviving Opondo and Konyuo community water projects	High
Budgetary ceiling set aside for the sector amounting to KSh. 673,319,418 is not adequate	The sector being is very crucial as it relates to the wellbeing of the citizens and affects the health of the citizens	The allocation from the national government as well as own source revenue is not enough and all sectors have to reduce their spending to fit within available resources	The treasury to consider allocating the sector KSh. 1B The subsectors to focus more on generating own source Revenue and not rely wholesomely on allocation from the treasury	High
The leadership of the sector is seemingly silent on environmental degradation and pollution across the county while looking to develop policies on climate change and environmental protection example pollution of water bodies by Sukari Industries as well as Riat Road air pollution by trucks belonging to the industry as well pollution along the wetlands this therefore eats into the money allocated to the sector that could be redirected elsewhere	Human life is precious and strict adherence to its protection is therefore paramount	The leadership of the department as well as the county will look to engage all our investors on best environmental management practices	The sector leadership should consider engaging management of companies on best waste disposal practices management The sector should set up strict regulations on environmental management The sector leadership should seek for collaboration with NEEMA on environmental protection issues Penalties for negligence ought to be high to avoid defiance	High

Rationalizing sector priority interventions to match the resources allocated	The sector seems has a lot inform priority interventions which are relevant and that speaks to real sector related development concerns yet the available resource envelop isn't commensurate	The sector will review its targets against allocated resources to focus on priority areas	<p>The subsector leadership to consider review their set targets to match the available resource allocation,</p> <p>Subsectors to consider alternatives that are cheap and can do the work needed e.g. instead of waste trucks waste pickups in all the major towns could still do the work.</p> <p>The sector leadership to consider bringing more development partners on board to help finance its development activities e.g. Peter Symonds University in UK</p>	High
High cost of implementing most of the development projects	Inflated cost of doing some projects which can be executed through cost effective means	The department is cognizant of the rising cost of items however will review its resource allocation when spending	<p>For works that doesn't require complicated and technical expertise the subsectors can adopt use labor-based approach to deliver on some of the projects hence contributing towards improving income levels of the vulnerable community groups</p> <p>Consider windmills for irrigation and water supply purposes</p>	High
Proactive efforts by subsectors in enhancing the resource envelop	The subsectors relying more budgetary allocation as well a limited donor funding but not exploring more avenues to raise more revenues	The sector will look for more avenues to raise revenue in the coming financial years	<p>Sector Revenue Raising Measures</p> <p>Supply water to across the county during dry season as an affordable rate to wananchi</p> <p>Increase rural water lines to increase on revenue</p> <p>Ensure that payment of water bills is cashless and each person have an operating water meter</p> <p>Supply water catchment tanks to public institutions and ECDE centers to collect rain water and sell back to wananchi</p>	High

			<p>Purchase exhausters and provide exhausting services across the county</p> <p>Lobby for more donor funding</p> <p>Work on modalities of working on some projects with the National Government as well as water Agencies like Lake Basin Development Authority through joint funding</p>	
Poor workmanship as well as low quality supply of equipment e.g. liter bins that gets destroyed very fast	<p>Some water projects for example do not last 5 years after launching</p> <p>Liter bins are in bad shape across the county</p>	<p>The sector always ensures that right experts are given the jobs</p> <p>The PMC also ought to understand the BQ and be proactive in ensuring the work is done properly</p>	<p>Engage contractors with capacity to deliver on the mandate as per the desired outcome.</p> <p>Strengthen the PMCs and avoid political interference during selection of PMC members</p> <p>Develop concrete liter bins that will be permanent hence cost effective in the long run</p> <p>Engage the community before a project is started on the expected outcome of the projects</p> <p>Inspect the project with experts after conclusion before payments are made</p>	High
Inequity in distribution of some of the projects	<p>There is a proposal to only supply domestic kits to vulnerable communities living along the lake</p> <p>The sector does not have plans for waste management in rural areas as well as islands</p>	The sector will strive to ensure equity moving forward however the sector have ward based projects in all wards across the county	The sector to develop modalities that ensures equity and fair distribution of projects across the all the wards in the county without geographical considerations	High
Inadequate regulations on mining activities across the county	No proper control of Gold mining in Ndhiwa s well as sand mining across the county thus posing risks	The sector is looking to develop policies and acts on mining	The sector to prioritize developing policies aa well as training of miners on best mining practices	High

Sustainability of the development projects undertaken by the sector e.g. the boreholes	Some projects worked on for a few days and stopped working since those left in charge didn't take the necessary precautions to ensure their longevity	The sector is working on modalities to bring locals on board in management of projects	Have a community approach in management of the projects e.g. let the communities agree on a committee that is in charge of a borehole and when the monies are collected, they should be held in an account where they can be accessed easily for maintenance	High
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ANNEX V: PUBLIC PARTICIPATION ATTENDANCE FOR CFSP 2024

SN	CONSTITUENCY	WARDS	NO. REP.	Totals Per Sub County
1	KABONDO KASIPUL	Kojwach	9	29
		Kokwanyo Kakelo	9	
		Kabondo East	9	
		Kabondo West	2	
2	KASIPUL	South Kasipul	9	45
		West Kasipul	9	
		West Kamagak	9	
		East Kamagak	9	
		Central Kasipul	9	
3	KARACHUONYO	Kanyaluo	9	63
		Kendu Bay Town	9	
		Wang'chieng	9	
		West Karachuonyo	9	
		Central Karachuonyo	9	
		Kibiri	9	
		North Karachuonyo	9	
		Homa Bay East	9	37
		Homa Bay Central	9	
		Arujo	10	

4	HOMA BAY TOWN	Homa Bay West	9	
5	RANGWE	East Gem	9	34
		West Gem	9	
		Kochia	8	
		Kagan	8	
6	NDHIWA	Kanyamwa Kosewe	9	64
		Kabuoch North	9	
		Kwabwai	9	
		Kabuoch South Pala	9	
		Kanyamwa Kologi	9	
		Kanyadoto	10	
		Kanyikela	9	
7	SUBA NORTH	Lambwe	9	46
		Gembe	9	
		Kasungu	9	
		Rusinga	10	
		Mfangano Island	9	
8	SUBA SOUTH	Gwassi South	8	35
		Gwassi North	9	
		Ruma Kaksingri East	9	
		Gingo Kaksingri West	9	
9	SUB-COUNTY ADMINS	8 SUB-COUNTIES	8	8
	TOTAL			361



REPUBLIC OF KENYA

HOMA BAY COUNTY THE COUNTY TREASURY

P.O Box 409-40300 Homa Bay, Tel: +254 20 3807565/55
E-mail: finance@homabay.go.ke



HOMA BAY COUNTY

ACTIVITY Public Participation on CFSP

WARD. Homabay Central

DATE 16.Feb.2024

VENUE Governor's park

NO	NAME	GROUP REPRESENTED	TELEPHONE CONTACT	I.D. NUMBER	SIGNATURE
1	DORINE A. OTIENO	SECTOR ELECTION	0718465941	1503221	
2	JITH DADO	PUBLIC ADMIN	0718919307	2045667	
3	AGUPO DINE	SCOUT PROTECTION	0726478768	27796380	
4	JACKSON OMUND	GENERAL ECONOMIC	0729852133	13189582	
5	UPHATES O. AMUKAGU	ENVIRONMENT	0725242095	0119673	
6	SUSAN ATIENO DUNDOR	HEALTH	0712128464	26449271	
7	JOSEPH DUNDU OBARA	FORECAST	0720757674	13656530	
8	ERIMWEL OUKO	AGRICULTURE	072318466	14588980	
9	CAROLINE ACHENIS	WATER ADMIN	0912733234	223380429	
10					



REPUBLIC OF KENYA

COUNTY GOVERNMENT OF HOMA BAY THE COUNTY TREASURY



HOMA BAY COUNTY

PUBLIC PARTICIPATION ON THE COUNTY FISCAL STRATEGY PAPER (CFSP) & COUNTY DEBT MANAGEMENT STRATEGY (CDMS) FOR FY 2024/2025 AND 2025/2026 MTEF PERIOD

Section 117 of the PFM Act, 2012 and **Part III** of the **PFM Regulation**, mandate the County Government of Homa Bay, through the County Treasury, to prepare and submit to the County Assembly, the **County Fiscal Strategy Paper (CFSP)** and **County Debt Management Strategy (CDMS)** by 28th of February each calendar year. These documents outline the broad strategic priorities and policy goals that will guide the preparation of county budget for the FY 2024/25 and over the medium-term period. Particularly, they lay out fiscal and financial outlooks regarding county government revenues, expenditures, and borrowings as well as setting sectors' budget ceilings for **FY 2024/25**. Therefore, in complying with **Sec. 117(a) of the PFM Act, 2012**, the County Government of Homa Bay is inviting the public, interested groups, and any other organized forums established by legislation for a public participation on the CFSP and CDMS. This public engagement shall be held on **16th February 2024** at the **Governor's Park** from **9:00 am to 2:00 pm**. Besides, written submissions or memoranda shall be received at the venue or can be emailed through finance@homabay.go.ke not later than **16th February, 2024**.

HON. SOLOMON OBIERO
CECM - FINANCE & ECONOMIC PLANNING
COUNTY GOVERNMENT OF HOMA BAY

Death toll rises to 10 after illicit brew binge

► Irate residents go on the rampage, torch bar alleged to have stocked the liquor.

► Brewer had previously been arrested 15 times but was always freed by court on technicalities.

JANE MUCAMBI, KIRINYAGA

Ten people have died while undergoing treatment at the Kerugoya County Referral after drinking illicit brew in Kangai village, Kirinyaga County.

Mwea East Deputy County Commissioner Teresia Mwangi said the 10 are believed to have consumed 'California', a liquor at a local joint.

The DCC said they have been attempting to close down the bar for some time but have been unsuccessful since the suspect has been going to court and obtaining

orders against the government.

Irate residents yesterday went on the rampage and torched the bar, which they claimed had sold the liquor that led to the deaths.

Health CEC George Karoki said among the victims was a patient who had been referred to Kerugoya County Referral Hospital but died upon arrival on Tuesday.

"Relatives of the deceased have reported that five other family members have died within their residences after consuming the liquor," he said.

The CEC said the symptoms exhibited by the victims, which include blurred vision, are consistent with previous cases of ethanol consumption.

Residents now want the government to take action and rid the area of illicit liquor to save them and their children.

Central Region Commissioner Fredrick Shisia said the security team is following up on the admitted persons to ascertain those that are blind.

He said the security team in

Kirinyaga County had arrested the brewer 15 times but had been released by the Baricho Court on technicalities.

Shisia said they would investigate another bar in Kandongu to ascertain whether it was also selling the illicit brew. "A multi-agency team is going to start its inspections to ascertain the status of the killer brew," he said.

Sports, Culture and Social Services CEC Dennis Mucimi said the County Liquor Licensing Committee rejected an application to license the California Bar in December, last year.

Mucimi said the application for the bar licence was rejected based on allegations of selling illicit brew, insecurity and poor sanitation.

"This particular outlet was operating illegally. It had not been issued with a licence by the county government because of failing to comply with the County Alcoholic Drinks Control Act, 2014," he said.

jmugambi@standardmedia.co.ke

LEGISLATION

Ministry shelves pro after county govern

The Ministry of Cooperatives and MSMEs has resolved to put the Cooperatives Bill, 2023, on hold after county governments kicked up a storm claiming they were not consulted in drafting the proposed law.

The Bill currently in Parliament will now be put on hold even as the ministry and the Council of Governors (CoG) consult, with the council proposing amendments.

The CoG, through its Cooperative Committee, had raised concerns that the Bill lacked approval of the county governments.

"The council notes with great concern that the draft Cooperative Bill 2023 was approved by the Cabinet on October 2023 and thereafter introduced to Parliament in December 2023 despite a summit resolution stating that the Bill will only be approved upon agreement by both levels of government," read a statement by the Agriculture and Cooperatives Committee Chairperson Kenneth Lusaka.

The CoG called on the ministry to withdraw the Bill to allow extensive engagement and consideration of comments from key stakeholders, including the county governments.

In response, Cooperatives and MSMEs Cabinet Secretary Simon Chelugui



REPUBLIC OF KENYA

COUNTY GOVERNMENT OF HOMA BAY

THE COUNTY TREASURY



HOMA BAY COUNTY

PUBLIC PARTICIPATION ON THE COUNTY FISCAL STRATEGY PAPER (CFSP) & COUNTY DEBT MANAGEMENT STRATEGY (CDMS) FOR FY 2024/2025 AND 2025/2026 MTEF PERIOD

Section 117 of the PFM Act, 2012 and Part III of the PFM Regulation, mandate the County Government of Homa Bay, through the County Treasury, to prepare and submit to the County Assembly, the County Fiscal Strategy Paper (CFSP) and County Debt Management Strategy (CDMS) by 28th of February each calendar year. These documents outline the broad strategic priorities and policy goals that will guide the preparation of county budget for the FY 2024/25 and over the medium-term period. Particularly, they lay out fiscal and financial outlooks regarding county government revenues, expenditures, and borrowings as well as setting sectors' budget ceilings for FY 2024/25. Therefore, in complying with Sec.

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF HOMA BAY
DEPARTMENT OF FINANCE, ICT AND

PUBLIC NOTICE

INVITATION TO PUBLIC PARTICIPATION ON THE COUNTY FISCAL STRATEGY PAPER (CFSP) & COUNTY DEBT MANAGEMENT STRATEGY (CDMS) FOR FY 2024/2025 AND 2025/2026 MTEF PERIOD

Pursuant to Article 201 of the constitution and Section 117(1) of the Public Finance Management Act, 2012, the County Government of Homa Bay, through the County Treasury, is inviting the general public for consultative meetings to discuss the priorities in the Sector Reports. This exercise will go towards addressing openness, accountability and public involvement in financial matters. The meetings will be held on Thursday 15th to Friday 16th February 2024 at the following venues:

SUB-COUNTY	DATES	WARDS	VENUE
Borabu	15 th Feb 2024	Nyansongo	CDF Hall
	15 th Feb 2024	Mekenene	Chebilat
	15 th Feb 2024	Esise	Esise Di
Masaba North	15 th Feb 2024	Kiabonyoru	Getare
	15 th Feb 2024	Rigoma	Rigoma
	15 th Feb 2024	Gachuba	Girango
Manga	15 th Feb 2024	Gesima	Ritongo
	15 th Feb 2024	Manga	Manga
	15 th Feb 2024	Magombo	Magombo

