

REPUBLIC OF KENYA
COUNTY GOVERNMENT OF KAKAMEGA



DEPARTMENT OF FINANCE, ECONOMIC PLANNING AND ICT
MEDIUM TERM

COUNTY FISCAL STRATEGY PAPER

A wealthy and Vibrant County

January, 2026

County Vision and Mission

Vision

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

Mission

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

Kakamega County Fiscal Strategy Paper, 2026.



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

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FOREWORD



The County Fiscal Strategy Paper (CFSP 2026) is prepared as provided under section 117 of the PFM Act, 2012. It sets out the County Government's priority Programmes to be implemented during the FY 2026/27 and over the Medium-Term Expenditure Framework (MTEF) period. The Preparation of this policy document has been undertaken through a collaborative effort reflecting the needs of the people of Kakamega County. The Paper has been aligned to key National and County policy documents which include but not limited to; the Kenya Vision 2030, Medium Term Plan (MTP IV 2023-2027), the Bottom-Up Economic Transformation Agenda (BETA), Kakamega County Integrated Development Plan (CIDP 2023-2027) and the County Annual Development Plan (C-ADP 2026/27) which have been aligned to the Governor's six strategic development pillars.

Over the medium-term period, the County Government has continued to record positive economic development as a result of improved project and programme implementation strategies. To sustain this development pace, the County government's main focus during the FY 2026/27 fiscal period will be geared towards: Enhancing access to quality and affordable Healthcare and Water services; sustained support to Wealth creation and Infrastructural development; improving Food security; enhancing quality education; facilitating Social Economic Development and Promoting Good Governance.

Despite the incredible progress realized, the County Government is still faced with several challenges including; constrained financial resources, high unemployment rates and high-level expectation on development projects. This policy document provides the strategies and measures aimed at addressing these challenges in order to foster service delivery and prosperity of the great people of Kakamega over the plan period. It also provides the ceilings for the FY 2026/27 budget and the over MTEF period which are consistent with the County and National Government priority programmes and policies.

Mr. Benjamin Andama,
County Executive Committee Member,
Department of Finance, Budget, Economic Planning and ICT

ACKNOWLEDGEMENT



The development of the CFSP 2026 is a product of a collaborative effort by the County Departments and Agencies under the leadership and guidance of His Excellency the Governor, Hon. FCPA Fernandes Barasa, H.E the Deputy Governor Hon. Ayub Savula, the County Executive Committee Member for Finance, Budget, Economic Planning and ICT, Mr. Benjamin Andama. I wish to acknowledge the input and support provided by all other County Executive Committee Members as well as the respective Chief Officers for coordination during preparation of this Paper.

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

Lastly, I appreciate the technical team from the Finance, Budget, Economic Planning and ICT Department that coordinated the development of this Paper. It is my sincere hope and desire that the information contained in this paper will guide the next phase of budget preparation.

Dr. Jeophita June Mwajuma
Chief Officer, Finance and Budget
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ABBREVIATIONS AND ACRONYMS

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

LEGAL BASIS FOR PUBLICATION OF THE COUNTY FISCAL STRATEGY PAPER

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

- (1) The County, Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.
- (2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- (3) In preparing the County Fiscal Strategy Paper. The County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.
- (4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.
- (5) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of
 - (a) The Commission on Revenue Allocation;
 - (b) The public;
 - (c) Any interested persons or groups; and
 - (d) Any other forum that is established by legislation.
- (6) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without

RESPONSIBILITY PRINCIPLES IN THE PUBLIC FINANCIAL MANAGEMENT LAW

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

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

OUTLINE OF THE COUNTY FISCAL STRATEGY PAPER FY 2025/2026

This paper contains six sections as summarized below;

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

Section II Outlines the economic context in which the 2026/2027 MTEF budget is prepared. It provides an overview of the recent economic developments and the macroeconomic outlook covering the National Government and County level.

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

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

Section V Presents the resource envelope and spending priorities proposed for the FY 2026/2027 MTEF Budget. Sector achievements and priorities are also reviewed for the FY 2022/23 – 2024/25 MTEF period.

Section VI Provides the conclusion.

INTRODUCTION AND BACKGROUND INFORMATION

The County Fiscal Strategy Paper (CFSP 2026) is the fourth to be prepared under the dispensation of the second Governor since assuming office in September 2022. It sets out the Government priority policies, programmes and interventions to be implemented in the MTEF period 2026/2027 – 2028/2029. Section 117(3) of the PFM Act, 2012 sets out the broad strategic priorities and policy goals to be implemented in the FY 2026/2027 and over the MTEF period.

The delivery of the priority programs and projects over the medium term is expected to achieve the Government vision of, “*a wealthy and economically vibrant County*”. The priorities to be pursued are in line with Kenya Vision 2030, MTP IV, Bottom-up Economic Transformation Agenda (BETA), Sustainable Development Goals (SDGs), the Governor’s Manifesto (six-point agenda), the County Integrated Development Plan (CIDP) 2023-2027, County Annual Development Plan (C-ADP) 2026-2027 among other policy documents.

There exists a strong collaboration between the national government and the county government of Kakamega in the integration of the BETA model and six-point agenda to realize growth in respective sectors. Partnerships with other development partners plays a crucial role towards achieving key milestones for international and national development plans, including the SDGs and Vision 2030.

The goal of these priority projects is to raise living standards by boosting socioeconomic growth and generating jobs. In order to account for shifts in financial and economic trends, the paper includes the latest national economic outlook. Preparation of this Paper has also taken into consideration the National Budget Policy Statement (BPS) 2026 to align the County’s priorities to the National economic policy principles.

1.1 Building a Wealthy and Economically Vibrant County

The County has elaborate plans and strategies towards strengthening the framework upon which a wealthy and economically vibrant County would be built. Riding on the high resource potential in

agricultural viability, infrastructure development, human capital, strong governance and administrative structures, cultural tourism, forestry and mining, the county presents broad opportunities for investment and economic development.

The County's development agenda has been affected by a number of issues such as low levels of own source revenue collection, low commitment from development partners, delays in the National Government's funding disbursement, pressures on expenditures related to employee emoluments, and rising operating costs, The County Government is focused on addressing these challenges and ensure optimal service delivery and economic development.

1.2 The County's Broad Strategic Priorities

The County's broad strategic priorities are drawn from Kenya Vision 2030, MTP IV, Bottom-up Economic Transformation Agenda (BETA), Sustainable Development Goals (SDGs), the Governor's Manifesto, the County Integrated Development Plan (CIDP)2023-2027, County Annual Development Plan (C-ADP) 2026-2027 among other policy documents. The strategic priorities of focus will be:

- 1) To enhance access to quality and affordable healthcare and water services;
- 2) To support wealth creation and infrastructural development;
- 3) To improve food security;
- 4) To enhance quality education;
- 5) To facilitate social economic development; and
- 6) To promote good governance.

The County's undertaking is to drive inclusive and sustainable development, reduce poverty, and improve the overall quality of life for residents. To achieve this, the County Government acknowledges the need to collaborate with other stakeholders in its implementation. This Paper therefore articulates priorities for economic policies and expenditure programs to be implemented during the MTEF period 2026/2027 - 2028/2029 in order to achieve the County transformative agenda.

1.3 Strategies for achieving a wealthy and Vibrant County

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

- Improving access to health services through health infrastructure development through construction, expansion, operationalization, renovation and equipping health facilities to improve service delivery;
- Strengthen community health strategy through training of CHPs and equipping them with kits;
- Strengthen County medical supply chain by ensuring adequate, timely and constant supply of essential drugs and non-pharmaceuticals to all health facilities;
- Prioritize public healthcare by investing in promotive and preventive health services;
- Ensure adequate and motivated healthcare personnel through recruitment, training and promotions.
- Upscale Universal Health Care through enrollment to Social Health Authority (SHA) and operationalization of Primary Care Networks.
- Implementation of Barasa Care Programme to enhance maternal and child health, immunization and skilled deliveries.

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

- Development of industrial parks and aggregation centers by promoting industrialization and enhancing a vibrant service sector in Southern, Northern and Central regions of the County.
- Create and grow the “Barasa Economic Empowerment Program” for the residents to participate in income generation, gainful employment and contribute to the growth of the county economy.
- Decentralize services of Kakamega Micro-Finance to the Community areas.
- Establishment of special economic zones and further provide innovation and incubation services to SME’s.

- Business environment promotion- Enhance continuous engagements with the private sector to eliminate red tape for business to thrive in the county through establishment of a unified business permit;
- Support the sugar sector and establishment of new industries;
- Establish market and technological linkages to effectively link cottage industries to the export market to drive their growth via outsourcing;
- Offer incentives to those who would wish to invest in the hospitality industry, housing and manufacturing through hospitality industry and manufacturing promotion;
- Facilitate the establishment of the motorcycle assembly plant to offer affordable boda-boda to riders in the County and beyond, and further support the boda-boda riders through their cooperatives to set up three mega spare parts shops in strategic areas of the County;
- Complete the valuation roll to enhance own source revenue generation to support the County development agenda;
- Ensure coordinated development through establishing of a GIS based County Spatial Plan;
- Enhance access to transport, ICT and energy infrastructure;

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

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

- Provide incentives for the establishment of a dairy processing plant with value addition and other milk products.

1.3.3 Strategic priority IV: Improve education standards;-

- Improve the quality of ECDE education in the county through various stakeholder engagements on best practices;
- Promote curriculum implementation;
- Hire more ECDE teachers and polytechnic instructors;
- Provision of training infrastructure and resources;
- Support partnerships between universities and industry for incubation and commercialization of innovation; and
- Enhance access and equity to quality education through provision of bursaries.

1.3.4 Strategic priority V: Social Development to empower communities

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

1.3.5 Strategic priority VI: Promote Good Governance

- Create Kakamega leaders caucus of elected leaders, National Government officials and private sector players to address cross-cutting issues such as security, investment and progressive development;
- Establish an annual interdenominational prayer breakfast spearheaded by the clergy to intercede for the county together with elected leaders;

- Entrenching and strengthening devolution up to the village level and creating a strong working relationship with the national coordination at all levels; and
- Establish the Ward based programmes to ensure equitable development in all the 60 wards.
- Promote collaboration with the National Government Agencies during project and programmes implementation

RECENT ECONOMIC DEVELOPMENT AND POLICY OUTLOOK

2.1 Review of Recent Economic Performance-

2.1.2 Global Economic Outlook

Global real GDP is estimated to grow by 3.2 percent in 2025, before moderating slightly to 3.1 percent in 2026 (Table 1). Growth is projected to slow in 2026 as the temporary boost from front-loading fades and as higher effective tariff rates and elevated trade-policy uncertainty weigh on activity. In addition, weak global demand and heightened geopolitical tensions continue to pose significant risks to the global outlook.

Table 1: Global Economic Outlook

Economy	Actual		Projections	
	2023	2024	2025	2026
World	3.5	3.3	3.2	3.1
Advanced Economies	1.8	1.8	1.6	1.6
<i>Of which: USA</i>	2.9	2.8	2.0	2.1
<i>Euro Area</i>	0.5	0.9	1.2	1.1
<i>Japan</i>	1.4	0.1	1.1	0.6
Emerging and Developing Economies	4.7	4.3	4.2	4.0
<i>Of which: China</i>	5.4	5.0	4.8	4.2
<i>India</i>	9.2	6.5	6.6	6.2
Sub-Saharan Africa	3.6	4.1	4.1	4.4
<i>Of which: South Africa</i>	0.8	0.5	1.1	1.2
<i>Nigeria</i>	2.9	4.1	3.9	4.2

Source: IMF World Economic Outlook, October 2025

2.1.3 Domestic Economic Outlook

According to Kenya National Bureau of Statistics (KNBS), the economy grew by 4.7 percent supported by growths in all sub-sectors except construction, and mining and quarrying. Further, in the first and second quarters of 2025, the economy remained strong with a growth

of 4.9 percent and 5.0 percent, respectively (Table 2). This growth was primarily underpinned by strong performance in the agriculture sector, a recovery of the industry sector, and the resilience of services sector. All economic sectors recorded growth rates in the first half of 2025, with varied magnitudes across activities.

Sectoral GDP Performance

Table 2: Sectoral GDP Performance

Sectors/Sub-sectors	Annual Growth Rates	Quarterly Growth Rates			
	2024	2024 Q1	2024 Q2	2025 Q1	2025 Q2
1. Primary sector	3.9	4.5	4.0	6.2	4.9
1.1. Agriculture, Forestry and Fishing	4.6	5.6	4.5	6.0	4.4
1.2 Mining and Quarrying	(9.2)	(16.1)	(5.5)	10.8	15.3
2. Secondary Sector (Industry)	1.5	1.5	0.5	2.6	3.3
2.1. Manufacturing	2.8	1.9	3.2	2.1	1.0
2.2. Electricity and Water supply	1.9	2.8	1.2	3.6	5.7
2.3. Construction	(0.7)	0.4	(3.7)	3.0	5.7
3. Tertiary sector (Services)	6.1	6.8	6.2	4.8	5.5
3.1. Wholesale and Retail trade	3.8	3.6	2.5	5.4	4.0
3.2. Accommodation and Restaurant	25.7	38.1	35.0	4.1	7.8
3.3. Transport and Storage	4.4	4.1	3.4	3.8	5.4
3.4. Information and Communication	7.0	9.2	6.7	5.8	6.0
3.5. Financial and Insurance	7.6	9.6	8.0	5.1	6.6
3.6. Public Administration	8.2	7.5	9.0	6.5	6.0
3.7. Others	5.2	5.8	5.6	4.4	5.2
of which: Professional, Admin & Support Services	9.4	9.4	6.7	4.6	8.5
Real Estate	5.3	6.9	5.9	5.3	5.5
Education	3.9	2.4	3.2	2.9	3.2
Health	6.3	5.4	8.1	4.8	6.8
Taxes less subsidies	4.4	2.9	3.8	5.7	3.3
Real GDP	4.7	4.9	4.6	4.9	5.0

In 2025, the primary sector grew by 6.2 percent in the first quarter and 4.9 percent in the second quarter compared to a growth of 4.5 percent and 4.0 percent in the corresponding quarters of 2024 (Table 12). This was because of the robust growth in the agriculture, forestry and fishing sub-sector and a recovery in the mining and quarrying sub-sector. Activities in the agriculture, forestry, and fishing sub-sector expanded by 6.0 percent in the first quarter and 4.4 percent in the second quarter of 2025, compared to growth of 5.6 percent and 4.5 percent in the corresponding quarters of 2024.

This performance was driven by favorable weather conditions experienced in most parts of the country involved in crop and animal production. This was evident in the significant increase in production of milk, coffee, vegetables, fruits and cut flowers. However, the sub-sector's performance was somewhat curtailed by a decline in tea production.

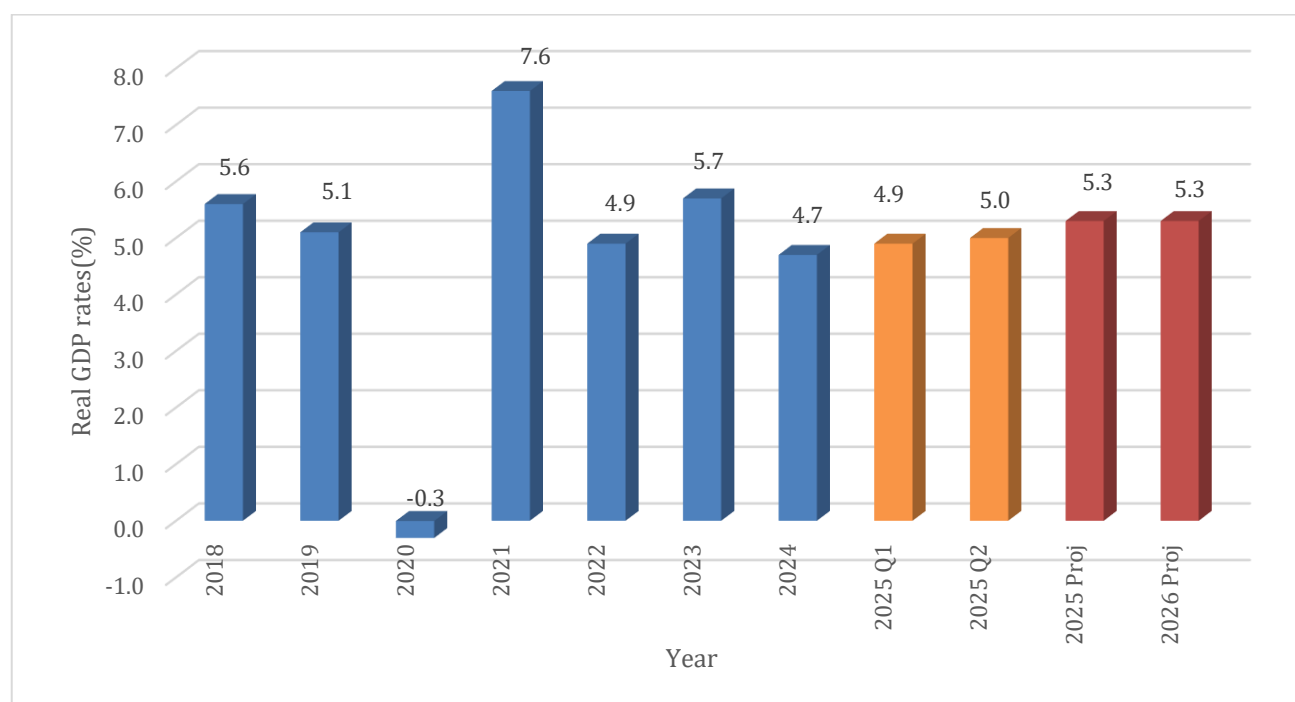
The mining and quarrying sub-sector grew by 10.8 percent in the first quarter and 15.3 percent in the second quarter of 2025, compared to a contraction of 16.1 percent and a contraction of 5.5 percent in the same quarters of 2024. This reflected increased activity and renewed investment following a period of subdued performance in the previous year.

In the first half of 2025, the industry sector recorded a growth of 2.6 percent in the first quarter and 3.3 percent in the second quarter, an improvement from a growth of 1.5 percent and 0.5 percent in corresponding quarters of 2024. This growth was driven by improved performance across manufacturing, electricity and water supply, and construction. The manufacturing subsector grew by 2.1 percent in the first quarter of 2025 compared to 1.9 percent in the first quarter of 2024, and by 1.0 percent in the second quarter of 2025 compared to 3.2 percent in the second quarter of 2024. This growth was supported by both food and non-food manufacturing activities. In food manufacturing, the sub-sector benefitted from strong increases in coffee auctions and milk deliveries. Non-food manufacturing also performed well, with increased production in cement and galvanized sheets.

The information and communication sub-sector grew by 5.8 percent in the first quarter and 6.0 percent in the second quarter of 2025, compared to a growth of 9.2 percent and 6.7 percent in corresponding quarters of 2024. This performance was supported by an increase in both domestic and international mobile voice traffic and an increase in mobile broadband data consumption. The financial and insurance sub-sector recorded growth of 5.1 percent in the first quarter and 6.6 percent in the second quarter of 2025, compared to 9.6 percent and 8.0 percent in the corresponding quarters of 2024. The slower growth reflects the impact of easing interest rates, which moderated earnings from financial intermediation, alongside relatively modest credit growth to the private sector.

Leading indicators of economic activity point to improved performance in the third quarter of 2025. The growth of the economy is expected to pick up to 5.3 percent in both 2025 and 2026, supported by continued resilience of key service sectors and agriculture, and continued recovery of the industry sector. The outlook will be reinforced by the ongoing implementation of priorities under Bottom-Up Economic Transformation Agenda (BETA).

Figure 1: Trends in Annual Real GDP Growth Rates 2018-2026



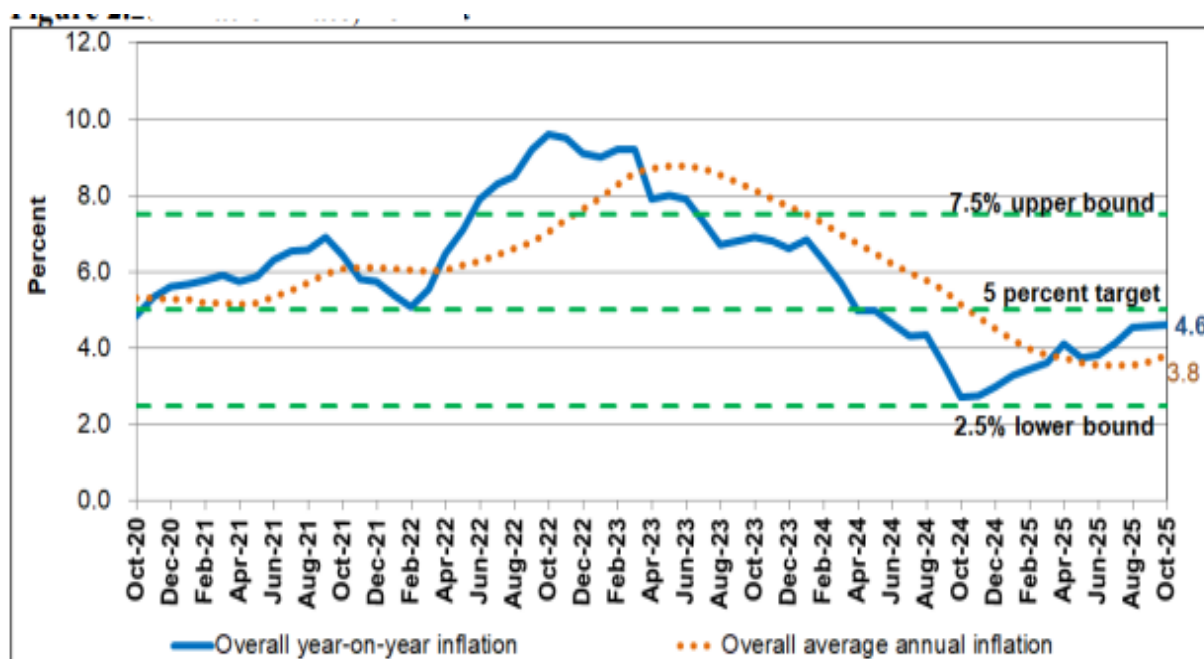
Source: Kenya National Bureau of Statistics

2.1.4 Inflation Rate

Overall year-on-year inflation has declined and remained below the mid-point of the policy target range of 5.0 ± 2.5 percent since June 2024. The stable inflation has been supported by: abundant supply of food attributed to favorable weather conditions coupled with government interventions; lower fuel inflation attributed to the stability of the exchange rate; lower international oil prices; and the decline in non-core inflation due to the impact of previous

monetary policy tightening. Inflation stood at 4.6 percent in October 2025 compared to 2.7 percent in October 2024 (Figure 2.2). The slight increase reflects the easing of monetary policy. 168. Core inflation increased to 2.7 percent in October 2025 from 1.8 percent in October 2024, largely driven by higher prices of processed food items. Non-core inflation rose to 9.9 percent in September 2025 from 5.1 percent in October 2024, driven primarily by sharper increases in transport costs, as well as higher prices of vegetables, particularly tomatoes, carrots, onions, and cabbages, alongside pressures from utilities and energy

Figure 2: *Inflation Rate*



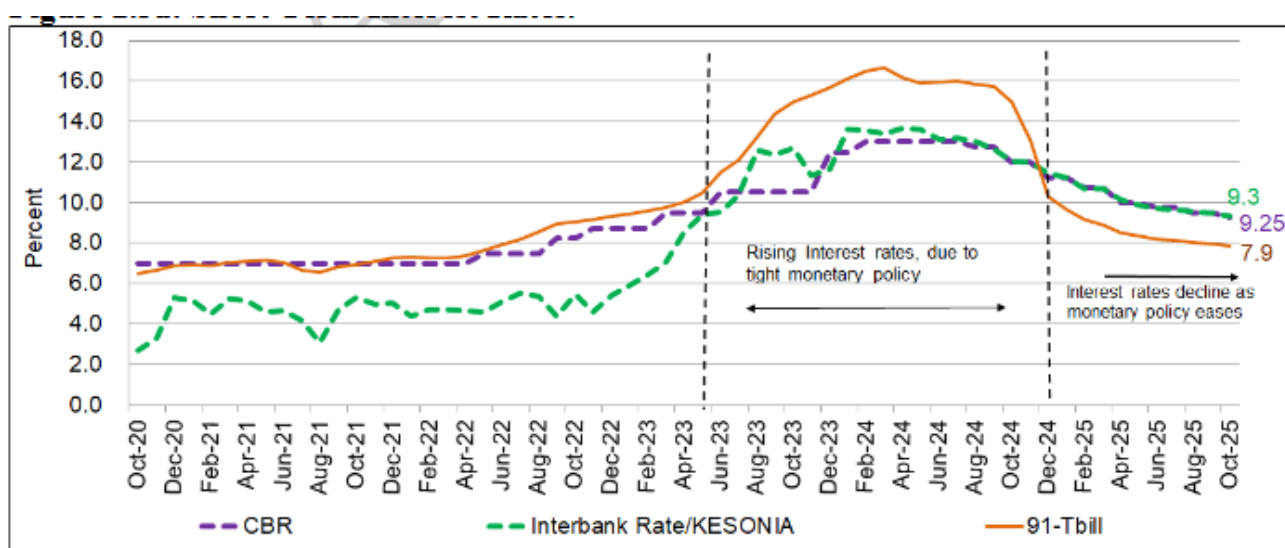
Source: Kenya National Bureau of Statistics

2.1.5 Interest Rate

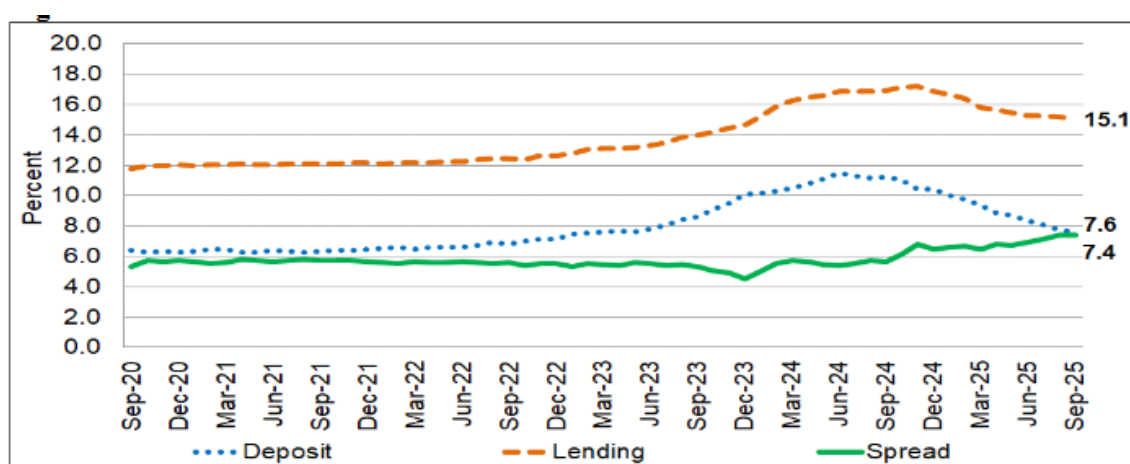
The Central Bank of Kenya through the Monetary Policy Committee (MPC) has gradually eased monetary policy by lowering the Central Bank Rate (CBR) from 13.0 percent in August 2024 to 9.25 percent in October 2025. This is meant to augment the previous policy actions aimed at stimulating lending by banks to the private sector and supporting economic

activities. It also seeks to ensure that inflationary expectations remain firmly anchored and the exchange rate remain stable.

The short term interest rates have declined in line with the easing of the monetary policy. Kenya Shilling Overnight Interbank Average (KESONIA) declined to 9.3 percent in October 2025 compared to 12.1 percent in October 2024 while the 91-day Treasury Bills rate declined to 7.9 percent from 15.0 percent, over the same period. The 182-day Treasury Bills rate declined to 7.9 percent in October 2025 from 15.8 percent in October 2024 while the 364-day Treasury Bills also declined to 9.4 percent from 16.1 percent over the same period. The decrease in government domestic borrowing rates has led to lower debt servicing costs.

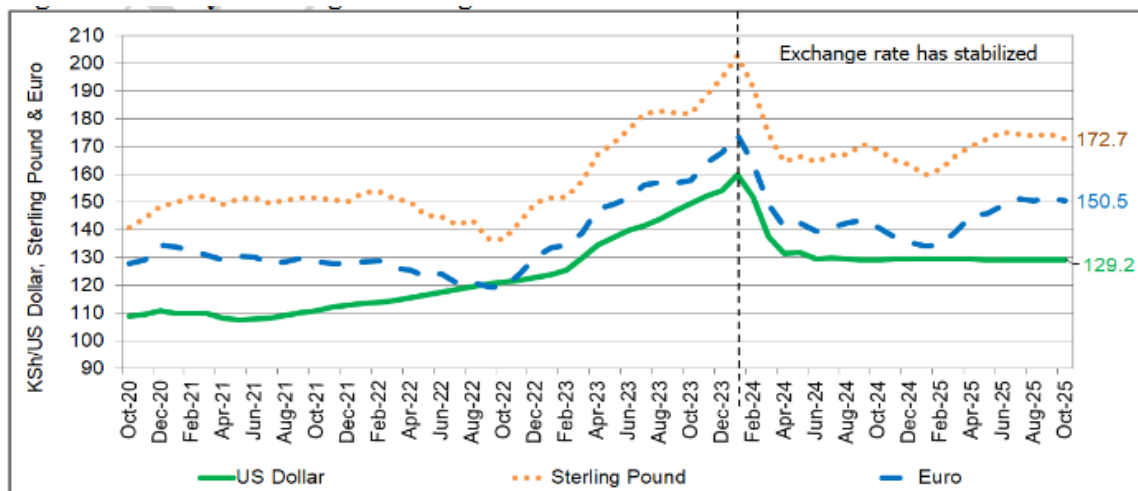


Commercial banks average lending and deposit rates decreased in the year to September 2025 in tandem with the easing of the monetary policy. The average lending rate decreased to 15.1 percent in September 2025 from 16.9 percent in September 2024 while the average deposit rate also decreased to 7.6 percent from 11.2 percent over the same period. Consequently, the average interest rate spread increased to 7.4 percent in September 2025 from 5.7 percent in September 2024



2.1.6 Kenya Shilling Exchange Rate

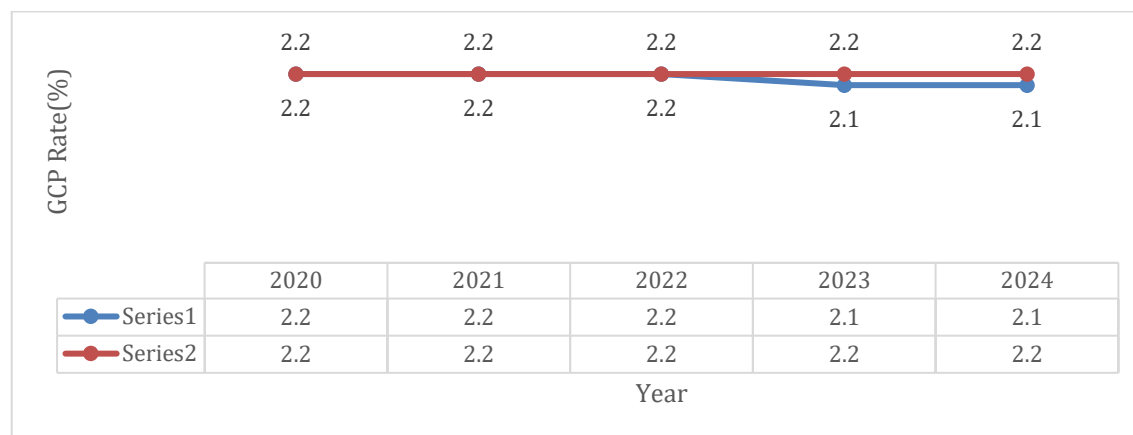
The Kenya Shilling remained relatively stable against the US Dollar, exchanging at an average of KSh 129.2 in October 2025, the same as in the corresponding period of the previous year. However, the Shilling depreciated against the Sterling Pound and the Euro by 2.3 percent and 6.8 percent, respectively. The Sterling Pound averaged KSh 172.7 in October 2025, up from KSh 168.8 in in October 2024, while the Euro averaged KSh 150.5 compared to KSh 140.9 over the same period. Overall, the foreign exchange market remained well-supported by steady inflows from agricultural exports and diaspora remittances, which helped cushion the Shilling against excessive volatility



Source of Data: Central Bank of Kenya

2.1.7 Kakamega Gross County Product

According to KNBS, Gross County Product Report 2025, the GCP for the years 2020 to 2024 remained generally stable with five-year average gross county product estimated at 2.2 percent.



The nominal GCP for Kakamega County is estimated at KES 316,393 Million which is 2.1 per cent of the national GDP in 2024 (KES 14,968,094 million).

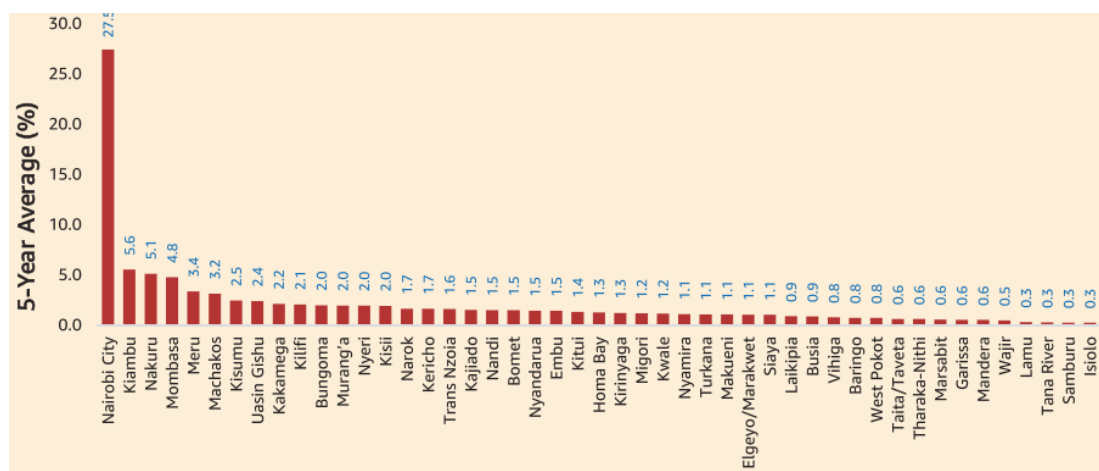
Figure 3: Kakamega GCP Contribution in Millions to National GDP, 2018-2023

Source: Gross County Product Report, 2025

2.1.8 Contribution to Gross Value Added(GVA)

Kakamega County on average accounted for 2.2 percent of the economy's GVA over the 2020 to 2024 period. This is attributed to the strong agricultural base of the county and its high population density.

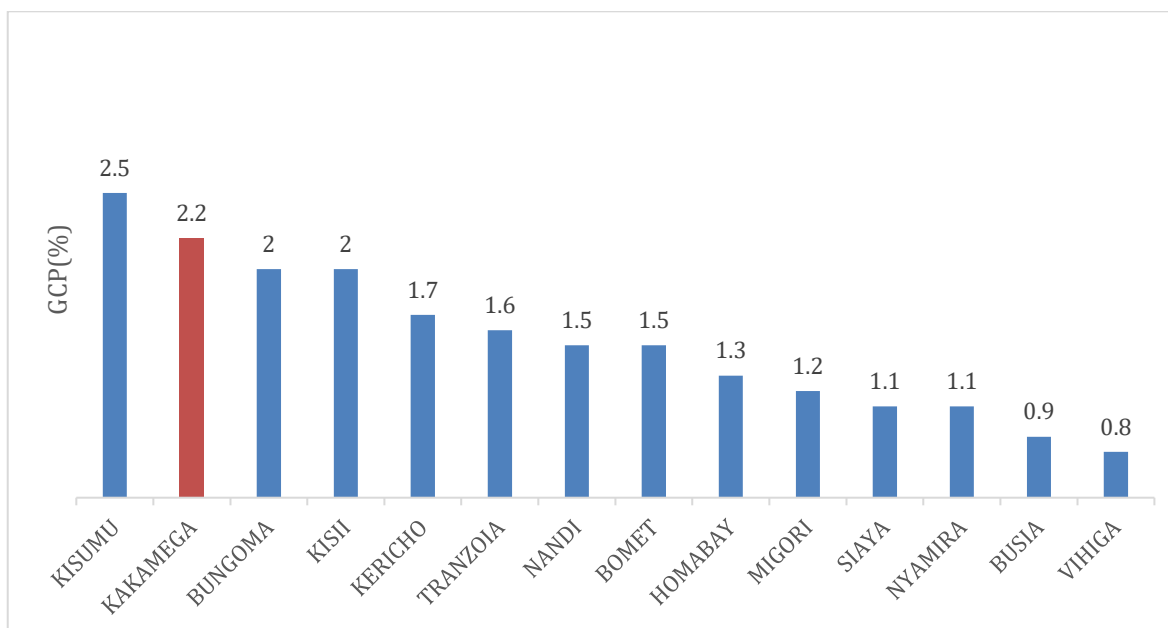
Average County Share of Gross Product, 2020-2024



2.1.9 Comparison of GDP of Lake Region Economic Bloc Counties

Counties within the Lake Region Economic Block posted significant disparities in the size of county economies during the period 2020 to 2024. On average, Kisumu contributed 2.5 per cent of the total GVA, followed by Kakamega (2.2 per cent), Bungoma and Kisii at 2 per cent. These top four counties within the block accounted for 9 per cent of the economy's GVA over the review period.

Figure 4 : Comparison of Lake Region Economic Bloc Counties in Average GCP (2020-2024)

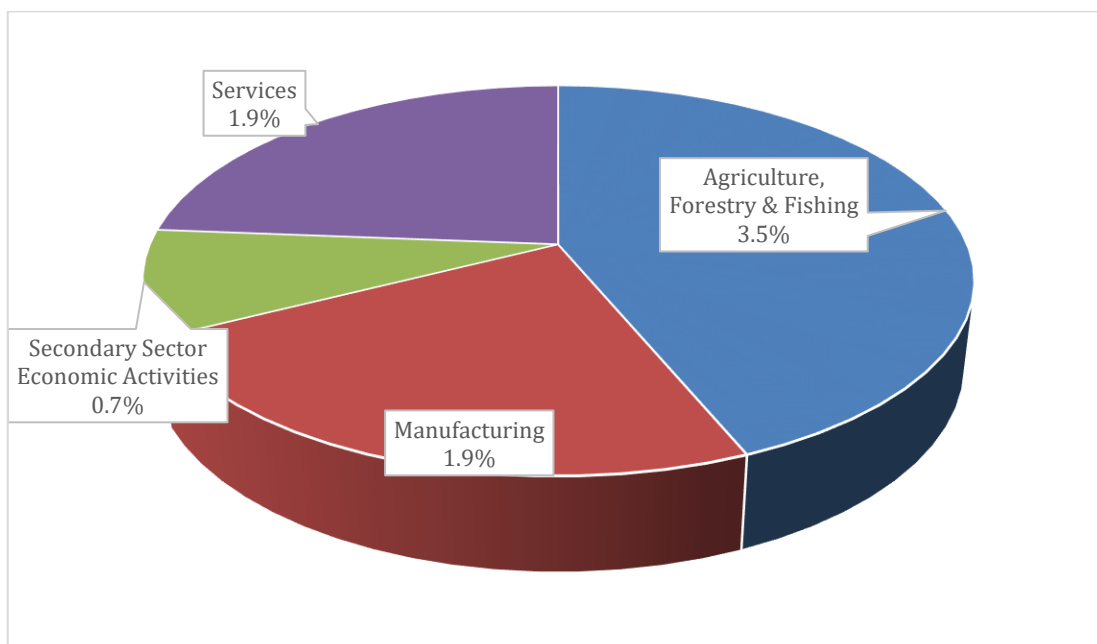


Source: Gross County Product Report, 2025

2.1.10 Contribution of Main Sectors to National GDP

Kakamega County posted a notable contribution in agricultural activities (3.5%) ranking the eighth best county nationally. Other counties include Meru(8.1%), Nakuru(6.4%), Nyandarua(4.3%), Murang’a (4.1%), Kiambu(3.7%), Bungoma(3.6%) and Nandi (3.6%)

Figure 5: Average Contribution of main sectors to National GDP in Percentage, 2020-2024



Source: Gross County Product Report, 2023

2.1.11 Update on Fiscal Performance and Emerging Challenges

The fiscal performance for FY 2024/2025 was dependent on revenue mobilization and timely disbursement of funds by the national treasury. The county government has been improving on tax collection, but challenges persist with underperformance in revenue targets due to weak tax compliance and enforcement. Government spending has increased and recurrent expenditure remains high in the midst of constrained funds.

The county faces several hurdles in maintaining fiscal stability due to constrained budget and inadequate resource allocation from the national treasury to Counties. The county has not met its potential for own source revenue collection thereby putting pressure on attaining its development priorities.

To address these challenges, the County government is enhancing tax collection to meet own source revenue targets, fostering private sector investment to boost economic growth and wealth creation as well as expanding social safety nets to cushion vulnerable populations from economic shockwaves.

2.1.12 County Revenue Performance

The total local revenue collection was KES 1.442 Billion compared to the target of KES 2.2 Billion in the FY 2024/25. This represents revenue shortfall of KES 758 Million or 34 %. This was mainly attributed to delayed reimbursement from NHIF and unmet disbursement from contribution in lieu of rates from the National Treasury.

The National Government disbursements amounted to KES 14.644 Billion. This amount consisted of conditional grants and equitable shareable revenue. The actual revenue for spending therefore was KES 13.981 billion. These funds included the transfers from the National Government and the balance brought forward from the FY 2023/24 of KES. 1,033 Million for equitable shareable revenue.

Table 3: Summary of Revenue performance

Revenue Item	Amount disbursed (KES)	
	2023/24	2024/25
Equitable shareable revenue	11,879,634,559	12,980,503,855
Balance brought forward	745,076,680	1,033,011,703
SIDA Agricultural Sector Development Support Programme II (ASDSP II)	1,254,212	-
Danida grant -primary health care in devolved context	18,999,750	16,038,750
KELCOP	28,269,536	33,423,508
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP)	191,274,891	107,706,293
Kenya Roads Maintenance Levy	-	81,318,878
(IDA) World Bank Credit-Financing Locally Led Climate Programme (FFLOCA) 1 CCIS grant	303,132,837	
Kenya Devolution Support Programme (KDSP) level 1	-	
Kenya Urban Support Programme(KUSP) UDG		32,309,300
Others	8,337,106	7,532,794

Revenue Item	Amount disbursed (KES)	
	2023/24	2024/25
National Agricultural Value Chain Development Project (NAVCDP)	-	
World Bank Kenya Climate Smart Agriculture KCSAP	-	
(IDA) World Bank Credit-Financing Locally Led Climate Programme (FFLOCA) CCIS Grant	-	
Universal Healthcare in devolved units programme-(DANIDA)-UHDSP	-	
(SIDA) Agricultural Sector Development Support Programme II (ASDSP II)	-	
County Aggregation and Industrial Park Programme		200,000,000
Kenya Informal settlement improvement project (KISIP 11)	140,000,000	108,661,317
KfW German Development Bank- Drought Resilience Programme in Northern Kenya (DRPNK)-Min. Water, Sanitation, and Irrigation		43,606,229
Total	13,315,979,571	14,644,112,627

Source: CBROP, 2024

2.1.13 Own Source Revenue

The County Revenue collection performance marginally improved in FY 2024/25 compared to FY 2023/24. In the FY 2023/24, own source revenue was KES 1.349 Billion against the approved budget of KES 2.2 Billion compared to the FY 2024/25 where 1.442 Billion was collected against an approved budget of KES 2.2 Billion. While the actual revenue collected in the FY 2024/25 represented 66 per cent of the approved revenue target compared to 61 per cent of the FY 2023/24.

Table 4: Detailed Own Source Revenue Performance for FY 2024/2025

Total Revenue	Actual Receipts (KES)		Approved Budget (KES.)	Revised Budget (KES)	Actual Receipts (KES.)
Financial Years	2022/2023	2023/2024	2024/2025		
Farm Input Subsidy	342,285,124	305,148,320	270,000,000	270,000,000	23,507,808
NHIF/SHA	230,739,969	286,620,678	470,000,000	470,000,000	593,967,341.55
Hospital User Fees (Cash)	214,063,104	234,478,833	300,000,000	300,000,000	277,150,257
Single Business Permit	170,248,245	184,505,972	163,804,946	163,804,946	200,386,127
Advertisement Fees	48,408,453	64,962,889	60,959,134	60,959,134	54,391,491
Cess from Sugar Factories	54,046,909	43,182,264	90,084,167	90,084,167	62,567,045
Property/Land Rates	25,071,740	32,037,761	87,314,663	87,314,663	33,113,846
Building Plan Approval Fees	23,045,518	29,750,061	39,388,137	39,388,137	33,266,714
Bus Park Fees	40,918,352	29,373,674	66,776,762	66,776,762	37,194,128
Public Health Services	19,918,536	26,288,334	70,000,000	70,000,000	26,487,710
Open Market Fees	13,176,103	24,253,668	22,352,090	22,352,090	25,584,499
Liquor Licensing	15,005,000	22,855,676	141,700,000	141,700,000	-
Cess from other Agricultural Produce	23,934,563	12,199,676	18,074,240	18,074,240	10,929,293
Street Parking Fees	12,916,252	9,837,654	23,722,047	23,722,047	15,308,514
Disposal of County Assets	-	6,939,115	75,000,000	75,000,000	-
Slaughter House Fees	6,601,907	5,745,394	9,992,917	9,992,917	8,021,590
Market Stall Fees	4,824,259	5,143,655	5,181,251	5,181,251	6,303,675
Stock Sale Fees	5,536,585	3,088,654	11,045,668	11,045,668	5,613,495
Motor Bike Stickers	3,212,000	2,552,421	4,052,475	4,052,475	2,607,957
Bukura ATC fees	3,548,368	2,527,262	11,725,000	11,725,000	1,158,820
Veterinary Services	2,720,495	2,365,861	11,112,067	11,112,067	760,680
Kiosk Fees	1,633,900	2,293,795	2,384,700	2,384,700	2,361,801
Fire Compliance Fees	2,147,175	2,016,685	2,322,688	2,322,688	5,632,245
Commissions	5,495,909	1,795,893	17,587,500	17,587,500	-
Impounding Fees	1,449,455	1,356,395	220,000	220,000	1,205,935
Cess from Murram					

Total Revenue	Actual Receipts (KES)		Approved Budget (KES.)	Revised Budget (KES)	Actual Receipts (KES.)
	7,414,451	1,185,050	11,338,812	11,338,812	4,725,900
Bukhungu Stadium	1,338,000	1,094,940	3,694,075	3,694,075	100,000
Red Cross fees	377,600	978,500	1,000,000	1,000,000	1,488,500
Weights & Measures	590,050	856,570	2,870,304	2,870,304	1,095,720
Hire Fees	549,200	738,525	1,202,975	1,202,975	161,930
Survey Fees	471,288	735,080	2,303,292	2,303,292	422,000
Noise Control	569,580	674,900	1,179,518	1,179,518	989,275
Fish and Poultry Fees	2,378,710	605,318	8,207,500	8,207,500	169,430
House Rent	2,749,999	594,637	3,624,209	3,624,209	388,990
Public Toilet	1,139,730	429,340	1,144,076	1,144,076	490,525
Land Transfer Fees	185,670	262,760	200,000	200,000	129,000
Registration of Groups	108,285	156,386	352,787	352,787	270,310
Dividends from Golf Hotel	2,585,000	37,250	-	-	-
Farm Mechanization	-	12,700	14,070,000	14,070,000	-
Tree/Flower Nursery Fees	2,800	5,000	12,000	12,000	-
Burial Fees	30,250	1,500	-	-	11,500
Contribution in Lieu Rates	-	-	174,000,000	174,000,000	-
Direct credits	15,944,150	-	-	-	4,262,336
Recoveries	2,251,211	-	-	-	-
IFAD	14,731,858	-	-	-	-
KEPI	11,129,850	-	-	-	-
Total Own Source Revenue	1,335,495,603	1,349,689,046	2,200,000,000	2,200,000,000	1,442,226,388

Source: KCRA

2.2 National Government Revenue -

Revenue from the National Government consisted of equitable shareable revenue of KES

12.980 Billion and total Conditional grants of KES 470 million. The summary of transfers from the National Government is highlighted in table 7.

Table 5: Summary of Transfers from National Government FY 2024/2025

Revenue Item	Actual Receipts (KES)		
	2022/2023	2023/2024	2024/2025
Balance brought forward	991,152,975	745,076,680	1,040,544,497
Equitable Share	991,152,975	745,076,680	1,040,544,497
Conditional grant	-		152,267,546
Total Allocation from the National Government	12,675,985,506	12,570,902,891	14,644,112,627
Equitable share of revenue	12,389,412,168	11,879,634,559	12,980,503,855
Conditional Grants	286,573,338	691,268,332	470,796,729
County Aggregation and Industrial Park Programme			200,000,000
Roads Maintenance Levy Fund			81,318,878
Aquaculture Business Development Project	50,000,000		
SIDA Agricultural Sector Development Support Programme II (ASDSP II)		1,254,212	
Danida grant -primary health care in devolved context	33,447,791	18,999,750	16,038,750
KCSAP-Kenya Climate Smart Agriculture Project	67,192,729		
KELCOP		28,269,536	33,423,508
IDA World Bank National Agricultural Value Chain Development Project (NAVCDP)		191,274,891	107,706,293
(IDA) World Bank Credit-Financing Locally Led Climate Programme (FFLOCA) 1 CCIS grant		303,132,837	
Others		8,337,106	

Revenue Item	Actual Receipts (KES)		
	2022/2023	2023/2024	2024/2025
DANIDA Grant	33,447,791		
Agricultural Sector Development Support Programme (ASDSP)	11,287,905		
World bank-Kenya Climate Smart Agriculture)KCSAP	99,110,439		
Kenya Urban Support Programme Capital	3,534,474		32,309,300
National Agricultural and Rural Value Chain Inclusive Growth Project (NAVCDP	67,192,729		
FLLoCA-(CCIS)	22,000,000		
Kenya Informal Settlement Improvement Project- (KISIP II)	50,000,000	140,000,000	
Total Revenue and Grants	14,976,818,380	13,315,979,571	13,451,300,584

Source: CBROP, 2025

2.3 Comparison of Yearly Revenue receipts from the National Government -

Table 8 presents a comparison of annual revenue receipts from the National government for the period 2016/17 – 2024/25.

Table 6: Comparison of Annual Revenue receipts from national Government over the period 2016/17 to 2024/25

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

2022/2023	13,380,565,143	286,573,338	13,667,138,481
2023/2024	12,624,711,239	691,268,332	13,315,979,571
2024/2025	12,980,503,855	470,796,729	13,451,300,584

Source: CBROP, 2025

2.4 County Government Expenditure for FY 2024/2025

Total expenditure in the FY 2024/25 amounted to KES 13.918 Billion against a revised target of KES 17.646 Billion, representing an under-spending of KES 3.728 Billion (21.13) percent deviation from the revised budget. The overall absorption rate was 78.87 per cent comprising of 77.13 per cent and 22.87 per cent for recurrent and development expenditure respectively.

The overall recurrent expenditure amounted to KES 10.734 Billion, representing an under-spending of KES 1.508 Billion from the approved revised recurrent expenditure of KES 12.243 Billion. The under-spending was in respect to delayed disbursement of equitable shareable revenue from the National Government and the unmet target of own source revenue.

Employee compensation was KES 6.132 Billion translating to 44.06 per cent of total revenues for the year which includes salaries for the County Assembly. Operation and Maintenance (O&M) was KES 3.252 Billion (23.36 per cent)

2.6.2 Expenditure by Economic Classification-

Table 7: Economic Classification of Expenditure for FY 2022/23 -2024/25

PAYMENTS	2022/2023	2023/2024	2024/2025			
	Actual		Approved budget	Revised budget	Actual	Deviation
	KES	KES	KES	KES	KES	KES
1. RECURRENT	10,948,458,821	9,711,420,216	11,911,267,174	12,243,575,957	10,734,804,266	(1,508,771,691)
Compensation of Employees	6,380,895,060	5,624,458,149	6,200,518,400	6,195,048,377	6,132,800,761	(62,247,616)
Operations and Maintenance - Executive	3,953,503,539	4,086,962,067	4,228,025,607	4,573,760,363	3,252,340,489	(1,321,419,874)

PAYMENTS	2022/2023	2023/2024	2024/2025			
	Actual		Approved budget	Revised budget	Actual	Deviation
	KES	KES	KES	KES	KES	KES
County Assembly - Operations and Maintenance	614,060,222	1,400,821,103	1,482,723,167	1,474,767,217	1,349,663,016	(125,104,201)
2. DEVELOPMENT	3,707,539,951	2,519,249,803	5,950,027,741	5,403,212,805	3,183,520,176	(2,219,692,629)
Development projects	3,707,539,951	2,519,249,803	5,950,027,741	5,403,212,805	3,183,520,176	(2,219,692,629)
TOTAL EXPENDITURE	14,655,998,772	13,636,919,254	17,861,294,915	17,646,788,762	13,918,325,010	(3,728,463,752)

Source: County Treasury

Table 9 groups the total county expenditures for the previous year into three main categories;

- i) **Compensation of Employees;** this includes basic salaries paid to permanent and temporary employees and personal allowances paid as part of salary among other related costs.
- ii) **Operations/Use of goods and services;** It includes utilities, supply and services, domestic travel and subsistence, and other transportation costs, training expenses, hospitality supplies and services, routine Maintenance among other related costs.
- iii) **Development expenditures;** these are the funding to the various capital projects and programmes in the county departments.

2.6.2.1.1 Expenditure by Departments

Table 10 depicts the absorption rates for county departments for the FY 2023/24.

Table 8: Departmental Expenditure for the Period Ending 30th June 2025

DEPARTMENT	Actual		Budget	Revised Budget	Actual	Absorption rate(%)
	FY 2022/23	FY 2023/2024	FY 2024/25			
	KES	KES	KES			(%)
EXPENDITURES	14,266,766,401	13,636,919,253	17,861,294,915	17,646,788,762	13,918,325,010	78.87
County Assembly	1,227,746,754	1,400,821,103	1,482,723,167	1,474,767,217	1,349,663,016	91.52
Recurrent	1,227,746,754	1,400,821,103	1,482,723,167	1,474,767,217	1,349,663,016	91.52
Agriculture, Livestock, Fisheries and Co-operatives	1,102,498,002	320,416,837	941,101,196	1,119,613,162	728,183,555	65.04
Recurrent	72,602,276	82,563,589	95,700,000	69,720,490	65,478,897	93.92
Development	1,029,895,746	237,853,248	845,401,196	1,049,892,672	662,704,658	63.12
Health Services	1,461,070,616	921,899,394	1,847,717,331	1,761,091,778	801,458,695	45.51
Recurrent	1,206,865,737	727,103,218	1,361,217,331	1,205,454,578	548,280,592	45.48
Development	254,204,879	194,796,177	486,500,000	555,637,200	253,178,103	45.57
Education, Science & Technology	468,603,719	482,999,685	872,500,000	520,458,391	230,924,453	44.37
Recurrent	349,988,950	416,321,121	413,500,000	284,375,025	134,908,263	47.44
Development	118,614,769	66,678,563	459,000,000	236,083,366	96,016,190	40.67
Roads, Public Works & Energy	1,064,916,131	985,877,068	1,673,822,499	1,027,600,134	655,086,911	63.75
Recurrent	158,598,082	24,291,931	48,800,000	30,927,864	23,958,820	77.47
Development	906,318,049	961,585,136	1,625,022,499	996,672,270	631,128,091	63.32
Lands, Housing, Urban Areas and Physical Planning	341,530,402	415,103,965	675,090,969	699,590,099	236,120,142	33.75

DEPARTMENT	Actual		Budget	Revised Budget	Actual	Absorption rate(%)
	FY 2022/23	FY 2023/2024	FY 2024/25			
	KES	KES	KES			(%)
Recurrent	181,269,226	233,329,020	280,350,000	267,002,163	192,199,742	71.98
Development	160,261,176	181,774,946	394,740,969	432,587,936	43,920,400	10.15
Social Services, Youth & Sports	484,192,084	740,493,666	837,018,262	641,973,211	603,271,515	93.97
Recurrent	171,251,764	398,445,525	424,240,002	531,218,763	531,218,436	100.00
Development	312,940,320	342,048,141	412,778,260	110,754,448	72,053,079	65.06
Trade, Tourism & Industrialization	317,833,120	146,517,245	653,219,298	277,896,287	301,762,658	108.59
Recurrent	39,604,877	32,476,517	48,519,298	25,496,287	24,530,381	96.21
Development	279,228,243	114,040,728	604,700,000	252,400,000	277,232,277	109.84
Water, Environment and Natural Resource	295,933,459	174,053,434	898,734,817	784,003,139	440,795,956	56.22
Recurrent	31,573,069	48,253,924	53,350,000	27,914,677	16,221,478	58.11
Development	264,360,390	125,799,510	845,384,817	756,088,462	424,574,478	56.15
Public Service and Administration	6,257,748,344	6,434,223,779	6,967,812,177	7,096,755,637	6,907,436,792	97.33
Recurrent	6,201,131,895	6,354,627,462	6,857,312,177	6,959,855,637	6,882,566,343	98.89
Development	56,616,439	79,596,316	110,500,000	136,900,000	24,870,449	18.17
Office of the Governor	292,908,393	510,570,052	305,000,000	344,072,605	257,229,194	74.76
Recurrent	288,171,575	510,245,142	295,000,000	342,598,105	255,754,694	74.65
Development	4,736,818	324,910	10,000,000	1,474,500	1,474,500	100.00
County Treasury	847,393,598	1,000,657,211	556,355,199	1,676,068,647	1,248,004,333	74.46
Recurrent	621,417,687	842,478,930	500,355,199	957,406,696	657,635,424	68.69
Development	225,975,911	158,178,281	56,000,000	718,661,951	590,368,909	82.15
County Public Service Board	32,473,616	15,973,406	15,100,000	16,029,495	13,340,875	83.23
Recurrent	32,473,616	15,973,406	15,100,000	16,029,495	13,340,875	83.23

DEPARTMENT	Actual		Budget	Revised Budget	Actual	Absorption rate(%)
	FY 2022/23	FY 2023/2024	FY 2024/25			
	KES	KES	KES			(%)
ICT, E-government & Communication	71,918,152	87,312,409	135,100,000	206,868,960	145,046,915	70.12
Recurrent	26,530,941	30,738,562	35,100,000	50,808,960	39,047,305	76.85
Development	45,387,211	56,573,847	100,000,000	156,060,000	105,999,610	67.92

Source: The County Treasury-CBROP 2025

2.7 Major Programmes and Projects implemented in the period

2.6.1 Agriculture, Livestock, Fisheries and Cooperatives

Achievements

- ❖ Procured and distributed 359,882 bags of 25kgs Planting fertilizer
- ❖ Procured and distributed 359,988 bags of 25kgs Topdressing fertilizer
- ❖ Procured and distributed 309,280 packets of 2kgs Maize Hybrid seeds
- ❖ Purchase and distribute 47,000 (25kg) planting fertilizer; 47,000 (25kg) top-dressing fertilizers and 23,000 (2kg) packets of certified maize seed to vulnerable groups
- ❖ Increased maize production to 3.0 million bags per year
- ❖ Distributed 6,000 Tissue Cultured banana seedlings
- ❖ 206.2 acres ploughed under farm mechanization
- ❖ Procurement and delivery of 390,000 tea seedlings from Tea Research Foundation to promote tea production in the county
- ❖ Distributed 24,000 day old chicks to farmer groups through KELCOP
- ❖ Distributed 120 beehives to farmers through KELCOP
- ❖ Ongoing Development Lubao and Nambacha livestock saleyards under KelCop;
- ❖ Establishment and operationalization of Likuyani Smart dairy farm with 26 bullying heifers
- ❖ Establishment and operationalization of Malava Smart dairy farm with 26 bullying heifers
- ❖ Initiated construction of Shibinga, Shitoli, Navakholo and Butere Smart dairy farms which are in different stages of completion.
- ❖ Establishment of a legume fodder farm as alternative source of dairy animals protein at Likuyani Smart dairy farm
- ❖ Establishment of 15 acres of fodder maize at Mumias west
- ❖ Acquisition of two shredders and one harmer mill to enhance on animal feed proceeding
- ❖ Renovations of Smart dairy farms (Matungu, Bukura, Kabras and Khwisero)
- ❖ Fodder diversification in smart dairy farms Purchase of Fish feeds under the subsidy program Ksh.18,000,000
- ❖ Constructed new fish ponds and rehabilitated non-operational fish ponds at Ksh.17,000,000
- ❖ Renovated 8 fish ponds at Lutonyi, 29 at Khwisero and 7 at Isukha and stocked 4 ponds at Lutonyi.
- ❖ Purchased Fingerlings for stocking of fish ponds at Ksh.10,000,000
- ❖ Purchased Fibre glass boat and Out board engine

Impact

These initiatives have improved County food security and enhanced people's standards of living. Maize production has increased to 5.6 million bags while milk production has increased by 2 million litres over the same period.

2.6.2 Roads, Public Works and Energy

- ❖ A total of 22.15 Km of gravel roads upgraded to bitumen standards and maintained 3km including (Ebukwala-Khukolomani(3Km) and Otiende Water Access roads(0.34Km)) and ongoing Construction of Matungu - Ogalo Road(9.3km), Ombwaro - Manyulia Road (5.5km), Murrum – Shitirira and Malava –Tumbeni Roads (7.6km), Butali – Malekha(6Km), Ingotse – Navakholo – Chebyusi(11.54km), Harambee- Musamba- Khaunga Bridge(12.5Km) and Lumakanda Manyonyi(7Km), Malaha-Khaunga(8Km), Mumias-Matawa-Indangalasia(10Km) and Mahiakalo-Nyayo Tea Zones- Shikulu Mkt (6.2km)
- ❖ Maintained 750 km of gravel roads;
- ❖ Constructed 12 bridges and box culverts (Lairi Box Culvert, Musingu1, Musingu2, Petros Nyapora, Manda, Indoli, Chali Kasinde, Namilimu, Chevoso, Eluhali, Vihulu – Musingu and Mulwanda) across the County and Evihande, Kasaya, Malenya, Munduma, Teresia, Manguliro and Tamanoni are still ongoing;
- ❖ It has also installed 2 strategic transformers at Chekalini Maize Mill and Matawa Fertilizer Plant.

Impact

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

2.6.3 Health Services

Health Services

- Enrollment of CHPs to SHA.
- Operationalized Butere level IV hospital and Likuyani & Butere morgues,
- Completion and Operationalization of Mutembei, Shirakalu and Sipande Dispensaries.
- Ensured availability of essential drugs in health facilities through the 30% drugs rule for all revenues collected and county procurement.
- Renovation of structures in 21 health facilities and constructed 16 pit latrines through the ward-based projects.
- Procurement of NASG equipment by all hospitals to prevent maternal mortality in the county.

- Through FIF and county procurement, facilities have procured medical equipment i.e. microscopes, autoclaves and haemogram machines.
- Increased facilities offering Imarisha Afya ya Mama na Mtoto (Barasa Care) programme from 39 to 60.

Impact

The programmes and projects carried out by the department have improved service delivery through improved infrastructure, motivated CHPs, availability of drugs in facilities.

2.6.4 Education Science and Technology

- Constructed classrooms, pit latrines; Installation of 5,000 Litres storage tank; gate and Fencing of Land in 10 county polytechnics; Bunyala Central CP, Itumbu CP, Kisa West CP, Mabanga CP, Bunyala West CP, Butali/Chegulo CP, Madala CP, St Teresa Isanjiro CP, Iuskha west CP and Maola CP.
- Acquired 7.5 Acres of land for establishment of a new Polytechnic in Bunyala West ward, Shinoyi Shikomari Isumeyia ward and Butali Chegulo ward; and 2.3 Acres of land for establishment of a new Polytechnic in East Wanga ward in Mumias East Subcounty
- Provided tuition subsidy to all trainees in the 68 County Polytechnics
- Established and operationalized new county polytechnic at Butali Chegulo CP
- Provided tuition subsidy to all trainees in the 68 County Polytechnics
- Provide ATVET training to 600 Students
- Completed construction of 20 ECDE Centres; Malava, Lusumu, Panpaper, Chenjeni, Eshikulusi, Buriya, Ikhulili, Irechero, Khabondi, Ebushibungo, Mapera, Ivona, Namanja, Vikoshe, Shivikwa, Shitsava, Lutaso, Ngairwe, Elwasambi and Emuhaka ECDE.
- Renovated 14 ECDEs; Ebubala, Shanderema, Eshiruli, Mutoto, Mukhweya, Musango, Sirigoi, Mufutu, Malinya, Ludodo, Manyonje, Ichina, Bumanyi and Sheikh Khailfa ECDE.
- Installation of outdoor equipment at Kongoni, Kakamega and Khwisero ECDE
- Provided tuition subsidy to all children in 916 ECDE centres
- Acquired and distributed 22,044 and 3,340 child-friendly chairs and tables respectively to 334 ECDE Centres;
- Provided tuition subsidy to all children in 925 public ECDE Centres.

- County Education Scholarship Scheme benefited all the ongoing students studying in both local and international universities.
- Disbursed bursaries to learners across the county in FY 2022/23, FY 2022/23 and in FY 2023/2024

Impact

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

2.6.5 Trade Industrialization and Tourism

- Constructed Kipkaren, and Bukura Markets and ongoing construction of Lidambitsa, Shiatsala, Bungasi, Koyonzo and Shibinga open air markets. Renovation of Harambee and Shanda market ongoing
- Constructed Khumukwea, Buhuru, Navakholo, Ivihiga, Shikoti, Malaha, Khwisero, Ejinja and Sango ablution blocks. They constructed Shikulu, Shiatsala, Kakunga, Shitswitswi, Virhembe, Mirere, Imanga and Otiato toilets in markets
- Constructed Koyonzo stock ring with Kipkaren Ongoing. It also fenced Matete, Malimili, Malaha and Kakunga stockring land.
- Operationalized market committees
- Renovated Butere and Shianda Modern Markets.
- Completed construction of 74 boda-boda shades, 4 pit latrines on markets, 3 market shades and Khayega Market Kiosk under ward-based projects.
- Successfully held Kakamega SME exhibitions in 2023 & 2024
- Verified 4000 traders weighing and measuring equipment in the county
- Calibrated the county weights and measuring working standards
- Kakamega County Microfinance Corporation disbursed Kes. 43,960,000 loans and recovered Kes 32,030,000.
- Established digital tourism marketing 'Many Ingo' platform
- Organized three (3) day Kenya Cultural Tourism and Food Conference, Festival and Expo from the 16th -18th March 2023 at Bukhungu Stadium in Kakamega town.
- Mapped and documented tourism attraction sites and facilities

- Construction of County Aggregation and Industrial Park (CAIP) has been initiated in Likuyani.
- Purchased 53 acres of land for establishment of County Aggregation and Industrial Park (CAIP) and establishment of Lugari Maize mill
- In collaboration with Fuga established Chekalini Maize mill.
- Ongoing construction of Malava Dairy Factory.

Impact

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

2.6.6 Water, Environment, Natural Resources and Climate Change

- Completion & operationalization of Kuvasali Gravity Water Project in Chemuche ward and Matunda Water Project in Nzoia ward.
- Construction/Augmentation/Rehabilitation/Solarization of: Matungu springs in Mayoni Ward; Lubanga Water Project in Namamali Ward; Emakale in Mayoni Ward; Busombi in Khalaba Ward; Mutaho/Shanavunga in Idakho North; Inyanya Water in Kisa West Ward; Mabole Water Project in Marennya/Shianda Ward; Shamiloli Water Project in Murhanda Ward; Iranda Primary Water Project in Marama West; Mwikhomo Water Project in Idakho North Ward; Kilingili water project in Idakho South Ward; Koromaiti Water Project in Chekalini Ward; Buheri Water project in Bunyala Central Ward; Matunda Water project in Sinoko ward; Savona Water treatment plant in Shirere Ward; Shianda Community Water project in East Wanga Ward and Chirobani Water Project in Isukha East Ward.
- Bore holes drilled and equipped in Mwikhomo Primary Borehole in Idakho North Ward; Isecheno Borehole in Isukha Central Ward; Isukha West Polytechnic Borehole in Isukha West Ward; Eshiyunzu Borehole in Butsotso Central Ward; Bukaya Water Project in Etenje Ward; Mukhalanya Primary School Borehole in Chevaywa Ward; Busombi Borehole in Khalaba Ward; Shianda Borehole in South Kabras Ward; Samitsi Market Borehole in Shirugu – Mugai Ward; Tombo Dispensary Borehole in Manda / Shivanga Ward; Kalenda Borehole in Shirugu – Mugai Ward ; Chegulo Borehole in Butali / Chegulo Ward, Mukuyu Primary School Borehole in Mautuma Ward; Lwanda Lugari Primary School Borehole in Lugari Ward and Majengo Dispensary Borehole in Lumakanda Ward.
- Bore holes upgraded: Kilingili Dispensary Borehole in Idakho South Ward; Shamiloli Borehole in Murhanda Ward; Mawe Tatu Primary School Borehole in Sango Ward; Elwakana Borehole in Lubinu Lusheya Ward; Elwasambi Borehole in East Wanga Ward; Makunga Health Centre Borehole in Malaha/Isongo/Makunga Ward; Khabondi Primary Borehole in East Wanga Ward; Shitoto Girls Borehole in Lubinu/Lusheya Ward; Ebukhokoro Borehole in Marama South Ward ; Lunza Borehole in Marama West Ward; Eshikholobe in Marama North Ward and Eshinyulu Borehole in Shianda/Marennya Ward.

- In collaboration with Lake Victoria North Water Works Development Agency (LVNWWDA), the County Government is implementing:
 - a) Malava Sub-County Cluster Water and Sewerage Project;
 - b) Matunda-Moi's Bridge Water and Sewerage Project still on going
- Implemented climate change projects including:
 - a) Establishment of 11 tree nurseries including Khwisero County Polytechnic in Kisa North Ward, Nguvuli Chief Centre in Kabras East Ward, Isecheno in Isukha Central Ward, Senyende in Murhanda Ward, Mwitumbu Smart Farm in Kisa Central Ward, Luanda AC Primary in Kisa West Ward, Shitoli County Polytechnic in Idakho East, Bukura ATC in Butso South Ward, Butali /Chegulo Ward, Mukhuyu offices in Shirugu/Mugai Ward and Kholera Ward Office with a cumulative capacity to generate approximately 2,000,000 indigenous seedlings annually to support landscape rehabilitation;
 - b) Installation of two (2) lightening arresters at Shianda Market in South Kabras Ward and Mayuge Secondary in West Kabras Ward to reduce the lightening hazards.
 - c) Trained 1040 community persons across the county on climate smart technologies in dairy production and drought tolerant crops including Soya Beans, Sweet potatoes, Ground nuts, Millet and Sorghum.
- In collaboration with Planet-Gold Kenya, the County Government established free Mercury Artisanal and Small-Scale Mining Demonstration Centers in Rosterman in Shirere Ward and Malinya in Idakho Central Ward.
- Under the National Landscape restoration strategy of planting 15 billion trees, the County government planted 1.5 million tree seedlings under the County Greening Program.
- Established Organic Fertilizer Plant in Mumias Central Ward in collaboration with Regen Organics and Practical Action.

Impact

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

2.6.7 Social Services, Youth and Sports

- Constructed 554 shelter units for the vulnerable people in the county;
- Constructed Bukhungu Stadium Phase II up to 51% level of completion;
- Supported 749 persons with disability with assistive devices and food stuff;
- Established and hosted Youth Kikao, an annual event enhancing good governance and participatory planning and development;
- Completed and operationalized a Gender Based Violence (GBV) Centre in Shinyalu and initiated construction of a similar centre at Chekalini in Lugari Sub County;

- Reintegrated over 134 teen mothers into secondary schools and TVETs;
- Completed upgrading of 14 sports fields including Solyo, Mukumu, Eimanani, St. Teresa Primary, Pan Paper, Navakholo, Khwisero, Lumakanda, Khayega, Mung'ang'a, Musanda, Kakamega High, Bumwende and Matete Sports Fields;
- Digitized and documented 68 indigenous knowledge of the various communities in Kakamega County.
- Stocked Lusumu and Kakamega Public library with assorted books to enhance the reading culture of culture;
- Promoting the County's rich cultural heritage as exhibited in music, dance and other performance arts at the National level as well as facilitating the Governor's Gala. Kakamega County is the reigning Champion of Kenya Music and Cultural Festival, having won the title since inception of devolution (from 2014).
- Enhanced National cohesion through hosting in 2024 and participation in Kenya Inter-County Sports and Cultural Association games (KICOSCA).
- Empowered 3,600 Women and 1,800 Youth in the County Youth Service and Women Empowerment Programme;
- Renovated Mumias Cultural centre
- Constructed Eshimuli Shrines Administration Block and equipped Shinyalu Gender based Violence Rescue Center
- Developed and implemented the County Youth, Children's and Social protection Policies
- Trained 1,200 bodaboda riders and issued them with road safety riding safety gears and driving licenses.

Impact

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

2.6.8 Lands, Housing, Urban Areas and Physical Planning

- Completed the Valuation roll
- Completed erection of chain link fencing for ten County Houses in Malava Town.
- Prepared County Housing Policy.
- Prepared County Estate management regulations.
- Renovated three, two-bedroom County Government houses in Mudiri County Estate in Kakamega Municipality
- Conferred 3 new municipalities i.e. (Butere, Malava, Matunda)
- Completed Construction of Sichirai Retail market and access roads in Kakamega
- Completed Rehabilitation of main market in Kakamega

- Installed 25 integrated solar streetlights and 1 security High mast floodlight in Lukoye, 16 integrated solar streetlights in Mjini, both in Mumias municipality.
- Installed 7 integrated solar streetlights and 1 security High mast floodlight at Amalemba in Kakamega Municipality.

Impact

These initiatives have improved the business environment, hygiene, town planning and de-centralized services

2.6.9 Public Service and County Administration

- Constructed two Ward Offices – Shinoyi/Shikomari/Esumeiya and Khalaba ward offices
- Renovated Liaison Office in Nairobi
- Refurbished County HQ offices- (Governor’s Office, Cabinet Secretariat, CCTV, Political and Economic Advisor’s Offices)
- Fenced six (6) ward offices- Isukha East, Kisa West, Lubinu/Lusheya, Idakho North, Lwandeti and Shirugu/Mugai Wards.
- Organized 127 awareness forums on effects of alcohol and drug abuse across the County.
- Coordinated 88 public participation meetings/forums across the county
- Constructed Amalemba Bridge and filling of Eshirembe gulley (Emergency)
- Constructed Lutasio Bridge in Matungu Sub County
- Installed lifts at the new County HQ Annex
- Refurbished Old County HQs building and two sub-County offices (Shinyalu & Malava)
- Operationalized Community Area Councils across the 400 Community Areas.
- Constructed 10 collapsed bridges due to floods and installed 1 high mast flood light at Kaburengu under Disaster Fund.
- Completed and operationalized Likuyani Sub-County Administration Office
- Purchased modern Fire Engine
- Completed and operationalized County Northern Region Office
- Completed and operationalized Bunyala West Ward Office
- Refurbished Shinyalu Sub County Office and the County Administration Office
- Renovated County HQ gates A, B, C & D

- Renovated Butere Sub County office
- Partitioned Kotecha Building
- Constructed the Bio-digester in the Northern region office in Lugari

Impact

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

2.6.10 Finance and Economic Planning

- Established automated assets and liabilities information system that has enabled management of County assets and liabilities;
- Operationalized e-Procurement system and achieved 95% payments through IFMIS thus enhanced transparency and accountability;
- Improved audit reports from adverse to qualified by strengthening internal control systems;
- Prepared County economic and budgeting policy documents as per the set timelines (CIDP, Sectoral plans, CADP, CBROP, CFSP, MTEF)
- Generated a report on agricultural investment promotion for 3 priority crops (Sunflower, Avocado and Upland Rice) in the county in partnership with Japan International Co-operation Agency(JICA)
- Partnered with USAID Kenya investment mechanism to develop a resource mobilization and investment promotion strategy
- In collaboration with USAID facilitated setting up of an organic Fertilizer factory- Sanergy Collaborative (Regen Organics)
- Held the first International Investment conference (KaIICO 2024)
- Acquired an Integrated Revenue Management System that has minimized leakages and eased reconciliations.
- Improved collection of own source revenue from KES 1.335 billion in FY 2022/2023 to KES 1.349 billion in FY 2023/2024

Impact

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

2.6.11 ICT, e-Government and Communication

- Developed and operationalized three e-Government Portals; an Integrated Revenue Management System, Recruitment Web Portal and Supplier Management System
- Established the production studio at the County headquarters to support production of local content;
- Redesigned and upgraded Local Area Network (LAN) at the County Headquarters.
- Improved internet connectivity by increasing bandwidth at the County Headquarters from 40Mbps to 50Mbps and Sahajanand and Kotecha office buildings from 30Mbps to 40Mbps respectively
- Installed and configured 69 IP telephones at the county headquarters to enhance communication.
- Acquired an e-Board Management System which automated all cabinet meetings. Installed Local Area Network in Butere, Lugari, Public Works and Governor's offices to provide comprehensive telecommunication infrastructure that will serve a wide range of users;
- Developed a public participation portal which will provide a user-friendly platform for citizens to submit feedback, suggestions, complains and requests related to County affairs;
- Revamped the production studio at the County headquarters to support production of local content and cut on production cost of County Documentaries.

Impact

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

2.6.12 Office of the Governor

- Conducted 61 public participation forums with stakeholders across the county;
- Renovated Butere, Lugari and Sahajanand audit offices to support audit services
- Constructed and equipped Governor's northern region office in Lugari;
- Drafted a total of 86 bills, out of which 47 have been enacted by the county assembly and 32 MOUs have been signed to improve effectiveness of governance processes;
- Acquired and operationalized the Electronic County Integrated Project Management System (ECIPMS) to support real time monitoring and tracking of project progress;
- Equipped a County Court to handle cases relating to violations of County laws;
- Furnished Governors, Deputy Governors, County Secretary, Deputy County Secretary and Cabinet Secretariat
- Refurbished Audit Offices in Lugari and Butere.
- Established and operationalized County Call Centre

Impact

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

2.6.13 County Public Service Board

- Verified academic and professional certificates for officers in job group Q and R
- Sensitized staff on National Values and principles of Governance and County Disciplinary procedures/processes
- Sensitized Kakamega County Polytechnic Students on AGPO and employment opportunities
- Reviewed the organization structures for the departments of Health Services, Agriculture and Social Services.
- Renewed the contracts of 243 UHC Personnel and Data Clerks at Imarisha Afya ya Mama na Mtoto programme;
- Recruited 944 Agri-preneurs for the department of Agriculture and 3000 Service men and women and 36 CYWEP Programme Officers for department of Social Services under delegated authority.
- Prepared the Annual CPSB 2024 Report in line with CGA, 2012.
- Promoted 191 county staff.
- Appointed 141 new officers.
- Delegated the recruitment of the CEO for KDDC and 106 CYSWEP workers.
- Conducted a workshop on PC Targets for 2024/2025
- Verified academic certificates of newly appointed staff
- Issued advisories to executive on various Human Resource Management matters i.e staff returns, recruitment within budgetary provisions and trainings and development
- Prepared Annual Budget, work plan and procurement plan
- Processed staff requests on transfers, secondments and Leave of absence

Impact

Recruitment of staff has enhanced service delivery

Impact

Recruitment of staff has enhanced service delivery

2.6.14 The County Assembly

The following acts were finalized;

- ❖ Kakamega County Appropriation Act, 2024
- ❖ Kakamega County Sexual and Gender Based Violence Control and Management Act, 2024
- ❖ Kakamega County Finance Act, 2024
- ❖ Kakamega County Infrastructure Development and Financing Act, 2024
- ❖ Kakamega County Supplementary Appropriation Act, 2025

Impact

Enactment of laws enhanced county oversight

2.7 Implementation of FY 2024/25 Budget and Emerging Fiscal Challenges

The implementation of the budget for FY 2025/26 started smoothly despite uncertainty in disbursement of funds from the National government. Most expenditure during the first quarter was majorly recurrent in nature with employee cost taking a bigger percentage and emphasis placed on completion of ongoing projects and payment of pending bills. Political interference in projects affected the implementation of the budget.

Revenue collection in FY 2025/26 is showing a significant decrease from a similar period in the FY 2024/25. Data provided by KCRA for the half year of the FY 2025/26 indicates that the County Government was able to collect KES 512,133,410 as compared to KES 544,984,139 collected during the same period in the FY 2024/25. The mid-year performance presents a decline of KES 32,850,729 representing a 6% year-on-year decline in own source revenue performance at mid-year.

The underperformance and year-on-year decline were largely driven by exogenous and policy-related factors, notably:

- Suspension of the Farm Input Subsidy Programme by the County Government, which significantly reduced related collections.
- Three-month closure of sugar factories, leading to substantial revenue losses from sugar cess, previously a key contributor under “other fees.”
- Seasonality in revenue streams such as Single Business Permits and Land Rates, which are predominantly collected in the third quarter of the financial year.

2.8 Revised budgets

Budget implementation for the first half of the financial year 2025/26 faced several challenges key among them; delays in exchequer releases by the National treasury, continued additional expenditure demands from Departments and low own source revenue collections.

In view of the financial constraints, a supplementary budget for FY 2025/26 reflecting these changes was prepared and approved by the County Assembly. The County Government will continue to rationalize and re-prioritize development and operational expenditures in order to spend within the budget.

2.9 Risks to the outlook

The county government has faced a number of difficulties as a result of the decentralized systems to improve service delivery at the grassroots level. Expenditure challenges have persisted due to operational demands from all county departments and salary demands for Public Service & Administration. By reducing funds for capital expenditures, the high wage bill threatens the medium-term viability of the 2025/2026 budget.

The County Government will take the necessary steps, such as rationalizing the budget, to safeguard economic stability and respond to its consequences appropriately on the fiscal outlook.

FISCAL POLICY AND BUDGET FRAMEWORK

3.1 Overview

The County Fiscal Strategy Paper 2025/26 and over the Medium-Term period is aimed at supporting a sustainably wealthy and vibrant County by providing high quality services to improve the lives and livelihoods of its residents of Kakamega. The County Government will pursue prudent fiscal policies to ensure economic growth and development across all sectors. In addition, these policies will provide platform for overseeing vibrant economic activities while sustaining a smooth implementation of county projects and Programs. Adhering to these policies will therefore, enhance local revenue collection which will ensure adequate resources for capital investments.

In respect to local revenue generation, the County Government is working towards instituting corrective measures aimed at enhancing revenue collection, reduction in leakages and improved timely reporting of the Revenue Agency. The agency is responsible for efficient and effective revenue collections, enforcement of local revenue laws and regulations, continued automation of revenue collection systems and expansion of revenue streams as well as undertaking sensitization and education of the public on revenue matters. To realize this agency has been working on optimal utilization of the cashless revenue collection system, implementation of the Facility Implementation Fund, increasing and increasing the human resource capacity

3.2 Legal Framework

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

3.3 Adherence to Fiscal Responsibility Principles

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

The fiscal responsibility principles to be observed include;

- ❖ Over the medium term, a minimum of 30% of the County Government budget shall be allocated to development expenditure;
- ❖ The County Government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the County Government revenue as prescribed by the Public Finance Management Act (PFMA 2012). This is a challenging fiscal principle as the county is faced with a huge wage bill without equivalent corresponding revenue that supports cash flow to meet this requirement. The wage bill stands at 45.77 % which excludes the County Assembly.
- ❖ The County Government will prepare a balanced budget where the expenditure estimates will be equal to the total revenue resource. This will help in avoiding instances of deficit financing thus eliminating the occurrence of pending bills at the end of each financial year.
- ❖ Borrowing shall be used for capital and development estimates only. While the County desires to borrow in future to fund its development agenda, this will be determined by the framework being developed by the National Government in consultation with the County Governments.

3.4 Fiscal structural reforms

The County Government aims to widen the revenue base by reviewing the relevant revenue legislations in order to improve revenue raising measures and efficiency. In order to achieve this objective, the County Government has strengthened the Kakamega County Revenue Agency by acquiring and operationalizing the Integrated Revenue Management System, implementation of the Facility Improvement Fund and recruitment of staff on permanent and pensionable terms.

Over the medium term, the County Government will rationalize its expenditure with an aim to reduce wastage. This will be done by ensuring there is improved transparency and accountability among the accounting officers. The on-going fiscal structural reforms will eliminate duplication and enhance efficiency.

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

3.5 Deficit Financing Policy

The County Government intends to borrow from domestic and external sources for capital investments based on the framework developed by the National Treasury. Borrowing will be undertaken upon careful and critical analysis of the financial position and capability of the County Government in repaying the debts.

3.6 Expenditure Forecasts

As required by the Public Finance Management Act, 2012 on fiscal responsibility principles, the County Government will prepare a balanced budget where expenditure is equivalent to revenue projections. The County Government expects overall expenditure estimates to remain almost the same as the budget for FY 2025/26 that shall incorporate the revised own source revenue generation targets.

Expenditure ceilings on goods and services for County Departments are based on the County priorities extracted from the CIDP 2023-2027 and the County Annual Development Plan 2026-2027. The ceilings are also adjusted based on expenditure trends and the County Government priority programs within the spending units. Inflation which affects the expenditure trends has been put into consideration. An Emergency Fund of KES 100 Million will be set aside to cater for any emergency cases that may arise during the FY 2026/27 in accordance to the PFM Act 2012.

3.7 The FY 2026/2027 Budget framework

The FY2026/27 budget framework is prepared in consideration of the macro-fiscal framework. The economic growth is estimated to have slowed down to 4.6 percent in 2024 from a growth of 5.6 percent in 2023 reflecting deceleration of economic activities in the first three quarters of 2024 and the slowdown in private sector credit growth to key sectors of the economy. Growth is expected to pick up to 5.3 percent in 2025 and retain the same momentum over the medium term largely driven by: enhanced agricultural productivity; resilient services sector, and ongoing implementation of priorities under BETA.

4.1. Division of Revenue Raised Nationally

Based on the Draft 2026 Budget Policy Statement (BPS), the total revenues, inclusive of Appropriation-in-Aid, by the National Government in the FY 2026/27 is estimated at KES 3,487.0 billion (16.7 percent of GDP), up from the projected KSh 3,321.7 billion (17.5 percent of GDP) in FY 2025/26.

In this paper, the National Treasury has proposed to allocate to County Governments KES 405.07 billion as their equitable share of revenue raised nationally. Within this, ordinary revenue is expected to reach KSh 2,901.9 billion (13.9 percent of GDP), compared to the projected KSh 2,754.7 billion (14.5 percent of GDP) in FY2025/26.

4.2. County Governments' Equitable Revenue Share

The draft 2026 BPS proposes that the equitable share of revenue is KES 420 billion. This revenue is shared among County Governments based on the fourth basis formula approved by Parliament under Article 217 of the Constitution. The formula takes into account the following parameters; (1) The Baseline Allocation Ratio; (2) Affirmative Action Allocation; (3) The Fourth Basis indicies namely:- (i) Population (45%); (ii) Basic Share index (35%); (iii) Geographical Size (8%) and (iv) Poverty (14%).

The allocation to County Governments' equitable revenue share of KES 420.0 billion in FY 2026/27 is informed by the following prevailing circumstances:

- Overall Revenue shortfalls against targets as well as expenditures pressures during implementation of FY 2025/26. Specifically, ordinary revenues underperformed by KSh 90.0 billion as at end of September 2025. If this trend continues, it is bound to affect the projected ordinary revenue for FY 2026/27;
- Over the years, the National Government has continued to solely bear shortfalls in revenue in any given financial year except for FY 2024/25;

- The macroeconomic assumptions outlined in 2026 Budget Policy Statement (BPS), including anticipated growth rates, inflation, and other economic performance indicators, which influence the resources available for allocation;
- Declining ordinary revenue as a percent of GDP which indicates that revenue collection is not keeping pace with economic growth. Ordinary Revenue as a share of GDP has declined from a high of 18.1 percent in FY 2013/14 to 14.5 percent in FY 2025/26 Budget
- Consolidated Fund Services (CFS) is taking about 48.5 percent of ordinary revenue in the FY 2025/26, up from just 16.4 percent in 2013/14, pensions and interest payments tripling their share of revenues to 8.7 percent and 39.8 percent from FY 2013/14 to FY 2025/26. This trend is expected to remain the same in FY 2026/27;
- The spending allocation for FY 2026/27 and medium-term is guided by the Government's fiscal consolidation plan intended to reduce annual uptake of debt and thereby reduce debt vulnerabilities and improve debt sustainability. The implementation of the fiscal consolidation plan by the government, which is aimed at reducing the fiscal deficit inclusive of grants from 5.9 percent of GDP in FY 2024/25 to 4.7 percent of GDP in FY 2025/26, and 5.3 percent of the GDP in FY 2026/27. 78 Draft 2026 Budget Policy Statement rationalization of expenditures by eliminating non-core expenditures while improving efficiency in development projects implementation to contain expenditure growth, and stabilize debt;
- Increased expenditures for National Government for purposes of debt servicing; and

The proposed Equitable Share for financial year 2026/27 of KSh 420 billion is equivalent to 21.87 percent of the most recent audited and approved actual revenues raised nationally of KSh 1,920,434 million for financial year 2021/22, pursuant to Article 203 (2) and (3) of the Constitution.

4.3. Kakamega County Government Equitable Revenue Share

In accordance with the Fourth determination of the basis of the division of revenue, Kakamega County Governments' equitable share for FY 2026/27 **KES 13,240,133,217** comprising of the baseline allocation of **KES 12,980,503,320** in FY 2024/25 and **KES 844,538,897** being the additional equitable share using fourth generation formula.

4.1. Additional Allocations to County Governments

The Constitution provides that County Governments may be given additional allocations from the National Government's Share of revenue either conditionally or unconditionally; while Article 190 of the Constitution also provides that Parliament shall by legislation ensure that County Governments have adequate support to enable them to perform their functions. Further, Section 4 of the County Governments Additional Allocations Act (CGAAA), 2025 requires that additional allocations shall be funds agreed upon by the National Assembly and the Senate during the consideration of the Budget Policy Statement and shall comprise of County Governments' additional allocations financed from either the National Government's Share of Revenue or proceeds of loans or grants from Development Partners. Pursuant to Section 5 of the CGAAA 2025, funds for additional allocations to County Governments shall be included in the budget estimates of the National Government and shall be submitted to Parliament for approval.

In the 2026 Budget Policy Statement, the National Treasury proposes to allocate KES 64.69 billion as additional (conditional and unconditional) allocations to County Governments. Out of this, KSh 7.2 billion will be financed from the National Government's share of revenue, and KES 57.46 billion from proceeds of loans and grants from Development Partners as detailed in Table 11.

Table 9: Additional Allocation to County Governments

S/NO	Project Description	Amount in KSh.
I. Unconditional Additional Allocations Financed from National Governments Share of Revenue		
1	Unconditional Additional Allocations from Court fines	148,259,370
2	Unconditional Additional Allocations from 20% Share of Mineral Royalties to County Governments	151,740,630
	TOTAL	300,000,000
II. Conditional Additional Allocations Financed from National Governments Share of Revenue		
1	Conditional Grant for Community Health Promoters	3,234,930,000
2	Conditional Grant to Supplement Construction of County Headquarters	442,000,000
3	Conditional Grant for County Aggregation and Industrial Parks (CAIPs) Programme	3,250,000,000
	TOTAL	6,926,930,000
III. Conditional Additional Allocations Financed from Proceeds of Loans and Grants from Development Partners		
1	AfD (France) - Kenya Informal Settlement Improvement Project (KISIP) II	400,000,000
2	IDA (World Bank) - Building Resilience & Responsive Health Systems (BREHS)	7,799,999,982
3	KfW - Financing Locally-Led Climate Action Program - County Climate Resilience Investment (FLLOCA-CCRI)	1,200,000,000
4	IDA (World Bank) - Financing Locally-Led Climate Action Program - County Climate Resilience Investment (FLLOCA-CCRI)	6,187,500,000
5	IDA (World Bank) - Food Systems Resilience Project (FSRP)	3,900,000,000
6	IDA (World Bank) - National Agricultural Value Chain Development Project (NAVCDP)	3,560,000,000
7	IDA (World Bank) - Water and Sanitation Development Project (WSDP)	850,000,000
8	IDA (World Bank) - Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG)	954,734,992
9	IDA (World Bank) - Second Kenya Urban Support Project (KUSP) - Urban Development Grant (UDG)	16,703,171,420
10	IFAD - Kenya Livestock Commercialization Project (KeLCoP)	378,730,000
11	KfW - Drought Resilience Programme in Northern Kenya (DRPNK)	853,600,000
13	IDA (World Bank) - Second Kenya Devolution Support Program (KDSP II) - Institutional Grant (Level 1 Grant)	1,762,500,000
14	IDA (World Bank) - Second Kenya Devolution Support Program - Service Delivery and Investment Grant (Level 2 Grant) (KDSP)	7,755,000,000
15	Kenya Water, Sanitation and Hygiene (K-WASH) Programme	4,282,086,900
16	IFAD - Integrated Natural Resource Management (INReM) Programme	812,442,000
17	UNFPA 10th Country Programme	65,190,000
	TOTAL	57,464,955,294
	GRAND TOTAL	64,691,885,294

4.2. Kakamega County Resource Envelope

The resource envelope available for allocation among the spending entities is based on the updated Medium-Term Fiscal Framework which is outlined in Section IV and the Draft Budget Policy Statement (2026) by the National Treasury. In view of the continued pressure that arise from wage bill and limited resources, MTEF budgeting will focus on adjusting expenditures to cater for the priority sectors.

Financing of County Government budget revolve around two main sources namely; transfers from the National Government and own source revenue. The shareable revenue transfers will account for 78.98 per cent of the expenditure priorities in the budget, 13.12 per cent will be financed from own revenue sources while 7.89 per cent from conditional grants. The resource envelope estimates of KES 16,762,946,969 will comprise of KES 13,240,133,217 equitable shareable revenue, envisaged KES 1,322,813,752 of conditional grants and KES 2,200,000,000 as own source revenue as presented in table 12.

Table 10: Revenue resource envelope

	Revenue source	Approved Estimates (Kes)	Approved Revised Estimates (Kes)	Approved Estimates (Kes)	Approved Supplementary I Budget Estimates (Kes)	Proposed Estimates (Kes)	Forecast(KES)	
	FY	2024/25	2024/25	2025/26	2025/26	2026/27	2027/28	2028/29
	Balances brought forward							
1a	Equitable share	794,706,578	1,159,803,399	794,706,578	140,740,236			
1b	Conditional Grants-KDSP)	-	-					
1c	Kenya Informal Settlement Improvement project (KISIP II)	-	66,239,675					
1d	Roads Maintenance levy	-	-		81,000,000			
1e	DANIDA Grant	-	-					
1f	FLLoCA	-	-					
1g	World Bank THSUCP	-	-					
1h	FLLoCA-(CCIS)	11,000,000	11,000,000					
1i	County Climate Resilience Investment Grant - IDA	191,131,378	191,131,378		294,830,996			
1j	County Climate Resilience Investment Grant - KfW	101,001,459	101,001,459					

	Revenue source	Approved Estimates (Kes)	Approved Revised Estimates (Kes)	Approved Estimates (Kes)	Approved Supplementary I Budget Estimates (Kes)	Proposed Estimates (Kes)	Forecast(KES)	
	FY	2024/25	2024/25	2025/26	2025/26	2026/27	2027/28	2028/29
	Total brought forward	1,097,839,415	1,529,175,911	794,706,578	516,571,232	-	-	-
2	Own sources	2,200,000,000	2,200,000,000	2,200,000,000	2,200,000,000	2,200,000,000	2,400,000,000	2,500,000,000
3	2023/24 Total equitable share allocation	13,411,030,188	12,980,503,320	13,579,038,225	13,674,848,566	13,240,133,217	13,674,848,566	13,674,848,566
	Library Services	-	-					
	Conditional Grants							
4	County Aggregation and Industrial Park Programme	250,000,000	250,000,000	250,000,000	50,000,000			
5	Community Health Promoters Project	127,500,000	127,500,000	127,500,000	127,500,000	127,500,000	127,500,000	127,500,000
6	Roads Maintenance Levy Fund	235,244,397	235,244,397			-		
7	DANIDA Grant - Primary Health Care -L2&L3	16,038,750	11,844,000	11,844,000	16,779,000	16,038,750	16,038,750	16,038,750
8	DANIDA Grant - Primary Health Care -L1	-	4,935,000	11,597,250	-			

	Revenue source	Approved Estimates (Kes)	Approved Revised Estimates (Kes)	Approved Estimates (Kes)	Approved Supplementary I Budget Estimates (Kes)	Proposed Estimates (Kes)	Forecast(KES)	
	FY	2024/25	2024/25	2025/26	2025/26	2026/27	2027/28	2028/29
9	Kenya Devolution Support Programme(KDSP II)	37,500,000	42,838,839	37,500,000	72,909,500	37,500,000	37,500,000	37,500,000
10	Kenya Devolution Support Programme(KDSP II) L11			352,500,000	-	352,500,000	352,500,000	352,500,000
11	Kenya Urban Support Programme(KUSP) UIG	35,000,000	35,000,000	35,000,000	-	35,000,000	35,000,000	35,000,000
12	Kenya Urban Support Programme(KUSP) UDG	120,740,969	120,740,969	120,740,969	-	120,740,969	120,740,969	120,740,969
13	KCSAP-Kenya Climate Smart Agriculture Project	-	-	-	-	-		
14	Aquaculture Business Development Project (ABDP)	24,417,125	24,417,125	24,417,125	19,918,919	24,417,125	24,417,125	24,417,125
15	Kenya Agricultural Business Development	10,918,919	10,918,919	10,918,919	10,918,919	10,918,919	10,918,919	10,918,919

	Revenue source	Approved Estimates (Kes)	Approved Revised Estimates (Kes)	Approved Estimates (Kes)	Approved Supplementary I Budget Estimates (Kes)	Proposed Estimates (Kes)	Forecast(KES)	
	FY	2024/25	2024/25	2025/26	2025/26	2026/27	2027/28	2028/29
	(KABDP)							
16	National Agricultural Value Chain Development Project (NVCDP)	151,515,152	151,515,152	151,515,152	231,250,000	151,515,152	151,515,152	151,515,152
17	Kenya Livestock Commercialization Project (KELCLOP)	33,550,000	33,550,000	33,550,000	60,550,000	33,550,000	33,550,000	33,550,000
18	Kenya Informal Settlement Improvement project (KISIP II)	110,000,000	176,239,675	110,000,000	20,000,000	110,000,000	110,000,000	110,000,000
19	Conditional Grants-KDSP)	-	-			-		
20	ASDSP (Agricultural Sector Development Support Programme	-	-					
21	DANIDA Grant	-	-					
22	FLLoCA-(CCIS)	-	-	11,000,000		11,000,000	11,000,000	11,000,000

	Revenue source	Approved Estimates (Kes)	Approved Revised Estimates (Kes)	Approved Estimates (Kes)	Approved Supplementary I Budget Estimates (Kes)	Proposed Estimates (Kes)	Forecast(KES)	
	FY	2024/25	2024/25	2025/26	2025/26	2026/27	2027/28	2028/29
23	Livestock value Chain Support Project	-	-					
24	County Climate Resilience Investment Grant - IDA	-	-	191,131,378		191,131,378	191,131,378	191,131,378
25	County Climate Resilience Investment Grant - KfW	-	-	101,001,459		101,001,459	101,001,459	101,001,459
26	Unconditional Grant- Mineral Royalties	-	-		16,555			
27	Doctor's Salary Arrears				44,529,977			
28	House Levy Fund				1,987,622			
	Total conditional allocations - Development Partners and NG	1,152,425,312	1,224,744,076	1,318,619,002	656,360,492	1,322,813,752	1,322,813,752	1,322,813,752
	TOTAL REVENUE	17,861,294,915	17,934,423,307	17,892,363,805	17,047,780,290	16,762,946,969	17,397,662,318	17,497,662,318

Source: BPS (2024)

4.3. Spending Priorities for FY 2025/26 – FY 2028/29MTEF Budget

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

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

4.4. Medium Term Expenditure Estimates

Table 13 gives the departmental total ceiling and guidance on resource allocation. Annex 1 and 2 provides provision for both recurrent and development estimates. This information will guide County Departments to adjust their budgets within their overall total ceiling.

4.5. Proposed Expenditure by Economic Classification

In FY 2026/2027, overall expenditure is projected to be the same as revenue projection in order to achieve a balanced budget pursuant to the fiscal responsibility principles (KES **16.76** Billion) which is a slightly decrease from the revised estimate of KES **17.04** Billion in the FY 2025/26 budget.

Recurrent expenditure has increased due to increase in salaries and wages as a result of yearly increment, new hiring and promotions of personnel in the County government. Out of the total budget estimate of KES**16.76** billion, development budget proportion is **30.0** per cent.

Table 11: Baseline Ceilings for FY 2025/26 – 2028/29

S/no.		Approved Budget	Revised Budget 1	Expenditure Forecast	Expenditure Forecast	Expenditure Forecast
		FY 2025/2026	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029
		KES	KES	KES		KES
1	County Assembly	1,375,643,000	1,440,150,864	1,440,150,864	1,440,150,864	1,440,150,864
	Recurrent	1,375,643,000	1,440,150,864	1,440,150,864	1,440,150,864	1,440,150,864
2	Agriculture, Livestock, Fisheries and Co-operatives	693,043,568	941,189,717	730,270,798	951,274,587	951,274,587
	Recurrent	73,956,902	63,872,032	63,872,032	73,956,902	73,956,902
	Development	619,086,666	877,317,685	666,398,766	877,317,685	877,317,685
3	Health Services	1,682,960,786	1,847,633,491	1,497,633,491	1,847,633,491	1,847,633,491
	Recurrent	1,103,902,986	1,145,575,691	1,045,575,691	1,145,575,691	1,145,575,691
	Development	579,057,800	702,057,800	452,057,800	702,057,800	702,057,800
4	Education, Science & Technology	735,450,025	596,738,025	429,828,525	476,738,025	596,738,025
	Recurrent	291,950,025	375,238,025	349,828,525	375,238,025	375,238,025
	Development	443,500,000	221,500,000	80,000,000	101,500,000	221,500,000
5	Roads, Public Works and Energy	1,605,511,911	1,419,655,397	845,305,397	895,305,397	895,305,397
	Recurrent	65,161,911	45,305,397	45,305,397	45,305,397	45,305,397
	Development	1,540,350,000	1,374,350,000	800,000,000	850,000,000	850,000,000
6	Lands, Housing, Urban Areas and Physical Planning	636,407,768	341,355,518	552,096,488	552,096,488	552,096,488
	Recurrent	321,650,007	242,338,727	242,338,727	242,338,727	242,338,727
	Development	314,757,761	99,016,791	309,757,761	309,757,761	309,757,761
7	Social Services, Youth & Sports	797,059,121	748,868,563	748,868,563	799,868,563	748,868,563
	Recurrent	542,059,121	499,868,563	499,868,563	499,868,563	499,868,563
	Development	255,000,000	249,000,000	249,000,000	300,000,000	249,000,000

S/no.		Approved Budget	Revised Budget 1	Expenditure Forecast	Expenditure Forecast	Expenditure Forecast
		FY 2025/2026	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029
		KES	KES	KES		KES
8	Trade, Industrialization & Tourism	711,511,671	403,512,925	402,141,595	403,512,925	403,512,925
	Recurrent	48,111,671	40,112,925	40,112,925	40,112,925	40,112,925
	Development	663,400,000	363,400,000	362,028,670	363,400,000	363,400,000
9	Water, Environment and Natural Resources	929,524,867	757,254,426	532,254,426	757,254,426	757,254,426
	Recurrent	65,542,030	51,423,430	51,423,430	51,423,430	51,423,430
	Development	863,982,837	705,830,996	480,830,996	705,830,996	705,830,996
10	Public Service and Administration	7,534,391,600	7,285,052,077	7,325,452,077	7,285,052,077	7,285,052,077
	Recurrent	6,792,391,600	7,092,142,577	7,212,542,577	7,092,142,577	7,092,142,577
	Development	742,000,000	192,909,500	112,909,500	192,909,500	192,909,500
11	Office of the Governor	338,674,740	293,971,340	293,971,340	293,971,340	293,971,340
	Recurrent	338,674,740	293,971,340	293,971,340	293,971,340	293,971,340
	Development	0	0	0	0	0
12	Finance and Economic Planning	892,416,843	741,848,250	603,848,250	841,848,250	741,848,250
	Recurrent	807,916,843	563,848,250	513,848,250	663,848,250	563,848,250
	Development	84,500,000	178,000,000	90,000,000	178,000,000	178,000,000
13	County Public Service Board	26,359,495	26,359,495	26,359,495	30,000,000	30,000,000
	Recurrent	26,359,495	26,359,495	26,359,495	30,000,000	30,000,000
14	ICT, E-Government & Communication	195,005,660	204,265,660	134,765,660	204,265,660	204,265,660
	Recurrent	73,915,660	49,765,660	49,765,660	49,765,660	49,765,660
	Development	121,090,000	154,500,000	85,000,000	154,500,000	154,500,000
15	Ward Based Development Projects	0	0	1,200,000,000	1,200,000,000	1,200,000,000
	Total for the County	18,153,961,055	17,047,855,748	16,762,946,969	17,978,972,093	17,947,972,093

Source: County Treasury 2025

4.6. Baseline Ceilings

The baseline estimates reflect the current Departmental spending levels. The Departmental ceilings in table 13 will form the indicative baseline for the FY 2026/27 budget. In the recurrent expenditure category, non-discretionary expenditures take first charge. Compensation of employees for the county overall expenditure should account for a maximum of 35 % of the budget revenues.

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

In this document, the ceilings include; employee cost, operations and development estimates. The employee cost will be centralized in the Department of Public Service and Administration for easier implementation. ***This will be effected in the Appropriation Act of 2025.***

Development expenditures are undertaken on the basis of CIDP 2023 – 2027, County Annual Development Plan 2026-2027, the Governor’s Manifesto, Public participation report of February 2026 as well as departmental strategic priorities. The Proposed capital projects will be evaluated in the context of the following elements:

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

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

- (a) Emerging issues which require much attention in provision of service delivery such as education support programs;
- (b) Cross cutting issues and other special programs of importance such as disaster management, youth development, gender, disability and HIV/AIDS;
- (c) Implementing County transformative projects that require massive resources in phases such as construction of Bukhungu Stadium, Industrial parks, last mile water connectivity (*Amatsi Khumuliango*), upgrades of roads to bitumen standards and Kakamega Teaching & Referral Hospital.

4.7. Details of Department Priorities -

The MTEF for FY 2025/26- FY 2028/29 period will ensure that there is adequate resource allocation based on program priorities that are aligned to CIDP 2023 – 2027, CADP 2026/27 and Strategic Policy Initiatives that will accelerate economic growth, employment creation and poverty reduction.

The sector development priorities are;

4.7.1. Agriculture, Livestock, Fisheries and Cooperatives Development -

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

Vision

The leading innovative, commercially-oriented and modernized agricultural sector.

Mission

To improve the livelihoods of Kakamega County residents through promotion of competitive agricultural production, sustainable livestock and fisheries production, affordable and quality

veterinary services provision, growth of a viable cooperative movement and training and adoption of smallholder irrigation that is efficient, sustainable and effective.

Goal of the Sector

To promote and facilitate production of food and agricultural raw materials, ensure food security, promote agro-based industries, agricultural export and sustainable agricultural practice.

Sector Strategic Priorities

- i) Increase crop production and productivity
- ii) Increase livestock production and productivity
- iii) Increase fisheries production and productivity
- iv) Enhance Cooperative development/movement.
- v) Improve Research, extension and technology uptake
- vi) Support market access and market linkages.
- vii) Promote sustainable land management and uptake of water for irrigation in water logged farmlands

Agriculture accounts for over 52.3 percent of the total earnings in the county employing over 80% of residents. Multi-Sectoral strategies will be employed to increase productivity and maximize earnings in this sector.

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

Sector Priorities for MTEF Period 2026/2027 – 2028/2029

Table 12: Programme 1: Agricultural Extension and Research

Sub programme	Projects
Strengthening Agricultural extension services	(a) Establish demonstration centers. (b) Capacity building of farmers and staff through trainings, fields exhibitions and field days/visits (c) Promote agribusiness, Agro-nutrition and environmental conservation and Aquaculture.
Agricultural training Infrastructure development	(a) Construction and renovation of Bukura ATC infrastructure (b) Farm development for training and revenue
Agriculture research liaison and value chains development	(a) Adopt and promote new technologies and innovations in value chains (b) Implement value chain-based programs co-funded by partners (ASDSPII, NAVCDP) (c) Conduct monitoring and evaluation of relevant county projects

Sub programme	Projects
	(d)Development of data management systems (e)Establish laboratory for quality assurance
Agricultural institutional development and Governance	(a) Develop governance structures and legal frameworks for various value chains.

Table 13 : Programme 2: Livestock development

Sub programme	Projects (Investment)
Dairy Development	(a)Animal breeding (A.I., synchronization, embryo transfer) (b)Promotion of pasture and fodder development
KDDC-infrastructure and dairy development	(a)Milk production promotion through distribution of in-calf heifers (b)Completion of construction of Smart Dairy Farms (c)Construction of KDDC headquarters (d)Establishment of pasture and fodder in the SDFs (e)Purchase of breeding stock - pedigree in-calf heifers (f) Provision of dairy feeds and supplements to SDFs
Poultry development	(a)Indigenous chicken for poverty reduction and wealth creation (b)Promotion of alternative poultry feed systems (c)Promotion of poultry products value addition and marketing
Small ruminant (sheep/goats) and non-ruminant (pigs/rabbit) development	(a)Provision of exotic breeding stock (improved pig breeds, dairy bucks/rams) (b)Indigenous small ruminants (goat/sheep) for poverty reduction and wealth creation (c)Promotion of small ruminant (sheep/goats) and non-ruminant (pigs/rabbit) products value addition and marketing
Apiculture development	(a)Provision of apiculture production and handling sets (b)Promotion of hive products value addition and marketing
Livestock disease and pest control	(a)Provision and administration of animal vaccines (b)Provision of solar-run cold chain infrastructure (c)Establishment/rehabilitation and operationalization of cattle dipping infrastructure (d)Provision of essential/emergency veterinary pharmaceuticals, equipment and supplies
Veterinary public health	(a)Provision of animal products inspection tools/equipment/attire and supplies (b)Establish health holding yards
Leather Development	(a)Establishment of basic suspension drying and bulking infrastructure at ward level
Kenya livestock commercialization project (KeLCoP)	(a)Value chains promotion
Monitoring,	(a)Data capturing and analysis infrastructure

Sub programme	Projects (Investment)
Evaluation, Accountability & Learning	(b)Evidence capture infrastructure

Table 14 : Programme 3: Smallholder Irrigation and drainage Programme

Sub programme	Projects
Irrigation and drainage infrastructure development	(a)Capacity building of small-holder irrigation farmers (b)Development of Smallholder irrigation and drainage schemes; (c)Establishment of irrigation technologies demonstration plots (d)Operation and Maintenance of existing Irrigation and Drainage Infrastructure in the developed schemes

Table 15 : Programme 4: Cooperative's development

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

Table 16 : Programme 5: Fish Farming Productivity

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

Table 17 : Programme 5: Crop Production and Management services

Sub programme	Projects
Cash crop development	(a)Promotion of tea, coffee, soya beans, macadamia and sugarcane

Sub programme	Projects
	production
Food crop production	(a) Seeds and fertilizers subsidy provision (b) Provision of farm produce storage services (c) Farm mechanization- (Tractor services)
Horticulture promotion and development	(a) Banana production, promotion of fruit trees, floriculture, herbs and spices (b) Construction of greenhouses (c) Promotion of indigenous vegetable production (d) Food safety policy development
Crop pest and disease management	(a) Farmer capacity building, surveillances (b) Purchase of pesticides and equipment
Soil conservation and management	(a) Farmer capacity building (b) Soil testing

To undertake these programs, the 2026/27 MTEF estimates for the Department are estimated to be **KES 730,270,798**. This comprises of KES 63,872,032 and KES 666,398,766 for recurrent operations and development expenditure respectively

4.7.2. Roads, Public Works and Energy

Introduction

This sector comprises of the following sub-sectors: Roads, public works and energy. It is responsible for designs, preparation of bills of quantities, and supervision of construction works which include building and civil engineering works.

Vision

A county with a world class road network that is spurring social-economic development.

Mission

To provide efficient, affordable and reliable Infrastructure, Public works and Energy for sustainable economic growth and development through construction, modernization, rehabilitation and effective management of all infrastructure facilities.

Goal

The Department of Roads, Infrastructure, Public Works and Energy is committed to the development and maintenance of infrastructure and buildings within the County Government of Kakamega for economic and social growth.

Sector priorities

- Road construction and maintenance

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

Sector Priorities for MTEF Period 2026/2027 – 2028/2029

Table 18 : Programme 1: Roads Infrastructure Development

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

Table 19 : Programme 2: Energy Reticulation

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

Table 20 : Programme 3: Public works Management

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

To undertake these programs, the 2026/27 MTEF estimates for the Department are estimated to be **KES 845,305,397**. This comprises of KES 45,305,397 and KES 800,000,000 for recurrent operations and development expenditure respectively.

4.7.3. Health Services

Introduction

Introduction

This sector comprises of two directorates; Public Health and Medical Services. The vision of the Department is to provide Quality Health Services for all. Its mission is dedicated towards delivering accessible, equitable, efficient health care services through promotive, preventive, curative and rehabilitative health services to all.

As of January 2026, data from the Master Facility List (MFL) shown in the table 23 indicated that the county has 359 health facilities;

Table 21 : Kakamega County Health Facilities

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

The strategic objectives of the sector are;

- ❖ To enhance monthly stipend for the CHPs, equip them with modern CHP kits and appropriate data collection equipment and payment of their SHA.
- ❖ To ensure comprehensive service delivery in all our Level 4 and 5 facilities through implementation of the FIF Act.

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

Sector Priorities for MTEF Period 2026/2027 – 2028/2029

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

Table 22 : Programme 1: Promotion of Curative health services

Sub programme	Projects (Investment)
Health Infrastructure Development	(a) Completion and operationalization of stalled health projects from CDF, Ward Fund and former Local Authorities (LATIF). (b) Operationalization of KCTRH and Shamakhubu level IV Hospital. (c) Connection of water and electricity in health centers and dispensaries. (d) Progressive renovation, expansion, completion and operationalization of health facilities across the county. (e) Operationalization of Masaba, Kiliboti and Muhaka health facilities.
Kakamega County Health Services	(a) Progressive implementation of the Health Facilities Improvement Fund (HFIF)

Sub programme	Projects (Investment)
Fund	
Blood transfusion services	(a) Expansion of blood transfusion centre (b) Establish blood satellite centres
Quality health products and Technology	(a) Purchase and distribution of health commodities to facilities. (b) Construction of commodity storage facilities (c) Equipping of health facilities

Table 23 : Programme 2: Preventive and Promotive Health care services

Sub programme	Projects (Investment)
Disease control	(a) Malaria prevention and control (b) TB and leprosy treatment and management (c) HIV/AIDS control
Maternal and child healthcare promotion	(a) Scale up maternal and childcare services
Family Planning	(a) Promotion of family planning initiatives
Universal health care programme	(a) Promote access to quality and affordable medical care
Nutrition services	(a) Promotion of nutrition services
Community Health strategies	(a) Disease surveillance (b) Hygiene promotion (c) Jigger control and prevention (d) Alcohol and drug abuse prevention (e) Training/sensitization and awareness creation (f) Establish integrated and comprehensive community service implementation
WASH/CLTS (Community Led Total Sanitation)	(a) Certification of Open Defecation Free (ODF) villages (b) Spring protection
Promotion of Immunization Services	(a) Expand immunization coverage
Health education and promotion	(a) Integrated school health education and promotion (b) Increase Proportion of population with knowledge in key health messages
Primary Health Care	(a) Establishment of Primary Care Networks
Gender Based Violence	(a) Capacity building on SGBV
Non-Communicable Diseases	(a) Sensitization, intensified screening and reporting
Anti-microbial Stewardship	(a) Anti-microbial Resistance surveillance
Infection prevention and control	(a) Promotion of infection prevention and control

Sub programme	Projects (Investment)
Health standards and quality assurance	(a) Sensitization, inspection and licensing

Table 24 : Programme 3: General Administrative, Finance and Support Services

Sub program	Projects (Investment)
Monitoring, Evaluation and Research	(a) Trainings, Mentorship, Support supervision, Information products, Reviews of work plans, Project M & E (b) Development and monitoring of AWP, APR, ADP and projects/programmes. (c) Development of policies, laws, regulations and strategies (d) Review of research protocols, maintenance of repository
Human Resource management	(a) Recruitment, replacement and promotion of healthcare workers (b) Staff training and grants to medical training centres
Disability mainstreaming	(a) Assess and categorize PWDs for registration (b) Train CUs on Community based rehabilitation modules (c) Assessment of learners with special needs
Health Data and Information Management	(a) Digitization of health facilities (b) Establish Health Enterprise Architecture

To undertake these programs, the 2026/2027 MTEF estimates for the Department are KES 1,497,633,491 comprising of KES 1,045,575,691 and KES 452,057,800 recurrent and development expenditure respectively. Recurrent Operations will be supplemented by Appropriation in Aid of KES 400,000,000.

4.7.4. Education, Science and Technology -

- ❖ The MTEF for FY 2026/27 - FY 2028/29 period will ensure that there is adequate resource allocation based on program priorities that are aligned to CIDP 2023 – 2027, CADP 2026/27 and Strategic Policy Initiatives that will accelerate economic growth, employment creation and poverty reduction.

The sector development priorities are;

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

The vision is to be globally competitive in education, training, research and innovation for sustainable development. The mission is to provide, promote, and coordinate quality lifelong education training integration for science & technology and innovation for sustainable development.

Department Priorities

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

Sector Priorities for MTEF Period 2026/2027 – 2028/2029

Table 25 : Programme 1: County Polytechnic Improvement

Sub Programme	Projects
Polytechnic Tuition Subsidy	(a) Provision of subsidized polytechnic tuition (b) Recruitment of Polytechnic instructors (c) Acquisition of training resources (d) Implementation of ATVET Programme (e) Innovation and skills exhibition
Polytechnic Infrastructure Development	(a) Construction and equipping of polytechnic workshops (b) Construction and equipping ICT Laboratories (c) Construction of polytechnic classrooms, pit latrines and toilets and installation of water tank (d) Renovation of county Polytechnics (e) Installation of 3-Phase electricity in County Polytechnics (f) Fencing and installation of Gates in County Polytechnics (g) Acquisition of land for establishment of new and expansion of existing polytechnic centers (h) Acquisition of furniture for established county polytechnics

Table 26 : Programme2: Early Childhood Development Education (ECDE)

Sub Programme	Projects
ECDE development	(a) Provision of Tuition Capitation funds to ECDE centers (b) Purchase and implementation of standardized teaching/ learning materials (c) Provision of food to ECDE learners (d) Construction of new ECDE Centers (e) Renovation of ECDE centers constructed in Phase I and II (f) Equipping ECDE centers with child friendly chairs and tables; (g) Acquisition and installation of assorted outdoor fixed equipment in ECDE centers; (h) Land acquisition for establishment of new ECDE centers

Table 27 : Programme 3: Education Support Programme

Sub Programme	Projects
County Education support	(a) Completion of ongoing projects in primary and secondary schools (b) Provision of County Education Scholarships; (c) Provision of Ward Based Bursary

To undertake these Programmes, the 2026/27 MTEF estimates for the Department are **KES 429,828,525**, comprising of KES 349,828,525 for operations and maintenance and KES 80,000,000 for development expenditure.

4.7.5. Trade, Industrialization and Tourism –

The Department is composed of the following directorates: trade, industrialization, weight & measures, tourism and one semi- autonomous agency; Kakamega County Microfinance Corporation. It is responsible for formulating and supporting strategies, plans and programs that promote and ensure expansion and diversification of trade, promotion of fair-trade practices, environmentally sustainable industrialization and tourism.

The vision is to be the preferred hub for Trade Industrialization, and Tourism. The mission is to promote and sustain trade development, fair trade, industrial growth, tourism development and regulation for wealth creation and employment.

Priority areas

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

Sector Priorities for MTEF Period 2026/2027 – 2028/2029

Table 28 : Programme 1: Trade and enterprise development

Sub programme	Projects
Market infrastructure improvement	(a) Construction of Open air markets (b) Completion of Shiatsala, Shibinga, Bungasi, Lidambitsa and Koyonzo Open air markets (c) Construction and fencing of ward-based markets (d) Refurbishments and maintenance of existing markets (Matunda, Butali, Nambacha, Malinya, Butere, Bukura, Shianda, Mulwanda and Harambee) (e) Fabrication and installation of modern Kiosks (f) Construction of Modern stock rings (g) Renovation of stock-rings (Lubao, Nambacha, Matunda and Butere). (h) Construction of Boda-Boda sheds (i) Construction of ablution blocks
Credit services	(a) Credit to Micro, Small and Medium Enterprises (b) Capacity building to traders

Table 29 : Programme2: Weights and measures

Sub Programme	Projects
Consumer protection	(a) Equipping of weight and Measures laboratory (b) Acquisition of secondary working standards (c) Calibration of county weights and measuring standards (d) Sensitization of public on fair trade practices

Sub Programme	Projects
	(e) Verification of trader weighing and measuring equipment

Table 30 : Programme 3: Industrial development

Sub programme	Projects
Manufacturing (value addition)	(a) Completion of Dairy factory; (b) Establishment of Maize factory (c) Establishment of Tea factory; (d) Development of motorcycle assembly plant (e) Establishment of leather treatment and buying Centre and factory (f) Establishment of industrial park (g) Establishment of a textile industry
Industrial development	(a) Construction of Jua kali shades; (b) Acquisition of common user small scale processing equipment which will be installed at the Juakali sheds, e.g Peanut processing machine, oil pressing machine, (c) Establishment of textile and clothing centres (d) Development of OVOP (e) Establishment of Incubation centres. (f) Capacity building of MSMEs and Jua kali programme (g) Development of wealth creation and empowerment strategy

Table 31 : Programme 4: Tourism promotion

Sub programme	Projects
Tourism product development and diversification	(a) Development of tourism heritage sites. (b) Capacity building of communities on tourism (c) Promote bull sport (d) Establish a wild life sanctuary and animal orphanage (e) Establish water sports and recreation facilities
Tourism promotion and Marketing	(a) Organize digital marketing (b) Promote Sports tourism (c) Support tourism cultural festival and events
County Branding	(a) Establishment of signage at entry points and heritage sites.

To undertake these programmes, the 2026/27 MTEF estimates for this sector are estimated to be **KES 402,141,595** comprising KES. 40,112,925 and KES. 362,028,670 for Recurrent and Development expenditure.

4.7.6. Social Services, Sports, Youth, Gender and Culture

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

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

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

Sectors priority areas

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

Sector Priorities for MTEF Period 2026/2027 – 2028/2029

Table 32 : Program 1: Gender Development and Support to Vulnerable Groups

Sub Program	Project/Program
Women Empowerment	(a) Support to Women groups through issuance of grants (b) Capacity building for women groups
Persons with disability empowerment	(a) Support enterprises for persons with disabilities (b) Capacity building for persons with disabilities (c) Issuance of assistive devices to persons with disabilities

Sub Program	Project/Program
Gender Based Violence Prevention	(a) Construction and operationalization of gender-based rescue centres (b) Gender based violence awareness
Shelter improvement	(c) Development of low-cost houses

Table 33 : Program 2: Children Services

Sub Program	Project/Program
Child Protection and Support	(a) Construction of Child friendly Centers (b) Support to Child headed households (c) Teen pregnancy awareness forums (d) Support Children Charitable Institutions

Table 34 : Programme 3: Youth Empowerment, Sports Development and Library Services

Sub Programme	Project/Program
Development of sports facilities and infrastructure	(a) Completion of Bukhungu stadium (b) Upgrading of sports fields
Promotion of sports talents	(a) Organize and hold tournaments for various sporting activities (b) Participate in KICOSCA and KYSA Games (c) Operationalize the Kakamega Sports Fund (d) Procure and distribute Sports equipment to teams (e) Support the upcoming sports clubs
Youth Development	(a) Implement Boda Boda empowerment program (b) Hold Career expo (c) Organize youth dialogue forum
County Youth Service and Women Empowerment Programme	(a) Establishment of county youth service HQ (b) Recruit, and offer short term employment to youth and women (c) Offer vocational trainings to the recruits in the County

Sub Programme	Project/Program
	Polytechnics and offer support after their exit
Library Services	(a) Establish, equip and manage libraries (b) Promoting and inculcating reading culture in all sub counties

Table 35 : Program 4: Culture and Heritage

Sub Programme	Project
Preservation of culture and heritage	(a) Equipping and maintaining existing cultural centers (b) Develop Cultural sites and green spaces (c) Construct performing arts theatre halls (d) Participate in music and cultural festivals (e) Organize and hold a forum for showcasing by local musicians (f) Documentation and Digitization of indigenous culture (g) Development of social halls

To undertake these Programmes, the 2026/27 MTEF estimates for the department are **KES 748,868,563** comprising of KES 499,868,563 and KES 249,000,000 for Recurrent and Development respectively.

4.7.7. Water, Environment, Natural Resources and Climate Change

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

The vision is to be a leading County in provision of sustainable access to adequate safe water in a clean and healthy environment. The mission is to improve access to adequate, safe water and sewerage services, conserve and protect the environment, and promote sound utilization of natural resources, for sustainable development.

Department Priorities

- a) Increase access to clean and safe water
- b) Enhance county forest and tree cover and optimize sustainable utilization of natural resources
- c) Promote integrated solid waste management
- d) Promote climate change, adaptation and mitigation
- e) Adopt low carbon development pathways
- f) Invest in climate change resilient infrastructure

Sector Priorities for MTEF Period 2026/2027 – 2028/2029

Table 36 : Programme 1: Water Service Provision and Management

Sub Programme	Projects
Water Supply Services	a) Completion and operationalization of water supply infrastructure. b) Containerized Water Treatment and Supplies c) Countywide Water Connectivity d) Solarization/hybridization of existing and new water schemes e) Ward Based Water Projects f) Underground Water Exploration - Boreholes g) Rehabilitation, augmentation and Expansion of water projects h) Conservation of water catchment areas

Table 37 : Programme 2: Sanitation Service Provision and Management

Sub Programme	Projects
Sanitation Services	(a) Expansion of sewerage network in Kakamega town (b) Construction of sewerage plants in Mumias town (c) Upgrading and developing the sewerage system in other urban areas

Table 38 : Programme 3: Environmental Protection and Conservation

Sub Programme	Projects
Integrated solid waste management	(a) Establish 3 Material Recovery Facilities (b) Management of solid waste in markets (c) Establish 2 solid waste transfer stations; (d) Construct refuse chambers and temporary holding sites (e) Establish a waste to energy plant through public private partnership in waste management (f) Acquire 20 skips (refuse collection containers) (g) Installation of 3 in 1 elevated litter bins (h) Conduct environmental education and awareness
Environmental pollution control	(a) Environmental enforcement and compliance (b) Public sensitization (c) Acquire 10 noise measuring devices (d) Acquire ambient Air Quality Monitoring station
Development of environmental legislations	(a) Development of solid waste management regulations

Table 39 : Programme 4: Natural Resource Management

Sub Programme	Projects
County greening	(a) Establishment of environmental demonstration Centre. (b) Promote forest restoration capacity through afforestation and re-afforestation (c) Fencing of Kakamega forest (d) Protect and conserve riparian areas and other environment significant areas (e) Promotion of appropriate technologies on grafting and budding of indigenous fruit species and fodder production (f) Rehabilitate and reclaim abandoned mining sites (g) Establishment of indigenous tree nurseries
Promotion of	(a) Establishment of Ex Situ Conservation Initiatives;

nature-based enterprises	(b) Capacity building of environmental conservation groups	COUNTY ASSEMBLIES FORUM (CAF) P.O. Box 73552 - 00200, NAIROBI, KENYA
Natural Resource management	(a) Development of legislation on construction minerals; (b) Capacity Building of artisanal mining groups; (c) Rehabilitation of degraded areas. (d) Mapping and risk assessment in mining areas	

Table 40 : Programme 5: Climate Change, Mitigation and Adaptation

Sub Programme	Projects
Climate Change Management	(a) Integrate climate change adaptation into county level development planning and budgeting processes (b) Develop County Climate Change Vulnerability Assessment to enhance Disaster Risk Reduction Strategy (c) Map out environmental disaster prone areas (d) Promote the use of green energy technologies e.g., solar, biogas, hydro power and efficient cooking technologies (e) Implement Climate Change Mitigation and Adaptation to enhance Community resilience (f) Installation of Automatic Environmental and Climate Monitoring mechanisms (g) Promote climate smart agriculture and conservation practices (h) Establish county climate outlook forums (i) Restoration of water bodies and water catchment areas

To undertake these Programs, the 2026/27 MTEF estimates for the Department are **KES 532,254,426** comprising of KES 51,423,430 for Operations and Maintenance and KES 480,830,996 906,933,298 for development expenditure.

4.7.8. Lands, Housing, Physical Planning and Urban Areas

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

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

Sector Priorities

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

Sector Priorities for MTEF Period 2026/2027 – 2028/2029

Table 41 : Program 1: Land Management Services

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

Table 42 : Programme 2: Public Housing Development Services

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

Mumias Municipality

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

Mandate

Overall delivery of services including waste management

Priority Areas

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

Table 43 : Program Name: Urban Development Services- Mumias Municipality

Sub Program	Projects
Urban Infrastructure Development	(a) Maintenance of urban roads (b) Installation of streetlights (c) Construction of storm water drainage systems (d) Construction of a recreation Park (e) Construction and equipping of a multi-purpose hall (f) Refurbishment of markets within the municipality (g) Construction of an open-air market (h) Construction of a bus terminal (i) Establishment of a fire station (j) Installation of fire hydrants
Waste Management	(a) Provision of Cleaning Services (b) Construction of a sewer line (c) Development of Waste segregation sites

Kakamega Municipality

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

Strategic Objectives

- i) Strengthen Corporate Governance
- ii) Promotion, regulation and provision of refuse collection and solid waste management

- iii) Promotion of provision of public health services
- iv) Enforcement of law and order
- v) Maintenance of recreational parks, green spaces and social amenities
- vi) Enhance Own Source Revenue collection
- vii) Provision of clean water and sanitation

Table 44 : Program 1: Urban Development Services- Kakamega Municipality

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

To undertake these programs, the 2026/27 MTEF estimates for this sector are estimated to be **KES 552,096,488** This comprises of KES 242,338,727 and KES 309,757,761 for Recurrent Operation and Development expenditure respectively.

4.7.9. Public Service and County Administration -

The department comprises the following sections; County Administration, Human Resource Management, Public participation and Civic Education, Records and knowledge Management, Alcoholic Drinks Control Directorate, Performance Management, Transport and fleet Management, Disaster Management and Security and Enforcement.

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

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

Sector Priority areas

- a) Enhance human resource management and development in the County Public Service;
- b) Manage incidences of alcohol and drug abuse
- c) Ensure effective administrative structures at all devolved units in the county
- d) Enhance information and records management
- e) Establish efficient disaster and emergency response systems
- f) Coordinate County Government functions
- g) To ensure law and order is maintained and safety of government property

Sector Priorities for MTEF Period 2026/2027 – 2028/2029

Table 45: Programme 1: General Administrative and support services

Sub Programme	Projects
Human Resource Development	(a) Installation of office clocking system (b) Automation of Human Resource Management services;
Transport and Fleet Management	(a) Acquisition of Utility Motor vehicles

Table 46 : Programme 2: County Administration services

Sub Programme	Projects
County administrative infrastructure improvement	(a) Construction of County HQ block; (b) Refurbishment of County offices; (c) Purchase of Specialized Band and Enforcement equipment
Disaster response and mitigation	(a) Construction of disaster Operation Centers; (b) Purchase disaster specialized equipment. (c) Purchase of Fire Engines and equipment
Alcohol and Drug Abuse Control	(a) Establishment of Rehabilitation centers in the Southern and Northern regions; (b) Purchase of Specialized equipment for Rehabilitation Centres.

Table 47 : Programme 3: Sub County and Ward Administration

Sub Programme	Projects	COUNTY ASSEMBLIES FORUM (CAF) P. O. Box 73552 - 00200, NAIROBI, KENYA
Sub County and ward administrative infrastructure Development	(a) Construction of Sub County & Ward Offices; (b) Refurbishment of Sub County and Ward offices; (c) Fencing of Sub County and Ward Offices	

To undertake these programs, the 2026/27 MTEF estimates for the Department are **KES 7,325,452,077** comprising of KES 7,212,542,577 and KES 112,909,500 for recurrent and Development expenditure respectively.

4.7.10. Office of the Governor

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

Vision

Provide a conducive environment for a competitive and prosperous County.

Mission

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

Sector strategic objectives

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

- ❖ To coordinate overall organization of the County Public Service for execution of county government policies
- ❖ To coordinate formulation of policies and legislations

Sector Priorities for MTEF Period 2026/2027 – 2028/2029

Table 48 : Programme 1: Management and Administration of County Functions

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

Table 49 : Programme 2: support, Coordination and Service Delivery

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

To undertake these Programs, the 2026/27 MTEF estimates for Office of the Governor are **KES 293,971,340** comprising of recurrent expenditure.

4.7.11. The County Assembly

The county Assembly's functions include oversight, legislation and representation. The Assembly consists of sixty elected, twenty-seven nominated members, and the speaker, who is an ex-officio member. It enacts County laws and superintends over all the affairs of the County including receiving and approving of development plans and policies of the County and is also responsible for approval of the County budgets and expenditures.

Vision

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

Mission

To facilitate political, economic and social cultural growth of the County through effective legislation, objective oversight and representation

Sector Priorities for MTEF Period 2026/2027 – 2028/2029

Table 50 : Programme 1: County Assembly Infrastructure Improvement

Sub programme)	Projects
Administrative infrastructure development	(a) Construction of the county Assembly chambers (b) Construction of the Speaker's residence. (c) Construction of County Assembly Parking Bay

To undertake these programs, the 2026/27 estimates are **KES 1,440,150,864** for recurrent expenditure.

4.7.12. The County Public Service Board

The County Public Service Board is an independent entity established by the County Governments Act, 2012 to provide for organization, staffing and functioning of the County Public Service in ways that ensure efficient, quality and productive service delivery to the people. The board operates through six (6) committees - Establishment, Recruitment & Selection committee, Training & Development committee, Advisory & Discipline committee, Ethics, Compliance and Human Resource Audit committee, ICT and Records Management committee, Finance and Administration Committee

Vision

A professional Board that provides excellent public service

Mission

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

Goal of the Sector

A Public Service Board that inculcates transparent and merit-based recruitment practices for competent personnel of appropriate skills mix into the service, development and enforcement of standards and ensuring continuing professional development and progression of public servants.

Strategic Objectives

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

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

Sector Priorities for MTEF Period 2026/2027 – 2028/2029

Table 51 : Programme 1: General Administration and support services

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

To undertake these programs, the 2026/27 estimates for the Board are KES **26,359,495** for recurrent and Employee cost.

4.7.13. Finance, Budget, Economic Planning, ICT, e-Government and Communication

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

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

Sector Priorities for MTEF Period 2026/2027 – 2028/2029

Table 52 : Programme 1: Public Finance Management

Sub programme	Projects/Strategies
Resource Mobilization	(a) Enhance own source revenue collection (b) Conduct feasibility studies and proposals (c) Research on County Investment opportunities and gaps (d) Develop a legal framework for the establishment of the County Wealth Creation Capital
Accounting and Financial services	(a) Prudent financial management and reporting (b) Asset tagging and valuation. (c) Acquisition and installation of Asset management systems.
Budget formulation	(a) Formulation of budget policy documents
Public debt management	(a) Implement risk management framework; (b) Develop a Debt Management Strategy Paper

Table 53 : Programme 2: Economic policy formulation and management

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

Table 54 : Programme 3: Investment Promotion and facilitation

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

Table 55 : Programme 5: ICT Infrastructure Development

Sub programme	Projects
County Connectivity	(a) Installation of Local Area Network (LAN) (b) Installation of Wide Area Network (WAN) (c) Establish and equip a County data center
Digital Economy	(a) Establish ICT training laboratory

Sub programme	Projects
Awareness	
ICT Capacity Development	(a) Train Youths on Digital Literacy Skills (b) Train officers on High-End specialized skills
Security Surveillance	(a) Install CCTV cameras

Table 56 : Programme 6: Adoption of e-Government Services

Sub-program	Projects
Automation	(a) Support and maintain e-Government services (b) Develop a complaints management portal
e-Government Services	(a) Establish Government portals (b) Re-engineer websites

Table 57 : Programme 7: County Information Management and Awareness

Sub-program	Projects
Media production	(a) Install integrated digital publicity boards

To undertake these programs, the 2026/27 MTEF estimates for this Department are **KES 603,848,250** comprising of KES 513,848,250 for recurrent expenditure, KES 90,000,000 for development expenditure, will be required in the department of Finance, Budget and Economic Planning while the department of ICT, E-Government and Communication will require **KES 134,765,660** comprising of KES 49,765,660 for recurrent expenditure while KES 85,000,000 will be for development expenditure.

4.7.14. Ward-based projects

This section consists of projects in the department of Roads, Public Works & Energy, Health Services, Education, Science and Technology, Water, Environment, Natural Resources & Climate Change and Trade, Industrialization and Tourism. To undertake these projects the 2026/27 MTEF estimates is KES 1,200,000,000 that will be shared among the departments based projects on proposals from wards.

5. CONCLUSION

The set of policies outlined in this CFSP aim at striking a balance between varying/changing priorities and the emerging issues that are broadly in line with the CIDP and the fiscal responsibility principles outlined in the PFM Act, 2012. They are also consistent with the national strategic objectives which set a basis for County Government allocation of public resources. Details of these strategic objectives are contained in the CIDP 2023-27, CADP 2026-27, the presidents Bottom Up Economic Transformation Agenda(BETA), the governor's six point development focus as well as the regional and international commitments and obligations. The policies and sector ceilings provided in this document will guide the Departments/Agencies in preparation of the 2026/27 MTEF budget.

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

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

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