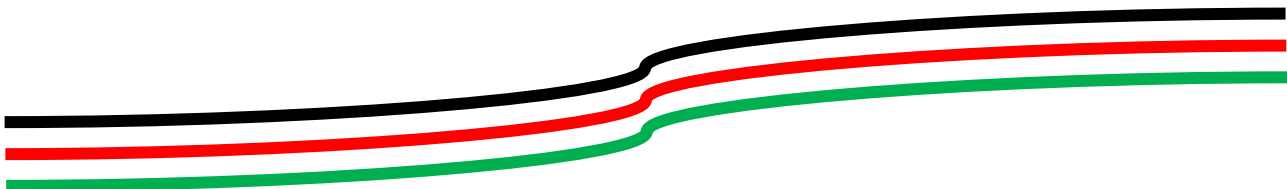




COUNTY GOVERNMENT OF KISUMU

KISUMU COUNTY FISCAL STRATEGY PAPER (KCFSP) FY 2025/2026

THEME: *Towards a peaceful and prosperous county*



FOREWORD

The Kisumu County Fiscal Strategy Paper (CFSP) for the Financial Year 2025/2026 sets the foundation for the county's development agenda, aimed at stimulating economic growth and building resilient communities. This document provides a roadmap for transformative interventions that seek to ensure households maintain income growth despite persistent economic shocks. The County's strategic focus is aligned with our commitment to fostering sustainable development and shared prosperity for all residents of Kisumu County informed by key development initiatives identified in County Integrated Development Plan III and Annual Development Plan 2025/2026.

The fiscal strategy emphasizes key interventions, including revitalizing agriculture for food security and agribusiness, improving healthcare and environmental sustainability, building modern infrastructure, and promoting skills development and innovation. We are committed to conserving our environment while unlocking the potential of the Kisumu lakefront for business opportunities. Additionally, we aim to provide decent housing in inclusive urban and rural areas, promote sports, culture, and arts, drive industrialization, and expand our tourism sector with a focus on cultural heritage and new tourism products. Similarly, our governance strategy focuses on deepening devolved governance structures while strengthening revenue generation and ensuring accountability in public expenditure. A key priority remains the socio-economic empowerment of women, youth, and persons with disabilities (PWDs), ensuring inclusive development across all sectors.

To achieve these objectives, the fiscal framework incorporates budgetary measures to enhance efficiency and reduce expenditure pressures. The County Treasury intends to cut the Operations and Maintenance budget by a record 50 per cent and centralize shared utilities to enhance coordination and minimize wastage. Efforts will also be made to reduce the county's development pending bills, which currently stand at **Kshs.960, 815,999**. Revenue projections, including equitable share and own-source revenue (excluding grants), amount to **Kshs. 13,573,955,879**, while mandatory spending obligations are estimated at **Kshs.10, 561,917,447**. As a result, the County Government will employ prudent financial management and innovative revenue-raising mechanisms will be prioritized. To keep development pace, the focus of FY 2025/2026 will be on consolidating the gains, completing stalled and incomplete, and initiating new programmes and projects. Accordingly, in the fiscal year 2025/2026 the County government projects a budget of **Kshs.13, 573,955,879** comprising of **Kshs.9,268,499,100** and **Kshs. 4,305,456,779** as recurrent and development expenditures respectively.

Additionally, key flagship projects under this fiscal plan include the County Spatial Plan, Pap Konam Agricultural Training Centre, upgrading of Namba Kapiyo-Bodi-Asat-Bao Beach roads, County Aggregation and Industrial Park, and Kasese Waste Recycling initiative. These projects are geared towards fostering economic resilience, creating employment opportunities, and enhancing service delivery to the people of Kisumu County.

As we implement this fiscal strategy, we reaffirm our commitment to prudent resource management, transparency, and inclusive growth. We call upon all stakeholders, including citizens, development partners, and the private sector, to collaborate in realizing our vision for a prosperous and resilient Kisumu County.



George O. Okong'o
CECM-Finance, Economic Planning and ICT Services

ACKNOWLEDGEMENT

This County Fiscal Strategy Paper 2025 has been prepared in accordance with Section 117 of the Public Finance Management (PFM) Act, 2012. It outlines the current state of the economy and outlook over the medium term, broad macroeconomic issues and the medium-term fiscal framework, resource envelope and criteria for resource allocation, key strategic priorities and policy goals and a summary of the Government's spending plans as a basis for the FY 2025/2026 budget. The CFSP reflects the public's aspirations in the development and implementation of government's programmes.

The preparation of the Kisumu County Fiscal Strategy Paper 2025 was a collaborative effort supported by individuals, government agencies and entities. The County Executive Committee Members played a key role by providing departmental strategic directions that were critical in the finalization of this paper.

I recognise the leadership role provided by CECM for Finance, Economic Planning and ICT (e-government) for his guidance in the entire process. I also thank all Chief Officers for providing necessary information and technical assistance in the preparation of CFSP. We are highly indebted to the County officers for conducting very successful and insightful CFSP public participation forums across the county at the Ward level.

I extend my gratitude to the core team from the Economic Planning and Budget Directorates for their tireless effort in ensuring the preparation and finalization of the document.

Finally, I thank the Sub County Administrators, Ward Administrators and members of the public who prepared the ground, mobilised and participated in all the 35 forums across the County.



Wilson Abiero
Ag. Chief Officer Economic Planning

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CHAPTER ONE
1.0 FISCAL RESPONSIBILITY PRINCIPLES AND LEGAL BASIS FOR CFSP

PREAMBLE

The County Fiscal Strategy Paper (CFSP) is a government policy document that sets out broad strategic priorities and policy goals to guide the County Government in preparing the budgets for the subsequent financial year and over the medium term. In the document, adherence to the fiscal responsibility principles demonstrates prudent and transparent management of public resources in line with the Constitution and the Public Finance Management (PFM) Act, 2012.

The County Treasury pursuant to section 117(1) and (6) of the Public Finance Management Act (PFMA), 2012 is mandated to prepare and submit the Fiscal Strategy Paper to the County Assembly, by 28th February of each year, and subsequently publish and publicize it not later than seven days after it has been submitted to the County Assembly.

In accordance to section 117(2) of PFM Act 2012, the County Treasury has aligned the proposed revenue and expenditure plan to the national financial objectives contained in the National Budget Policy Statement (BPS) for 2025. The Fiscal strategy paper outlines the county's fiscal policies in the context of prevailing macroeconomic policies and outlook while articulating the County's broad strategic priorities and policies for the fiscal year 2025/2026.

The proposed strategic policy priorities for the fiscal year 2025/2026 represent a consultative approach that has taken a keen consideration of the views and opinions of the public, the Commission on Revenue Allocation and other stakeholders within our County. Indeed, ward-based forums were publicized and accorded to all Kisumu citizenry in each of the thirty-five (35) wards and their inputs thereof greatly inform the strategic thrust of this Paper. Details of development priorities have been articulated in the third Kisumu County Integrated Development Plan (2023-2027).

This Fiscal Strategy Paper outlines economic policies and structural reforms as well as sector-based expenditure programmes that the county government intends to implement in the medium term in order to achieve the broader goal of the County government's development agenda. The proposed fiscal framework ensures continued fiscal discipline and provides support for sustained growth, broad-based development that benefits all. The County Fiscal Strategy Paper contains information on:

- Achievements in the last Financial Year 2023/24 and the first half of the current Financial Year 2024/25.
- Broad strategies, priorities and policy goals to be pursued by the County Government of Kisumu in the next Financial Year 2025/26 and over the medium term;
- County outlook on revenues and expenditure projections.
- An assessment of the current state of the economy including macroeconomic forecasts;
- The financial outlook with respect to Government revenue, expenditures and borrowing for the next financial year and over the medium term;
- The proposed expenditure ceilings for the Sectors, including those of the County Assembly.

1.2 LEGAL BASIS FOR THE COUNTY FISCAL STRATEGY PAPER

This Fiscal Strategy Paper is prepared pursuant to Public Finance Management Act, 2012 Section 117 which stipulates that:

- i. The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and thereafter submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.
- ii. The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- iii. 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.
- iv. 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.
- v. In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of —
 - The Commission on Revenue Allocation;
 - The public;
 - Any interested persons or groups; and
 - Any other forum that is established by legislation.
- vi. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments.
- vii. The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal for the financial year concerned.
- viii. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the county assembly.

1.3 FISCAL RESPONSIBILITY PRINCIPLES FOR THE NATIONAL AND COUNTY GOVERNMENTS

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

- (1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.
- (2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles;
 - a) The county government's recurrent expenditure shall not exceed the county Government's total revenue;
 - b) Over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
 - c) The county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;
 - d) Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
 - e) The county debt shall be maintained at a sustainable level as approved by county assembly;
 - f) The fiscal risks shall be managed prudently; and
 - g) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.
- (3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue
- (4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.
- (5) The regulations may add to the list of fiscal responsibility principles set out in subsection (2).

1.4 OVERVIEW OF THE KISUMU COUNTY FISCAL STRATEGY PAPER

This CFSP outlines interventions geared towards stimulating the growth of the county economy and as well as building community resilience for sustainable development and prosperity in line with ensuring households maintain growth in incomes in spite of the persisting shocks. The interventions are geared towards:

- i. Revitalizing Agriculture for food security and agribusiness
- ii. Ensuring a healthy population living in a clean environment
- iii. Building modern physical infrastructure
- iv. Promoting skills development and innovation
- v. Conserving the environment while opening the Kisumu Lakefront for Business
- vi. Providing decent housing in inclusive towns, semi-urban centres and villages
- vii. Promoting Sports, Culture and Arts
- viii. Promoting industrialization and vibrant service sector, supported by sustainable energy sources and information and Communication technologies.
- ix. Promoting tourism driven by culture and heritage as well as new products
- x. Deepening the structures of devolved governance and strengthen revenue generation and accountability in use of public funds.
- xi. Socio-Economic Empowerment of Women , Youth and PWDs

1.4.1 Objective of the CFSP

The objective of the 2025 Kisumu county Fiscal Strategy Paper is to set the framework for the preparation of the Kisumu county budget estimates for Financial Year 2025/26 as required under section 117 of the Public Finance Management Act, 2012. This Fiscal Strategy Paper contains the following:

- i. The principles that will guide the 2025/2026 budgetary process;
- ii. The broad fiscal parameters for the 2025/2026 budget and the key strategies and policies for management of revenues and expenditures;
- iii. The broad strategic priorities and policy goals that will guide the preparation of the budget over the medium term;
- iv. A discussion of risks to the budget parameters and budget strategies;
- v. The medium–term outlook for county government revenues and expenditures;
- vi. A discussion of how the Budget Strategies relates to the Medium-Term Fiscal Strategy (MTFS) and County Integrated Development Plan (CIDP); and
- vii. A framework for the preparation of departmental forward budget estimates.

1.5 LINKAGE WITH THE VISION 2030, SDGS AND MTPS

This County Fiscal Strategy Paper is closely linked to the Vision 2030, MPT IV, Sustainable Development Goals (SDGs), and the African Agenda 2063.

Vision 2030 being a long-term development blueprint that outlines the country's aspirations and goals for the next 30 years and beyond. The County Fiscal Strategy Paper aligns with Vision 2030 by providing the necessary resources and funding to support the implementation of the various initiatives and projects outlined in the blueprint. For example, the County Fiscal Strategy Paper allocate funding for infrastructure development, education, and healthcare, which are key priorities under Vision 2030.

The SDGs are a set of 17 goals adopted by the United Nations in 2015 to end poverty, protect the planet, and ensure peace and prosperity for all. Kisumu County Government has committed to achieving these goals and the County Fiscal Strategy Paper plays a critical role in supporting their attainment. For example, the County Fiscal Strategy Paper allocate funding for initiatives aimed at reducing poverty, improving access to education and healthcare, and protecting the environment, which are all in line with the SDGs.

The African Agenda 2063 is a strategic framework for the socio-economic transformation of the African continent over the next 50 years. Kenya is a member of the African Union and the County Fiscal Strategy Paper is aligned with the African Agenda 2063 by supporting the implementation of initiatives aimed at promoting economic growth and development, improving governance, and strengthening regional integration, among other things.

In conclusion, the Kisumu County Fiscal Strategy Paper is closely linked to the Vision 2030, SDGs, and the African Agenda 2063, as it provides the necessary resources and funding to support the implementation of initiatives and projects aimed at promoting sustainable development and economic growth in the country. The County Government will leverage on its comparative advantage in resource availability within the framework of the BLUE ECONOMY to enhance the productive sector and promote export while promoting growth in the service industry. An environment of fiscal discipline will be necessary if the County is to navigate through the global and domestic challenges in and order to sustain and improve the resilience of the county economy.

CHAPTER TWO
2.0 SECTOR REVIEW FOR THE 2023/24-2024/25 MTEF PERIOD
AND PRIORITIES FOR FY 2025-26

INTRODUCTION

This chapter provides departmental performances and achievements in the 2023/2024-2024/25 MTEF period. The chapter also highlights key departmental strategic priorities that will be implemented in the next Financial Year 2025/26 and over the Medium Term.

2.1 FINANCE, ECONOMIC PLANNING & ICT SERVICES

Key achievements

This department draws its mandate from Section 104 of the Public Finance Management Act (PFMA) 2012, the County Government Act, 2012 Sections 104 and 105 as well as regulations and policy guidelines issued by the National Treasury from time to time. In the fiscal year 2023/2024, the department continued to pursue its goals of ensuring prudence in financial management and planning for sustainable development alongside its priorities, which included: Improving Public financial management; Improving Policy planning, Budgeting and M & E; Enhancing internet Services; Developing Kisumu County Integrated Network Infrastructure (KCINI); Digitizing and automating Kisumu County government services; Enhancing and safeguarding environment for utilization of ICT resources.

In the fiscal year 2023/24, under the financial management programme, the department demonstrated noteworthy achievements across its various sub-programmes. Specifically, the department successfully raised **Kshs. 1,443,607,988**, exhibiting a commendable effort, albeit falling short of the ambitious target of **Kshs. 2,282,844,694**.

Under the budget coordination and management sub-programme, the department made several milestones including the preparation of 2024/25 annual budget estimates, County Budget Review and Outlook Paper 2022/2023, Appropriation bill 2024/25, four quarterly budget implementation progress reports, and the finance bill 2023/24.

The department further into the first half of current financial developed County Budget Review and Outlook Paper 2023/24, Finance bill 2024, first and second quarter budget implementation reports among other achievements. Accordingly, under the planning and policy formulation programme, the department successfully prepared the Annual Development Plan for 2025/26, the County Sectoral Plans (2022-2032), and the County Fiscal Strategy Paper 2024/2025.

Additionally, the initiation of the preparation of the County Statistical Abstract in the second quarter of the current financial year reflects the department's commitment to data-driven decision-making and comprehensive planning. These achievements underscore the department's commitment to strategic planning, policy formulation, and the establishment of a robust foundation for sustainable development in the region. Overall, the accomplishments in both programmes and their respective sub-programmes reflect a comprehensive and well-coordinated approach to financial management, planning, and policy formulation, contributing positively to the fiscal health and strategic development goals of the County.

In FY2023/24-2024/25, the ICT directorate realized notable achievements which included: Enhanced access to dedicated internet services - Deployed an operational integrated network infrastructure that supports VoIP, LAN, WAN, and CCTV; Digitized and automated government services including Deployment of an Integrated Revenue Management systems, County Monitoring & Evaluation Management System (ECIMES), EDMS; Digitally empowered 496 end users; Enhanced ICT resource utilization environment e.g. ICT policy draft document

developed awaiting public participation and Equipped County workforce through provision of technical advisory for department that led to procurement of 255 equipment including desktop computers, laptops, and printers.

The directorate also revamped LAN infrastructure at the County headquarters (Prosperity house) that increased and enhanced access to internet services through change of LAN bus topology to star architecture; Installed high-capacity router and switch at the sever room; On-boarded 2 additional Internet Service Providers (Safaricom and Telkom) at a cost of Kshs. 1,240,000 (inclusive internet annual service charge);Equipped over 500 Youth through Digital Literacy training and partnerships e.g. Ajira training and Zone 01 Kisumu Programme; Set up and equipped 1 computer training lab at Rotary VTC; Capacity built county staff to improve service delivery and for career progression.

The County Directorate of Monitoring and Evaluation realized notable achievements as follows: Working with M&E focal persons in generating quarterly reports. The quarterly reports led to the generation of the County Annual Progress Report as the final County Output.

The Directorate also participated in the preparation of the state of the county report before it was presented to the Assembly by the Governor and participated in the review of Performance Contracting which is a key Governance tool in the County.

KEY KISUMU COUNTY REVENUE BOARD ACHIEVEMENTS

1. Improved Financial Performance:

Improvement of Revenue collection as per the trend Analysis from **Kshs.1,155,399,305** in FY 22/23 to **Kshs.1,443,607,988** in FY 23/24

2. Revenue Enhancement Action Plan

The Kisumu Revenue Board developed a Revenue Enhancement Action Plan (REAP) 2024-2028 to optimize revenue generation, foster stakeholder collaboration, and enhance Kisumu County's fiscal resilience and sustainability.

This five-year plan was developed with the following objectives:

i. Structured Approach:

Implement systematic revenue enhancement to meet specified timelines.

ii. Identification and Understanding:

Recognize key OSR (Own Source Revenue) sources for targeted revenue optimization.

iii. Procedural Clarity:

Ensure consistency and transparency in OSR (Own Source Revenue) policy, assessment, collection, reporting, monitoring, and accounting.

iv. Stakeholder Engagement:

Define roles and ensure active participation of stakeholders in OSR (Own Source Revenue) enhancement.

v. Incorporation of Best Practices:

Adopt best practices for efficient and effective revenue collection.

vi. Alignment with Service Delivery Mandates:

Link revenue administration reforms with public service delivery mandates for coherence and synergy.

3. Implementation of Integrated Revenue Management System (IRMS)

Phase one:

The modules and components covered included; Unstructured Revenue Streams: Parking, Cess Markets, Bus Parks, Slaughter house.

Detailed report for proof of implementation, training (attendance list of trainees), and Go live, invoice and verification by the County Government of Kisumu was availed at the end of this phase.

Phase two:

The modules and components covered included the following structured revenue streams workflows; SBP (Trade), Public Health, Fines & Penalties, Rent & stalls and Liquor. As in the case of phase one, detailed report, other documentations were provided by the vendor as proof of completion.

Phase three:

The modules and components covered included the following structured revenue stream workflows; Advertisement, Hire of County Assets, Land rates & Physical Planning and Integration to 3rd Party Systems through APIs. This phase is still ongoing and is in the final stages of completion.

Departmental Priorities

The department will continue to pursue its strategic priorities in the 2025/26 fiscal year, which will encompass improving Public Finance Management, policy planning, budgeting and M &E and enhancing service delivery through digitization and automation of government services.

Regarding Improving PFM in the fiscal year 2025/26, the department seeks to further reduce pending bills and improve debt management to improve financial reporting.

Similarly, towards strengthening procurement services, the department intends to: Encourage local contractors during procurement by designating 40% of the overall procurement budget for goods and services sourced locally, as outlined in the annual procurement plan; Pre-qualify registered groups as part of an affirmative action initiative and present a summary of the procurement opportunities assigned to the target group to the appropriate entities; Enhance the capabilities of the three target groups through training on government procedures, requirements for accessing government opportunities, and information on specific opportunities available in the County Government of Kisumu.

On asset management, the department will review the county asset policy and transfer log books and title deeds from the defunct local authorities and national government to county government

of Kisumu. Additionally, the department will develop the Debt Management Strategy Paper FY 2026/27, generate debt management reports and update creditors register.

Accordingly, towards improving policy planning, budgeting and M &E, the department will implement four key sub programmes including budget coordination and management, policy planning and budgeting, county statistical system and M&E. Particularly, the department will develop planning and budgeting statutory documents including ADP FY 2026/2027, CBROP FY2024/2025, CFSP FY 2026/2027, budget estimates FY 2026/2027, Finance bill FY 2025/2026, and budget implementation reports.

The department will also develop an integrated county statistical dashboard that will consolidate data from all departments into a single, unified platform. This initiative aims to enhance data-driven decision-making, improve service delivery monitoring, and strengthen financial management across the county government departments.

On Monitoring & Evaluation, the department will support Indicator Development review across departments especially for crosscutting issues such as, youth internships/ industrial attachments/apprenticeships, Access to Government Procurement Opportunities (AGPO), promotion of local content in procurement, prevention of alcohol and substance abuse, prevention of HIV infections and non-communicable diseases, disability mainstreaming, gender mainstreaming, environmental sustainability, safety and security measures, road safety mainstreaming, corruption prevention, national cohesion and values.

The department will further enhance E-CIMES Platform by uploading relevant planning documents in the platform; Undertake quarterly reviews of Sectoral Programmes and/or projects and produce quarterly reports, leading to the final County Annual Monitoring and Evaluation Report; Strengthen Social Accountability by training M&E Committee members and M&E Focal Persons across the County on social Accountability. Social accountability will lead to improved tracking of development programs/projects thus better development results; Undertake regular field visits to profile performance of various departments; Conduct project performance reviews: Performance review will be conducted from time to time, but more importantly in quarterly and half yearly basis. Reviews will also be conducted on programs and/projects from time to time before payments are made by the County Treasury, for selected projects, randomly chosen. In addition the directorate will review departmental annual work plans that will assist in linking the CSP, CIDP, ADP and the Annual work plan. Annual work plans will inform performance by individual directorates.

ICT directorate intends to implement the following sub-programmes to achieve its key strategic interventions; Enhance access to dedicated Internet services: Increase the amount of bandwidth utilization from 300 mbps to 1 gigabit; Kisumu County Integrated Network Infrastructure (KCINI): Deploy and operationalize integrated network infrastructure that supports VoIP, LAN, WAN, CCTV in the county satellite stations; Digitization and automation of government services: Enhancement of the Kisumu County services including enhancing the integrated revenue Management system, EDMS, ECIMES; Updates, upgrades and maintenance of Biometric Time attendance and access control, E-board system; Digitally empower 1000 users and citizens; Develop and deploy digital services; Implement digital literacy training programs.

Enhancement of ICT resource utilization environment: Enhance environment for ICT resource utilization - organization of public participation of the already developed ICT draft policy; procure standard ICT equipment and software licenses.

In order to lower the overall budget deficit, the County Treasury also intends to cut the Operations and Maintenance budget by a record 50%. There will be also focus on centralizing all shared utilities, such as fuel and auto maintenance, for easy coordination and to reduce unnecessary expenses.

HIGHLIGHTS OF REVENUE ENHANCEMENT STRATEGIES.

The Kisumu County Revenue Board will spearhead implementation of the following key strategic priorities geared towards enhancing the County resource basket.

1) Integrated Revenue Management System (IRMS):

- a) Full integration of all the revenue streams (both structured and non-structured), to the KCRB's Revenue Integrated Management System.
- b) Ensuring reduced System down time on the IRMS especially during peak periods (market days and high seasons for structured revenues such as Trade Licenses, Land Rates)
- c) Strict adherence with the Finance Act in the billing process for all the revenue streams.
- d) Strict compliance of staff in the application and use of the IRMS during revenue collections
- e) Regular training of staff on new developments and enhancements in the IRMS.

2) Valuation Roll

- a) Expedite the implementation of Valuation Roll to boost collection of Rates and Plot Rents in the light of current litigation.
- b) Most plots are undervalued and a lot of sub divisions and Change of Usage have been done on these plots and these have not been fully captured in the IRMS.

3) Mapping of Revenue Streams

- a) To ensure that new searches are done for clean-up of Land/Plot owners identifications
- b) To unearth more Receivables especially from Trade Licenses, Land Rates and assess their realization.
- c) To map out more revenue streams through our field officers e.g. Cess on bulking of grass and rice straws in the rice schemes and markets along the beaches.

4) Internal Audits

- a) Carrying out regular impromptu field visits by supervisors and compliance team to monitor revenue collection.
- b) Reshuffling of revenue staff to avoid complacency in revenue collections.
- c) Scheduled appraisals of staff on targets to monitor and review performance trend.

5) Outreaches: - Sensitization

- a) Field outreach to sensitize the citizens on Cashless Tax payments through the IRMS system. This should be done through Public Participation events organized by the County's relevant departments.

- b) Stakeholders' consultative fora to establish the best way to collect revenue in different sectors especially market committees, Boda Boda (motorbikes) etc. This will improve on personal Relationships with the tax payers and collectors.
- c) Sensitization to both County Departmental staff and citizens on the contents of the current Finance Act and related regulations.

6) Staff Motivation;

Staff need to be motivated to optimally discharge their mandate of revenue collection through incentives such as provision of rain coats and other accessories; facilitation for communication and transport costs. Staff working before and after working hours may also need to be provided with adequate security.

2.2 TRADE, TOURISM, COOPERATIVES, INDUSTRY & MARKETING

Key achievements

Under Trade directorate, the department realizes notable achievements that included: Construction of Lela market shed; Completion of Kiboswa market in North West; Construction of market sheds with stalls at Huma market in North West ward; Renovation of Muhoroni market in Muhoroni/Koru ward; Completion of Pap-Onditi market in central Nyakach, Improvement of Koru market in Muhoroni/koru ward; Construction of toilet at Nyamware market in Kadibo, Completion of Toilet at NITA in Kisumu Central; Empowerment and Capacity building in entrepreneurship of six hundred youths in Kisumu slums namely Obunga, Manyatta, Nyalenda.

Under Cooperative unit, the department in collaboration with NAVCDP implemented the following initiatives: Mapping and grading exercise for all the existing co-operatives to establish the status of the agriculture-based SACCOs and marketing co-operative in all the 35 wards in Kisumu County; Planning meetings with the CDDCs on SACCO formation; Pre-cooperative trainings for formation of new SACCOs; Joint CDDCs meetings with the SACCO leadership for leveraging on the existing SACCOs; Joint CDDCs meetings with the Selected SACCO leadership for familiarization; CIGS/VMGS, CDDCs and SACCO joint sensitization meeting on SACCO model, governance and operations; Sensitization on Sacco Inclusion grant.

The cooperatives unit also mapped 378 SACCOS across the 35 county wards and registered 24 new SACCOS across the county.

Under the Directorate of liquor and alcoholic beverages; the sector managed to collect 20.08M in the FY 2023/24 from liquor which is a significant improvement the year 2022/23 which was 15M.

In 2024/ 25 Under the Directorate of Tourism, the department carried out various activities; Elevation of Fish fiesta to an annual Cultural activity; Bid and hosted the 2024 UNWTO national Celebrations.

In terms of marketing strategy, the department brought on board various renowned National and international performing artists to enhance Kisumu County as a Tourism, investment and entertainment Hub; Destination marketing through the Kisumu My Pride campaign.; Enhancement of tourism and Hospitality upskilling among sector stakeholder; Erecting a total of 20 directional signages in all the public Tourism sites, The Airport had 3 and offices.

Departmental priorities

Under Cooperatives and Marketing, the department intends to conduct 4 trainings on financial literacy and Governance; Conduct 90 Cooperative Societies audits; Enhance Cooperative Governance and Advisory and Promote commercially viable cooperative enterprises.

On development of market infrastructure, the department will focus on construction and improvement of koru market; murraming of wang' neno market; construction of 4 door pit latrine at yawo market; construction of 6 doors ablution block at western traders; fencing and murraming at kopon market; Renovation of market shade and installation of gates at sondu

market; completion of pap onditi market; sondu market shade, completion of market office and gate; fencing of oyuma market

Under Trade Development and Management, the department will hold/attend 4 Business accelerator programs and investment forums; Hold 4 trade fairs and exhibitions; Roll out the Kisumu County Enterprise Development Fund countywide in collaboration with a selected financial institution and likeminded stakeholders with the aim of promoting enterprise development as a critical strategy for increasing economic activities within the county; Conduct trainings and capacity building on financial literacy and good business practice for 1,500 traders to promote financial independence, improve standard of living, improve economic growth, promote ethical behavior and enhance resilience in business management.

Under Weights and measures, the department intends to verify and stamp 2,500 traders' equipment; Inspect 150 trading enterprises. This will ensure fair trade practices across the county.

Under betting Control and Licensing the department will issue 200 permits to authorized vendors ensuring legal compliance, promoting fairness and transparency, and preventing illegal activities. By issuing licenses the department seeks to ensure a safe, fair, and economically beneficial betting environment for all stakeholders involved within the County.

Under Alcoholics Drinks the department will hold 4 forums on sensitization on drug and substance abuse to promote responsible drinking practices; Enhance inspection and spot checks to authorized outlets, Increase enforcement of the Kisumu County Alcoholic Drinks Act 2014 through automation of the licensing process; License 750 authorized outlets.

Under tourism Management, the department intends to hold 5 marketing campaigns; Hold 3 stakeholders engagement forums; hold 2 National and International concerts/cultural festivals to position Kisumu as a tourism investment and entertainment HUB of choice.

Under Industrialization, the department will focus on construction of County Aggregation and Industrial Park; Fencing of Koru factory in Nyabondo; hold/attend one investment forum to acquire and expand more knowledge, build valuable connections, and explore new opportunities, ultimately helping the department to make more informed and strategic investment decisions.

Under Events Management (MICE), the department will attend/hold 6 MICE events.

Under Industrialization, emphasis will be on; establishment of 1 cottage industry (avocado processing) in Kisumu West Sub County.

2.3 INFRASTRUCTURE, ENERGY & PUBLIC WORKS

Key achievements

The County planned to open and improve 275.5 km of road and achieved 234.65km despite unfavorable weather condition during the period of FY 2023-2024. The implementation status was 85%. The projects were spread across the county in all the 7 Sub-Counties. Additionally, the county implemented the machine based program by opening, 42.5km of roads; Grading 68.2km;Gravelling 14.3km.

The County Government placed infrastructure development at the forefront of the Governors agenda for the great County of Kisumu. The county prioritized the upgrading of Namba Kapiyo –Bodi-Asat-Bao Beach Road-15.2 km to Bitumen standard. This is the first road in the rural sub-counties that Kisumu County Government is upgrading to bitumen standard. The project is located in Seme Sub-County, East and Central ward. Due to budgetary constraints, the implementation of the project began with Phase I which covers Namba Kapiyo-Lolwe road (8 km) has been tarmacked to completion; 4 no box culverts were contracted and done

Under Energy directorate, 14 high mast flood lights (*3 in Nyando,1 in Nyakach,1 in Muhoroni,2 Seme,3 in Kisumu East,4 in Kisumu West*) were installed at a cost Kshs. 27.8 million.

Under Transport and Mechanical Engineering Services, the department acquired 2 new machines; 3no. Machines were revived; 46no. departmental fleet were routinely maintained; Developed and operationalized Sustainable County Transport Policy; Developed an inventory for obsolete departmental equipment and vehicles to be recommended for boarding; Deployed well-resourced technical team to the construction of Governors Official residence which is practically complete; Deployed well-resourced technical team to the construction of Kisumu Climate Resource Center which is ongoing; Designed, constructed and supervised 150no. Public infrastructure works; Connected 9no. villages(Kachan, Central, Lowerkanis, Oyweyo canteen, Kadero, Korombo, Ngopole, Achego, Gul Awach, Kotieno, Ayweyo H/C, Wawidhe chiefs office) to electricity through the Rural Electrification program; Clean cooking initiatives (Awareness creation, sensitizations and support of implementation)-1 Project complete at Ogada Secondary awaiting commissioning.

Departmental Priorities

Under roads directorate, priority will be to continue with opening, construction and rehabilitation of access roads; Routine roads maintenance; Supervision of construction works and provision of mechanical services. Emphasis will be on completion of the Flagship project of upgrading of Namba Kapiyo-Lolwe-Bao Beach road. This will be achieved through efficient supervision and strengthening of monitoring and evaluation.

To enhance road maintenance, the department will further fast track operationalization of Roads Maintenance Teams (RMTs); Construction and maintenance of proper drainage structures (Box culverts); Construction of foot bridges; Opening new roads and maintenance of existing roads(320km).

The Transport directorate has proposed to construct a mechanical workshop fully equipped with required tools for repair of County Government of Kisumu plant and equipment/vehicles. The

Workshop will assist in managing county fleet, complete activities of inventory control, spare part management, job card creation;

The directorate has also prioritized acquisition of 4 trucks and 1 excavator to assist in roads construction; Maintenance of Heavy Plant equipment and utility vehicles; Rehabilitation of stalled road construction heavy plant equipment and utility vehicles; Development of Transport Regulation for Transport Act 2020; Promotion of efficient public transportation; Public sensitization on e-mobility and give incentives on the same; Promotion of Non-Motorized Transport; Regularization of the *boda-bodas* and *tuk-tuks* transport by developing Kisumu public transport policy and operationalizing the public transport Act 2019.

Public works directorate plans to improve design of Green and sustainable buildings in Kisumu County; Supervision of construction of public buildings;

The energy directorate will continue with construction and maintenance of high mast floodlighting and street lighting; Coordination of Rural Electrification as well as Energy Audit; Provision of affordable, reliable, sustainable and modern energy for all.

The directorate will also continue with collaboration with development partners and national government agencies to implement projects & programmes; Promote Decentralized Renewable Energy for Sustainable Development (Solar Systems, Clean Cooking initiatives, e-mobility); Provide and maintain adequate street lighting; Promote Energy Efficiency & Conservation measures in County facilities by advocating for adoption of clean energy; Undertake Energy Planning and Regulation ; Undertake feasibility studies for RE potential; Provide designated parking for petroleum tankers across the county; General maintenance of energy infrastructure; Implement energy Act, 2019; Convert existing grid powered high mast floodlights to Solar Powered high mast floodlights; Migrate county occupier facilities from grid to solar powered; Promote installation of solar powered E-V charging stations; Develop e-mobility plan, policy and regulations; Promote adoption of energy efficient green building solutions; Extend grid network and construct solar mini/micro grids; Improve use of RE technologies; Promote efficient use of electricity and energy sources; Reduce cost of energy through source diversification and improved use of RE technologies.

2.4 MEDICAL SERVICES, PUBLIC HEALTH & SANITATION

Key achievements.

The Health Sector achieved varied levels of success in its programming. The key among them are in Health Policy and Strategy upon which Kisumu County Mental Health Action Plan was developed and launched, Key administrative financial and budgeting documentations were developed including Sector Working Group Reports and Annual Performance Reviews conducted. Other notable objectives included the appraisal of all staffs including partners supported staff and continued support of the indigent population on Marwa Program before the universal enrolment into the Social Health Authority.

Programmatically, the county health sector provided clinical consultations across the network of its health facilities and achieved satisfactory public health coverage on vaccinations, skilled birth attendance family planning and disease surveillance.

The capital projects that were executed according to the Annual Development Plan. Notably, most of the capital and infrastructural developments in the CIDP III were not executed due to budgetary constraints.

In the half of the FY 2024/2025 the Health Sector was allocated KShs. 668,181,875 of which KShs. 170,221,609 were for use of goods and services; KShs. 426,385,266 were earmarked for transfers to health facilities and KShs. 71,575,000 were earmarked for development expenditures. During the half year ending 31st December 2024, the department had paid commitments amounting to KShs. 144,845,929 comprising KShs. 126,224,639 paid commitments for use of goods and services; KShs. 12,603,790 paid commitments on transfers and KShs. 6,017,500 paid commitments on capital development projects. A total balance of KShs. 523,335,946 of the KShs. 668,181,875 remained thereby demonstrating absorption capacity of 22%.

Departmental Priorities

The Sector has three Strategic priorities linked to its programs of general administration, policy and support services; Preventive and promotive health services and curative and rehabilitative health services within the budgetary allocations.

These Strategic Priorities are: To strengthen health systems administration, management coordination and support services; To improve capacity to prevent diseases and ill health through robust health system; To improve capacity and quality of curative and rehabilitative healthcare; These strategic priorities will be within the wider health system digitization agenda that is currently ongoing in the county to achieve seamless intra and inter county communications with the relevant agencies such as Social Health Authority.

The Sector will prioritize the following: Resource mobilization-The Sector is currently implementing the Social Health Insurance financing model for all health care costs. The sector will prioritize claims processing for all patients/ clients served in all health care facilities;

Digitalization-The Sector will continue with its digitalization agenda to ensure efficiency. digitalization will ensure that health information and records of the clients are captured for purposes of claims management, longitudinal follow up and for flagging of at-risk clients within the wider health care networks including the community health system;

Restructuring of the health care system-Following the dynamism of the donor programs, the county health system will in earnest begin the process of integration of the erstwhile stand alone and or parallel health services particularly those that are directly affected by the stop work/pause orders of the donor governments;

Continued rehabilitation of the Primary Health facilities and improved coordination-The County health sector will continue to rehabilitate the primary health facilities, fully implement the Primary Care Networking and institutionalize ward practice groups;

Implement the CIDP III priorities-The County health sector will strive to implement the following capital project in the CIDP III and the Annual Development Plans according to the availability of funds: Completion of Proposed Kisian Dispensary; Fencing of Chulaimbo Sub County Hospital; Completion of Proposed Uradi dispensary; Construction of septic tank and placenta pit dago Kotiende; Completion of Maembe Kodero Dispensary; Completion of Yambo Dispensary; Completion of Maseno level III Health centre; Completion of Kathure Dispensary Huma dispensary; Completion of Central Nyakach /Odeyo Dispensary; Plastering of Sango Rota female ward; Completion of Oboch Maternity; Completion of Miriu Dispensary; Construction of Ngege Dispensary Toilet; Completion of Onyuongo staff House, fencing and toilet; Completion of Achego Alap Dispensary; Completion of Miruka Dispensary' Andingo Opana dispensary medical ward; Completion of maternity wing in Radienya; Completion of Sigoti health centre maternity ward and drainage; Completion of Maraba health Centre, toilet and fencing; Completion of Kosawo health Centre; Completion of Oren Health centre twin staff house; Completion of Ahero male and Female surgical ward; Completion of Komwaga Health centre staff house; Completion of Holo Dispensary twin Staff house; Completion of Completion of Kogwedhi Dispensary; Completion of Katolo Manyatta OPD block; Completion Nyangande Sub county Kitchen and laundry; Completion of Ogenya health centre(water logged); Completion of Obange Health Centre; Completion of Wanganga; Completion of Koduol reru health Centre; Completion of Kanyagilo Health centre OPD block(Water logged; Completion of Jaber dispensary staff house; Completion of Nyang'ore Drainage/ Plumbing system, and worktops; Completion of Nyangeta dispensary; Completion of Yago dispensary Staff house; Completion of proposed Makindu health facility staff house; Completion of Cheptuiyet dispensary; Completion of Oneno Nam Health Centre; Completion of Muhoroni Mortuary ; Completion of Arito Langi OPD block; Completion of Kombewa maternity ; Completion of Rodi Maternity block; Completion and Equipping of Kuoyo Kayila dispensary.

2.5 WATER, ENVIRONMENT, NATURAL RESOURCES & CLIMATE CHANGE

Key achievements

In FY2023/24, under water infrastructure development programme, the sector realized notable achievements that included drilling and operationalization of 49no. Projects which were; protection of 3no. Springs; Construction of new water supply system 1no; Upgrading of water supply system 1no. Rehabilitation of non-functional water supply systems; 5no. Pipeline extension of 28.97 km; Rehabilitation and augmentation of 21km km of pipeline; Connection of 500no. Households with water in the rural areas; 2000no. Households connected with water in the urban areas; Construction of 298no. Water reservoirs; Installation of 1500 water meters; Review, development of 1no. WASH legislation and regulation; 1no. Resource mobilization plan developed; 1no. WASH sector thematic group reactivated; Approximately 20,250 beneficiaries were reached with safe and clean water supply through drilling and equipping 6no wells (hand pumps); Rehabilitation of 8 no water facilities and pipeline extension of approximately 4700m and 1 other new facility is at the final stage at Kopere water supply unit in Muhoroni sub county done by SWAP (safe water and aids project); Formation of Kisumu County Rural Water and Sanitation company (KIRWASCO) was completed; Capacity building of 26 Water Management Committees on sustainable management of water facilities; Enactment of Kisumu County Water Act 2023; Review of departmental strategic plan is at the initial stage; Development of Regulation for Kisumu County Water Act 2023 is at initial stage; Review of Kisumu County Water policy is at initial stage

Under Sanitation Services Provision programme, the sector realized notable achievements that included Rehabilitation of 3km of sewer networks; Construction and operationalization of 20.39 km of new sewer networks; 5%(305HHs). Increase in households were also connected to sewer line.

Under Environment and Natural Resource Programme the sector managed to establish 1no. Material recovery facility; Conduct 1no. collaborative research/ studies on Waste management; Realize a 1% increase in net county forest/ tree cover; Mapped 1no point/ non-point water pollution sources; Opened 30km of county drainages and water-ways; desilt and line/stone pitch and equipped with bins 4km urban storm water drains; Hold 9 no. sensitization fora on environment and natural resources; 5no. staff capacity and knowledge built on management enhancement in Water Resources Management; Planted 422,130 assorted tree seedlings in collaboration with Environment Network Partners and national government agencies; Issued 5no. Noise pollution stop orders; Conduct 6no. clean ups in collaboration with Environment Network Partners.

In FY2023/24, Under Climate Change Programme, the sector developed and operationalized 1no. Climate change regulations; Conducted 37no. Climate change; Developed and disseminated 36no. PCRA's; Implemented 2no. Renewable technologies, Generated and distributed 13,000 exotic and indigenous fruit tree seedlings; Carried out 5no. PSPs; Conducted 1no. Radio talk show; Discovered and shared 3no. Green innovations and technology;

Installation of biogas plants in Tiengre and Ogada Secondary schools (SEACAP); Constructed a waste sorting bay at Ondiek Estate (SEACAP)

In the first half of the FY2024/25, Under Programme Area Water Infrastructure Development the sector realized notable achievements that included Development of 12 no. new water facilities by development partners and the department of water; Training of 20 no. small-scale water enterprises on financial management.

In the first half of the FY2024/25, Under Programme Area-Environment And Natural Resources, the sector realized notable achievements that included Collection of khs.275,000 CESS in ballast; Evacuation of solid waste in 12 no. major markets; Clean-up activities in 2 no. major markets; 2200 seedlings grown in 9 public schools and 25000 seedlings produced in the nursery bed.

In the first half of the FY 2024/25, Under Programme Area Climate Change the sector realized notable achievements that included Training of 42 no. desk officers on M and E; Development of 15 no. FLLoCA CCRI projects (10no. projects under Water, 3no. projects under Environment, 1no. project under Agriculture, 1no project under Energy and Infrastructure); Training of WCCPC on proposal writing in 5 wards of Kisumu East Sub County;

Departmental priorities

In the FY 2025/26 and over the medium term, the sector will spearhead mainstreaming of Climate Change adaptation issues across the county sectors. The sector intends to advocate for a minimum allocation of between 1 to 2 percent of departmental development budgets to be channeled towards addressing climate change concerns.

Under Water Infrastructure Development Programme, the sector will emphasize: Rehabilitation Of Malfunction (Stalled) High Yielding Borehole Water Projects; Desilting Of River Ombe-Nyateso-Auji Stream; Drilling, equipping and pipeline extension of climate resilient borehole at Langi; Disiltation Of R. Nyajigo;Ngula Water Project;Mariwa Ochola Ogoda Water Supply Project;Anding'o Opanga . Right Bank Water Scheme for Hybrid/Solar Upgrade; Construction Of Sondu Miriu Water Supply Phase I; Extension Of Water Pipes from Nyamaroka to Ngege Dispensary to Njora ECDE; Equipping Kanyipola Borehole; Equipping Kopere Water Project Borehole; Stone Wall Fencing at Kasese Waste Re-Cycling Centre; Drilling And Equipping of Nyakongo/Kanyilum Water Project; Extension Of Ngere Water Project; Drilling And Equipping Of Borehole At Uloma

Drilling And Equipping of Borehole at Oluhobe ACK ChurchUnder Water Services Provision Programme, the sector plans to: lay and operationalize 97.12kms of pipeline network; Rehabilitate and operationalize 66kms of dilapidated pipeline network; connect 1750 households with water; Construct and operationalize 2931M³ water reservoirs; promote 240no. Households' rainwater harvesting; GIS mapping of 3no. Gazette water supplies; install 1000no. new water meters; adopt 2no. Appropriate technologies of non-revenue water management; Development/review and operationalize 2no. WASH legislations and regulations; dissemination and implementation of 1no. Kisumu County Strategy on Management of Rural Supplies;

Development of 1no. Resource mobilization plan; Reactivation of 1no. WASH Sector thematic group.

Under Sanitation Services Provision Programme, the sector will: Rehabilitate 20kms of dilapidated sewer networks; Construct 40kms of new sewer networks; Increase number of households connected to sewer by 2%.

Under Environment and Natural Resources Programme, the sector plans to: Develop 1no. Solid Waste Management Policy Act and Regulations; establish 6no. Material recovery centers; construct 750m of reinforced stone perimeter fence at Kasese; Install 1no. 3-phase electricity supply to Kasese; Construct 6km of improved road network to Kasese; Construct 1no. Material recovery center at Kasese; Conduct infrastructure routine maintenance of 6km at Kasese; Acquire 20no. Specialized 2-in-1 skip trailers; Enhance 1no. Waste to wealth enterprise and studies; develop 2no. Environmental Conservation & Protection Policy, Act and Regulations on (Natural Resources); develop 2no. County Environment Action Plan (CEAP) Developed; Strengthen 2no. WRUAs/ Conservation groups; Development and implementation of 2no participatory forest management plan for carbon sequestration and conservation; 2% increase in net county forest cover; Opening of 50kms of county drainages and water-ways; Construction and equipping of 7no. Water pans; De-silting and lining of 5kms of urban storm water drains and equipped with bins; 2no. Sensitization for on Environment and Natural Resources; 5no. Staff capacity enhancement on Water Resources Management; Review of 100no. Projects to conform to best environmental practices; strengthening of 2no. Air pollution monitoring and enforcement; 20no. Noise and Excess Vibration controlled; Strengthen 4no. Water pollution control initiatives.

Under Climate Change Programme, the sector plans to: develop and operationalize 1no. Climate change regulation; Train and operationalize 37 no. climate change committees; Develop and disseminate 37no. PCRA; develop 1no M&E strategy; implement and operationalize 72no. FLLoCA funded projects, Implement 3no. Renewable energy technologies; generate and distribute 200,000 tree seedlings; conduct 2no. Participatory Scenario Planning (PSP); Review 1no CIS plan; Conduct 3no radio talk shows; Train 7no DRM committees; Develop 1no. DRM policy; discovery and promotion of 50no. Green innovations and technologies; Rehabilitate 40kms of degraded land; Plant 100,000 trees for city greening and biodiversity management.

2.6 AGRICULTURE, FISHERIES, LIVESTOCK DEVELOPMENT & IRRIGATION

Key achievements

In the FY2023/24-2024/25, the sector realized notable achievements that included: Through National Agricultural Value Chain Development Project (NAVCDP), 179, 737 farmers across the county profiled and captured in the National Agriculture database. Following, they received fertilizer e-vouchers to support maize, cotton and rice production; PICD process conducted in all 35 wards of the county; 211 FPOs and 144 SACCOs mapped & profiled; Vetting of FPOs and SACCOs on-going; 42 agripreneurs recruited for 6 wards.

Continued Construction of Pap Konam ATC. The following works were achieved: Procurement of civil works for Phase II construction of Pap Konam ATC i.e. dining hall, kitchen, multipurpose hall, workshop and staff house and ablution block which were done and completed.

Under directorate of Agriculture: Completion of 13 Irrigation System. Construction and rehabilitation services were as follows: Removal/Excavation of Silt along Odeso (Aguya) Stream; De-siltation/Unblocking of Canals within Alara and Arombo Schemes; Removal/Excavation of Silt along Nyamboyo Stream; De-siltation/Unblocking of Canals within Ogeka Irrigation scheme; Removal/Excavation of Silt along Oguso Stream; Removal/Excavation of Silt along Amiyo Stream; De-siltation/Unblocking of Canals within Ayueyo A & B irrigation schemes; Removal/Excavation of Silt along Kasese Stream as a flood mitigation measure in farm lands.

Under irrigation development, the area under irrigation increased by 300 acres with completion of Chiga irrigation Scheme and improvements on Awach Kano and Gem Rae Irrigation schemes through KSCAP project at the beginning of the fiscal year.

Purchase of Specialized Agricultural Equipment's (Disc and Mold board Ploughs), two (2) disc ploughs and One (1) Moldboard plough delivered

In extension service provision, during the period under review, extension services delivery were enhanced through recruitment of 115 staff that reduced the staff extension ratio from 1:10,000 to 1: 4,000; Supply and Delivery of three (3) Motorcycles to enhance mobility of extension officers; Registration of motorcycles with NTSA on-going. Additionally, the county has also enhanced the extension service delivery through collaborations. The County is working with various development partners in the implementation of agricultural interventions including AFA, Practical Action and GIZ. Over this period the department was able to reach 36,000 farmers, through field visits, demonstrations, trainings, and exhibitions. Similarly, Maseno ATC was extensively renovated through rehabilitation of the farm irrigation system and refurbishment of the kitchen. In addition, a 16-cow dairy and 2000-bird poultry units were constructed and stocked.

Equally, through collaboration with AFA, cotton farmers' access to certified hybrid seeds was improved through distribution 12 tons of seeds distributed through cotton cooperatives and demonstrations conducted countywide; Purchase and distribution of 3.2 tons of high value traditional vegetable and rice certified seeds distributed to farmers in Seme, Kisumu West, Kisumu East, Nyando, Muhoroni and Nyakach Sub-counties across the wards; Completion of installation of a multi-stage rice mill at National Irrigation Authority, Ahero.

Under fisheries production, capture fisheries production reduced by 5% (from 2,064MT to 1,958MT) and aquaculture production increased by 14% (149 MT to 170 MT) respectively. The reduction in capture fisheries was attributed to destruction of fish breeding sites by use of unsuitable fishing methods and climate change effect. To sustain these gains, in FY2023-24, department procured three (3) fish cages that were distributed to Chako ni Chako WG, Ring Winners SACCO & Diani Reeds SHG fisher folk in Nyalenda B ward.

To build on gains realized in post-harvest fish loss reduction, Ogal fish cold storage reefer was also rehabilitated; 869 fish ponds were rehabilitated and 179 ponds constructed across the county; 816,000 fingerlings were distributed to BMUs and farmers to mitigate fish kills in L. Victoria and to promote aquaculture; Fish slabs were also constructed in Obunga and Jubilee fish markets.

In Livestock production directorate, the unit spearheaded the following: Procurement and distribution of 16 in-calf dairy cows and 7,500 improved kienyeji chicks in Central Kisumu ward; Operationalization of Kisumu Dairy Development Centre (KDDC); 76,000 doses of assorted animal vaccines procured.

During the 1st half of this financial year, only the two flagship projects have been awarded namely Completion of PAP Konam ATC and rehabilitation of Mamboleo slaughter House as well as purchase of 35 motorcycles under NAVCDP project.

Departmental priorities

During FY 2025/26 and over the medium-term period, the department will prioritize implementation of the following programmes to meet its strategic priorities:

Departmental planning and administration services: Development and or domestication of sector policies, regulations and strategies; Implementation of facility improvement financing mechanisms; Implementation of NAVCDP, PraECTiCE and ABDP donor funded projects; Purchase of vehicles and motorcycles for extension officers; Construction and equipping of Sub-County offices; Building capacity of staff to improve service delivery and for career progression.

Promotion of sustainable land use: Laying of soil and water conservation structures; Promotion of agroforestry through planting of fruit tree seedlings and fodder trees; Promotion of organic and regenerative agriculture; Development, rehabilitation and maintenance of irrigation schemes(***Gem Rae, Awach Kano, Chiga and West Kano***); Strengthening of Irrigation Water User's Associations(IWUA; Dissemination of urban and peri- urban agricultural technologies.

Agricultural productivity and output improvement: Enhance extension service delivery through, farm visits, demos, field days, Exhibitions; Promotion of modern cropping technologies through procurement and distribution of assorted certified seeds; Promotion of farm enterprise diversification; Livestock genetic improvement through procurement and distribution of animals to farmers; Promotion of climate smart agricultural technologies; Procurement and distribution of fish feeds, cages, fingerlings countywide; Construction and rehabilitation of fish ponds; Enhance access to subsidized farm mechanization; Purchase of farm machinery; Procurement of vaccines, acaricides and insecticides; Conducting animal vaccination programs e.g.

rabies, ECF, Anthrax vaccination etc.; Construction of livestock cattle dips; Enhance surveillance and early warning systems.

Agriculture input and credit Access: Capacity building of agricultural value chain actors in entrepreneurship skills and knowledge; Strengthening of producer organizations and farmers' cooperatives; Enhance access to A.I services; Development and or implementation of an e-voucher subsidy program; Development and maintenance of farm input bulking/multiplication infrastructure.

Promotion of agricultural market access and product development: Completion of renovation of Maseno ATC; Development of Kochieng' tomato plant; Completion of Pap Konam ATC; Training of youths in agribusiness; Construction of livestock sale yards; Capacity building of value chain actors in value addition; Development of value addition infrastructure; Development of fisheries and fresh produce cold chains; Construction and renovation of livestock slaughter facilities e.g. Mamboleo slaughter house; Development of fish handling facilities; Strengthening of Beach Management Units.

2.7 EDUCATION, TECHNICAL TRAINING, INNOVATION & SOCIAL SERVICES

Key achievements

In FY2023/24, the sector realized notable achievements that included:

Construction to completion of thirty (31) ECDE classes in various wards as follows:

Construction of Nawa ECD Primary School in Central Kisumu; Completion of Omoro ECD in Central Seme; Completion of Apondo ECD in East Kano Wawidhi; Rehabilitation of abandoned ECDE classroom at Lake Primary in Market Milimani; Construction of ECD classroom at Highway primary in Shauri-Moyo/Kaloleni; Construction of Bar Ogwal ECDE Classroom in North Kisumu Ward; Construction of Ogada ECDE in North Kisumu Ward; Completion of Korwenje ECDE in North Seme; Construction of two ECD Classrooms at Rata in North Seme, Completion Of Odowa ECD in North West Kisumu; Construction of Sanganyinya ECDE classroom in North West Kisumu Ward; Completion of Kasagam ECDE in Nyalenda “A” ,Renovation/ Completion of Dunga ECD in Nyalenda Rehabilitation and completion of pand pieri ECDE in Nyalenda Completion of Nyagweno ECD in South East Nyakach, Construction of Bara ECD in South West Kisumu ,Completion Of Gongo ECD in South West Kisumu, Construction of ECDE at Obambo Primary in South West Kisumu ,Completion Of Dwele ECD in West Kisumu , Completion of Ombugo in West Nyakach; Completion and equipping of ECDE classroom at Highway Primary School in Shauri-Moyo/Kaloleni; Construction of modern Toilet at Kaloleni Muslims ECDE Centre in Shauri-Moyo/Kaloleni , Completion of ECDE Classrooms at Ngop Ngeso in East Seme; Completion of ECDE Classrooms at Malela in East Seme ;Completion of ECDE Classrooms at Runda in East Seme; Completion of Nduru ECDE Kabonyo/Kanyagwal; Renovation of Dago ECDE block (Tiling, electrification and painting) in Nyalenda “A”; Completion of Sauset ECD in Muhoroni/Koru; Completion of Wanganga ECD in Awasi Onjiko;Completion Of Akingli ECD in North Kisumu.

Further, there was Provision of assorted learning materials worth Kshs. 21million to all the 653 ECDE centers in the County. These included erasers, exercise books, Manilla papers, preparation books, pencils, paints, brushes. In addition, multisectoral engagements with partners such as play Action International, KMET, Uthabiti,Unicef etc. , County and National government departments to tackle challenges around ECDE infrastructure and nurturing care. Furthermore, with the support from partners the department managed to formulate ECDE Act 2023. The regulations operationalizing the Act is in the final stages. The department also conducted capacity Building of 700 teachers on CBC sponsored by county government and partners.

In social services, the department constructed/improved to completion of five (5) social Halls (refurbishment and branding of Kit Mikayi & Kiboswa social hall, completion of Kanyakwar, Siany PWD & Kisian social halls, stone fencing of Dago & Kanyakwar halls); Support in Bursaries and scholarships worth Ksh.205m to over 30,000 bright and needy students in the County (out of these students 1400 are on full scholarship).

The department under Technical Training and Innovations, constructed/improved to completion of four (4) vocational training centers namely Completion of twin workshop at Obwolo VTC; Rehabilitation of Sianda VTC; Fencing and gate at Kochogo and construction of one classroom, fencing and gate at Withur VTC. The department also formulated Vocational Education and Training (VET) Policy of June 2024, VET Act 2023 and its draft Regulations.

Moreover, the department held a graduation ceremony of 2400 technical trainees. In addition, the department disbursed capitation worth Kshs. 71 million to all VTCs in good time and organized Creative activity festivals ECDE successfully done from ward level to County level.

In the first half of FY2024/25, the department disbursed quarter of capitation amounting to Kshs. 22,631,250 to eligible VTCs which necessitated procurement of Instructional Materials and payment of salaries to BoG Staff among other vote heads. The department also sourced for tools, equipment and instructional materials from Pratham international worth Kshs. 981,275 which were supplied to Akado, Masogo Waware, Withur and Obange VTCs to enhance training of youths on market driven technical skills. The department also secured tools and equipment support for Akado Centre of Vocational Excellence in motor vehicle mechanics quantified at Kshs. 2.8 million. To strengthen governance of the VTCs, 2 institutional Boards of Governors were inaugurated and 16 members inducted on their roles and responsibilities.

During the said period, the department with support from KMET conducted public participation for the Draft ECDE Regulations at the tune of Kshs. 1.5 million. In addition, Ward Bursaries and scholarships committees were formed and sensitized across 35 wards in preparations for rollout of the program.

The department also organized the UN PWD day in Nyakach Subcounty to appreciate and sensitize persons with disabilities on their role of in the county economic transformation. The department also secured support from ICS-Kenya to finalize the Kisumu Child Protection Policy once approved by the County Assembly of Kisumu and the formulation of legislative proposal to amend the Kisumu County PWD Act of 2016.

Departmental priorities

During FY 2025/26 and the medium-term period, the sector will prioritize implementation of the following program to meet strategic priorities:

Departmental planning and administration services: The sector will prioritize, improving the working environment through provision of adequate tools for work, commensurate budgetary allocations and building capacity of staff to improve service delivery and recommend promotions for career progression across all cadres. In addition, there will be recruitment of 100 ECDE teachers and 50 VTC Trainers to bridge the existing understaffing of 1167 ECDE teachers and 225 Trainers in FY 2024/2025 recruitments are made. In addition, there will be increased sourcing for partnerships and collaborations with key stakeholders for resource mobilization.

Departmental Pre-primary education services: To improve access to quality ECDE services, the department undertakes to construction to completion of 81 ECDE classrooms across the County. ECDE Infrastructure development such as classrooms, kitchens, play equipment, resource centers. This will be executed by the county government with support from development partners such as Play Action International, Provision of sustainable School feeding program to all the learners in the public ECDEs to improve their health and retention in school will be enhance; Recruitment of ECDE teachers to improve manpower and quality services in the schools. Moreover, Integration of Digital Learning in ECDE. This will be done in collaboration with a partner (EIDU) with whom an MOU has been signed; Provision of ECDE capitation that

will include teaching/learning materials to our centers. To conform to policy requirements finalization of the ECDE Regulation that will operationalize the ECDE Act 2023 will be done to ensure quality ECDE provision; Monitoring of Curriculum Implementation will be done; ECDE Advocacy to sensitize parents and guardians on good care of their children; Capacity Building of teachers on CBC to master the emerging pedagogical skills and ECDE creative activities to be done from ward to county level.

Departmental Technical Training and innovation services: To improve access to quality Vocational Education and Training services, department will transfer to VTCS (VTC Capitation Grants worth 100 Million to cater for the projected 7000 beneficiaries. Additionally, 18 VTC classrooms/ workshops will be constructed to completion factoring the stalled projects while 8 Centers of Vocational excellence will be established to serve as resource Centers and production units. The department will also implement Kenya blue economy skills training, a new approach to training that will focus on labor market driven graduands in the lake region. The program will be supported by colleges institutes Canada. Furthermore, county innovation week will be conducted to showcase and nurture talents and incubate knowledge.

Departmental social services: To enhance access to social protection services, the department plans to support 50,000 bright and needy students across to the tune of Kshs. 400 Million. This is attributed to the increased number of applicants who miss the current allocation. Further, 10 social infrastructures will be developed to enhance integration, participation and inclusion of Kisumu residents as factored in the CADP.

The department will also conduct annual UN-PWD celebrations and County PWD festival; Promote disability mainstreaming through provision of departmental procurements, and finalize the amendment proposals for the PWD Act 2016 to align to current practices. In addition, the department in partnership with Hope Mobility Kenya, will provide 500 Wheel chairs, assorted wheel chairs to People with disabilities to make them mobile or ease their movement. The Child Protection policy will also be published and disseminated to various stakeholders. Under library services, the department plans to fence, renovate Kisumu and Koru libraries to improve the reading culture and reading environment for increased revenue.

2.8 LANDS, PHYSICAL PLANNING, HOUSING & URBAN DEVELOPMENT

Key achievements

In FY2023/24-2024/25, the sector realized notable achievements that include: Preparation of Physical and Land Use Development Plans; two out of six have been achieved whereas the remaining four are in the process of completion; Land use management system has been established through the establishment of a working GIS lab, the land records office is also fully equipped; Communities and key stakeholders sensitization on planning process, the communities have been reached through stakeholders meetings; Land management system, that include Land Bank and valuation roll, 10ha of land has been acquired; Human resource management through Staff promotion, training of 20 staffs and recruitment of 10 technical staffs;

Urban management systems, Delineation of 5 urban areas, Town Institutional structures(Municipal boards, town Committees, Market Committees and urban secretariat); Urban renewal & Regeneration (affordable housing) 1000 No. of safe and affordable housing units constructed and Infrastructural provision of 20km Length of Urban roads are ongoing, 30km length of sewer network construction ongoing ,30km water network construction ongoing from the last quarter; Construction of Municipal headquarters for Katito and Kombewa; Purchase of Land for Administration Office and Resource centre office for Kadibo sub-County; Purchase of land for Livestock market and Jua Kali at Awasi; Construction of Ablution blocks at Muhoroni Municipality; Maintaining of Civil works at Muhoroni Township Roads works are ongoing.

Departmental priorities

During FY 2025/26 and the medium-term period, the sector will prioritize implementation of the following programmes to meet strategic priorities:

Departmental planning and administration services: Development and or domestication of sector policies, regulations and strategies; Implementation of facility improvement financing mechanisms; Implementation of KISIP2 and KUSPII donor funded projects; Purchase of vehicles and motorcycles for technical staff and field enforcement officers; Construction and equipping of Sub-County offices; Building capacity of staff to improve service delivery and for career progression.

Developing and Implementing County Spatial Plans and other Local Physical and Land use Development Plans: Defining a vision for the long-term development of the towns, city and the larger County with an emphasis on the most critical development needs of the areas over the next 10-20 years. Preparing short, medium terms plans to guide urban development, including action area plans, subject plans, advisory or zoning plans and regulations, and other reference materials. Preparing a monitoring and evaluation strategy in reviewing and updating the plan in line with the ever-changing trends of the urban areas. Communities and key stakeholders sensitized on planning process; Physical land use policy frameworks.

Digitization and digitalization of physical and land use planning services: Digitization generally refers to the transformation of “analogue or physical object or attribute to digital form” while digitalization is “the use of digitized information to improve [organizational] processes. With the establishment of GIS lab now, the Department is now able to digitize physical land use plans and

the land use management now made easier. However, there is need for other systems which shall aid in the provision of other Physical Planning service e.g. Development Application and Approval Processes where there shall be full transition from manual processing to a live platform.

Land management system: Establishment of land banks for County sustainable current and future investment programs.

Urban management system: This involves first the Delineation of urban areas and then the establishment of Town Institutional structures (Municipal managers, municipal boards, town Committees, Market Committees and urban secretariat) in the management of the established 5 County Municipalities and completion of Maseno Kombewa streetlighting.

Human resource management: For service delivery, the staff recruitment, training needs assessment and staff motivation through promotion.

Survey and Planning of Koguta Land towards the resettlement of Koguta Community.

2.9 PUBLIC SERVICE, COUNTY ADMINISTRATION & PARTICIPATORY DEVELOPMENT, OFFICE OF THE GOVERNOR.

Key achievements

During the period FY2023/24-2024/25, the department realized key achievements in various programs and activities, some done through collaborations and partnerships notably:

DIRECTORATE OF COMMUNICATION

Successfully implemented State of the County Address, Conducted media coverage for county events e.g. AFSNET, LREB. Ensured continuous update of CGK digital platforms, successfully conducted media engagement activities, successfully produced state of the county documentary, Leveraged on digital screen county development update to the members of the public, enhanced CGK visibility on Facebook and twitter, ensured continuous and timely update of the website.

DIRECTORATE OF ADMINISTRATION

Participated in Huduma Mashinani cycle, construction of governor's official residence, completion of two (2) ward administrators' offices in Seme East and South West Kisumu, establishment and installation of GIS Lab; Completion of the Governor's residence, construction of ward administrator's office in North West Kisumu currently at 95-percent; construction of ward administrator's office in Miwani currently at 90-percent; construction of ward administrator's office in North Seme currently at 80-percent; initiating the procurement process for additional ward administrators' offices in Nyalenda B, South West Nyakach and West Seme; reviving the construction of stalled ward administrators' offices in East Kano Wawidhi and Kajulu held 4 security caucus forums; Installed a 24 hour surveillance at the City Hall, Initiated staff paramilitary training process, conducted staff establishment activity;

DIRECTORATE OF PERFORMANCE MANAGEMENT/SERVICE DELIVERY UNIT

Coordinated departmental performance contracting and cascading, oversaw the annual performance evaluation and staff appraisal,

DIRECTORATE OF HUMAN RESOURCE MANAGEMENT

Carried out payroll audit, successfully installed and operationalize biometrics system, Developed HR Manual, developed career progression guidelines as well as training policy; Human resource management and development; carried out staff appraisal, reviewed staff promotional terms as well as staff recruitment, oversaw staff conversion from contract to permanent and pensionable state.

DIRECTORATE OF PROTOCOL

Successfully coordinated and managed all Governor's itinerary through updating schedules booking of appointments, clearing Governors guests at the airport, organizing and managing departmental functions. Successfully coordinated both county and national holidays;

DIRECTORATE OF SPECIAL PROGRAMS AND RESOURCE MOBILIZATION

Coordination of DRM through county disaster management committee meeting, training , awareness and capacity building on DRM by holding three workshops conducted by IOM ,UNDP, KMET, formulation of Draft DRM policy through workshop sponsored by UNICEF, Opened of 40 KMs of water channels as a way of mitigating flooding; reactivated the Sub County Disaster Management Committees to coordinate the DRM issues in the sub counties; reactivated the County Disaster Management Committee to carry out regular multi-agency and multi-disciplinary Disaster Risk; management coordination meetings; responded to emergencies by delivering food and non-food items to the affected especially Nyando and Nyakach;

DIRECTORATE OF LIASON, PARTNESHIPS AND RESOURCEMOBILIZATION

The department in the period under review championed and realized the following partnership projects under the leadership and guidance of H.E. the Governor;

4th Africa Sub Sovereign Network Conference: The department in collaboration with Afreximbank hosted this Pan African conference event in November 2024 where Kisumu signed a funding agreement of 40 million USD for financing the Medaditus Pharmaceutical Company. Talent Zone Zero 1 Kisumu at Rotary Vocational Centre: The preparation of Rotary Vocational Centre in collaboration with the Department of Finance for phase two of the Talent Zone 01 project has been concluded and recruitment process for 100 cohorts is ongoing. It is important to note that the admitted cohorts will be paid 15,000 shillings stipends. Upon graduation, the trainees are adopted for a guaranteed job placement with Lakehub and Talent Zone 01 for a period of three years.

Development of concept paper for the redevelopment of Moi Stadium: We have developed a concept paper for the redevelopment of Moi Stadium into a modern stadium and business hub. The concept is under review for formulation of an expression of interest.

Partnership with Gersthofen City, Germany: This is a decentralized cooperation between the County Government of Kisumu and Gersthofen City, Germany. The MOU has led to an agreement to support provision of water and sanitation services in Kisumu West through solarization of Kuoyo and Chulaimbo water projects at a cost two hundred thousand euros from Gersthofen City.

DIRECTORATE OF PUBLIC AFFAIRS

Dissemination of county activities information to the public, Press conferences and press releases/ Media Briefings made radio and TV appearances, Produced the County brand manual, Develop County Communication Policy, Preparation of Staff offices Successful planning and delivery of the 2023 State of the County Address. Delivery of a 6-page Newspaper supplement on the County's Development Status. Production of a 15 minutes Documentary on the State of development in the County. Compilation of reports to be published in the 2023 State of the County Report. Execution of elaborate media Coverage during the State of the County Address 2023.

Departmental Priorities

The priorities of this department in the next FY 2025/26 will be undertaken per directorate as highlighted below;

- **DIRECTORATE OF SPECIAL PROGRAMS AND DISASTER MANAGEMENT**

Establishment of Disaster Risk Management legal framework, Establishment of Disaster risk management units (Operationalize 42 disaster management units), Documentation of County disaster risks (Create County disaster risks profile), Fire Disaster management and Floods Management (Development of 3 evacuation centers in 3 wards namely Ahero, Kobura and Kabonyo Kanyagwal, Rehabilitation of 3 evacuation centers); Developing Disaster Risk Management policy;

- **DIRECTORATE OF COMMUNICATION AND GPU**

Formulation of Communication Policy, increasing the visibility of the Governors and County department activities; Purchase of the Conduct Annual state of the County Address; procurement and installation of information management systems; Procurement and Purchase of Communication Equipment, Enhance Media Relations; Communication Infrastructure improvement; Construction and Equipping of Studio and Resource Centre, Procurement and Installation of Digital Screens, Increase Communication Platforms, Increase Communication Platforms, Printing of Communication Materials. Enhance Media Relations, Procurement of Equipping Vehicles; Develop Communication Policy;

- **DIRECTORATE OF PERFORMANCE MANAGEMENT/ SERVICE DELIVERY UNIT**

Develop policy making framework; Develop Service delivery policy; Develop a performance management frame work; Develop Performance Appraisal system; Conduct Citizen Scorecard; Performance contacting and evaluation; Project and programmes monitoring and evaluation, create a pool for all county vehicles for transport and logistical support to all departments; install and operationalize a Call Centre; Cross cutting issues (Disability, Drug and substance abuse, anti-corruption).

- **DIRECTORATE OF PROTOCOL**

Carry out hospitality activities for the county, undertake specialized Protocol training and benchmarking; Carry out protocol image branding development through purchase of protocol staff uniforms; Enhance mobility through purchase of 2 motor vehicle.

- **DIRECTORATE OF LIASON PARTNERSHIPS AND RESOURCE MOBILIZATION**

Formulation of investment policy guidelines; Carry out feasibility study on investment opportunity and mapping of priority sectors, Promoting investment opportunities in the international and local forums; Develop website and publication of county investment handbook, Promote diaspora engagement; Constitution and training of a county resource mobilization committee, Development of the County Resource Mobilization Policy, Development of County Resource Mobilization handbook, Preparation of three feasibility studies, Preparation of three pre-feasibility studies, Participation at the International Africa Trade Fair 2025 to showcase Kisumu Investment Opportunities, Interdepartmental investment and resource mobilization committees, Promotion of investment forums internationally and locally, Development of an Investment Portfolio/Handbook, Consolidation of existing Departmental Partnerships and Resource Mobilization, Training of Departmental Partnerships and Resource Mobilization focal persons, Preparation of Pre-feasibility and Feasibility Studies;

- **DIRECTORATE OF HUMAN RESOURCE MANAGEMENT**

Conducting HR audits; develop and maintain HR Information management system, implement development of staff biometric system; Coordinate County staff Trainings and capacity building; Develop job description and evaluation manual; Customization of HR Policies, Development and maintenance of HR Records Management System;

- **DIRECTORATE OF INSPECTORATE AND SECURITY**

Participate in drafting Enforcement standing orders, in collaboration the Attorney's office, draft county regulations and legislation; Establishing working office infrastructure with requisite equipment, Acquisition of tools of trade including VHF communication gadgets and general Uniforms for 245 officers, enhancing operations mobility by acquiring at least 2 Vehicles for the Directorate, Conduct monthly multi-sectoral security caucus forums, collaborate with relevant security stakeholders, specialized training for 200 county enforcement officers, acquire 200 ceremonial attire for the trained, Recruitment and train of 180 new inspectorate officers; develop a registry of all properties of the county, Participate in drafting Enforcement standing orders, in collaboration the Attorney's office.

- **DIRECTORATE OF ADMINISTRATION**

Policy regulations and legislation, draft an omnibus of existing county by laws, Build capacity of legal practitioners in the county; Public service accountability structures and feedback management; Operationalizing of GIS system; decentralize and capacity build devolved units to the lowest levels, Operationalization and training of 42 Sub County & Ward Committees, and village & ward administration officers,; Establishment and training of Village Council Members and Appointment of Village Administrators; Construction of 8 Sub county office; construction of additional three (3) ward administrators' offices in Nyalenda B, South West Nyakach, West Seme, Kajulu, and East Kano Wawidhi, acquisition of office furniture, equipment and general

office supplies, coordinate national celebrations, carry out field supervisory visits, provision of cleaning services, office maintenance;

- **DIRECTORATE OF PUBLIC AFFAIRS**

Preparation of County Annual Public Participation Report (CAPPR; operationalization of PMCs.) Preparation of Participatory Development Handbook; Strengthen citizen participation and feedback mechanisms for effective public service delivery through public service accountability structures and feedback management of County programs, projects and activities of public service Strengthen Citizen's Participation in government policies, plans, policies and development agenda, Scaling up Civic Education to the Devolved Administrative Units; Dissemination of Kisumu County Public Participation Policy; coordination of annual statutory Public Participation under the PFM Act on County Planning and Budget; strengthening Citizen's Participation in government policies, plans, and development agenda; sensitization on Public Participation Regulations; review of public participation guidelines and other related legislative frameworks ; strengthen citizen participation and feedback mechanisms for effective public service delivery; Development and dissemination of Access to information Policy;

2.10 CITY OF KISUMU

Key achievements

The City department is mandated to provide residents with quality services that contribute to an improved quality of life, attract investment, and create a conducive business environment.

Towards achieving its mission of providing unequalled quality services matched by superior solutions, that result in creating an enabling environment for investment, with the aim of improving the quality of life of the residents of Kisumu.

The City department made tremendous achievement in the financial year 2023/2024, including: Installation of CCTV (20 Cameras) and Wireless LAN within the City, Development of dynamic and interactive city website, construction of three (3) new modern markets including Otonglo, Riat, Manyatta Peace Market, Improvement of drainages (64.74KM) within the city, construction of new roads (17.4KM), security lighting (1.46KM), 13 High mast floodlights Uhuru business complex, Kibuye market and informal neighborhoods Manyatta Arab, Nyalenda A & B, installation of 25 streetlights fitted with Solar lights along airport Busia Road.

Modernization of 8 recreational parks (Jaramogi Oginga Odinga Sports Complex, Jamhuri Gardens, Market Park, Uhuru gardens, Central square, Taifa Park and Prof. Nyong'o Botanical Gardens), rehabilitation of 2 Community Halls (Mama Ngina and Kosawo); Renovation of slaughter house (Mamboleo).

Departmental priorities

In the fiscal year 2025/2026, the City of Kisumu has outlined strategic priorities aimed at addressing key areas of concern.

Firstly, on general HR and Planning, City plans to develop and implement 1 HR policy for improved operations within the City. Similarly, the city plans to designate, pave and mark all appropriate parking spaces. Likewise, the City intends to improve efficiency in service delivery through integration of ICT by developing city network infrastructure and improving, expanding data warehousing. Moreover, towards improving trading environment in city markets to enhance revenue collection and welfare of traders, the city plans to modernize two major markets (Jubilee and Kibuye), improve five (5) minor markets within the city.

Towards improving infrastructure orderly development, the City plans to enhance security through installation of 50 surveillance cameras; Implementation of the Kisumu City Drainage Master Plan, Installation of 3 traffic lights; Development of integrated non-motorized transport network complete with cycle tracks, foot paths, public toilets and bike shares racks, Open /improve road and public infrastructure in informal settlements; Upgrading of existing gravel primary and secondary roads to bitumen standards (about 80km); Enhance security and trading by providing and maintaining well-lit market spaces and neighborhoods; Improve security along city streets and reduce operations cost by providing and maintaining 50 km of solar street lighting; Completion of Kaloleni social hall Phase 2 and improvement of Nyamasaria bus park.

Regarding Urban development, towards improving urban development by implementing of the Kisumu city local and physical and land use development plan, the city plans to establish City Land Banking Programme, Establish Land Information Management System, Land survey to

map out land for wayleaves and infrastructure development, reduce PSV traffic congestion within the CBD by constructing one satellite bus park.

Concerning Public Health, city intends to; improve on the efficiency and effectiveness of safety systems within the City through: Improve, expand and maintain the existing city cemetery and crematorium and establish new ones, Renovate and maintain the City slaughterhouse Improve vaccination of international travelers and food handlers' medical examination.

On ensuring Sustainable management of the city environment and natural resources, City plans to modernize green infrastructure including renovation of recreational parks (Jaramogi Oginga Odinga Sports Complex, Jamhuri Gardens, Market Park, Uhuru gardens, Central Square, Taifa Park and Prof. Nyong'o Botanical Gardens rehabilitated), Review and revamp City solid waste management strategy, Implement City Greening initiative, Enhance urban aesthetics in Kisumu City by beautifying roundabouts, flower gardens and open spaces

Thus, these set of priorities aims to address key challenges, unlock economic opportunities, and enhance the overall quality of life for Kisumu City residents.

2.11 COUNTY ASSEMBLY OF KISUMU

Key achievements

In FY2023/24-2024/25, the sector realized notable achievements that include: provision of car grants to Members of the County Assembly at cost of Kshs. 103,000,000 which has enhanced their mobility and by extension attendance of assembly committee meetings as well as plenary sessions in furtherance of their mandate of representation, oversight and legislation to the citizen of the County of Kisumu. The construction of the Ultra-Modern County Assembly which is expected to house members and staff and improve their working environment is currently at 60% completion rate. This project is expected to be completed on or before 31st December 2025, so far a total of Kshs. 187,293,539 has been paid to the contractor. The county Assembly capacity build its 49 members of the Assembly (MCAs) in order to equip them with the necessary skills and competencies to discharge their mandate this has improved the quality of interrogations and debates during committee and plenary sessions.

The department made significant gains in its mandate by processing to completion 35 bills, 182 motions, 211 committee reports, 6 petitions and 7 policies in furtherance of its objectives.

Departmental priorities

During FY 2025/26 and the medium-term period, the sector will prioritize implementation of the following programmes to meet strategic priorities:

Improvement of working environment: Completion of the ultra- modern assembly and commissioning for use by staff; Construction of 35 ward offices for Members of the County Assembly; Capacity building for staff: Retool, upskill and capacity build staff in accrual reporting data protection and committee secretariat training; Civil education: To educate citizens through *bunge mashinani* on the areas of possible collaborations and their role in the governance space of the county; Feedback Mechanism: operationalization of the liaison office.

Research ICT and information system: Enhance ICT and information through procurement of ICT equipment's, networking website maintenance, WIFI connectivity for online streaming of plenary and committee session to enhance transparency in the process.

2.12 COUNTY PUBLIC SERVICE BOARD

Key achievements

In the fiscal years 2023/24-2024/25, the Public Service Board sector made remarkable strides in strengthening institutional capacity, enhancing performance, and fostering interdepartmental collaboration, all aimed at ensuring efficient and effective service delivery within the County Government of Kisumu. These accomplishments underscored the Board's resilience and adaptability in navigating economic challenges while maintaining a proactive approach to fulfilling its strategic objectives and executing its work plan. Despite financial constraints, the Board remained steadfast in its commitment to reinforcing human resource management, streamlining administrative processes, and upholding transparency and accountability in public service.

One of the Board's most notable achievements during this period was the successful recruitment of 392 county officers through a rigorous, merit-based, and highly competitive selection process. This comprehensive recruitment drive was instrumental in addressing the existing workforce gap, thereby strengthening the human resource capacity within the county government. By strategically placing newly recruited officers across various county departments, the initiative significantly enhanced service delivery, ensuring that the needs of citizens were met more efficiently and effectively.

In addition to recruitment, the Board conducted thorough suitability interviews for 28 officers, carefully evaluating their performance, qualifications, and experience. This meticulous review process led to the conversion of their employment terms from contractual to permanent and pensionable, granting them greater job security and long-term career stability. By issuing official appointment letters, the Board not only reinforced a sense of professional assurance but also motivated county staff by offering them structured career growth opportunities, improved benefits, and enhanced financial security. This strategic move contributed to increased morale, commitment, and productivity among public service employees.

Furthermore, Building on a Memorandum of Understanding (MoU) between the County Government of Kisumu and CIHEB, the Board played a pivotal role in ensuring continuity in service delivery by renewing contracts for 376 CIHEB and support staff. This initiative was essential in maintaining operational efficiency across critical county functions. Specifically, CIHEB staff members were granted one-year contract renewals, allowing them to continue their vital contributions to healthcare and related services, while support staff received extended three-year contracts, ensuring sustained workforce stability in various county departments. These contract renewals not only secured employment for hundreds of workers but also ensured the uninterrupted provision of essential public services.

In its commitment to optimizing human resource deployment and maximizing the efficiency of county personnel, the Board successfully re-designated 72 officers to positions that aligned more closely with their qualifications, expertise, and professional competencies. This strategic restructuring aimed to enhance productivity by placing employees in roles where their skills could be utilized to their fullest potential, ultimately leading to better service outcomes, increased efficiency, and improved job satisfaction among county staff.

Recognizing the importance of skills development, practical learning, and professional mentorship, the Board also facilitated the placement of 640 students on attachment across various county departments. This initiative provided young professionals and aspiring public servants with valuable hands-on experience, allowing them to apply their academic knowledge in real-world work environments. Through mentorship, training, and exposure to government operations, these students gained critical insights into public administration, service delivery, and governance, equipping them with essential skills to thrive in their future careers. By fostering knowledge transfer and supporting professional growth, the Board demonstrated its commitment to nurturing the next generation of public sector professionals.

As FY2024 marked the final year of the Board's Strategic Plan (2020-2024), the institution undertook a comprehensive review of its strategies to align with key priorities, including promoting values and principles, strengthening institutional capacity, and enhancing performance to ensure effective service delivery.

Among the critical milestones achieved in alignment with these strategic objectives were the successful conversion of employment terms for 28 officers and the competitive recruitment of 392 officers, both of which were instrumental in enhancing workforce efficiency and accountability. The Board also played an advisory role to the County Executive by issuing directives on compliance with the biennial Declarations of Income, Assets, and Liabilities (DIALs) for the 2021-2023 period, instructing all County public officers to file their declarations by 31st December 2023. This measure reinforced the principles of transparency and accountability in the management of public resources.

Additionally, the Board demonstrated a commitment to upholding justice and due process in handling disciplinary and legal matters. During the review period, it processed five court cases and two disciplinary matters, successfully resolving three court cases while the remaining two continue to progress through legal channels. The two concluded disciplinary cases resulted in directives for the reinstatement of affected officers, ensuring fair labor practices and adherence to procedural justice. The Board also received and initiated the processing of 31 new disciplinary cases, reflecting its commitment to maintaining ethical standards and enforcing discipline within the County Public Service.

The fiscal year 2023/2024 saw significant investments in infrastructure and office improvements to enhance workplace efficiency, productivity, and overall operational effectiveness. In line with the organization's commitment to fostering a modern and well-equipped working environment, the Board successfully procured essential office equipment and facilities, including refrigerators, microwaves, and three water dispensers. These additions were aimed at enhancing the working environment and improving staff welfare by providing greater convenience and promoting overall well-being.

Additionally, closed-circuit television (CCTV) systems were installed across various office premises to bolster security measures and ensure the safety of county offices, personnel, and valuable assets. This security enhancement not only mitigates potential risks but also fosters a sense of safety and accountability within the workplace.

The acquisition of high-quality executive desks and ergonomic chairs further improved office ergonomics and professionalism, enhancing the working conditions of staff members and contributing to better posture, comfort, and efficiency during long working hours. Furthermore, extensive office renovations were undertaken to modernize workspaces, incorporating contemporary designs and functional layouts that maximize space utilization and promote collaboration. These improvements have collectively created a more conducive, comfortable, and efficient work environment that aligns with contemporary professional standards, ultimately contributing to higher employee satisfaction, motivation, and overall organizational success.

Departmental priorities

The priorities for the FY 2025/2026 focus on strengthening institutional frameworks, enhancing service delivery, and fostering good governance within the Public Service. One of the key priorities is the development of relevant policy documents, which will provide clear guidelines, streamline operations, and ensure compliance with legal and regulatory frameworks. These policies will be instrumental in improving decision-making and enhancing service delivery efficiency across various departments.

Another crucial priority is the procurement of a Human Resource Management Information System (HRMIS) to modernize and automate HR functions, including recruitment, performance management and staff records management. Implementing this system will enhance transparency, improve efficiency, and minimize errors in human resource administration.

To support a conducive working environment, the Board also aims to construct a modern administration block for the Public Service Board. This state-of-the-art facility will house board operations, facilitate seamless service delivery, and accommodate both current and future staff needs, ensuring efficient administration and coordination of public service affairs.

Additionally, capacity development for board members and the secretariat remains a top priority. Continuous training and professional development programs will equip board members and staff with the necessary skills and knowledge to adapt to evolving governance trends, enhance decision-making, and implement best practices in public service management.

To promote ethical conduct and good governance, the Board plans to sensitize Public Service staff on the Values and Principles of Public Service as enshrined in the Constitution. This initiative will instill professionalism, accountability, and integrity among public servants, ultimately leading to improved service delivery and public trust.

Furthermore, the development of the strategic plan for 2025-2028 is a critical priority that will outline the Board's long-term vision, goals, and implementation strategies. This plan will serve as a roadmap for achieving efficiency, sustainability, and effectiveness in human resource management within the county government.

To successfully implement these priorities, it is imperative that the Board receives adequate budgetary allocation. Sufficient funding will enable the timely execution of planned projects, ensure the recruitment of skilled personnel, and support the acquisition of essential infrastructure and technology. Without adequate financial support, the Board may face challenges in fulfilling its mandate and delivering quality services to the public. Therefore, it is essential for policymakers and stakeholders to prioritize budget allocation to facilitate the realization of these key objectives.

2.13 SPORTS, CULTURE, GENDER AND YOUTH AFFAIRS

Key achievements:

In FY2023/24-2024/25, the sector realized notable achievements that included;

During the year under review, the department promoted sporting programs by supporting Para volley during their sports tournament in Nakuru and Siaya counties; Kisumu All Stars were also supported during the National Supper League; the department also sponsored county team to Kenya Inter –Counties Sports and Cultural Association (KICOSCA)-over 200 staff participated in various disciplines.

The department also organized the Governor’s Cup to promote talents and scouting from the 70 villages in all the 8 sub-counties; Participated and hosted the Talata Hella, karate Tatani, regional Betika Bigwa Fest 2024 where 600 sports persons participated and Kisumu qualified for National tournament 2025 both in men’s football team and Girls’ Basket ball

Youth development and empowerment; the department through collaboration with Youth sector working Group trained over 500 youth on digital literacy and life skills; Mobilized over 1000 Youth on work readiness and meaning full engagements and created awareness on procedure and processes of access to Government Opportunities i.e. AGPO, Trade Fund , Youth Fund and NYOTA, Business and Group Registration.

The department also in partnership with KCYSWG Hosted Youth week celebrations in August 2024 during the International Youth Day/Week 3,000 youth participated and connected to digital platforms and online employability opportunities.

Policy and legislation: the department reviewed the Multi-Sectors coordination framework and initiated development of Youth policy 2025 and review of the Kisumu County Youth Integrated Development Plan of 2019 and ensured mainstreaming of the UNSCR- 2250 resolutions, SDGs, Agenda 2063, and Climate action.

The department under Infrastructural Development Rehabilitated and refurbishment of Kisumu Cultural Center- Kanyakwar as a flagship project by refurbishment of the multipurpose hall, Music Room and Restaurant the center is going to benefit 200 artists and serve over 30,000 residents,

The department hosted the greatest Africa Festival of Arts and Culture 2024 (FESTAC) at Jomo Kenyatta Sports complex ground which hosted over 8000 participants.

The department further promoted Talent and Arts development by conducting sub-counties Kisumu Arts and Cultural festival and a grand inter-sub counties finale at Jaramogi Oginga Odinga sports ground this gave a platform to over 2000 participants by show casing various artistic performance and cultural exhibitions i.e. Musical dance, Visual and performing Arts, Crafts, Culture and culinary art performance, Chants and Storytelling.

The department also participated in The 4th Piny Luo Cultural Festival conducted in Siaya County 31st Dec 2024-1ST Jan 2025by hosting over 150 various artists and Cultural artefacts during the event. This included musicians, Nyatititi, ohangla, fashion and regalia, Tag of War

etc. the event promoted culture, exchange programs and marketing opportunities to local cultural products.

Gender empowerment; the department in collaboration with Gender sector working group (GSWG) hosted Kisumu county GIRLS' Summit during the day of the girl child at Mama Grace Social Center in November 2024 over 700 girls were mentored and empowered

The department initiated refurbishment of Tiengre GBVRc / safe house at cost of 6M its 50% done

The department during year under review in collaboration with GSWG Participated in the 16days of activism against Gender Based Violence from 25th Nov-10th Dec 2024 over 6000 people participated and empowered on prevention protection and response against violation of women and girls.

The department developed Gender Equality policy 2024, Gender mainstreaming strategy, development of Draft sexual harassment policy, development of County Gender profile, establishment of gender mainstreaming committee, and deepened the implementation of AGPO process and mainstreaming of UNSCR- 2250 resolutions , SDGs, Agenda 2063, and Climate change

Departmental Priorities

During FY 2025/26 and over the medium-term period, the department will prioritize implementation of the following programmes and projects to meet strategic priorities:

Regarding Sports and Talent Development, emphasis will be on Promotion of inclusive and annual sports tournaments (netball, football, Para volley, handball e.tc);Provision of sports gears and kits to community clubs and youth groups in 14 wards; Promotion of Grassroots sports competition in 35 wards through Governor's Cup to promote talents and scouting from all the villages ;Participation and hosting National and International sports programs i.e. Talata Hella, karate Tatani, Betika Bigwa Fest 'Participate in annual Kenya Inter –Counties Sports and Cultural Association (KICOSCA)

On Sports Infrastructure the department will Establish 1 sports academy center; establish a basketball Court; Complete of Muhoroni and Ogada stadiums; Construct 11 play fields across the county; Improve and upgrade 3 sports grounds.

Under Cultural Infrastructural Development the department will complete the Rehabilitation and refurbishment of Kisumu Cultural Center- Kanyakwar and launch the facility for use; Establish 4 new cultural centers; Map Intangible Cultural Heritage sites; Fence of Lwanda Magere site.

Under Artistic talent development, emphasis will be on promotion Talent and Arts through Annual Kisumu Arts and Cultural festival; Construction of 3 talent centers; equipping of 4 talent centers

Gender, Youth affairs and PWDs unit will continue coordinating gender responsive practices in policy, planning, programming and implementation processes; Undertake gender mainstreaming, prevention of gender-based violations and Femicide focusing on reviewing the SGBV Policy and

implementation framework, finalize the Gender & Equality law and regulation; Promote good cultural practices, provision of Safe spaces for sustainable development and ensures implementation of social inclusion strategies for the special interest group (SIG) and GBVs survivors; Conduct Grassroots capacity building and empowerment program for employment creation and meaningful engagement of Youth, Women & PWDs through Socio-economic empowerment, deepening the Implementation of minimum 30% Access to Government Procurement Opportunities (AGPO), revolving fund, Youth Fund , Women Fund; Conduct staff capacity building on gender mainstreaming and integration; Promote digital skills for online employability, life skills & innovation, inclusion and civic engagement.

The department will also focus on promotion of Internships, Industrial Attachment/Apprenticeships and job placement, Mentorship & Coaching in addition to volunteerism; Conduct peer learning & review program and global connectivity for youth; Equip and operationalize 1 innovation Center; Establish 2 Community Information and empowerment centers for youth & women; Develop PPP and coordination framework for effective service delivery; Lobby for resources for PWDs utilities like white canes, elbows, crutches, wheelchairs among others; Participate and host International days- Women's day ,16 days of activism against GBV; Conduct Youth Summit during youth week and Girls summit during the day of the girl child.

Further, the department will Mainstream and integrate UNSCR-1325 & 2250, UNCRPWD resolutions, SDGs, African Agenda 2063, Climate change Action; Offer Psycho-socio support to the affected families and promotion of child protection and welfare programme ; Complete and operationalize of Tiengre safe house; Establish 1 situational room and 4 rescue centers; Establish toll-free call center for GBV victims; Construct one modern children park; Provide revolving funds & empowerment to youths, women and PWD.

CHAPTER THREE
RECENT ECONOMIC DEVELOPMENT AND MEDIUM TERM OUTLOOK

3.1 GLOBAL AND REGIONAL ECONOMIC DEVELOPMENTS

Global growth is estimated to have stabilized at 3.3 percent in 2024 and is forecasted to hold steady at that pace over 2025-26. This forecast nonetheless implies that global growth will remain 0.4 percentage point below the 2010-19 average, with output continuing to lag its pre-pandemic trajectory. This reflects both the prolonged effects of the adverse shocks of recent years, and a structural decline in the fundamental drivers of growth. In particular, trade and investment are expected to expand at a slower pace relative to their 2010-19 averages across many advanced economies and Emerging Market and Developing Economies. The long-term weakening of economic dynamism is captured also by measures of potential growth: in all, global potential growth is estimated to have declined by about one-third since the 2000s.

Growth in advanced economies remained at an estimated 1.7 percent in 2024, and is projected at 1.9 percent in 2025. Over 2025-26, growth is forecasted to remain around 1.7 percent below the pace in the decade before the pandemic as a projected slowdown in the United States is accompanied by modest recoveries in the euro area and Japan. This outlook assumes no major shifts in trade or fiscal policies.

The growth in the Sub-Saharan Africa region was estimated to expand to 3.8 percent in 2024 from 3.6 percent in 2023 reflecting a sustained rebound from shocks, inflationary and exchange rate pressures, and domestic supply issues, including, notably, in the electricity sector. Growth in the region is expected to rebound to 4.2 percent in 2025 and hold steady at that pace over 2026, picking up in four fifths of the Sub-Saharan Africa's countries, and with strong performances in non-resource intensive countries.

Table 3. 1: Overview of the World Economic Outlook Projections

	Year over Year						Q4 over Q4 2/		
	Estimate		Projections		Difference from October 2024 WEO Projections 1/		Estimate	Projections	
	2023	2024	2025	2026	2025	2026		2024	2025
World Output	3.3	3.2	3.3	3.3	0.1	0.0	3.4	3.2	3.1
Advanced Economies	1.7	1.7	1.9	1.8	0.1	0.0	1.8	1.9	1.7
Emerging Market and Developing Economies	4.4	4.2	4.2	4.3	0.0	0.1	4.6	4.2	4.2
Sub-Saharan Africa	3.6	3.8	4.2	4.2	0.0	-0.2

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during October 22–November 19, 2024. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. "..." indicates that data are not available or not applicable. WEO = *World Economic Outlook*.

1/ Difference based on rounded figures for the current and October 2024 WEO forecasts. Countries for which forecasts have been updated relative to October 2024 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing-power-parity weights.

2/ For World Output (Emerging Market and Developing Economies), the quarterly estimates and projections account for approximately 90 percent (80 percent) of annual world (emerging market and developing economies) output at purchasing-power-parity weights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

4/ For India, data and projections are presented on a fiscal year (FY) basis, with FY 2023/24 (starting in April 2023) shown in the 2023 column. India's growth projections are 6.8 percent for 2025 and 6.5 percent for 2026 based on calendar year.

5/ Indonesia, Malaysia, Philippines, Singapore, Thailand.

6/ Simple average of growth rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average assumed price of oil in US dollars a barrel, based on futures markets (as of November 20, 2024), is \$69.76 for 2025 and \$67.96 for 2026.

8/ Excludes Venezuela.

9/ The assumed inflation rate for the euro area is 2.1 percent for 2025 and 2.0 percent for 2026 that for Japan is 2.0 percent for 2025 and 2.0 percent for 2026, and that for the United States is 2.0 percent for 2025 and 2.1 percent for 2026.

3.2 DOMESTIC ECONOMIC DEVELOPMENT

Kenya's economy grew 5.6 percent in 2023, up from 4.9 percent in 2022, as agriculture rebounded, and services grew moderately. The economy is further projected to contract to 5.4 percent in 2024. On the supply side, services accounted for 69 percent of the growth and agriculture for 23 percent, while on the demand side, household consumption accounted for 70 percent. Inflation edged up to 7.7 percent in 2023 from 7.6 percent in 2022, driven by core inflation (32 percent of the change), fuel inflation (26 percent), and cost-push inflation (9 percent year on year increase in the producer price index).

The economic growth averaged 4.6 percent in the first three quarters of 2024. The economy recorded a growth rate of 5.0 percent in quarter 1, 4.6 percent in quarter 2 and 4.0 percent in quarter 3 of 2023 compared to the growth recorded in 2022 of 6.2 percent in quarter 1, 5.2 percent in quarter 2 and 4.3 percent in quarter 3. This growth was primarily underpinned by a rebound in the agricultural activities which grew by an average of 5.0 percent in the first three quarters of 2024.

The agriculture sector rebounded strongly in the first three quarters of 2024, following improved weather conditions and the impact of fertilizer and seed subsidies provided to farmers by the Government. The sector grew by 6.1 percent in the first quarter, 4.8 percent in the second quarter and 4.2 percent in the third quarter. The strong performance was reflected in enhanced production, especially of food crops that led to significant increase in exports of tea, coffee, vegetables and fruits. However, production of cut flowers and sugarcane declined during the period.

The performance of the manufacturing sector remained positive in the first three quarters of 2024 and recorded growths of 1.3 percent in the first quarter, 3.2 percent in the second quarter and 2.3 percent in the third quarter compared to growths of 2.8 percent, 1.5 percent and 1.7 percent, respectively in similar quarters in 2023. Growth in the sector was supported by increased activities in the construction sector mainly reflected in the increased consumption of cement and imports of bitumen, iron, and steel. Activities in the manufacturing sector, which accounts for nearly half of the industrial sector output, was hampered by a decline in the manufacture of both food (particularly sugar production) and non-food products while electricity sub-sector slowed down due to a notable decrease in electricity generation from all sources, except geothermal.

Inflation rate

The year-on-year inflation rate eased to 4.5 percent in December 2024 from a peak of 7.26 percent in February 2024 and has been within the Government target range of 5 +/- 2.5 percent for the first half of 2024/25 demonstrating prudent monetary policies. However, inflation has remained low in the lower and upper bound of the Government's target range since January 2024 due to relatively lower energy prices. Consequently, the tightening of the monetary policy was to address the pressures on the inflation, exchange rate and mitigate second round effects including from global prices. This ensured that inflationary expectations remain anchored, while setting inflation on a firm downward path towards the 5.0 percent mid-point of the target range. The

easing of inflation was also supported by Government interventions and favorable weather conditions that increased food supply and lowered food prices.

Food inflation remained the dominant driver to easing overall inflation in December 2024. Notably it declined to 5.1 percent in December 2024 from a peak of 7.9 percent in January 2024 supported by general decline in international food prices, and improved weather conditions that enhanced production of fast-growing food items, thus moderating their prices.

Core (non-food non-fuel) inflation remained stable at 3.4 percent in December 2023, from a peak of 4.4 percent in March 2023. The decline is attributed to the tight monetary policy and muted demand pressures.

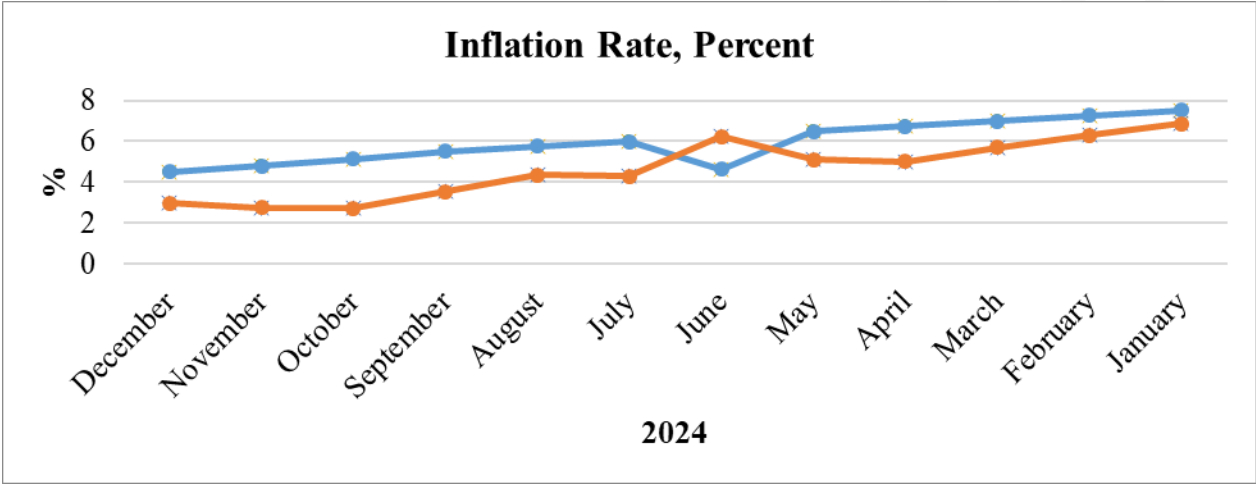


Figure 3. 1: Inflation Rate, Percent

Kenya shillings exchange rate

The Kenya shilling remained stable in 2024 holding strong against major currencies. The Kenya Shilling appreciated by 0.03 percent against the US Dollar, 0.86 percent against the Sterling Pound and 1.44 percent against the Euro in December 2024 compared to a similar period in 2023. The shilling exchanged against the US Dollar at an average of KShs 129.36 in December 2024 compared to an average of KShs 154.09 in December 2023. The Kenya shilling also appreciated to exchange at KShs 163.64 against the Euro in December 2024 compared to KShs 194.98in December 2023; and at KShs 135.55 against the Sterling Pound in December 2023 compared to KShs 167.98 over the same period. The Kenyan Shilling was also supported by increased remittances, adequate foreign exchange reserves and strong exports receipts.

Money and Credit

Broad money supply (M3) growth was 1.6 percent in the year to November 2023 compared to a growth of 21.1 percent in the year to November 2023. The slowdown in growth of M3 was due to a decline in the growth of Net Domestic Assets (NDA) particularly the domestic credit. The primary source of the growth in M3 was the resilience in the Net Foreign Assets (NFA) of the banking system, mainly reflected in the stability of commercial banks’ Foreign Assets.

Net Domestic Assets (NDA) contracted by 2.2 percent in the year to September 2024, compared to a growth of 10.9 percent over a similar period in 2023. The slowdown in growth of the NDA was due to a decline in growth of the domestic credit to the private sector. The domestic credit extended by the banking system to the Government increased to grow by 16.6 percent in the year to November 2024 compared to a growth of 14.4 percent in the year to November 2023.

Private sector credit

Growth in private sector credit from the banking system declined by 1.1 percent in the year to November 2024 compared to a growth of 13.2 percent in the year to November 2023, due to the impact of exchange rate appreciation on foreign currency denominated loans and the lagged effects of monetary policy tightening. Reduced credit growth was observed in manufacturing, finance and insurance, trade (exports) and building and construction sub-sector. These are some of the sub-sectors with significant foreign currency denominated loans.

Growth in private sector credit is expected to remain relatively stable, supported by, among other factors, resilient economic activity, and the implementation of the Credit Guarantee Scheme for the vulnerable MSMEs.

External sector development

The overall Balance of Payments position slowed a deficit at USD 4,537.9 million (3.6 percent of GDP) in November 2024 to USD 4,354.5million (4.4 percent of GDP) in November 2023. Exports increased in the year to November 2024 by 7.5 percent mainly due to increase in intermediate and capital goods.

On the other hand, in the year to November 2024, goods exports increased by 12.9 percent in the 12 months to November 2024, reflecting increased exports of agricultural commodities and re-exports. The balance in the merchandise account deteriorated by US\$. 372.3 million to a deficit of US\$. 10,539.7 million in November 2024 mainly because the increase in import bill more than offset the increase in exports particularly Saudi Arabia and Russia.

Capital markets development

Activity in the capital markets slowed down in December 2023 compared to December 2022 as advanced economies tightened their monetary policy amid inflationary pressures. The NSE 20 Share Index improved to 2,011 points in December 2024 compared to 1,501 points in December 202 while Market capitalization also improved to Kshs. 1,940 billion from Kshs 1,439 billion over the same period.

3.3 IMPACT OF NATIONAL AND MACROECONOMIC VARIABLES ON COUNTY DEVELOPMENT

The global and national economic outlook will have a great impact on the performance of the County considering the largest share of the total revenue originates from the National Government transfers representing 85%. The stability of the macroeconomic environment therefore supports growth of the County since the dynamics of the macro-economic framework have direct and/or indirect effects on the County decision and operations. The County performance will also depend on formulation and implementation of prudent policies aimed at improving the service delivery. Moreover, with US having a new administration which has affected grants, the conditional grants and programmes implemented with the support of donors are likely to be constrained going forward.

The national performance will influence the level of economic activities and developments in the County. Specifically, non-performance of revenue in the National Government as a result of a constrained macro environment will likely have spillover effect on implementation of the County Development Agenda since resources meant for development are less. The continued low and stable inflation rate on the other hand, will encourage more investments and reduces uncertainties thus enabling the County to invest more on development leading to improved economic growth and stability. Similarly, low and stable interest rates stimulate higher private sector lending, especially the Small and Medium Enterprises. However, unpredictable tax environment will likely affect revenue performance going into the next financial year.

3.4 FISCAL PERFORMANCE

Budget execution in the first 6 months (July 2024 to December 2024) of the FY 2024/25 progressed well. Total Revenue available to the County as at December, 2024 was KShs. 4.84 (31.64 percent) of the approved budget and comprised of Own Source revenue of KShs. 0.670 billion (66.12 percent of the first half target), and exchequer release of KShs. 3.49 billion (40.00% of the approved budget) as equitable share. Revenue performance is anticipated to improve over the course of the financial year, mainly due to the new revenue raising initiatives adopted by the current administration.

The total budget absorption for the period under review was KShs. 4.815 Billion (31.47 percent) of the total approved budget estimates for FY 2024/25. Overall expenditures were below target primarily due to the late disbursement of exchequer funds and missed revenue targets, which adversely affected budget execution. Consequently, there was low absorption of both the recurrent and development budgets. However, it is anticipated that the absorption rate will improve in the coming months as revenue flows from both the National Government and own sources increase.

On the expenditure, the County Government has embarked on expenditure rationalization by promoting fiscal discipline, allocative and operational efficiency and prioritization to improve efficiency and reduce wastage by ensuring the expenditures are on the most impactful Programmes that yield the highest welfare benefits to the people of Kisumu. Expenditure management will be strengthened with continued implementation of the Integrated Financial Management Information System (IFMIS) across all the departments.

Revenues are also expected to progressively improve in the third quarter of the financial year, as it is the peak period for the collection of major revenues such as business permits and rates, among others. The County has continued to implement new revenue collection strategies, such as RRI initiatives, which will ensure that its own-source revenue collection is optimized. Judging by the above revenue performance, it is anticipated that the revenue targets for the FY 2024/25 will be achieved.

3.4.1 Revenue performance

Table 3.2 shows the own source revenue performance for the 1st and 2nd Quarters of the FY 2024/2025. In the first quarter, the county realized **Kshs. 264,581,975**, against a target of **Kshs. 555,994,624** representing **47.6%** realization. Similarly, in the second the county collected **Kshs. 405,795,252** against a target of **Kshs. 457,835,859** representing a commendable **88.1%** realization.

Table 3. 2: Locally Collected Revenue for 1st and 2nd Quarters of the FY 2024/2025

Local Revenue Sources	1st Quarter Target 2024/2025 (KShs.)	1st Quarter Actual 2024/2025 (KShs.)	Realization (%)	2nd Quarter Target 2024/2025 (KShs)	2nd Quarter Actual 2024/2025 (KShs)	Realization (%)
Main Revenue Streams						
Land Rates	139,543,851	5,492,088	3.9	26,522,366	31,241,820	117.8
Rents	4,594,952	2,501,585	54.4	4,539,196	2,125,776	46.8
Trade License Fees	19,783,965	13,597,275	68.7	8,042,519	4,374,052	54.4
Bus Park Fees	16,551,811	11,977,740	72.4	14,339,804	15,050,860	105.0
Parking Fees	8,188,775	12,383,667	151.2	6,516,540	13,376,303	205.3
Reserved Slot	1,350,000	200,000	14.8	400,001	0	0
Monthly Stickers	4,283,764	45,000	1.1	2,189,117	637,000	29.1
Clamping Fees	36,560	1,500	4.1	20,000	7,500	37.5
Market Fees	22,894,676	14,915,205	65.1	14,530,949	14,902,610	102.6
Stock Ring	1,040,931	780,210	75.0	236,159	1,064,720	450.8
CESS	22,521,783	10,683,263	47.4	15,306,611	7,089,497	46.3
Building Plans	1,474,026	5,578,265	378.4	600,711	7,347,550	1,223.1
Sign Board Promotion	25,203,227	13,474,087	53.5	12,873,709	18,310,628	142.2
Public Health and Others	2,297,521	1,950,859	84.9	2,260,274	1,746,076	77.3
Sub-Total	269,765,841	93,580,744	34.7	108,377,957	117,274,392	108.2
Revenue from Departments						
Medical Services, Public Health and Sanitation	237,543,222	161,808,965	68.1	210,213,200	279,322,024	132.9

Local Revenue Sources	1st Quarter Target 2024/2025 (KShs.)	1st Quarter Actual 2024/2025 (KShs.)	Realization (%)	2nd Quarter Target 2024/2025 (KShs)	2nd Quarter Actual 2024/2025 (KShs)	Realization (%)
Agriculture, Fisheries, Livestock Development and Irrigation	868,811	737,252	84.9	860,713	408,236	47.4
Trade, Tourism, Industry and Marketing	836,847	1,143,200	136.6	1,146,420	1,081,480	94.3
Lands, Physical Planning, Housing and Urban Development	13,868,353	196,220	1.4	10,546,603	49,000	0.5
Education, Technical Training, Innovation and Social Services	140,000	68,125	48.7	131,165	38,866	29.6
Sports, Culture, Gender and Youth Affairs	1,884,465	1,010,600	53.6	956,340	253,750	26.5
Liquor License	3,379,228	2,875,442	85.1	4,450,800	4,237,002	95.2
Water, Environment, Natural Resources and Climate Change	10,309,771	3,106,415	30.1	114,832,400	3,057,900	2.7
Public Service, County Adm. and Participatory Development, Office of The Governor	17,398,086	55,012	0.3	6,320,260	72,602	1.1
Sub-Total	286,228,783	171,001,231	59.7	349,457,902	288,520,860	82.6
Total Local Revenue	555,994,624	264,581,975	47.6	457,835,859	405,795,252	88.6

Table 3.3 shows the cumulative first and second quarters own source revenue realization against the targets. The revenue realized was **Kshs. 0.067 billion** against the first half target of **Kshs. 1.013 billion** representing **66.1%** realization.

Table 3. 3: Locally Collected Revenue for 1st Half of the FY 2024/2025

Local Revenue Sources	1st Half Target 2024/2025 (KShs)	1st Half Actual 2024/2025 (KShs.)	Realization (%)
Main Revenue Streams			
Land Rates	166,066,216	36,733,908	22.1
Rents	9,134,148	4,627,361	50.7
Trade License Fees	27,826,485	17,971,327	64.6
Bus Park Fees	30,891,615	27,028,600	87.5
Parking Fees	14,705,315	25,759,970	175.2
Reserved Slot	1,750,001	200,000	11.4
Monthly Stickers	6,472,880	682,000	10.5
Clamping Fees	56,560	9,000	15.9
Market Fees	37,425,625	29,817,815	79.7
Stock Ring	1,277,090	1,844,930	144.5
CESS	37,828,394	17,772,760	47.0
Building Plans	2,074,737	12,925,815	623.0
Sign Board Promotion	38,076,936	31,784,715	83.5
Public Health and Others	4,557,795	3,696,935	81.1
Sub-Total	378,143,798	210,855,136	55.8
Revenue from Departments			
Medical Services, Public Health and Sanitation	447,756,422	441,130,989	98.5

Local Revenue Sources	1st Half Target 2024/2025 (KShs)	1st Half Actual 2024/2025 (KShs.)	Realization (%)
Agriculture, Fisheries, Livestock Development and Irrigation	1,729,524	1,145,488	66.2
Trade, Tourism, Industry and Marketing	1,983,268	2,224,680	112.2
Lands, Physical Planning, Housing and Urban Development	24,414,957	245,220	1.0
Education, Technical Training, Innovation and Social Services	271,165	106,991	39.5
Sports, Culture, Gender and Youth Affairs	2,840,805	1,264,350	44.5
Liquor License	7,830,028	7,112,444	90.8
Water, Environment, Natural Resources and Climate Change	125,142,171	6,164,315	4.9
Public Service, County Adm. and Participatory Development, Office of The Governor	23,718,347	127,614	0.5
Sub-Total	635,686,685	459,522,091	72.3
Total Local Revenue	1,013,830,483	670,377,227	66.1

3.4.2 Expenditure performance

In the first half, the County Government spent **Kshs. 4,257,795,904 billion** on recurrent expenditure and **Kshs. 557,742,516 million** on development, giving a total expenditure of **Kshs. 4,815,538,420 billion**.

Table 3. 4: 1st half expenditure performance FY 2024/2025

Vote	Department	Recurrent Expenditure				Development Expenditure			
		Annual Budgeted	Actual Q1	Actual Q2	Total Actual	Annual Budgeted	Actual Q1	Actual Q2	Total Actual
5067	Physical Planning, Lands, Housing and Urban Development	151,018,059	8,641,016	14,225,967	22,866,983	943,300,000	21,000,000	9,250,000	30,250,000
5068	Agriculture, Livestock, Food and Fisheries	81,857,527	6,068,375	3,269,569	9,337,944	291,199,910	29,936,492	0	29,936,492
5072	City of Kisumu	195,100,000	10,164,849	54,058,933	64,223,782	476,700,000	0	0	0
5073	County Assembly of Kisumu	1,008,619,656	202,258,041	219,460,074	421,718,115	100,000,000	0	0	0

Vote	Department	Recurrent Expenditure				Development Expenditure			
5075	County Public Service Board	48,319,347	9,562,480	4,754,066	14,316,546	0	0	0	0
5081	Education, Technical Training, Innovation & Social Service	325,000,000	5,007,966	113,869,060	118,877,026	213,716,000	0	22,631,250	22,631,250
5082	Infrastructure, Energy and Public Works	112,000,000	13,185,957	15,673,802	28,859,759	989,226,000	0	837,113	837,113
5083	Finance, Economic Planning & ICT Services	1,032,552,709	103,943,844	220,436,578	324,380,422	1,023,603,602	0	405,857,686	459,748,161
5084	Trade, Tourism, Industry and Marketing	53,983,343	2,000,000	4,098,889	6,098,889	174,200,000	0	0	0
5085	Medical Services, Public Health and Sanitation	1,212,713,749	59,172,355	43,897,010	103,069,365	123,650,000	0	0	0
5086	Sports, Culture, Gender and Youth Affairs	93,380,452	8,978,450	29,705,161	38,683,611	43,500,000	0	0	0
5087	Water, Environment, Natural Resources & Climate Change	83,984,139	7,715,512	8,518,096	16,233,608	615,434,321	520,800	13,818,700	14,339,500
5088	Public Service, County Administration & Participatory Development	5,873,536,678	1,098,091,042	1,991,038,812	3,089,129,854	35,000,000	0	0	0
	TOTALS	10,272,065,659	1,534,789,887	2,723,006,017	4,257,795,904	5,029,529,833	105,347,767	452,394,749	557,742,516

1/ Out of the approved recurrent expenditure of Public Service, County Administration & Participatory Development, Kshs. 5,132,805,090 was allocated to personnel emolument, in the first half Kshs. 2,898,893,715 was spent representing 56.5% of the budget P&E.

2/ Out of the Kshs. 1,008,619,656 recurrent for County Assembly of Kisumu, Kshs. 336,490,356 was P&E. By the end of first half, Kshs. 179,947,774 was absorbed.

3.5 COUNTY ECONOMIC GROWTH

This table shows the Kisumu County Gross County Product (GCP) and the corresponding growth rate for the years 2018 to 2022. In 2018, the GCP value stood at Kshs. 217,084,000 representing 11.6% growth as compared to 2017 gross county product. As observed from the table, there was a sharp drop in the GCP from 2019 and 2020 attributed to the containment measures during the pandemic. Similarly, as depicted from the county economy begun its recovery in 2021 with a growth rate of 10.1%. Moreover, in 2022, the county continued to show resilience despite the poor macroeconomic environment with the economy growing at 14.8%. In 2023, the county economy was boosted by enough rains leading to bumpers harvest furthering the growth. The gross county product rose to Kshs. 343,264 million from Kshs. 310,090 million in 2022. The growth is expected to hold going into 2025 and 2026 supported by thriving stable macroeconomic environment albeit the constrained fiscal space and unpredictable tax environment.

Table 3. 5: GCP related statistics

	2019	2020	2021	2022	2023
Gross County Product Current Prices (KShs. Million)	235,001	247,324	271,351	310,090	343,264
Gross County Product at Constant 2016 Prices	204,819	209,365	218,435	230,429	241,337
County Share of Gross County Product	2.5	2.5	2.5	2.5	2.5

3.5.1 Contribution per Sector

Table 3. 6: Kisumu County Gross County Product contribution per Sector

Year	Sectors													
	Financial Services Indirectly Measured	Other Service Activities	Human Health & Social Work Activities	Education	Public Administration & Defense	Administrative Support Services	Professional & Technical Services	Real Estate Activities	Financial & Insurance Activities	Information & Communication	Accommodation & Food Service Activities	Transport & Storage	Wholesale & Retail Trade; Repair of Motor Vehicles	Construction
2023	-6,804	7,900	6,043	17,761	17,405	4,471	6,280	39,929	17,649	5,650	7,036	65,481	24,669	25,308
2022	-5,457	7,330	5,589	16,761	14,850	3,777	5,745	36,081	15,027	5,293	5,379	56,980	22,528	24,044
% Change	24.68	7.78	8.12	5.97	17.21	18.37	9.31	10.66	17.45	6.74	30.80	14.92	9.50	5.26
	Electricity Supply	Manufacturing	Mining & Quarrying	Agriculture, Forestry & Fishing	Water Supply; Waste Collection									
	7,620	39,534	2,549	52,525	2,257									
	5,775	35,694	2,938	49,528	2,228									
	31.95	10.76	-13.24	6.05	1.30									

In 2023, several sectors experienced notable growth rates, highlighting areas of economic strength and potential for further investment. Electricity Supply grew by 31.95%, indicating improved energy infrastructure, and enhanced electricity distribution efficiency. Accommodation & Food Service Activities increased by 30.80%, suggesting an expanding tourism industry and increased hospitality services. Financial & Insurance Activities rose by 17.45%, signaling increasing financial inclusion and growing business confidence. Public Administration & Defense expanded by 17.21%, possibly due to higher spending in governance and security. Professional & Technical Services grew by 9.31%, reflecting growing demand for specialized skills and business support services. Transport & Storage recorded a 14.92% growth, likely due to improvements in infrastructure, logistics, or increased trade activities.

While most sectors registered positive growth, some experienced declines. Mining & Quarrying contracted by 13.24%, suggesting reduced mining activities due to regulatory constraints, and depletion of resources. Financial Services Indirectly Measured dropped significantly by 24.68%, indicating inefficiencies in financial intermediation that could impact investment and credit accessibility. Other key sectors exhibited moderate growth. Agriculture, Forestry & Fishing, though a dominant contributor, grew only by 6.05%, highlighting challenges such as climate change, fluctuating market prices, and supply chain disruptions. Manufacturing saw a 10.76%

increase, possibly due to increased local production, industrial investments, and government incentives. Real Estate Activities grew by 10.66%, likely influenced by rising urbanization and infrastructure developments.

Given these trends, the County fiscal policy in the fiscal year 2025/2026 will focus on enhancing energy and infrastructure development. With a 31.95% growth in electricity supply, continued investment in renewable energy sources, grid expansion, and stable power supply will further bolster industrial and commercial productivity. Infrastructure investments in transport and storage, which grew by 14.92%, should continue to enhance connectivity for trade and logistics efficiency. The 30.80% growth in accommodation and food services suggests a burgeoning tourism industry, requiring increased funding for tourism marketing, cultural heritage promotion, and hospitality training programs. Agriculture, which still plays a major role in the county economy but grew modestly at 6.05%, would benefit from climate-smart agriculture initiatives, subsidies, and improved market access to ensure food security and rural economic empowerment.

To revitalize the Mining & quarrying sector, which contracted by 13.24%, tax incentives, regulatory reforms, and investment in sustainable mining practices will be considered. The financial sector, despite a 17.45% increase in financial and insurance activities, saw a 24.68% decline in financial services indirectly measured, pointing to inefficiencies that need to be addressed through improved credit access for MSMEs, and enhanced digital banking solutions. The 10.76% increase in manufacturing in 2023 suggests that industrialization policies are yielding results, and expanding industrial zones, enhancing ease of doing business, and providing tax incentives can sustain this momentum.

The positive economic growth across various sectors in Kisumu County underscores the importance of strategic fiscal policies to sustain and accelerate development and is expected to hold in 2025 and 2026. By addressing sector-specific challenges and leveraging high-growth areas, the county government can enhance economic resilience, job creation, and overall prosperity. Investment in energy, tourism, transport, finance, and manufacturing should be prioritized while supporting struggling sectors such as mining and agriculture. With well-structured fiscal policies, Kisumu County can achieve sustainable and inclusive economic growth.

CHAPTER FOUR
4.0 FISCAL POLICY AND BUDGET FRAMEWORK

4.1 INTRODUCTION

While consolidating earlier gains, the 2025/2026 Medium-Term Fiscal Policy will primarily focus on priority programs aimed at economic recovery and achieving the socio-economic transformation agenda envisaged under the third generation County integrated development plan 2023-2027, annual development plan 2025/2026 and focusing on boosting private sector activity; Policy, legislation, and institutional reforms; Strengthening County government's preparedness and response to pandemic and disasters; Enhancing ICT capacity for business continuity; and Human capital development. The policy thrust for the FY 2025-2026 has been highly influenced by the Kisumu County Governor Manifesto 2022-2027 and the Framework provided for in the Budget Policy Statement on Economic recovery Agenda to promote inclusive growth and thrive to achieve the overall long-term objective of 'increased household income for sustainable livelihoods' while at the same time enable residents of the County recover and build resilience from lingering effects of the constrained macro environment and climate change related supply chain disruptions. This includes a determination by the County Government to settle debts owed to suppliers in pending bills amounting to approximately Kshs. 1,572,555,630, comprising of Kshs. 611,739,632, and Kshs. 960,815,998 recurrent and development pending bills, respectively.

The priorities notwithstanding, the County Government will strive to ensure that public spending leads to high-quality outcomes within a sustainable and affordable framework. The Kisumu economy continues to be confronted by various constraints such as recurrent drought affecting agricultural productivity; declining manufacturing productivity; skewed access to finance for business and development; rigidities in the business regulatory framework; governance challenges; and fiscal risks including pension's liabilities, stalled projects, payment arrears; and high debt service that has hindered the economy from achieving its full potential.

The need to address these constraints and bolster resilience forms the basis of the government's agenda. The agenda is geared towards an economic turnaround and inclusive growth and aims to increase investments in at least five sectors envisaged to have an immense impact and linkages to the economy and household welfare. These include: Revitalize Agriculture for food security and agribusiness; ensure a healthy population living in a clean environment; Building of modern physical infrastructure; Promoting skills development and innovation; conserving the environment while opening the Kisumu Lakefront for Business; and deepening the structures of devolved governance and strengthen revenue generation and accountability in use of public funds. Providing decent housing in inclusive towns, semi-urban centres and villages; Promoting industrialization and a vibrant service sector, supported by sustainable energy sources and information and communication technologies. Particular focus will be placed on key strategic areas of high impact, and more equitable distribution of resources, while also expanding the own source tax revenue base.

The implementation of these interventions is expected to stimulate economic recovery and restore the County on upward development trajectory. In this regard, spending will be directed towards the County's most critical sectors to achieve quality outputs and outcomes with a current or lower level of resources, particularly implementing priority projects and programs around sectors development issues with higher economic and social impacts, payment of pending bills, and gratuity. Furthermore, the County Government will dedicate resources to building an ultra-modern office complex for improved efficiency in service delivery to the people. The County Government has projected to raise Kshs.12.3B comprising both equitable share and own source revenue in the FY 2024/2025 to finance its programs. The funds will be allocated as categorized below:

- a) Personnel Emoluments will be **40%** (This includes gratuity and pensions)
- b) Development Expenditure will be at **32%**
- c) Operation and Maintenance Expenditure will be **28%**

In; addition, the County Government will;

Increase engagement with the donor community to fund some programmes and also fast track development of PPP implementation guidelines.

Engage in prudent fiscal risk management. The government will continuously make reference to the national macro-economic forecasts and projections to gauge its implications to the budget

Strictly adhere to the CRA, SRC and Controller of budget guideline

4.2 FISCAL STRUCTURAL REFORMS

This policy aims at increasing allocation of more resources to development expenditure as it continues with the following programmes. The County Government of Kisumu will put in place measures to meet its revenue target. This includes:

- Integrated Revenue Management System (IRMS)
 - Full integration of all the revenue streams (both structured and non-structured), to the KCRB's Revenue Integrated Management System.
 - Ensuring reduced System down time on the IRMS especially during peak periods (market days and high seasons for structured revenues such as Trade Licenses, Land Rates)
 - Strict adherence with the Finance Act in the billing process for all the revenue streams.
 - Strict compliance of staff in the application and use of the IRMS during revenue collections
 - Regular training of staff on new developments and enhancements in the IRMS.
- Valuation Roll
 - Land and property tax by finalizing and implementing the new valuation roll.
 - Expedite the implementation of Valuation Roll to boost collection of Rates and Plot Rents in the light of current litigation.
 - Most plots are undervalued and a lot of sub divisions and Change of Usage have been done on these plots and these have not been fully captured in the IRMS.
- Mapping of Revenue Streams
 - To ensure that new searches are done for clean-up of Land/Plot owners identifications
 - To unearth more Receivables especially from Trade Licenses, Land Rates and assess their realization.
 - To map out more revenue streams through our field officers e.g. Cess on bulking of grass and rice straws in the rice schemes and markets along the beaches.
- Internal Audits
 - Carrying out regular impromptu field visits by supervisors and compliance team to monitor revenue collection.
 - Reshuffling of revenue staff to avoid complacency in revenue collections.
 - Scheduled appraisals of staff on targets to monitor and review performance trend.
- Outreaches: - Sensitization
 - Field outreach to sensitize the citizens on Cashless Tax payments through the IRMS system. This should be done through Public Participation events organized by the County's relevant departments.
 - Stakeholders' consultative fora to establish the best way to collect revenue in different sectors especially market committees, Boda Boda (motorbikes) etc. This will improve on personal Relationships with the tax payers and collectors.
 - Sensitization to both County Departmental staff and citizens on the contents of the current Finance Act and related regulations.
- Staff Motivation;

- Staff need to be motivated to optimally discharge their mandate of revenue collection through incentives such as provision of rain coats and other accessories; facilitation for communication and transport costs. Staff working before and after working hours may also need to be provided with adequate security.
- **Expenditure Management**
In order to contain recurrent and non-essential spending, the County will focus on the following areas of intervention:
 - Centralization of common user items (Insurance, Stationery and general office supplies, ICT equipment and accessories, advertisement, printing and publishing, fuel and motor vehicles repairs)
 - Reduction of Operations and Maintenance expenditure for the current FY by 50 per cent and strict enforcement of the cost reduction measures
 - Ensure compliance with vote control procedures through issuance of Authority to Incur Expenditure to departmental accounting officers in line with Section 51(1) of the PFM, County Government Regulations.
 - Decentralization of pending bills to departments, and settling pending bills and arrears in staff welfare/pensions remittance to LAPTRUST and LAPFUND.
 - Management of human resource- put on hold recruitment of new staff to reduce the risk of high wage bill
 - The County Plans to invest in mechanical workshops in three Vocational Training Centres (Rotary, Ahero and Akado) in order to reduce motor vehicle maintenance costs.
 - Expenditure efficiency and effective implementation of budget programs; Continuous implementation of e-procurement, embrace internet banking and preparation of budget through IFMIS. Training, roll out and use of financial operations process manual.
 - Implementation of expenditure containment and rationalization to ensure efficiency in resource allocation and expenditure.
 - Realizing Value-for-Money in County development programmes by Strengthening
 - Monitoring and Evaluation (M&E) and Performance Management.
 - Improving the quality of government strategy and policy by enlisting high-level advisory services. i.e., Timely Cabinet resolutions and other established Committees on Human Resource advisory.

4.3 MEDIUM TERM DEBT MANAGEMENT STRATEGY

4.3.1 DEBT MANAGEMENT OBJECTIVES AND SCOPE

The Debt Management Strategy will guide County Government debt management operations in the FY 2025/2026 and the medium term. The Strategy seeks to balance cost and risk of County debt while considering the County Government financing needs. In addition, the strategy incorporates initiatives to seek new funding sources, support the County Government development priorities and achieve debt sustainability.

Objective as per PFM Act, 2012

- i. The principal objective of the County government debt management is to meet its financing requirements at the least cost possible with a prudent degree of minimal risk.
- ii. The secondary objective is to enable the government to deal with the existing debt portfolio to release resources to service delivery.

Scope of the Medium-Term Debt Management Strategy

- i. This C-MTDS covers the County Government of Kisumu (CGoK) anticipated debt portfolio which includes external debt, domestic debt, and contingent liabilities of on-lent debt and guaranteed debt with the public and other enterprises.
- ii. External debt is defined as debts denominated in currencies other than Kenyan shilling while domestic debt is defined as debt denominated in Kenyan shillings, even when the creditor is a foreign entity.
- iii. In line with international reporting requirements, CGoK will consider review in future for current reporting of domestic debt (as may be required) to include the outstanding liability for transfer value under the pension scheme for civil servants.
- iv. Although the focus of the C-MTDS is on actual direct liabilities of the CGoK, contingent liabilities (whether explicit or implicit) may have an important bearing on the sustainability of debt and robustness of this strategy. Consequently, it is prudent to consider the potential risk that contingent exposures could materialize under specific scenarios and thus may need to be addressed in the future.

Goals for the Debt Management Strategy

The aim of the C-MTDS is to support the County Government's strategy in implementing FY2025/26 budget and over the medium term by ensuring that the government's financial requirement and payment obligations are met at the lowest cost with prudent degree of risk in line with PFM Act, 2012. In addition, the strategy will; guide the overall debt management strategy of the County Government over the medium term with respect to the actual and potential liabilities in respect of loans and guarantees and the plans for dealing with those liabilities.

Underscore the County Government's commitment to developing and designing a strategy that is evidence based and feasible in ensuring that public debt levels remain sustainable and supports broad-based and inclusive growth.

Serve as a strategy of financing the fiscal deficit of the County Government over the medium term.

4.4 COUNTY GOVERNMENT OF KISUMU DEBTS

The County's debt portfolio stands at **Kshs. 3,326,834,404**. This is an increase of **Kshs 259,611,195.20** from the amount of **Kshs. 3,067,223,208.80** reported in the 2024-2025 Debt Management Strategy Paper. However, the debt owed to NHC amounting to **Kshs. 1,200,000,000** is provisional and still under verification.

Table 4. 1: Total County Pending bills and Contingent Liabilities portfolio

Pending bills portfolio			
Department	Recurrent	Development	Total
Physical Planning, Lands, Housing and Urban Development	23,917,668	0	23,917,668
Agriculture ,Irrigation, Livestock and Fisheries	19,115,823	48,062,011	67,177,834
City of Kisumu	75,347,225	238,492,905	313,840,130
County Public Service Board	4,374,800	0	4,374,800
Education, Technical Training, Innovation & Social Service	10,661,017	59,286,439	69,947,456
Infrastructure, Energy and Public Works	22,447,028	250,280,126	272,727,154
Finance, Economic Planning & ICT Services	150,933,950	0	150,933,950
Trade, Tourism, Industry and Marketing	22,922,572	45,280,510	68,203,082
Medical Services, Public Health and Sanitation	96,987,683	150,031,185	247,018,868
Sports, Culture, Gender and Youth Affairs	51,246,180	3,747,680	54,993,860
Water, Environment, Natural Resources & Climate Change	21,813,139	146,678,494	168,491,633
Public Service, County Administration& Participatory Development	111,972,547	18,956,649	130,929,196
TOTAL	611,739,632	960,815,999	1,572,555,631
Contingent Liabilities			
		C-DMS (2024-2025)	C-DMS (2025-2026)
NSSF		459,294,940.00	558,980,792
Gratuity		410,780,920.00	-
Medallion		-	11,820,000
LAPFUND		544,127,480.91	381,639,221
Legal fees and Court Decrees		317,259,897.00	2,157,868,820
LAPTRUST		135,759,970.89	216,525,571
National Housing Corporation		1,200,000,000.00	0
TOTAL		3,067,223,208.80	3,326,834,404

Source: County Treasury

These are some of the factors that have led to accumulation of debts;

- Unmet local revenue projections - over the years the county has fallen short of its budgeted revenue projections. This is witnessed in the local revenue where the collection realized has been less half of the projection. Given that the budget is shared on the basis of projection and AIE holders begin committing on that basis, it follows that with collection below the target commitment translates to pending bills.
- Non- implementation of Debt Management policy paper –failure to implement mitigation measures in previous DMSP 2024 on steps/ways to reduce to public debt portfolio has led to continuous accumulation of these debts.

4.4.1 CATEGORY AND PRINCIPAL RISK ASSOCIATED WITH DEBT

Table 4. 2: Category and Principal Risk Associated with Debt

Debt category	Nature of risk	Level of risk	Step taken to mitigate against the risk identified
Court decrees	Legal and financial risks resulting in penalties and accrued interest. Taxing of outstanding legal fees resulting in higher fees. Instituting legal proceedings against the County government.	High	<ul style="list-style-type: none"> - Negotiation with various law firms and decree holders for an extended repayment period. - Budgetary allocations to cater for settlement of the awards and fees.
Contractors and Suppliers of goods and services	Legal risk through court proceedings to recover owed sums. Reputation risk. Financial risk in the event interest clause in the contracts are triggered.	High	<ul style="list-style-type: none"> - Recurrent pending bills amount to Kshs.766 million to be processed as first charge by the departments - 1b has been set towards settling the Development pending bills with the hope of additional allocation in the supplementary budget 2023-2024
Statutory deductions (NSSF & LAPFUND& LAPTRUST)	Compliance Risk. Reputational Risk Financial Risk from resultant penalties from non-compliance.	High	<ul style="list-style-type: none"> - Negotiating with these institutions with a view of staggering payments and writing-off interest and penalties. - Includes verification and reconciliation and finally a viable repayment plan. - Possibility of asset swap also under consideration.

4.4.2 STRATEGIES OF DEALING WITH DEBT IN THE MEDIUM TERM

The current debt portfolio shows that all the debts are already overdue as most are owed to suppliers, contractors and statutory institutions. Strategies to deal with the existing debt portfolio include:

- i. **Enhancing Revenue Collection:** One of the reasons why pending bills are increasing is due to the County's failure to meet its annual local revenue targets. The County has already embarked on enhancing local revenue collection in order to liquidate debts and to improve liquidity by scaling up automation of local revenue collection.
- ii. **Debt rescheduling or renegotiation:** County may seek to reschedule amounts owed to statutory institutions (KRA, NSSF, Lapfund, Lap trust etc.) with a view of getting better or favorable terms.i.e. an enhanced or longer repayment period. This will go a long way in easing pressure on cash flows and thereby free the cash resources to service delivery.
- iii. **Enforcing prioritization of Recurrent pending bills and budgetary allocation for payment of development pending bills:** The department should prioritize payment recurrent pending bills as first charge in their respective budgets before procuring any new items. In addition, adequate budgetary allocation should be made for payment of development pending bills.
- iv. **Debt/assets tradeoffs:** This strategy may be applied in instances where the County owes various statutory institutions such as NHIF, NSSF, NHC and utility firms such as Kenya Power and Lighting Company, while at the same time, these institutions also owe the County in terms of outstanding rates, rent etc. The County may enter into negotiations with such institutions or creditors with a view to trade off debts with the County.
- v. **Debt write offs:** The County may enter into negotiations with the National Government (e.g. debt owed the National Housing Corporation) with a view to writing off long outstanding debts that it guaranteed in order to clean the balance sheet and improve credit worthiness.
- vi. **Improving cash flow management:** Good cash flow management will ensure that liquidity is available to meet payments obligations as they fall due e.g. issuance of strict AIE to the departments.
- vii. **Realistic budgetary estimates and targets:** One of the most effective ways of addressing persistent pending bills problem is to ensure implementation of realistic budgets based on reasonable and realizable forecasts. Internally generated revenue forecasts and targets should be realistic and achievable.
- viii. **Strengthening internal control systems:** Strengthening systems of controls will ensure that the County does not initiate expenditure or procurement without ensuring availability of funds and cash to support the expenditure. IFMIS will continue to be used as an expenditure control tool by using the Vote Book Management System.
- ix. Debt Management Strategy Paper will be reviewed annually. Current strategy shall be reviewed to accommodate changing debt status to the current economic trends in internal, external and remote environment in which the county continues to operate.
- x. **Other strategies:** Developing a procedure manual and other regulatory framework that will define payment terms, reporting requirements, controls at budget authorization, commitment and payment stages and sanctions associated with any breach of those provisions.

4.4.3 GENERAL DEBT RISK ANALYSIS

This table outlines the county general debt risk analysis, with a focus on the different categories of debt and the corresponding nature, level of risk and mitigation action. Overall, the table serves as a useful tool for identifying and mitigating the different types of debt risks faced by the county.

Table 4. 3: General debt risk analysis

Debt category	Nature of risk	Level of risk	Mitigation action
Employee pension Schemes	Compliance risk	Highly critical	Ensure compliance with the laws and legislation.
Other Employee Benefits	Reputation risk.	High	Increase tangible benefits to employees.
Court Awards/ Fees	Legal risks Financial risk	High	Ensure strict compliance with court rulings and decrees. Prompt payment of legal fees.
Other Suppliers and Service Providers	Reputation risks Legal Risk	High	Adhere to customer service charter.
Contractors	Legal risks	Highly critical	Timely payment to contractors through the Vote book management system.

Employee Pension Schemes, is deemed to have a highly critical Compliance risk. To mitigate this risk, the county will ensure strict compliance with the laws and legislation governing pension schemes.

Other Employee Benefits, has a high Reputation risk. The county is addressing this risk by increasing the tangible benefits offered to employees.

Court Awards/Fees, has both Legal and Financial risks that are rated as high. To mitigate these risks, the county is ensuring strict compliance with court rulings and decrees, as well as prompt payment of legal fees.

Other Suppliers and Service Providers, has a high Reputation risk and a Legal risk. To mitigate this risk, the county is striving to adhere to the customer service charter.

Contractors, which has a highly critical Legal risk. To mitigate this risk, the county striving to ensure timely payment to contractors through the Vote book management system.

4.5 RESOURCE ENVELOPE AND CRITERIA FOR RESOURCE ALLOCATION

4.5.1 DETERMINATION OF RESOURCE ENVELOPE

The Kisumu County resource envelope consists of the following items:

- i. Share of National Revenue, which finances over **85 per cent** of the budgeted expenditure; consists of equitable share and conditional grants.
- ii. Locally Collected revenue including property rates, entertainment taxes, levies, fees and charges.

The County's share of the National revenue, which includes equitable share and conditional loans and grants from the National government, is projected at **Kshs. 10,574,194,936** in FY 2025/2026 while the total revenue is projected at **Kshs 2,999,760,943** in FY 2025/2026. The total revenue includes the County's share of national revenue as well as locally collected revenue, which is projected, to **Kshs. 13,573,955,879** in FY 2025/2026.

4.5.2 CONDITIONAL GRANTS

In the 2025 Budget Policy Statement, the National Treasury proposes to allocate **Ksh 67.97** billion as additional allocations (conditional and unconditional) to County Governments. Out of this, **Ksh 12.89** billion will be financed from the National Government's share of revenue, and **Ksh 55.07** billion from proceeds of loans and grants from Development Partners

The legal instrument that will be used to allocate and disburse additional allocations to the county governments is the County Governments Additional Allocations Act. The Act provides the mechanisms for disbursing, accounting and oversight for the additional conditional allocations to the County Governments.

The proposed additional conditional allocation shall be distributed based on its objectives, criteria for selecting beneficiary Counties and distribution mechanisms determined in the Project Appraisal Documents and respective financing agreements.

4.5.3 RESOURCE ENVELOPE FOR FY 2023/2024-2027/28

Table 4.4 provides a summary of the actual county's budget and funding sources for the fiscal year 2023/2024-2024/25 as well as projected funding sources over the medium term. The County projects to have **Kshs.13,573,955,879** to finance its programs in the financial 2025/2026 comprising of equitable share(including grants) and own source revenue amounting to **Kshs. 10,574,194,936**, and **Kshs. 2,999,760,943**, respectively.

Table 4. 4: Kisumu County Resource Envelope (Kshs.)

Revenue Items	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	ACTUALS	ACTUALS	ESTIMATE	ESTIMATE	ESTIMATE
Equitable Share	8,361,797,770	8,405,328,573	8,405,328,573	8,741,541,715.92	9,091,203,384.56
DANIDA Grant	36,380,926	23,123,790	23,123,790	23,123,790	23,123,790
Finance Locally -Led Climate Action Plan (FLLOCA)	148,500,000	490,984,978	137,500,000	137,500,000	-
KISIP	600,000,000	850,000,000	845,000,000	845,000,000	845,000,000

Revenue Items	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
IDA (World Bank Credit to Finance Agricultural Value Chain Development Project (NAVCDP)	250,000,000	157,535,352	157,535,352	157,535,352	157,535,352
Aquaculture Business Development Project (ABDP)	15,407,244	37,326,163	37,326,163	37,326,163	37,326,163
Kenya Climate Smart Agriculture project(KCSAP)	139,274,117	-	-	-	-
PrAEctiCe	28,269,779	37,227,907	20,000,000	20,000,000	20,000,000
Allocation for Court Fines	233,000	66,912	66,912	66,912	66,912
KDSP	12,742,939	656,709	-	-	-
KDSP II Level I	-	37,500,000	37,500,000	37,500,000	37,500,000
KDSP II Level II	-	-	352,500,000	352,500,000	352,500,000
Community Health Promoters	-	165,339,627	165,339,627	165,339,627	165,339,627
RMFLF	-	196,615,319	-	-	-
Change Maker	30,000,000	30,000,000	15,000,000	15,000,000	15,000,000
IDA (World Bank Credit: Kenya Urban Support Project KUSP-Urban Development Grant (UDG)	2,339,915	36,634,916	36,634,916	36,634,916	36,634,916
IDA (World Bank Credit: Kenya Urban Support Project KUSP-Urban Institutional Grant (UIG)	-	340,394,236	340,394,236	340,394,236	340,394,236
Kenya Dairy Enterprise Development	-	400,391	400,391	400,391	400,391
KRB	896,372	-	-	-	-
TVET	8,332,281	7,516,000	-	-	-
IDEAS	3,898,833	-	-	-	-
Climate Change	17,950,658	-	-	-	-
ASDSP II	10,698,643	-	-	-	-
Africities	40,000,000	-	-	-	-
Transforming health centre	10,699,473	544,976	544,976	544,976	544,976
Conditional Grant for transfer of library services	10,494,779	-	-	-	-

Revenue Items	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
Conditional Grant for Aggregated Industrial parks programme	100,000,000	-	-	-	-
Conditional Grant for provision of fertilizer subsidy programme	120,042,858	-	-	-	-
Livestock Value Chain Support Project	14,323,680	-	-	-	-
Common Wealth of Learning Credit Information	2,111,500	-	-	-	-
Sub Totals	9,964,394,767	10,817,195,849	10,574,194,936	10,910,408,079	11,122,569,748
Revenue Streams					
Locally Collected Revenue					
Receivables			1,479,452,862	1,022,435,000	800,000,000.00
Land Rates	122,371,507	36,733,908	149,897,898	155,893,813.92	162,129,566.48
Rents	20,447,477	4,627,361	20,447,477	21,265,376.08	22,115,991.12
Trade License Fees	192,900,477	17,971,327	192,900,477	200,616,496.08	208,641,155.92
Bus Park Fees	49,650,965	27,028,600	51,504,963	53,565,161.52	55,707,767.98
Parking Fees	34,932,941	25,759,970	34,932,941	36,330,258.64	37,783,468.99
Reserved Slot	5,416,400	200,000	5,851,300	6,085,352.00	6,328,766.08
Monthly Stickers	8,491,227	682,000	20,645,100	21,470,904.00	22,329,740.16
Clamping Fees	59,730	9,000	59,730	62,119.20	64,603.97
Market Fees	58,743,935	29,817,815	58,743,935	61,093,692.40	63,537,440.10
Stock Ring	1,926,953	1,844,930	2,681,910	2,789,186.40	2,900,753.86
Cess	51,280,480	17,772,760	51,280,480	53,331,699.20	55,464,967.17
Building Plans	29,074,445	12,925,815	29,074,445	30,237,422.80	31,446,919.71
Sign Board Promotion Etc.	170,957,831	31,784,715	170,957,831	177,796,144.24	184,907,990.01
Livestock Movement Permit	7,110	18,481	7,110	7,394.40	7,690.18
Sundry Revenue	149,585		26,764,620	27,835,204.80	28,948,612.99
Public Health And Others	8,611,102	3,696,935	8,611,102	8,955,546.08	9,313,767.92
Sub-Total			2,303,814,181	1,879,770,772	1,691,629,203
Revenue From Departments					
Medical Service, Public Health And Sanitation	604,766,717	441,130,989	604,766,717	628,957,385.68	654,115,681.11
Agriculture, Fisheries, Livestock, Development And Irrigation	4,690,648	1,127,007	4,690,648	4,878,273.92	5,073,404.88

Revenue Items	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
Sports , Culture, Gender And Youth Affairs	1,831,930	2,224,680	1,831,930	1,905,207.20	1,981,415.49
Water, Environment, Natural Resources And Climate Change	7,583,106	6,164,315	7,583,106	7,886,430.24	8,201,887.45
Lands ,Physical Planning, Housing And Urban Development	23,992,543	245,220	30,935,996	32,173,435.84	33,460,373.27
Education, Technical, Training Innovation And Social Services	1,365,455	1,371,341	-	-	-
Trade, Tourism, Industry And Marketing	-	-	1,782,940	1,854,257.60	1,928,427.90
Liquor License	20,689,028	7,112,444	20,689,028	21,516,589.12	22,377,252.68
Public Service, County Administration And Participatory Development, Office Of The Governor	23,666,397	127,614	23,666,397	24,613,052.88	25,597,575.00
Sub-Total	688,585,824	459,503,610	695,946,762	723,784,632	752,736,018
Total	9,805,405,759	9,075,705,800	13,573,955,879	13,513,963,483	13,566,934,968

Source: County Treasury

Assumption on the resource envelope:

- i. Factoring of opening balances has been deferred to the time of actual budgeting.
- ii. It is assumed that the grants and loans will not grow at the same rate as equitable share from the National Government.
- iii. Other items of loans and grants which are usually budgeted for but never disbursed to the Counties have not been factored in the projections.
- iv. All conditional grants previously disbursed separately have been made to form part of sharable revenue.

4.6 CRITERIA FOR RESOURCE SHARING

The county government in the financial year 2025/2026 will use the following resource sharing criteria:

- i. Linkage of the programmes with objectives of the ADP 2025/26, and CIDP III (2023-2027)
- ii. Degree to which a Programme addresses job creation and poverty reduction.
- iii. Degree to which the Programme addresses the core mandates of the departments that is expected outputs and outcomes of the specific programmes
- iv. Cost effectiveness and sustainability of the programmes as demonstrated in the programmes concepts.
- v. Extent to which the Programme seeks to address viable incomplete/stalled projects and verified pending bills.
- vi. The spending levels of current programmes
- vii. Current donor commitments through grants and loans
- viii. Ongoing flagship projects
- ix. Viable incomplete/stalled projects
- x. Verified pending bills

Consequently, the County government will look out for additional resources to boost the resource envelope that will be directed towards funding the county strategic priorities that shall have been allocated resources.

The development expenditures representing 32% of the proposed budget have been allocated on the basis of need assessment as represented by stakeholders and people of Kisumu during the public participation, CIDP III priority areas.

4.7 PROPOSED EXPENDITURE CEILINGS FOR 2025/2026.

Table 4.5 provides the proposed sector ceilings informed by sector priorities. In the fiscal year 2025/2026, the total proposed budget is **Kshs.13, 573,955,879** comprising of personnel emolument, operations and maintenance, and development expenditures. The personnel emolument proposed budget amounting to **Kshs.5,492,515,456.00** representing 40 per cent of the total proposed budget has been consolidated in the department of Public Service, County Administration & Participatory Development. Accordingly, Ops & Maintenance, and Development budgets are projected at **Kshs. 3,775,983,644**, and **Kshs. 4,305,456,779**, respectively.

Table 4. 5: Proposed Sector Ceilings

Department	Personnel Emolument	Ops & Maintenance	Development	Totals
Physical Planning, Lands, Housing and Urban Development		50,509,030.00	912,800,000.00	963,309,030.00
Agriculture, Livestock, Food and Fisheries		33,428,764.00	448,444,998.00	481,873,762.00
City of Kisumu		82,550,000.00	673,522,057.00	756,072,057.00
County Assembly of Kisumu		862,083,652.00		862,083,652.00
County Public Service Board		24,159,674.00		24,159,674.00
Education, Technical Training, Innovation & Social Service		247,500,000.00	262,786,439.00	510,286,439.00
Infrastructure, Energy and Public Works		39,000,000.00	475,280,126.00	514,280,126.00
Finance, Economic Planning & ICT Services		1,026,276,352.00	-	1,026,276,352.00
Trade, Tourism, Industry and Marketing		47,680,700.00	273,012,240.00	320,692,940.00
Medical Services, Public Health and Sanitation		834,247,382.00	375,531,185.00	1,209,778,567.00
Sports, Culture, Gender and Youth Affairs		46,690,226.00	60,244,592.00	106,934,818.00
Water,Environment,Natural Resources & Climate Change		36,492,070.00	440,378,494.00	476,870,564.00
Public Service, County Administration & Participatory Development	5,492,515,456.00	370,365,794.00	383,456,648.00	6,246,337,898.00
Ahero/Awasi Municipality		15,000,000.00		15,000,000.00
Maseno Municipality		15,000,000.00		15,000,000.00
Kombewa Municipality		15,000,000.00		15,000,000.00
Katito Municipality		15,000,000.00		15,000,000.00
Muhoroni Municipality		15,000,000.00		15,000,000.00
TOTALS	5,492,515,456.00	3,775,983,644.00	4,305,456,779.00	13,573,955,879.00

Annex 1.0 Highlights of issues raised during public participation and proposed interventions

S/No.	SECTOR	ISSUES	PROPOSED INTERVENTIONS
1.	Finance, Economic Planning ICT Services	<ul style="list-style-type: none"> Inadequate ICT hubs Lack of a county repository Undervalued and overvalued plots Revenue leakages Soaring pending bills Tax evaders 	<ul style="list-style-type: none"> Construct ICT hubs and establishment of public hotspots. Develop an integrated county statistical dashboard Finalize County valuation roll Strengthen Monitoring and Reporting to track pending Bills. Allocate more resources for payment of pending bills Explore public-private partnerships to expand revenue streams. Empower whistle blowers on tax evaders Full integration of all the revenue streams (both structured and non-structured), to the KCRB's Revenue Integrated Management System
2.	Public Service, County Administration and Participatory Development ,Office of the Governor	<ul style="list-style-type: none"> Civic education Stalled Administrators' offices 	<ul style="list-style-type: none"> Conduct civic education and citizen engagements. FastTrack completion of stalled Administrators' offices
3.	Agriculture,Fisheries,Livestock Development and Irrigation	<ul style="list-style-type: none"> Inadequate extension officers Capacity building on modern farming methods/techniques Stalled Irrigation projects Subsidized farm tractors Sensitization on drought resistance crops Inadequate subsidized seeds and fertilizers. 	<ul style="list-style-type: none"> Train and capacity build farmers on the new technologies. Adopt new farming techniques. Promote value addition. Provide extension services. Cultivate drought resistance crops. Complete ongoing irrigation projects. Provide adequate and subsidized farm tractors. Timely distribution of certified seeds and fertilizers before planting season. Employ additional extension officers
4.	Water,Environment,Natural Resources and Climate Change	<ul style="list-style-type: none"> Inefficient solid waste management system especially in urban centers Inadequate boreholes Water conservation Flooding Unfiltered silt and Agrochemicals Unprotected endangered biodiversity 	<ul style="list-style-type: none"> Solid waste management Construct sewer line in urban centers with no sewer coverage. Drill and operationalize more boreholes Supply clean and safe water to all county residents Laying of pipes and maintenance of existing ones Promote rain water harvesting Safeguard Dunga Swamp Allocate adequate resources to support environment

S/No.	SECTOR	ISSUES	PROPOSED INTERVENTIONS
		<ul style="list-style-type: none"> • Policies to conserve natural resources and build resilience to climate change • Support and promote sustainable land use management practices • Enhance climate smart approaches, water and soil conservation. 	<p>related initiatives.</p> <ul style="list-style-type: none"> • Restore degraded areas, hilltops, riparian lands and river valleys. • Support community conservation groups to enhance enforcement and conservation of wetlands. • Support stakeholder engagement to promote wise use of resources. • Set aside wetlands for community use. • Fast track formulation and operationalization of environment and climate change related policies. • Promote inclusive decision making that will involve grassroots representation.
5.	Medical Services, Public Health and Sanitation	<ul style="list-style-type: none"> • Lack of incinerators in some hospitals • Medicine drugs and equipment • Health facilities such as ambulances. • Incentives to CHWs 	<ul style="list-style-type: none"> • Supply adequate medicines drugs and equipment in all health facilities. • Upgrade existing health facilities • Renovate existing facilities • Empower community health workers. • Invest in healthcare infrastructure and human resources to improve access to quality health services. • Construct incinerators in hospitals.
6.	Education, Technical Training, Innovation and Social Services	<ul style="list-style-type: none"> • Inadequate social halls especially in the rural regions • Bursary allocation to the needy students. • Renovate ECDEs and TVETs 	<ul style="list-style-type: none"> • Construct and equip social halls • Increase bursary allocation and distribute it fairly to all needy students • Implement school feeding programs in all ECDEs • Renovate, equip and expand existing VCTs and ECDEs • Construct resource centers
7.	Sports,Tourism,Culture,Gender and Youth Affairs	<ul style="list-style-type: none"> • Inadequate funding for disability sports • Inadequate play grounds 	<ul style="list-style-type: none"> • Talent search and nurturing • Undertake youth mentorship programme • Construct stadiums and play fields • Conduct sporting activities • Establish funds for disability sports
8.	Trade,Cooperatives,Industry and Marketing	<ul style="list-style-type: none"> • Stalled markets • Affordable credit facilities • Alcohol and drugs abuse 	<ul style="list-style-type: none"> • Construct and upgrading of markets • Construct modern markets, kiosks and <i>bodaboda</i> shades • Promote access to affordable credit facilities

S/No.	SECTOR	ISSUES	PROPOSED INTERVENTIONS
			<ul style="list-style-type: none"> • Crackdown of bars and illicit breweries. • Formulating policies on cottage industry to create informal employment (e.g. Agribusiness) • Sensitize public on effects of alcohol, drugs and substance abuse. • Promoting the local VTCs to supply procurable items such as supply of desks, culverts; Repair of motor vehicles and machineries.
9.	Lands, Physical Planning, Housing and Urban Development	<ul style="list-style-type: none"> • Grabbed public land • Building approvals 	<ul style="list-style-type: none"> • Reclaim all grabbed public lands • Timely issuance of building approvals • Full digitization of land registry
10.	Infrastructure, Energy and Public Works	<ul style="list-style-type: none"> • Operationalize Road Maintenance Teams • Defective streetlights and floodlights • Access roads • 	<ul style="list-style-type: none"> • Construction and maintenance of county roads, bridges and bus parks. • Installation of street lights • Adopt public-private partnership on street lighting. • Conduct inventory of all the floodlights and streetlights to identify their status. • Develop a structure for road maintenance • Carrying out proper designs of the roads detailing scope of work. • Embrace Green Energy.
11.	City Of Kisumu	<ul style="list-style-type: none"> • Lack of a framework for market management 	<ul style="list-style-type: none"> • Establish a framework for markets Management • Develop Markets allotment regulation/framework
12.	Kisumu County Public Service Board.	<ul style="list-style-type: none"> • Lack of a proper staff establishment framework 	<ul style="list-style-type: none"> • Adhere to departmental staff establishment frameworks.
13.	County Assembly of Kisumu	<ul style="list-style-type: none"> • Lack of a clear stakeholder engagement strategy 	<ul style="list-style-type: none"> • Develop a clear stakeholder engagement strategy to ensure inclusivity and representation of diverse groups.

Annex 2.0: KCFSP FY 2025/2026 Public Participation Schedule

SUB-COUNTY	WARD	DATE	TIME	VENUE
SEME	1. WEST SEME	13/02/2025	10.00AM – 2.30PM	MANYUANDA HALL
	2. CENTRAL SEME	13/02/2025	10.00AM – 2.30PM	HUDUMA HALL
	3. EAST SEME	13/02/2025	10.00AM – 2.30PM	KITMIKAYI HALL
	4. NORTH SEME	13/02/2025	10.00AM – 2.30PM	CHIENGA NYODUNDO CENTRE
KISUMU WEST	5. SOUTH WEST KISUMU	13/02/2025	10.00AM – 2.30PM	OBAMBO CHIEF CAMP
	6. CENTRAL KISUMU	13/02/2025	10.00AM – 2.30PM	TIENGRE RESOURCE CENTRE
	7. NORTH KISUMU	13/02/2025	10.00AM – 2.30PM	NYAHERA RESOURCE CENTRE
	8. WEST KISUMU	14/02/2025	10.00AM – 2.30PM	HUMA RESOURCE CENTRE
	9. NORTH WEST KISUMU	14/02/2025	10.00AM – 2.30PM	MARERA HALL
MUHORONI	10. MIWANI	14/02/2025	10.00AM – 2.30PM	CATHOLIC CHURCH(JUAKALI)
	11. OMBEYI	14/02/2025	10.00AM – 2.30PM	OMBEYI CHIEF’S CAMP
	12. MASOGO/ NYANGOMA	14/02/2025	10.00AM – 2.30PM	NYANGOMA HALL
	13. CHEMELIL	14/02/2025	10.00AM – 2.30PM	HUDUMA RESOURCE CENTRE
	14. MUHORONI/ KORU	14/02/2025	10.00AM – 2.30PM	MENARA - SUBCOUNTY OFFICE
NYAKACH	15. SOUTH WEST NYAKACH	17/02/2025	10.00AM – 2.30PM	OBOCH HALL
	16. NORTH NYAKACH	17/02/2025	10.00AM – 2.30PM	NYAKACH ELDERS HALL
	17. CENTRAL NYAKACH	17/02/2025	10.00AM – 2.30PM	PAP ONDITI HALL
	18. WEST NYAKACH	17/02/2025	10.00AM – 2.30PM	KODINGO HALL
	19. SOUTH EAST NYAKACH	17/02/2025	10.00AM – 2.30PM	NYAMAROKA RESOURCE CENTRE
NYANDO	20. EAST KANO/ WAWIDHI	17/02/2025	10.00AM – 2.30PM	KODETE CHIEF CAMP
	21. AWASI/ONJIKO	17/02/2025	10.00AM – 2.30PM	AHERO VTC
	22. AHERO	18/02/2025	10.00AM – 2.30PM	AHERO HUDUMA CENTRE

SUB-COUNTY	WARD	DATE	TIME	VENUE
KADIBO	23. KABONYO/ KANYAGWAL	18/02/2025	10.00AM – 2.30PM	NYANGANDE MARKET
	24. KOBURA	18/02/2025	10.00AM – 2.30PM	DCC HALL
KISUMU EAST	25. KOLWA EAST	18/02/2025	10.00AM – 2.30PM	ANGOLA RESOURCE CENTRE
	26. KAJULU	18/02/2025	10.00AM – 2.30PM	OBWOLO CHIEF CAMP
	27. KOLWA CENTRAL	18/02/2025	10.00AM – 2.30PM	RAGUMO RESOURCE CENTRE
	28. MANYATTA B	18/02/2025	10.00AM – 2.30PM	KASAWINO HALL
	29. NYALENDA A	19/02/2025	10.00AM – 2.30PM	CAPITAL HALL
KISUMU CENTRAL	30. RAILWAYS	19/02/2025	10.00AM – 2.30PM	WORKSYARD
	31. MIGOSI	19/02/2025	10.00AM – 2.30PM	EZRA GUMBE HALL
	32. KALOLENI/ SHAURIMOYO	19/02/2025	10.00AM – 2.30PM	ARINA SOCIAL HALL
	33. MARKET MILIMANI	19/02/2025	10.00AM – 2.30PM	MAMA GRACE ONYANGO SOCIAL HALL.
	34. KONDELE	19/02/2025	10.00AM – 2.30PM	KOSAWO HALL
	35. NYALENDA B	19/02/2025	10.00AM – 2.30PM	NYALENDA HALL