

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

SIAYA COUNTY REVENUE MOBILIZATION STRATEGY

FY2025/26-2027/28

December 2025

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FORWARD

The County Government of Siaya is committed to achieving fiscal sustainability and economic transformation through efficient and diversified resource mobilization. This strategy for the FY 2025/26-2027/28 provides a roadmap to enhance financial capacity by leveraging internal and external revenue sources, aligning development goals with national and global frameworks, and engaging multiple stakeholders through a participatory approach.

With a growing population and ambitious development goals outlined in the CIDP 2023– 2027, Siaya County is shifting from dependence on national transfers to self-reliant and diversified financing model. This strategy presents a detailed analysis of current revenue streams, challenges, and opportunities and proposes specific, actionable measures to optimize each funding source.

The strategy is anchored on the following pillars:

1. Enhancing Own Source Revenue through automation, legal reforms, and compliance.
2. Strengthening intergovernmental fiscal relations to maximize equitable share and conditional grants.
3. Attracting development partner support through improved donor engagement frameworks.
4. Promoting Public-Private Partnerships for infrastructure and service delivery.

The county government will ensure that strategies highlighted in this document are fully implemented in order to realize enhanced revenue for its development priorities. As a department, we remain fully committed to our vision "A leading sector in Economic Planning and Financial Management" and a mission to "To provide leadership in financial management; quality planning and research; public policy formulation, coordination and supervision". We count on the continued support of the County Government, H.E Our Governor, the County Assembly Members, and close collaboration with all taxpayers, stakeholders and Revenue staff for the successful implementation of this Strategic Plan

COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE & ECONOMIC PLANNING
COUNTY GOVERNMENT OF SIAYA
Date...21/1/2026

Hon. George Nying'iro
CECM-Finance and Economic Planning

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In preparation of this document, the entire county leadership has played a significant role. I wish to express my gratitude to the following leaders and offices for ensuring successful preparation of the document.

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Finally, I wish to thank the entire Secretariat for working tirelessly in ensuring timely collection, collation and analysis of information incidental to the preparation of this document.



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Jactone Odinga

Chief Officer: Finance and Economic Planning

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CHAPTER ONE
INTRODUCTION

1.0 Background and Context

Siaya County is one of 47 counties established under the Constitution of Kenya, 2010. It has six sub-counties and thirty wards with its headquarters located in Siaya Town. The six sub- counties have headquarters located in Yala, Bondo, Aram, Ukwala and Ugunja. The projected population of Siaya County as at 2025 is 1,097,141 and is projected to increase to 1,116, 847 in 2026 and 1,136,553 in 2027 (KNBS Census Report 2019). The County is predominantly inhabited by the Luo community with minority communities such as Luhya commonly found in the border points. Emerging communities such as the Maasai, Somalis, Kisii among others have immigrated into the county after devolution.

The main economic activity is agriculture comprising crop and livestock production as well as fishing. Crop and livestock production in the area is largely subsistence with a key focus on maize, beans, cassava, finger millet, sweet potatoes, bananas, tomatoes, sorghum, cattle, sheep, goats and chicken. Other economic activities include micro, small and medium enterprises (MSMEs) such as boda boda, jua kali, groceries, transport and retail stores. The County also hosts two light industries that produce Oxygen and Construction materials (nails, chain link fence). The county has potential in irrigation agriculture, ranching, fish processing, apiculture, textile industry and tourism.

As a devolved unit, Siaya has the mandate to manage its own development agenda, service delivery, and revenue generation through devolved functions. In recent years, the county has experienced both opportunities and challenges in meeting its fiscal and developmental objectives. While national government transfers have been instrumental in funding core services, they remain unpredictable and insufficient to meet growing needs in health, agriculture, water, infrastructure, education, and youth empowerment. There is increasing recognition that for Siaya to meet the aspirations laid out in its County Integrated Development Plan (CIDP) 2023–2027, it must fundamentally rethink its approach to financing. This means going beyond traditional funding sources and actively engaging in robust resource mobilization strategies that draw from local, national, and international pools.

The adoption of a structured and comprehensive Resource Mobilization Strategy for FY 2025/26-2027/28 is therefore both timely and strategic. It aligns with the Public Finance Management Act

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(PFMA) 2012, Kenya Vision 2030, and the United Nations Sustainable Development Goals (SDGs), while being tailored to the county's specific socio-economic realities and development aspirations.

1.1 Purpose of the Strategy

This strategy serves as a guiding document to:

- Identify and analyze existing and potential resource mobilization opportunities.
- Provide a structured and sustainable framework to mobilize, manage, and account for financial and non-financial resources.
- Align resource mobilization efforts with county development priorities as stated in the CIDP 2023–2027.
- Strengthen internal systems, institutional capacity, and partnerships for effective resource mobilization.
- Enhance fiscal independence and reduce overreliance on national government allocations.

The strategy targets government departments, development partners, private sector actors, civil society, and Siaya residents at large, all of whom are considered critical stakeholders in the development process.

1.2 Methodology and Approach

The preparation of this strategy followed a participatory, consultative, and evidence-based approach involving multiple stakeholders. The methodology included:

A. Desk Review: A thorough review of key documents was conducted, including:

- County Integrated Development Plan (CIDP) 2023–2027
- County Fiscal Strategy Papers (CFSP)
- Annual Development Plans
- Previous budgets and revenue performance reports
- Legal instruments including the PFMA 2012, PPP Act 2013, and Public Procurement and Asset Disposal Act

B. Stakeholder Consultations

Focus group discussions, key informant interviews, and county planning meetings were held with:

- County Executive Committee Members and technical departments
- Development partners and donor agencies

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- ❖ Representatives from the private sector, CSOs and the faith-based organizations

C. Data Analysis

Quantitative and qualitative analysis of revenue trends, economic indicators, and investment patterns was undertaken to establish baselines and identify areas for intervention.

Strategic Alignment

The strategy was designed to align with:

- ❖ Kenya's Vision 2030 and Medium-Term Plan IV (2023–2027)
- ❖ Sustainable Development Goals (SDGs)
- ❖ Africa Agenda 2063
- ❖ National Treasury guidelines on county financing and resource mobilization

Validation

Drafts of the strategy were presented to stakeholders in validation forums to incorporate feedback and ensure ownership.

With a firm understanding of the local context, strong participatory foundations, and alignment to national development frameworks, this strategy provides actionable pathway for Siaya County to enhance its resource base for sustainable development.

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CHAPTER TWO
SITUATIONAL ANALYSIS

2.0 Economic Overview of Siaya County

Siaya County's share of revenue is estimated at 1.1 equivalent to 163.8 billion (GCP 2025). This contribution is majorly from Agriculture, Forestry and fishing sectors (1.7), manufacturing sector (0.4) and service (0.9) sectors. Accelerating investments in this sectors will ensure stability of the local economy and increased revenue to the County. The economic profile of the County is further expounded as follows:

- **Agriculture** is the backbone of the economy, contributing over 60% of household income. Major crops include maize, sugarcane, beans, bananas, both capture and culture fish farming, and horticultural products.
- **Micro, Small, and Medium Enterprises (MSMEs)** drive employment in both formal and informal sectors, especially in trade and light manufacturing.
- **Tourism**, though underdeveloped, has potential in cultural, eco-tourism, sports tourism, and agro-tourism
- **Blue Economy** which is supported by access to the shore lines of Lake Victoria

Despite investment and steady growth in the key drivers of the local economy, own source collection in the County has not matched its potential. This has been necessitated by the following challenges: Narrow tax base, Manual and inefficient revenue collection methods and Weak enforcement mechanisms. The low own source collection has limited the County's resource basket hence limiting serious investments that can create sustainable development.

2.1 Stakeholder Mapping and Analysis

Effective resource mobilization requires collaboration across government, non-state actors, and external agencies. Key stakeholders include:

Table 1: Stakeholder Mapping and Analysis

Stakeholder	Role in Resource Mobilization
County Departments	Budgeting, Planning and Implementing
County Assembly	Oversight, approval of finance bills
National Treasury	Transfers and fiscal policy guidance
Development Partners	Grants, capacity support, technical assistance
Private Sector	PPPs, job creation, investments
Civil Society	Advocacy, service delivery, accountability
Communities & Citizens	Tax compliance, local investment

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2.2 Legal and Institutional Framework

Siaya operates within a devolved legal framework anchored in:

- **The Constitution of Kenya (2010)** – Establishes County governments and devolved financing.
- **Public Finance Management (PFM) Act, 2012** – Guides public resource use and fiscal responsibility.
- **County Government Act, 2012** – Establishes planning and governance structures.
- **Public Private Partnership Act, 2021** – Provides the legal foundation for PPP arrangements.

Siaya's Institutional framework include:

- Department of Finance and Economic Planning
- County Revenue Directorate
- County Budget and Economic Forum (CBEF)
- Department of Agriculture, Crops, Livestock and Blue Economy
- Public Accounts Committee and County Assembly Committees

2.3 SWOT Analysis

Table 2: SWOT Analysis

Strengths ❖ Strong legal framework for resource mobilization. ❖ High agricultural potential and strategic location. ❖ Committed leadership and presence of a Medium-Term Expenditure Framework	**Weaknesses** ❖ Low OSR performance and weak enforcement. ❖ Limited capacity to develop bankable proposals
Opportunities ❖ Expanding digital revenue platforms. ❖ Increased interest from donors and development partners. ❖ Potential for PPPs in markets, housing, and agro-processing	**Threats** ❖ Overreliance on national transfers. ❖ Political interference in revenue matters. ❖ Global economic shocks affecting donor inflows. ❖ Climate change impacting agricultural productivity. ❖ Geopolitical shifts diminishing grants and donor inflows

Siaya County stands at a critical point where strategic decisions and investments in resource mobilization systems, stakeholder partnerships, and institutional capacity will determine its developmental path. Understanding this circumstance is critical to crafting an effective and sustainable strategy for FY 2025/26-2027/28.

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CHAPTER THREE
STRATEGIC FRAMEWORK FOR RESOURCE MOBILIZATION

3.1 Vision, Mission, and Core Values

Vision:

A county committed to quality service delivery and shared prosperity.

Mission:

Achieve sustainable development and excellence using world class methods of service delivery and technology with emphasis on public participation.

Core Values

- **Transparency and Accountability:** Ensuring integrity in revenue collection and utilization.
- **Equity and Inclusivity:** Promoting fair and balanced resource distribution across all wards.
- **Innovation and Sustainability:** Embracing technology, new financing tools, and long-term planning.
- **Partnership and Collaboration:** Strengthening stakeholder and community engagement.
- **Efficiency and Effectiveness:** Optimizing revenue administration and use of resources.

3.2 Guiding Principles

The development and implementation of this strategy are anchored on the following principles:

- **Fiscal Discipline:** All resource mobilization efforts must conform to sound financial management practices and the provisions of the PFM Act, 2012.
- **Alignment with Development Priorities:** Resource generation and allocation should support key programs identified in the CIDP 2023–2027.
- **Results-Based Management:** Emphasis on outcome-oriented planning and resource utilization.
- **Stakeholder Participation:** All revenue strategies must involve relevant actors including citizens, private sector, donors, and development agencies.

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- **Leveraging Local Strengths:** Strategies should build on the county's comparative advantages, such as agriculture, human capital, and location.

3.3 Strategic Objectives

To actualize the county's development agenda, the following strategic objectives will guide resource mobilization in FY 2025/26-2027/28:

Table 3: Strategic Objectives

Objective	Description
Enhance own Source Revenue (OSR)	Expand the tax base, improve collection systems and strengthen enforcement.
Maximize Fiscal Transfers	Secure timely and increased allocations from the national government and ensure optimal use of conditional grants.
Attract Development Partner and Donor Support	Strengthen engagement and coordination mechanisms for partner support
Promote Public Private Partnership (PPPs)	Facilitate infrastructure and service delivery through strategic PPP projects
Tap into climate financing	Develop climate-resilient project proposals to attract Finance in climate adaptation funds.

3.4 Alignment with Development Frameworks

This strategy aligns with both local and international frameworks:

County Integrated Development Plan (CIDP) 2023–2027:

- Prioritizes health, education, infrastructure, youth employment, agriculture, and environmental sustainability.
- Resource mobilization supports implementation of all flagship projects.

Kenya Vision 2030 and MTP IV

- Supports decentralization and county fiscal autonomy.
- Encourages investment in infrastructure and private sector-led growth.

Sustainable Development Goals (SDGs)

- Mobilized resources will contribute to SDG targets including: SDG 1 (No Poverty); SDG 8 (Decent Work and Economic Growth); SDG 13 (Climate Action); SDG 17(Partnerships for the Goals)

Africa Agenda 2063

- Emphasizes domestic resource mobilization, economic integration, and institutional transformation

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3.5 Strategic Prioritization Criteria

To ensure focused resource use and financing efficiency, the county will prioritize programs and projects that:

- Have high social or economic return on investment.
- Align with CIDP, SDG, or Vision 2030 indicators.
- Demonstrate readiness and feasibility.
- Leverage partnerships or cost-sharing opportunities.
- Address cross-cutting issues (e.g., youth, gender, climate resilience).

This strategic framework provides clear direction for mobilizing and managing resources in Siaya County. By focusing on core objectives and aligning with broader development goals, the county is well-positioned to attract, generate, and deploy resources in an efficient and accountable manner.

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CHAPTER FOUR
REVENUE MOBILIZATION STREAMS

4.1 Own Source Revenue (OSR)

4.1.1 Overview

Own Source Revenue (OSR) refers to all revenues generated locally within Siaya County's jurisdiction. These include taxes, fees, licenses, service charges, and other non- tax revenues. Strengthening OSR is vital for fiscal sustainability, enhancing autonomy, and financing priority development projects without excessive dependence on external funding.

Between FY 2018/19 and FY 2022/23, OSR consistently underperformed, contributing an average of only 10% to the county's total revenue. Factors affecting performance include outdated revenue laws, inefficient manual revenue collecting systems, weak enforcement, lack of public awareness, and political interference in revenue administration. Table 4 below provides a detailed overview of all the revenue streams distributed per department in Siaya County

4.1.2 Key OSR Sources in Siaya

The table 4 shows OSR sources in Siaya County, departments and description of the revenue stream.

Table 4: OSR sources in Siaya

DEPARTMENT	REVENUE STREAMS	DESCRIPTION
ENTREPRISE AND INDUSTRIAL DEVELOPMENT	Single Business Permits	Charged to registered businesses
	Market Fees	Paid by traders for use of market infrastructure
	Weights & Measures	Levies for compliance on fair trade practices
	Trade income (Audit fee)	Charged for auditing services to cooperatives in Siaya County
	Advertisement Charges	Paid by advertisers using public space
	Liquor Licensing	Fees collected for alcohol business licensing
ROADS, PUBLIC WORKS, ENERGY AND TRANSPORT	Bus Park	Levied on public service vehicles
	Plan Approval (Engineers)	Levied on building plans in urban and peri- urban areas
	Fire Inspection	Levied on public and private buildings for fire inspection
	Parking	Levied on public and private vehicle parking
AGRICULTURE, FOOD, LIVESTOCK AND FISHERIES	Fish CESS	Charged on transportation of Fish produce
	Slaughter fees	Charged for animal slaughter services
	Sugar CESS	Charged on Transporting Sugar Cane produce
	Agriculture income (Fisherman License)	Charged for issuance of licenses to fishermen
	Veterinary services	Charged for subsidized veterinary services in the county
	Cattle auction	Levied on market days for sale of cattle
LANDS, PHYSICAL	Plan Approval (Physical	Levied on buildings plans in urban and peri- urban

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DEPARTMENT	REVENUE STREAMS	DESCRIPTION
PLANNING, URBAN DEVELOPMENT AND HOUSING	Planning)	areas
	Transfer fee	Levied on transfer of property users
	Plot rates	Levied on land and buildings in urban and peri- urban areas
	Plot rent	Levied on land and buildings in urban and peri- urban areas
	Ground Rent	Charged for county-owned land leases
	House Rent	Charged for county-owned housing leases
	Kiosk/Stall Rent	Charged for county-owned kiosks/stall leases
	Burial Fee & Signage	Levied for issuance of burial permits
	Survey Fee	Levied on land survey services on both private and public land
HEALTH & SANITATION	Hospital Revenue (F.I.F)	Collected in county hospitals and health centers
WATER	NEMA (Noise Permit)	Levied for noise pollution
	Sand CESS/Quarry	Charged on transportation of sand and quarry materials

Source: Department of Finance and Economic Planning-Financial Report Unit-CGS

4.1.3 Challenges in OSR Collection

- Outdated manual revenue collection systems resulting to inefficiency and revenue leakages
- Narrower tax base
- Low compliance and enforcement, especially in informal sectors.
- Weak data systems and lack of a centralized county revenue database.
- Outdated legislation and tariffs that do not reflect current economic conditions.
- Political interference in revenue collection and prioritization.
- Low citizen trust and perceived value-for-money in tax use.

4.1.4 Strategic Interventions to Enhance OSR

Revenue System Automation:

- Integrate Geographic Information Systems (GIS) for mapping properties and businesses.

Tax Base Expansion

- Conduct a comprehensive revenue potential assessment and audit.
- Formalize informal businesses through targeted registration drives and incentives.
- Update the valuation roll to reflect current property values.

Legal and Policy Reforms

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- ❖ Review and revise the County Finance Act annually to align with inflation and economic trends.
- ❖ Enact revenue-related bylaws and regulations to operationalize new revenue streams.
- ❖ Establish mechanisms for regular stakeholder engagement in setting rates and fees.

Capacity Building and Institutional Strengthening

- ❖ Train revenue officers on tax administration, digital systems, and customer service.
- ❖ Strengthen the Revenue Directorate with technical personnel, IT infrastructure, and compliance teams.
- ❖ Create performance-based incentives for revenue officers.

Public Awareness and Engagement

- ❖ Launch civic education campaigns on the importance of paying taxes and how revenues are used.
- ❖ Implement feedback mechanisms (hotlines, SMS, and community barazas) to report non-compliance or corruption.

Compliance and Enforcement

- ❖ Strengthen the county inspectorate to enforce payment of fees and penalties.
- ❖ Introduce risk-based audits and field inspections to reduce evasion.

4.1.5 OSR Target for FY 2024/2025- 2027/2028

Table 5: OSR targeting 5% growth year on year post FY2025/2026

FY	OSR
2024/2025 (Baseline)	1,044,061,306
2025/2026	3,114,920,823
2026/2027	3,270,666,864
2027/2028	3,434,200,207

4.1.6 Rationale

- ❖ Full rollout of automated revenue system.
- ❖ Enhanced compliance and enforcement mechanisms.
- ❖ Legal updates to expand and modernize revenue sources.
- ❖ Completion of the valuation roll

4.1.7 Performance Monitoring Tools

- ❖ Monthly revenue dashboards per revenue stream.

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- ❖ Quarterly collection reports disaggregated by stream and location.
- ❖ Annual OSR audit and citizen feedback report.

Enhancing Own Source Revenue is central to Siaya's fiscal resilience. Through digitization, legal reform, community engagement, and effective enforcement, the county will significantly improve its revenue collection capacity in FY 2025/26-2027/28 and beyond.

4.2 Intergovernmental Fiscal Transfers

4.2.1 Overview

Intergovernmental fiscal transfers form the backbone of county government financing in Kenya. For Siaya County, over 80% of the annual budget is funded through these transfers, which include:

- ❖ Equitable Share of Revenue (as per Article 203 of the Constitution of Kenya)
- ❖ Conditional Grants from the national government and international development partners
- ❖ Donor-funded programs channeled through the National Treasury

While these transfers are constitutionally guaranteed, delays, conditionalities, and inefficiencies in absorption often undermine their effectiveness. Siaya County must therefore adopt proactive measures to ensure timely, full, and effective utilization of these transfers.

4.2.2 Components of Intergovernmental Transfers

4.2.2.1 Equitable Share

The equitable share is the minimum unconditional funding allocated to counties, as determined annually by the Commission on Revenue Allocation (CRA) and approved by Parliament. Key Features include: Non-discretionary and formula-based; Used for both recurrent and development expenditures and Not subject to performance-based allocation. FY2024/25 allocation of KES7.3 billion and allocation of KES 7.7 billion in FY 2025/26 (subjected to CRA formula and national budget)

4.2.2.2 Conditional Grants

National Government Conditional Grants: Leasing of medical equipment, Road maintenance levy and Vocational training support

Donor Conditional Grants: World Bank (e.g, Kenya Devolution Support Program), DANIDA (e.g.,

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Universal Health Coverage)

Challenges affecting Conditional Grants transfers

- Complex reporting requirements
- Limited staff capacity to manage compliance
- Funds often delayed or underutilized

4.2.3 Challenges in Leveraging Fiscal Transfers

Table 6: Challenges in leveraging fiscal transfers

Challenges	Implications
Delays in disbursement	Affects service delivery and Projects implementation
Low absorption of Grants	Funds returned or reallocated
Limited capacity to meet conditions	Loss of potential funding
Political disagreements	Undermines inter-county collaboration
Weak intergovernmental coordination	Inefficient planning and budgeting

4.3 Strategic Interventions

Improve Planning and Budgeting Alignment:

- Ensure county budgeting timelines align with national budget cycles.
- Prepare detailed project implementation plans to guide fund absorption.

Strengthen Capacity for Grant Management

- Train county staff on grant design, monitoring, and compliance.
- Develop a Conditional Grants Compliance and Reporting Manual.
- Establish a centralized Grants Management Desk in the Department of Finance.

Improve Reporting and Financial Accountability

- Submit timely, high-quality reports to the National Treasury and donors.
- Conduct quarterly financial and technical performance reviews.

Engage in Evidence-Based Advocacy

- Use data and service delivery metrics to advocate for increased equitable share allocations.
- Participate in forums convened by the CRA, Senate, and CoG to influence revenue sharing criteria.

Strengthen Multi-Level Government Coordination

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- ❖ Participate in Intergovernmental Budget and Economic Council (IBEC) meetings.
- ❖ Establish inter-county partnerships to unlock regional development funds (e.g., shared markets, health facilities).

4.3.1 Monitoring and Evaluation

- ❖ Monthly tracking of disbursements vs. projections.
- ❖ Quarterly reviews with Treasury and funding agencies.
- ❖ Annual audit of grant performance.

Intergovernmental fiscal transfers will continue to play a critical role in Siaya's budget. However, the county must shift from passive receipt to active pursuit of timely disbursements, increased allocations, and improved grant absorption to maximize the impact of these funds.

4.4 Development Partner and Donor Engagement

4.4.1 Overview

Development partner and donor funding plays a complementary role in financing county development initiatives. While historically underutilized in Siaya County, these resources present an opportunity to scale up service delivery, enhance institutional capacity, and promote innovation across sectors.

Donor engagement should not be seen merely as financial assistance but as a strategic partnership involving technical expertise, policy support, and co-creation of sustainable development models.

4.4.2 Current State of Donor Engagement in Siaya

Siaya received support from the following major partners in table 7:

Table 7: State of donor engagement in Siaya

Partner	Program	Focus Area
World Bank	Kenya Devolution Support Programme (KDSP II)	Institutional capacity Strengthening
	Climate change fund (FlloCA)	To deliver locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risks
	KELCLOP	To contribute to the County Government's agriculture transformation agenda of increasing rural small-scale farmers' incomes, food and nutrition security

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Partner	Program	Focus Area
	ABDP	To reduce poverty and increase food security and nutrition in rural communities.
	IDA-Agricultural Value Chain Development Project-Grant	To increase market participation and value addition for targeted small-scale farmers in Siaya County
	Kenya Urban Support Project (KUSP)-UIG	To Finance Institutional Strengthening
DANIDA	Universal Health Coverage	To improve PHC with focus on reproductive, maternal, newborn child and adolescent health in Siaya County
National Government	Conditional Grant for Aggregated Industrial Park	To Boost agriculture production by adding value to farm produce before sale locally and internationally
	Roads Maintenance Levy Fund (RMLF)	Roads Maintenance

Despite this support, major gaps remain in donor coordination, proposal development, reporting, and mainstreaming of partner-funded projects into the county budget framework.

4.4.3 Key Challenges in Donor Resource Mobilization

Table 8: Challenges in Resource Mobilization

Challenges	Implications
Weak donor coordination	Fragmented interventions, duplication of efforts
Low capacity to develop bankable proposals	Missed opportunities for funding
Poor integration into county plans	Projects often operate outside budgetary frameworks
Reporting and compliance gaps	Delayed or discontinued support
Limited visibility of county priorities	Lack of a central investment narrative

4.4.4 Strategic Interventions for Donor Engagement

a) Establish a Donor Coordination and Partnerships Unit

- Create a fully staffed unit under the Department of Finance and Economic Planning.
- Maintain a donor engagement database and activity tracker.
- Coordinate quarterly donor roundtables.

b) Develop a County Donor Engagement Framework

- Establish standardized protocols for project planning, MoUs, implementation, and reporting.
- Align donor programs with CIDP and annual development plans.
- Promote joint planning, monitoring, and evaluation.

c) Create and Disseminate a County Investment Prospectus

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- ❖ Publish an annual prospectus of bankable projects in priority sectors (e.g. agro processing, youth employment, health).
- ❖ Package and pitch flagship projects to targeted donors and philanthropies.

d) Strengthen Proposal Development Capacity

- ❖ Train county officers on proposal writing, results-based project design, and budgeting.
- ❖ Partner with universities and think tanks to co-design competitive proposals.

e) Improve Compliance and Transparency

- ❖ Regularly publish donor project updates in the public domain.
- ❖ Strengthen monitoring and reporting systems for externally funded programs.
- ❖ Use CIFMIS and e-procurement tools to enhance accountability.

f) Explore Innovative Partnership Models

- ❖ Engage donors in co-financing and results-based financing mechanisms.
- ❖ Establish multi-donor basket funds for sectors like health or climate resilience.
- ❖ Promote county-hosted development innovation labs supported by donors and private sector partners.

4.5 Public-Private Partnerships (PPPs)

4.5.1 Overview

Public-Private Partnerships (PPPs) are long-term contractual arrangements between a public entity and private sector partners for the development and management of public assets or services. For Siaya County, PPPs offer a critical opportunity to bridge the infrastructure financing gap, improve service delivery, and stimulate local economic growth. Nationally, Kenya has provided a legal and institutional framework to support PPPs through the Public-Private Partnerships Act, 2021, which empowers county governments to independently initiate and implement PPPs in line with their development plans.

4.5.2 Why PPPs Matter for Siaya

Infrastructure Financing Gap: Siaya requires significant investment in roads, water systems, housing, and agro-processing facilities.

Limited County Fiscal Space: PPPs can help deliver major capital-intensive projects without immediate pressure on the county's budget.

Operational Efficiency: Private sector involvement improves cost-effectiveness, innovation, and

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timelines in project delivery.

Job Creation: PPPs catalyze employment through construction, management, and supply chains.

Revenue Generation: Some PPP projects (e.g. markets, bus parks) can generate long-term income for the county.

4.5.3 Current Status of PPPs in Siaya

As of FY 2024/25, Siaya County has:

- Identified over 10 potential PPP project ideas in Tourism, agro-processing, Energy, Transport and Sports.
- Engaged with a few local investors and chambers of commerce but lacks formal partnerships.

4.5.4 Challenges Facing PPP Implementation

Table 9: Challenges facing PPP Implementation and Implications

Challenges	Implications
Lack of PPP-specific legislation at the county level	Legal uncertainty for investors
Limited capacity to structure bankable projects	Missed investor interest
Weak feasibility assessments and cost-benefit analysis	Poor project selection and design
Low investor confidence due to governance and policy unpredictability	Limited pipeline of serious proposals
Political interference and weak inter-departmental coordination	Delays in project approvals and Implementation

4.5.5 Strategic Interventions to Promote PPPs

Institutional and Legal Readiness

- Finalize and/or domesticate the **County PPP Policy and Legal Framework** in line with the National PPP Act, 2021.
- Operationalize a **County PPP Unit** within the Department of Economic Planning with legal, technical, and financial experts.
- Establish a **County PPP Committee** for project screening and governance.

Project Identification and Prioritization

- Conduct a **PPP Feasibility Mapping Study** across sectors.
- Develop a prioritized list of **pre-feasibility and bankable projects** using multi- criteria analysis (economic return, strategic alignment, risk, community impact).

Stakeholder and Investor Engagement

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- Hold an **annual Siaya County Investment and PPP Forum** to showcase projects.
- Create an **Investment Portal** featuring project profiles, legal frameworks, and business incentives.
- Foster partnerships with National PPP Unit, the Kenya Investment Authority (KenInvest), and Development Finance Institutions.

Capacity Development

- Train county officials, MCAs, and project teams on PPP lifecycle management, risk allocation, procurement, and contract negotiation.
- Provide access to technical assistance from development partners for complex project structuring.

Risk Management and Incentives

- Develop a **County PPP Risk Assessment Toolkit**.
- Consider performance-based guarantees, viability gap funding (VGF), and tax reliefs to attract investors.
- Implement dispute resolution mechanisms aligned with the national PPP framework.

4.5.6 Priority PPP Projects for FY 2025/26-2027/28

Table 10: PPP project idea and type

Sector	Project Idea	PPP Type
Agriculture	Agro-processing plants	Build-Operate-Transfer (BOT)
Urban Development	Modern bus parks Commercial Centres	Design-Build-Finance-Operate (DBFO)
Health	Diagnostic centres and private wings in hospitals	Joint Venture (JV)
Housing	Affordable staff housing for health/education	Rent-to-Own (RTO)
Markets	Upgrading key urban markets	Design-Build-Finance-Operate (DBFO)

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CHAPTER FIVE
COUNTY FISCAL AND BUDGETARY REFORMS

5.0 Overview

A robust fiscal and budgetary system is critical for achieving the county's development goals. Siaya County must ensure its financial management systems are transparent, efficient, and responsive to the needs of its residents. This section outlines key reforms and strategies for improving fiscal management, including budget preparation, revenue collection, expenditure control, and accountability mechanisms.

The reform agenda focuses on enhancing the County's ability to deliver quality services while managing public funds effectively and in line with national and county policies.

5.1 Key Challenges in Siaya's Fiscal and Budgetary Systems

Table 11: Key Challenges in Siaya's Fiscal and Budgetary Systems

Challenges	Implications
Weak budget and planning and prioritization	Misallocation of resources; underfunded key projects
Low own source revenue collection efficiency	Over-reliance on intergovernmental transfers
Inadequate expenditure monitoring	Mismanagement and waste
Lack of alignment with public priorities	Delayed disbursements of county funds
Insufficient capacity in financial management	Poor absorption of allocated funds

5.2 Fiscal Reforms for FY 2025/26-2027/28

A. Strengthening Budget Preparation and Prioritization

Enhanced Public Participation

- Expand the **Public Participation Forums** (PPFs) to involve citizens at all levels in setting priorities for the budget.
- Use **digital platforms** (websites, mobile apps) to reach a wider audience, especially in rural areas, for budget feedback.

Performance-Based Budgeting (RBB)

- Implement **Results-Based Budgeting** to link funding allocations to measurable outcomes, improving accountability.
- Develop clear **performance indicators** for all major budget items and departments, ensuring that funds are used effectively.

Medium-Term Expenditure Framework (MTEF)

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- Strengthen the use of the **MTEF** to create a three-year rolling budget plan that helps in long-term strategic alignment.
- Engage stakeholders to review **sector-specific MTEFs**, ensuring that priority projects are adequately funded and costed.

Sectoral Budget Reviews

- Conduct **quarterly sectoral reviews** to assess progress on budget implementation and adjust allocations as needed.

B. Revenue Mobilization Reforms

Diversification of Revenue Streams

- Explore new sources of revenue beyond the traditional channels, such as: **Tourism taxes** from natural sites (e.g., Ndanu Falls, local heritage sites); **Industrial fees** for the establishment of local agro-processing plants; **User fees** for services such as parking, markets, and waste management
- Create an **Agricultural Levy** to increase revenue from agribusiness investments in key crops.

Revenue Collection Automation

- Invest in **digitizing revenue collection** through mobile platforms, ensuring greater efficiency and reducing revenue leakages.
- Integrate **cashless payment systems** at market centers, hospitals, and county offices to improve transparency.

Improved Tax Administration

- Strengthen the **Revenue directorate** to better enforce revenue collection, especially in informal sectors like boda-bodas, small businesses, and hawkers.
- Enhance **business registration** processes, ensuring that informal traders are captured within the tax net.
- Conduct regular **taxpayer education** campaigns to inform citizens about their tax obligations and the benefits of compliance.

C. Expenditure Control and Financial Accountability

Strengthen Financial Management Systems

- Use **e-procurement** systems to reduce mismanagement and ensure transparency in public procurement.
- Implement **financial controls** for better tracking of budget execution, with a particular focus

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on reducing wastage in procurement and human resource management.

- Conduct **regular internal audits** to assess compliance with financial regulations and to flag potential irregularities early.

Cost Control Mechanisms

- Ensure competitive bidding and value for money for large contracts.
- Introduce **performance-based budgeting** that ties allocations to departmental and individual performance, ensuring that money is spent on effective programs.

Timely Payment Systems

- Set up a **timely payment system** for contractors and service providers to ensure smooth implementation of projects without delays.
- Introduce **cash-flow management** measures to reduce delays in disbursements from the National Treasury.

D. Enhancing Transparency and Accountability

1. Open Budget Process

- Regularly publish budget reports and expenditure details in the public domain to ensure accountability. This could be done through the County's Website and local media channels.
- Make use of interactive platforms (e.g., online dashboards, social media) to allow citizens to track public spending in real-time.
- Strengthen the County Assembly's Public Accounts Committee and empower it to review departmental budgets and expenditures.
- Regularly submit audit reports from the Auditor General for public review and ensure corrective actions are taken where necessary.
- External Monitoring and Evaluation: Develop a citizen feedback mechanism that allows the public to report instances of mismanagement or inefficiency budget implementation.
- Capacity Building for Financial Management

2. Training for County Officials

- Provide continuous professional development programs for staff in financial management, budget preparation, and revenue collection.
- Equip the finance team with the necessary skills and tools to utilize modern budgeting

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software and tools, such as Hyperion module.

- ❖ Strengthen Public Financial Management (PFM) Practices: Invest in PFM training for elected leaders (Members of County Assembly), to enhance their understanding of financial accountability and oversight.

5.3 Fiscal and Budgetary Reform Targets (FY 2025/26-2027/28)

Table 12: Fiscal and Budgetary reform target

Indicator	Target
Increase in revenue collection	5% growth from year on year
Percentage of budget executed within timelines	95%
Number of internal audits conducted	4 audits
Percentage of projects audited by independent bodies	100% of major projects
Increase in public participation in budgeting	20% more citizens engaged

5.4 Monitoring, Evaluation, and Continuous Improvement

- ❖ Implement a Fiscal Performance Scorecard to track progress on budget execution, revenue collection, and expenditure management.
- ❖ Review budget execution at quarterly intervals to ensure timely corrective actions and adjustments.
- ❖ Carry out citizen satisfaction surveys to assess public perception of the budgeting process, transparency, and service delivery.

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CHAPTER SIX
STRENGTHENING COUNTY GOVERNMENT CAPACITY

6.1 Overview

To achieve its resource mobilization goals, the Siaya County Government needs to build and strengthen its internal capacity, particularly in the areas of human resources, institutional frameworks, systems, and infrastructure. This section provides a comprehensive approach to improving the organizational effectiveness of the county government, ensuring that it has the necessary structures, systems, and skills to manage resources effectively.

6.2 Key Capacity Gaps in the County Government

Table 13: Summary of capacity gaps

Area	Challenge	Implication
Human Resources	Insufficient skilled personnel in financial management, project planning, and resource mobilization	Reduced capacity to design, implement, and monitor resource mobilization strategies
Institutional Framework	Lack of a centralized unit for coordinating resource mobilization activities	Fragmented and uncoordinated efforts, leading to inefficiency
Technology and Infrastructure	Limited use of technology	Slow decision-making processes, financial management, inefficiency and poor data management
Monitoring and Evaluation	Weak M&E systems for tracking	Inability to measure impact, leading to ineffective resource allocation
Participation and Accountability	Low Public Engagements in county resource planning, fiscal management and budgeting process	Public mistrust in county's development priorities and inconsistent execution of programmes
Leadership and Governance	Lack of strategic leadership in resource mobilization plans	Resource mobilization initiatives with limited buy-in from stakeholder s

6.3 Strategic Interventions to Strengthen County Government Capacity

A. Human Resource Development

Staffing and Skills Enhancement

- Conduct a **staff audit** to assess the skills gaps in departments related to finance, planning, procurement, and project management.
- Design and implement **capacity-building programs** for county staff in key areas such as project management, budgeting, financial planning, and resource mobilization.
- Hire or second **specialized staff** to key departments such as the Economic Planning Department, Finance Department, and the newly created Diaspora Engagement Unit.

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- ❖ Promote **cross-departmental collaboration** by creating multi-disciplinary teams for resource mobilization efforts, including legal, financial, and technical experts.

Training and Development

- ❖ Partner with national government agencies (e.g., **Kenya School of Government**) and international development partners to offer tailored training programs in resource mobilization.
- ❖ Provide continuous professional development opportunities, focusing on emerging areas such as **public-private partnerships (PPPs)**, **diaspora engagement**, and **alternative financing mechanisms** (e.g., bonds, social impact funds).
- ❖ Develop a **leadership development program** to prepare mid-level managers and senior staff for leadership roles in resource mobilization and public finance management.

B. Institutional Strengthening and Organizational Restructuring

Establish a Centralized Resource Mobilization Unit

- ❖ Create a **County Resource Mobilization Unit** (RMU) within the Department of Economic Planning to oversee and coordinate all resource mobilization activities. This unit should:
- ❖ Develop a **county-wide resource mobilization plan** aligned with the County Integrated Development Plan (CIDP).
- ❖ Act as a **liaison office** between the county government, the private sector, development partners, and the diaspora.
- ❖ Facilitate the design, implementation, and monitoring of all resource mobilization initiatives.

Improve Inter-Departmental Coordination

- ❖ Establish a **County Resource Mobilization Committee** that includes representatives from key departments (e.g., Finance, Planning, Infrastructure, Health, Education) to ensure alignment and coordination of efforts)
- ❖ Use **joint planning sessions** to ensure that resource mobilization is integrated into departmental annual work plans and budgets.

Strengthen the County Treasury

- ❖ Enhance the capacity of the **County Treasury** by ensuring that it has sufficient financial management expertise to oversee the fiscal aspects of resource mobilization.
- ❖ Invest in upgrading **financial management systems** to streamline budgeting, procurement, and expenditure tracking.

C. Technology and Infrastructure Enhancement

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1. **Data Management and Analytics**

- Use **data analytics** to inform decision-making in budget preparation, investment attraction, and donor coordination.
- Invest in **Geographic Information Systems (GIS)** to improve spatial planning and development tracking.

2. **ICT Training**

- Provide training to all relevant county staff on using ICT tools for financial management, project monitoring, and reporting.

D. Strengthening Monitoring, Evaluation, and Reporting Systems

1. **Implement a Robust M&E System**

- Develop a comprehensive **Monitoring and Evaluation (M&E) Framework** for resource mobilization activities, ensuring the tracking of both financial and non-financial resources.
- Integrate M&E into the **county's budgeting cycle** by conducting mid-year and end-of-year reviews of resource mobilization performance.
- Use **citizen feedback mechanisms** (e.g., surveys, social media engagement) to evaluate public satisfaction with resource mobilization efforts.

2. **Real-Time Tracking of Resource Use**

- Implement **real-time tracking systems** for key resource mobilization initiatives, including PPP projects, diaspora remittances, and external donor funding.
- Develop an **interactive platform** where citizens can view progress on resource mobilization and expenditures, ensuring transparency.

3. **Accountability Mechanisms**

- Strengthen the role of the **County Audit Office** to ensure that all resource mobilization activities are subject to independent audit and review.
- Publish **quarterly financial reports** and performance dashboards that track progress against resource mobilization targets.

E. Leadership and Governance Reforms

1. **Strengthen Political and Administrative Leadership**

- Provide **leadership training** to key county officials (e.g., Governor, County Executive

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Committee Members, Chief Officers) to equip them with the skills necessary to advocate for and drive resource mobilization efforts.

- ❖ Establish a **resource mobilization champions network** within the county government to inspire a culture of resource maximization at all levels.

2. **Improve Governance and Transparency**

- ❖ Create a transparent **decision-making process** for allocating and using resources by involving stakeholders at all stages, from planning to execution.
- ❖ Ensure **public access to information** on resource mobilization strategies, funds raised, and their use, via websites and local media.
- ❖ Strengthen the **anti-corruption framework** to prevent mismanagement of funds raised through various channels.

6.4 Capacity Building Targets for FY 2025/26- 2027/2028

Table 14: Capacity building targets

Indicator	Target
Number of staff trained in resource mobilization	50 staff members
Establishment of the Resource Mobilization Unit	Fully operational by Q1 FY 2026/27
Monitoring and evaluation reports published	quarterly reports

6.5 Monitoring and Evaluation of Capacity Building Efforts

- **Annual Capacity Assessment**: Conduct a comprehensive assessment of staff and institutional capacity at the end of each fiscal year.
- **Performance Tracking**: Use M&E tools to track improvements in human resources, systems, and organizational effectiveness related to resource mobilization.
- **Stakeholder Feedback**: Gather feedback from key stakeholders (staff, public, development partners) on the effectiveness of capacity-building interventions.

Strengthening the county government's capacity is crucial for the successful implementation of Siaya's resource mobilization strategy. By improving human resources, institutional frameworks, technology use, and monitoring systems, Siaya can ensure that it effectively manages resources, engages its stakeholders, and delivers on its development priorities.

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CHAPTER SEVEN
FINANCIAL SUSTAINABILITY AND LONG-TERM PLANNING

7.1 Overview

Long-term financial sustainability is a key objective for Siaya County as it seeks to strengthen its economic base and reduce dependence on central government transfers. Achieving this goal requires prudent financial management, diversification of revenue sources, sound investment in capital projects, and the establishment of mechanisms that ensure resources are available to meet future needs. This section outlines strategies for enhancing the financial sustainability of the county, including the integration of sustainability into the budgeting process, the creation of long-term revenue strategies, and planning for future generations.

7.2 Key Challenges in Achieving Financial Sustainability

Table 15: Key challenges and Implications in achieving financial sustainability

Challenge	Implication
Over-reliance on transfers from the intergovernmental Transfers	Vulnerability to cuts or delays in national government
Limited own-source revenue	Restrained capacity to finance local projects and initiatives
Inadequate financial planning for long-term projects	Difficulty in financing large infrastructure or social development projects
Poor investment planning and risk management	Ineffective use of county resources for sustainable growth
Weak engagement with development partners	Missed opportunities for grants, concessional, financing, and partnerships

7.3 Strategic Interventions for Financial Sustainability

A. Diversification of Revenue Sources

1. **Exploring New and Innovative Revenue Streams**

- **Tourism Development**: Capitalize on the county's natural and cultural heritage to attract tourism investment.
- **Agriculture and Agro-processing**: Develop value chains for key agricultural products such as maize, beans, sugarcane, and dairy. This includes encouraging investments in agro-processing industries, which can generate tax revenues and employment.

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- **Waste Management and Recycling**: Implement waste-to-energy projects and recycling initiatives, creating revenue from waste management while promoting environmental sustainability.

2. **Strengthening Local Taxation and Fees**

- **Property Taxes**: Improve property valuation systems and increase property tax collection, especially from urban centers.
- **Market Fees and Levies**: Streamline the collection of market fees, ensuring that vendors in formal and informal markets contribute to the county's revenue base.
- **Business Licenses and Permits**: Simplify and enhance the process for business registration and licensing to increase the number of local businesses paying taxes and fees.

3. **Capitalizing on Public-Private Partnerships (PPPs)**

- Foster the growth of **public-private partnerships** for financing large-scale infrastructure projects such as hospitals, and water systems. A clear PPP framework should be put in place to attract local and international investors.

B. Long-Term Planning and Investment Strategies

1. **Medium-Term and Long-Term Financial Planning**

- Align the county's financial strategy with the **County Integrated Development Plan (CIDP)** to ensure that long-term development goals are consistently reflected in budgetary allocations.
- Use the **Medium-Term Expenditure Framework (MTEF)** to project future revenue and expenditure trends, ensuring that the county government can meet both current and future obligations.

2. **Building an Investment Portfolio**

- Focus on developing **county-owned enterprises** (COEs) such as county-run farms, utility companies, and manufacturing hubs that generate profits and reduce dependency on external funding.

C. Strengthening Financial Management Systems

1. **Upgrading the County's Financial Systems**

- Enhance **data analytics capabilities** to forecast revenue flows, monitor cash flows, and identify cost-saving opportunities.

2. **Regular Audits and Financial Reviews**

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- Commit to **regular internal and external audits** to ensure that funds are spent efficiently and that revenue is fully accounted for.
- Develop **quarterly financial reports** that track the county's revenue, expenditure, and project performance, ensuring timely adjustments when needed.

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CHAPTER EIGHT
STAKEHOLDER ENGAGEMENT AND PARTNERSHIPS

8.1 Overview

Effective stakeholder engagement is crucial for the success of Siaya County's resource mobilization strategy. By working closely with local communities, businesses, development partners, civil society organizations, and the national government, the county can leverage additional resources, enhance project implementation, and ensure the sustainability of development initiatives. This section outlines strategies for strengthening partnerships and engagement with key stakeholders, ensuring that all parties are aligned in achieving the county's development goals.

8.2 Key Stakeholders in Resource Mobilization

Table 16: Key Stakeholder in resource mobilization

Stakeholder	Role and Importance
National Government	Provides fiscal transfers and facilitates the implementation of national policies and frameworks.
Private Sector	Major partner in financing infrastructure, innovation, and job creation through investment and public-private partnerships (PPPs).
Development Partners programs	Offer financial and technical assistance for development, especially in sectors like education, healthcare, and infrastructure.
Civil Organizations Society	Advocate for transparency, good governance, and the involvement of local communities in decision-making processes.
Communities and Citizens	The primary beneficiaries of the county's development programs; their participation ensures the effectiveness and sustainability of projects.
Academia and Research Institutions	Offer research, data, and expertise that can guide informed decision-making and innovative solutions for resource mobilization.

8.3 Strategic Approaches to Stakeholder Engagement

A. Strengthening Public-Private Partnerships (PPPs)

1. **Establish a PPP Framework**

- Develop a clear and transparent **PPP policy** to guide public-private collaborations in the county. This policy should outline the process for identifying, selecting, and managing PPP projects, as well as defining roles, responsibilities, and expectations.
- Create a **PPP Unit** within the County Government, specifically tasked with managing and facilitating PPP projects, ensuring their alignment with the county's development priorities.

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2. Incentivizing Private Investment

- Offer **tax incentives, reduced licensing fees, and preferential treatment** for private sector businesses that invest in key areas such as infrastructure, healthcare, education, and agriculture.

3. **Public-Private Collaboration on Infrastructure Projects**

- Identify key infrastructure projects, such water supply systems, energy generation, and affordable housing, that could be financed through PPPs.

4. **Encourage Corporate Social Responsibility (CSR) Initiatives**

- Leverage private sector CSR programs to fund community development initiatives, including schools, healthcare facilities, and environmental conservation projects.

B. Engaging Development Partners

1. **Strengthening Relationships with Donors**

- Identify key **development partners** whose priorities align with the county's development objectives. These partners could include international agencies, embassies, and non-governmental organizations (NGOs).
- Create a **resource mobilization office** dedicated to liaising with development partners and securing both financial and technical assistance for development programs.

2. **Co-Financing Projects with Donors**

- Leverage donor funding to co-finance large infrastructure projects and social programs, particularly in sectors such as education, health, water, and sanitation.

3. **Monitoring and Reporting on Donor-Funded Projects**

- Set up a system for **tracking and reporting donor-funded projects**, ensuring that funds are used effectively and transparently.
- Publish **quarterly progress reports** on donor-funded projects to maintain accountability and build trust among partners.

C. Strengthening Citizen and Community Engagement

1. **Public Participation in Budgeting and Planning**

- Institutionalize **public participation** processes by holding **community consultations** during the preparation of the County Integrated Development Plan (CIDP) and the annual budget.

2. **Promoting Citizen Oversight**

- Set up **citizen oversight committees** to monitor the implementation of key projects funded through resource mobilization. This will enhance transparency, reduce corruption, and

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ensure that projects meet community needs.

3. **Strengthening Accountability and Transparency**

- Develop a **citizen-friendly website** where residents can track government expenditures, revenue collection, and project status.

8.4 Stakeholder Engagement Targets for FY 2025/26- 2027/28

Table 17: Stakeholder engagement targets

Indicator	Target
Number of PPP projects initiated	4 major projects
Number of development partners engaged	5 new partners
Percentage of county budget allocated through public participation	100% of CIDP budget
Number of community consultations held	30 ward meetings
Citizens engaged in project oversight	1500 community members for each planning document

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CHAPTER NINE
RISK MANAGEMENT AND CONTINGENCY PLANNING

9.1 Overview

Effective risk management is vital for the long-term success of Siaya County's resource mobilization efforts. By identifying and mitigating potential risks early on, the county can protect itself from unforeseen challenges and ensure that its financial sustainability is not compromised. This section outlines a comprehensive risk management framework to anticipate, assess, and respond to various risks that could impact the implementation of the resource mobilization strategy.

9.2 Key Risks to Resource Mobilization

Table 18: Risk to resource mobilization

Risk	Description
Political Instability	Changes in political leadership can disrupt resource mobilization activities, particularly when new leadership prioritizes different development goals or conflicts arise over resource allocation.
Economic Fluctuations	Economic downturns, inflation, or changes in national fiscal policy can reduce available resources, affect revenue generation, and limit access to credit and donor funding for Siaya County.
Underperformance of Revenue Streams	Over-reliance on certain revenue streams can lead to financial shortfalls if these streams fail to meet projections due to economic or policy changes.
Natural Disasters and Climate Change	Floods, droughts, or other environmental disasters can disrupt agricultural production, damage infrastructure, and strain the county's finances as resources are diverted to emergency response efforts.
Inadequate Stakeholder Engagement	Lack of buy-in from key stakeholders, including the private sector, civil society, and citizens, can undermine resource mobilization efforts and lead to inefficiency or project failure.
Corruption and Mismanagement	The misallocation or misuse of funds can undermine resource mobilization efforts, reduce trust in the county government, and divert funds from critical projects.
Changes in National Policy and Legislations	Shifts in national policies or laws, such as changes to taxation, devolution, or intergovernmental transfer systems, can disrupt the county's revenue base and limit access to financial resources
External Financial Shocks	Global financial crises, pandemics, or disruptions in the global supply chain (such as those caused by COVID-19) can affect Shocks foreign direct investment (FDI) inflows, donor funding, and trade.

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9.3 Risk Mitigation Strategies

A. Political Instability

1. **Building Political Consensus**

- Establish clear governance structures that are insulated from political changes to ensure continuity in development planning and resource mobilization.

2. **Strengthening Governance and Transparency**

- Improve transparency in financial management and project implementation, ensuring that resources are allocated based on clear, long-term goals rather than short-term political interests.

B. Economic Fluctuations

1. **Diversification of Revenue Sources**

- Reduce dependency on a narrow range of revenue sources (e.g., national transfers or agriculture) by diversifying into sectors like tourism, manufacturing, and renewable energy, which are less vulnerable to economic fluctuations.

2. **Flexible Budgeting and Expenditure Management**

- Implement **zero-based budgeting** to ensure that every allocation is justified and that unnecessary expenditure is eliminated.

C. Underperformance of Revenue Streams

1. **Improved Revenue Forecasting**

- Regularly review and update revenue projections based on current economic conditions, ensuring that the county's expectations are realistic and flexible to changes in the external environment.

2. **Enhanced Revenue Collection Mechanisms**

- Strengthen revenue collection systems by investing in digital tools and training personnel to enhance efficiency and reduce leakage.

D. Inadequate Stakeholder Engagement

1. **Inclusive Stakeholder Involvement**

- Foster continuous engagement with all stakeholders through regular consultations, feedback mechanisms, and participatory planning processes, ensuring that their concerns and needs are addressed.

2. **Building Trust and Transparency**

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- ❖ Enhance public confidence in resource mobilization efforts through regular updates on project progress, the effective use of funds, and adherence to agreed timelines.

E. Corruption and Mismanagement

1. **Strengthening Internal Controls**
   - ❖ Implement robust **financial controls and audit mechanisms** to prevent mismanagement and corruption in resource mobilization activities.
   - ❖ Regularly conduct **internal and external audits** to ensure transparency and accountability in the use of county funds.

F. Changes in National Policy or Legislation

1. Active Engagement with National Government
   - ❖ Participate in **intergovernmental forums** (e.g., the Council of Governors) to advocate for county interests and secure support for resource mobilization.

I. **External Financial Shocks**

1. **Global Financial Risk Mitigation**

❖ Diversify sources of foreign investment and aid to reduce dependence on specific countries or international institutions that may be affected by global financial crises.

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CHAPTER TEN
CONCLUSION AND RECOMMENDATIONS

10.1 Summary of the Resource Mobilization Strategy

The resource mobilization strategy for Siaya County for the Fiscal Year 2025/26- 2027/28 is designed to support the county's development goals by leveraging both internal and external resources. It outlines strategic actions to diversify revenue sources, engage key stakeholders, mitigate risks, and ensure that development initiatives are implemented effectively and sustainably. The strategy focuses on:

1. **Enhancing Local Revenue Generation**: This includes improving tax collection mechanisms, expanding the tax base, and exploring new sources of income, such as through fees, charges, and public-private partnerships.
2. **Expanding External Funding Sources**: By engaging with development partners, international organizations, and the diaspora, the county can access grants, concessional loans, and technical assistance to supplement its budget.
3. **Strengthening Stakeholder Engagement**: The strategy emphasizes the importance of collaboration with key stakeholders, including the national government, private sector, civil society, and local communities, to maximize resources and ensure the success of development projects.
4. **Risk Management and Contingency Planning**: The strategy includes detailed plans to identify and mitigate potential risks, such as economic fluctuations, political instability, natural disasters, and corruption, which could affect resource mobilization and project implementation.
5. **Monitoring and Evaluation**: The strategy sets up frameworks to track progress, measure performance, and ensure accountability in the use of mobilized resources.

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10.2 Key Recommendations for Successful Implementation

To ensure that the resource mobilization strategy for Siaya County is effectively implemented, the following key recommendations are made:

A. Strengthen Institutional Capacity

1. **Establish a Dedicated Resource Mobilization Unit**: The County should create a specialized unit within the County Treasury responsible for resource mobilization. This

unit should have the expertise to manage external relations, coordinate with development partners, and implement fundraising campaigns.

2. **Capacity Building for Staff**: Invest in training and professional development for staff involved in resource mobilization. This will ensure that personnel have the skills needed to manage complex funding arrangements, engage with stakeholders, and track financial resources effectively.

B. Enhance Revenue Collection and Fiscal Management

1. **Improve Tax Compliance**: The County should strengthen its tax enforcement mechanisms and promote awareness campaigns to encourage businesses and individuals to comply with tax laws. Simplifying tax processes and offering incentives for timely payment can further improve compliance rates.
2. **Utilize Technology**: Implement digital tools for tax collection and revenue tracking to improve efficiency, reduce leakage, and make it easier for taxpayers to contribute. This can include mobile payment systems, online registration for businesses, and e- receipts for tax payments.

C. Diversify External Financing Sources

1. **Build Stronger Partnerships with Development Partners**: Engage more actively with international donors, NGOs, and multilateral financial institutions. Pursue co- financing arrangements for infrastructure and social projects that align with both national priorities and county needs.
2. **Public-Private Partnerships (PPPs)**: Further institutionalize PPPs by creating a framework that allows private sector players to invest in key sectors such as infrastructure, healthcare, and education. The county should prioritize projects that will provide long-term returns, such as those in tourism, renewable energy, and affordable housing.

D. Strengthen Stakeholder Engagement and Transparency

1. **Promote Public Participation**: Ensure that all major resource mobilization initiatives, including budget allocation and development planning, involve active consultation with local communities. Public forums, town hall meetings, and online surveys can be used to gather input and build trust.
2. **Establish Transparent Reporting Mechanisms**: The County should maintain a publicly accessible financial portal that tracks the allocation and expenditure of

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resources. Regular audits and transparent reports will help build confidence among stakeholders and reduce the risk of corruption.

E. Implement a Robust Risk Management System

1. **Establish a Risk Management Committee**: Form a risk management committee to regularly assess potential risks and review mitigation strategies. This committee should include representatives from key departments such as finance, planning, and disaster management.

F. Foster Collaboration with the National Government

1. **Advocate for More Devolution Support**: Engage with the national government to advocate for increased fiscal transfers to the county.
2. **Align Local and National Priorities**: Ensure that the county's resource mobilization efforts are aligned with national development goals, including Vision 2030 and the Big Four Agenda. By aligning with these priorities, the county can access national funding mechanisms and technical support.

G. Continuous Monitoring and Evaluation

1. **Develop a Performance Management Framework**: Establish a robust performance management framework to track the implementation of the resource mobilization strategy. This should include clear metrics, timelines, and responsible persons for each action point.
2. **Conduct Regular Reviews**: The County should regularly assess the effectiveness of its resource mobilization efforts through reviews and audits. This will allow the county to adapt and make adjustments as needed to ensure continuous improvement.
3. **Engage External Auditors**: Regular audits by external bodies will provide an independent evaluation of the county's financial and resource mobilization processes, ensuring transparency and accountability.

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