



**COUNTY GOVERNMENT OF BUSIA**



**REVENUE MOBILIZATION STRATEGY**

*FY 2025/2026*

**DEPARTMENT OF COUNTY TREASURY AND  
ECONOMIC PLANNING**

**DIRECTORATE OF REVENUE**

**OCTOBER 2025**

## **FOREWORD**

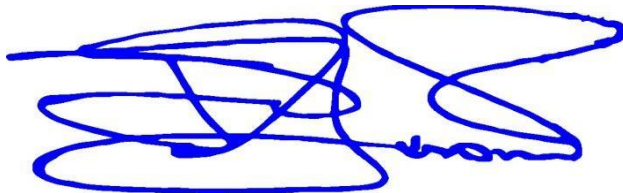
As we continue our journey towards building a self-sustaining and prosperous Busia County, it has become increasingly clear that strengthening our internal revenue base is not only a necessity but a strategic imperative. This **Revenue Mobilization Strategy** marks a significant milestone in our collective commitment to improving service delivery, enhancing fiscal independence, and driving inclusive economic growth.

The strategy provides a comprehensive roadmap for optimizing our existing revenue sources, identifying new and innovative streams, and ensuring efficient, transparent, and accountable revenue administration. It aligns with our County Integrated Development Plan (CIDP), the Medium-Term Revenue Strategy, and Kenya's broader public finance management reforms, all of which emphasize sustainable financing for development.

Through this strategy, Busia County aims to bridge the gap between potential and actual revenue performance by leveraging technology, strengthening institutional capacities, and fostering partnerships with both state and non-state actors. We are also prioritizing citizen engagement and taxpayer education to promote compliance and shared responsibility in financing our county's development agenda.

I commend the County Treasury and our development partners for their concerted efforts in developing this document. Its successful implementation will require collaboration from all sectors and unwavering political and administrative support. Together, we can build a stronger fiscal foundation that guarantees improved livelihoods for the people of Busia.

Let us all commit to making this strategy a living document—one that continuously guides our efforts to achieve sustainable revenue growth and fiscal resilience for the benefit of current and future generations.

A handwritten signature in blue ink, appearing to be 'Paul Nyongesa Otuoma', written in a cursive style.

**H.E. Dr. Paul Nyongesa Otuoma, EGH**

**Governor, Busia County**

## **ACKNOWLEDGEMENT**

The development of the Revenue Mobilization Strategy for FY 2025/2026 is the result of a collaborative and inclusive process that brought together diverse stakeholders whose contributions were invaluable.

The County Government of Busia extends its sincere appreciation to H.E. the Governor, Dr. Otuoma, for providing visionary leadership and an enabling environment that guided the formulation of this strategy. We also acknowledge the Department of County Treasury and Economic Planning, particularly the Directorate of Revenue, for their steadfast leadership, technical guidance, and effective coordination throughout the process.

Special recognition is accorded to the Kenya Devolution Support Programme (KDSP II) for its facilitation and support. We further appreciate all County Departments for their active participation, provision of relevant data, and insightful contributions, which significantly enhanced the quality, practicality, and relevance of this strategy. Their commitment to strengthening own-source revenue has been instrumental in shaping realistic and implementable interventions.

The County also extends its gratitude to the Consultant, Dr. Collince Odhiambo Gworo, the County technical teams (as annexed), and members of the public whose engagement and feedback enriched the inclusivity and comprehensiveness of this document.

Finally, we commend all officers and staff who worked diligently behind the scenes to ensure the successful completion of this strategy. Their professionalism, dedication, and commitment to excellence are deeply appreciated.



**Hon. Andrew Nakitari**

**CECM County Treasury and Economic Planning**

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# CHAPTER ONE

## BACKGROUND INFORMATION

### 1.0 Introduction

The Directorate of Revenue is mandated to spearhead the collection of County Own Source Revenue and in this FY, among other general objectives, meeting the set target is our key objective.

The County through all its departments has set an ambitious target of collecting Kshs 707,267,427 million as Own Source Revenue (OSR) in the 2025/2026 financial year. This target reflects the county government's commitment to enhancing local revenue generation to support its development agenda and reduce dependence on national government transfers.

Own Source Revenue comprises funds collected directly by the county through various streams such as land rates, business permits, market fees, parking fees, and other local taxes and charges. Also in focus is the Facility Improvement Fund which is revenue generated from Health operations. Achieving this target will require efficient revenue administration including workable strategies, improved compliance mechanisms, and enhanced public awareness on the importance of paying local taxes.

The county aims to strengthen its revenue systems through automation, widen its tax base by formalizing more economic activities, and seal leakages that result in revenue loss. While the target presents a challenge, it also offers an opportunity for Busia to build a more financially self-reliant and development-oriented local government. If successful, the increased revenue will enable the county to improve service delivery, invest in infrastructure, and implement key programs that directly benefit residents.

The rationale is that revenue mobilization forms the backbone of sustainable development for county governments in Kenya. Effective revenue mobilization is therefore crucial for the sustainable development of Busia County. As counties in Kenya are increasingly tasked with delivering essential services, the need to enhance local revenue generation has become more important than ever.

This strategy outlines a comprehensive approach to improving revenue collection, management, and utilization in Busia County, focusing on both traditional and innovative sources of income.

The last chapter of the document comprises of a robust Monitoring & Evaluation (M&E) framework, which is essential to ensure the effective implementation, transparency, and accountability of the revenue mobilization strategy. The M&E framework is tailored to Busia County's context, focusing on measurable outcomes, stakeholder engagement, and continuous improvement.

### 1.1 OSR Collection Trends

Over the past decade, Busia County's OSR has exhibited modest growth, rising from Kshs. 329 million in FY 2013/14 to Kshs. 358 million in FY 2023/24. However, this remains significantly below the county's estimated revenue potential of Kshs. 1.9 billion per year, representing a revenue gap of over Kshs. 1.5 billion annually. During the FY 2023/24, the

County's OSR was 369,203,975. And in FY 2024/225, this rose to 505,978,626. A positive difference of 136,774,651

## **1.2 Public Finance Management Act (PFMA) and Its Role in OSR**

The Public Finance Management Act (PFMA, 2012), particularly Section 12 and Part IX, requires counties to implement financial management systems that comply with national fiscal standards. These provisions emphasize that:

1. *Automated revenue collection systems must adhere to national guidelines to promote transparency and accountability.*
2. *Counties should integrate revenue collection platforms with national financial frameworks to enhance efficiency and reduce revenue leakages.*
3. *Revenue administration processes must ensure fiscal sustainability, fair taxation, and compliance with legal mandates.*

# CHAPTER TWO

## OVERVIEW OF THE DIRECTORATE OF REVENUE

### 2.0 Introduction

The Directorate of Revenue in Busia County plays a pivotal role in the financial health and administrative efficiency of the county government. As a key directorate, it is tasked with the mobilization, collection, and management of the county's own-source revenues. Effective revenue management ensures that Busia County can fund development projects, provide essential public services, and achieve fiscal autonomy from the national government.

### 2.1 Mandate and Functions

The primary mandate of the Directorate of Revenue is to maximize revenue collection in accordance with the legal and policy frameworks of Kenya. To achieve this, the directorate undertakes several critical functions, including:

- a. Formulating and implementing strategies to enhance revenue collection from various sources such as property rates, business permits, market fees, and other levies.*
- b. Ensuring compliance with county revenue laws and regulations by all taxpayers and businesses operating within the county.*
- c. Developing and maintaining efficient systems for revenue collection, accounting, and reporting.*
- d. Collaborating with other county departments and external stakeholders to identify new revenue streams and improve existing ones.*
- e. Conducting regular audits and assessments to minimize revenue leakages and fraud.*
- f. Providing accurate and timely revenue data to aid in policy decision-making and budget formulation.*
- g. Ensure realistic revenue forecasting and planning, and monitor performance against targets and provide regular reports.*
- h. Coordinate audits and inspection of revenue collection points.*
- i. Monitor and evaluate the performance of revenue collected and recommend improvements to maximize efficiency and accountability.*

### 2.2 Vision Statement

To empower the County to deliver high-quality sustainable public services, invest in transformative development projects, and improve the well-being of all its residents.

### 2.3 Mission Statement

To efficiently and transparently mobilize local resources by fostering an enabling environment for fair, equitable and sustainable revenue collection for thorough, effective and efficient mobilization and utilization of available resources.

### 2.4 Core Values

The core values of the Directorate is tailored around the acronym; BUSIA, as follows

#### **B – Boldness**

We act courageously in the face of challenges. Our team is proactive in addressing issues, embracing innovation, and pushing boundaries to maximise revenue collection and service delivery.

## **U – Unity**

Collaboration and teamwork are at the heart of what we do. We value open communication, mutual respect, and the collective effort of all staff. By working together, we achieve common goals and deliver the best outcomes for our stakeholders and the public.

## **S – Service Delivery**

We are dedicated to providing outstanding service to our clients and partners. Our focus is on efficiency, professionalism, and integrity in every interaction. We strive to exceed expectations and continuously improve our processes to better serve the community.

## **I – Integrity**

Honesty and ethical conduct are non-negotiable in our work. We uphold transparency, accountability, and fairness in all our dealings. Every member of the Revenue Directorate is expected to act with unwavering integrity, ensuring public trust and confidence.

## **A – Accountability**

We take responsibility for our actions and decisions, both individually and collectively. We set clear objectives, measure our performance, and are open to constructive feedback. By holding ourselves accountable, we drive continuous improvement and foster a culture of trust.

## **2.5 Strategic Objectives**

1. To increase the county’s own-source revenue by 30% over the next three years.
2. To broaden the revenue base by identifying and tapping into new sources.
3. To improve efficiency and transparency in revenue collection and management.
4. To enhance taxpayer compliance through public awareness and stakeholder engagement.
5. To foster sustainable partnerships with private sector and community organisations.

## **2.6 Organization Structure of the Directorate**

The Directorate typically comprises several functional units, each with distinct responsibilities. While specific titles and reporting lines may vary, the following is a general outline of the organization structure:

### **1. Chief Officer, Revenue**

- i. Serves as the overall head of the directorate.
- ii. Responsible for strategic leadership, policy direction, coordination of revenue activities and oversight in the mobilization, management and accountability of all county revenue resources.

### **2. Director of Revenue**

The County Director of Revenue plays a critical role in strategic, operational, and overseeing the collection and performance of Own Source Revenue. The Director is also responsible in managing, optimizing, and safeguarding Own Source Revenue, providing strategic leadership by developing and implementing revenue strategies and policies that will enhance Revenue performance, Revenue Planning and Budgeting including alignment of revenue plans with the Finance Act.

### **3. Deputy Director of Revenue**

The Deputy Director of Revenue plays a critical role in supporting the Director of Revenue by ensuring smooth day-to-day operations, coordination of teams, and effective implementation of revenue strategies.

The Deputy Director plays both operational and supervisory role and supports in execution. Supports the Director Revenue to implement revenue strategies and general oversight of revenue collections by directly supervising revenue officers.

**4. Revenue Collection Unit**

Collection of revenue from various sources, such as markets, parking, land rates, and business permits.

Staffed by Revenue Officers and Revenue Clerks deployed in strategic locations across the county.

**5. Compliance and Enforcement Unit**

Ensures adherence to revenue laws and regulations.

Conducts inspections, audits, and enforces penalties for non-compliance.

**6. Revenue Accounting and Reporting Unit**

Handles revenue records, reconciliation, and reporting.

Prepares periodic financial statements and revenue performance reports.

**7. ICT and Revenue Automation Unit**

Manages digital revenue collection platforms and data security.

Supports automation of payment and reporting systems.

**8. Administration and Support Services**

Provides logistical, human resource, and administrative support to all units.

Ensures smooth functioning of day-to-day operations.

# CHAPTER THREE

## SITUATIONAL ANALYSIS

### 3.0 Introduction

In Busia County, as in much of Kenya, OSR is vital for financing development projects, delivering public services, and ensuring fiscal autonomy. The County has a diverse economic base comprising agriculture, cross-border trade, fishing, and small-scale manufacturing. Despite this diversity, the county's capacity to generate substantial OSR remains limited. While Busia County faces significant challenges in maximizing its Own Source Revenue, there are clear opportunities for improvement. Harnessing technology, broadening the tax base, and engaging the public will be key to unlocking the county's fiscal potential and supporting sustainable development. The situational analysis helps to identify the gaps, understand the strategic dynamics, and formulate sustainable strategies for OSR.

### 3.1 Gap Analysis

The Revenue Directorate plays a pivotal role in the financial sustainability and development of Busia County. Effective revenue collection, management, and utilisation are essential for the provision of public services and the achievement of county objectives. This gap analysis aims to identify current shortcomings within the Revenue Directorate, focusing on processes, technology, human resources, and compliance, to recommend targeted interventions for improvement. The analysis is structured around the following key areas:

#### 3.1.1 Revenue Collection Processes

- **Lack of Standardization:** Inconsistencies in procedures across different sub-counties and departments hamper effective monitoring and reporting.
- **Limited Data Analytics:** Absence of robust data collection and analysis tools restricts the Directorate's ability to forecast, evaluate performance, and identify revenue opportunities.

#### 3.1.2 Technology and Automation

- **Outdated Systems:** Existing digital platforms may not be fully integrated or user-friendly, resulting in low adoption rates among staff and the public.
- **Cybersecurity Risks:** Inadequate security protocols expose sensitive financial data to potential breaches and misuse.
- **Limited digital platforms:** Inadequate digital platforms and self-service portals.

#### 3.1.3 Human Resource Capacity

- **Skills Gaps:** Some revenue officers lack adequate training in modern collection techniques, data analytics, and customer service.
- **Staff Shortages:** The Directorate is understaffed, leading to overwork and reduced efficiency.
- **Low Motivation:** There is limited career progression and recognition resulting in low morale and productivity.

#### 3.1.4 Compliance and Transparency

- 3.1.4.1 **Weak Internal Controls:** Gaps exist in audit processes and checks that facilitate misappropriation and underreporting of revenue.

3.1.4.2 **Limited Public Disclosure:** There is insufficient transparency in revenue collection and utilisation, which reduces public trust and accountability.

3.1.4.3 **Regulatory Non-Compliance:** Occasional lapses in following national and county financial regulations have exposed the Directorate to legal risks.

### 3.1.5 Stakeholder Engagement

3.1.5.1 **Poor Communication:** Lack of regular engagement with taxpayers, businesses, and other stakeholders hinders cooperation and compliance.

3.1.5.2 **Limited Feedback Mechanisms:** Absence of channels for stakeholders to provide input or report issues affects service quality and responsiveness.

### 3.1.6 Revenue Mapping

3.1.6.1 Non-existence of Own Source Revenue Streams Mapping.

3.1.6.2 Inadequate data on revenue streams, including spatial visualization of the revenue stream sources and forecasting of own-source revenue projections.

3.1.6.3 **Poor Data Collection and Record Keeping:** Inconsistent or incomplete data makes it difficult to track revenue trends and identify shortfalls. Equally, absence of centralised databases hinders cross-departmental coordination.

### 3.1.7 Weak Revenue Policies and Legal Framework

3.1.7.1 Delay in reviewing and implementation of the Finance Act

3.1.7.2 Non-existence of clear guidelines on invoicing, billing and enforcement

3.1.7.3 Overlaps or conflicts between revenue streams

**Table 1: GAP Analysis Summary Table**

Area	Current Status	Desired Status	Gap	Recommendation
Revenue Stream Mapping	Targeted Revenue	Mapping of OSR streams	OSR streams have not been mapped	Directorate to undertake Mapping of OSR streams
Collection Systems	Automated but with challenges and frequent downtimes	Automated, integrated	Lack of digitisation	Invest in e-revenue platforms
Staff Capacity	Limited training	Skilled, motivated	Low expertise	Conduct regular training and incentives
Public Compliance	Low awareness	High awareness	Information gap	Launch awareness campaigns
Data Management	System does not provide automated reports	Digital, centralised	Poor data accessibility	Implement database systems
Revenue Base	Traditional sources	Diversified sources	Limited avenues	Explore new revenue streams

## 3.2 SWOT Analysis

The OSR of Busia County typically comprises income from various sources such as market fees, parking charges, business permits, property rates, and other local levies. Over the years, the county has made efforts to expand its revenue base. However, challenges persist in achieving targets, maximising collections, and ensuring efficient utilisation of resources.

The SWOT analysis helps to understand the existing strengths to leverage on, based on the existing opportunities. It also highlights the weaknesses to improve on and the external threats that the Directorate must manoeuvre. The analysis is as follows:

### Strengths

1. **Diverse Revenue Sources:** Busia County benefits from a range of revenue sources including business permits, market fees, property rates, parking fees, and agricultural produce cess.
2. **Strategic Geographical Location:** Situated along the Kenya-Uganda border, Busia is a major transit point for cross-border trade, which offers significant potential for customs and trade-related levies.
3. **Committed Local Administration:** The county government has demonstrated commitment to improving revenue collection by instituting reforms of revenue systems.

### Weaknesses

1. **Inefficient Collection Systems:** Reliance on manual processes leads to leakages, delays, and reduced accountability.
2. **Inadequate Data Management:** Lack of centralised and digitised revenue records hinders analysis and strategic planning.
3. **Limited automation:** Many revenue streams are still collected manually, leading to inefficiencies and leakages.
4. **Weak enforcement mechanisms:** Compliance tracking is inadequate, and enforcement of revenue collection policies remains ineffective.
5. **Lack of integration with financial systems:** The county's RMS is not fully integrated with banking and financial management systems, making reconciliation difficult.
6. **Outdated valuation rolls and tax registers:** The lack of updated records affects the county's ability to capture and maximize revenue collection.
7. **Limited public awareness and taxpayer education:** Many businesses and residents are unaware of their tax obligations, leading to poor compliance.
8. **Gaps in staff training and capacity:** Revenue officers require enhanced training on modern revenue administration practices and technology use.

### Opportunities

1. **Digitisation of Revenue Collection:** Implementing electronic payment systems and centralised databases can reduce leakages and improve efficiency.
2. **Public Awareness Campaigns:** Educating citizens and businesses on the benefits and obligations of OSR can increase compliance.
3. **Capacity Building:** Training revenue collection staff and investing in modern tools can enhance effectiveness.
4. **Expansion of Revenue Base:** Exploring new sources such as tourism levies, environmental fees, and public-private partnerships.
5. **Improved Enforcement:** Strengthening legal and administrative mechanisms to ensure compliance with payment requirements.
6. **Growing Population:** An increasing population leading to expanded economic activity, providing a broader tax base.
7. Strengthening business licensing and compliance through increased registration and structured enforcement will improve collections.
8. Enhancing agricultural and fishery revenue management by improving cess enforcement, structured markets, and licensing of fish traders will boost OSR.

9. Improving property rate collection by updating valuation rolls and enforcing compliance on land leases will enhance revenue.
10. Expanding tourism revenue streams through investment in eco-tourism, cultural heritage sites, and hospitality infrastructure can create new sources of OSR.

#### **Threats**

1. **Political Interference:** Changes in leadership and political interests that disrupt established revenue collection processes.
2. **Economic Downturns:** Reduced business activity during economic hardships lowers revenue collections.
3. **Corruption and Fraud:** Unchecked corruption have resulted in significant revenue leakages.
4. **Resistance from Stakeholders:** Pushback from traders and residents against new or increased levies.

### **3.3 PESTEL Analysis**

A PESTEL analysis provides a structured way to examine the macro-environmental factors, that influence Busia County's ability to generate and grow its own source revenue. The analysis is as follows:

#### **Political Factors**

1. **Government Stability and Policy Direction:** The stability of the county and national governments, as well as their commitment to devolution, directly impact the effectiveness of revenue collection systems. Political will is essential for implementing new revenue policies and reforms.
2. **Leadership and Governance:** Transparent and accountable leadership in Busia County encourages public compliance with tax and fee payment. Political interference or changes in leadership however disrupt revenue mobilisation strategies.
3. **Cross-border Relations:** Proximity to Uganda means that cross-border policies, trade agreements, and security cooperation affects trade volumes and, consequently, revenue from border-related activities.

#### **Economic Factors**

1. **Local Economic Activity:** The county's economic base—agriculture, trade, small-scale manufacturing, and services—determines the potential for generating revenue. Economic downturns or slow growth however limits the tax base and reduce collections.
2. **Informal Sector Dominance:** A large informal sector, common in Busia, poses challenges for tax compliance and enforcement, making it difficult to expand OSR.
3. **Inflation and Purchasing Power:** High inflation erodes disposable incomes, making residents less willing or able to pay local levies and fees.
4. **Cross-border Trade:** The busy border point with Uganda brings opportunities for customs, market fees, and business licensing, but also requires efficient regulation to prevent revenue leakage.

#### **Social Factors**

1. **Population Growth and Demographics:** Rising population increases demand for services and can expand the revenue base, but also raises expectations for service delivery.
2. **Public Awareness and Attitudes:** Public understanding of the importance of paying taxes and fees is crucial. If residents perceive poor service delivery or misuse of funds, compliance may decline.
3. **Poverty and Unemployment:** High poverty rates in Busia can limit the capacity of individuals and businesses to pay taxes, reducing OSR potential.
4. **Education Levels:** Education influences awareness of tax obligations and willingness to comply with payment requirements.

#### **Technological Factors**

1. **Automation of Revenue Collection:** Adoption of digital systems for tax assessment and payment can improve efficiency, reduce leakages, and increase transparency.
2. **Mobile Money and E-Payments:** Widespread use of mobile money in Kenya presents opportunities for convenient, traceable revenue collection methods.
3. **Data Management:** Effective use of technology for data collection, taxpayer registration, and monitoring

*improves revenue forecasting and performance management.*

- 4. **ICT Infrastructure:** Limited internet and ICT infrastructure in rural areas may hinder the rollout of technology-driven revenue systems.*

### **Environmental Factors**

- 1. **Climate Change and Agriculture:** As Busia's economy is heavily reliant on agriculture, changing weather patterns and environmental degradation can affect farmers' incomes and, in turn, the county's revenue streams.*
- 2. **Natural Resource Management:** Sustainable exploitation of resources such as water, forests, and fisheries can provide new revenue opportunities via permits and licences.*
- 3. **Disaster Risks:** Floods, droughts, or disease outbreaks can disrupt economic activity, affecting revenue collection.*

### **Legal Factors**

- 1. **Legislative Framework:** The County Government Act, Public Finance Management Act, and other statutes provide the legal basis for OSR mobilisation. Changes or inconsistencies in these laws can affect revenue generation.*
- 2. **Taxation Limits and Court Decisions:** Legal challenges to county taxes and levies, and limits imposed by national legislation constrain Busia's ability to expand its revenue sources.*
- 3. **Enforcement and Compliance:** The effectiveness of legal enforcement mechanisms for tax collection affects compliance rates and overall OSR performance.*

## CHAPTER FOUR

### CURRENT REVENUE SOURCES AND PROJECTIONS

#### 4.1 Introduction

To formulate effective strategies, it is essential to set realistic projections based on both historical data and anticipated economic developments. The following factors inform the revenue projections for Busia County:

- 1. Historical Performance:** *Over the past few years, Busia's own-source revenue has shown modest growth, with annual increases averaging between 5% and 10%. However, collections often fall short of targets due to inefficiencies and leakages.*
- 2. Expanding Revenue Base:** *The county can leverage its border location to enhance trade-related levies. Improved border infrastructure and streamlined customs processes are likely to increase the volume of taxable transactions.*
- 3. Digitisation and Automation:** *Investment in digital revenue collection systems is expected to reduce leakages and improve compliance, potentially boosting collections by up to 15% annually.*
- 4. Policy Reforms:** *By revising fees, broadening the tax base, and tightening enforcement, Busia can expect incremental annual revenue growth.*

#### Table 2: Projections of Own Source Revenue by Revenue Streams

Revenue Sources	Actual receipts	Budget Estimates	First Quarter Performance	% Collected
	2024/25	FY 2025-2026	FY 2025-2026	FY 2025-2026
<b>Administrative Services</b>				
Fire Safety Fees	3,336,200	11,004,805	202,000	1.84%
Payroll Products	11,008,035	-	314,611	
Impounding/Clamp. Fees	804,550	500,000	81,000	16.20%
<b>Smart Agriculture, Livestock, Fisheries, Blue Economy</b>				
Tobacco Cess	1,701,980	2,500,000	2,094,278	83.77%
Sugar Cane Cess	20,231,103	20,000,000	1,489,377	7.45%
Transist Produce Cess	24,812,145	30,674,240	6,097,230	19.88%
Fish Cess	714,430	1,200,000	315,500	26.29%
Tractor Hire Services	4,494,295	8,000,000	231,220	2.89%
Agri. Training College	1,426,080	3,500,000	312,000	8.91%
Veterinary Services	3,269,575	4,782,200	801,250	16.75%
Stock Sale	3,022,430	4,400,000	765,060	17.39%
Fish Traders Licence	177,400	230,000	4,500	1.96%
Fish Movement Permit	109,350	342,800	49,950	14.57%
Reg. Of Boats License	155,050	100,000	-	0.00%
Fisherman's License	175,700	85,000	-	0.00%
Wakhungu Fish Farm	0	1,000,000	-	0.00%
Fish Import Permit	126,836	300,000	31,550	10.52%
Cage Licence	119,600	113,000	-	0.00%
Fingerling Sale	7,000	-	-	
Slaughter Fees	366,300	650,000	116,700	17.95%
<b>Youth, Sports, Culture, Gender, Creative Arts and Social services</b>				
Hire Of Hall / Office	47,910	100,000	-	0.00%
Community Cul. Centres	0		-	
Group Registration	194,160	250,000	6,800	2.72%
<b>Health Services and Sanitation</b>				
Mortuary Fees		8,316,472	871,238	10.48%
Hospital User Fees	105,143,299	123,982,198	29,622,093	23.89%
Public Health	4,326,900	4,791,490	382,700	7.99%
Funds From (Nhif)	157,714,948	170,405,690	56,630,471	33.23%
<b>Lands, Housing &amp; Urban Development</b>				
Advertisement	22,700,524	20,000,000	1,447,540	7.24%

<b>Revenue Sources</b>	<b>Actual receipts</b>	<b>Budget Estimates</b>	<b>First Quarter Performance</b>	<b>% Collected</b>
Cilor	544,500	16,908,510	33,200	0.20%
Land Rates	6,396,829	9,000,000	926,181	10.29%
Land Rates Arrears	354,727	65,227,438	639,893	0.98%
Plot Rent	2,975,341	1,842,369	429,388	23.31%
Plot Rent Arrears	0	2,000,000	98,347	4.92%
Rent/Govt. Houses	1,868,737	3,000,000	494,545	16.48%
Application Of Plans	68,000	565,000	-	0.00%
Building Plans Approval	2,390,500	4,500,000	360,800	8.02%
<b>Road Trans. &amp; Pub. Works</b>			-	
Trailer Parking Fees	3,090,620	4,245,864	600,500	14.14%
Bus Parking Fees	18,464,560	25,471,464	4,243,430	16.66%
Reserved /R/Parking	6,211,250	6,252,436	686,131	10.97%
Machine Hire Services	30,000	4,052,250	17,000	0.42%
<b>Water, Env. &amp; Nat. Res</b>			-	
Solid Waste	3,424,000	3,000,000	401,500	13.38%
Sand Cess	3,032,180	5,000,000	571,120	11.42%
Drilling Rig	0	524,625	-	0.00%
Busia Hills Water Supply	598,904	234,185	16,319	6.97%
Busijo Water Supply	177,405	95,077	-	0.00%
Alema Water Supply	0	668,726	-	0.00%
Munana Water Supply	158,715	734,428	-	0.00%
Butula Water Supply	658,740	1,598,969	125,557	7.85%
Port Vict. Water Supply	744,374	1,776,605	50,789	2.86%
Noise	200,000	433,422	142,800	32.95%
Water Booser	0	208,164	-	0.00%
<b>Trade, Industry, Investment Cooperatives, Small and Micro Enterprises</b>				
Single Business Permit	74,130,520	100,000,000	6,946,469	6.95%
Market Stall / Kiosk	813,975	1,000,000	283,640	28.36%
Markets Fees	12,529,940	20,000,000	3,138,280	15.69%
Weights & Measures	38,000	300,000	-	0.00%
Co-Op. Audit Fees	66,080	1,400,000	34,720	2.48%
Liquor Licence	1,500,000	10,000,000	-	0.00%
Other Miscellaneous	15,000		18,000	
<b>TOTAL OSR</b>	<b>506,668,697</b>	<b>707,267,427</b>	<b>122,125,677</b>	<b>17.27%</b>

Source: County Treasury (2025)

## **CHAPTER FIVE**

### **STRATEGIC PILLARS**

#### **5.1 Introduction**

For Busia County in Kenya, strengthening own source revenue is crucial for sustainable development, improved service delivery, and fiscal autonomy. By focusing on these strategic pillars, Busia County can significantly enhance its own source revenue. This will empower the county to deliver quality services, invest in local priorities, and achieve greater fiscal independence, contributing to long-term prosperity for its residents.

#### **5.2 The Strategic Pillars**

##### **Pillar 1: Revenue Diversification**

Conduct comprehensive mapping of all potential revenue sources using GIS technology.

Update and digitize the valuation roll every 5 years.

Review and harmonize fees and charges across all sub-counties.

Introduce new revenue streams.

Strengthen collaboration with SACCOS, markets, and cooperatives to collect remittances efficiently.

Develop Public-Private Partnerships (PPPs) for parking management, market stalls, and urban waste management.

##### **Pillar 2: Revenue Administration and Compliance**

Engaging citizens and businesses on the importance of paying dues and how revenue is utilised for local development.

Involving local businesses, community groups, and civil society in policy formulation.

Instituting regular audits, public reporting of revenue and expenditure, and open budget processes.

Establish a Revenue Enforcement and Compliance Unit under the Directorate of Revenue.

Develop a Revenue Compliance and Enforcement Policy outlining penalties for noncompliance.

Regularly reconcile receipts and collections across departments.

Introduce audits and spot checks to deter corruption.

Strengthen collaboration with judiciary and police in enforcing penalties.

Introduce whistleblower mechanisms and hotlines for corruption reporting.

##### **Pillar 3: Automation and Technology Adoption**

Implement an Integrated County Revenue Management System (ICRMS).

Introduce cashless payment systems (mobile money, bank transfers, cards).

Establish a Revenue Data Centre for analytics and forecasting.

Develop automated permit, license, and receipting modules.

Deploy revenue dashboards for real-time monitoring by sub-county offices.

##### **Pillar 4: Capacity Building and Institutional Strengthening**

Recruit and train revenue officers on ICT, financial ethics, and customer service.

Establish a Performance Management Framework (PMF) with measurable KPIs.

Introduce incentive schemes for high-performing officers.

Strengthen inter-departmental coordination between Finance, Lands, Health, and Trade.  
Develop and implement a Revenue Training and Certification Program in partnership with KRA or KIPPRA.

**Pillar 5: Stakeholder Engagement and Public Awareness**

Establish a County Taxpayer Education and Sensitization Program (CTESP).

Use radio, social media, and barazas to communicate tax information.

Develop a Revenue Helpdesk and Web Portal for queries and feedback.

Recognize top taxpayers annually through a Revenue Awards Program.

Work with local leaders and business groups to promote voluntary compliance.

Identify all relevant groups and individuals, prioritising those most affected by or influential in OSR matters.

Hold town hall meetings, focus group discussions, and workshops to gather input and feedback from diverse stakeholders.

Collaborate with civil society, business associations, and traditional leaders to co-design revenue policies and outreach programmes.

Establish accessible channels (e.g., suggestion boxes, hotlines, digital platforms) for stakeholders to share concerns or recommendations.

**Pillar 6: Revenue Streams Mapping**

Enumerating revenue stream sources and their locations.

Loading the revenue streams onto a GIS platform.

Integrating spatial data with the revenue system.

Developing a detailed report on Busia County Government Revenue Mapping

**Pillar 7: Monitoring, Evaluation, and Innovation**

Collecting and analysing revenue data to identify trends, gaps, and opportunities.

Set clear targets, monitor progress, and reward high-performing teams or departments.

Develop a strategy implementation matrix.

# **CHAPTER SIX**

## **REVENUE MOBILIZATION STRATEGIES PER DEPARTMENT**

### **6.1 Introduction**

The proposed model is to collect OSR through the various departments, each mandated with specific functions and revenue streams. This departmental approach ensures effective monitoring, accountability, and specialization in revenue collection activities across different sectors. The departments and the strategies are as outlined.

### **6.2 Departmental Revenue Mobilization Strategies**

#### **6.2.1 Transport, Road and Public Works Department**

This department handles revenue from parking fees, transport permits, and housing. Also, hire of county machinery from the department. The following strategies have been put in place:

##### ***6.2.1.1 Identification and Demarcation of Parking Areas***

- ❖ All existing and potential parking areas in urban centers will be identified, demarcated, and gazetted.
- ❖ Proper signage and numbering will be implemented to enhance compliance and facilitate digital monitoring.

##### ***6.2.1.2 Enactment of County Transport and Parking Legislation***

- ❖ The department intends to formulate and operationalize the necessary legal frameworks to govern county transport and parking operations. This legislation will provide a basis for enforcement of parking fees, traffic regulations, and penalties.
- ❖ This will support structured development and regulation of the transport sector within the county to provide a framework for increased revenue generation.

##### ***6.2.1.3 Construction of Boda Boda Sheds at Designated Stages***

- ❖ The plan is to increase the number of boda boda sheds at designated stopping stages.
- ❖ This will improve safety, orderliness, and allow for effective collection of parking fees from operators.

##### ***6.2.1.4. Documentation of County Machinery/Assets for Hire***

- ❖ The plan is to create a comprehensive inventory of all machinery and equipment eligible for public or private hire. The rates will be standardized, and a transparent hiring system will be introduced.
- ❖ This initiative aims to maximize the utility of county assets while generating revenue for maintenance and service delivery.

##### ***6.2.1.5 Registration of Parking Reserves in Urban Centers***

- ❖ This will involve marking, digitization and registration of all parking reserves in urban and municipal areas.
- ❖ This will allow real-time tracking and improve enforcement and collection efforts.

#### **6.2.1.6 Formation of a County Traffic Management Unit**

- ❖ The department plans to establish a dedicated County Traffic Unit to oversee traffic flow and parking operations in urban areas.
- ❖ This will enhance enforcement of traffic and parking regulations. It will also support revenue collection through proper monitoring and issuance of penalties for non-compliance.

#### **6.2.1.7 Public Asset Leasing and Concessions**

- ❖ The plan is to lease valuable assets such as bus parks, weighbridges, and public buildings to private operators through transparent concession agreements.
- ❖ This approach shall incentivise private sector investment in maintenance and upgrades, improving service quality for users.

#### **6.2.1.8 Advertising and Branding Opportunities**

- ❖ The department plans to partner with advertising agencies to manage bus shelters, bridges, and buildings. The plan is to offer attractive advertising spaces and introduce competitive bidding for premium locations.
- ❖ The Directorate also plans to explore sponsorship opportunities for major infrastructure projects and events.

#### **6.2.1.9 Public-Private Partnerships (PPPs)**

- ❖ The plan is to engage in PPPs for the development and management of transport infrastructure to unlock new revenue streams. This may include joint ventures for the operation of bus parks and construction of new roads that include revenue-sharing models.
- ❖ The PPPs opportunities would include:
  - ✓ Developing feeder roads, bus parks, and logistics hubs through Build-Operate-Transfer (BOT) models.
  - ✓ PPPs for water treatment, distribution, and waste management to create user-fee-based revenue.

#### **6.2.1.10 Community Engagement and Sensitization**

- ❖ The department plans to mobilize local communities and stakeholders for acceptance and compliance.
- ❖ The focus is to educate the public about the importance of paying fees and charges, and how these funds contribute to improved infrastructure and services.

### **6.2.2 Health Services and Sanitation Department**

#### **6.2.2.1 Development/ Acquisition of Hospital Management Information System (HMIS)**

This is a digital platform that enables hospitals in Busia County to automate and manage daily operations, including patient registration, appointment scheduling, billing, inventory management, laboratory processes, and reporting and hence provide a centralized repository for patient data, ensuring data accuracy, accessibility, and security. The plan is as follows:

- ❖ This system is to start at BCRH and all high-volume level 4 hospitals. Thereafter it shall be rolled out to the other health facilities.
- ❖ The HMIS shall be integrated to the county Revenue Management System (RMS)

### **6.2.2.2 Leveraging Public-Private Partnerships (PPPs)**

- ❖ The plan is to facilitate shared investments, joint ventures in diagnostic services, and leasing of underutilised health facility space for private practitioners or pharmacies.
- ❖ The PPP arrangements should also involve acquisition and management of Ecosteryl. This would facilitate treatment of infectious medical waste. The process transforms hazardous waste into dry, unrecognizable, and potentially recyclable materials, promoting a circular economy in healthcare.

### **6.2.2.3 Commercialization of Non-Core Services**

Identification and commercialization of non-core services such as hospital parking, cafeteria operations, and laundry.

### **6.2.2.4 Improved Asset Management**

The plan is to conduct a comprehensive inventory of health department assets and identify opportunities for better utilization or leasing of facilities and equipment.

Generation of revenue through renting out conference halls, laboratory space, or surplus land for community events or agricultural activities.

Developing an electronic asset management system.

The plan is to dispose of idle assets at BCRH and other health facilities.

### **6.2.2.5 Automation and Digital Revenue Collection**

The plan is to adopt a digital platform for payment and billing to reduce cash handling.

The department shall also implement and improve mobile money solutions and integrated hospital information systems to streamline revenue collection and minimize losses.

### **6.2.2.6 Strengthening Enforcement of Fines and Penalties**

The focus is to ensure that fines and penalties for public health violations (such as unauthorized food vending, illegal dumping, or non-compliance with health regulations) are collected efficiently and accounted for.

There shall be implementation of regular audits and public sensitization to improve compliance and boost revenue.

### **6.2.2.7 Community Engagement and Social Marketing**

The strategy is to engage community health committees and stakeholders in identifying new income streams, such as:

Community fundraising for specific projects, voluntary contributions, and health endowment funds.

Exploring social marketing campaigns to encourage the use of fee-based services and insurance uptake.

### **6.2.2.8 Capacity Building and Staff Incentivization**

The strategy is to train staff in revenue management, customer service, and financial accountability.

The department plans to institute performance-based incentives for staff who meet or exceed revenue targets.

### **6.2.2.9 Regular Monitoring, Evaluation and Reporting**

The plan is to establish a robust monitoring and evaluation framework to track revenue generation efforts, identify bottlenecks, and inform policy adjustments.

The plan is to build trust and support for revenue mobilization initiatives through transparent reporting.

## **6.2.3 Water, Environment, Irrigation, Natural Resources and Climate Change Department**

### **6.2.3.1 Water User Fees**

The department would consider implementing charges for water abstraction, usage, and permits from rivers, dams, and boreholes to generate steady revenue for water services and infrastructure maintenance.

### **6.2.3.2 Environmental Licensing and Fines**

The department would enforce environmental regulations by issuing licences for businesses and individuals engaged in activities that impact the environment, alongside levying fines for non-compliance to encourage sustainable practices.

### **6.2.3.3 Irrigation Scheme Levies**

The strategy is to introduce fees for the use of county-managed irrigation schemes, including maintenance contributions and service charges for farmers benefitting from the infrastructure.

### **6.2.3.3 Natural Resource Royalties**

The department would consider collecting royalties from the extraction and use of natural resources such as sand, gravel, and quarry materials, ensuring regulated and sustainable exploitation.

### **6.2.3.4 Climate Change Initiatives and Carbon Credits**

The consideration here is the development of climate-smart projects such as reforestation and renewable energy that can attract funding or generate income through carbon credit trading on international markets.

### **6.2.3.5 Public-Private Partnerships (PPPs)**

The department would consider engaging private investors in the development and management of water, environmental, and irrigation projects, allowing the county to earn revenue through concession agreements, lease fees, or shared profits.

## **6.2.4 Trade, Investment, Industrialization, Cooperatives, Small and Micro Enterprises (SMEs) Department**

### **6.2.4.1 Digitization of SBP Application and Renewal**

This would involve the following strategies:

- ❖ **Development of an Online Portal:** The county government to invest in a secure and user-friendly online portal where business owners can submit applications, upload required documentation and make payments digitally.
- ❖ **Integration with Payment Systems:** The portal is to be linked to mobile money services and bank payment gateways, reflecting the widespread adoption of digital financial services in Kenya.
- ❖ **Training and Sensitization:** County officials, business owners, and support staff to be trained to use the digital system, with regular workshops and informational campaigns to encourage uptake.
- ❖ **Data Migration:** Existing permit records to be digitized to ensure continuity and comprehensive record-keeping.
- ❖ **Helpdesk and Support:** A dedicated helpdesk is established to assist users facing technical challenges or requiring guidance.

#### **6.2.4.2 Comprehensive Revenue Mapping Exercise**

This will involve:

- ❖ Revenue source inventory- listing all possible revenue heads e.g. market fees, business permits, Cess, and parking fees.
- ❖ Assessing revenue potential per market
- ❖ Regularly update and review the revenue maps to capture changes in economy
- ❖ Use of digital tools and GIS technology for data collection and identification of revenue collection points.

#### **6.2.4.3 Digitization of Unified Business Permits (UBP) application and renewal**

The plan is to:

- ❖ Develop self-service portal- the county government to invest in a secure and user friendly and self-service portal where business can apply, upload required documentation and make payment digitally.
- ❖ Integrate the payment system. This shall involve linking the portal to mobile money and bank payments.
- ❖ Train the staff in the use of the digital system with regular workshops and informational campaign to encourage uptake.
- ❖ Migrate data through digitization of data to ensure continuity and comprehensive record keeping.

#### **6.2.4.4 Establishment of Busia County One Stop Service Center (BCOSSC)**

The concern is that multiple departments operate in isolation, forcing citizens to visit numerous locations for interconnected services. This fragmentation creates inefficiencies and increases the cost-of-service delivery for both citizens and the county government. The Busia County Service Center will house a comprehensive range of county services, strategically organized to maximize efficiency and citizen convenience. The integrated approach ensures seamless service delivery across all departments.

The strategy is to:

- ❖ Integrate the proposed Busia County Revenue Management System (BCRMS) to enable real- time data capture and reporting.
- ❖ Establish a pilot service center at the county headquarters for testing before it will be rolled in the sub counties.

#### **6.2.4.5 Strengthening Enforcement of Fines and penalties**

This would be achieved through the following:

- ❖ Strict enforcement of market fees and business permits across all the sub-counties.
- ❖ Penalizing unlicensed traders, non-payment of stall rent or obstruction in markets.
- ❖ Coordinated patrols and compliance checks in markets and trading centers.
- ❖ Introducing digital recording of offences and fines to ensure transparency.
- ❖ Establishing a central register for tracking fines, payments and repeat offenders.
- ❖ Collaborating with market committees to encourage voluntary compliance before enforcement.
- ❖ Establishing a compliance and enforcement unit.
- ❖ Introducing incentives or recognition for compliant traders and markets.
- ❖ Training enforcement officers on fair and transparent procedures.

#### **6.2.4.6 Community Engagement**

The strategies include:

- ❖ **Awareness and Sensitization:** Educating citizens on the importance of paying taxes, licenses, and market fees.
- ❖ **Stakeholder Participation:** Involving business associations, community-based organizations, and market committees in decision-making.
- ❖ **Transparency and Feedback:** Regularly sharing information on how revenues are utilized to improve services.
- ❖ **Capacity Building:** Training community leaders and revenue officers on participatory revenue management.

#### **6.2.4.7 Regular Monitoring, Evaluation and Reporting.**

The strategies here include:

- ❖ Developing a standardized M & E framework for revenue performance tracking.
- ❖ Training revenue staff on data management, analysis and reporting.
- ❖ Introducing a digital revenue dashboard for real-time monitoring.
- ❖ Conducting regular supervision visits and audits to ensure compliance.
- ❖ Institutionalizing quarterly review meetings with market and sub county officers
- ❖ Linking performance evaluation to staff appraisal and incentive systems

#### **6.2.4.8 Door-Door Compliance Campaigns**

The department intends to do the following:

- ❖ *Conduct pre-campaign awareness through public barazas and local media houses.*
- ❖ *Equip compliance teams with digital tools such as tablets and POS devices for registration and payment tracking.*
- ❖ *Provide capacity building on customer relations and communication skills.*

#### **6.2.4.9 Sector -Based Categorization and Fair Valuation**

The department plans to do the following:

- ❖ Conducting a comprehensive business mapping exercise across all sub counties to identify and classify business
- ❖ Developing revenue categorization matrix that defines charges for different sectors e.g. retails shops, hotels, workshops, and salons)
- ❖ Reviewing the trade licensing and market fees schedules to align with the current economic conditions
- ❖ Using digital valuation tools and geospatial mapping to record business data.
- ❖ Ensuring that informal and micro business are categorized under flexible, affordable rates to encourage compliance.

#### **6.2.4.10 Streamlining licensing processes**

- ❖ Developing an online portal for license applications and renewals.
- ❖ Establishing clear timelines and requirements for processing applications.
- ❖ Offering tiered licensing fees based on business size and type.

#### **6.2.4.11 Digitalization of Services**

Regarding cooperatives, the department plans to introduce online platforms for subscription or certificate fees, registration, payment of audit fees, and access to training materials on financial management, internal controls and governance for cooperative offices to streamline revenue collection and improve compliance.

#### **6.2.4.12 Public Awareness Campaigns**

This would involve educating cooperative members on the benefits of departmental services which may increase uptake and revenue.

#### **6.2.4.12 Expansion of Training programmes**

The strategy is to offer new and relevant training sessions to cooperatives, especially on emerging topics such as digital marketing and financial management, to attract more participants and generate additional income,

#### **6.2.4.13 Partnership with Private Sector**

The department plans to collaborate with financial institutions and other stakeholders to open new consultancy opportunities for cooperatives and broaden the department's revenue base.

Develop or license an audit software or digital platform that can be sold or subscribed to by cooperative societies.

#### **6.2.4.14 Government and Donor Funding**

This would involve seeking grants for capacity building, technology improvement and audit quality enhancement.

### **6.2.5 Education and Industrial Skills Development Department**

#### **6.2.5.1 Establishment of Vocational Training Centre (VTC) Production Units as Income Generating Activities (IGAs)**

Each of the County's Sub-Counties shall establish at least one fully functional VTC Production Unit to operate as a semi-autonomous Income Generating Activity. These units will focus on market-driven products and services, such as furniture, uniforms, metal fabrication, hairdressing, automotive works, and agro-based value addition, aligned with trainees' competencies and local economic needs.

The expected outcome is enhanced financial sustainability of VTCs, expanded trainee exposure to enterprise management, and increased revenue contribution to the County Treasury. The implementation approach shall be as follows:

- ❖ Identification of one VTC per Sub-County as a center of excellence to host a pilot IGA Production Unit.
- ❖ Developing standard operating procedures (SOPs) for production, pricing, marketing, and financial management.
- ❖ Channeling proceeds into a County Revenue Fund, with a portion retained at the institutional level for sustainability.

### **6.2.5.2 Facility Hire and Rental of Educational and Training Infrastructure**

The strategy is to optimize the use of underutilized County education and training infrastructure, including classrooms, workshops, halls, and grounds through a structured facility hire and rental program during non-instructional hours or weekends.

The expected outcome is increased non-tax revenue from educational assets, improved infrastructure upkeep, and enhanced public-private utilization of County facilities. The implementation approach is as follows:

- ❖ Develop and gazette a Facility Hire and Usage Policy under the County Revenue Act.
- ❖ Digitize the booking and payment process through eCitizen or IFMIS-linked systems.
- ❖ Apply differential rates for government functions, private sector events, and community engagements.
- ❖ Ensure that proceeds are accounted for and reinvested in infrastructure maintenance and learning environment improvement.

### **6.2.5.3 Registration and Licensing Fees for Childcare Facilities**

The strategy is to operationalize a county-wide registration, licensing, and inspection regime for all public and private childcare facilities, in accordance with the forthcoming *Busia County Childcare Facilities Act, 2025*, and the National Framework on Norms and Standards for Childcare.

The expected outcome is improved regulation and quality of childcare services, enhanced child welfare standards, and a predictable revenue stream for the Department. The implementation approach shall be as follows:

- ❖ Develop a Childcare Facility Registration and Licensing System integrated with the County Revenue Collection Platform.
- ❖ Enforce minimum infrastructure, safety, and staffing standards before issuance or renewal of licenses.
- ❖ Impose modest annual registration and inspection fees to support quality assurance operations.
- ❖ Conduct regular audits and public awareness on compliance requirements.

## **6.2.6. Department of Smart Agriculture, Livestock, Fisheries, Blue Economy and Agribusiness**

### **6.2.6.1 Diversification of Revenue Sources**

- ❖ Introducing and enhancing fees for services such as soil testing, veterinary services, agricultural extension, and training programmes.
- ❖ Streamlining and enforcing licences for livestock traders, fish vendors, agro-dealers, and input suppliers.
- ❖ Charging modest fees for the use of county markets, slaughterhouses, and fish landing sites, while ensuring affordability for smallholders.

#### ***6.2.6.2 Public-Private Partnerships (PPPs)***

- ❖ Collaborating with agribusinesses to manage and upgrade market centers, cold storage facilities, or processing plants.
- ❖ Facilitating agreements between farmers and private off takers, with the department earning facilitation fees or commissions.
- ❖ Leasing county-owned land, buildings, or equipment to private entities for agricultural use, generating regular income.

#### ***6.2.6.3 Value Addition and Agro-Processing***

- ❖ Setting up small-scale plants for maize milling, fish smoking, or dairy processing, with revenues from product sales and service fees.
- ❖ Supporting farmers in attaining certifications (e.g., organic, fair trade) and charging for branding services or certification facilitation.
- ❖ Supporting local farmers and entrepreneurs in transforming raw agricultural products into finished goods, such as packaged fish, dairy products, and processed cereals. This would help to boost market value and generate higher returns.

#### ***6.2.6.4 Optimizing Grant and Donor Funding***

- ❖ Building capacity for grant writing and project management to attract competitive funding.
- ❖ Partnering with local CBOs, farmer groups, and research institutions to submit joint proposals.

#### ***6.2.6.5 Digital Transformation and Data Monetization***

- ❖ Creating mobile apps and web portals for agricultural advisory, market information, and e-licensing, with subscription/usage fees.
- ❖ Monetizing agricultural data by providing analytics or insights to agribusinesses, researchers, or policymakers.

#### ***6.2.6.6 Strengthening Compliance and Enforcement***

- ❖ Conducting audits of fee collection, permits, and licenses to identify gaps and improve processes.
- ❖ Educating stakeholders on the importance and benefits of compliance, coupled with responsive enforcement mechanisms.
- ❖ Implementing efficient licensing and permit systems for fisheries, livestock trading, and agribusiness activities can provide a steady source of revenue. The department should ensure that these processes are streamlined to encourage compliance while maintaining transparency and accountability.

#### ***6.2.6.7 Promoting Cooperative Societies and Producer Organisations***

- ❖ **Bulk Marketing:** Facilitating bulk sales of farm produce for better prices, with the department charging facilitation fees.
- ❖ **Membership Dues:** Encouraging cooperatives to pay annual dues or levies to the department for support services.

#### ***6.2.6.8 Leveraging Climate-Smart Agriculture and Green Financing***

- ❖ Promoting agroforestry and sustainable practices to earn carbon credits, which can be sold in global markets.
- ❖ Facilitating eco-certification for local products, with revenues from certification fees.
- ❖ Promoting eco-tourism and recreational activities along the county's water bodies and fisheries, such as fishing tours, boat rides, and nature walks. This would attract both domestic and international visitors and helps to broaden the revenue base beyond traditional agriculture.

#### ***6.2.6.9 Investment in Agritourism***

- ❖ Organising educational tours, open days, and demonstration farms, charging admission or participation fees.
- ❖ Hosting annual events to showcase local produce, crafts, and innovations, generating income from sponsorships and ticket sales.

#### ***6.2.6.10 Spot Checks on Movement Permits and Meat Inspection Compliance***

- ❖ By conducting regular and rigorous inspections at key transit points, authorities can ensure that all livestock and meat products being transported comply with local regulations. This would increase accountability among traders and producers.
- ❖ Revenue would be primarily generated through the issuance of fines for non-compliance, as well as the collection of permit fees from those transporting livestock and meat products.
- ❖ These spot checks would serve as a deterrent against illegal movement and unregulated meat sales, thereby protecting public health and supporting the county's financial stability. The funds collected contribute to the improvement of inspection infrastructure and capacity building for enforcement teams, creating a cycle of enhanced compliance and sustained revenue growth.

#### ***6.2.6.11 Capacity Building***

- ❖ Investing in capacity building and extension services to empower local producers to adopt climate-smart and innovative agricultural practices.
- ❖ By increasing productivity and resilience, the department can enhance its revenue potential while contributing to food security and community development in Busia County.

### **6.2.6 Land, Housing and Urban Development**

#### ***6.2.7.1 Property Rates and Land Rent Collection***

- ❖ Optimization of property rates and land rent collection by updating property registers, conducting regular valuations, and enforcing compliance.
- ❖ Introducing digital payment platforms and awareness campaigns to encourage prompt payments and reduce leakages.

#### ***6.2.7.2 Development Control and Building Permit Fees***

- ❖ Streamlining the process for obtaining building permits and enforcing development control regulations to increase revenues from permit fees.
- ❖ Adoption of online applications and transparent fee structures to improve efficiency and accountability.

### **6.2.7.3 Rental Income from Public Housing**

- ❖ The department intend to review and standardize rent charges for public housing units.
- ❖ Regular maintenance of properties and clear tenancy agreements to ensure tenant satisfaction and consistent revenue flow.

### **6.2.7.4 Lease of County Land and Assets**

- ❖ Leasing out unused or under-utilised county land and assets for commercial or community purposes to generate more revenue.
- ❖ This should be done through transparent bidding processes and clear lease terms to attract reputable tenants and investors.

### **6.2.7.5 Penalties and Fines**

- ❖ The focus is sustainable enforcement of housing-related by-laws and regulations, such as illegal construction or non-compliance with safety standards to provide additional revenue through penalties and fines.
- ❖ There should be emphasis on public education and consistent enforcement.

### **6.2.7.6 Public-Private Partnerships (PPPs)**

- ❖ Partnering with private sector investors for the development and management of housing projects to unlock new revenue streams.
- ❖ Formation of joint ventures, concession agreements, or management contracts, ensuring mutual benefits.

### **6.2.7.7 Land Use Planning and Zoning Fees**

- ❖ Implementation and enforcement of zoning regulations and charging fees for changes in land use or subdivision applications to bolster revenue.
- ❖ Ensuring clarity and transparency in the process to encourage compliance and investment.

### **6.2.7.8 Sale of Housing Plans and Consultancy Services**

- ❖ Offering approved housing plans, architectural designs, and consultancy services to the public for a fee. This promotes adherence to quality standards in housing development.

### **6.2.7.9 Capacity Building and Staff Training**

- ❖ Investment in training for staff on revenue collection, customer service, and use of technology to improve efficiency and enhance revenue mobilisation efforts.

### **6.2.7.10 Community Engagement and Public Awareness**

- ❖ *Engaging the community through forums, workshops, and media campaigns to raise awareness about the importance of paying housing-related charges and the benefits of improved housing services.*

### **6.2.7.11 Automation of County House Application and Allocation Process**

- ❖ Improving transparency and eliminate inefficiencies in the management of county housing, the department should automate the application, allocation, and rent payment system for county houses. This will help track occupancy, reduce rent arrears, and improve revenue from public housing units.

## **6.2.8 Youths, Sports, Culture, Gender, and Creative Arts**

### **6.2.8.1 Diversify Revenue Sources**

- ❖ Map out and develop multiple revenue streams across sectors.
- ❖ Introduce new attractions such as wildlife conservation, lake excursions, and adventure activities.
- ❖ Provide rental services for community halls.

### **6.2.8.2 Enhance Fee Collection Systems**

- ❖ Digitize ticketing, permits, and licensing to reduce leakages.
- ❖ Secure attraction sites by fencing to enhance gate collections
- ❖ Integrate digital revenue management systems to track collections in real time.
- ❖ Use QR codes or mobile apps for entry verification and receipt issuance. This will double as a tourist arrival data collection tool.
- ❖ Regularly audit and review revenue points (e.g., tourist sites, sports facilities, cultural centers).
- ❖ Enforce payment of fees, permits, and licenses by all operators and event organizers.

### **6.2.8.3 Strengthening Public-Private Partnerships (PPPs)**

- ❖ Conduct feasibility studies to assess which projects can attract private investment.
- ❖ Engage private investors in facility development and event management.
- ❖ Prioritize revenue-generating projects, such as:
  - ✓ Eco-lodges and resorts, leisure and recreational parks (Tourism)
  - ✓ Museums (Culture)
  - ✓ Sports complexes and stadia (Sports)
  - ✓ Innovation hubs and training centers (Youth)
- ❖ Package these opportunities into investment-ready proposals.
- ❖ Land acquisition or adjudication for wetland and islands
- ❖ Provide incentives such as tax breaks, long-term leases, or profit-sharing models.

### **6.2.8.4 Promote community participation**

- ❖ Sensitize and Educate Communities through awareness campaigns on the value of tourism, culture, sports, and youth programs.
- ❖ Involve local communities in tourism and cultural enterprises to widen the tax base.

### **6.2.8.5 Leverage technology**

- ❖ Use mobile payment platforms, online booking for efficient revenue tracking.
- ❖ Deploy CCTV surveillance on tourist attraction sites and cultural centres
- ❖ Develop a digital database of tourism sites, cultural institutions, cultural groups event venues, and registered businesses.

#### ***6.2.8.6 Capacity building***

- ❖ Train staff and stakeholders in financial management and customer service to improve service delivery.
- ❖ Train staff on digital systems, e-payment platforms, and data management tools.

#### ***6.2.8.7 Policy and regulatory reforms***

- ❖ Develop, review and enforce bylaws, licensing fees, and compliance frameworks.

#### ***6.2.8.8 Promote sustainability and innovation***

- ❖ Invest in eco-tourism, adventure tourism, creative industries, and youth enterprises that generate long-term income.

#### ***6.2.8.9 Leveraging Tourism Assets***

- ❖ **Development and Promotion of Tourist Sites:** Identify, develop, and market key tourist attractions such as natural reserves, historical sites, and cultural festivals. Implement entry fees, guided tour charges, and photographic permits to generate income.
- ❖ **Public-Private Partnerships (PPPs):** This can include joint ventures for eco-lodges, and recreational centres, with the department earning a share of profits or lease fees.
- ❖ **Event Hosting:** Organize annual cultural and sporting events that attract local and international visitors. Revenue can be generated through ticket sales, vendor licensing, merchandising, and sponsorships.

#### ***6.2.8.10 Monetizing Cultural Heritage***

- ❖ **Cultural Centres and Museums:** Establish and manage cultural centres/ museums showcasing Busia's heritage. Charge admission fees, and offer paid workshops in local crafts, music, and dance.
- ❖ **Craft Markets:** Facilitate and regulate craft markets, with the department earning revenue from stall rentals, vendor permits, and commissions on sales of locally made handicrafts.
- ❖ **Intellectual Property:** Promote and protect unique cultural expressions, such as traditional music and artwork, through copyright and licensing, generating royalties.

#### ***6.2.8.11 Social Services Revenue Streams***

- ❖ **Community Halls and Sports Facilities:** Rent out department-managed community halls, sports grounds, and event spaces for private functions, meetings, and sports tournaments.
- ❖ **Training and Capacity Building:** Offer paid training programmes in areas such as hospitality, arts, and social work, targeting youth and community groups.
- ❖ **Social Enterprise Initiatives:** Launch income-generating projects such as catering services, event planning, or child-care services managed by the department, with proceeds supporting social programmes.

#### ***6.2.8.12 Licensing and Regulatory Fees***

- ❖ **Tour Operator and Guide Licensing:** Licensing of local tour operators and guides, ensuring quality and safety while generating annual licence fees.
- ❖ **Event Permits:** Requiring permits for public events and festivals within the county, with fees scaled according to event size and scope.
- ❖ **Heritage Site Filming and Photography:** Charging fees for commercial filming and photography at designated heritage sites and cultural events.

#### ***6.2.8.13 Digital Innovations***

- ❖ **Online Ticketing and Bookings:** Developing an online platform for booking tours, event tickets, and facility rentals, facilitating easier payments and broader reach.
- ❖ **Virtual Tours and Content:** Offering paid virtual tours, webinars, and digital content related to local culture and tourism, expanding revenue beyond physical visitors.

#### ***6.2.8.14 Partnerships and Sponsorships***

- ❖ **Corporate Sponsorships:** Seeking sponsorship deals from local and international businesses for events, facilities, or cultural programmes.
- ❖ **Collaborations with NGOs and Development Partners:** Partnering with non- governmental organisations to co-fund social and cultural initiatives, with cost-sharing arrangements that benefit departmental finances.

#### ***6.2.8.14 Community Engagement and Awareness***

- ❖ **Public Awareness Campaigns:** Educating the public on the value of supporting local tourism and cultural activities, encouraging participation and willingness to pay for services.
- ❖ **Stakeholder Feedback:** Regularly consult with community members, businesses, and cultural groups to identify new revenue opportunities and improve service delivery.

**CHAPTER SEVEN**  
**STRATEGY IMPLEMENTATION MATRIX**

**7.0 Introduction**

This implementation matrix outlines key strategic actions, responsible parties, timelines, and expected outcomes to enhance revenue mobilization in Busia County, Kenya. The matrix is designed to facilitate effective execution, monitoring, and evaluation of revenue strategies aligned with local priorities and national frameworks. The matrix is as detailed in Table 3:

## 7.1 Strategy Implementation Matrix

Strategic Pillar	Key Activities	Responsible Parties	Timeline	Expected Outcomes	Performance Indicators
<b>Revenue Diversification</b>	<ul style="list-style-type: none"> <li>▪ Conducting comprehensive mapping of all potential revenue sources using GIS technology.</li> <li>▪ Updating and digitizing the valuation roll.</li> <li>▪ Reviewing and harmonizing fees and charges across all sub-counties.</li> <li>▪ Introduce new revenue streams.</li> <li>▪ Strengthen collaboration with SACCOS, markets, and cooperatives.</li> <li>▪ Develop Public-Private Partnerships (PPPs).</li> </ul>				
<b>Revenue Administration &amp; Compliance</b>	<ul style="list-style-type: none"> <li>▪ Instituting regular audits.</li> <li>▪ Establishing a Revenue Enforcement and Compliance Unit.</li> <li>▪ Developing a Revenue Compliance and Enforcement Policy.</li> <li>▪ Reconciliation of receipts and collections across departments.</li> <li>▪ Collaboration with judiciary and police in enforcing penalties.</li> </ul>				

	<ul style="list-style-type: none"> <li>▪ Introducing whistleblowing mechanisms and hotlines for corruption reporting.</li> </ul>				
<b>Automation and Technology Adoption</b>	<ul style="list-style-type: none"> <li>▪ Implementation of Integrated County Revenue Management System (ICRMS).</li> <li>▪ Introduction of cashless payment systems (mobile money, bank transfers, cards).</li> <li>▪ Establishment of a Revenue Data Centre for analytics and forecasting.</li> <li>▪ Developing automated permit, license, and receipting modules.</li> <li>▪ Development of revenue dashboards for real-time monitoring by sub-county offices.</li> </ul>				
<b>Capacity Building and Institutional Strengthening</b>	<ul style="list-style-type: none"> <li>▪ Recruitment and training of revenue officers on ICT, financial ethics, and customer service.</li> <li>▪ Developing a Performance Management Framework (PMF) with measurable KPIs.</li> <li>▪ Introduction of incentive schemes for high-performing officers.</li> </ul>				

	<ul style="list-style-type: none"> <li>▪ Strengthen inter-departmental coordination between Finance, Lands, Health, and Trade.</li> <li>▪ Developing a Revenue Training and Certification Program in partnership with KRA or CRA.</li> </ul>				
<b>Stakeholder Engagement and Public Awareness</b>	<ul style="list-style-type: none"> <li>▪ Establish a County Taxpayer Education and Sensitization Program (CTESP).</li> <li>▪ Use of radio, social media, and barazas to communicate tax information.</li> <li>▪ Develop a Revenue Helpdesk and Web Portal for queries and feedback.</li> <li>▪ Recognition of top taxpayers annually through a Revenue Awards Program.</li> <li>▪ Identification of relevant groups and individuals most affected by or influential in OSR matters.</li> <li>▪ Holding town hall meetings, focus group discussions, and workshops to gather input and feedback from diverse stakeholders.</li> <li>▪ Development of revenue policies and outreach programmes.</li> <li>▪ Establishing accessible channels (e.g., suggestion boxes, hotlines,</li> </ul>				

	digital platforms) for stakeholders to share concerns or recommendations.				
<b>Revenue Streams Mapping</b>	<ul style="list-style-type: none"> <li>▪ Enumerating revenue stream sources and their locations.</li> <li>▪ Loading the revenue streams onto a GIS platform.</li> <li>▪ Integrating spatial data with the revenue system.</li> <li>▪ Developing a detailed report on Busia County Government Revenue Mapping</li> </ul>				
<b>Monitoring, Evaluation, and Innovation</b>	<ul style="list-style-type: none"> <li>▪ Collecting and analysing revenue data to identify trends.</li> <li>▪ Setting clear targets, monitoring progress, and rewarding high-performing departments.</li> <li>▪ Develop a revenue dashboard.</li> </ul>				

# CHAPTER EIGHT

## STRATEGY MONITORING AND EVALUATION

### 8.0 Introduction

Strategy monitoring and evaluation ensure that the chosen strategies are effectively implemented and remain aligned with the objectives, adapting as circumstances change. It is essential for the Directorate of Revenue in striving to achieve the goals in the dynamic environment. By systematically tracking progress and rigorously assessing outcomes, the Directorate can make informed decisions, optimise performance, and ensure long-term success.

### 8.1 Objectives of the M&E Framework

1. To track and assess the progress of revenue mobilisation initiatives.
2. To ensure transparency and accountability in revenue collection and utilisation.
3. To inform evidence-based policy decisions and strategic adjustments.
4. To enhance stakeholder confidence and participation in county revenue processes.

### 8.2 Key Performance Indicators (KPIs)

The following KPIs will guide the monitoring and evaluation process:

1. **Total Own Source Revenue (OSR) Collected:** Comparison against annual targets.
2. **Revenue Growth Rate:** Year-on-year percentage increase in OSR.
3. **Cost of Collection:** Ratio of revenue collection costs to total revenue collected.
4. **Compliance Rate:** Percentage of eligible taxpayers complying with county revenue laws.
5. **Number of Revenue Streams Digitised:** Tracks progress towards automation of revenue collection.
6. **Stakeholder Satisfaction:** Feedback from businesses, citizens, and other key stakeholders.

### 8.3 M&E Activities and Timeline

A robust M&E plan is vital for tracking progress, making informed decisions, and achieving project success. By following the outlined activities and adhering to the suggested timeline, the departments can ensure accountability, transparency, and continuous improvement throughout the action areas.

The M&E framework will be reviewed annually to incorporate lessons learnt, stakeholder feedback, and emerging best practices. This will ensure the strategies remain relevant and responsive to Busia County's dynamic revenue mobilisation environment.

Through systematic monitoring, inclusive evaluation, and adaptive management, the county can enhance its financial sustainability and deliver improved services to its citizens. The Directorate shall establish a robust monitoring framework to track revenue mobilisation progress, identify bottlenecks, and adjust strategies as needed. Key performance indicators to include revenue growth rates, taxpayer compliance levels, and service delivery improvements.

**Table 4: M&E Activities and Timelines**

<b>Activity</b>	<b>Responsible Parties</b>	<b>Frequency</b>	<b>Expected Output</b>
Revenue Data Collection & Analysis	County Treasury, Revenue Directorate	Monthly/Quarterly	Revenue performance reports
Stakeholder Engagement Forums	Directorate of Public Administration	Quarterly	Stakeholder feedback reports
Internal Audits	Internal Audit Unit	Bi-annual	Audit findings and recommendations
External Evaluation	Independent Consultants, County Assembly	Annually	Evaluation report
Performance Review Workshops	County Executive, Departmental Heads	Annually	Action plans for improvement

**ANNEX 1**  
**List of Participants**

<b>Names</b>	<b>Designation</b>
Dr Collince Odhiambo Gworo	Lead Facilitator
Timothy Odende	Ag. CO-Revenue
Maureen Onyango	Director Service Delivery
Melisa Namangare	Economic Advisor to HE
Peris Onyombera	Director Revenue
Stephen Kiror	Director SPIDE
Dennis Chirande	Director Environment
Charles Wakhaya	Director Social Services
Winston Mbanda	Director Communications
Hendrix Owori	Director Fisheries
Robert Muganda	Director Public Administration
Lok Joseph Oporong	Director Public Health
Austine Ndege	Director Trade
Shadrack Mulanya	Director Natural Resources
Leonard Opollo	Director Vocational Training
Everlyne Teresiah Mbingi	Director Lands
Inviolata Ndubi	Director Tourism
Job Ilanyi	Director Economic Planning
David Adalla	D/D Procurement
Peter W. Barasa	DD Revenue
Nelson Oucha	DD
Nancy Wanjala	DDirector Coop Audit
Dennis Odhiambo	GRM Officer- KDSP II
Priscilla Juma	Gender Officer KDSP 11
Korir Kiplagat	KDSP II M& E Officer
Francis Asoyong	Manager Malaba Municipality
Nobert Wabwire	Manager Busia Municipality
Nelson Juma Otando	SCA
Ali Atemba Oyuyo	CHAO
Victor Juma	Project Accountant
Michael Ikolak Barasa	SRO
Meshack Lubiya	SRO
George Orubia	SRO
Muruka Vincent	SRO
David E. Omeri	SRO
Abraham O. Ipomai	SRO
Peter Etyang Isiya	SRO
Gabriel N. Omondi	LPO
Rennie Siundu	ADM
Duncan Odhiambo Ekombe	CS Office
Oguyo Eliud	Accountant
Anastacia Makokha	Secretariat
Elly Ochieng	Communications Officer
Jane Annet Juma	Revenue Clerk

