



COUNTY GOVERNMENT OF HOMA BAY

HOMA BAY COUNTY TARIFFS AND PRICING POLICY, 2026

March, 2026

ACRONYMS AND ABBREVIATIONS

CCO	County Chief Officer
CEC	County Executive Committee
CECM	County Executive Committee Member
CGA	County Government Act
CIMES	County Integrated Monitoring and Evaluation System
CRA	Commission on Revenue Allocation
KenInvest	Kenya Investment Authority
KIPPRA	Kenya Institute of Public Policy Research and Analysis
NGO	Non-Governmental Organizations
OSR	Own Source Revenue
PFM	Public Finance Management
PFMR	Public Finance Management Reforms
PWD	Persons with Disability
UACA	Urban Areas and Cities Act

DEFINITIONS

“Charges” means a payment for the use of a product or service and applies per use of the good or service or for the bulk or time-limited use of the good or service.

“County Treasury” means the County Executive Committee Member for Finance, the Chief Officer, and the department or departments of the County Treasury responsible for financial and fiscal matters.

“County Executive Committee” means a committee comprising the Governor, the Deputy Governor, the County Secretary, and all the County Executive Committee Members.

“County Government of Homa Bay” means the county government for this Tariffs and Pricing Policy.

“Fees” includes parking fee, market fee, health facility fee, a license fee or any other user fee charged or imposed by a county government as a necessary condition for using a county public facility or conducting a business.

“Fixed cost” means the costs that do not change as the volume of consumption of goods or services changes.

“House” means commercial or residential premises owned by the county.

“Households” means all persons older than 18 years that occupy a property within the jurisdiction of the county whether the person rents or owns the property.

“National OSR Policy” means the National Policy to Support Enhancement of County Governments’ Own Source Revenue.

“Tariffs” means the scale of fees and charges that may be imposed in respect of services provided by the county government or any agency delivering services in the county.

“Technical Committee” means a committee comprising county Chief Officers, the Directors, technical staff from County Departments, or any other member co-opted by the Committee.

“Variable Cost” means the costs that change as the volume of consumption of goods or services changes.

PREFACE BY H.E. THE GOVERNOR

It gives me great pleasure to present the Homa Bay County Pricing and Tariff Policy, 2026, a critical governance instrument that establishes a structured, transparent, and equitable framework for the determination and administration of fees, charges, levies, and tariffs within the County.

This Policy comes at a pivotal moment in our county's development journey, where the demand for quality public services, efficient infrastructure, and a conducive business environment continues to grow. A well-designed pricing and tariff framework is essential not only for revenue generation but also for ensuring fairness, predictability, and public confidence in how the County Government imposes and administers charges.

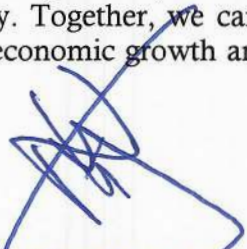
The Policy provides a coherent and principled approach to pricing County services, anchored on the values of equity, transparency, accountability, and economic efficiency. It seeks to eliminate inconsistencies, reduce duplication of levies, and establish a uniform and predictable system that supports both compliance and economic growth. Importantly, it recognizes the need to balance cost recovery with affordability, ensuring that tariffs remain responsive to the socio-economic realities of our people.

Through this Policy, my Administration is committed to promoting a pro-poor and inclusive pricing framework that safeguards vulnerable groups while fostering enterprise development and investment. The Policy introduces structured mechanisms for tariff setting and review, aligned with the County's fiscal planning processes, thereby enhancing stability and predictability for businesses and residents alike.

Further, the Policy strengthens transparency by requiring clear communication and public accessibility of all tariffs, while embedding public participation as a central pillar in tariff formulation and review. This ensures that the voices of our citizens remain integral to decision-making processes.

My government remains fully committed to the effective implementation of this Policy. We shall strengthen institutional capacity, enhance coordination across departments, and ensure that all charges imposed are lawful, justified, and linked to improved service delivery.

I call upon all stakeholders—including County officials, the business community, development partners, civil society, and our citizens—to support the implementation of this Policy. Together, we can build a fair, efficient, and accountable tariff system that supports economic growth and improves the quality of life for the people of Homa Bay County.



**H.E. GLADYS NYASUNA WANGA, EGH
GOVERNOR, HOMA BAY COUNTY
DATE: January 2026**

FOREWORD BY THE COUNTY EXECUTIVE COMMITTEE MEMBER (CECM)

The development of the Homa Bay County Pricing and Tariff Policy, 2026 marks a significant step in strengthening fiscal governance, enhancing transparency, and promoting fairness in the administration of County charges.

This Policy provides a clear and structured framework for the determination, harmonization, and application of tariffs across all County sectors. It addresses long-standing challenges associated with fragmented pricing systems, duplication of charges, inconsistencies in application, and limited public awareness of applicable tariffs.

In an environment where businesses and citizens require certainty and predictability, the Policy establishes a uniform, rationalized, and transparent tariff regime that supports economic activity while ensuring that the County is able to sustainably finance service delivery. It introduces clear principles for tariff setting, including cost justification, equity, administrative efficiency, and economic impact considerations.

A key feature of this Policy is its focus on harmonization and simplification of County charges. By consolidating tariffs and standardizing their application, the Policy reduces compliance burdens, minimizes disputes, and enhances efficiency in revenue administration.

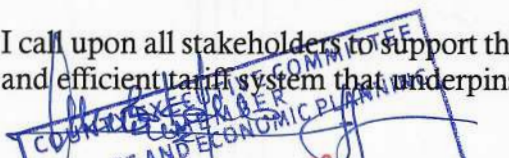
The Policy also strengthens institutional coordination and accountability, clearly defining roles across departments involved in tariff implementation and enforcement. It further integrates tariff setting with the broader public finance management framework, ensuring alignment with budgeting processes and fiscal planning cycles.

Importantly, the Policy underscores the role of public participation and stakeholder engagement in tariff determination. By ensuring that citizens and businesses are actively involved in shaping pricing decisions, the County enhances legitimacy, promotes voluntary compliance, and builds trust in its fiscal systems.

I wish to acknowledge the Office of the County Attorney for its technical leadership in the development of this Policy, as well as all stakeholders whose contributions have enriched this framework and ensured its responsiveness to the needs of the County.

As the County Executive Committee Member responsible for Finance and Economic Planning, I reaffirm my commitment to ensuring the effective implementation of this Policy. The County Treasury will provide the necessary leadership, systems, and oversight to operationalize the Policy and achieve its intended outcomes.

I call upon all stakeholders to support this initiative as we work towards a fair, transparent, and efficient tariff system that underpins sustainable development in Homa Bay County.


HON. SOLOMON OBIERO
County Executive Committee Member
Finance and Economic Planning
County Government of Homa Bay
DATE: January 2026

Stamp: COUNTY EXECUTIVE COMMITTEE MEMBER, FINANCE AND ECONOMIC PLANNING, HOMA BAY COUNTY GOVERNMENT, HOMA BAY BOX 40301, DATE: 11 MAR 2026

EXECUTIVE SUMMARY

The Constitution of Kenya under Article 209(4) empowers national and county governments to impose charges for services that they offer. In operationalizing this constitutional provision, section 120 of the County Governments Act, 2012 requires county governments to develop a Tariffs and Pricing Policy to form a basis for such user fees and charges. This legal requirement is underscored in the National Policy to Support Enhancement of County Governments' Own Source Revenue Policy.

In compliance with the provisions of section 20 of the County Governments Act, the County Government of Homa Bay has developed this Tariffs and Pricing Policy to form a basis for its fees and charges. This Policy bridges the gaps occasioned by reliance on defunct local authority by-laws and legislation such as the Finance Act in setting county fees and charges which is contrary to the law; and, further, the disconnect between fees charged and the county services provided.

The key principle in setting county fees and charges is that fees must be generally proportional to the services offered. Other guiding principles for setting county tariffs, fees, and charges include affordability, equity, financial sustainability, destitution, transparency, environmental sustainability, consistency, and promotion of local economic development.

The objectives of this Tariffs and Pricing Policy are to determine the cost of providing county public services, and to map and match county revenue streams with expected services. Additionally, this Policy provides for an economic, efficient, and sustainable way of setting tariffs, fees, and charges at the county level. Subsequently, the development of this Policy provides the residents of Homa Bay County with information to understand and interpret the fees and charges they pay and the services to expect from the County Government in return.

In compliance with the mandatory provision of the above cited section 120 of the County Governments Act. The County Government of Homa Bay has developed this, Policy. The process of developing this Policy entailed six key steps namely initiate, review, determine, engage, approve, and implement. Each of these steps involved various activities undertaken by different actors and executed within the budget cycle timelines.

THE GENERAL POLICY STATEMENT

The County Government of Homa Bay adopts and commits to implement this Tariffs and Pricing Policy for the provision of public services. All fees and charges will be computed by this Policy.



DR. TOBIAS K'ONYANGO
CHAIRPERSON
HOMA BAY COUNTY REVENUE BOARD

TABLE OF CONTENTS

ACRONYMS AND ABBREVIATIONS	ii
DEFINITIONS	iii
PREFACE BY H.E. THE GOVERNOR	iv
FOREWORD BY THE COUNTY EXECUTIVE COMMITTEE MEMBER (CECM) v	
EXECUTIVE SUMMARY	vi
THE GENERAL POLICY STATEMENT	vii
CHAPTER 1: INTRODUCTION	1
BACKGROUND	1
POLICY OBJECTIVES	2
1.3 POLICY RATIONALE.....	2
1.4 SCOPE OF POLICY	3
1.5 POLICY AND LEGISLATIVE FRAMEWORKS	4
1.6 GENERAL PRINCIPLES GUIDING TARIFF DETERMINATION	5
1.7 POLICY DEVELOPMENT PROCESS	7
CHAPTER TWO: SITUATIONAL ANALYSIS	8
2.1 INTRODUCTION	8
2.2 Policy Gaps in Revenue Streams.....	8
2.3 Cross-Cutting Challenges	9
2.4 SWOT Analysis and Structural & Economic Constraints	10
2.5 POLICY IMPLICATIONS AND STRATEGIC DIRECTIONS	11
CHAPTER THREE: POLICY GOALS, OBJECTIVES, STATEMENTS, AND INTERVENTIONS	13
3.1 Introduction.....	13
3.2 Policy Goal.....	13
3.3 Policy Objectives.....	13
3.4 Policy Statements.....	14
3.5 POLICY INTERVENTIONS	14
CHAPTER FOUR: TARIFF DETERMINATION.....	18
4.0 Introduction.....	18
4.1 Trade Licensing Fees Tariff	18
CHAPTER FIVE: STAKEHOLDER ANALYSIS AND RESPONSIBILITIES.....	28
5.1 INTRODUCTION	28
5.2 STAKEHOLDER MAPPING AND ROLES	28
5.3 Stakeholder Engagement and Coordination Mechanisms.....	29
5.4 Expected Outcomes	30
CHAPTER SIX: MONITORING, EVALUATION, AND LEARNING	31
6.1 Introduction.....	31
6.2 Policy Goal.....	31
6.3 Policy Objectives.....	31
6.4 Monitoring Mechanisms	31
6.5 Evaluation Mechanisms	32
6.6 Learning and Adaptive Management	32

6.7 Reporting and Accountability	32
6.8 Expected Outcomes	32
CHAPTER SEVEN: RESOURCE MOBILIZATION AND SUSTAINABLE FINANCING	33
7.1 Introduction.....	33
7.2 Policy Goal.....	33
7.3 Policy Objectives.....	33
7.4 Policy Interventions	33
7.5 Expected Outcomes	34
CHAPTER EIGHT: COMMUNICATION, PUBLICITY AND INFORMATION	36
8.1 Introduction.....	36
8.2 Policy Objectives.....	36
8.3 Policy Interventions	36
8.4 Expected Outcomes	37
8.5 Conclusion	37
CHAPTER NINE: POLICY REVIEW	38
9.1 Introduction.....	38
9.2 Policy Review Principles	38
9.3 Review Mechanism.....	38
9.4 Institutional Arrangements	38
9.5 Expected Outcomes	38
CHAPTER TEN: CONCLUSION	40

CHAPTER 1: INTRODUCTION

BACKGROUND

The Constitution of Kenya, 2010 establishes a devolved system of governance comprising two distinct and interdependent levels of government—namely, the national and county governments. The Fourth Schedule to the Constitution delineates the functions assigned to each level of government, with Part II specifically assigning to county governments critical service delivery functions, including health services, trade development and regulation, county transport, agriculture, and county planning and development. The discharge of these functions necessitates the provision of a wide range of public services, which in turn requires sustainable financing through fees, charges, and other forms of Own Source Revenue (OSR).

Article 209(4) of the Constitution expressly empowers both the national and county governments to impose fees and charges for services they provide. However, Article 209(5) introduces an important safeguard by requiring that the exercise of such revenue-raising powers shall not prejudice national economic policies, impede economic activities across county boundaries, or restrict the mobility of goods, services, capital, and labour. This constitutional architecture underscores the need for county revenue systems to be designed and implemented in a manner that is efficient, equitable, predictable, and supportive of a unified national economic space.

In furtherance of this constitutional mandate, Section 120 of the County Governments Act, 2012 obligates every county government, and any agency delivering services within the county, to adopt and implement a Tariffs and Pricing Policy for all public services. This statutory requirement emphasizes the need for a structured and transparent framework through which fees and charges are systematically identified, rationalized, and aligned, to the extent practicable, with the cost-of-service delivery. It also reinforces the principles of accountability, fairness, and value for money in public financial management.

Notwithstanding this legal requirement, Homa Bay County has historically operated without a comprehensive and unified Tariffs and Pricing Policy. As a result, the determination of fees and charges has often been fragmented, inconsistent, and not fully anchored in cost-based methodologies or economic analysis. This has led to challenges including weak linkage between tariffs and service delivery costs, limited predictability in revenue streams, inequities in the application of charges across sectors, and reduced public confidence in the County's revenue systems.

Furthermore, the absence of a structured tariff-setting framework has constrained the County's ability to fully optimize its Own Source Revenue potential, thereby exacerbating reliance on intergovernmental transfers. This dependency exposes the County to fiscal vulnerabilities arising from delays, conditionalities, and fluctuations in national transfers, while simultaneously limiting fiscal autonomy and flexibility in addressing local development priorities.

The development of this Tariffs and Pricing Policy therefore responds to a critical legal, institutional, and fiscal gap. It establishes a coherent, transparent, and evidence-based framework for determining tariffs, fees, and charges across all County services. The Policy seeks to ensure that pricing decisions are guided by clear principles, including cost recovery, affordability, equity, efficiency, and sustainability, while also supporting local economic development and investment.

In addition, the Policy is intended to strengthen revenue administration by enhancing predictability, improving compliance, reducing discretion in tariff setting, and promoting accountability in revenue collection and utilization. By aligning tariffs with service delivery costs and economic realities, the Policy will contribute to improved resource mobilization, better service delivery outcomes, and enhanced public trust in County governance.

Ultimately, this Policy provides a foundation for a modern, efficient, and development-oriented revenue system that supports the long-term fiscal sustainability and socio-economic transformation of Homa Bay County.

POLICY OBJECTIVES

1.2.1 Primary Objective

The primary objective of this Policy is to establish a comprehensive, transparent, and equitable framework for the determination, application, and periodic review of tariffs, fees, and charges within Homa Bay County, in a manner that ensures cost-reflective pricing, enhances revenue predictability, and supports sustainable service delivery.

1.2.2 Secondary Objectives

In pursuit of the primary objective, the Policy seeks to achieve the following specific objectives:

- (a) To establish a robust and evidence-based methodology for determining the full cost of providing public services, including operational, maintenance, and capital considerations;
- (b) To systematically map and align revenue streams with the corresponding public services delivered by the County Government, ensuring clarity, accountability, and value for money;
- (c) To provide a structured and standardized framework for the determination and application of tariffs, fees, and charges across different sectors and categories of users;
- (d) To promote local economic development and investment by ensuring that tariffs are responsive to market conditions, supportive of enterprise growth, and sensitive to the needs of micro, small, and medium enterprises (MSMEs);
- (e) To ensure efficiency, equity, and financial sustainability in tariff setting, balancing cost recovery with affordability and social protection considerations, particularly for vulnerable and low-income groups;
- (f) To enhance transparency, accountability, and public awareness by providing users with clear, accessible, and timely information on applicable tariffs, fees, and charges, and the services to which they relate; and
- (g) To strengthen revenue administration and compliance by promoting consistency, predictability, and fairness in the application of tariffs, thereby fostering voluntary compliance and public trust.

1.3 POLICY RATIONALE

The Tariffs and Pricing Policy of Homa Bay County has been developed to provide a systematic, transparent, and legally compliant framework for setting fees, charges, and tariffs for all public services delivered by the County Government. The Policy addresses critical gaps in revenue administration, enhances fiscal discipline, and promotes sustainable service delivery while aligning with national legal requirements and best international practices.

Homa Bay County, like many devolved units, faces challenges in revenue mobilization, including fragmented approaches to fee-setting, limited alignment of tariffs with service costs, and inconsistencies in the application of fees across sectors. These challenges undermine revenue predictability, reduce public trust, and limit the County's ability to deliver quality services effectively.

The rationale for this Policy is therefore anchored on the following key considerations:

- (a) Legal Compliance and Institutional Alignment:**
 - (i) Section 120 of the County Governments Act, 2012 requires all counties to adopt a

Tariffs and Pricing Policy, ensuring that fees and charges are aligned to the cost of services and conform to national policy frameworks.

- (ii) The Policy ensures that all County revenue streams are legally grounded, standardized, and fully compliant with constitutional provisions (Articles 209(4) & (5)) and relevant county legislation, including the Homa Bay County Finance Act, Revenue Administration Act, and Revenue Board Act.
- (b) Financial Sustainability and Cost Recovery:**
 - (i) By linking tariffs and fees to the actual cost of service delivery, the Policy ensures that public services are financially sustainable, reducing the risk of underfunding critical County functions.
 - (ii) It provides a framework for balancing revenue generation with affordability, including lifeline tariffs for vulnerable households and subsidies for essential services where necessary.
- (c) Equity and Social Inclusion:**
 - (i) The Policy promotes fairness and equity by ensuring that fees and charges are applied consistently, transparently, and proportionately across different categories of users.
 - (ii) Special provisions are included to support low-income households and marginalized groups, ensuring access to essential services without financial exclusion.
- (d) Economic Development and Investment Promotion:**
 - (i) Tariffs are structured to support local economic growth, incentivize enterprise development, and encourage investment in key sectors such as agriculture, trade, tourism, and services.
 - (ii) By providing predictable and cost-reflective fees, the Policy reduces barriers to business operations, promotes formalization, and strengthens the County's revenue base.
- (e) Transparency, Accountability, and Public Trust:**
 - (i) The Policy emphasizes full disclosure of fees and charges, providing citizens and businesses with clear information on what they pay and the services they receive.
 - (ii) It enhances accountability in revenue collection, minimizes arbitrariness, and fosters trust between the County Government and its stakeholders.
- (f) Data-Driven Decision-Making:**
 - (i) The Policy provides mechanisms for regular assessment of service costs, revenue performance, and economic trends, enabling evidence-based adjustments to tariffs and charges.
 - (ii) It ensures that revenue policies are adaptive, responsive, and aligned with evolving development priorities, economic realities, and fiscal requirements.

1.4 SCOPE OF POLICY

The Homa Bay County Tariffs and Pricing Policy applies to all revenue-generating activities undertaken by the County Government and its agencies in the provision of public services. The Policy provides a standardized framework for determining, implementing, and reviewing tariffs, fees, charges, and other forms of Own Source Revenue (OSR) across all sectors and departments within the County. Specifically, the Policy covers:

- (a) Public Service Delivery:**
 - (i) All fees, charges, and tariffs levied in relation to services provided directly by County departments, agencies, and institutions, including but not limited to healthcare, water, sanitation, licensing, trade, agriculture, livestock, and urban planning services.
- (b) Revenue Streams:**
 - (i) All Own Source Revenue streams collected by the County, whether in cash, in-kind, or electronic payments, including service fees, user charges, permits, licenses, fines, levies, and surcharges.
 - (ii) All revenue collection mechanisms implemented through the Homa Bay County Revenue Board, County Treasury, or delegated authorities.
- (c) Beneficiaries and Users:**

- (i) All categories of service users, including individuals, households, businesses, enterprises, non-governmental organizations, and development partners operating within Homa Bay County.
- (ii) Special consideration for vulnerable populations, low-income households, and marginalized groups, ensuring access to essential services through lifeline tariffs, subsidies, or exemptions where appropriate.
- (d) Geographical Coverage:**
 - (i) All administrative units within Homa Bay County, including urban areas, municipalities, towns, villages, and rural service points where public services are rendered.
- (e) Institutional and Legal Coverage:**
 - (i) All County departments, agencies, boards, and other institutions mandated to collect revenue, implement fees and tariffs, or provide services for which charges are levied.
 - (ii) The Policy also provides a reference framework for aligning County tariffs with national legislation, policies, and international best practices.
- (f) Temporal Coverage:**
 - (i) The Policy provides a continuous framework for tariff determination, collection, monitoring, review, and adjustment. It is designed to be adaptive to changes in economic conditions, service costs, development priorities, and legislative requirements.

1.5 POLICY AND LEGISLATIVE FRAMEWORKS

The development and implementation of Homa Bay County's Tariffs and Pricing Policy are guided by a robust legal and policy environment encompassing both national and county laws, regulations, and policy instruments. This framework ensures that all revenue collection, tariff determination, and fee-setting processes are legally compliant, transparent, equitable, and aligned with national and county development priorities.

1.5.1 National Policy and Legal Frameworks

- (a) Constitution of Kenya, 2010**
 - (i) Articles 209(4) and 209(5) provide that county governments may impose fees and charges for services offered but must do so without prejudicing national economic policies, inter-county trade, or the mobility of goods, services, capital, and labour.
 - (ii) These provisions form the foundation for revenue generation while ensuring alignment with national development and economic integration objectives.
- (b) County Governments Act, 2012**
 - (i) Section 120 mandates every county government and its agencies to adopt and implement a Tariffs and Pricing Policy for public services.
 - (ii) This requirement emphasizes that tariffs must reflect the cost-of-service delivery and be applied systematically, equitably, and transparently.
- (c) Public Finance Management Act, 2012**
 - (i) Sections 104 and 107 empower the County Treasury to oversee financial management, revenue mobilization, and resource allocation.
 - (ii) The Act provides mechanisms for fiscal accountability, monitoring, and performance evaluation, thereby supporting structured implementation of the Tariffs and Pricing Policy.
- (d) Urban Areas and Cities Act, 2011**
 - (i) Sections 20 and 21 authorize boards managing urban areas and municipalities to collect rates, fees, levies, and charges on behalf of the County Government.
 - (ii) This ensures that service delivery in towns, municipalities, and cities adheres to standardized tariffs and pricing structures.
- (e) Physical and Land Use Planning Act, 2019** -Provides guidelines for zoning, building

approvals, and land use, which underpin the determination of certain fees and charges, including building plan approvals and urban planning permits.

- (f) **National Trade Policy, 2017** - Guides domestic trade development, a key source of County revenue, by aligning trade-related tariffs and fees with economic growth and enterprise development objectives.
- (g) **International Best Practices and Standards** - The Policy aligns with international standards on fiscal transparency, cost-reflective pricing, and public service affordability, ensuring that revenue systems are efficient, equitable, and sustainable.

1.5.2 County Policy and Legislative Frameworks

- (a) **Homa Bay County Finance Act (as amended)**-Provides legal authority for the County Government to levy, collect, and administer fees, charges, and other forms of OSR.
- (b) **Homa Bay County Revenue Administration Act** - Establishes procedures for revenue assessment, collection, enforcement, compliance, and dispute resolution.
- (c) **Homa Bay County Revenue Board Act**- Provides the mandate for the County Revenue Board to oversee revenue mobilization, ensure compliance, and advise the County Government on tariff and fee structures.
- (d) **Sectoral County Policies** - Existing sector-specific policies, such as those governing health services, trade, agriculture, fisheries, and utilities, inform the methodology for determining service-specific tariffs and fees.

1.5.3 Integrative Framework

The Policy harmonizes national and county legislative requirements with international best practices to ensure:

- (a) **Legal Compliance:** All tariffs, fees, and charges are grounded in statutory authority.
- (b) **Equity and Fairness:** Tariffs are applied consistently across all users, with special provisions for vulnerable and low-income groups.
- (c) **Financial Sustainability:** Revenue collection is adequate to sustain service delivery while promoting efficient resource utilization.
- (d) **Economic Alignment:** Tariff structures support local economic development, trade, and enterprise growth.
- (e) **Transparency and Accountability:** Full disclosure and systematic documentation of tariffs, fees, and charges are maintained to enhance public trust.

By embedding the cited policy and legislative instruments, Homa Bay County establishes a comprehensive legal and regulatory foundation for equitable, sustainable, and predictable revenue mobilization.

1.5.4 National Policy to Support Enhancement of County Governments' Own-Source Revenue

The National OSR Policy underscores the need for counties to develop a Tariffs and Pricing Policy to provide a basis for setting fees and charges for public services offered by the county government. It also stipulates that a Tariffs and Pricing Policy should provide citizens with information to understand and interpret the fees and charges they pay and the services that they should expect from the county in return.

1.5.5 National Trade Policy, 2017

The National Trade Policy, 2017 gives direction on certain matters such as domestic trade development, which is one of the county functions and a key revenue stream for counties.

1.6 GENERAL PRINCIPLES GUIDING TARIFF DETERMINATION

The determination and application of tariffs, fees, and charges in Homa Bay County shall adhere to the following guiding principles, which ensure fairness, transparency, sustainability, and alignment with national and county development priorities:

1.6.1 Affordability

Tariffs, fees, and charges shall be set at levels that are reasonable and reflective of the cost-of-service delivery. Consideration shall be given to the capacity of residents and businesses to pay, ensuring that essential services remain accessible to all citizens.

1.6.2 Equity and Fairness

All tariffs and charges shall be applied equitably across users, taking into account differences in socio-economic status, consumption patterns, and service usage. Special attention shall be given to vulnerable groups to avoid undue financial burden.

1.6.3 Cost-Reflectivity and Financial Sustainability

Tariffs shall be based on an evidence-driven assessment of the actual cost of delivering services. They shall generate sufficient revenue to sustain service delivery while minimizing reliance on external funding. The County shall aim for a balance between revenue adequacy and service affordability.

1.6.4 Promotion of Local Economic Development

Tariffs shall support enterprise growth, job creation, and investment within the County. This includes providing incentives or preferential rates for small and medium enterprises (SMEs), agro-processing industries, and strategic sectors critical for economic development.

1.6.5 Transparency and Accountability

The County shall ensure full disclosure of the methodology for tariff determination, the rationale for fees, and the services provided. Information shall be accessible to the public, enabling citizens and businesses to understand, verify, and provide feedback on tariffs.

1.6.6 Environmental Sustainability

Where applicable, tariffs shall encourage the efficient and sustainable use of resources, promote recycling and waste management, and align with broader environmental objectives. This principle ensures that revenue collection contributes to sustainable development outcomes.

1.6.7 Social Protection and Inclusivity

Tariffs shall include provisions for subsidized rates, lifeline tariffs, or exemptions for low-income households and vulnerable groups. The County shall ensure that all residents have access to essential services without financial exclusion.

1.6.8 Legal Compliance

All tariffs, fees, and charges shall comply with national and county legislation, regulations, and policies. This includes adherence to the Constitution, County Governments Act, Public Finance Management Act, and relevant sectoral laws.

1.6.9 Periodic Review and Adjustment

Tariffs shall be reviewed periodically to reflect changes in service costs, economic conditions, and policy priorities. This ensures that fees remain relevant, sustainable, and responsive to evolving community and county needs.

1.7 POLICY DEVELOPMENT PROCESS

The development of the Homa Bay County Tariffs and Pricing Policy followed a structured, inclusive, and evidence-driven process to ensure legal compliance, stakeholder engagement, and **alignment with the County's development priorities**. The process was spearheaded by the County Executive Committee Member for Finance, who designated the Chief Officer responsible for revenue to coordinate the policy formulation. A Technical Committee was constituted, bringing together officers from the County Treasury, the Homa Bay County Revenue Board, sectoral **departments, legal services, planning, and other relevant agencies**. The Committee's mandate was to research, analyze, and develop a coherent and sustainable framework for tariff determination and revenue administration.

The first stage of the process involved a comprehensive situational analysis. This assessed existing tariffs, fees, and charges across all County services, evaluated the cost-of-service delivery, and analyzed the adequacy of current revenue streams. The analysis further mapped revenue sources to the services provided, identified operational inefficiencies and inconsistencies, and evaluated the socio-economic impacts of fees on residents and businesses. This evidence-based assessment provided a solid foundation for policy design.

To ensure that the policy was responsive and grounded in practical realities, the County Treasury engaged a broad range of stakeholders. Inputs were sought from County departments and agencies responsible for service delivery, the County Revenue Board, private sector representatives, community organizations, and development partners. Stakeholder feedback highlighted operational challenges, identified areas for improvement, and provided recommendations on structuring, affordability, and compliance mechanisms.

Drawing on the situational analysis and stakeholder inputs, the Technical Committee prepared a draft Tariffs and Pricing Policy. The draft emphasized alignment with statutory requirements under the Constitution, the County Governments Act, the Public Finance Management Act, and sector-specific legislation. Key considerations included equity, affordability, financial sustainability, transparency, social protection, and harmonization with national policies such as the National Own Source Revenue Policy and the National Trade Policy.

The draft policy was subjected to public participation, consistent with constitutional and legislative requirements. Consultative meetings, public forums, and surveys were conducted across sub-counties to gather feedback from citizens, businesses, and civil society. This process ensured that the policy reflected community priorities, enhanced inclusivity, and built public ownership of the revenue framework.

Following incorporation of the public's input, the finalized draft was submitted to the County Executive Committee for Finance for review and validation. Upon approval, it was forwarded to the County Assembly for formal adoption and legal recognition. To institutionalize the policy, dissemination was conducted across all relevant County departments, boards, and agencies, accompanied by the establishment of implementation protocols, monitoring mechanisms, and reporting frameworks.

Through this rigorous process, the Homa Bay County Tariffs and Pricing Policy is evidence-based, legally compliant, socially inclusive, and economically rational. It provides a robust foundation for transparent revenue administration, fiscal sustainability, and the delivery of quality public services, while ensuring that fees, charges, and tariffs are predictable, cost-reflective, and aligned with the County's development objectives.

CHAPTER TWO: SITUATIONAL ANALYSIS

2.1 INTRODUCTION

This chapter presents a comprehensive situational analysis of revenue collection and management within Homa Bay County. It identifies critical gaps, systemic weaknesses, and operational challenges that have constrained effective revenue mobilization. The analysis is framed by the County's non-compliance with Section 120 of the County Governments Act, 2012, which mandates the adoption of a Tariffs and Pricing Policy to guide the determination of all user fees, charges, and other revenue streams.

The absence of a unified, evidence-based policy has led to fragmented practices across departments, reliance on outdated legislation and defunct local authority by-laws, and inconsistent fee structures. This has reduced predictability, transparency, and equity in revenue administration, and weakened the alignment between revenue collection and the delivery of quality public services.

This situational analysis therefore provides a foundation for targeted policy interventions, institutional reforms, and operational improvements, ensuring that Homa Bay County establishes a sustainable, legally compliant, and development-oriented revenue system.

2.2 Policy Gaps in Revenue Streams

2.2.1 Trade Licensing Fees

Trade licensing fees are determined primarily through the Homa Bay County Finance Act (as amended), the Revenue Administration Act, and the County Revenue Board Act. These fees currently fund public health services, sanitation, waste management, fire services, water provision, security surveillance, and access roads.

Gaps Identified:

- (a) Inconsistent methodology for fee determination.
- (b) Limited alignment between fees collected and actual service costs.
- (c) Insufficient incentives to formalize businesses, particularly micro and informal enterprises.
- (d) Minimal transparency and public awareness regarding fee allocation.
- (e) Weak enforcement and compliance monitoring, leading to revenue leakage.
- (f) Lack of differential fees to encourage priority sectors or strategic economic activities.
- (g) Limited integration of digital platforms for licensing, tracking, and reporting.
- (h) Inadequate stakeholder consultation in setting fee structures.

2.2.2 Building Plan Approval Fees

The County intends to develop a comprehensive spatial plan to guide building plan approval fees. Currently, fees are determined without clear subsidies or waivers and are channeled toward inspection and approval processes to ensure compliance with building safety standards.

Gaps Identified:

- (i) Lack of a standardized cost-reflective methodology.
- (j) Minimal public information on how fees are applied.
- (k) Absence of differentiated tariffs to support economic development or low-income groups.
- (l) Limited transparency on fee utilization for infrastructure development.
- (m) No mechanism for periodic review and adjustment to reflect construction cost changes.
- (n) Lack of incentives for compliance, leading to illegal construction and revenue loss.
- (o) Weak integration with broader urban planning and spatial development policies.

2.2.3 Parking Fees

Parking fees are based on outdated local authority by-laws, guided partially by the County Roads and Transport Policy. Collection has been ongoing, but users have limited awareness of the services funded through these fees.

Gaps Identified:

- (p) Insufficient link between fee levels and quality of service provision.
- (q) Poor enforcement and monitoring mechanisms, leading to revenue evasion.
- (r) Limited integration with broader urban planning and mobility strategies.
- (s) Minimal use of digital or automated systems for fee collection and monitoring.
- (t) Lack of differentiated pricing based on vehicle type, duration, or peak hours.
- (u) Limited public participation in determining fee levels or policies.

2.2.4 Market Access Fees

Market access fees are determined annually through the Finance Act. Service provision in markets—including security, lighting, sanitation, loading bays, and weighing facilities—is generally inadequate relative to the fees collected.

Gaps Identified:

- (v) Fees do not consistently reflect the cost-of-service provision.
- (w) Market infrastructure and operational support remain underdeveloped.
- (x) Minimal public accountability and reporting on fee utilization.
- (y) Weak linkage between fee collection and reinvestment in market improvements.
- (z) No standardized fee schedule across markets, leading to inconsistency and disputes.
- (aa) Lack of mechanisms to promote fair competition and support small-scale traders.
- (bb) Limited stakeholder engagement in the determination of fees.

2.2.5 County Housing Rents

Rents are determined using location, size, historical rates, and social amenities. Other costs, including maintenance and operational expenses, are not systematically considered. Users have limited transparency regarding rent utilization for housing upkeep.

Gaps Identified:

- (cc) Lack of cost-reflective pricing methodology.
- (dd) Minimal consideration for affordability, subsidies, or lifeline tariffs for low-income households.
- (ee) Limited linkages between rental income and infrastructure maintenance.
- (ff) Inadequate mechanisms for periodic rent review based on market conditions.
- (gg) Insufficient transparency on how rent revenue is allocated or reinvested.
- (hh) Weak enforcement of rental agreements, leading to arrears and revenue loss.
- (ii) No structured system for tenant feedback or participation in housing service decisions.

2.3 Cross-Cutting Challenges

1. Structural and Economic Constraints

- (jj) Narrow revenue base with limited diversification.
- (kk) High informality in business and agriculture, reducing taxable economic activity.
- (ll) Low value addition in fisheries, agriculture, trade, and tourism.
- (mm) Inadequate infrastructure, including markets, landing sites, and transport networks.

2. Institutional and Legal Constraints

- (nn) Overlapping mandates and unclear roles among revenue institutions.
- (oo) Limited capacity for enforcement, monitoring, and compliance.
- (pp) Weak coordination between departments and agencies.

3. Public Awareness and Compliance Challenges

- (qq) Low citizen knowledge about fees and service entitlements.
- (rr) Limited stakeholder engagement in policy formulation.
- (ss) Resistance to compliance due to perceived inequities or lack of transparency.

4. Financial and Operational Constraints

- (tt) Inadequate financial planning and budgeting for revenue operations.
- (uu) Weak cost-recovery mechanisms and absence of performance-based monitoring.
- (vv) Limited adoption of technology for automated billing, reporting, and enforcement.

2.4 SWOT Analysis and Structural & Economic Constraints

A detailed assessment of the County's revenue environment highlights both internal and external factors affecting revenue mobilization. The analysis incorporates strengths, weaknesses, opportunities, and threats (SWOT), alongside structural and economic constraints that influence the sustainability and efficiency of the County's revenue streams.

2.4.1 Strengths

- (a) Legal and Institutional Frameworks – The County has established legislation including the Homa Bay County Finance Act, Revenue Administration Act, and Revenue Board Act, which provide a legal basis for revenue collection and administration.
- (b) Existing Revenue Streams – The County has identifiable sources of Own Source Revenue (OSR), including trade licensing, building approvals, market access fees, parking fees, and county housing rents.
- (c) Administrative Capacity – Functional structures such as the County Treasury, Directorate of Revenue, and the Revenue Board provide a foundation for improved coordination, oversight, and enforcement.
- (d) Stakeholder Networks – Established channels with the private sector, trade associations, and community groups facilitate potential engagement for compliance, policy feedback, and revenue growth.

2.4.2 Weaknesses

- (a) Fragmented Fee Setting Practices – Reliance on legacy by-laws, outdated legislation, and sector-specific Finance Act provisions leads to inconsistencies and unpredictability in tariff determination.
- (b) Limited Cost-Reflective Tariffs – Fees and charges often do not account for actual service delivery costs, affecting financial sustainability.
- (c) Inadequate Infrastructure – Markets, parking facilities, and public housing often lack the infrastructure and services commensurate with fees charged, undermining public trust.
- (d) Low Public Awareness and Participation – Citizens and business owners are not always adequately informed of fees, charges, or the use of collected revenue, reducing compliance.
- (e) High Informality in Economic Activities – Many businesses and informal sector operators remain unregistered, limiting the County's revenue base.

2.4.3 Opportunities

- (a) Digitalization of Revenue Systems – Implementation of e-payment platforms and integrated data systems can enhance efficiency, transparency, and real-time monitoring.
- (b) Economic Diversification – Growth in trade, tourism, fisheries, and agriculture presents opportunities to broaden the County's revenue base through targeted fees and incentives.
- (c) Public-Private Partnerships – Collaboration with private sector actors can facilitate service delivery improvements, enhance compliance, and support revenue growth.

- (d) **Policy and Legislative Alignment** – The adoption of a comprehensive Tariffs and Pricing Policy allows the County to harmonize legal instruments and institutional practices for consistency and predictability.
- (e) **Capacity Building and Awareness** – Training and sensitization programs for staff, business operators, and citizens can strengthen understanding of revenue systems, rights, and obligations.

2.4.4 Threats

- (a) **Economic Volatility** – Local and national economic fluctuations, including inflation and commodity price shocks, can reduce revenue predictability and collection efficiency.
- (b) **Climate-Related Risks** – Dependence on agriculture, fisheries, and other climate-sensitive sectors exposes the County’s revenue streams to seasonal and environmental shocks.
- (c) **Public Resistance to Fees** – Historical inconsistencies and lack of transparency may result in low compliance, disputes, and potential legal challenges.
- (d) **Policy and Regulatory Gaps** – Weak enforcement of existing laws and inconsistent application of fees could undermine revenue collection objectives.
- (e) **Informality and Tax Evasion** – High informality in trade and business activities limits the County’s ability to collect fees and taxes comprehensively.

2.4.5 Structural and Economic Constraints

The County’s revenue mobilization is also constrained by structural and economic factors, which include:

- (a) **Narrow Revenue Base** – A significant portion of economic activity remains informal or outside the tax net, limiting the scope of revenue collection.
- (b) **Low Value Addition** – Key sectors such as agriculture, fisheries, and trade generate limited value-added outputs, constraining taxable economic activity.
- (c) **Infrastructure Deficits** – Poorly developed markets, roads, parking facilities, and utilities reduce the effectiveness and efficiency of revenue collection.
- (d) **Limited Access to Capital and Credit** – Many micro and small enterprises lack financing to expand operations, reducing their contribution to County revenue.
- (e) **Economic Shocks and External Dependencies** – Dependence on agriculture and fisheries exposes revenue streams to climatic variability, market fluctuations, and external economic trends.

These constraints necessitate the formulation of targeted interventions to broaden the revenue base, strengthen formalization, promote value addition, and improve service delivery. By addressing structural weaknesses and leveraging opportunities, the County can enhance revenue predictability, financial sustainability, and economic growth, while ensuring fairness, transparency, and accountability.

2.5 POLICY IMPLICATIONS AND STRATEGIC DIRECTIONS

The situational analysis and SWOT assessment highlight the pressing need for a structured, transparent, and legally compliant approach to revenue mobilization in Homa Bay County. The findings underscore that while the County possesses foundational legal frameworks, institutional structures, and identifiable revenue streams, there remain significant gaps and constraints that limit fiscal efficiency, sustainability, and predictability.

2.5.1 Policy Implications

- (a) **Need for a Comprehensive Tariffs and Pricing Policy** – The absence of a unified policy has resulted in fragmented, inconsistent, and non-cost-reflective fee structures. A formal policy

is critical to harmonize existing legislation, guide fee determination, and ensure compliance with statutory obligations under Section 120 of the County Governments Act.

- (b) **Revenue Base Expansion and Formalization** – The high level of informality and narrow taxable base constrains revenue generation. Policies must prioritize registration, licensing, and formalization of businesses and enterprises to broaden the County’s revenue streams.
- (c) **Cost-Reflective and Transparent Fees** – Current fees often fail to reflect actual service delivery costs, undermining both sustainability and public trust. Policies should ensure that tariffs are calculated based on full cost recovery principles while remaining equitable and socially inclusive.
- (d) **Infrastructure and Service Enhancement** – Weak service delivery infrastructure, including markets, parking facilities, and housing, negatively affects revenue compliance and collection efficiency. Policy interventions must prioritize investments that align revenue collection with enhanced service provision.
- (e) **Digitalization and Data-Driven Decision-Making** – Limited technological integration hampers real-time monitoring, enforcement, and reporting. Policies should promote digital platforms and data management systems to improve efficiency, transparency, and accountability in revenue administration.
- (f) **Stakeholder Engagement and Public Participation** – Low public awareness and inadequate engagement reduce voluntary compliance. Policies should embed mechanisms for consultative decision-making, citizen sensitization, and private sector collaboration to foster compliance and trust.
- (g) **Economic and Climate Resilience** – The County’s reliance on climate-sensitive sectors such as agriculture and fisheries exposes revenue streams to shocks. Strategic policies must incorporate risk-adjusted approaches, diversifying sources and implementing contingency measures to safeguard fiscal stability.

2.5.2 Strategic Directions

- (a) **Diversification of Revenue Streams** – Expand beyond traditional revenue sources by identifying untapped economic sectors, promoting value addition in agriculture, fisheries, trade, and tourism, and leveraging new technologies and investment opportunities.
- (b) **Institutional Strengthening** – Enhance the capacity of the Directorate of Revenue, County Treasury, and related departments through structured training, clear role definitions, and improved coordination mechanisms.
- (c) **Legal and Regulatory Alignment** – Harmonize County legislation, by-laws, and operational guidelines with the Tariffs and Pricing Policy to ensure consistency, enforceability, and legal compliance.
- (d) **Service-Oriented Revenue Collection** – Link revenue collection to improved service delivery standards, ensuring that fees and charges are justified, visible, and deliver tangible benefits to citizens.
- (e) **Digital Integration and Analytics** – Implement automated revenue management systems, integrated reporting platforms, and data analytics to monitor collection efficiency, compliance, and sectoral contributions.
- (f) **Inclusive and Equitable Tariff Structures** – Design tariffs that consider affordability, promote local economic development, and provide lifeline access for low-income households while ensuring financial sustainability.
- (g) **Periodic Review and Adaptation** – Establish mechanisms for regular review of tariffs, fees, and charges to respond to economic changes, sectoral growth, and emerging county development priorities.
- (h) **Public Awareness and Compliance Promotion** – Roll out campaigns and consultative engagements to educate stakeholders on fees, services, and compliance requirements, thereby fostering voluntary adherence and minimizing disputes.

CHAPTER THREE: POLICY GOALS, OBJECTIVES, STATEMENTS, AND INTERVENTIONS

3.1 Introduction

Building upon the situational and institutional analysis in Chapter Two, this chapter articulates the overarching policy goals, strategic objectives, actionable policy statements, and interventions that guide the determination, implementation, and management of tariffs, fees, and charges within Homa Bay County.

The County recognizes revenue mobilization as a strategic instrument for financing public services, enhancing fiscal autonomy, and promoting socio-economic development. Effective tariff-setting is therefore critical not only for revenue generation but also for ensuring cost-reflective, equitable, transparent, and sustainable service delivery.

This Policy establishes a coordinated and legally compliant framework that integrates governance, compliance, technology, institutional capacity, stakeholder participation, and accountability mechanisms. It ensures that revenues are collected efficiently, fees are aligned with service costs, and resources are reinvested to strengthen service quality, economic development, and local growth.

3.2 Policy Goal

The primary goal of this Policy is to establish a comprehensive, predictable, and equitable framework for setting tariffs, fees, and charges across all county services, ensuring that revenue mobilization supports service sustainability, economic growth, and socio-economic equity.

3.3 Policy Objectives

The Policy is structured around **primary and secondary objectives** to ensure clarity, focus, and alignment with county development priorities:

Primary Objectives

- (a) Establish a standardized, evidence-based methodology for determining the cost of providing all county services.
- (b) Promote transparency, accountability, and public awareness regarding fees, charges, and their utilization.
- (c) Ensure financial sustainability by aligning fees and charges with operational and maintenance costs.
- (d) Facilitate compliance and enforcement, reducing revenue leakage and enhancing efficiency in fee collection.

Secondary Objectives

- (a) Encourage formalization of economic activities to broaden the county revenue base.
- (b) Support local economic development by incentivizing enterprise growth, investment, and value addition.
- (c) Promote integration of digital systems for revenue collection, monitoring, and reporting.
- (d) Ensure equitable access to services through subsidies, lifeline tariffs, or differentiated rates for vulnerable populations.
- (e) Build institutional capacity for periodic review, adjustment, and optimization of fees, charges, and tariffs.

- (f) Align fee-setting with environmental sustainability, social inclusion, and broader county development objectives.

3.4 Policy Statements

To operationalize these objectives, the Policy advances the following **strategic statements**:

- (a) **Cost-Reflective Pricing:** Fees and tariffs shall be based on a full-cost recovery approach, incorporating capital, operational, maintenance, and service delivery costs.
- (b) **Equity and Inclusivity:** Tariffs shall promote fairness and accessibility, ensuring that low-income households, vulnerable groups, and micro-enterprises are not unduly burdened.
- (c) **Economic Efficiency:** Tariffs shall incentivize value addition, investment, and business growth while supporting sustainable revenue generation.
- (d) **Transparency and Accountability:** Citizens and service users shall have access to clear information on fee structures, service standards, and utilization of collected revenues.
- (e) **Institutional Sustainability:** Fee administration shall be integrated within institutional frameworks that support compliance, monitoring, and enforcement.
- (f) **Data-Driven Decision Making:** Fee determination and adjustments shall be informed by economic data, cost analyses, stakeholder consultations, and periodic reviews.
- (g) **Service-Oriented Revenue Use:** Revenues collected shall be reinvested into service enhancement, including infrastructure, operational improvements, and quality assurance.

3.5 POLICY INTERVENTIONS

3.5.1 Revenue Stream Optimization

Policy Goal:

To broaden and diversify Homa Bay County's revenue base, ensuring sustainable and equitable generation of Own Source Revenue (OSR) while supporting socio-economic growth.

Objectives:

- (a) Identify all potential sources of revenue across county services and sectors.
- (b) Strengthen the formalization of informal businesses and economic activities.
- (c) Align revenue growth strategies with sectoral development priorities.
- (d) Maximize collection efficiency while minimizing compliance costs for taxpayers.

Interventions:

- (a) Conduct a Comprehensive Revenue Base Assessment to identify gaps and potential new revenue streams.
- (b) Develop strategies to formalize informal businesses, traders, and agricultural enterprises.
- (c) Implement sector-specific revenue growth initiatives, targeting trade, markets, fisheries, tourism, transport, and agro-processing.
- (d) Establish periodic revenue audits and compliance checks to ensure consistency and accuracy.

3.5.2 Cost-Reflective Tariff Methodology

Policy Goal:

To ensure all county tariffs, fees, and charges reflect the true cost of service delivery, promoting efficiency, sustainability, and equity.

Objectives:

- (a) Develop standardized methodologies for calculating costs of services.
- (b) Ensure tariffs incorporate capital, operational, and maintenance costs.
- (c) Introduce differentiated tariffs for vulnerable groups, low-income households, and SMEs.
- (d) Periodically review and adjust tariffs to remain cost reflective.

Interventions:

- (a) Develop a County Tariff Calculation Framework covering all services.
- (b) Apply full-cost recovery principles, integrating operational and infrastructure costs.
- (c) Introduce lifeline tariffs or subsidies for low-income households and priority sectors.
- (d) Establish a review schedule for tariff adjustments based on cost, inflation, and service quality.

3.5.3 Stakeholder Engagement and Public Participation

Policy Goal:

To enhance transparency, inclusivity, and public trust through active engagement of citizens, private sector actors, and other stakeholders in revenue determination.

Objectives:

- (a) Promote citizen awareness of fees, charges, and associated service standards.
- (b) Integrate feedback from stakeholders into policy formulation and tariff adjustments.
- (c) Ensure multi-sectoral collaboration in revenue planning and implementation.

Interventions:

- (a) Conduct regular public consultations, town halls, and surveys on fee structures.
- (b) Form sector-specific stakeholder committees to co-design tariffs and incentives.
- (c) Develop communication campaigns explaining tariff rationale, service delivery, and utilization of revenues.

3.5.4 Digitalization and Revenue Management Systems

Policy Goal:

To improve efficiency, compliance, and transparency in revenue collection through the use of modern digital systems.

Objectives:

- (a) Automate revenue collection across all county services.
- (b) Enhance real-time monitoring and reporting of revenue performance.
- (c) Facilitate integration of data analytics into decision-making.

Interventions:

- (a) Deploy digital payment platforms, including mobile money, online portals, and e-invoicing.
- (b) Integrate real-time revenue monitoring dashboards accessible to county management.
- (c) Implement data-driven decision support systems for planning, forecasting, and compliance

CHAPTER FOUR: TARIFF DETERMINATION

4.0 Introduction

This chapter describes the determination of tariffs for the revenue streams charged by the County Government of Homa Bay. The policy covers five revenue streams namely trade licensing fees, building plan approval fees, parking fees, market access fees and housing rent.

The key consideration in determining tariffs is the cost-of-service provision. However, the county may vary the tariffs depending on various factors such as categories of users and businesses, geographical areas, type and nature of services, and county economic and development priorities.

4.1 Trade Licensing Fees Tariff

A trade licensing fee is a levy charged to traders by the county government as a prerequisite to conducting business within the county jurisdiction. On payment of the fees, a trader is issued with a trade license.

The specific objectives of trade licensing are to:

- i. Control and regulate business practices
- ii. Generate consistent business-related data for county planning
- iii. Mobilize resources for providing services that ensure a safe and clean environment for traders

The following factors have been considered in setting the county trade licensing tariff: -

a) Type of Business

There are several types of businesses in the county such as transport, processing and manufacturing firms, hospitality businesses, professional service and education institutions.

b) Size of Business

The size of the business is informed by the number of employees and the plinth area of the business premises.

c) Cost of Providing the Services

The cost of providing county services varies between urban and rural areas. Services concerning trade licensing include firefighting, street lighting, road access, stormwater management, and waste collection. Such costs for service provision may be fixed or variable as tabulated below:

Table 1: Services and Costs for Trade Licensing

Services	Fixed Cost	Variable Cost
----------	------------	---------------

Firefighting services	Fire station construction cost (<i>cost recovery spread within 20 years</i>)	Water cost Administrative costs Fuel cost Fire truck maintenance cost Ambulance fuel and maintenance cost Electricity costs
	Fire truck purchase cost (<i>cost recovery spread within 10 years</i>)	
	Firefighters salaries	
	Fire truck drivers' salaries	
	Ambulance purchase cost (<i>cost recovery spread within 10 years</i>)	
	Ambulance staff salaries	
	Fire inspector salaries	
	Firefighting uniform and equipment	
Street Lighting	Street Lighting Installation cost (<i>cost recovery spread within 10 years</i>)	Electricity cost Repairs and maintenance of the street lighting Administrative costs
	County Electrician salaries	
	Street lighting equipment cost	
Road access	Road construction cost (<i>cost recovery spread within 20 years</i>)	Road maintenance cost Administrative costs
	Road maintenance staff salaries	
	Cost of land for road construction (<i>cost recovery spread within 10 years</i>)	
Stormwater management	Drainage system construction cost (<i>cost recovery spread within 10 years</i>)	Drainage system maintenance cost Administrative costs
	Stormwater management staff salaries	
Waste collection	Garbage trucks purchase cost (<i>cost recovery spread within 10 years</i>)	Garbage truck fuel and maintenance cost Disposal fees Administrative costs
	Garbage collection staff salaries	
	Garbage equipment cost	

NB: Parameters used in determining cost of services in the above stream may not be the only factors

Setting a Trade Licensing Fee

In setting a trade licensing fee, the average annual cost of service provision in the past three years was considered as a base. Table 2 shows how the county determined the cost of providing services relating to trade licensing. For this policy, the county assumed that the businesses licensed are of the same size and type.

Table 2: Costing of Trade Licensing Fees

Services	Urban Fixed Costs	Rural Fixed Costs	Urban Variable Costs	Rural Variable Costs	Urban Total	Rural Total
	A	B	C	D	A+C	B+D
Firefighting Services	13,260,000	2,340,000	2,550,000	450,000	15,810,000	2,790,000
Street Lighting	2,975,000	525,000	1,275,000	225,000	4,250,000	750,000
Stormwater management	3,867,500	682,500	1,657,500	292,500	5,525,000	975,000
Road access	99,960,000	17,640,000	42,840,000	7,560,000	142,800,000	25,200,000

Waste Collection	12,495,000	2,205,000	5,355,000	945,000	17,850,000	3,150,000
Total Cost	132,557,500	23,392,500	53,677,500	9,472,500	186,235,000	32,865,000
The average number of annual licenses issued in the preceding 3 years					14,495	7,805
Cost of service per license					12,848.22	4,210.76

The cost of a trade license is Kshs.12,848 in urban and Kshs.4,210 in rural areas. In costing the above fees, the County Government of Homa Bay only considered the geographical categorization of users to compute the fees, however, other categorizations will be considered such as the size of the business, and provided for in the Trade Licensing Act.

Building Plan Approval Fees Tariff

This is a fee charged for approval of building plans for construction of permanent structures within the county. The objectives for charging a fee for approval of building plans are to:

- Uphold building codes and physical planning requirements as well as conditions imposed by any approving authority
- Ensure safety and compliance for occupants of the building
- Enforce the spatial plan.
- Assist in planning for the provision of services such as drainage, sewerage, and power.
- Mobilizing resources for service delivery

The county considered the following factors in setting up a building plan approval tariff:

Cost of Construction: This includes the cost as stipulated in the bill of quantities as approved by the county.

Type of Building: Buildings in the county are categorized as either commercial, residential, or industrial.

Cost of Provision of Service: The county government services provided with respect to the building plan approval fees include the development of a spatial plan, road access maintenance, and inspection. Such costs for service provision may be fixed or variable as tabulated below: -

Table 3: Services and Costs for Building Approval

Service	Fixed Cost	Variable Cost
Development of a Spatial Plan	Cost of implementing Spatial Plan (<i>cost recovery spread within 10 years</i>)	- Cost of building plan Approvals
Road maintenance costs		Road maintenance cost Administrative costs
Inspection	Inspectorate staff salaries Inspectorate equipment	- Administrative costs

NB: Parameters used in determining cost of services in the above stream may not be the only factors

Setting a Building Plan Approval Fee

In setting a building plan approval fee the average annual cost of service provision in the past three years was considered as a base. Table 4 shows how the county determined the cost of providing services relating to building plan approval fees.

Table 4: Costing of Building Plan Approval Fee

Services	Urban Fixed Costs	Rural Fixed Costs	Urban Variable Costs	Rural Variable Costs	Urban Total	Rural Total
	A	B	C	D	A+C	B+D
Cost of developing spatial plan	22,780,182	4,020,032	9,762,935	1,722,871	32,543,117	5,742,903
Road maintenance costs	27,965,000	4,935,000	11,985,000	2,115,000	39,950,000	7,050,000
Inspection	7,261,751	1,281,485	3,112,179	549,208	10,373,930	1,830,693
Total Cost	58,006,933	10,236,518	24,860,114	4,387,079	82,867,047	14,623,596
No. of approvals in a years					2,983	994
Cost per building permit					27,782.10	14,708.17

The cost of a building approval permit is Khs. 27,782 in urban areas. In costing the above fees, the County Government of Homa Bay only considered the geographical categorization of users to compute the fees.

Parking Fees Tariff

This is a fee charged on vehicles for the use of parking spaces in public parking facilities provided by the county government. For the purposes of this policy, vehicles include carts, *tuk tuk*, motorbikes, private vehicles, public service vehicles, and lorries.

The objectives of parking fees are to:

- i. Manage traffic and decongest urban centres and localities
- ii. Control and regulate the conduct of motorists
- iii. Mobilize resources for providing services in the parking spaces

The county will consider the following factors in setting up a parking fee tariff:

i. Parking Zones and Location

The county has designated parking places along roads, within its area of jurisdiction for vehicles or vehicles of any particular class or description. The location of such parking places determines the parking fee cost.

ii. Cost of Providing the Service

The county government will provide the following services for the parking tariff including street lighting, cleaning services, security, paving and tarmacking, and demarcation of parking areas. The cost of providing the services varies between urban and rural areas.

Table 5: Services and Costs for Parking Fees

Service	Fixed Cost	Variable Costs
Land Purchase Cost	Land Purchase cost (<i>cost recovery spread within 10 years</i>)	

Infrastructure	Paving and tarmacking cost (<i>cost recovery spread within 20 years</i>) Salaries for parking attendants	Demarcation of parking areas Maintenance of paved roads Administrative costs
Cleaning services	Cleaning equipment Cleaning staff salaries	Water cost Administrative costs
Sanitation and ablution	Ablution block infrastructure cost (<i>cost recovery spread within 20 years</i>) Staff maintaining ablution block Electricity cost	Water Services Supplies cost Administrative costs
Firefighting	Fire truck purchase cost (<i>cost recovery spread within 10 years</i>) Firefighters salaries Fire truck drivers' salaries Ambulance Purchase cost (<i>cost recovery spread within 10 years</i>) Ambulance staff salaries Fire inspector salaries Firefighting uniform and equipment	Water cost Fuel cost Truck maintenance cost Ambulance fuel and maintenance cost Administrative costs
Street Lighting	Street lighting installation cost (<i>cost recovery spread within 10 years</i>) County Electrician salaries	Electricity cost Repairs and maintenance of the street lighting Staff administration costs
Security	Perimeter fence construction cost (<i>cost recovery spread within 20 years</i>) Security staff salaries Bus Park office construction cost (<i>cost recovery spread within 20 years</i>)	Maintenance costs Staff administration costs
Stormwater management	Drainage system construction cost (<i>cost recovery spread within 20 years</i>) Stormwater management staff Stormwater management equipment	Drainage system maintenance costs Staff administration costs
Road access	Road construction cost (<i>cost recovery spread within 20 years</i>) Road maintenance staff salaries	Cost of maintenance cost Staff administration costs

NB: Parameters used in determining cost of services in the above stream may not be the only factors

Setting of Parking Fees

In setting parking fees, the average annual cost of service provision in the past three years was considered as a base. Tables 6(A) and 6(B) below show how the county determined the cost of providing services relating to parking fees. For this policy, the county assumed that the parking slots are of the same size and are not metered.

Table 6(A): Costing of Parking Fees

Services	Urban Fixed Costs	Rural Fixed Costs	Urban Variable Costs	Rural Variable Costs	Urban Total	Rural Total
	A	B	C	D	A+C	B+D

Land Purchase cost	-	-	-	-	-	-
Infrastructure	12,495,000	2,205,000	5,355,000	945,000	17,850,000	3,150,000
Cleaning services	99,781,500	17,608,500	42,763,500	7,546,500	142,545,000	25,155,000
Sanitation and ablution	12,495,000	2,205,000	5,355,000	945,000	17,850,000	3,150,000
Firefighting	11,067,000	1,953,000	4,743,000	837,000	15,810,000	2,790,000
Street Lighting	2,975,000	525,000	1,275,000	225,000	4,250,000	750,000
Security	7,260,339	1,281,236	3,111,574	549,101	10,371,913	1,830,338
Stormwater management	3,867,500	682,500	1,657,500	292,500	5,525,000	975,000
Road access	494,079,188	87,190,445	211,748,223	37,367,334	705,827,412	124,557,779
Total Cost	644,020,527	113,650,681	276,008,797	48,707,435	920,029,324	162,358,116
Cost per Day=Total/365 days					2,520,628.28	444,816.76
Number of Parking slots					19,901	10,716
Cost of service per parking slots					126.66	41.51

The cost of providing a parking service is Kshs.126.66 in urban areas. In costing the above fees, the County Government of Homa Bay only considered the geographical categorization of users to compute the fees.

Market Access Fees Tariff

This is a fee charged to traders of goods, animals, or any other products to enable them to transact their business within county markets.

The specific objectives of levying market access fees are to:

1. and mobilize resources for providing services at the market
2. develop and maintain market infrastructure.

The following factors are considered in setting up a market access tariff-

Space Occupied in the Market: This is the area occupied by a trader within a market that varies in size.

Cost of Providing the Service: The county government will provide the following services for the market access tariff including sanitation and ablution, firefighting, market lighting, security, stormwater management, road access, and waste collection. Some services provided for market access are similar to those provided for trade licensing fees. Therefore, the county has apportioned the cost of similar services between these two tariffs

Types of Markets and Products: Different types of products are traded in the different types of county markets.

Table 7: Services and Costs for Market Access Fees

Services	Fixed Costs	Variable Costs
----------	-------------	----------------

Sanitation and ablation	Ablution block infrastructure cost (<i>cost recovery spread within 20 years</i>) Staff maintaining ablation block Electricity cost	Water Services Consumables cost Fumigation cost Staff administration costs
Firefighting	Fire truck purchase cost (<i>cost recovery spread within 10 years</i>) Firefighters salaries Fire truck drivers' salaries Ambulance purchase cost (<i>cost recovery spread within 10 years</i>) Ambulance staff salaries Fire inspector salaries Firefighting uniform and equipment	Water costs Powder costs Fuel cost Truck maintenance cost Ambulance fuel and maintenance cost Staff administration costs
Market lighting	Market lighting installation costs (<i>cost recovery spread within 20 years</i>) Salaries of County staff in charge of market lighting	Electricity cost Repairs and maintenance of the market lighting Staff administration costs
Security	Perimeter fence construction cost (<i>cost recovery spread within 20 years</i>) Security staff salaries Market office construction cost (<i>cost recovery spread within 20 years</i>)	- Staff administration costs
Stormwater management	Drainage system construction cost (<i>cost recovery spread within 20 years</i>) Stormwater management staff Stormwater management equipment	Drainage system maintenance cost Administration costs
Road access	Road construction cost (<i>cost recovery spread within 20 years</i>) Road maintenance staff salaries	Road maintenance cost Staff administration costs
Waste collection	Garbage collection equipment Garbage trucks purchase cost (<i>cost recovery spread within 10 years</i>) Garbage collection staff salaries	Garbage truck fuel and maintenance cost Staff administration costs
Infrastructure	Land purchase cost (<i>cost recovery spread within 10 years</i>) Market infrastructure cost (<i>cost recovery spread within 20 years</i>)	

NB: Parameters used in determining cost of services in the above stream may not be the only factors

The Setting of Market Access Fees

In setting market access fees, the average annual cost of service provision in the past three years which are apportioned between market access and trade licensing fees was considered as a base. The cost of providing the services varies between urban and rural areas. Tables 8(A) and 8(B) show how the county determined the cost of providing services relating to market access fees. For this policy, traders will be levied a minimum charge for a defined space in square metres for accessing the market. Where the trader exceeds the set space in square metres, the tariff will be charged for the additional square metres occupied in the market.

Table 8(A): Costing for Open Air Market Access Fees

Services	Urban Fixed Costs	Rural Fixed Costs	Urban Variable Costs	Rural Variable Costs	Urban Total	Rural Total
	A	B	C	D	A+C	B+D

Sanitation and ablution	12,495,000	2,205,000	5,355,000	945,000	17,850,000	3,150,000
Firefighting	11,067,000	1,953,000	4,743,000	837,000	15,810,000	2,790,000
Market lighting	2,975,000	525,000	1,275,000	225,000	4,250,000	750,000
Security	7,260,339	1,281,236	3,111,574	549,101	10,371,913	1,830,338
Stormwater management	3,867,500	682,500	1,657,500	292,500	5,525,000	975,000
Road access	494,079,188	87,190,445	211,748,223	37,367,334	705,827,412	124,557,779
Waste collection	99,781,500	17,608,500	42,763,500	7,546,500	142,545,000	25,155,000
Market Infrastructure costs	154,278,102	27,225,547	66,119,186	11,668,092	220,397,288	38,893,639
Total Cost	785,803,628	138,671,229	336,772,984	59,430,527	1,122,576,612	198,101,755
The surface area of markets (meter sq)					485,623.20	485,623.20
cost of service per surface area in years (metre sq.)					2,312	408
cost of surface area in day (meter sq.)					6.33	1.12

The cost of accessing markets is Kshs. 6.33 in urban and Kshs. 1.12 in rural areas per day. In costing the above fees, the County Government of Homa Bay only considered geographical categorization and the service area occupied by users to compute the fees.

Table 8(B): Costing of Urban closed) and Rural Open Air Market Access Fees

Services	Urban Fixed Costs	Rural Fixed Costs	Urban Variable Costs	Rural Variable Costs	Urban Total	Rural Total
	A	B	C	D	A+C	B+D
Sanitation and ablution	12,495,000	2,205,000	5,355,000	945,000	17,850,000	3,150,000
Firefighting	11,067,000	1,953,000	4,743,000	837,000	15,810,000	2,790,000
Market lighting	2,975,000	525,000	1,275,000	225,000	4,250,000	750,000
Security	7,260,339	1,281,236	3,111,574	549,101	10,371,913	1,830,338
Stormwater management	3,867,500	682,500	1,657,500	292,500	5,525,000	975,000
Road access	494,079,188	87,190,445	211,748,223	37,367,334	705,827,412	124,557,779
Waste collection	99,781,500	17,608,500	42,763,500	7,546,500	142,545,000	25,155,000
Market Infrastructure costs	154,278,102	27,225,547	66,119,186	11,668,092	220,397,288	38,893,639
Total Cost	785,803,628	138,671,229	336,772,984	59,430,527	1,122,576,612	198,101,755

The surface area of markets (meter sq)	485,623.20	485,623.20
cost of service per surface area in years (metre sq.)	2,312	408
cost of surface area in day (meter sq.)	6.33	1.12

The cost of accessing market stands/stalls is ksh. 6.33 in urban and Kshs. 1.12 in rural areas per day. In costing the above fees, the County Government of Homa Bay only considered geographical categorization and the surface area occupied by users to compute the fees.

Housing Rent

Housing rent is charged for occupancy of county government-owned facilities both residential and commercial.

The objectives of housing rent are to:

- i. Maintain building facilities and the grounds of the area of occupancy.
- ii. Provide services to the occupants
- iii. Provide revenue for the county

The following factors were considered in setting the housing rent tariff-

Location of the Building: The cost of housing rent varies between urban and rural areas.

Type of the House: The county has categorized its houses into residential, commercial, or industrial.

Size of the House: For residential county houses, they vary in size by the number of rooms or by plinth area.

Cost of Services: The cost of providing the services varies between urban and rural areas. The county government provides the following services for the housing rent including lighting, cleaning services, security, and garbage collection.

Table 9: Services and Costs for Housing Rent

Service	Fixed Costs	Variable Costs
Cleaning services	Cleaning equipment	Water costs
	Cleaning staff salaries	Staff administration costs
Lighting	Street lighting Installation cost (<i>cost recovery spread within 10 years</i>)	Electricity cost
	County Electrician salaries	Repairs and maintenance of the streetlighting
		Staff administration costs
Security	Perimeter fence construction cost (<i>cost recovery spread within 20 years</i>)	
Garbage collection	Garbage trucks purchase cost (<i>cost recovery spread within 10 years</i>)	Garbage truck fuel and maintenance cost
	Garbage collection staff salaries	Disposal fees
	Garbage bins	Staff administration costs
Infrastructure	Land purchase cost (<i>cost recovery spread within 10 years</i>)	
	House construction cost	

NB: Parameters used in determining cost of services in the above stream may not be the only factors

The Setting of Housing Rent

The average annual cost of service provision in the preceding three years formed the base. Table 10 shows how the county determined the cost of providing services relating to housing rent. For this

policy, the county assumed that the houses were of the same size and type.

Table 10: Costing for House Rent fees

Services	Urban	Rural	Urban Variable Costs	Rural Variable Costs	Urban	Rural
	Fixed Costs	Fixed Costs			Total	Total
	A	B	C	D	A+C	B+D
Infrastructure	99,960,000	17,640,000	42,840,000	7,560,000	142,800,000	25,200,000
Cleaning services	99,781,500	17,608,500	42,763,500	7,546,500	142,545,000	25,155,000
Street Lighting	2,975,000	525,000	1,275,000	225,000	4,250,000	750,000
Security	7,260,339	1,281,236	3,111,574	549,101	10,371,913	1,830,338
Garbage Collection	12,495,000	2,205,000	5,355,000	945,000	17,850,000	3,150,000
Total Cost	222,471,839	39,259,736	95,345,074	16,825,601	317,816,913	56,085,338
Total Cost per month					26,484,742.71	4,673,778.13
Number of rooms in all housing units					106	106
Cost of service per room in a housing unit in a month					20,821.34	3,674.35

The cost of providing rental services is Kshs.20,821.34 per room in urban areas. In costing the above fees, the County Government of Homa Bay only considered geographical categorization and the sizes of units occupied by users to compute the fees.

CHAPTER FIVE: STAKEHOLDER ANALYSIS AND RESPONSIBILITIES

5.1 INTRODUCTION

Effective revenue mobilization, tariff determination, and policy implementation in Homa Bay County depend on a well-coordinated and multi-stakeholder approach. This chapter identifies key actors, delineates their roles and responsibilities, and establishes structured mechanisms for collaboration, oversight, and accountability. A clearly articulated stakeholder framework is essential to ensure that revenue policies are implemented efficiently, transparently, and in full alignment with the County's development objectives and fiscal priorities.

Stakeholders encompass political leadership, technical departments, service delivery units, regulatory bodies, private sector actors, civil society, and community representatives. Each plays a distinct and complementary role in ensuring that tariffs, fees, and charges are cost-reflective, equitable, and sustainable. Their coordinated engagement enhances service delivery, fosters compliance, promotes public trust, and ensures that revenue mobilization contributes effectively to socio-economic development, infrastructure improvement, and the overall well-being of the County's residents.

Furthermore, the involvement of diverse stakeholders facilitate evidence-based decision-making, strengthens transparency and accountability, and creates opportunities for continuous learning and adaptation in the County's revenue management systems. By fostering a culture of collaboration and shared responsibility, Homa Bay County can optimize its revenue streams while ensuring that public services remain accessible, affordable, and responsive to the needs of all citizens.

5.2 STAKEHOLDER MAPPING AND ROLES

The following table provides a comprehensive mapping of stakeholders involved in revenue collection, tariff setting, and policy implementation, along with their respective roles and responsibilities:

STAKEHOLDER	ROLES AND RESPONSIBILITIES
Governor, Homa Bay County	Provide strategic leadership and oversight into the county revenue policy. Approve high-level policy priorities and tariff frameworks. Ensure alignment of revenue mobilization with county development plans.
County Executive Committee Member (CECM) – Finance	Spearhead revenue policy formulation and implementation. Provide oversight over the County Treasury and revenue-generating departments. Ensure compliance with national legislation on fees and charges. Advocate for resource allocation to critical services funded by tariffs.
Chief Officer, Finance	Operationalize revenue policies and coordinate county departments. Monitor budget implementation, revenue collection, and expenditure efficiency. Supervise the development of cost-reflective tariffs and pricing mechanisms. Prepare reports and recommendations for the CECM and Governor.
Directorate of Revenue	Manage day-to-day revenue collection and enforcement. Develop and maintain databases on taxpayers and service users . Monitor compliance, conduct audits, and recommend adjustments to tariffs. Facilitate formalization of informal businesses and enterprises.
County Revenue Board (CRB)	Advise on revenue policy, tariff setting, and fee structures. Review revenue performance and recommend policy updates. Ensure tariffs are legally compliant and aligned with national standards.

	Promote stakeholder engagement in revenue decisions.
Departmental Heads (Service Delivery Units)	Implement sector-specific tariffs in line with policy. Report on revenue generated, service costs, and utilization of collected funds. Provide technical input for cost-reflective pricing. Coordinate with Directorate of Revenue on enforcement and compliance.
County Attorney's Office	Provide legal guidance on revenue collection, tariffs, and compliance. Review draft policies, laws, and by-laws for conformity with national legislation. Support enforcement actions and dispute resolution mechanisms.
Urban Boards and Municipal Managers	Administer tariffs, fees, and charges within municipalities and urban areas. Maintain urban service delivery infrastructure funded by collected revenues. Ensure public participation and feedback in tariff adjustments.
Private Sector Associations Chambers of Commerce	Provide input on tariff impacts on businesses and trade. Support compliance awareness and voluntary revenue collection. Collaborate with county government in identifying growth sectors and incentives.
Civil Society Organizations (CSOs) and Community- Based Organizations (CBOs)	Advocate for transparency, fairness, and social equity in tariff setting. Facilitate public participation and feedback mechanisms. Monitor service delivery and the use of collected fees.
County Residents / Service Users	Provide feedback on service quality and affordability. Participate in consultations and public forums. - Comply with tariff payments in a timely and transparent manner.
Development Partners	Provide technical and financial support for revenue system improvements. Support capacity building, digitalization, and infrastructure development. Facilitate knowledge exchange and adoption of best practices.

5.3 Stakeholder Engagement and Coordination Mechanisms

To ensure effective implementation of revenue policies and tariff frameworks, Homa Bay County will establish robust mechanisms for stakeholder engagement and coordination. These mechanisms aim to foster collaboration, accountability, and evidence-based decision-making across all relevant actors.

- (a) Revenue Coordination Forums: Quarterly forums will be convened involving the County Revenue Board (CRB), County Treasury, sectoral departments, and other key stakeholders. These forums will review revenue performance, assess challenges, and establish strategic priorities, ensuring alignment with fiscal and development objectives.
- (b) Public Participation Platforms: Structured consultative meetings, town halls, and surveys will be conducted to actively involve citizens in revenue policy formulation, tariff setting, and feedback on service delivery. This participatory approach ensures transparency, enhances compliance, and strengthens public trust.
- (c) Private Sector Engagement: Sector-specific liaison committees will be established to facilitate compliance, identify investment opportunities, and co-design incentives that promote enterprise growth while optimizing revenue collection. Collaboration with business associations, cooperatives, and chambers of commerce will enhance understanding and acceptance of county tariffs and fees.
- (d) Capacity-Building Initiatives: Targeted training and technical support will be provided to County staff, private sector actors, and community representatives. This will strengthen understanding of revenue systems, legal frameworks, enforcement procedures, and the rationale behind cost-reflective tariffs.

- (e) **Monitoring and Reporting Systems:** Integrated digital platforms will be deployed to enable real-time tracking of revenue collection, compliance, and enforcement activities. Annual performance reports will be published to ensure transparency, accountability, and data-driven decision-making.
- (f) **Conflict Resolution and Feedback Mechanisms:** Formal channels for stakeholder feedback and grievance redress will be established to address disputes related to fees, tariffs, or service delivery, ensuring fairness and continuity in revenue management.
- (g) **Collaborative Policy Review:** Periodic reviews involving all stakeholders will assess the effectiveness of tariffs, fees, and charges, identify gaps, and recommend adjustments to align with emerging economic conditions and service delivery needs.

5.4 Expected Outcomes

The effective operationalization of stakeholder engagement and coordination mechanisms is expected to deliver the following outcomes:

- (a) **Clarity of Roles and Responsibilities:** All stakeholders will have well-defined mandates, ensuring accountability and reducing overlaps in revenue administration and policy implementation.
- (b) **Enhanced Coordination and Collaboration:** Inter-departmental and multi-sectoral collaboration will improve efficiency, reduce duplication, and strengthen alignment between revenue initiatives and County development priorities.
- (c) **Increased Public Trust and Compliance:** Transparent processes, participatory platforms, and effective communication will enhance voluntary compliance and community acceptance of tariffs and fees.
- (d) **Strengthened Private Sector Participation:** Engagement with businesses and investors will facilitate compliance, stimulate local economic activity, and support sustainable revenue growth.
- (e) **Improved Transparency and Accountability:** Regular reporting, monitoring, and public disclosure of revenue collection and utilization will foster fiscal responsibility and reinforce citizen confidence.
- (f) **Evidence-Based Decision-Making:** Data-driven monitoring and evaluation will enable adaptive policy measures, ensuring tariffs, fees, and charges remain responsive to economic, social, and infrastructural realities.
- (g) **Sustainable Revenue Mobilization:** Through coordinated efforts, the County will achieve predictable, equitable, and sustainable revenue streams that underpin service delivery, infrastructure development, and socio-economic transformation.

CHAPTER SIX: MONITORING, EVALUATION, AND LEARNING

6.1 Introduction

Effective monitoring, evaluation, and learning (MEL) are critical for ensuring that the Pricing and Tariff Policy of Homa Bay County achieves its intended objectives of revenue mobilization, transparency, equity, and sustainability. The dynamic nature of economic activities, service demand, and fiscal conditions necessitates a structured framework that tracks performance, evaluates outcomes, and integrates lessons learned into policy refinement and implementation.

This chapter outlines the mechanisms, tools, and processes for monitoring and evaluating revenue collection, tariff application, and fee structures, as well as the institutional responsibilities for learning and adaptation. By embedding MEL within the County revenue system, the Policy ensures evidence-based decision-making, continuous improvement, and alignment with both County and national development priorities.

6.2 Policy Goal

To establish a structured, evidence-based, and adaptive framework for monitoring, evaluating, and learning from the implementation of the County's Pricing and Tariff Policy, thereby ensuring accountability, efficiency, and sustainable revenue mobilization.

6.3 Policy Objectives

The objectives of this chapter are to:

Primary Objectives:

- (a) Track and assess the effectiveness, efficiency, and equity of revenue collection and tariff application.
- (b) Ensure compliance with statutory provisions, policy guidelines, and cost-reflective principles in fee determination.
- (c) Facilitate informed and timely decision-making based on reliable data and performance indicators.

Secondary Objectives:

- (a) Identify gaps, bottlenecks, and challenges in revenue mobilization and service delivery.
- (b) Promote institutional learning and adaptive management of tariffs, fees, and charges.
- (c) Foster stakeholder accountability, transparency, and public trust through regular reporting and disclosure.
- (d) Support the refinement of revenue strategies to respond to economic, social, and technological changes.

6.4 Monitoring Mechanisms

To achieve the above objectives, Homa Bay County will implement the following monitoring mechanisms:

- (a) **Integrated Digital Revenue Tracking:** Deploy digital systems for real-time collection, recording, and reconciliation of revenue streams across all county departments.
- (b) **Key Performance Indicators (KPIs):** Develop sector-specific KPIs for each revenue stream, including efficiency of collection, timeliness of remittance, service cost alignment, and compliance levels.
- (c) **Regular Revenue Audits:** Conduct quarterly internal audits and annual external audits to ensure accuracy, integrity, and compliance with financial and policy requirements.

- (d) **Service Delivery Feedback:** Establish citizen feedback platforms to monitor satisfaction with services funded by fees and tariffs, including complaints, suggestions, and satisfaction surveys.

6.5 Evaluation Mechanisms

Evaluation will focus on assessing the outcomes, impacts, and relevance of the Policy:

- (a) **Periodic Performance Reviews:** Undertake biannual evaluations to determine whether revenue collection and tariff structures meet policy objectives and support County development priorities.
- (b) **Impact Assessment:** Evaluate the socio-economic impact of tariffs, fees, and charges, including effects on affordability, equity, and local economic development.
- (c) **Comparative Analysis:** Benchmark Homa Bay County's revenue performance and tariff structures against other counties and national best practices to identify areas for improvement.
- (d) **Cost-Benefit Analysis:** Assess the efficiency and financial sustainability of services funded through collected fees and tariffs, ensuring that revenue generation supports service quality and infrastructure maintenance.

6.6 Learning and Adaptive Management

Learning mechanisms are designed to institutionalize continuous improvement:

- (a) **Knowledge Management Systems:** Maintain databases, reports, and analytics to capture lessons learned, trends, and best practices in revenue mobilization and tariff management.
- (b) **Stakeholder Workshops:** Conduct regular workshops with County departments, private sector actors, and community representatives to discuss findings, share experiences, and co-design adaptive strategies.
- (c) **Policy Refinement:** Use insights from monitoring and evaluation to inform revisions of tariff structures, fee schedules, and policy guidelines, ensuring responsiveness to emerging economic, social, and technological developments.
- (d) **Capacity Development:** Strengthen the skills of revenue officers, finance teams, and sectoral departments in MEL methodologies, data analytics, and decision-making processes.

6.7 Reporting and Accountability

To promote transparency and accountability, Homa Bay County will:

- (a) **Quarterly Revenue Reports:** Submit detailed revenue performance reports to the County Treasury, County Executive Committee, and County Assembly.
- (b) **Annual Policy Implementation Reports:** Publish a comprehensive report highlighting tariff compliance, revenue trends, service delivery outcomes, and policy impacts.
- (c) **Public Disclosure:** Provide accessible information to the public on fees, tariffs, and the use of collected funds to enhance trust, participation, and compliance.

6.8 Expected Outcomes

The effective implementation of the MEL framework is expected to achieve the following:

- (a) Evidence-based and data-driven tariff and fee adjustments.
- (b) Improved revenue collection efficiency, compliance, and financial sustainability.
- (c) Enhanced transparency, accountability, and public trust in revenue administration.
- (d) Strengthened capacity for implementation, monitoring, and adaptive management.
- (e) Continuous learning and alignment of tariffs and fees with County development goals and socio-economic priorities.

CHAPTER SEVEN: RESOURCE MOBILIZATION AND SUSTAINABLE FINANCING

7.1 Introduction

Resource mobilization is central to the successful implementation of Homa Bay County's Pricing and Tariff Policy. Sustainable revenue generation through tariffs, fees, and charges ensures that the County can deliver quality public services while maintaining fiscal discipline and promoting local economic development.

This chapter sets out strategies for maximizing revenue collection from cost-reflective tariffs, expanding revenue sources, and ensuring financial sustainability. It emphasizes the integration of efficient collection mechanisms, risk management, public participation, and accountability frameworks to strengthen compliance and optimize resources for development.

7.2 Policy Goal

To establish a sustainable, transparent, and equitable framework for resource mobilization that maximizes revenue collection through tariffs, fees, and charges, ensuring efficient service delivery and alignment with County development priorities.

7.3 Policy Objectives

Primary Objectives:

1. Ensure cost-reflective tariffs, fees, and charges that generate sufficient resources for service delivery.
2. Strengthen financial sustainability and predictability of revenue streams from county tariffs and fees.
3. Align revenue mobilization strategies with the County's socio-economic and development goals.

Secondary Objectives:

1. Promote equity and affordability in tariff-setting to support inclusive access to public services.
2. Enhance public transparency and accountability in the collection and utilization of fees and charges.
3. Expand revenue through formalization of informal sectors and introduction of innovative pricing strategies.
4. Build resilience against economic, social, and environmental shocks affecting revenue collection.

7.4 Policy Interventions

The County will implement the following interventions to achieve these objectives:

7.4.1 Cost-Reflective Tariffs

- (a) Develop and periodically update tariffs, fees, and charges based on cost analysis and service delivery requirements.
- (b) Ensure that each revenue stream is directly linked to the corresponding service and reflects both fixed and variable costs.
- (c) Introduce differentiated tariffs where appropriate to promote affordability, subsidies, or lifeline rates for vulnerable groups.

7.4.2 Efficient Revenue Collection

- (a) Deploy digital payment systems and automated platforms to enhance efficiency, reduce leakages, and increase compliance.
- (b) Strengthen inspection, monitoring, and enforcement mechanisms across revenue streams.
- (c) Implement regular audits to verify compliance and optimize revenue performance.

7.4.3 Diversification of Revenue Sources

- (a) Explore additional revenue-generating mechanisms such as licensing, permits, user charges, and service levies linked to County services.
- (b) Encourage public-private partnerships (PPPs) for revenue-generating projects, including markets, parking, and commercial facilities.
- (c) Develop special revenue programs in priority sectors like trade, agriculture, and tourism.

7.4.4 Public Engagement and Transparency

- (a) Conduct continuous public awareness campaigns to educate citizens on tariffs, fees, and their link to service provision.
- (b) Establish consultative forums and public participation platforms for stakeholder feedback on pricing and tariff structures.
- (c) Publish periodic revenue performance reports to enhance accountability and citizen trust.

7.6.5 Capacity Building

- (a) Strengthen the technical and managerial capacity of revenue collection teams and County departments.
- (b) Train staff on cost analysis, tariff modeling, compliance monitoring, and revenue risk management.
- (c) Facilitate knowledge sharing on best practices in pricing and tariff administration.

7.4.6 Risk Management and Financial Resilience

- (a) Develop contingency plans and risk-adjusted revenue projections to address fluctuations in revenue streams.
- (b) Introduce stabilization or reserve funds to maintain continuity of essential services during periods of low collection.
- (c) Monitor economic, social, and environmental factors impacting revenue to proactively adapt tariff strategies.

7.4.7 Incentives and Formalization

- (a) Encourage registration and formalization of informal businesses to broaden the revenue base.
- (b) Introduce sector-specific incentives that promote compliance while supporting enterprise growth and local economic development.
- (c) Regularly review incentives to ensure effectiveness and alignment with County priorities.

7.5 Expected Outcomes

Implementation of this chapter will result in:

- (a) Optimized revenue collection through cost-reflective tariffs, fees, and charges.
- (b) Sustainable financing for delivery of essential County services.
- (c) Increased public awareness, trust, and voluntary compliance.
- (d) Enhanced financial resilience and risk management capacity.

- (e) Broader revenue base through formalization of informal enterprises and incentivized compliance.
- (f) Improved alignment of revenue collection with socio-economic development objectives.
- (g) Strengthened institutional capacity and efficiency in tariff administration and resource management.

CHAPTER EIGHT: COMMUNICATION, PUBLICITY AND INFORMATION

8.1 Introduction

The effective implementation of the Pricing and Tariff Policy in Homa Bay County is contingent upon a clear, consistent, and transparent communication framework. Communication is not only a support function but a strategic enabler of revenue performance, public accountability, and service delivery efficiency. When citizens are adequately informed about tariffs, fees, and charges, as well as the rationale behind them, compliance improves significantly and resistance to revenue measures is reduced.

Accordingly, this chapter provides a structured approach for the dissemination of information, public engagement, and management of feedback relating to the County's pricing and tariff systems. It further seeks to ensure that communication is institutionalized, coordinated, and responsive to the needs of all stakeholders, thereby strengthening trust between the County Government and the public.

8.2 Policy Objectives

The objectives of this communication framework are to ensure the timely dissemination of accurate and accessible information on all tariffs, fees, and charges imposed by the County Government. It also aims to enhance public understanding of the relationship between revenue collected and the delivery of public services. In addition, the framework seeks to promote meaningful citizen participation in the formulation, review, and implementation of tariff structures.

The policy further aims to strengthen transparency and accountability in revenue administration, build public trust, and encourage voluntary compliance through continuous civic education. Finally, it seeks to institutionalize structured feedback mechanisms that allow citizens and stakeholders to communicate concerns, suggestions, and complaints effectively.

8.3 Policy Interventions

In order to achieve the stated objectives, the County Government shall implement a series of coordinated communication interventions. Public awareness and civic education shall be undertaken continuously to ensure that citizens are well informed about applicable tariffs, the basis for their determination, and their linkage to service delivery. This will be achieved through community barazas, radio programs, digital platforms, printed materials, and other accessible communication channels.

The County shall also ensure transparency in the publication and communication of all approved tariffs, fees, and charges. Such information shall be made readily available through official County websites, notice boards, service delivery points, and other public communication platforms. Any revisions to tariffs shall be communicated in a timely and accessible manner to avoid misinformation and confusion among the public.

Stakeholder engagement shall be institutionalized as a core component of tariff governance. The County shall undertake structured public participation processes involving key stakeholder groups including traders, transport operators, market users, civil society organizations, and other affected groups. Inputs received from these engagements shall be documented and considered in the formulation and review of tariff structures.

In addition, the County shall leverage digital communication platforms to enhance efficiency and accessibility of information. This includes the use of mobile applications, SMS alerts, online

portals, and other electronic systems to provide real-time updates on tariffs, billing, and payment processes. These platforms shall also be used to facilitate feedback, complaints, and inquiries from the public.

A structured complaints and feedback management system shall be established to ensure that concerns raised by the public are addressed in a timely and effective manner. All complaints shall be recorded, tracked, and resolved within defined service standards, and periodic reports shall be generated to enhance accountability and continuous improvement.

Communication on tariff matters shall be coordinated through a centralized County communication function to ensure consistency, accuracy, and coherence of messaging across all departments. This will ensure that the public receives uniform and reliable information on pricing and tariff-related issues.

The County shall further engage the media as a strategic partner in the dissemination of information. Through press briefings, media releases, interviews, and public information campaigns, the County shall enhance public awareness while also addressing misinformation and improving transparency in revenue administration.

8.4 Expected Outcomes

The implementation of this communication framework is expected to significantly improve public awareness and understanding of County tariffs, fees, and charges. It will enhance transparency in revenue administration and strengthen public trust in County systems. It will also improve citizen participation in decision-making processes relating to pricing and tariffs.

Furthermore, it is expected that misinformation and disputes relating to revenue collection will be reduced, while accountability in the use of public resources will be strengthened. Ultimately, the framework will contribute to improved compliance, enhanced revenue performance, and more efficient service delivery.

8.5 Conclusion

In conclusion, communication is a critical pillar of the Pricing and Tariff Policy. A well-informed public is more likely to comply with revenue obligations and actively participate in governance processes. By institutionalizing structured, transparent, and inclusive communication mechanisms, the County Government of Homa Bay will strengthen trust, enhance accountability, and ensure the sustainability of its revenue systems.

CHAPTER NINE: POLICY REVIEW

9.1 Introduction

The Pricing and Tariff Policy is a dynamic governance instrument designed to respond to evolving economic conditions, service delivery needs, legal frameworks, and socio-political priorities within Homa Bay County. In recognition of these changing circumstances, there is a need for a structured and systematic policy review mechanism to ensure continued relevance, effectiveness, and efficiency of the policy over time.

This chapter therefore establishes the principles, processes, and institutional arrangements for the periodic review of the policy to ensure that tariffs, fees, and charges remain cost-reflective, equitable, and aligned to the County's development objectives.

9.2 Policy Review Principles

The review of this policy shall be guided by the principles of transparency, inclusivity, and evidence-based decision-making. It shall be anchored on public participation to ensure that stakeholders are adequately consulted and their views integrated into policy refinement. The process shall also be guided by efficiency and responsiveness, ensuring that adjustments to tariffs and related frameworks are timely and reflective of real operational needs. In addition, the review shall be guided by fiscal sustainability, ensuring that revenue structures continue to support County service delivery obligations without overburdening citizens or undermining economic activity.

9.3 Review Mechanism

The Pricing and Tariff Policy shall be subject to periodic review at intervals of not more than five years, or earlier where there are significant changes in legal frameworks, economic conditions, or County development priorities. The responsible County department shall initiate the review process through the collection and analysis of relevant data, including revenue performance reports, cost structures, service delivery assessments, and stakeholder feedback.

The review process shall involve broad-based stakeholder consultations, including public forums, sector-specific engagements, and institutional input from relevant County departments. Recommendations arising from the review shall be consolidated into a draft revised policy, which shall then undergo legal and technical validation before submission for approval by the relevant County authority.

9.4 Institutional Arrangements

The coordination of the policy review process shall be undertaken by the designated revenue and finance function within the County Government in collaboration with relevant sector departments. The County legal unit shall provide technical guidance to ensure compliance with applicable laws and regulations, while the County executive leadership shall provide strategic oversight and policy direction.

Public participation structures shall be fully integrated into the review process to ensure inclusivity and accountability. Development partners and technical experts may also be engaged where necessary to provide specialized input into complex technical areas such as tariff modeling and cost analysis.

9.5 Expected Outcomes

The implementation of this policy review framework is expected to ensure that the Pricing and

Tariff Policy remains relevant, efficient, and responsive to changing conditions. It will enhance the accuracy and fairness of tariffs and charges, improve alignment between revenue and service delivery costs, and strengthen public confidence in County revenue systems.

The review mechanism will also promote continuous improvement in revenue administration, enhance compliance, and support long-term fiscal sustainability for Homa Bay County.

CHAPTER TEN: CONCLUSION

The Pricing and Tariff Policy for Homa Bay County provides a comprehensive and structured framework for the determination, administration, and management of tariffs, fees, and charges across all County services. It is anchored on the principles of equity, transparency, cost-reflectiveness, efficiency, and fiscal sustainability, and is designed to strengthen the County's capacity to mobilize own-source revenue while ensuring fair access to public services.

The policy recognizes that sustainable revenue generation is fundamental to effective service delivery and socio-economic development. It therefore establishes clear mechanisms for pricing, resource mobilization, stakeholder engagement, communication, monitoring, and periodic review. Through these provisions, the County seeks to enhance accountability in revenue administration while ensuring that citizens receive value for money in the services provided.

In addition, the policy acknowledges the importance of balancing revenue generation objectives with social equity considerations. It provides for differentiated tariffs, targeted subsidies where necessary, and inclusive stakeholder participation processes to ensure that vulnerable groups are not disproportionately affected by revenue measures. This approach reinforces the County's commitment to inclusive development and social justice.

The successful implementation of this policy will depend on strong institutional coordination, political goodwill, administrative efficiency, and active public participation. It will also require continuous capacity building, robust data systems, and effective enforcement mechanisms to ensure compliance and minimize revenue leakages.

Ultimately, this Policy positions Homa Bay County to achieve a more predictable, transparent, and sustainable revenue system that supports infrastructure development, improves service delivery, and strengthens fiscal autonomy. It provides a solid foundation for long-term financial resilience and economic transformation within the County.