



# **COUNTY GOVERNMENT OF ISIOLO**

## **THE COUNTY TREASURY**

### **2025 COUNTY FISCAL STRATEGY PAPER**



**Theme: Building a Resilient County Economy for Sustainable Development**

**FEBRUARY 2025**

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The document is also available on the website at: <https://www.isiolo.go.ke/>

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## **FOREWORD**

The 2025 County Fiscal Strategy Paper (C-FSP) is the third to be prepared under the Administration of H.E. Abdi Ibrahim Hassan, EGH. It sets out the administration's policies, priority programs, strategies and reforms for the Medium-Term Expenditure Framework (MTEF) as outlined in the 2025/26 County Annual Development Plan(C-ADP).

Since coming into office in August 2022, the Government has implemented bold policy responses to mitigate the persistent shocks that have been negatively affecting the county economy. Aside from these shocks, the County continues to be confronted by significant losses and damages due to frequent extreme weather events such as drought and floods. These events affected agricultural productivity and have triggered resource based conflicts among communities. Further, the county economy faces the recurrent challenge of low access to finance for business and development; rigidities in business regulatory framework; weak governance; and fiscal risks including stalled public projects, payment arrears; and high pending service that has hindered the economy from achieving its full potential.

The 2025 CFSP outlines the Medium-Term Fiscal Framework, which offers mechanisms for entrenching sustainable growth and development for efficient service delivery in Isiolo County. This calls for openness, transparency, accountability, responsiveness, and abiding by the rule of law to facilitate fiscal discipline and maintain macroeconomic stability.

Currently, the County's focus is in implementing priority areas identified in 2023-2027 County Integrated Development Plan (CIDP) and 2024/25 C-ADP. Some of the priority includes: Enhancing County Food Security; Investing in Quality, Affordable and Accessible Health Services; Increase access to clean and safe water; Expanding and maintaining the road network; Investing in ECDE and Vocational Training; Good Governance; Urban Development and enhancement of county own generated revenue.

This Paper articulates Economic Policies and Structural Reforms as well as sector-based expenditure Programmes that the County intends to implement in order to achieve the broad goal of its development agenda. The above-identified priority areas will inform the 2025/26 budget estimates.

Given the limited resources, the hard sector ceilings provided in this CFSP will form a basis for preparation of the detailed 2025/26 Budget estimate and the Medium-Term expenditure framework to be submitted to the county assembly by 30<sup>th</sup> April 2025.



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## **ACKNOWLEDGEMENT**

The 2025 CFSP is prepared in compliance with the provisions of Section 117 of the Public Finance Management Act, 2012. It outlines the current state of the economy, provides macro-fiscal outlook over the medium term and specifies the set strategic priorities, interventions and policy goals of the County Government together with a summary of Government spending plans as a basis for the FY 2025/26 budget.

As the County Government continues to implement the FY 2024/25 approved budget and over the medium term, I wish to emphasize that we are operating under tight resource constraints besides significant own source revenue improvement, that are as a result of the accrued pending bills and emergencies interventions, hence huge expenditure demands. This called for critical prioritization to ensure focus is on expenditures with the highest positive livelihood impact on the well-being of the people of Isiolo. In this regard, the County will continue to prudently manage the use of public resources over the 2025/26-2027/28 Medium Term Expenditure Framework (MTEF).

Construction and completion of ongoing livelihood projects will be accorded funding priority over the MTEF period to support and accelerate inclusive growth and development.

The completion of this fiscal policy document was a result of the collective efforts by various county departments who provided valuable information on required expertise interventions. I am grateful for the inputs in form of memoranda, written and verbal submissions received while preparing this document from the private interest groups, stakeholders and public during the Public Sector Hearings in February 2025. Much appreciation goes to our development partner, UNICEF, for supporting Sector Working Group workshop to develop draft 2025 CFSP. Finally, sincere gratitude to the dedicated team in the Economic Planning and Budgeting Department that spent a substantial amount of time putting together this 2025 CFSP document while maintaining high quality standards.



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## **ABBREVIATIONS AND ACRONYMS**

|         |  |
|---------|--|
| A.I.A   | Appropriation in Aid                               |
| AIDS    | Acquired Immunodeficiency Syndrome                 |
| CECM    | County Executive Committee Member                  |
| CFSP    | County Fiscal Strategy Paper                       |
| CIDP    | County Integrated Development Plan                 |
| CRA     | Commission on Revenue Allocation                   |
| DANIDA  | Danish International Development Agency            |
| ECD     | Early Childhood Development                        |
| FY      | Financial Year                                     |
| GDP     | Gross Domestic Product                             |
| HIV     | Human Immunodeficiency Virus                       |
| ICT     | Information Communication Technology               |
| IFMIS   | Integrated Financial Management Information System |
| Ksh     | Kenyan Shilling                                    |
| LAPSSET | Lamu Port and South Sudan-Ethiopia Transport       |
| MTEF    | Medium Term Expenditure Framework                  |
| MTP     | Medium Term Plan                                   |
| PAYE    | Pay As You Earn                                    |
| PFM     | Public Finance Management                          |
| PPP     | Public Private Partnership                         |
| SBP     | Single Business Permit                             |
| VAT     | Value Added Tax                                    |

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## EXECUTIVE SUMMARY

The 2025 CFSP is the third to be undertaken under the Third Generation County Integrated Development Plan 2023–2027. The CFSP describes the medium-term development strategy, which is based on the subject of establishing a resilient county economy for sustainable development. The CFSP is developed in accordance with the terms of the PFM Act of 2012, and it explains the government's strategic goals, the present situation of the economy, the fiscal forecast over the medium term, and the expenditure restrictions that will be used to build the FY 2025/26 budget. The 2025 CFSP has seven chapters, with the following main highlights:

Chapter 1: Introduction; The CFSP is developed in accordance with PFM Act Section 117. The chapter includes a CFSP Process Overview that should be considered when producing the paper. It also includes an outline for the paper that will follow.

Chapter 2 discusses recent economic and budgetary trends for national and county government. An assessment of the county government recent and present status of the economy in relation to revenue and expenditures.

Chapter 3: Outlines the forward economic and fiscal policies and the budget framework for both the national and county economic outlook.

Chapter 4 covers strategic priorities and interventions. This chapter analyzes strategic priorities and initiatives for FY 2025/26 and the medium-term horizon for establishing a resilient economy for sustainable development.

Chapter 5: The Fiscal Policy and Budget Framework. The chapter focuses on fiscal responsibility principles, fiscal and public financial management reform, budget frameworks, revenue predictions, expenditure forecasts, and risk management.

Chapter 6 discusses the medium-term expenditure framework: it covers a resource envelope for the financial year 2025/26, resource allocation criteria, sector spending priorities and strategic interventions, and sector/departmental ceilings in terms of programs and economic classification.

Chapter 7: The chapter provides a summarized conclusion of the 2025 CFSP and next steps after approval of the same.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Overview

1. The preparation of the County Fiscal Strategy Paper (CFSP) is a requirement of Section 117 of the Public Finance Management (PFM) Act, 2012 and thus plays an integral part in the budget making process. It specifies the Broad Strategic Priorities and policy goals and guides the County Government in preparing its budget for the coming financial year and over the medium-term period.
2. The CFSP 2025 forms the basis for implementation of the third-generation County Integrated Development Plan (CIDP 2023-2027). This Paper has, therefore, been formulated by adopting the priority areas as outlined in the Annual Development Plan (ADP), 2025/26 namely:
  - i. Enhancing food security, sustainability of livestock-based livelihoods and commercializing of livestock and Crop Production
  - ii. Investing in provision of quality, affordable and accessible Health Services
  - iii. Enhancement of access to Clean and Safe Water
  - iv. Investing in Education by focusing on construction of more ECDE & Vocational Training Centres, provision education scholarship as well as social development of the communities through social protection programs.
  - v. Investment in Road Infrastructure
  - vi. Investing in sustainable land use management for Socio Economic Development
  - vii. Promotion of Tourism, Trade and Industrial Development for a rapidly Industrializing Economy.
  - viii. Investment in conflict resolutions by promoting initiatives for peaceful and cohesive society where all have access to equitable share of resources; and
  - ix. Enhancement of County Own Revenue Generation through Automation
  - x. Enhancing Governance, Transparency and Accountability in the delivery of services.

### 1.2 Legal Basis for County Fiscal Strategy Paper

3. The preparation of the CFSP is anchored in the Constitution of Kenya, 2010; and, PFM Act, 2012.

#### 1.2.1 Constitution of Kenya, 2010

4. Article 220 (1) states that budgets of the National and County Governments shall contain: -
  - a) Estimates of revenue, expenditure, differentiating between recurrent, and development expenditure.
  - b) Proposals for financing any anticipated deficit for the period to which they apply; and

- c) Proposals regarding borrowing and other forms of public debt during the following year.
- 5. Sub-article (2) National legislation shall prescribe –
  - a) The structure of the development plans and budgets of counties.
  - b) When the plans and budgets of the Counties shall be tabled in the county assemblies; and
  - c) The form and manner of consultation between the National Government and County Governments in the process of preparing plans and budgets.

### **1.2.2 Public Finance Management (PFM) Act, 2012**

- 6. The County Fiscal Strategy Paper is prepared in accordance with section 117 of the Public Finance Management Act, 2012 which states that:
  - a) The County Treasury shall prepare and submit to the County Executive Committee a County Fiscal Strategy Paper (CFSP) for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28<sup>th</sup> February of each year
  - b) The County Treasury shall align its CFSP with the National objectives in the Budget Policy Statement.
  - c) In preparing the CFSP, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the coming financial year and over the Medium Term.
  - d) The County Treasury shall include in its Fiscal Strategy Paper, the Financial Borrowing for the financial year and over the Medium Term.
  - e) In preparing the CFSP, the County Treasury shall seek and take into account views of:
    - i. The Commission on Revenue Allocation (CRA).
    - ii. The Public.
    - iii. Any interested persons or groups; and
    - iv. Any other forum established by legislation.
  - f) Not later than fourteen days after submitting the CFSP to the County assembly, the County assembly shall consider and may adopt it with or without amendments.
  - g) The County Treasury shall consider any recommendations made by the County Assembly in finalizing the budget proposal for the financial year concerned; and
  - h) The County Treasury shall publish and publicize the CFSP within seven days after submission to the County Assembly.

## **1.3 Principles of Public Finance and Fiscal Responsibility Principles**

### **1.3.1 Principles of Public Finance**

7. Article 201 of the Kenyan Constitution, 2010 sets out the following principles of public finance:
  - a) There shall be openness and accountability, including public participation in financial matters.
  - b) The public finance system shall promote an equitable society, in particular-
    - i. The burden of taxation shall be shared fairly.
    - ii. Revenue raised nationally shall be shared equitably among national and county governments; and
    - iii. Expenditure shall promote the equitable development of the country, including by making special provision for marginalized groups and areas.
  - c) The burdens and benefits of the use of resources and public borrowing shall be shared equitably between present and future generations.
  - d) Public money shall be used in a prudent and responsible way; and
  - e) Financial management shall be responsible, and fiscal reporting shall be clear.

### **1.3.2 Fiscal Responsibility Principles**

8. The Public Finance Management (PFM) Act, 2012 sets out the following fiscal responsibility principles to ensure prudence and transparency in the management of public resources:
  - a) The County Government's recurrent expenditure shall not exceed the County government's Total Revenue.
  - b) Over the Medium Term, a minimum of 30 % of the County government's budget shall be allocated to the Development expenditure.
  - c) The County Governments' expenditure on wages and benefits for its public officers shall not exceed a percentage of the County government's total revenue as prescribed by the Executive Committee Member for Finance in regulations and approved by County Assembly and in line with the PFM act.
  - d) Over the Medium Term, the government's borrowing shall be used only for financing development expenditure and not for recurrent expenditure.
  - e) The County debt shall be maintained at sustainable level as approved by County Assembly.
  - f) The fiscal risks shall be maintained prudently; and
  - g) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained taking into account any tax reforms that may be made in the future.

## **1.4 Budgeting Approach**

9. The formulation of the CFSP 2025 takes into consideration the classification of devolved functions as a basis for revenue sharing as illustrated in Table 1 below.

**Table 1: Departmental Programmes**

| Department   | Programme   |
|--|---|
| 3511000000 County Assembly   | <b>P1 Legislative and oversight</b>                                   |
|  | SP 1.1 General Administration Planning & Support Services             |
|  | SP1.2 Legislative service   |
| 3512000000 County executive  | <b>P1: County Governance and Coordination Affairs</b>                 |
|  | SP1.1 County Governance affairs                                       |
|  | SP1.2 administrative services   |
|  | <b>P2: County Human Resources Establishment and Deployment</b>        |
|  | SP 2.1 General Administration Planning & Support Services             |
|  | SP 2.2 Human Resource Planning & Development                          |
|  | SP2.3 Board Operation & Management                                    |
|  | SP 2.4 County Public Service Productivity & Values                    |
|  | <b>P3 coordination of devolved county administration</b>              |
|  | SP 3.1 Administrative services  |
|  | <b>P4 Governor's Delivery Unit</b>                                    |
|  | SP 4.1 Efficiency monitoring & Community engagement                   |
|  | <b>P5 Deputy Governors Affairs</b>                                    |
|  | SP 5.1 Deputy Governor administration affairs                         |
|  | <b>P 6: legal services</b>  |
|  | SP 6.1 Legal Services   |
|  | S6.2 Legal & Legislative Services                                     |
|  | <b>P67 Intergovernmental relations and Coordination</b>               |
|  | SP 7.1 Intergovernmental relations and Coordination services          |
|  | 3513000000 finance and Economic Planning                              |
| SP1.1 Accounting Services  |   |
| SP 1.2 General administration  |   |
| SP 1.3 Internal Control  |   |
| SP.1.4 Supply chain management   |   |
| <b>P2 Disaster Risk Management</b>   |   |
| 2.1 General Administration Planning & Support Services                             |   |
| 2.3 Social Protection  |   |
| 2.4 Disaster Risk Awareness Preparedness & Management                              |   |
| 2.5 Coordination Training & Capacity Development                                   |   |
| <b>P3: Economic Planning, Policy Formulation and Budgeting</b>                     |   |
| 3.1 Planning and coordination  |   |
| 3.2 Budget Formulation and Coordination  |   |
| <b>P4: Tracking and Reporting on implementation of policies, plans and Budgets</b> |   |
| 4.1 Monitoring and Evaluation systems  |   |
| <b>P 5: Cohesion and Peace Building</b>  |   |
| SP5.1 Administrative Affairs   |   |
| SP 5.2 Peace and cohesion  |   |
| SP 5.3 countering violent extremism prevention                                     |   |
| <b>P6: Revenue Enhancement</b>   |   |
| SP 6.1 General Administration Planning & Support Services                          |   |
| SB 6.2 Own Source Revenue Enhancement  |   |
| <b>P7: Communication and ICT</b>   |   |
| SP7.1 ICT Innovation and Enterprises   |   |
| SP7.2 e-government services  |   |
| 3514000000 Lands , Roads Housing and Public Works                                  |   |
|  | SP1.1 Land Use Planning   |
|  | SP 1.2 Administration and policy development                          |
|  | SP 1.3 Land survey and Mapping  |
|  | <b>P2 :Road Improvement, Accessibility, Logistic and Connectivity</b> |

| Department  | Programme   |
|---|---|
|   | SP2.1 Administration and planning services  |
|   | SP2.2 Opening, periodic and routine maintenance of roads                                    |
|   | <b>P3 Public Works services</b>   |
|   | SP3.1 Administration and Planning services  |
|   | <b>P4 Housing and urban development</b>   |
|   | SP4.1 Urban Development   |
| <b>351500000<br/>Agriculture ,<br/>livestock and<br/>fisheries</b>  | <b>P1: Sustainable crop development, Agricultural Land Use and Environmental Management</b> |
|   | sp1.1 General Administration & Support Services   |
|   | SP1.2 Rehabilitation and expansion of irrigation schemes                                    |
|   | SP1.3.Crop development & management   |
|   | SP1.4 Agribusiness and Market Development   |
|   | <b>P 2: Livestock Production</b>  |
|   | SP 2.1 General Administration & Support Services  |
|   | SP 2.2 Rangeland rehabilitation and management  |
|   | SP 2. 3 Enterprise Development and value addition   |
|   | SP 2. 4.Promotion of marketing and value of livestock products                              |
|   | SP 2. 5.Breeds Improvement and livestock risk reduction                                     |
|   | SP 2. 6.Livelihood diversification  |
|   | <b>P3: Veterinary Services</b>  |
|   | SP 3. 1Livestock diseases and pests control   |
|   | SP 3. 2.Diagnostics and laboratory services   |
|   | SP 3. 3.Veterinary public health services   |
|   | <b>P4: Fisheries Development and Management</b>   |
|   | SP 4. 1Aquaculture Technology Development and Innovation Transfer                           |
|   | SP 4. 2.Fish safety assurance, value addition and marketing                                 |
|   | SP 4.3 General Administration & Support Services  |
| <b>351800000<br/>Education,<br/>Vocational<br/>Training , Youth<br/>,Sports Culture<br/>And Social Services</b> | <b>P1::Early Childhood Development Education (ECDE)</b>                                     |
|   | SP 1.1 ECDE access &administration  |
|   | SP 1.2 ECDE Retention   |
|   | SP 1.3 Education Support Services   |
|   | SP 1.4 ECDE Quality Assurance   |
|   | <b>P2: Vocational Education and Training</b>  |
|   | SP 2.1 VTC Access   |
|   | SP2.2 VTC Retention   |
|   | SP 2.3 VTC Quality  |
|   | <b>P3: Sports Development</b>   |
|   | SP 3.1 Sports performance and management  |
|   | SP 3.2 Sports Training and competitions   |
|   | <b>P4: Youth Empowerment</b>  |
|   | SP 4.1 Youth Development  |
|   | <b>P5: Culture and Arts Development</b>   |
|   | SP 5.1 Social protection services   |
|   | <b>P6 Social Services</b>   |
|   | SP 6.1Arts & Culture development  |
|   | <b>P7: Gender Mainstreaming</b>   |
|   | SP7.1 Gender-based Violence &r Harmful Practices  |
|   | SP 7.2 Enterprise development fund  |
|   | <b>P8:Social Safety Net</b>   |
|   | SP 8.1 Social-Economic Empowerment of PWDs  |
|   | SP 8.2 Child protection   |
| <b>351800000<br/>Tourism , Trade ,</b>  | <b>P1 Trade Development and promotion.</b>  |
|   | SP1.1 Trade Development and promotion.  |

| Department   | Programme   |
|--|---|
| Cooperatives and public service management               | <b>p2Industrial Development and Investments promotion</b>                             |
|  | SP 2.1Industrial Development and Investments promotion                                |
|  | <b>P3 Tourism Development, Promotion and Marketing</b>                                |
|  | SP 3.1 Tourism promotion, and marketing   |
|  | <b>P4 Game reserve, Wildlife ecological management &amp; conservation development</b> |
|  | SP 4.1 Wildlife protection  |
|  | <b>P5Public Service Management and Transformation</b>                                 |
|  | SP 5.1 General Administration Planning & Support Services                             |
|  | SP 5.2 Public Service Productivity & Reform   |
|  | SP 5.3 Performance Management Framework   |
|  | <b>P6 Devolved Units</b>  |
|  | SP 6.1 Devolved Units   |
|  | <b>P7 Civic Education and Public Participation</b>                                    |
|  | SP 7.1 General Administration Planning & Support Services                             |
|  | SP 7.2 Civic Education  |
|  | SP 7.3 Public Participation   |
| SP 7.4 Customer Service                                  |   |
| <b>P8 MSME and Cooperatives</b>                          |   |
| SP 8.1 MSME and Cooperatives                             |   |
| 352200000 Health Services                                | <b>P1: General Administration, Planning and Support Services</b>                      |
|  | SP 1.1Human Resource Management   |
|  | SP 1.2Planning, monitoring, Evaluation and Learning                                   |
|  | SP 1.3 Quality Assurance & Standards  |
|  | SP1.4 Administration and support services   |
|  | <b>P2: Curative and Rehabilitative Health Services</b>                                |
|  | S.P 2.1Curative, and Rehabilitative Health services                                   |
|  | S.P 2.2 Pharmaceutical and Non-pharmaceutical commodities                             |
|  | S.P 2.3 Diagnostic services   |
|  | S.P 2.4pecialized medical services Rehabilitative Services                            |
|  | <b>P3: Preventive and Promotive Health Services</b>                                   |
|  | S.P 3.1Primary health care  |
|  | S.P 3.2 Nutrition   |
|  | S.P 3.3 Community Health Services   |
|  | S.P 3.4 Communicable diseases control   |
|  | S.P 3.5 Non-communicable diseases and injuries  |
|  | S.P 3,6 Sanitation and Environmental health   |
|  | S.P 3.7 Family & Reproductive Health  |
|  | S.P 3.9 Public health emergency   |
| S.P Inter-sectoral collaboration                         |   |
| 352100000 Water energy environment and natural resources | <b>P1: Water supply and storage services</b>  |
|  | SP 1. 1: Rural water supply and storage services                                      |
|  | SP 1. 2. Rural Water services Governance  |
|  | SP 1. 3.Rural water quality   |
|  | SP 1.4 Adaptive capacity to natural disasters   |
|  | SP 1.5: urban water supply and storage services                                       |
|  | <b>P2 urban and rural sanitation services</b>   |
|  | SP2.1 Urban Sanitation services   |
|  | SP2.2 Rural Sanitation services   |
|  | <b>P3: Environment and Natural Resources management</b>                               |
|  | SP 3.1 Promotion of Sustainable Natural Resources exploitation                        |
|  | SP3.2 Environmental conservation  |
|  | SP 3.3 Mining   |
|  | <b>P4: Climate change mitigation and adaptation.</b>                                  |



| Department            | Programme   |
|-----------------------|---|
|                       | SP4.1 Enabling legal & implementation frameworks                |
|                       | SP4.2 institutional capacities for inclusive climate resilience |
|                       | SP 4.3 Promotion of climate smart practices                     |
|                       | <b>P5 : Energy Services</b>                                     |
|                       | SP 5.1 Adoption of Renewable Energy Technologies                |
|                       | SP 5.2 Green Energy Promotion                                   |
| <b>3524000000</b>     | <b>P1: Municipal administration &amp; management</b>            |
| <b>Municipal</b>      | SP 1.1 Administration and planning services                     |
| <b>Administration</b> | SP1.2 Municipality amenities                                    |
|                       | SP1.3 Waste management  |
|                       | SP1.4 Municipal disaster management                             |
|                       | SP1.5 Infrastructural Development                               |
|                       | S.P 1.6 Municipal Transport Services & Management               |

## 1.5 CFSP Preparation Methodology

10. Article 201 (a) and 232 (d) of the Constitution of Kenya, 2010 provides that the public should be involved in the budget making process through public participation. In this respect, the county sent out an advertisement requesting memorandums and inputs from the public; from which the county residents gave their inputs and contributions on their preferred priorities for areas for development.

### 1.5.1 Public Participation/ Sector Hearings and Involvement of Stakeholders

11. Public participation and involvement of stakeholders in the medium-term budget process is a Constitutional requirement. In fulfilment of this requirement, while preparing the 2025 CFSP, the resolutions adopted by the County assembly on the previous CFSP were considered. Additionally, Sectors prepared their Sector Working Group Reports in two subsequent workshops held during the first and second weeks of February 2025, which were later subjected to public hearings between 19<sup>th</sup> and 21<sup>st</sup> February 2025.

## **CHAPTER TWO**

### **RECENT ECONOMIC AND MEDIUM TERM OUTLOOK**

#### **2.0 Overview**

##### **Global Economic Outlook**

12. Global growth is projected to stabilize at 3.2% in 2024 and 2025, slightly down from 3.3% in 2023, supported by easing inflation and supply chain issues. Growth is stronger-than-expected in the USA, India, and the UK. However, risks to this outlook include potential disruptions to disinflation, spikes in commodity prices, financial market volatility, a slowdown in China's growth, and rising protectionist policies that could worsen trade tensions and disrupt supply chains.
13. Advanced economies are forecasted to maintain steady growth at 1.8% in 2024 and 2025, slightly up from 1.7% in 2023. The US is expected to reach 2.8% growth in 2024, but growth is predicted to slow to 2.2% in 2025 due to fiscal tightening and labor market cooling. Euro area growth is expected to recover. Emerging markets and developing economies are expected to maintain steady growth at 4.2% in 2024 and 2025, with Sub-Saharan Africa's growth expected to recover to 4.2% in 2025.

##### **2.1.1 National Economic Overview**

14. The Kenyan economy demonstrated resilience in the first three quarters of 2024, growing at an average rate of 4.5%, slower than the 5.6% growth in the same period of 2023. Growth was mainly driven by strong agricultural performance, a modest recovery in manufacturing, and a resilient services sector. Most sectors, except mining and construction, showed positive growth, with the diverse structure of Kenya's economy playing a key role in managing both domestic and external shocks.
15. In the first three quarters of 2024, the primary sector experienced a 4.2% growth, primarily due to strong agricultural performance. However, mining and quarrying activities declined due to heavy rains and floods. The industrial sector's growth slowed to 0.8% due to reduced electricity and water supply, construction, and slower public sector infrastructure projects. The services sector experienced strong growth, averaging 5.6%, driven by increased accommodation, food services, financial services, and real estate.
16. The economy is expected to grow by 4.6% in 2024 and 5.3% in 2025, bolstered by a robust services sector, manufacturing recovery, increased agricultural productivity, and improved exports. The growth outlook is enhanced by policies under the Bottom-Up Economic Transformation Agenda (BETA) and rising aggregate demand, alongside continued prudent fiscal and monetary policies.

### ***Inflation rate:***

17. Inflation declined to 3.0% in December 2024, down from 6.6% in December 2023 and 9.6% in October 2022, mainly due to lower energy and food prices. This decline was supported by favorable weather, lower fuel costs from an improved exchange rate and reduced oil prices, and decreased non-food non-fuel inflation following previous monetary tightening.
18. **Food Inflation:** Food inflation decreased to 4.8% in December 2024, down from 7.7% in December 2023, due to favorable weather, government fertilizer subsidies, and lower global food prices. While vegetable food prices increased, non-vegetable food prices dropped significantly.
19. **Fuel Inflation:** Fuel inflation fell to -1.0% in December 2024 from 13.7% in December 2023, driven by lower global oil prices and a stronger Kenyan Shilling, which reduced pump prices and electricity costs. Core inflation remained low due to tight monetary policy and weak demand.
20. **Monetary Policy:** With inflation under control and exchange rates stabilized, the Central Bank of Kenya gradually reduced the Central Bank Rate (CBR) from 13% to 11.25% between August and December 2024 to stimulate private sector credit and economic activity.

### ***Monetary and Credit Developments***

21. **Broad money supply (M3)** grew by 1.6% in the year to November 2024, a significant slowdown from 21.1% in 2023. This was due to slower growth in Net Domestic Assets (NDA), particularly in domestic credit, though Net Foreign Assets (NFA) supported M3 growth.
22. **Net Domestic Assets (NDA)** contracted by 2.2% in the year to September 2024, compared to a 10.9% growth in 2023. This was mainly due to slower domestic credit growth to the private sector, while credit to the Government grew by 16.6%.
23. **Private sector credit** growth slowed to 1.1% in the year to November 2024 from 13.2% in 2023, due to the impact of exchange rate appreciation on foreign currency loans and tighter monetary policy. This decline was seen in sectors with significant foreign currency-denominated loans. Monthly private sector credit flows slowed since December 2023 due to higher borrowing costs from the central bank rate increase. However, with easing monetary policy, credit growth is expected to recover, supported by strong demand for working capital and initiatives like the Credit Guarantee Scheme for vulnerable MSMEs.

### ***Interest Rates Developments***

24. Interest rates have declined in line with the easing of the monetary policy. The

interbank rate declined to 11.4 % in December 2024 compared to 11.7 % in December 2023 and has remained within the prescribed corridor around the CBR (set at CBR± 150 basis points). The 91-day Treasury Bills rate also declined to 10.0 % in December 2024 from 15.7 % in December 2023

25. Commercial banks average lending and deposit rates increased in the year to November 2024 in tandem with prevailing tight monetary policy stance thereby reflecting high cost of investable funds. The average lending rate increased to 17.2 % in November 2024 from 14.6 % in November 2023 while the average deposit rate increased to 10.4 % from 10.1 % over the same period. Consequently, the average interest rate spread increased to 6.8 % in November 2024 from 4.5 % in November 2023.

### ***Exchange Rate Developments***

26. The foreign exchange market in 2024 remained stable despite global uncertainties and geopolitical tensions. The Kenyan Shilling weakened at the start of the year but strengthened against major currencies, appreciating by 19% against the U.S. Dollar, 22.2% against the Euro, and 19.3% against the Sterling Pound by December 2024.
27. The market was supported by inflows from agricultural exports, remittances, and portfolio investments, with demand driven by increased activity in manufacturing, wholesale, and retail sectors. The Shilling's appreciation boosted investor confidence, attracted foreign direct investment, and helped reduce debt service costs while stabilizing interest rates.

### ***Capital Markets Developments***

28. Economic recovery, a stronger Kenya Shilling, and macroeconomic stability have increased confidence, driving foreign direct investment and attracting investors to the Nairobi Securities Exchange. The NSE 20 Share Index rose from 1,501 to 2,011 points, and market capitalization grew from Ksh 1,439 billion to Ksh 1,940 billion by December 2024

#### **2.1.3 National Fiscal Overview**

29. The implementation of the FY 2024/25 budget faced initial challenges due to the withdrawal of the Finance Bill, 2024, and protests that slowed economic activities. Moreover, FY 2023/24 ended with Ksh 218.5 billion in unpaid exchequer requests (carryovers), and the execution of Collective Bargaining Agreements continued to put pressure on expenditures. To ensure smooth execution of the FY 2024/25 budget and protect the fiscal consolidation plan, the National Treasury streamlined expenditures through the Supplementary Estimates I.

## Revenue Performance

30. By the end of November 2024, revenue collection reached Ksh 1,088.1 billion, falling short of the target of Ksh 1,169.8 billion, resulting in a shortfall of Ksh 77.3 billion. This underperformance was primarily due to a shortfall in ordinary revenue. Overall, total revenues increased by 7.6 % by the end of November 2024, compared to a growth of 13.2 % by the same period in 2023
31. By November 2024, ordinary revenue collected was Ksh 937.4 billion, falling short of the target by Ksh 71.6 billion, despite a 6.7% growth. Key tax categories, including VAT, Income tax, Excise duty, and Import duty, all underperformed. This trend is expected to improve as economic activities pick up. Ministerial A-i-A also fell short by Ksh 5.7 billion, totaling Ksh 150.8 billion compared to the target of Ksh 156.4 billion.

## Expenditure performance

32. By November 2024, total expenditure and net lending were Ksh 1,442.9 billion, falling short of the target by Ksh 66.6 billion, mainly due to lower recurrent and County Government disbursements. However, development expenditures exceeded the target by Ksh 18.1 billion. The fiscal operations resulted in a deficit of Ksh 350.9 billion (1.9% of GDP), financed mainly through domestic borrowing, while foreign financing showed a small repayment

## Fiscal Policy

33. The fiscal policy for FY 2025/26 and the medium term aims to support key government programs under the Bottom-Up Economic Transformation Agenda (BETA) and MTP IV, with a focus on reducing public debt growth and managing liabilities. This will be achieved through enhancing revenue, re-prioritizing expenditures, and safeguarding essential programs.
34. Total revenue is expected to rise from 16.9% of GDP in FY 2024/25 to 18.2% in FY 2025/26 and 18.6% in FY 2026/27. Ordinary revenue will also increase, while total expenditure is projected to rise to 22.5% of GDP by FY 2025/26 and FY 2026/27. Recurrent expenditure will slightly increase, but development spending will grow gradually to ensure continued economic growth.

## Domestic Revenue Mobilization

35. The government aims to boost revenue collection by the Kenya Revenue Authority (KRA) to over Ksh 4.0 trillion through tax policy and administrative reforms. Key strategies include implementing the National Tax Policy, expanding the tax base, using technology to enhance tax processes, reducing tax expenditures, and increasing non-tax revenues from public services. The reforms will focus on reducing tax expenditures, improving compliance, and rationalizing the tax structure to support domestic production and investment.

## 2.2 County Economic and Fiscal Overview

### 2.2.1 County Economic Overview

36. The county's economic activities include pastoralism, livestock trade, agriculture, and tourism, with livestock accounting for 70% of revenue and small-scale businesses accounting for 20%. Despite multiple shocks, including climate change, the economy showed resilience in 2024, with the tourist and cattle sectors contributing significantly to growth.
37. **Livestock and Crop Production.** Livestock production is an important part of the agricultural industry, with around 23,348 county households participating in livestock production, 2,780 in crop production, and 1,611 in other farming activities. Livestock farming provides a living for around 80 %of the population. Livestock farming employs over 70% of the rural workforce. Improved weather conditions and government-subsidized fertilizer and seed led to increased agricultural and animal production.
38. The prevention and control of animal diseases are critical to ensuring animal welfare, food security, and public health. These measures involve a multifaceted approach that combines proactive strategies to minimize disease risk and reactive interventions to manage outbreaks effectively. The by end Of 2023 sector reduced animal illnesses and pests in the county through countywide vaccination, the implementation of a one-health strategy for disease outbreak control, and the deployment of a disease e-surveillance system. All of this was made possible by collaboration with local partners such as WFP, NAWIRI, VSF Suisse, FAO, ILRI, and Action against Hunger, among others.
39. Livestock and crop production face challenges such as poor rangeland governance, livestock diseases, pests, droughts, flooding, lack of organized markets, ineffective social and financial services, and poor irrigation infrastructure management. These issues hinder agricultural output and productivity, highlighting the need for improved legal frameworks and effective management of land tenure.
40. **Health services:** Kenya has seen a significant reduction in maternal mortality and under-five mortality rates from 790/100,000 to 451/100,000 and 31/1,000 live births, respectively, due to the strengthening of health systems across service delivery, health financing, human resources for health, health stewardship, health information management, and health products and technologies. Interventions such as the operationalization of theaters, installation of oxygen plants, expansion of newborn units, improved referral systems, implementation of the Linda Mama social health insurance fund, expansion of diagnostic services, and investment in human resources for health have also contributed to the reduction. The county has also established three primary care networks (PCNs) in Merti, Garbatulla, and Isiolo Sub-Counties, providing integrated, comprehensive, holistic health care that considers the diverse needs of patients.

41. The county reduced the Crude Mortality Rate (CDR) from 11.7 to 10.6 per 1,000 live births through malaria control measures, TB/HIV programming, reproductive health interventions, NCD programs, and pandemic and epidemic preparedness and response, with a 96% TB cure rate.
42. **Water and Sanitation Provision:** The rural water supply in Isiolo County has seen a significant increase from 52% in 2023 to 53.5% in 2024, with 19,920 households now having safe drinking water. The proportion of households accessing water from protected sources has also increased from 65% in 2023 to 69.3% in 2024. 47% of households use boreholes, reducing reliance on unprotected sources. Collaboration between the county and partners led to the drilling of 24 new boreholes, solarization, and pipeline extensions to community centers. 63% of the population also accesses shared latrine facilities.
43. **Education sector:** The sector raised enrollment from 15,095 in FY 2022/23 to 16,295 children by the end of FY 2023/24, thanks to the building of 70 ECDE classrooms and the appointment of 348 ECDE teachers. The school meals program benefited 12,000 children, guaranteeing their retention in school. The sector also supported the implementation of ECDE meals policy and preparation of Isiolo County ECDE Bill 2024 to support ECDE financing.
44. The county improved access and retention in four vocational training (VT) centers: Uhuru, Oldonyiro, Merti, and Sericho. This was achieved through Ksh15,000 capitation grants from the County Government, the recruitment of 17 instructors, the purchase of training equipment and materials, and the introduction of new courses that are more appealing, short, and market-oriented, resulting in increased enrollment and retention of 466 students. Furthermore, 10,000 students from vulnerable households were given scholarships to improve access, retention, and transition in secondary and postsecondary schools.
45. **Youth & Sports:** The Isiolo Youth Innovation Centre offers tailored ICT programs and mentorship to adolescents, focusing on skills development and mentorship. Departmental assistance for youth completions has also contributed to the development of youth talents. The completion of a modern stadium and light play fields in each ward will help nurture youth talents, reduce drug and substance abuse involvement, and generate revenue for the county through ticket sales and sponsorships.
46. **Social Protection/Services and Gender:** The sector has made significant strides in addressing gender and disability issues across all sectors. It has developed a comprehensive gender-based violence rehabilitation structure, improved child protection rights through child advocate forums, and developed the Isiolo Anti-FGM/C and disability policies. Collaborations with development partners have improved cash transfer/food assistance programs for needy households and improved ECDE feeding programs for children. Social support networks have been enhanced by connecting vulnerable individuals with service providers, providing assistive gadgets

for impaired children, and purchasing hearing impairment evaluation devices. Additional social halls have been constructed to promote community connection and facilitate events. Land has been secured for a rescue center, and awareness of AGPO has increased among women and PWDs. 23 CBOs have been linked to donors for funding to fight retrogressive cultural practices, particularly FGM/C and SGB issues.

47. **Tourism, wildlife, Trade, Industrialization and Cooperative development:** The tourism sub-sector increased the number of tourists who visited game reserves from 15,746 in the fiscal year 2023/24 to 16,029 in the fiscal year 2024/25. This was accomplished by launching focused marketing efforts and acquiring a bus, which increased local tourist visits. The tourism sub-sector's contribution to the county's economy rose by Ksh...., rising from Ksh 113 million in fiscal year 2022/23 to Ksh.... The increase was ascribed to increased game reserve security, the rehabilitation of the reserve's circuit roads, and better marketing and promotion of game reserve products
48. The Trade, Cooperative, and Industrialization sub-sector aimed to boost the contribution of commerce to the county economy by increasing the number of registered firms from 2,587 to 4,400. (70.09%) By the conclusion of the projected time, the sub-sector had successfully increased the number of newly registered enterprises for skilled entrepreneurs to 4,400. The target was exceeded owing to increased community and staff capacity for entrepreneurial skills training through cooperation and engagement with development partners. The number of registered cooperatives increased from 121 in FY 2023/24 to 143 (18%) in FY 2024/25. The trade and industrialization sub-sector had an increase in MSMEs and cottage industry merchants during FY 2024/25.
49. **Lands & Roads:** By the end of Fiscal Year 2024/2025, 5,800 freehold titles had been issued in the adjudication regions of Oldonyiro, Ngaremara, and Garbatulla. In an effort to ensure proper property tenure in Isiolo Town, 1,793 land holdings were surveyed while process of titles issuance is at advanced stage. The county and national governments collaborated to attain this goal.

### **2.2.2 County Fiscal Overview**

50. The county budget implementation for FY 2024/25 was delayed due to the withdrawal of the Finance Bill, 2024 by the national government after Genz protests, affecting county economic activities. Additionally, the FY2023/24 closed with unpaid exchequer requests (carryovers) of one month's amounting to Ksh 438,727,444 and county own source revenue shortfall that led to increased accumulation of pending bills. To ensure seamless implementation of the FY 2024/25 budget implementation and safeguard the fiscal consolidation, the county treasury is rationalizing expenditures through Supplementary 1 Estimates, aligning them with projected revenues.

#### **2.2.2.1 County Revenue Performance**

To finance the budget for the Financial Year 2024/25, the County Government is



expected to receive total revenue of **Ksh. 6,833,199,036**. By end December 2024, revenue realized amounted to Ksh 2,603,544,315 against a target of Ksh 3,471,604,111 of the same period resulting to an underperformance of Ksh 813,055,203. The underperformance was mainly on account of shortfall registered in external revenue amounting to Ksh 747,055,920 and County Own Source Revenues amounting to Ksh 65,999,283. Total county revenues declined by 8.09% %by end December 2024 in comparison to same period in FY 2023. The county own revenue performance by 31<sup>st</sup> December 2024 is Ksh 119,604,807 a decline from Ksh 168,110,102 over the same period under consideration in the year 2024.

51. By 31<sup>st</sup> December 2024/25, the County had receipts of Ksh. 2,603,544,315 comprising Ksh. 2,043,255,362 from the equitable share, Ksh. 119,604,807 county own generation revenue (Ksh 88,177,273 and Ksh 31,427,534 for OSR through CRF and OSR Through FIF), Balance brought forward of Ksh. 438,727,444 from financial year 2023/24 and conditional grants amounting to Ksh 1,956,702 from Danida. The table below provides a summary of the revenues received from the National Government and balances brought forward during the financial year 2024/25.

**Table 2: Fiscal Performance as at 31st December 2024**

| S/ No    | Revenue Stream   | Target as at 31st December 2023 | Actual Revenue as at 31st Dec 2023 | Variance (Ksh.)     | absorption     | Target as at 31st December 2023 | Actual Revenue (Ksh.)as at 31st Dec 2024 | Variance (Ksh.)     | absorpti on    |
|----------|--|---------------------------------|------------------------------------|---------------------|----------------|---------------------------------|--|---------------------|----------------|
|          |  | (Ksh.)                          | (Ksh.)                             | (Ksh.)              |                | (Ksh.)                          | (Ksh.)                                   | (Ksh.)              |                |
| <b>A</b> | <b>Equitable Share Receipts Schedule</b>                                   | <b>2,449,520,605</b>            | <b>2,033,102,103</b>               | <b>-416,418,502</b> | <b>83.00%</b>  | <b>2,461,753,594</b>            | <b>2,043,255,362</b>                     | <b>-418,498,232</b> | <b>83.00%</b>  |
| <b>B</b> | <b>Opening balance from 2022/23 CRF</b>                                    | <b>45,001,200</b>               | <b>45,001,200</b>                  | <b>-</b>            | <b>100.00%</b> | <b>427,727,444</b>              | <b>427,727,444</b>                       | <b>-</b>            | <b>100.00%</b> |
| <b>C</b> | <b>Additional Allocations Balances B/F from FY in various Accounts</b>     |                                 |                                    |                     |                |                                 |  |                     |                |
| 1        | County Fuel Levy   | 11,224                          | 11,224                             | -                   | 100.00%        | -                               | -  | -                   | 0.00%          |
| 2        | County Livestock Support   | 243,151                         | 243,151                            | -                   | 100.00%        | -                               | -  | -                   | 0.00%          |
| 3        | KDSP   | 56,503,926                      | 56,503,926                         | -                   | 100.00%        | -                               | -  | -                   | 0.00%          |
| 4        | Financing Locally led climate action World Bank                            | 11,000,000                      | 11,000,000                         | -                   | 100.00%        | 11,000,000                      | 11,000,000                               | -                   | 100.00%        |
| 5        | Primary health care  | 192,001                         | 192,001                            | -                   | 100.00%        | -                               | -  | -                   | 0.00%          |
| 6        | KUSP   | 255,182                         | 255,182                            | -                   | 100.00%        | -                               | -  | -                   | 0.00%          |
| 7        | Current Grants from Foreign Governments - Danida                           | 4,698,375                       | 4,698,375                          | -                   | 100.00%        | -                               | -  | -                   | 0.00%          |
|          | <b>Sub total</b>   | <b>72,903,859</b>               | <b>72,903,859</b>                  | <b>0</b>            | <b>100.00%</b> | <b>11,000,000</b>               | <b>11,000,000</b>                        | <b>-</b>            | <b>100.00%</b> |
|          | <b>Total Balances B/F</b>  | <b>117,905,059</b>              | <b>117,905,059</b>                 | <b>0</b>            | <b>100.00%</b> | <b>438,727,444</b>              | <b>438,727,444</b>                       | <b>-</b>            | <b>100.00%</b> |
| <b>D</b> | <b>Conditional Allocations From Development Partners</b>                   |                                 |                                    |                     |                |                                 |  |                     |                |
| 1        | Current Grants from Foreign Governments - Danida                           | 3,869,250                       | 4,698,375                          | 829,125             | 121.40%        | 3,266,250                       | 1,956,702                                | -1,309,548          | 59.90%         |
| 3        | Financing Locally led climate action World Bank                            | 68,000,000                      | 11,000,000                         | -57,000,000         | 16.20%         | 68,000,000                      | -  | -68,000,000         | 0.00%          |
| 4        | Sweden Agricultural Sector Development Support Programme (ASDSP)           | 9,223,441                       | 15,758,238                         | 6,534,797           | 170.80%        | -                               | -  | -                   | 0.00%          |
| 5        | County Emergency Locust Re   | 94,484,277                      | 0                                  | -94,484,277         | 0.00%          | 71,250,000                      | -  | -71,250,000         | 0.00%          |
| 6        | Kenya Climate Smart Agr  | 45,000,000                      | 0                                  | -45,000,000         | 0.00%          | -                               | -  | -                   | 0.00%          |
| 7        | Food Systems Resilience Project (FSRP)                                     |                                 |                                    |                     |                | 86,538,462                      | -  | -86,538,462         | 0.00%          |
| 8        | Kenya Agricultural Business Development Project (KABDP)-GOS                |                                 |                                    |                     |                | 5,459,460                       | -  | -5,459,460          | 0.00%          |
| 9        | Kenya Agricultural Business Development Project (KABDP)-MOALD Contribution |                                 |                                    |                     |                | 500,000                         | -  | -500,000            | 0.00%          |
| 10       | Kenya Devolution Support Program II (KDSP II)                              |                                 |                                    |                     |                | 18,750,000                      | -  | -18,750,000         | 0.00%          |
| 11       | Kenya Urban Support Program (KUSP)-UIG                                     |                                 |                                    |                     |                | 17,500,000                      | -  | -17,500,000         | 0.00%          |
| 12       | Kenya Urban Support Program (KUSP)-UDG                                     |                                 |                                    |                     |                | 31,830,599                      | -  | -31,830,599         | 0.00%          |
| 13       | United Nations Fund for Population Activities (UNFPA)                      | 9,750,999                       | 0                                  | -9,750,999          | 0.00%          | 4,810,000                       | -  | -4,810,000          | 0.00%          |
|          | <b>Sub-Total</b>   | <b>230,327,967</b>              | <b>31,456,613</b>                  | <b>-198,871,354</b> | <b>13.70%</b>  | <b>307,904,770</b>              | <b>1,956,702</b>                         | <b>305,948,068</b>  | <b>0.60%</b>   |
| <b>E</b> | <b>Conditional Allocations From national government</b>                    |                                 |                                    |                     |                |                                 |  |                     |                |
| 1        | Supplement for construction of County HQ                                   |                                 |                                    |                     |                | 57,675,081                      | -  | -57,675,081         | 0.00%          |
| 2        | Transfer of Museum function  |                                 |                                    |                     |                | 546,828                         | -  | -546,828            | 0.00%          |
| 3        | Roads maintainance fuel levy Fund  |                                 |                                    |                     |                | 95,322,221                      | -  | -95,322,221         | 0.00%          |
| 4        | Community Health promoters   |                                 |                                    |                     |                | 10,815,000                      | -  | -10,815,000         | 0.00%          |

| S/<br>No | Revenue Stream                                 | Target as at 31st<br>December 2023 | Actual Revenue<br>as at 31st Dec<br>2023 | Variance<br>(Ksh.)  | absorption     | Target as at 31st<br>December 2023 | Actual Revenue<br>(Ksh.)as at 31st<br>Dec 2024 | Variance<br>(Ksh.) | absorpti<br>on |
|----------|--|------------------------------------|--|---------------------|----------------|------------------------------------|--|--------------------|----------------|
|          |  | (Ksh.)                             | (Ksh.)                                   | (Ksh.)              |                | (Ksh.)                             | (Ksh.)   | (Ksh.)             |                |
|          | <b>Sub-Total</b>                               | -                                  | -  | -                   | <b>0.00%</b>   | <b>164,359,129</b>                 | -  | -                  | <b>0.00%</b>   |
|          |  |                                    |  |                     |                |                                    |  | <b>164,359,129</b> |                |
| <b>F</b> | <b>Own Source Revenue</b>                      |                                    |  |                     |                |                                    |  |                    |                |
| 1        | Own source through CRF                         | 135,604,090                        | 118,309,944                              | -17,294,146         | 87.20%         | 135,604,090                        | 88,177,273                                     | -47,426,817        | 65.00%         |
| 2        | Own source through FIF                         | 24,000,000                         | 49,918,657                               | 25,918,657          | 208.00%        | 50,000,000                         | 31,427,534                                     | -18,572,466        | 62.90%         |
|          | <b>Sub total</b>                               | <b>159,604,090</b>                 | <b>168,228,601</b>                       | <b>8,624,511</b>    | <b>105.40%</b> | <b>185,604,090</b>                 | <b>119,604,807</b>                             | <b>-65,999,283</b> | <b>64.40%</b>  |
|          | <b>Total (Internal &amp; External Sources)</b> | <b>2,957,357,721</b>               | <b>2,350,692,376</b>                     | <b>-606,665,345</b> | <b>79.50%</b>  | <b>3,471,604,111</b>               | <b>2,603,544,315</b>                           | <b>813,055,203</b> | <b>76.70%</b>  |

Source: County Treasury 2025

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### ***County Own Generated Revenue Performance***

52. Cumulative County own Revenue as at 31st December 2024 is Ksh 119,604,807 compared to Ksh 168,228,601 in same period in FY 2023/24. This cumulative total revenue is inclusive of FIF for department of health in Aid (A-i-A) of Ksh 31,427,534, used at the source.
53. The Decline in revenue realized was as result of health workers strikes and movement from NHIF to SHA that resulted in decline of Ksh 18,491,123 from facility improvement funding (FIF). County revenue from other streams also showed a decline trend due to inefficiencies on revenue collection systems.
54. The county own source revenue that was collected through the exchequer was below target by Ksh 47,426,817 as at 31st December 2024. This deficit is likely to hamper implementation of county programmes / projects. More effort is required in the second half of the year in all revenue streams to bridge the gap more. The department of revenue should fast track the automation of revenue collection, development of liquor license act, land valuation master roll, automation of all revenue streams and strengthen revenue enforcement units. The table below provides a summary of the revenues received from the various streams as at 31<sup>st</sup> December 2024 compared to same period in 2023

**Table 3: County own Revenue Collection Performance as at 31st December 2024**

| Title and Details   | 2023/24 Revenue in Ksh as 31 Dec 2023 |                   |                   |                | 2024/25 Revenue in Ksh as 31 Dec 2024 |                   |                    |               |
|---|---------------------------------------|-------------------|-------------------|----------------|---------------------------------------|-------------------|--------------------|---------------|
|   | Estimate                              | Actual receipts   | Deviation         | % performance  | Estimate                              | Actual receipts   | Deviation          | % performance |
| <b>Other land Revenue</b>                                   | <b>2,368,000</b>                      | <b>667,700</b>    | <b>-1,700,300</b> | <b>28.20%</b>  | <b>2,368,000</b>                      | <b>387,100</b>    | <b>-1,980,900</b>  | <b>16.30%</b> |
| Plot Application/Transfer/Sub-Division                      | 2,368,000                             | 667,700           | -1,700,300        | 28.20%         | 2,368,000                             | 387,100           | -1,980,900         | 16.30%        |
| <b>LAND RATES</b>   | <b>12,135,538</b>                     | <b>3,334,428</b>  | <b>-8,801,110</b> | <b>27.50%</b>  | <b>12,135,538</b>                     | <b>2,438,761</b>  | <b>-9,696,777</b>  | <b>20.10%</b> |
| Land Rent & Rates - Current Year                            | 8,597,538                             | 1,132,191         | -7,465,347        | 13.20%         | 8,597,538                             | 982,258           | -7,615,280         | 11.40%        |
| Penalties Rent & Rates                                      | 750,000                               | 51,769            | -698,231          | 6.90%          | 750,000                               | 56,219            | -693,781           | 7.50%         |
| Land Rent & Rates – Arrears                                 | 2,788,000                             | 2,150,468         | -637,532          | 77.10%         | 2,788,000                             | 1,400,284         | -1,387,716         | 50.20%        |
| <b>Cesses</b>   | <b>14,813,273</b>                     | <b>7,180,175</b>  | <b>-7,633,098</b> | <b>48.50%</b>  | <b>14,813,273</b>                     | <b>3,918,490</b>  | <b>-10,894,783</b> | <b>26.50%</b> |
| Livestock Auction   | 5,094,497                             | 1,297,540         | -3,796,957        | 25.50%         | 5,094,497                             | 1,122,490         | -3,972,007         | 22.00%        |
| Sand Cess   | 8,100,000                             | 5,741,000         | -2,359,000        | 70.90%         | 8,100,000                             | 2,661,000         | -5,439,000         | 32.90%        |
| Other Cess (Produce Cess/ Barter/ Murrum/ Cheque Clearance) | 1,618,776                             | 141,635           | -1,477,141        | 8.70%          | 1,618,776                             | 135,000           | -1,483,776         | 8.30%         |
| <b>Other Miscellaneous Receipts</b>                         | <b>15,348,191</b>                     | <b>7,175,879</b>  | <b>-8,172,312</b> | <b>46.80%</b>  | <b>15,348,191</b>                     | <b>4,562,121</b>  | <b>-10,786,070</b> | <b>29.70%</b> |
| Miraa Export  | 2,009,078                             | 3,977,900         | 1,968,822         | 198.00%        | 2,009,078                             | 2,933,740         | 924,662            | 146.00%       |
| Miscellaneous Charges                                       | 475,000                               | 113,500           | -361,500          | 23.90%         | 475,000                               | 1,135,315         | 660,315            | 239.00%       |
| S.B.P Fees/Promotion  | 3,278,401                             | 2,020,259         | -1,258,142        | 61.60%         | 3,278,401                             | 126,000           | -3,152,401         | 3.80%         |
| Liquor License  | 2,400,000                             | -                 | -2,400,000        | 0.00%          | 2,400,000                             | -                 | -2,400,000         | 0.00%         |
| Public Works /Other Charges                                 | 600,000                               | 21,500            | -578,500          | 3.60%          | 600,000                               | -                 | -600,000           | 0.00%         |
| Stand Premiums  | 642,768                               | 56,000            | -586,768          | 8.70%          | 642,768                               | 57,460            | -585,308           | 8.90%         |
| Clearance & Consents  | 209,960                               | 108,000           | -101,960          | 51.40%         | 209,960                               | 16,000            | -193,960           | 7.60%         |
| Plot Transfer Approval                                      | 1,943,038                             | -                 | -1,943,038        | 0.00%          | 1,943,038                             | -                 | -1,943,038         | 0.00%         |
| Lease Extension   | 150,000                               | -                 | -150,000          | 0.00%          | 150,000                               | -                 | -150,000           | 0.00%         |
| Planning & Survey   | 477,000                               | -                 | -477,000          | 0.00%          | 477,000                               | -                 | -477,000           | 0.00%         |
| Livestock/Veterinary Inspection (meat)                      | 1,798,000                             | 604,260           | -1,193,740        | 33.60%         | 1,798,000                             | 158,000           | -1,640,000         | 8.80%         |
| Weights and Measure   | 375,000                               | -                 | -375,000          | 0.00%          | 375,000                               | -                 | -375,000           | 0.00%         |
| Tractor Hire  | 549,946                               | 100,960           | -448,986          | 18.40%         | 549,946                               | 34,850            | -515,096           | 6.30%         |
| Agriculture Training Centre                                 | 440,000                               | -                 | -440,000          | 0.00%          | 440,000                               | -                 | -440,000           | 0.00%         |
| Public Inspection - Public Health                           | -                                     | 173,500           | 173,500           | 0.00%          | -                                     | 100,756           | 100,756            | -             |
| <b>Park Revenue</b>   | <b>75,325,987</b>                     | <b>96,060,682</b> | <b>20,734,695</b> | <b>127.50%</b> | <b>77,112,879</b>                     | <b>75,357,856</b> | <b>-1,755,023</b>  | <b>97.70%</b> |
| Game Entrance & Royalties                                   | 75,325,987                            | 96,060,682        | 20,734,695        | 127.50%        | 77,112,879                            | 75,357,856        | -1,755,023         | 97.70%        |
| <b>Market/Trade Centre Fee</b>                              | <b>5,215,223</b>                      | <b>1,302,200</b>  | <b>-3,913,023</b> | <b>25.00%</b>  | <b>5,215,223</b>                      | <b>560,493</b>    | <b>-4,654,730</b>  | <b>10.70%</b> |
| Market Stalls Rent -Kiosks & Stalls                         | 5,215,223                             | 1,302,200         | -3,913,023        | 25.00%         | 5,215,223                             | 560,493           | -4,654,730         | 10.70%        |
| <b>Vehicle Parking Fees</b>                                 | <b>5,240,000</b>                      | <b>1,963,890</b>  | <b>-3,276,110</b> | <b>37.50%</b>  | <b>5,240,000</b>                      | <b>659,150</b>    | <b>-4,580,850</b>  | <b>12.60%</b> |
| Street Parking Fees   | 5,240,000                             | 1,963,890         | -3,276,110        | 37.50%         | 5,240,000                             | 659,150           | -4,580,850         | 12.60%        |

| Title and Details   | 2023/24 Revenue in Ksh as 31 Dec 2023 |                    |                   |                | 2024/25 Revenue in Ksh as 31 Dec 2024 |                    |                    |               |
|---|---------------------------------------|--------------------|-------------------|----------------|---------------------------------------|--------------------|--------------------|---------------|
|   | Estimate                              | Actual receipts    | Deviation         | % performance  | Estimate                              | Actual receipts    | Deviation          | % performance |
| <b>Health Facilities Operations Service Fees</b>              | <b>1,786,893</b>                      | -                  | <b>-1,786,893</b> | <b>0.00%</b>   | -                                     | -                  | -                  | <b>0.00%</b>  |
| Hospital Cost Sharing   | 1,786,893                             | -                  | -1,786,893        | 0.00%          | -                                     | -                  | 0                  | 0.00%         |
| <b>Slaughter Houses Administration Fees</b>                   | <b>2,256,788</b>                      | <b>453,600</b>     | <b>-1,803,188</b> | <b>20.10%</b>  | <b>2,256,788</b>                      | <b>224,000</b>     | <b>-2,032,788</b>  | <b>9.90%</b>  |
| Slaughter Fees  | 2,256,788                             | 453,600            | -1,803,188        | 20.10%         | 2,256,788                             | 224,000            | -2,032,788         | 9.90%         |
| <b>Technical Services Fees</b>                                | <b>1,114,201</b>                      | <b>171,390</b>     | <b>-942,811</b>   | <b>15.40%</b>  | <b>1,114,201</b>                      | <b>69,302</b>      | <b>-1,044,899</b>  | <b>6.20%</b>  |
| Building Plan Approvals                                       | 1,114,201                             | 171,390            | -942,811          | 15.40%         | 1,114,201                             | 69,302             | -1,044,899         | 6.20%         |
| <b>Gross Internal Revenue Estimates</b>                       | <b>135,604,094</b>                    | <b>118,309,944</b> | <b>-</b>          | <b>87.20%</b>  | <b>135,604,093</b>                    | <b>88,177,273</b>  | <b>-47,426,820</b> | <b>65.00%</b> |
| <b>Facility Improvement Fund(HIF) Operations Service Fees</b> | <b>42,500,000</b>                     | <b>49,918,657</b>  | <b>7,418,657</b>  | <b>117.50%</b> | <b>50,000,000</b>                     | <b>31,427,534</b>  | <b>-18,572,466</b> | <b>62.90%</b> |
| NHIF  | 29,500,000                            | 34,649,421         | 5,149,421         | 117.50%        | 15,000,000                            | 23,021,045         | 8,021,045          | 153.50%       |
| Cash  | 12,000,000                            | 14,094,680         | 2,094,680         | 117.50%        | 33,500,000                            | 8,213,609          | -25,286,391        | 24.50%        |
| Compassion  | 1,000,000                             | 1,174,557          | 174,557           | 117.50%        | 1,500,000                             | 192,880            | -1,307,120         | 12.90%        |
| <b>TOTAL</b>  | <b>178,104,094</b>                    | <b>168,228,601</b> | <b>-9,875,493</b> | <b>94.50%</b>  | <b>185,604,093</b>                    | <b>119,604,807</b> | <b>-65,999,286</b> | <b>64.40%</b> |

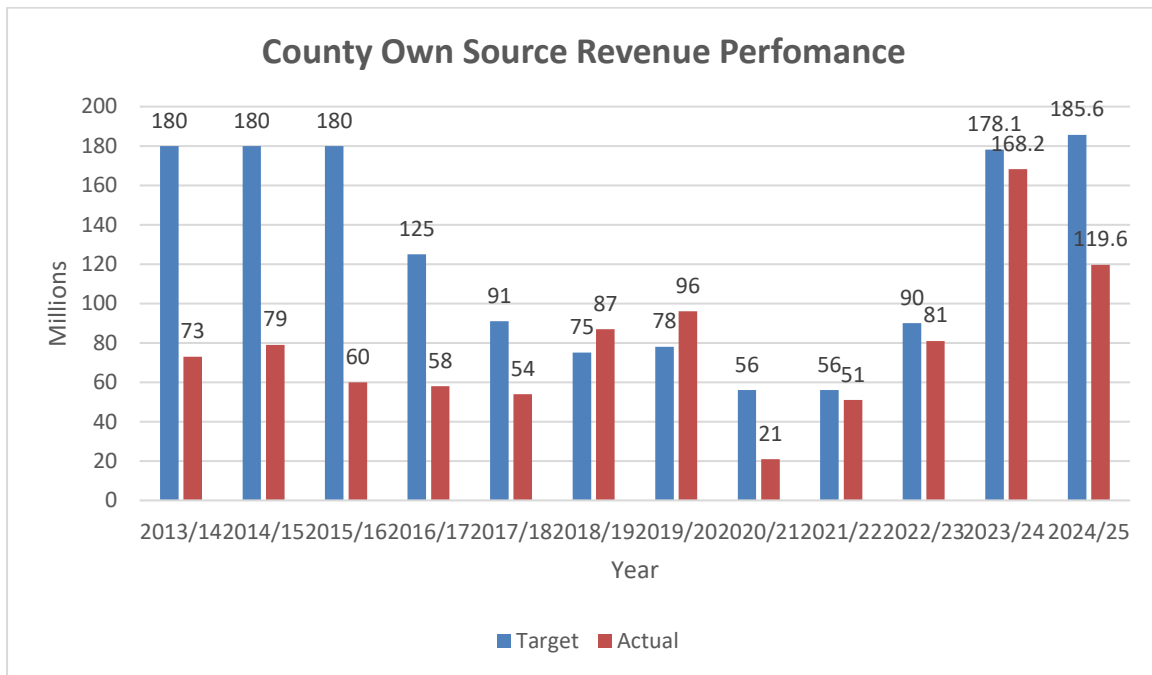
Source: County Treasury 2025

**Analysis of performance of local revenue in the first half of FY 2013/14 to first half of FY 2024/25 (in Ksh. Millions)**

**Table 4: Half-year OSR performance FY 2013/14 to FY 2024/25**

| Revenue Source | 2013 /14 | 2014 /15 | 2015/ 16 | 2016/ 17 | 2017/ 18 | 2018 /19 | 201 9/20 | 2020 /21 | 202 1/22 | 2022/ 23 | 2023/ 24 | 2023 /24F IF | 2024/2 5 |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------|----------|
| <b>Target</b>  | 180      | 180      | 180      | 125      | 91       | 75       | 78       | 56       | 56       | 90       | 178.1    | 42.5         | 185.6    |
| <b>Actual</b>  | 73       | 79       | 60       | 58       | 54       | 87       | 96       | 21       | 51       | 81       | 168.2    | 49.9         | 119.6    |

Source: Revenue department



**Figure 1 Half Year Own Source Revenue Performance from FY 2013/14 to FY 2024/25.**

### 2.2.3 County Expenditure Performance Analysis

55. Total county expenditure and transfers in the period to 31st December 2024 amounted to Ksh **1,859,647,877** (55%) against a half year planned expenditure of Ksh **3,366,599,518**; which is a decline of 8% from December 2023. The shortfall in expenditure of Ksh **49,712,707** was largely on development and recurrent expenditure of Ksh **443,473,330 (18%)** and Ksh **1,416,174,547(33%)** respectively. The cause of the under absorption was due to delays in procurement of goods and services and release of funds by the exchequer. The tables below show half year departmental Expenditure Analysis for the financial years 2023/24 and 2024/25 respectively.

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**Table 5: Departmental Expenditure Analysis as at 31<sup>st</sup> December 2024**

| Department   | Financial Year 2023/24             |  |                     | Financial Year 2024/25     |  |                 |
|--|------------------------------------|--|---------------------|----------------------------|--|-----------------|
|  | Revised Budget as at 31st Dec 2023 | Actual Expenditure as at 31st Dec 2023 | Absorption Rate (%) | Budget as at 31st Dec 2024 | Actual Expenditure as at 31st Dec 2024 | Absorption rate |
| <b>3511000100 County Assembly</b>  | 289,626,340                        | <b>173,120,972</b>                     | 60%                 | <b>626,240,773</b>         |  |                 |
| 3511000100 County Assembly   | 289,626,340                        | <b>173,120,972</b>                     | 60%                 | 626,240,773                |  |                 |
| <b>3512000000 County Executive</b>   | 191,636,872                        | <b>203,135,329</b>                     | 106%                | <b>465,525,987</b>         | 169,173,894                            | 36%             |
| 3512000100 Office of Governor  | 104,525,330                        | 122,478,653                            | 117%                | 285,960,841                | 112,568,867                            | 39%             |
| 3512000300 County Public Service Board   | 27,943,498                         | 28,901,997                             | 103%                | 54,541,500                 | 17,067,268                             | 31%             |
| 3512000400 County Secretary  | 12,125,000                         | 9,165,200                              | 76%                 | 37,077,228                 | 7,321,552                              | 20%             |
| 3512000500 Delivery Unit   | 17,201,857                         | 16,055,880                             | 93%                 | 18,853,898                 | 8,410,049                              | 45%             |
| 3512000600 Deputy Governor   | 6,578,437                          | 6,394,819                              | 97%                 | 22,693,782                 | 5,388,228                              | 24%             |
| 3512000800 County Attorney   | 20,686,000                         | 17,593,280                             | 85%                 | 40,798,738                 | 17,999,930                             | 44%             |
| 3512000900 Intergovernmental   | 2,576,750                          | 2,545,500                              | 99%                 | 5,600,000                  | 418,000                                | 7%              |
| <b>3513000000 Finance , Economic Planning , Special Programs, Revenue And Cohesion</b>                       | <b>501,453,175</b>                 | <b>309,197,570</b>                     | <b>62%</b>          | <b>1,176,108,695</b>       | <b>556,802,680</b>                     | <b>47%</b>      |
| 3513000100 Finance   | 258,718,437                        | 122,738,185                            | 47%                 | 876,607,483                | 456,700,928                            | 52%             |
| 3513000300 Special Programmes  | 172,819,624                        | 127,230,800                            | 74%                 | 173,460,000                | 80,843,100                             | 47%             |
| 3513000400 Economic Planning   | 25,569,230                         | 29,324,585                             | 115%                | 74,575,212                 | 6,904,906                              | 9%              |
| 3513000500cohesion   | 10,933,385                         | 9,714,900                              | 89%                 | 25,152,000                 | 5,184,705                              | 21%             |
| 3513000600 Revenue Services  | 14,910,000                         | 14,449,400                             | 97%                 | 15,214,000                 | 3,977,271                              | 26%             |
| 3513000700 ICT And Innovation  | 18,502,500                         | 5,739,700                              | 31%                 | 11,100,000                 | 3,191,770                              | 29%             |
| <b>3514 000000lands &amp; Physical Planning, Housing &amp; Urban Planning and Roads &amp; Infrastructure</b> | <b>100,843,111</b>                 | <b>18,730,471</b>                      | <b>19%</b>          | <b>396,889,428</b>         | <b>61,952,000</b>                      | <b>16%</b>      |
| 3514 000100 Lands and Physical Planning  | 36,340,391                         | 8,755,210                              | 24%                 | 69,735,137                 | 5,339,548                              | 8%              |
| 3514 000200 Roads and Infrastructure   | 56,576,140                         | 5,890,500                              | 10%                 | 307,772,631                | 56,147,352                             | 18%             |
| 3514 000300public Works  | 5,096,580                          | 3,251,018                              | 64%                 | 11,431,660                 | 344,000                                | 3%              |
| 3514 000400 Housing and Urban Development  | 2,830,000                          | 833,743                                | 29%                 | 7,950,000                  | 121,100                                | 2%              |
| <b>3515000000agriculture, Livestock &amp; Veterinary Services And Fisheries Development</b>                  | <b>347,425,686</b>                 | <b>87,161,571</b>                      | <b>25%</b>          | <b>538,655,267</b>         | <b>97,321,698</b>                      | <b>18%</b>      |
| 3515000100 Agriculture & Irrigation  | 176,094,273                        | 26,425,109                             | 15%                 | 389,413,592                | 41,828,448                             | 11%             |

| Department  | Financial Year 2023/24             |  |                     | Financial Year 2024/25     |  |                 |
|---|------------------------------------|--|---------------------|----------------------------|--|-----------------|
|   | Revised Budget as at 31st Dec 2023 | Actual Expenditure as at 31st Dec 2023 | Absorption Rate (%) | Budget as at 31st Dec 2024 | Actual Expenditure as at 31st Dec 2024 | Absorption rate |
| 3515000200 Livestock, Veterinary  | 166,732,293                        | 58,628,974                             | 35%                 | 133,941,911                | 53,193,317                             | 40%             |
| 35150000300 Fishery Development   | 4,599,120                          | 2,107,488                              | 46%                 | 15,299,764                 | 2,299,933                              | 15%             |
| <b>3518000000education, Vocational Youth ,Sports Gender&amp; Social Services</b>    | <b>170,995,035</b>                 | <b>53,098,014</b>                      | <b>31%</b>          | <b>452,129,694</b>         | <b>94,344,754</b>                      | <b>21%</b>      |
| 3518000100 Education and ECDE   | 130,868,023                        | 39,487,035                             | 30%                 | 312,365,728                | 83,229,254                             | 27%             |
| 3518000200 Youth and Sports   | 14,505,940                         | 5,493,800                              | 38%                 | 55,347,616                 | 5,910,500                              | 11%             |
| 3518000300 culture, Gender and Social Services                                      | 18,060,888                         | 4,294,229                              | 24%                 | 62,975,550                 | 3,030,000                              | 5%              |
| 3518000400 Vocational Training  | 7,560,185                          | 3,822,950                              | 51%                 | 21,440,800                 | 2,175,000                              | 10%             |
| <b>3519000000tourism and Wildlife, Trade Cooperative and Enterprise Development</b> | <b>276,451,884</b>                 | <b>176,102,410</b>                     | <b>64%</b>          | <b>842,755,685</b>         | <b>260,603,083</b>                     | <b>31%</b>      |
| 3519000100 Tourism and Wildlife   | 66,313,165                         | 55,478,997                             | 84%                 | 112,420,882                | 42,872,422                             | 38%             |
| 3519000200 Trade and Investment   | 23,050,694                         | 1,336,796                              | 6%                  | 15,470,876                 | 2,561,374                              | 17%             |
| 3519000300 Public Service Management  | 167,533,025                        | 111,021,256                            | 66%                 | 470,469,422                | 198,797,314                            | 42%             |
| 3519000400devolved Units  | 1,100,000                          | 759,600                                | 69%                 | 229,000,800                | 11,663,338                             | 5%              |
| 3519000500civic Education And Public Participation                                  | 4,585,000                          | 1,621,900                              | 35%                 | 10,353,000                 | 3,470,100                              | 34%             |
| 3519000600 MSME & Cooperatives  | 13,870,000                         | 5,883,861                              | 42%                 | 5,040,705                  | 1,238,535                              | 25%             |
| <b>3521000000 Water, Energy, Environment and Natural Resources</b>                  | <b>177,907,283</b>                 | <b>61,521,938</b>                      | <b>35%</b>          | <b>389,607,351</b>         | <b>47,178,558</b>                      | <b>12%</b>      |
| 3521000100 water And Sanitation   | 71,893,756                         | 36,659,939                             | 51%                 | 165,417,515                | 12,365,112                             | 7%              |
| 3521000300 Environment and CCA  | 100,756,027                        | 21,923,899                             | 22%                 | 208,089,836                | 34,056,646                             | 16%             |
| 3521000400 Mining and Natural Resources   | 1,295,000                          | 1,122,200                              | 87%                 | 5,600,000                  | 483,500                                | 9%              |
| 3521000500 Renewable Energy   | 3,962,500                          | 1,815,900                              | 46%                 | 10,500,000                 | 273,300                                | 3%              |
| <b>3522000000 health Services</b>   | <b>744,572,756</b>                 | <b>682,682,084</b>                     | <b>92%</b>          | <b>1,506,331,707</b>       | <b>554,365,813</b>                     | <b>37%</b>      |
| 3522000100 medical Services   | 600,329,250                        | 576,860,784                            | 96%                 | 990,862,540                | 359,551,010                            | 36%             |
| 3522000200 Public Health  | 144,243,506                        | 105,821,300                            | 73%                 | 515,469,167                | 194,814,803                            | 38%             |
| <b>3524000000 Municipal Administration</b>  | <b>73,493,050</b>                  | <b>45,184,811</b>                      | <b>61%</b>          | <b>338,954,449</b>         | <b>17,905,397</b>                      | <b>5%</b>       |
| 3524000100 Municipal Administration   | 73,493,050                         | 45,184,811                             | 61%                 | 338,954,449                | 17,905,397                             | 5%              |
| <b>Total Recurrent Expenditure</b>  | <b>2,874,405,190</b>               | <b>2,874,405,190</b>                   | <b>63%</b>          | <b>3,366,599,518</b>       | <b>1,859,647,877</b>                   | <b>55%</b>      |

Source: County Treasury 2024

### ***2.2.3.1 Recurrent Expenditure analysis***

56. A total of Ksh. **1,587,192,288** was spent on recurrent activities by 31<sup>st</sup> December 2024 against a planned recurrent budget of Ksh **2,160,384,746** The recurrent expenditure for the period under review represented **73.5%** % of the recurrent budget, a decrease of 8.3% compared to a similar period in financial year 2023/24 which was at **81.8%**. The below target recurrent expenditure as at December 2024 was mainly on account of late exchequer disbursement and length procurement of services and goods.

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**Table 6 Recurrent Expenditure analysis as at 31st December 2024**

| Department  | Financial Year 2023/24             |                                 |                    |                     | Financial Year 2024/25     |                                 |                    |                     |
|---|------------------------------------|---------------------------------|--------------------|---------------------|----------------------------|---------------------------------|--------------------|---------------------|
|   | Revised Budget as at 31st Dec 2023 | Expenditure as at 31st Dec 2023 | Deviation          | Absorption Rate (%) | Budget as at 31st Dec 2024 | Expenditure as at 31st Dec 2024 | Deviation          | Absorption Rate (%) |
|   | Rec                                | Rec                             |                    | Rec                 | Rec                        | Rec                             |                    | Rec                 |
| <b>3511000100 County Assembly</b>   | <b>269,626,340</b>                 | <b>173,120,972</b>              | <b>-96,505,368</b> | <b>64.2%</b>        | <b>278,120,387</b>         | <b>227,869,291</b>              | <b>-50,251,096</b> | <b>81.9%</b>        |
| 3511000100 County Assembly  | 269,626,340                        | 173,120,972                     | -96,505,368        | 64.2%               | 278,120,387                | 227,869,291                     | -50,251,096        | 81.9%               |
| <b>County executive</b>   | <b>191,636,872</b>                 | <b>203,135,329</b>              | <b>11,498,457</b>  | <b>106.0%</b>       | <b>232,762,994</b>         | <b>169,173,894</b>              | <b>-63,589,100</b> | <b>72.7%</b>        |
| 3512000100 Office Of Governor   | 104,525,330                        | 122,478,653                     | 17,953,323         | 117.2%              | 142,980,421                | 112,568,867                     | -30,411,554        | 78.7%               |
| 3512000300 County Public Service Board  | 27,943,498                         | 28,901,997                      | 958,499            | 103.4%              | 27,270,750                 | 17,067,268                      | -10,203,482        | 62.6%               |
| 3512000400 County Secretary   | 12,125,000                         | 9,165,200                       | -2,959,800         | 75.6%               | 18,538,614                 | 7,321,552                       | -11,217,062        | 39.5%               |
| 3512000500 Delivery Unit  | 17,201,857                         | 16,055,880                      | -1,145,977         | 93.3%               | 9,426,949                  | 8,410,049                       | -1,016,900         | 89.2%               |
| 3512000600 Deputy Governor  | 6,578,437                          | 6,394,819                       | -183,618           | 97.2%               | 11,346,891                 | 5,388,228                       | -5,958,663         | 47.5%               |
| 3512000800 County Attorney  | 20,686,000                         | 17,593,280                      | -3,092,720         | 85.0%               | 20,399,369                 | 17,999,930                      | -2,399,439         | 88.2%               |
| 3512000900 Intergovernmental  | 2,576,750                          | 2,545,500                       | -31,250            | 98.8%               | 2,800,000                  | 418,000                         | -2,382,000         | 14.9%               |
| <b>3513000000 Finance , Economic Planning ,</b>   | <b>287,107,242</b>                 | <b>226,323,124</b>              | <b>-60,784,118</b> | <b>78.8%</b>        | <b>247,822,941</b>         | <b>238,041,552</b>              | <b>-9,781,389</b>  | <b>96.1%</b>        |
| 3513000100 Finance  | 115,372,503                        | 96,813,939                      | -18,558,564        | 83.9%               | 167,572,335                | 192,939,800                     | 25,367,465         | 115.1%              |
| 3513000300 Special Programmes   | 117,819,624                        | 77,230,300                      | -40,589,324        | 65.5%               | 31,730,000                 | 25,843,100                      | -5,886,900         | 81.4%               |
| 3513000400 Economic Planning  | 23,569,230                         | 26,374,585                      | 2,805,355          | 111.9%              | 22,787,606                 | 6,904,906                       | -15,882,700        | 30.3%               |
| 3513000500 cohesion   | 10,933,385                         | 9,714,900                       | -1,218,485         | 88.9%               | 12,576,000                 | 5,184,705                       | -7,391,295         | 41.2%               |
| 3513000600 Revenue Services   | 14,410,000                         | 13,449,400                      | -960,600           | 93.3%               | 7,607,000                  | 3,977,271                       | -3,629,729         | 52.3%               |
| 3513000700 ICT and Innovation   | 5,002,500                          | 2,740,000                       | -2,262,500         | 54.8%               | 5,550,000                  | 3,191,770                       | -2,358,230         | 57.5%               |
| <b>3514 000000 lands &amp; Physical Planning, Housing &amp; Urban Planning and Roads &amp; Infrastructure</b> | <b>22,047,080</b>                  | <b>15,730,471</b>               | <b>-6,316,609</b>  | <b>71.3%</b>        | <b>28,122,494</b>          | <b>187,848</b>                  | <b>-27,934,646</b> | <b>0.7%</b>         |

| Department   | Financial Year 2023/24             |                                 |                     |                     | Financial Year 2024/25     |                                 |                    |                     |
|--|------------------------------------|---------------------------------|---------------------|---------------------|----------------------------|---------------------------------|--------------------|---------------------|
|  | Revised Budget as at 31st Dec 2023 | Expenditure as at 31st Dec 2023 | Deviation           | Absorption Rate (%) | Budget as at 31st Dec 2024 | Expenditure as at 31st Dec 2024 | Deviation          | Absorption Rate (%) |
| 3514 000100 Lands And Physical Planning  | 9,300,000                          | 5,755,210                       | -3,544,790          | 61.9%               | 10,867,569                 | 187,848                         | -10,679,721        | 1.7%                |
| 3514 000200 Roads and Infrastructure   | 6,320,500                          | 5,890,500                       | -430,000            | 93.2%               | 7,564,095                  | 893,200                         | -6,670,895         | 11.8%               |
| 3514 000300 public Works   | 5,096,580                          | 3,251,018                       | -1,845,562          | 63.8%               | 3,975,000                  | 344,000                         | -3,631,000         | 8.7%                |
| 3514 000400 Housing And Urban Development  | 1,330,000                          | 833,743                         | -496,257            | 62.7%               | 5,715,830                  | 121,100                         | -5,594,730         | 2.1%                |
| <b>3515000000 agriculture &amp; , Livestock &amp; Fisheries Development</b>          | <b>86,797,894</b>                  | <b>82,664,071</b>               | <b>-4,133,823</b>   | <b>95.2%</b>        | <b>87,541,639</b>          | <b>19,828,448</b>               | <b>-67,713,191</b> | <b>22.7%</b>        |
| 3515000100 Agriculture & Irrigation  | 26,236,556                         | 24,425,109                      | -1,811,447          | 93.1%               | 23,708,875                 | 19,828,448                      | -3,880,427         | 83.6%               |
| 3515000200 Livestock Production & veterinary   | 57,338,718                         | 56,131,474                      | -1,207,244          | 97.9%               | 59,682,882                 | 53,193,317                      | -6,489,565         | 89.1%               |
| 35150000300 Fishery Development  | 3,222,620                          | 2,107,488                       | -1,115,132          | 65.4%               | 4,149,882                  | 2,299,933                       | -1,849,949         | 55.4%               |
| <b>3518000000 education, Vocational Youth ,Sports Gender &amp; Social Services</b>   | <b>143,112,345</b>                 | <b>41,493,014</b>               | <b>-101,619,331</b> | <b>29.0%</b>        | <b>170,803,842</b>         | <b>90,169,754</b>               | <b>-80,634,088</b> | <b>52.8%</b>        |
| 3518000100 Education And ECDE  | 119,168,023                        | 32,787,035                      | -86,380,988         | 27.5%               | 137,013,643                | 83,229,254                      | -53,784,389        | 60.7%               |
| 3518000200 Youth And Sports  | 11,505,940                         | 5,493,800                       | -6,012,140          | 47.7%               | 12,878,808                 | 5,910,500                       | -6,968,308         | 45.9%               |
| 3518000300 culture, Gender And Social Services                                       | 11,048,382                         | 2,294,229                       | -8,754,153          | 20.8%               | 15,440,992                 | 1,030,000                       | -14,410,992        | 6.7%                |
| 3518000400 Vocational Training   | 1,390,000                          | 917,950                         | -472,050            | 66.0%               | 5,470,400                  | 0                               | -5,470,400         | 0.0%                |
| <b>3519000000 tourism And Wildlife, Trade Cooperative And Enterprise Development</b> | <b>254,451,884</b>                 | <b>176,102,410</b>              | <b>-78,349,474</b>  | <b>69.2%</b>        | <b>333,127,843</b>         | <b>260,603,083</b>              | <b>-72,524,760</b> | <b>78.2%</b>        |
| 3519000100 Tourism And Wildlife  | 62,313,165                         | 55,478,997                      | -6,834,168          | 89.0%               | 51,960,441                 | 42,872,422                      | -9,088,019         | 82.5%               |

| Department  | Financial Year 2023/24             |                                 |                     |                     | Financial Year 2024/25     |                                 |                     |                     |
|---|------------------------------------|---------------------------------|---------------------|---------------------|----------------------------|---------------------------------|---------------------|---------------------|
|   | Revised Budget as at 31st Dec 2023 | Expenditure as at 31st Dec 2023 | Deviation           | Absorption Rate (%) | Budget as at 31st Dec 2024 | Expenditure as at 31st Dec 2024 | Deviation           | Absorption Rate (%) |
| 3519000200 Trade And Investment                                     | 8,050,694                          | 1,336,796                       | -6,713,898          | 16.6%               | 4,485,438                  | 2,561,374                       | -1,924,064          | 57.1%               |
| 3519000300 Public Service Management                                | 164,533,025                        | 111,021,256                     | -53,511,769         | 67.5%               | 233,234,711                | 198,797,314                     | -34,437,397         | 85.2%               |
| 3519000400 devolved Units   | 1,100,000                          | 759,600                         | -340,400            | 69.1%               | 35,750,400                 | 11,663,338                      | -24,087,062         | 32.6%               |
| 3519000500 civic Education And Public Participation                 | 4,585,000                          | 1,621,900                       | -2,963,100          | 35.4%               | 5,176,500                  | 3,470,100                       | -1,706,400          | 67.0%               |
| 3519000600 MSME & Cooperatives                                      | 13,870,000                         | 5,883,861                       | -7,986,139          | 42.4%               | 2,520,353                  | 1,238,535                       | -1,281,818          | 49.1%               |
| <b>3521000000 Water, Energy, Environment, and Natural Resources</b> | <b>38,313,833</b>                  | <b>35,664,210</b>               | <b>-2,649,623</b>   | <b>93.1%</b>        | <b>41,833,676</b>          | <b>19,150,143</b>               | <b>-22,683,533</b>  | <b>45.8%</b>        |
| 3521000100 water And Sanitation                                     | 23,235,447                         | 21,802,211                      | -1,433,236          | 93.8%               | 23,988,758                 | 11,634,312                      | -12,354,446         | 48.5%               |
| 3521000300 Environment and CCA                                      | 11,820,886                         | 10,923,899                      | -896,987            | 92.4%               | 14,044,918                 | 6,759,031                       | -7,285,887          | 48.1%               |
| 3521000400 Mining and Natural Resources                             | 1,295,000                          | 1,122,200                       | -172,800            | 86.7%               | 1,800,000                  | 483,500                         | -1,316,500          | 26.9%               |
| 3521000500 Renewable Energy   | 1,962,500                          | 1,815,900                       | -146,600            | 92.5%               | 2,000,000                  | 273,300                         | -1,726,700          | 13.7%               |
| <b>3522000000 health Services</b>                                   | <b>688,018,940</b>                 | <b>667,653,805</b>              | <b>-20,365,135</b>  | <b>97.0%</b>        | <b>697,289,604</b>         | <b>548,139,151</b>              | <b>-149,150,453</b> | <b>78.6%</b>        |
| 3522000100 medical Services   | 579,090,757                        | 566,530,880                     | -12,559,877         | 97.8%               | 468,931,270                | 359,551,010                     | -109,380,260        | 76.7%               |
| 3522000200 Public Health  | 108,928,183                        | 101,122,925                     | -7,805,258          | 92.8%               | 228,358,334                | 188,588,141                     | -39,770,193         | 82.6%               |
| <b>3524000000 Municipal Administration</b>                          | <b>25,131,955</b>                  | <b>18,933,160</b>               | <b>-6,198,795</b>   | <b>75.3%</b>        | <b>42,959,331</b>          | <b>14,029,124</b>               | <b>-28,930,207</b>  | <b>32.7%</b>        |
| 3524000100 Municipal Administration                                 | 25,131,955                         | 18,933,160                      | -6,198,795          | 75.3%               | 42,959,331                 | 14,029,124                      | -28,930,207         | 32.7%               |
| <b>Total Recurrent Expenditure</b>                                  | <b>2,006,244,385</b>               | <b>1,640,820,566</b>            | <b>-365,423,819</b> | <b>81.8%</b>        | <b>2,160,384,747</b>       | <b>1,587,192,288</b>            | <b>-573,192,459</b> | <b>73.5%</b>        |

Source: County Treasury 2024

### ***2.2.3.2 Development Expenditure***

57. By 31st December 2024, the county had spent a total of Ksh. **443,473,330** on development activities against a budget of Ksh **1,206,214,771**. Development expenditures were below the planned budget by Ksh **762,741,441**. There was an increase in development expenditure absorption for the period under review in the FY 2024/25 to 40 % from 19% in FY2023/24 over the same period under consideration. The increase in performance was associated with payment of pending bills, construction of roads process and delayed disbursement of funds by exchequer for both internal and external funded development programmes/ projects.

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**Table 7: Development Expenditure Analysis as at 31st December 2024**

| Department  | Financial Year 2023/24     |                                 |                     |                     | Financial Year 2024/25     |                                 |                      |                     |
|---|----------------------------|---------------------------------|---------------------|---------------------|----------------------------|---------------------------------|----------------------|---------------------|
|   | Budget as at 31st Dec 2023 | Expenditure as at 31st Dec 2023 | Deviation           | Absorption Rate (%) | Budget as at 31st Dec 2024 | Expenditure as at 31st Dec 2024 | Deviation            | Absorption Rate (%) |
| <b>3511000100 County Assembly</b>   | <b>20,000,000</b>          | <b>0</b>                        | <b>-20,000,000</b>  | <b>0%</b>           | <b>35,000,000</b>          | <b>39,999,999</b>               | <b>4,999,999</b>     | <b>114%</b>         |
| 3511000100 County Assembly  | 20,000,000                 | 0                               | -20,000,000         | 0%                  | 35,000,000                 | 39,999,999                      | 4,999,999            | 114%                |
| <b>3512000000 County Executive</b>  | <b>0</b>                   | <b>0</b>                        | <b>0</b>            | <b>0%</b>           | <b>0</b>                   | <b>-</b>                        | <b>0%</b>            |                     |
| 3512000100 Office of Governor   | 0                          | 0                               | 0                   | 0%                  | 0                          | -                               | 0%                   |                     |
| 3512000300 County Public Service Board  | 0                          | 0                               | 0                   | 0%                  | 0                          | -                               | 0%                   |                     |
| 3512000400 County Secretary   | 0                          | 0                               | 0                   | 0%                  | 0                          | -                               | 0%                   |                     |
| 3512000500 Delivery Unit  | 0                          | 0                               | 0                   | 0%                  | 0                          | -                               | 0%                   |                     |
| 3512000600 Deputy Governor  | 0                          | 0                               | 0                   | 0%                  | 0                          | -                               | 0%                   |                     |
| 3512000800 County Attorney  | 0                          | 0                               | 0                   | 0%                  | 0                          | -                               | 0%                   |                     |
| 3512000900 Intergovernmental  | 0                          | 0                               | 0                   | 0%                  | 0                          | -                               | 0%                   |                     |
| <b>3513000000 Finance &amp; Economic Planning</b>                                     | <b>214,345,934</b>         | <b>82,874,446</b>               | <b>-131,471,488</b> | <b>39%</b>          | <b>340,231,407</b>         | <b>318,761,128</b>              | <b>(21,470,279)</b>  | <b>94%</b>          |
| 3513000100 Finance  | 143,345,934                | 25,924,246                      | -117,421,688        | 18%                 | 270,731,407                | 263,761,128                     | (6,970,279)          | 97%                 |
| 3513000300 Special Programmes   | 55,000,000                 | 50,000,500                      | -4,999,500          | 91%                 | 55,000,000                 | 55,000,000                      | -                    | 100%                |
| 3513000400 Economic Planning  | 2,000,000                  | 2,950,000                       | 950,000             | 148%                | 14,500,000                 | 0                               | (14,500,000)         | 0%                  |
| 3513000500 cohesion   | 0                          | 0                               | 0                   | 0%                  | 0                          | 0                               | -                    | 0%                  |
| 3513000600 Revenue Services   | 500,000                    | 1,000,000                       | 500,000             | 200%                | 0                          | 0                               | -                    | 0%                  |
| 3513000700 ICT and Innovation   | 13,500,000                 | 2,999,700                       | -10,500,300         | 22%                 | 0                          | 0                               | -                    | 0%                  |
| <b>3514 000000 lands &amp; Physical Planning, Roads &amp; public works</b>            | <b>78,796,031</b>          | <b>3,000,000</b>                | <b>-75,796,031</b>  | <b>4%</b>           | <b>170,322,221</b>         | <b>60,405,852</b>               | <b>(109,916,369)</b> | <b>35%</b>          |
| 3514 000100 Lands and Physical Planning   | 27,040,391                 | 3,000,000                       | -24,040,391         | 11%                 | 24,000,000                 | 5,151,700                       | (18,848,300)         | 21%                 |
| 3514 000200 Roads and Infrastructure  | 50,255,640                 | 0                               | -50,255,640         | 0%                  | 146,322,221                | 55,254,152                      | (91,068,069)         | 38%                 |
| 3514 000300 public Works  | 0                          | 0                               | 0                   | 0%                  | 0                          | 0                               | -                    | 0%                  |
| 3514 000400 Housing And Urban Development   | 1,500,000                  | 0                               | -1,500,000          | 0%                  | 0                          | 0                               | -                    | 0%                  |
| <b>3515000000 agriculture &amp; Irrigation, Livestock &amp; Fisheries Development</b> | <b>260,627,793</b>         | <b>4,497,500</b>                | <b>-256,130,293</b> | <b>2%</b>           | <b>181,785,995</b>         | <b>22,000,000</b>               | <b>(159,785,995)</b> | <b>12%</b>          |
| 3515000100 Agriculture & Irrigation   | 149,857,718                | 2,000,000                       | -147,857,718        | 1%                  | 170,997,921                | 22,000,000                      | (148,997,921)        | 13%                 |
| 3515000200 Livestock & veterinary services  | 109,393,576                | 2,497,500                       | -106,896,076        | 2%                  | 7,288,074                  | 0                               | (7,288,074)          | 0%                  |
| 3515000300 Fishery Development  | 1,376,500                  | 0                               | -1,376,500          | 0%                  | 3,500,000                  | 0                               | (3,500,000)          | 0%                  |



| Department  | Financial Year 2023/24     |                                 |                     |                     | Financial Year 2024/25     |                                 |                      |                     |
|---|----------------------------|---------------------------------|---------------------|---------------------|----------------------------|---------------------------------|----------------------|---------------------|
|   | Budget as at 31st Dec 2023 | Expenditure as at 31st Dec 2023 | Deviation           | Absorption Rate (%) | Budget as at 31st Dec 2024 | Expenditure as at 31st Dec 2024 | Deviation            | Absorption Rate (%) |
| <b>351800000 education, Vocational Youth ,Sports Gender &amp; Social Services</b>   | <b>27,882,691</b>          | <b>11,605,000</b>               | <b>-16,277,691</b>  | <b>42%</b>          | <b>55,261,005</b>          | <b>4,175,000</b>                | <b>(51,086,005)</b>  | <b>8%</b>           |
| 3518000100 Education and ECDE   | 11,700,000                 | 6,700,000                       | -5,000,000          | 57%                 | 19,169,222                 | 0                               | (19,169,222)         | 0%                  |
| 3518000200 Youth and Sports   | 3,000,000                  | 0                               | -3,000,000          | 0%                  | 14,795,000                 | 0                               | (14,795,000)         | 0%                  |
| 3518000300 culture, Gender And Social Services                                      | 7,012,506                  | 2,000,000                       | -5,012,506          | 29%                 | 16,046,784                 | 2,000,000                       | (14,046,784)         | 12%                 |
| 3518000400 Vocational Training  | 6,170,185                  | 2,905,000                       | -3,265,185          | 47%                 | 5,250,000                  | 2,175,000                       | (3,075,000)          | 41%                 |
| <b>351900000 tourism and Wildlife, Trade Cooperative and Enterprise Development</b> | <b>22,000,000</b>          | <b>0</b>                        | <b>-22,000,000</b>  | <b>0%</b>           | <b>88,250,000</b>          |                                 | <b>(88,250,000)</b>  | <b>0%</b>           |
| 3519000100 Tourism and Wildlife   | 4,000,000                  | 0                               | -4,000,000          | 0%                  | 4,250,000                  |                                 | (4,250,000)          | 0%                  |
| 3519000200 Trade and Investment   | 15,000,000                 | 0                               | -15,000,000         | 0%                  | 3,250,000                  | 0                               | (3,250,000)          | 0%                  |
| 3519000300 Public Service Management  | 3,000,000                  | 0                               | -3,000,000          | 0%                  | 2,000,000                  | 0                               | (2,000,000)          | 0%                  |
| 3519000400 devolved Units   | 0                          | 0                               | 0                   | 0%                  | 78,750,000                 | 0                               | (78,750,000)         | 0%                  |
| 3519000500 civic Education and Public Participation                                 | 0                          | 0                               | 0                   | 0%                  | 0                          | 0                               | -                    | 0%                  |
| 3519000600 MSME & Cooperatives  | 0                          | 0                               | 0                   | 0%                  | 0                          | 0                               | -                    | 0%                  |
| <b>352100000 Water, Energy, Environment and Natural Resources</b>                   | <b>139,593,451</b>         | <b>25,857,728</b>               | <b>-113,735,723</b> | <b>19%</b>          | <b>152,970,000</b>         | <b>28,028,415</b>               | <b>(124,941,585)</b> | <b>18%</b>          |
| 3521000100 water and Sanitation   | 48,658,310                 | 14,857,728                      | -33,800,582         | 31%                 | 58,720,000                 | 730,800                         | (57,989,200)         | 1%                  |
| 3521000300 Environment and CCA  | 88,935,141                 | 11,000,000                      | -77,935,141         | 12%                 | 90,000,000                 | 27,297,615                      | (62,702,385)         | 30%                 |
| 3521000400 Mining And Natural Resources   | 0                          | 0                               | 0                   | 0%                  | 1,000,000                  | 0                               | -                    | 0%                  |
| 3521000500 Renewable Energy   | 2,000,000                  | 0                               | -2,000,000          | 0%                  | 3,250,000                  | 0                               | -                    | 0%                  |
| <b>352200000 Health Services</b>  | <b>56,553,816</b>          | <b>15,028,279</b>               | <b>-41,525,537</b>  | <b>27%</b>          | <b>55,876,250</b>          | <b>6,226,662</b>                | <b>(49,649,588)</b>  | <b>11%</b>          |
| 3522000100 medical Services   | 21,238,493                 | 10,329,904                      | -10,908,589         | 49%                 | 26,500,000                 | 0                               | (26,500,000)         | 0%                  |
| 3522000200 Public Health  | 35,315,323                 | 4,698,375                       | -30,616,948         | 13%                 | 29,376,250                 | 622,662                         | (23,149,588)         | 21%                 |
| <b>352400000 Municipal Administration</b>   | <b>48,361,095</b>          | <b>26,251,651</b>               | <b>-22,109,444</b>  | <b>54%</b>          | <b>126,517,894</b>         | <b>3,876,273</b>                | <b>(122,641,621)</b> | <b>3%</b>           |
| 3524000100 Municipal Administration   | 48,361,095                 | 26,251,651                      | -22,109,444         | 54%                 | 126,517,894                | 3,876,273                       | (122,641,621)        | 3%                  |
| <b>Total Recurrent Expenditure</b>  | <b>868,160,811</b>         | <b>169,114,604</b>              | <b>-699,046,207</b> | <b>19%</b>          | <b>1,206,214,771</b>       | <b>483,473,329</b>              | <b>(762,741,441)</b> | <b>40%</b>          |

## **CHAPTER THREE**

### **FORWARD ECONOMIC AND FISCAL DEVELOPMENTS**

#### **3.1 National Forward Economic and Fiscal Development**

##### **3.1.1 Economic Outlook**

58. Kenya's economy is expected to grow at 4.6% in 2024, a slowdown from 5.6% in 2023, due to reduced economic activities and slower private sector credit growth. Growth is predicted to rise to 5.3% in 2025 and continue at this pace over the medium term.
59. Growth will be supported by higher agricultural productivity, a resilient services sector, and ICT reforms boosting sectors like financial services and tourism. The industrial sector will also benefit from lower production costs and government value-added initiatives.
60. Domestic demand will remain strong, with the private sector leading recovery. Export growth and steady remittances will continue to drive economic expansion.
61. Consumption is projected to be 87.4% of GDP in 2025, supported by reduced government spending, better household incomes, and easing inflation. Remittances will also contribute to higher household incomes.
62. Investment is expected to rise from 16.2% of GDP in 2025 to 16.8%, fueled by government and private sector efforts, especially through Public-Private Partnerships (PPPs) and MSME support.
63. The government will increase development spending to support the Bottom-Up Economic Transformation Agenda, focusing on key sectors like leather, cotton, and natural resources. Climate change initiatives, including reforestation, will also contribute to growth.
64. Kenya's external economic stability is expected to be supported by a stable current account deficit. Exports will improve, while remittances and tourism receipts will strengthen foreign exchange reserves. Imports will rise with increased demand for raw materials, fuels, and intermediate goods.
65. Monetary policy aims to keep inflation within the target range of  $5\pm 2.5\%$  and ensure a competitive exchange rate and stable interest rates. Inflation is expected to remain stable, supported by favorable food supply conditions and low fuel inflation due to a stable exchange rate and easing oil prices. However, geopolitical tensions pose risks to inflation, especially regarding oil prices.
66. Monetary policy reforms focus on improving the transmission of policy, anchoring inflation expectations, and enhancing liquidity distribution in the interbank market. Changes include narrowing the interest rate corridor to ensure the interbank rate aligns with the Central Bank Rate and reducing the Discount Window rate to improve access.
67. Reforms in the foreign exchange market include the introduction of electronic matching systems, removing maximum spread restrictions on quotes, and updating the exchange rate publication to reflect a weighted average of interbank transactions. These changes aim to increase market efficiency.

### **3.3.1.1 Risks to the national Economic Outlook**

68. Kenya's medium-term economic outlook is stable, but there are risks from both external and domestic factors. External risks include geopolitical tensions, shipping disruptions, and uncertainty about oil prices. Internally, extreme weather events could damage agriculture, increase food insecurity, and raise health issues.
69. Global economic growth slower than expected could lower Kenya's exports, tourism, and remittances, while rising fuel prices might increase the import bill. Tight financial conditions due to persistent inflation may also affect Kenya's external financing. The government's fiscal consolidation efforts and prioritizing concessional borrowing will help manage these risks.
70. Positive risks include the fast implementation of structural reforms under BETA and the Fourth Medium-Term Plan (MTP IV). A recovery in global financial conditions and lower international fuel and food prices could strengthen Kenya's external balance and increase government revenues, supporting fiscal consolidation. Coordinated monetary and fiscal policies will foster economic growth.
71. The government is closely monitoring both internal and external risks and will take the necessary actions to protect the economy if these risks materialize

### **3.1.2 National Fiscal Outlook**

72. In FY 2025/26, total revenue is projected to be Ksh 3,516.6 billion (18.2% of GDP), up from Ksh 3,060.0 billion (16.9% of GDP) in FY 2024/25. Ordinary revenue is expected to rise to Ksh 3,018.8 billion (15.7% of GDP) from Ksh 2,631.4 billion (14.6% of GDP), supported by tax reforms aimed at improving compliance and expanding the tax base.
73. Total expenditure for FY 2025/26 is estimated at Ksh 4,329.3 billion (22.5% of GDP), up from Ksh 3,880.8 billion (21.5% of GDP) in FY 2024/25. This includes recurrent spending of Ksh 3,076.9 billion (16.0% of GDP), development spending of Ksh 804.7 billion (4.2% of GDP), Ksh 442.7 billion for county transfers, and Ksh 5.0 billion for the Contingency Fund.
74. The fiscal deficit for FY 2025/26 is projected at Ksh 759.4 billion (3.9% of GDP), slightly lower than the Ksh 768.6 billion (4.3% of GDP) deficit in FY 2024/25. This deficit will be financed through Ksh 213.7 billion (1.1% of GDP) in external financing and Ksh 545.8 billion (2.8% of GDP) in domestic financing.

## **3.2 County Economic and Fiscal Outlook**

### **3.2.1 Economic Outlook**

75. The County government will implement policies set out in CIDP III over the medium term with a focus on priority programmes identified during public participation forums with a view of securing socio- economic development. Revamping and boosting livestock and crop production by improving value additions through government and private investment to accelerate economic growth. The county will also focus on

improving access to quality health care, access to clean and safe drinking water, support of social protection programs. Over the medium-term period, the county economy is projected to remain resilient through continued robust investments and support to livelihood related sectors.

76. **Livestock** is the key livelihood activity for Isiolo residents. Livestock depends on Water and pasture for survival that is dependent on Rainfall. In the last quarter of 2023, the county experienced higher amounts of rainfall during the short rains season averaging at above 600 mm. Production in both the crop and livestock was sustained throughout the months of October to December 2023 due to the favorable precipitation and temperatures recorded. Livestock and crop production are expected to remain fair in 2024 due to the Normal to near normal rainfall expected during the 2024 March to May long rains seasons while dry from June to October 2024. The failure on rains in the first quarter of the FY 2024/25 will push majority of the population to depend fully on purchased food items as drought will put more pressure on water, food prices and reduce disposable incomes thus enhancing food poverty. Normal or above range precipitation levels during the oncoming October-December short rains require farmers to be supported with certified inputs to boost production. Over the medium term period, the sector needs to focus on disease control and operationalization of Isiolo abattoir to boost the county's economic activities by creating a market for livestock products and employment.
77. **Health sector:** The County's health facilities network is inequitably distributed, particularly in rural areas, limiting access to quality and affordable health services. The facilities do not have the necessary medical commodities. Going forward the county will focus on supply of medical equipment, commodities and supplies, recruitment of technical/professional health care personnel and completion and equipping of stalled health facilities.
78. **Water and environment sector:** The effects of climate change and its ravaging effects have destabilized the county economic balance and livelihoods, which has brought unprecedented shocks to the county planning priorities. These, coupled with other emerging risks and disasters, calls for a shift in forward planning, building community resilience and improved resource mobilization to cater for these shocks. Public Private Partnerships (PPPs) are key to resource mobilization in the sector for projects requiring substantial investment. Efficient financial management will provide a good foundation upon which the county can leverage on to increase implementation of the budget and apply cost-cutting measures on unnecessary expenditures to ensure appropriate response to the changing economic and financial environment. Public
79. More Investment in water sector infrastructures and governance will go long way in improving access to clean and safe water. County will invest on water for human, and for other productive uses such as livestock and irrigation water to enhance community resilience in face of climate change shocks. County will also invest in priorities that will enhance universal access to water through developing an inventory of designs and

probable sites for investment in high volume collection structures, expansion of existing high capacity water structures, extension of water distribution infrastructure and sensitization on household water harvesting and storage

80. **Education and Vocational Training.** The county government has in the past invested in ECDE and vocational training through construction of ECDE& VCT classes, recruitment of ECDE caregiver's, vocational tutors, school feeding program and bursary. Going forward the sector will enhance support of tertiary and vocational trainings through increased funds for bursaries and capitation. This will lead to increased enrolment despite the inability by parents to offer financial support through prompt payment of school fees due to reduced incomes. More investments in this sector will also be directed towards ECDE support infrastructures, youth, sport support infrastructures, and activities.
81. **Gender, Social Services and Culture:** The Sector plays a crucial role in the county's socio-economic transformation, promotes gender equality and equity, empowers communities and vulnerable groups, as well as promotes and preserves diverse cultures and heritage. The sector invested in gender and disability mainstreaming across the sectors and development of relevant policies and laws notably ;Isiolo county ,Youth, Women and PWD enterprise development Act, Gender policy, Social protection policy, Child protection policy and Disability policy though some are at various developmental stages. The sector deliberately invested in child protection programmes including hiring of child protection volunteers across the wards. On development, the sector invested in construction of new social halls and renovation of the existing ones. The recently devolved function of museum and library services to the sector has also restrained the sectors budgetary allocations.
82. **Manufacturing** in the county is among the least contributors to the GCP indicating lack of adequate investments in value addition of the produce within the county. Therefore there is a need for the county to scale up investment in agro-processing in crop and livestock products. Livestock products like milk, bone, skin, honey, meat products from slaughter houses and crop products are the main raw materials consumed by agro-processors in the county. In 2025, expected growth in agricultural manufacturing due to the availability of livestock raw materials locally will improve once the Isiolo expo abattoir becomes operational.
83. The following additional measures will be adopted to strengthen county investment
  - i. Prioritizing Investment in the county's productive sectors. The county will prioritize implementation of policies geared towards improving household incomes through the county productive sectors. The multiplier effect from investments in these sectors will accelerate the county economy.
  - ii. Strengthen stakeholder and development partner engagement. With the narrowing of financial space and inadequacy of county generated revenue to

support investment, the county has initiated efforts to strengthen stakeholder and partner engagement to cover for unfunded priorities. The county will also continue to pursue efforts to safeguard private sector investments through strategies geared towards keeping businesses afloat.

### 3.2.2 County Fiscal Outlook

84. In the medium term, resource allocation and utilization will be guided by the priorities outlined in the County Integrated Development Plan (CIDP III) and other county plans, as well as section 107 of the PFM Act 2012. The County Government will prioritize spending within the overall sector limits and strategic sector objectives to ensure the efficient use of public funds and enhanced expenditure productivity.
85. To achieve the transformative development goals, the County Government will focus on implementing the flagship and other development projects outlined in the County Integrated Development Plan (2023-2027) during the Medium-term Expenditure period from 2025/26 to 2027/28.
86. The Government will sustain efforts to improve efficiency in public spending and ensure value for money by through :
- i. Eliminating non-priority expenditures;
  - ii. Rationalizing expenditures to match revenues;
  - iii. Automation of revenue collection systems
  - iv. Scaling up the use of Public Private Partnerships financing for commercially viable projects;
  - v. Carrying out pre project requirements assessments before inclusion in the budget. Some of the requirements include prefeasibility studies, acquisition of sites, having approved Bill of quantities and any other things that may delay the project implementation;
  - vi. Fast track approval and Implementation of the Finance Act 2024 to boost county own revenue ;
  - vii. Seeking technical expertise aid from other government agencies to hasten project designs, procurement and implementation;
  - viii. Departments shall be required to finalize ongoing projects before commencing new projects in order to reduce the Government's exposure on stalled projects.
  - ix. Approved projects shall be required to factor environmental and climate related risks including carbon emission and disaster risk management as part of project appraisal; and

- x. Establishment of project implementation committees to oversee project cycle.

#### **3.2.1.4 Risks to the Economic & fiscal Outlook**

87. Some of the risks emanating from county as well as external sources are:

- i. Climate change risks: Unpredictable weather patterns, driven by climate change, could severely impact crop and livestock production, leading to higher inflation and food insecurity within the county.
- ii. Fiscal challenges: Due to the economic shocks the country has experienced, there is limited fiscal flexibility, which could lead to tighter liquidity and difficulties in financing the national budget that may have ripple effect to counties.
- iii. Global economic uncertainties: Rising geopolitical tensions and uncertainties in the global economy may lead to increased commodity prices, which could exacerbate domestic inflation and further tighten financial conditions that may affect the commodity prices.
- iv. Rising operational costs: The increasing costs of operation and maintenance could negatively affect investments in development projects, potentially slowing down progress as contractors or suppliers maybe discouraged from undertaking county contracts.

88. The County government continues to monitor both county and external environment risks and take appropriate policy measures to safeguard the economy against the adverse effects of these risks if they materialize.

## **CHAPTER FOUR STRATEGIC PRIORITIES AND INTERVENTIONS**

### **4.1 Overview**

89. The FY 2025/26 and the Medium Term Framework will focus on the implementation of the priorities set out in the 2025/2026 C-ADP of the 2023-2027 CIDP. The priorities are focused on improving economic growth through inclusive resilient investments. The following are key priority areas for FY 2025/2026 and the MTEF period.

#### **4.1.1 Agriculture, Livestock and Fisheries Development.**

90. The agricultural sector plays a crucial role in achieving 100% food and nutrition security in Isiolo by producing sufficient quantities of food crops and livestock products to meet the dietary needs of the population. This ensures that all residents have access to an adequate and nutritious diet, which is essential for their health and well-being.
91. The sector contributes to several Sustainable Development Goals (SDGs), including SDG No. 1 on ending poverty and No. 2 on ending hunger, achieving food security, improving nutrition, and promoting sustainable agriculture. By addressing poverty and hunger issues and promoting sustainable agricultural practices, the sector contributes to broader development objectives.
92. Low crop, livestock and fisheries Production and productivity in the county is influenced by factors like climate change effects( drought, floods and pest and diseases) low adoption of appropriate technologies, human wildlife conflict, high post-harvest losses, insufficient value addition, poor market linkages, market information, intermediary exploitation, inadequate extension services, high reliance on rain-fed agriculture, expensive farm inputs such as seeds and fertilizers, pests and diseases, and inadequate financial intermediation.
93. The sector will play a key role in delivering the county government's economic growth. The sector will undertake targeted investments in the water infrastructure for productive use, promotion of agriculture, climate smart technologies, agro-processing industry, growth and promotion of MSMEs, implement special sector programs for accelerated development of the county and promote equitable socio-economic development.
94. The sector plans to implement the following priority programs in the FY 2025/2026 to tackle the identified challenges.
- i. Support value chains for crop and livestock with focus on poultry production, bee keeping, fish farming and fodder production and conservation for livelihood diversification.
  - ii. Promote agribusiness and value addition along selected value chains by investing in appropriate processing and storage facilities



- iii. Upscale pest and disease control for both crop and livestock production.
- iv. Expand animal health extension services
- v. Rangeland rehabilitation.
- vi. Development and implementation of regulatory framework to support service delivery.
- vii. Promote food safety and hygiene along the different agricultural value chains.
- viii. Capacity building of farmers in different value chains.
- ix. Promote feedlot systems to ensure quality livestock supply to Isiolo abattoir.
- x. Scale-up of appropriate climate-resilient technologies and best practices [Soil and water conservation)
- xi. Rainwater harvesting systems for dry land agriculture scale up adoption of value chain-linked farm pond systems.
- xii. Scale up area under irrigation to promote integration of nutrition-sensitive production and promote market-linked micro-irrigation agriculture.
- xiii. Scale up Technologies and best practices for post-harvest loss management
- xiv. Promote agribusiness opportunities for youth, women and PLWD Scale-up of village group saving schemes and microfinance, Entrepreneurship, agribusiness training, and financial literacy skills.
- xv. Enhance integrated agriculture information system
- xvi. Support for innovations for livelihood diversification

95. The interventions above are intended to increase the economic foundation of Isiolo people, therefore increasing community resilience and to guarantee that various families and communities satisfy their production-related infrastructure requirements while also gaining knowledge.

#### **4.1.2 Water, Environment and Natural Resource Management**

96. In the face of climate change and recurring droughts, the county faces significant challenges in accessing water for multiple uses that includes clean safe water for drinking as well as competing needs for water for productive use in irrigation schemes, livestock use, industrial use and commercial uses. In rural water schemes poor water governance impedes water availability, accessibility and utilization. Poor groundwater quality coped with high cost of treating water is also a factor impeding access and utilization. In the river sources upstream -downstream user's conflict would often arise during peak dry periods.
97. Environmental degradation and climate change possess great challenge to the county's economic growth. Issues ranging from deforestation, encroachment of water catchment areas, invasive plants species and unregulated mining practices are some of the contributors to an unsustainable environment.

98. In the FY 2025/26 and the medium term period the sector plans to:
- i. Invest in water supply and storage works and services in areas with no permanent sources and these include; Drill and equip a borehole at Belgesh and pipe it to Hargasu ; Feasibility studies into viable options for a water project in Modogashe and construction of Modogashe water project; Biliki to Badana pipeline and water storages project; Merti to Lakole borehole and pipeline water project; Alango-Dadachabasa-Dololodakiye water project; Overhaul 13Km pipeline for Mataarba-Korbasa water project; Drill and equip with Solar pumping system 10 boreholes for water supply and emergency use; and Enhance climate friendly projects through -Funding for Locally Led Climate Actions
  - ii. Expand the county water coverage initiatives to increase access to improved and protected water sources for use by communities;
  - iii. Repair and restore broken water supply projects;
  - iv. Finalize a draft water policy instrument for rural water supply and governance;
  - v. Conduct Prefeasibility studies on water potentials;
  - vi. Construction of new water supply projects;
  - vii. Promotion rainwater harvesting at households and institutions in the medium term;
  - viii. Integration of climate-smart initiatives into all development initiatives;
  - ix. Protection of water sources and catchment areas;
  - x. Promotion of water resource management and governance to support sustainability of water projects and effective management;
  - xi. Promotion of sustainable environment and natural resources conservation and management;
  - xii. Enhance awareness on best natural resource explorations, exploitation and use;
  - xiii. Enforcement of laws governing natural resource exploitation ; and
  - xiv. Investing in green/ renewable energy production and use.

#### **4.1.3 Health services**

99. The county Health department is mandated to deliver quality health services to the residents by implementing preventive, Promotive health programs, monitoring the health indicators and ensuring accessible and affordable health care for all while adhering to national health policies and standards.
100. The county's health facilities network, particularly in rural areas, are disproportionately distributed, limiting access to quality and affordable health services. The county will leverage on the primary care networks to provide quality services within levels 1-3 service delivery with linkages to secondary and tertiary levels of health care through the networks and telemedicine.
101. The County will further focus on further optimizing supply of medical equipment and

supplies, recruitment of technical/professional health care personnel and completion and equipping of stalled health facilities

102. The budget for financial year 2024/25 and MTEF period will focus on provision of essential health service, elimination /reversing the rising burden of communicable and non-communicable conditions, reduce burden of violence and injuries by minimizing the health risks through:

- i. Rehabilitation, Completion & Equipping of health facilities including upgrading and renovation of primary health care facilities, expansion of inpatient services; specialized units (including Newborn units) at GTSH and MSCH, equipping of Accident and emergency centre and Neonatal intensive care unit at ICTRH and expansion of diagnostic services, including set up of fully equipped laboratories in primary health facilities (Malkagalla, Bisan Biliqo, Kulamawe, Sericho, Gafarsa, Modogashe and Ngare Mara)
- ii. Enhance the quality of health care, improve rehabilitation and palliative care for the terminally ill patient county department of health plans to set up, equip modern cancer treatment centre at ICTRH
- iii. Enhance funding of medical supplies (drugs & non-pharms) and medical equipment to all health care centres;
- iv. Staffing of the existing and planned health facilities in line with expansion in service delivery including diagnostic services.
- v. Strengthening health management information system including digitization and automation of health services and Telemedicine for Merti, Garbatulla and Oldonyiro network with ICTRH and Kenyatta National Hospital.
- vi. Improvement of referral strategies; through procurement of new well equipped ambulances with necessary fittings, ensure prompt servicing and repair of worn out vehicles to ambulatory services.
- vii. Revamping of primary health care services through operationalization and maintenance of primary care networks, including Strengthen public health emergency operations for disease surveillance and control, pandemic preparedness and response; and
- viii. Strengthen nutrition specific interventions including scale up of IMAM, BFCI and BFHI services among others at all levels of health services.
- ix. Institutionalization of health promotion in primary health care facilities
- x. Strengthening collaboration with private and other sectors that have an impact on health improvements; including Water, One health and environment

#### **4.1.4 Lands, Urban Planning and Development**

103. The area is crucial for improving basic services and urban development, but challenges include poorly organized settlement patterns, costly service delivery, poor urban and

market planning, inadequate urban infrastructure, poor solid and liquid waste management systems, time-consuming land adjudication services, and inadequate survey, mapping, and land titles among farmers and landowners in urban areas.

104. The government plans to develop policies for physical planning, housing, and land resource land to improve urban development and land use. These include improving infrastructure development, improving land information management, and increasing households with secure land tenure systems.
105. The intervention focuses on integrating urban planning, infrastructure development, and housing, addressing lighting, drainage, road developments, land planning, titling, solid and liquid waste management, as urbanization increases demand for low-cost modern housing.
106. County plans to enhance land surveying, planning, and titling, focusing on urban land ownership, mapping, and the issuance of title deeds. This will stimulate land development and improve slow succession processes through collaboration with national agencies, thereby unlocking land adjudication within the county.

#### **4.1.5 Early Childhood Vocational Development**

107. During the Midterm plan the Education sector will undertake interventions aimed at increasing enrolment, retention and improvement of learning outcomes in ECE and VCT centres across the country through staffing, infrastructure support, and provision of equipment and teaching learning material.. The county government will prioritize the following key interventions during the financial year 2025/2026.

##### **ECDE**

- i. Increase ECD infrastructure by constructing 20 ECDE Classrooms & Latrines, kitchen & stores
- ii. Provision of Preschool Meals
- iii. Provision of Teaching/Learning materials
- iv. Recruitment of 40 ECDE teachers
- v. Provision of water Tanks
- vi. Provision of Digital Learning equipment
- vii. Fencing of ECDE centres
- viii. Training of ECDE teachers on CBC
- ix. Provision of Child friendly seats for ECDE centres
- x. Provision of indoor and outdoor play materials and equipment
- xi. Support needy students through scholarships and capitation funds
- xii. Increase VTC facilities [classrooms, shades, workshop & dormitories]

- xiii. Recruitment of more instructors
- xiv. Fencing of VTCs
- xv. introduction of new regular and short attractive market oriented courses and departments
- xvi. provision of instructional equipment and materials

#### **4.1.6 Sports and Talent Development**

129. The department of sport will prioritize sporting investment talent competitions to identify talent at the community level, develop talent, and ultimately earn a livelihood from identified talents. The county government will invest in nurturing talents and develop sport infrastructure across the county to ensure youth earn livelihoods from their talents.

#### **4.1.7 Youth Empowerment**

108. The youth aged between 18 and 35 years constitute a large proportion of the county population. The main challenges facing the youth are high unemployment, limited access to economic opportunities, and limited mentorship. Additionally, youths are affected by high incidences of drug and substance abuse as well as increased engagement in criminal activities. The county government has prioritized a youth empowerment program, which it will focus on.

- i. Enhancing technical training with market driven courses. This will include establishment of an innovation hub at the training centres.
- ii. Drug and substance awareness and rehabilitation programme.
- iii. Mentorship programme targeting youths in and out of school on life issues as well as career wise; and
- iv. Mainstreaming youth empowerment across the sectoral intervention
- v. Establishment of Isiolo youth innovation centre that has given mentorship to youths through provision of tailor made programmes
- vi. Construction of a modern stadium which will help to nurture youth talents and reduce their indulgence in drug and substance abuse while also generating revenue for the county through ticket sales and sponsorships.

#### **4.1.8 Social Services and Gender**

109. The county faces the challenges of weak community organization and participation; abuse and violation of the rights of children, the aged and Persons living with Disabilities (PWDs); and increasing demand for social assistance by poor and vulnerable persons and households. However, concerns arise about inadequate cash transfer programs, gender-based violence, child protection rights, and PWD support.

110. In the FY 2025/26 and MTEF period the county prioritizes on improvement and sustaining livelihoods and welfare of the poor and vulnerable by enhancing their capacity and increasing their opportunities to actively participate in county economic

growth by:

- i. Mainstreaming disability and gender issues within the main interventions across all sectors
- ii. Establish a comprehensive gender-based violence recovery mechanism that will provide legal services to victims, raise community awareness about the effects of gender-based violence and sexual harassment, and offer training of community members, including development committees and community resource volunteers, personnel working on paralegal services concerned related to GBV.
- iii. Enhancing child protection rights through children advocacy forums at the ward level.
- iv. Fast track operationalization of county youth, women and persons with disability enterprise development fund act and regulation, support GBV activities in the county.
- v. Support enhancement of cash transfer/ food relief programmes in the county to impoverished household through collaborations with development partners
- vi. Retention of children in schools through enhancement of ECDE feeding programs
- vii. Supporting malnourished persons with nutrition specific supplements and health education trainings
- viii. Enhance social support networks to link venerable members of the community to service providers.
- ix. Construction of social halls in various wards to foster community connection, facilitating social interaction and offering a versatile space for various community events.
- x. Fast tracking the implementation of already developed county social protection policy and finalization of the county child protection policy
- xi. Development of the disability policy
- xii. Construction of rescue centre

#### **4.1.9 Tourism ,Wildlife Conflict Management, Trade and Cooperative development**

111. The County has significant tourism potential due to its natural beauty and abundance of endemic species like Grey Zebra, reticulated giraffe, Somali ostrich, lesser kudu, and Beisa Oryx. It also boasts a diverse and rich cultural heritage from various ethnic groups, which if marketed well could generate income and create jobs.
112. The county faces escalating human-wildlife conflicts due to resource competition, resulting in livelihood loss for farmers and households in some cases, fatalities from snake bites and wild animal attacks.

113. The sector prioritizes the following intervention for the FY 2025/26.
- i. Strengthening of community conservancies to increase tourist visitation and earnings
  - ii. The government plans to collaborate with agencies and communities to empower them to contribute to the solution of this human wildlife resource based conflict
  - iii. Marketing and promotion of tourism products and services
  - iv. Rehabilitation of dilapidated game reserves facilities and infrastructure
  - v. Improvement of park security ( recruitment of rangers )
  - vi. Promotion market linkages and Investment promotion through Trade fairs & Investment Exhibitions.
  - vii. Support of business traders such as construction of bodaboda and fresh produce sheds in urban centres
  - viii. Domestication of Co-operative act 2024.
  - ix. Construction of the County aggregation and Industrial Park (CAIPs) to upscale Value addition and manufacturing.
  - x. Increase the number of MSMEs and Cottage Industries through Entrepreneurship and best business practices training.

#### **4.1.10 County Assembly**

114. The County Assembly will continue to concentrate on the development of the County Assembly Chamber and completion of county assembly ward offices.

#### **4.2 CIDP Enablers 2023 – 2027**

115. Enablers facilitate county programs and projects by creating a conducive environment and support systems, focusing on road networks, connectivity, market infrastructure, energy access, institutional development, citizen engagement, and information technology infrastructure.
116. The county faces significant development challenges such as poor road infrastructure, low land ownership, limited electricity access, limited green energy installation, low literacy levels, unclear government-citizen feedback mechanisms, and inadequate access to information, and low government service automation and integration.
117. The county plans to improve road infrastructure by developing county roads inventory and maintenance modalities, a road network and maintenance policy to guide road network management. The government will develop and maintain urban roads. County will upgrade Isiolo municipal roads to paved standards over the MTEF period

and invest more in improving Isiolo Municipal drainage systems.

118. Limited government service automation and integration hamper service delivery and incapacitate the county in tracking, recording, and reporting its processes and finances. The county will now focus on financing the finalization of ICT policy and a master plan to map out automation and integration requirements. The County government will leverage fiber optic connectivity to enhance access to ICT in the county. This will be in an effort to ensure proper system automation and integration of county government services.
119. For the enhancement of access to information and strengthening of the people's sovereignty at the grassroots of the county, and for the support of elected development committees and project management committees. Further, the county government shall optimize the social halls to make them more available to communities and the governance structures as per the public participation policy
120. As much as the county has instituted performance management, it is now needed to evaluate the impact of the process and flag out issues for improvement. Public sector reforms also need to be focused on to improve service delivery. In addition to performance contracting, other public sector reforms focusing on the county include instituting results-based management, performance improvement programs, capacity building focusing on redesigning processes based on customer needs for better service delivery and sustainable results.



## CHAPTER FIVE FISCAL POLICY AND BUDGET FRAMEWORK

### 5.1 Overview

121. This chapter presents consolidated fiscal policies and framework for FY 2025/2026 and MTEF; and measures the County Government will take in budget allocation.

### 5.2 County Fiscal Policy

122. The FY 2025/26 Medium-Term Fiscal Framework aims at stimulating sustainable socio-economic growth and development while achieving a balanced fiscal policy. As per the KNBS Gross County Product 2024 report, Isiolo County has a GCP Per Capita of 119,139 against a nation nominal GCP of 293,229 with a Gross County Product Growth Rate of 6.1 against the national rate of 4.6. The County government will aim to support speedy investment and effective delivery of public goods and services in a sustainable manner based on the Government's policy priorities and macroeconomic policy framework set out in chapter three and four.
123. The County will continue with the growth of a friendly fiscal consolidation plan by containing non-core recurrent expenditures and enhancing mobilization of revenues in order to hasten development programmes without compromising service delivery. Much emphasis will be on prudent fiscal policy to reinforce County Government's commitment to responsible financial management practices as outlined in the Public Finance Management Act 2012.

#### 5.2.1 Fiscal Responsibility Principles

124. The following Fiscal Responsibility Principles (FRPs) need to be adhered to in line with the relevant legal provisions:
- i. **Development budget:** In line with the PFM Act 2012, over the medium term a minimum of thirty % of the National and County Governments' budget shall be allocated to the development expenditure. In this regard, there is need to ensure the adherence to this fiscal responsibility principle both at the budget approval stage as well as during the actual implementation of the budget;
  - ii. **Wages:** Regulation 25 (1) (a) and (b) of the PFM (County Governments) Regulations 2015 provides that the County Governments' expenditure on wages and benefits for its public officers shall not exceed thirty-five (35) % of the county government's total revenue. Adherence to this fiscal rule has been weak and there is need for concerted effort to ensure that the wage bill is within the threshold provided in law;
  - iii. **Borrowing:** Regulation 25 1 (d) of the PFM (County Governments) Regulations 2015 provides that the county public debt shall never exceed twenty (20%) % of the County Governments' total revenue at any one time. Any County Government intending to borrow should adhere to this public finance fiscal requirement.

- iv. **Taxes:** In line with Section 15 2 (e) of the PFM Act 2012, County Governments are called upon to maintain a reasonable degree of predictability with respect to the level of tax rates and tax bases taking into account any tax reforms that may be made in the future while putting in place legislations for own source revenue collection; and
- v. **Fiscal risk:** County Governments are required to also manage fiscal risks prudently in line with PFM Act Section 152 (e).

### **5.2.2 Fiscal and Public Financial Management Reform**

125. The County Government knows that the fiscal position it takes today will have implications in the future. Therefore, in line with the Constitution and the Public Finance Management (PFM) Act of 2012, the principle of sharing the burdens and benefits of the use of resources between the present and future generation implies that we must make prudent policy decisions. The County Government shall:
- i. Strengthen enforcement and reform organizational structure of revenue department to enhance collection of county own revenue. Efficient collection methods through automation will be key in sealing loopholes for leakages at all collection points. also widening of revenue base and reasonable revenue rates through 2024 finance bill will be crucial in enhancing county own revenues;
  - ii. Reforms in policy, planning and budgeting will focus on strengthening data collection/analysis and reviewing budget procedures to ensure budget formulation process is appropriately integrated with planning;
  - iii. Undertake several measures in reducing non-core expenditures to improve efficiency and reduce wastage in line with the PFM Act (2012);
  - iv. Public consultation shall be ensured on all matters of planning and budgeting so as to ensure full stakeholder participation, transparency and accountability, and adherence to the PFM Act on budget process; and
  - v. Manage expenditures in a manner that reflects value for money through competitive rates for goods and services from its suppliers. Payments shall be made on a timely basis to nurture confidence and county creditworthiness.
  - vi. Promoting investment inflows by creating a conducive environment for private sector investments.

### **5.3 Budget Framework for 2025/26**

126. The budget framework for financial year 2025/26 targets strategic priorities outlined in the ADP for financial year 2025/26 and CIDP 2023-2027. The County government will continue to redirect most of its expenditure from non-core recurrent items to finance development activities. During the medium term, the County will continue to diversify its own revenue sources with great emphasis on developing new revenue streams, sealing revenue leakages through automation and Encouraging Public Private

Partnerships (PPPs) in order to create fiscal space, which is important for development.

### 5.3.1 Revenue projection

127. The total revenue projection estimates for the financial year 2025/26 is Ksh. **6,454,461,905** which comprises Equitable Share of Ksh. **5, 139,309,443**, Conditional Grant from National Government of Ksh. **136,980,161**, Conditional Grants from Development Partners of Ksh. **802,964,121**, County Own Source revenue of Ksh. **271,208,180** and County Health Facility Improvement Fund of Ksh **104,000,000**. This is in line with figures provided in the 2025 Budget Policy Statement (BPS), 2024 County Government Additional Allocation Bill (CGAAB) and the County Treasury. The figures will be revised once the County Allocation of Revenue Bill and 2025 CGAAB are enacted.

### 5.3.2 Expenditure forecast

128. To fully implement the county strategic priorities outlined in chapter four and County Annual Development Plan for the financial year the county requires a budget of KSH 8,220.30 Million. County government have static and narrow local revenue bases that limit their abilities to mobilize adequate resources to finance the current level of services under the 2024 ADP. The adoption of sound revenue mobilization strategies is a key determinant of county government performance because it provides means through which county can implement its fiscal policies and deliver public services to the residents. The implementation of 2024 ADP requires collective responsibility between county government, national government development partners and the local community. County requires to put in place proper synergy and collaboration strategies in resource mobilization to achieve fully implementation of the same

129. The total Revenue estimates for FY 2025/26 is projected at **6,454,461,905**, a **0.8%** increase from the FY 2024/25 approved estimates of Ksh. **6,405,471,592**. The increase in forecasted revenues for FY 2025/26 is as result of changes in conditional grants more so from KDSP II. The forecasted revenue estimates will be firmed up upon the finalization of the 2025 County Government Additional Allocation Bill (CGAAB) and the CARA 2025.

#### 5.3.2.1 Recurrent Expenditure Forecasts

130. The Recurrent expenditure is projected to be Ksh 4,269,264,263 an increase of 1.5% per cent from Ksh 4,208,154,702 in the printed estimates for FY 2024/25. The recurrent Expenditures of personnel emoluments will grow by 2.7% while operations, and maintenance is estimated decline by 0.4%.

131. The table 8 below provides the recurrent expenditure forecast by sectors over the medium term (Financial Year 2025/26 to Financial Year 2027/28).

**Table 8: Recurrent Expenditure Forecast for FY 2025/26 to 2027/28**

| Department           | 2024/25 baseline estimate (a) | 2025/26 Estimate (b) | Change (b-a) | % change | 2026/27 Forecast | 2027/28 Forecast |
|----------------------|-------------------------------|----------------------|--------------|----------|------------------|------------------|
| Personnel Emoluments | 2,536,756,119                 | 2,604,458,548        | 67,702,429   | 2.7%     | 2,708,636,890    | 2,816,982,366    |

|                             |                      |                      |             |       |                      |                      |
|-----------------------------|----------------------|----------------------|-------------|-------|----------------------|----------------------|
| Operations, and Maintenance | 1,671,398,583        | 1,664,805,715        | (6,592,868) | -0.4% | 1,731,397,944        | 1,800,653,861        |
| <b>Total</b>                | <b>4,208,154,702</b> | <b>4,269,264,263</b> | 61,109,561  | 1.5%  | <b>4,440,034,834</b> | <b>4,617,636,227</b> |

Source: County Economic planning 2025

### 5.3.2.2 Development Expenditure Forecast

132. The county requires Ksh 3,266.95 to fully implement the development programmes in the 2025/26 ADP but only Ksh 2,185,316,143 is available from the county government the rest of the programs and projects will be implemented directly by development partners and community. To realize fully implementation of the 2025/26 ADP more effort is required from the county in mobilizing partners to support its implementation.

133. The 2025/26 Development Expenditure is estimated to be Ksh 2,185,316,143 a decrease of 0.35% from 2,192,966,890 in the printed estimates for FY 2024/25. The 2025/26 Development Expenditure represents 33.9% of the total County Budget. Development expenditure of Ksh. 2,272,728,789 and Ksh 2,363,637,940 is required in the FY 2025/26 and FY2026/27 respectively over the medium term. The table 8 below provides the development expenditure forecast by sectors over the medium term (Financial Year 2024/25 to Financial Year 2026/27).

**Table 9: Development Expenditure Forecast for FY 2026/25 to 2027/28**

| Department  | 2024/25 baseline estimate (a) | 2025/26 forecast (b) | Change (a-b) | % change | 2026/27 forecast | 2027/28 forecast |
|-------------|-------------------------------|----------------------|--------------|----------|------------------|------------------|
| Development | 2,192,966,890                 | 2,185,316,143        | -7,650,747   | -0.35%   | 2,272,728,789    | 2,363,637,940    |

Source: Source: County Economic Planning 2025

## 5.4 Risk Management

134. To ensure fiscal discipline, the County government will have a balanced budget in the Financial Year 2025/26. The County Government will ensure that the allocated resources for spending are commensurate to the revenues expected. Transfer from the National Government equitable share, conditional grants national government, will finance the budget, conditional grants from development partners and county own revenue sources. The table below gives a breakdown of the various risks, their impact and the mitigation measures.

**Table 10: Risk Management over the Medium Term Period**

| Risk                              | Impact  | Mitigation  |
|-----------------------------------|---|---|
| <b>Pending bills</b>              | Reduces funds available for implementation development projects and delivery of services. | Implementing projects in a timely manner and adherence to budget lines                                      |
| <b>Late Disbursement of Funds</b> | Increased county operating costs and accumulation of pending bills.                       | Preparation of procurement plans that are synchronized with the cash flows.                                 |
| <b>Implementation Risks</b>       | Poor Project Ownership & Sustainability   | Involvement of all stakeholders at all stages   |
| <b>Procurement risk</b>           | Delay of budget implementation and loss of funds  | Enforcing Public Procurement and Disposal Act, 2015<br>Designing of implementable work plans for execution. |

| <b>Risk</b>                           | <b>Impact</b>  | <b>Mitigation</b>   |
|---------------------------------------|--|---|
| <b>Accounting and Reporting Risks</b> | Internal audit oversight and accounting errors.  | Improve internal control systems.   |
| <b>Technical Risks.</b>               | Sub-standard quality of infrastructure and systems installation  | Strengthening of the design and BQ section.                                 |
| <b>Inadequate Legal Framework</b>     | Delayed implementation of county programmes.   | Fast-track development, operationalization of relevant policies and acts    |
| <b>Change Management Risks</b>        | Stalling of county projects  | Prioritizing funding of ongoing / stalled projects                          |
| <b>Natural calamities</b>             | Disrupts implementation of county programmes/ projects   | Enhancement of county Emergency operation plan                              |
| <b>Security risk</b>                  | Delays project implementation and destruction of properties  | Community dialogues & strengthening of security apparatus                   |
| <b>Court cases.</b>                   | Litigations and court injunctions may derail timely execution of the Budget.   | Strict adherence to the provisions of the law and existing legal frameworks |
| <b>Political risks</b>                | Delayed approval of policies, bills and laws, hampering legal timelines and implementation of projects and programmes. | Continuous engagement with the County Assembly and the general public       |

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## CHAPTER SIX MEDIUM TERM EXPENDITURE FRAMEWORK

### 6.1 Overview

135. The FY2025/26 budget and the MTEF period builds on the County government policy priorities set out in the CIDP (2023-2027). The County will continue with the growth friendly fiscal consolidation plan by containing expenditures and enhancing revenues in order to slow down growth in public debt without compromising service delivery. MTEF budgeting will entail adjusting non- priority expenditures to cater for the priority ones. The identified priority sectors will continue to receive more resources. These sectors are required to utilize the allocated resources more efficiently.

### 6.2 Resource Envelope and Allocation/Prioritization Criteria

#### 6.2.1 Resource Envelope

136. The resource envelope projections for the financial year 2025/26 and over the 4medium term will largely target the transfers from the National Government as provided for by the County Revenue Allocation of Revenue Bill 2024 and the county own revenue. The table 11 below shows the resource envelope over the medium term period.

**Table 11: Resource Envelope for FY 2024/25 and MTEF period**

| Revenue   | Revenue estimate FY 2024/25 | Revenue Projected estimate For FY 2025/256 | Revenue Projection For FY 2026/27 | Revenue Projection For FY 2027/28 |
|---|-----------------------------|--|-----------------------------------|-----------------------------------|
| <b>Equitable Share</b>                                      | <b>4,923,507,187</b>        | <b>5,139,309,443</b>                       | <b>5,344,881,821</b>              | <b>5,558,677,094</b>              |
| General Provisions (Equitable Share)                        | 4,923,507,187               | 5,139,309,443                              | 5,344,881,821                     | 5,558,677,094                     |
| <b>Conditional Allocations From National Government</b>     | <b>328,718,258</b>          | <b>136,980,161</b>                         | <b>142,459,367</b>                | <b>148,157,742</b>                |
| Supplement for construction of County HQ                    | 115,350,161                 | 115,350,161                                | 119,964,167                       | 124,762,734                       |
| Transfer of Museum function                                 | 1,093,656                   | 0  | 0                                 | 0                                 |
| Roads maintenance fuel levy Fund                            | 190,644,441                 | 0  | 0                                 | 0                                 |
| Community Health promoters                                  | 21,630,000                  | 21,630,000                                 | 22,495,200                        | 23,395,008                        |
| <b>Conditional Allocations From Development Partners</b>    | <b>615,809,540</b>          | <b>802,964,121</b>                         | <b>834,351,046</b>                | <b>867,066,612</b>                |
| Current Grants from Foreign Governments Danida              | 6,532,500                   | 5,226,000                                  | 4,703,400                         | 4,233,060                         |
| Financing Locally Led Climate Action( FLLoCA)               | 136,000,000                 | 136,000,000                                | 141,440,000                       | 147,097,600                       |
| Emergency Locust Response Project ELRP (World Bank)         | 142,500,000                 | 0  | 0                                 | 0                                 |
| Food Systems Resilience Project (FSRP)                      | 173,076,923                 | 173,076,923                                | 180,000,000                       | 187,200,000                       |
| Kenya Agricultural Business Development Project (KABDP)-GOS | 10,918,919                  | 0  | 0                                 | 0                                 |

| Revenue  | Revenue estimate FY 2024/25 | Revenue Projected estimate For FY 2025/256 | Revenue Projection For FY 2026/27 | Revenue Projection For FY 2027/28 |
|--|-----------------------------|--|-----------------------------------|-----------------------------------|
| Kenya Agricultural Business Development Project (KABDP)-MOALD Contribution | 1,000,000                   | 0  | 0                                 | 0                                 |
| Kenya Devolution Support Program II (KDSP II)                              | 37,500,000                  | 390,000,000                                | 405,600,000                       | 421,824,000                       |
| Kenya Urban Support Program (KUSP)-UIG                                     | 35,000,000                  | 35,000,000                                 | 36,400,000                        | 37,856,000                        |
| Kenya Urban Support Program (KUSP)-UDG                                     | 63,661,198                  | 63,661,198                                 | 66,207,646                        | 68,855,952                        |
| United Nations Fund for Population Activities (UNFPA)                      | 9,620,000                   | 0  | 0                                 | 0                                 |
| <b>Balance brought forward</b>   | <b>438,727,444</b>          | <b>0</b>                                   | <b>0</b>                          | <b>0</b>                          |
| <b>County Own Source Revenue Estimates</b>                                 | <b>271,208,180</b>          | <b>271,208,180</b>                         | <b>276,632,344</b>                | <b>276,632,344</b>                |
| <b>Gross County Revenue Estimates through exchequer</b>                    | <b>6,577,970,609</b>        | <b>6,350,461,905</b>                       | <b>6,598,324,578</b>              | <b>6,850,533,791</b>              |
| Facility Improvement Fund  | 100,000,000                 | 104,000,000                                | 108,160,000                       | 112,486,400                       |
| <b>Grand Total</b>   | <b>6,677,970,609</b>        | <b>6,454,461,905</b>                       | <b>6,706,484,578</b>              | <b>6,963,020,191</b>              |

Source: Budget Policy Statement, 2024, CGAA Bill 2024 & County Revenue Department

### 6.2.2 Resource Allocation Prioritization Criteria

137. The resources available are to be shared in accordance with the following prioritization criteria:

- (i) **Non-Discretionary Expenditure:** This expenditure takes first charge and includes payment of staff salaries and other statutory payments. Personnel emolument is projected to account for about 40.35% of the resource envelope a decline from 41% in FY 2024/25. This is due to austerity measures for recruitment of core positions only and cleaning of payroll.
- (ii) **Operations and Maintenance:** These are resources available to sectors for basic operations and maintenance. This will account for about 25.8% of the non-discretionary expenditures.
- (iii) **Development Expenditure:** This will account for 33.86 % of the projected revenue. Base development expenditures on the programs that address the County priorities and other strategic interventions as in the 2024, Annual Development plan.

### 6.3 Overall Spending Priorities

138. In finalizing the preparation of the budget for the financial year 2025/26, County will continue to pursue the policy of limiting less productive expenditures and redirecting resultant savings to capital investment. Effective use of resources will be sought across spending departments and any identified saving will be redirected to deserving priority expenditures.

### 6.4 Medium-Term Expenditure Baseline Ceilings

139. The 2023/24 baseline estimates depict the department's current spending levels. In the 2023/24 FY printed estimate recurrent expenditure category on compensation of employee's accounts for about 41% of the resource envelope and it takes the first charge. Expenditure on operations and maintenance accounts for 25% of the total County Resource Envelope. Overall, the recurrent expenditure on compensation to employees and operations and maintenance account for about 70 of the projected resource envelope. The balance of 30% from total resource envelope is the resources available to fund planned development programmes.
140. The 2025/26 projected estimates depict the department's current spending levels. In the recurrent expenditure category, expenditures on compensation of employee's accounts for about 40.35% of the resource envelope and it take the first charge. Expenditure on operations and maintenance accounts for 25.8% of the total County Resource Envelope. Overall, the recurrent expenditure on compensation to employees and operations and maintenance account for about 66.14% of the projected resource envelope. The balance of 33.86% from total resource envelope is the resources available to fund planned development programmes.

#### **6.4.1 Recurrent Ceilings tabulation**

Recurrent budget consists of personnel emoluments, and operation and maintenance.

##### **6.4.1.1 Personnel Emoluments.**

141. The Personnel emoluments ceilings have been set based on actual departmental wage bill in FY 2024/245 projected to FY 2025/26 taking into consideration the mandatory annual wage increment of staff and new recruitments. The projected wage bill for FY 2025/26 is 40.35% takes first charge. In the medium term, the county will enhance its resource mobilization strategies to increase its own revenue, restrict employment to key competencies and only replace staff who exit the service. These strategies anticipate reducing the county wage bill from the current 46% to 35 % over the medium term period.

##### **6.4.1.2 Operation and maintenance**

142. The ceilings under the operation and Maintenance budget have been tabulated taking into consideration the following:
- i. Departmental mandates; this takes into consideration the functions and programmes implemented by the various departments in line with the mandate outlined in the executive order.
  - ii. Mandatory O&M items; this takes into consideration non-discretionary items. This include
  - iii. Appropriation in Aid; this considers the departments with Appropriation in Aid in their Operation and Maintenance Budget
  - iv. Other Operating costs; this is based on past O&M allocations and absorption capacity

143. The calculated recurrent ceilings are as follows.



**Table 12: Recurrent Ceilings calculation for 2025/26**

| No  | Sub Sector   | Personnel emurmentnts | Mandatory items    | A.I.A(FIF) | Other O&M          | Total O&M          | 2025/26 Estimates (Ksh.) | % Total Budget | % of PE On Total recurrent | % of Other O&M |
|-----|--|-----------------------|--------------------|------------|--------------------|--------------------|--------------------------|----------------|----------------------------|----------------|
|     | <b>COUNTY ASSEMBLY</b>   | <b>269,966,666</b>    | <b>0</b>           | <b>0</b>   | <b>213,033,334</b> | <b>213,033,334</b> | <b>483,000,000</b>       | <b>11.3%</b>   | <b>6.3%</b>                | <b>5.0%</b>    |
| 1.  | County Assembly  | 269,966,666           |                    |            | 213,033,334        | 213,033,334        | 483,000,000              | 11.3%          | 6.3%                       | 5.0%           |
|     | <b>3512000000 COUNTY EXECUTIVE</b>   | <b>297,865,436</b>    | <b>0</b>           | <b>0</b>   | <b>183,648,230</b> | <b>183,648,230</b> | <b>481,513,666</b>       | <b>11.3%</b>   | <b>7.0%</b>                | <b>4.3%</b>    |
| 2.  | Office of Governor   | 213,399,274           |                    |            | 74,000,000         | 74,000,000         | 287,399,274              | 6.7%           | 5.0%                       | 1.7%           |
| 3.  | Intergovernmental relations and Donor coordination   | -                     |                    |            | 5,190,640          | 5,190,640          | 5,190,640                | 0.1%           | 0.0%                       | 0.1%           |
| 4.  | Office of County Attorney  | -                     |                    |            | 40,430,688         | 40,430,688         | 40,430,688               | 0.9%           | 0.0%                       | 0.9%           |
| 5.  | CPSB   | 42,418,322            |                    |            | 16,304,838         | 16,304,838         | 58,723,160               | 1.4%           | 1.0%                       | 0.4%           |
| 6.  | County Secretary   | 14,773,185            |                    |            | 23,787,132         | 23,787,132         | 38,560,317               | 0.9%           | 0.3%                       | 0.6%           |
| 7.  | Deputy governor  | 11,082,895            |                    |            | 13,518,638         | 13,518,638         | 24,601,533               | 0.6%           | 0.3%                       | 0.3%           |
| 8.  | Delivery Unity   | 16,191,760            |                    |            | 10,416,294         | 10,416,294         | 26,608,054               | 0.6%           | 0.4%                       | 0.2%           |
|     | <b>3513000000 FINANCE , ECONOMIC PLANNING , SPECIAL PROGRAMS, REVENUE AND COHESION</b>                       | <b>111,499,524</b>    | <b>125,000,000</b> | <b>0</b>   | <b>123,675,794</b> | <b>248,675,794</b> | <b>360,175,318</b>       | <b>8.4%</b>    | <b>2.6%</b>                | <b>5.8%</b>    |
| 9.  | Finance  | 85,956,937            | 50,000,000         |            | 57,203,383         | 107,203,383        | 193,160,320              | 4.5%           | 2.0%                       | 2.5%           |
| 10. | Economic Planning  | 12,592,507            | 25,000,000         |            | 9,965,714          | 34,965,714         | 47,558,221               | 1.1%           | 0.3%                       | 0.8%           |
| 11. | Special Programmes   | -                     | 50,000,000         |            | 20,932,137         | 70,932,137         | 70,932,137               | 1.7%           | 0.0%                       | 1.7%           |
| 12. | Peace and Cohesion   | -                     |                    |            | 24,158,080         | 24,158,080         | 24,158,080               | 0.6%           | 0.0%                       | 0.6%           |
| 13. | Revenue Services   | 7,750,080             |                    |            | 7,072,480          | 7,072,480          | 14,822,560               | 0.3%           | 0.2%                       | 0.2%           |
| 14. | ICT and Innovation   | 5,200,000             |                    |            | 4,344,000          | 4,344,000          | 9,544,000                | 0.2%           | 0.1%                       | 0.1%           |
|     | <b>3514 000000LANDS &amp; PHYSICAL PLANNING, HOUSING &amp; URBAN PLANNING AND ROADS &amp; INFRASTRUCTURE</b> | <b>34,280,529</b>     | <b>0</b>           | <b>0</b>   | <b>15,309,882</b>  | <b>15,309,882</b>  | <b>49,590,411</b>        | <b>1.2%</b>    | <b>0.8%</b>                | <b>0.4%</b>    |
| 15. | Lands and Physical Planning  | 14,354,285            |                    |            | 8,341,882          | 8,341,882          | 22,696,167               | 0.5%           | 0.3%                       | 0.2%           |
| 16. | Roads and Infrastructure   | 11,469,318            |                    |            | 3,536,000          | 3,536,000          | 15,005,318               | 0.4%           | 0.3%                       | 0.1%           |
| 17. | Public Works   | 8,456,926             |                    |            | 3,432,000          | 3,432,000          | 11,888,926               | 0.3%           | 0.2%                       | 0.1%           |
| 18. | Housing and Urban Development  | -                     | 3,000,000          |            | 5,268,000          | 8,268,000          | 8,268,000                | 0.2%           | 0.0%                       | 0.2%           |
|     | <b>3515000000AGRICULTURE &amp; IRRIGATION, LIVESTOCK &amp; VETERINARY SERVICES AND FISHERIES DEVELOPMENT</b> | <b>130,783,717</b>    | <b>8,000,000</b>   | <b>0</b>   | <b>22,272,352</b>  | <b>30,272,352</b>  | <b>161,056,069</b>       | <b>3.8%</b>    | <b>3.1%</b>                | <b>0.7%</b>    |
| 19. | Agriculture  | 40,391,260            |                    |            | 9,360,000          | 9,360,000          | 49,751,260               | 1.2%           | 0.9%                       | 0.2%           |
| 20. | Livestock Production   | 86,213,726            | 8,000,000          |            | 9,091,083          | 17,091,083         | 103,304,809              | 2.4%           | 2.0%                       | 0.4%           |
| 21. | Fisheries  | 4,178,731             |                    |            | 3,821,269          | 3,821,269          | 8,000,000                | 0.2%           | 0.1%                       | 0.1%           |
|     | <b>3518000000EDUCATION, VOCATIONAL YOUTH ,SPORTS GENDER&amp; SOCIAL SERVICES</b>                             | <b>208,243,181</b>    | <b>108,000,000</b> | <b>0</b>   | <b>27,511,754</b>  | <b>135,511,754</b> | <b>343,754,935</b>       | <b>8.1%</b>    | <b>4.9%</b>                | <b>3.2%</b>    |
| 22. | Education and Early Childhood Development  | 183,183,370           | 98,000,000         |            | 6,237,398          | 104,237,398        | 287,420,768              | 6.7%           | 4.3%                       | 2.4%           |
| 23. | Youth and Sports   | 3,196,219             | 10,000,000         |            | 12,048,232         | 22,048,232         | 25,244,451               | 0.6%           | 0.1%                       | 0.5%           |
| 24. | Gender Culture and Social Service  | 21,863,592            |                    |            | 5,806,124          | 5,806,124          | 27,669,716               | 0.6%           | 0.5%                       | 0.1%           |
| 25. | Technical and Vocational Training  | 0                     |                    |            | 3,420,000          | 3,420,000          | 3,420,000                | 0.1%           | 0.0%                       | 0.1%           |
|     | <b>3519000000TOURISM AND WILDLIFE, TRADE COOPERATIVE AND ENTRPRISE DEVELOPMENT</b>                           | <b>409,705,367</b>    | <b>51,700,000</b>  | <b>0</b>   | <b>29,581,122</b>  | <b>276,296,737</b> | <b>686,002,104</b>       | <b>16.1%</b>   | <b>9.6%</b>                | <b>6.5%</b>    |

| No  | Sub Sector  | Personnel emurmentnts | Mandatory items    | A.I.A(FIF)         | Other O&M          | Total O&M            | 2025/26 Estimates (Ksh.) | % Total Budget | % of PE On Total recurrent | % of Other O&M |
|-----|---|-----------------------|--------------------|--------------------|--------------------|----------------------|--------------------------|----------------|----------------------------|----------------|
| 26. | Tourism and Wildlife  | 84,446,598            | 12,000,000         |                    | 9,763,119          | 21,763,119           | 106,209,717              | 2.5%           | 2.0%                       | 0.5%           |
| 27. | Trade and Investment  | 6,270,355             | 4,000,000          |                    | 6,337,203          | 10,337,203           | 16,607,558               | 0.4%           | 0.1%                       | 0.2%           |
| 28. | PSM   | 287,647,549           |                    |                    |                    | 183,923,048          | 471,570,597              | 11.0%          | 6.7%                       | 4.3%           |
| 29. | Devolved Units and Inspectorate                                     | 29,100,032            | 35,700,000         |                    | 10,360,800         | 46,060,800           | 75,160,832               | 1.8%           | 0.7%                       | 1.1%           |
| 30. | Civic Education and Public Participation                            | 0                     |                    |                    |                    | 11,092,567           | 11,092,567               | 0.3%           | 0.0%                       | 0.3%           |
| 31. | MSME and Cooperatives   | 2,240,833             |                    |                    | 3,120,000          | 3,120,000            | 5,360,833                | 0.1%           | 0.1%                       | 0.1%           |
|     | <b>3521000000 WATER, ENERGY, ENVIRONMENT, AND NATURAL RESOURCES</b> | <b>52,005,258</b>     | <b>0</b>           | <b>0</b>           | <b>13,762,732</b>  | <b>36,172,208</b>    | <b>88,177,466</b>        | <b>2.1%</b>    | <b>1.2%</b>                | <b>0.8%</b>    |
| 32. | Water and Sanitation  | 27,779,464            | 0                  |                    |                    | 22,409,476           | 50,188,940               | 1.2%           | 0.7%                       | 0.5%           |
| 33. | Environment and Climate Change and Adaptation                       | 24,225,794            | 0                  |                    | 5,018,732          | 5,018,732            | 29,244,526               | 0.7%           | 0.6%                       | 0.1%           |
| 34. | Mining and Natural Resources  | 0                     | 0                  |                    | 3,824,000          | 3,824,000            | 3,824,000                | 0.1%           | 0.0%                       | 0.1%           |
| 35. | Renewable Energy  | 0                     | 0                  |                    | 4,920,000          | 4,920,000            | 4,920,000                | 0.1%           | 0.0%                       | 0.1%           |
|     | <b>3522000000HEALTH SERVICES</b>                                    | <b>1,070,602,526</b>  | <b>266,000,000</b> | <b>104 000,000</b> | <b>85,523,964</b>  | <b>455,523,964</b>   | <b>1,526,126,490</b>     | <b>35.7%</b>   | <b>25.1%</b>               | <b>10.7%</b>   |
| 36. | Medical Services  | 702,912,564           | 205,000,000        | 104,000,000        | 29,350,286         | 339,350,286          | 1,042,262,850            | 24.4%          | 16.5%                      | 7.9%           |
| 37. | Public Health   | 367,689,962           | 60,000,000         | 0                  | 56,173,678         | 116,173,678          | 483,863,640              | 11.3%          | 8.6%                       | 2.7%           |
|     | <b>3524000000 MUNICIPAL ADMINISTRATION</b>                          | <b>19,506,344</b>     | <b>35,000,000</b>  | <b>0</b>           | <b>0</b>           | <b>62,093,460</b>    | <b>81,599,804</b>        | <b>1.9%</b>    | <b>0.5%</b>                | <b>1.5%</b>    |
| 38. | Municipal Administration  | 19,506,344            | 35,000,000         |                    |                    | 62,093,460           | 81,599,804               | 1.9%           | 0.5%                       | 1.5%           |
|     | <b>TOTAL</b>  | <b>2,604,458,548</b>  | <b>596,700,000</b> | <b>104,000,000</b> | <b>719,587,164</b> | <b>1,664,805,715</b> | <b>4,269,264,263</b>     | <b>100.0%</b>  | <b>61.0%</b>               | <b>39.0%</b>   |

Source: County Economic Planning 2025

144. **Key highlights in Recurrent Ceilings;**

- i. Health sector, tourism trade and PSM , County Assembly , county executive and education received the highest recurrent allocation at 35.7%,16.1%, 11.3%, 11.3% and 8.1% respectively
- ii. 35.7% of recurrent budget is allocated to health sector is mainly to cater for personnel emoluments, health commodities and operations & maintenance. 25.1% of county recurrent going to pay health personnel. 10.7% of county recurrent going to pay health commodities and operations & maintenance
- iii. 16.1% on tourism, trade cooperative and public service management is mainly meant for medical cover, gratuity and personnel emoluments for devolved staff. 9.6% of total county recurrent going to pay sector personnel emoluments while 6.5% goes for operations & maintenance
- iv. 11.3% of the total county recurrent is allocated for county assembly mainly meant for personnel emoluments for county assembly members and staff and other operations and maintenance. 6.3% of total county recurrent going to pay sector personnel emoluments 5.0% goes for operations & maintenance
- v. 11.3% of the total county recurrent budget allocated on county executive is mainly meant for personnel emoluments for governor, deputy governor, county executive committee members, county secretary, County Public Service Board, chief officers and other staff working under executive. The allocation also includes operations and maintenance for the sector. 7.0% going to pay sector personnel emoluments 4.3% goes for operations & maintenance
- vi. 8.3% of the total county recurrent budget allocated to education recurrent sector is mainly meant for bursary, school feeding programme, personnel emoluments and other O&M. 4.9% going to pay sector personnel emoluments 3.2% goes for operations & maintenance

#### 6.4.2 Development ceilings tabulation

145. Allocation of Development expenditure amongst county departments are based on the County Integrated Development Plan (CIDP) 2023-27 and Annual Development Plan (ADP) 2024/25 as well as other strategic objectives and policy goals identified in these CFSP. The following guideline will be used on the development expenditure allocation:

- (i) **Outstanding/ongoing Projects:** Greater emphasis put on the completion of on-going projects.
- (ii) **Projects phased in FY 2023/24.** This takes into consideration the projects phased while preparing the county FY 2023/24 & 2024/25 supplementary budgets
- (iii) **Strategic Interventions:** Priority given to policy interventions with high impact on poverty reduction, climate change mitigation and adaptation, environmental conservation, and value chain addition.
- (iv) **Pending bills;** Allocation to clear any outstanding pending bills
- (v) **Conditional allocations, loans and Grants;** Allocation has been distributed across the various departments based on the actual allocations in FY 2024/25 and the National Budget Policy Statement. The allocations will be aligned with the approval of the conditional allocations grants bill 2024.
- (vi) The Government will strengthen project conceptualization to ensure funded projects are supported with concept notes outlining the outcomes, activities and the programme/project implementation matrix. The development focus will be towards high impact projects that are outcome-oriented at both the Headquarters and ward

**Table 13 Development Expenditure Allocation FY 2025/26**

| Department   | Medium Term Flagships | FY 2025/26 Development Programmes | SUPP 1 Revolted Projects in 2024/25 | Conditional Allocations | Pending Bills | FY 2025/26 Development ceiling | % allocation  |
|--|-----------------------|-----------------------------------|-------------------------------------|-------------------------|---------------|--------------------------------|---------------|
| <b>County Assembly</b>   | <b>70,000,000</b>     |                                   | -                                   | -                       | -             | <b>70,000,000</b>              | <b>3.20%</b>  |
| County Assembly  | 70,000,000            |                                   | 0                                   | -                       | 0             | 70,000,000                     | 3.20%         |
| <b>County Executive</b>  |                       |                                   | -                                   | -                       | -             | -                              | <b>0.00%</b>  |
| Office Of Governor   | -                     | -                                 | 0                                   | -                       | 0             | -                              | 0.00%         |
| County Public Service Board  | -                     | -                                 | 0                                   | -                       | 0             | -                              | 0.00%         |
| County Secretary   | -                     | -                                 | 0                                   | -                       | 0             | -                              | 0.00%         |
| Delivery Unit  | -                     | -                                 | 0                                   | -                       | 0             | -                              | 0.00%         |
| Deputy Governor  | -                     | -                                 | 0                                   | -                       | 0             | -                              | 0.00%         |
| County Attorney  | -                     | -                                 | 0                                   | -                       | 0             | -                              | 0.00%         |
| Intergovernmental  | -                     | -                                 | 0                                   | -                       | 0             | -                              | 0.00%         |
| <b>Finance &amp; Economic Planning</b>                                   | -                     | <b>138,831,140</b>                | -                                   | <b>115,350,161</b>      | -             | <b>254,181,301</b>             | <b>11.63%</b> |
| Finance  | -                     | 5,775,140                         | 0                                   | 115,350,161             | 0             | 121,125,301                    | 5.54%         |
| Special Programmes   | -                     | 110,000,000                       | 0                                   | -                       | 0             | 110,000,000                    | 5.03%         |
| Economic Planning  | -                     | 18,000,000                        | 0                                   | -                       | 0             | 18,000,000                     | 0.82%         |
| Cohesion   | -                     | -                                 | 0                                   | -                       | 0             | -                              | 0.00%         |
| Revenue Services   | -                     | 2,000,000                         | 0                                   | -                       | 0             | 2,000,000                      | 0.09%         |
| ICT And Innovation   | -                     | 3,056,000                         | 0                                   | -                       | 0             | 3,056,000                      | 0.14%         |
| <b>Lands &amp; Physical Planning, Roads Housing&amp; Public Works</b>    | <b>30,000,000</b>     | <b>174,178,595</b>                | -                                   | -                       | -             | <b>204,178,595</b>             | <b>9.34%</b>  |
| Lands And Physical Planning  | 30,000,000            | 13,828,376                        | 0                                   | 0                       | 0             | 43,828,376                     | 2.01%         |
| Roads And Infrastructure   | -                     | 160,350,219                       | 0                                   | 0                       | 0             | 160,350,219                    | 7.34%         |
| public Works   | -                     | -                                 | 0                                   | 0                       | 0             | -                              | 0.00%         |
| Housing And Urban Development  | -                     | -                                 | 0                                   | 0                       | 0             | -                              | 0.00%         |
| <b>Agriculture &amp; Irrigation, Livestock &amp; Veterinary Services</b> | <b>70,000,000</b>     | <b>47,505,274</b>                 | -                                   | <b>173,076,923</b>      | -             | <b>290,582,197</b>             | <b>13.30%</b> |
| Agriculture & Irrigation   | -                     | 11,248,740                        | 0                                   | 173,076,923             | 0             | 184,325,663                    | 8.43%         |
| Livestock& Veterinary  | 70,000,000            | 28,344,779                        | 0                                   | -                       | 0             | 98,344,779                     | 4.50%         |
| Fishery Development  | -                     | 7,911,755                         | 0                                   | -                       | 0             | 7,911,755                      | 0.36%         |
| <b>Education, Vocational Youth ,Sports Gender&amp; Social Services</b>   | -                     | <b>127,392,031</b>                | -                                   | -                       | -             | <b>127,392,031</b>             | <b>5.83%</b>  |
| Education And ECDE   | -                     | 40,000,000                        | 0                                   | 0                       | 0             | 40,000,000                     | 1.83%         |
| Youth And Sports   | -                     | 48,000,000                        | 0                                   | 0                       | 0             | 48,000,000                     | 2.20%         |
| culture, Gender And Social Services                                      | -                     | 13,343,394                        | 0                                   | 0                       | 0             | 13,343,394                     | 0.61%         |
| Vocational Training  | -                     | 26,048,637                        | 0                                   | 0                       | 0             | 26,048,637                     | 1.19%         |
| <b>Tourism And Wildlife, Trade Cooperative And</b>                       | <b>60,000,000</b>     | <b>202,500,000</b>                | -                                   | <b>352,500,000</b>      | -             | <b>615,000,000</b>             | <b>28.14%</b> |
| Tourism And Wildlife   | -                     | 25,500,000                        | 0                                   | 0                       | 0             | 25,500,000                     | 1.17%         |
| Trade And Investment   | 60,000,000            | 15,000,000                        | 0                                   | 0                       | 0             | 75,000,000                     | 3.43%         |
| Public Service Management  | -                     | 4,000,000                         | 0                                   | 0                       | 0             | 4,000,000                      | 0.18%         |
| Devolved Units   |                       | 158,000,000                       |                                     | 352,500,000             |               | 510,500,000                    | 23.36%        |

| Department   | Medium Term Flagships | FY 2025/26 Development Programmes | SUPP 1 Revolted Projects in 2024/25 | Conditional Allocations | Pending Bills | FY 2025/26 Development ceiling | % allocation   |
|--|-----------------------|-----------------------------------|-------------------------------------|-------------------------|---------------|--------------------------------|----------------|
| Civic Education And Public Participation                 |                       |                                   |                                     |                         |               | -                              | 0.00%          |
| MSME & Cooperatives                                      |                       |                                   |                                     |                         |               | -                              | 0.00%          |
| <b>Water, Energy, Environment, And Natural Resources</b> | -                     | <b>168,699,787</b>                | -                                   | <b>136,000,000</b>      | -             | <b>304,699,787</b>             | <b>13.94%</b>  |
| water And Sanitation                                     | -                     | 122,699,787                       | 0                                   | -                       | 0             | 122,699,787                    | 5.61%          |
| Environment And CCA                                      | -                     | 38,000,000                        | 0                                   | 136,000,000             | 0             | 174,000,000                    | 7.96%          |
| Mining And Natural Resources                             | -                     | 2,000,000                         | 0                                   | -                       | 0             | 2,000,000                      | 0.09%          |
| Renewable Energy   | -                     | 6,000,000                         | 0                                   | -                       | 0             | 6,000,000                      | 0.27%          |
| <b>Health Services</b>                                   | -                     | <b>184,774,000</b>                | -                                   | <b>5,226,000</b>        | -             | <b>190,000,000</b>             | <b>8.69%</b>   |
| medical Services   | -                     | 100,000,000                       |                                     |                         |               | 100,000,000                    | 4.58%          |
| Public Health  | -                     | 84,774,000                        |                                     | 5,226,000               |               | 90,000,000                     | 4.12%          |
| <b>Municipal Administration</b>                          | -                     | <b>65,621,034</b>                 | -                                   | <b>63,661,198</b>       | -             | <b>129,282,232</b>             | <b>5.92%</b>   |
| Municipal Administration                                 | -                     | 65,621,034                        |                                     | 63,661,198              |               | 129,282,232                    | 5.92%          |
| <b>Total Development Expenditure</b>                     | <b>230,000,000</b>    | <b>1,109,501,861</b>              | -                                   | <b>845,814,282</b>      | -             | <b>2,185,316,143</b>           | <b>100.00%</b> |

Source: County Economic Planning 2025

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146. **Key Highlights in Development Ceilings;**

- i. Allocation of 28.14% of the development budget to Isiolo department of tourism, trade and public service management and devolved unit mainly for construction of industrial park, ward development fund & game reserves infrastructures.
- ii. Development budget of 13.94% allocated to water and environment sector is mainly Ksh 136Million for FLLoCCA, Ksh 398 Million county contribution towards climate fund and Ksh 122 Million for new development project for water department. 6m for renewable energy connection and 2M for mining services
- iii. Development budget of 13.30% allocated to Agriculture department include Ksh173M for Food System Resilience Project (FSRPN, 70M for abattoir external works and feedlots and the balance for other departmental projects
- iv. Development budget of 11.63% % allocated to finance department mainly provision for construction of county headquarters of 115 M( Conditional grants )
- v. Allocation of 9.34%of the development budget to lands and roads are mainly for roads maintenance and completion of spatial plan
- vi. Allocation of 8.69% of the development budget to health sector are mainly ksh100Million medical service mainly for construction of doctors plaza and purchase of modern equipment for Isiolo , Garbatulla and mert hospital and 93Million under public health for expansion of health centres and dispensaries through purchase of equipment, renovations, construction of laboratories and other necessary infrastructures for Primary health care
- vii. Allocation of 5.92% of the development budget to Isiolo municipality mainly for completion of Isiolo market complex , cabro paving in Isiolo town and street lighting
- viii. Allocation of 5.83% of the development budget to education youth sports culture and gender department mainly for, ECDE classroom, ECDE Sanitation facilities and furniture for ECDE, vocational training infrastructures, support of disabled children institutions, rehabilitation and construction of social halls
- ix. Departments/entities will be required to provide detailed concept notes justifying programmes and projects envisioned in this CFSP. This will be used to formulate the FY 2025/26 budget estimates.

147. The overall MTEF ceilings over the medium term is as outlined in table 14 below.

**Table 14: Summary Basis for Setting of Ceilings Estimates**

| Sector           | Sub Sector   | Item Classification        | 2025/26 Estimates (Ksh.) | % Total Budget |
|------------------|--|----------------------------|--------------------------|----------------|
| County Assembly  | County Assembly                                    | <b>Recurrent</b>           | <b>483,000,000</b>       | <b>7.48%</b>   |
|                  |  | Compensation to Employees  | 269,966,666              | 4.18%          |
|                  |  | Operations and Maintenance | 213,033,334              | 3.30%          |
|                  |  | <b>Development</b>         | <b>70,000,000</b>        | <b>1.08%</b>   |
|                  |  | <b>Sub Total</b>           | <b>553,000,000</b>       | <b>8.57%</b>   |
| County Executive | Office of Governor                                 | <b>Recurrent</b>           | <b>287,399,274</b>       | <b>4.45%</b>   |
|                  |  | Compensation to Employees  | 213,399,274              | 3.31%          |
|                  |  | Operations and Maintenance | 74,000,000               | 1.15%          |
|                  |  | <b>Development</b>         | <b>-</b>                 | <b>0.00%</b>   |
|                  |  | <b>Sub Total</b>           | <b>287,399,274</b>       | <b>4.45%</b>   |
|                  | Intergovernmental relations and Donor coordination | <b>Recurrent</b>           | <b>5,190,640</b>         | <b>0.08%</b>   |
|                  |  | Compensation to Employees  | -                        | 0.00%          |
|                  |  | Operations and Maintenance | 5,190,640                | 0.08%          |
|                  |  | <b>Sub Total</b>           | <b>5,190,640</b>         | <b>0.08%</b>   |
|                  | Office of County Attorney                          | <b>Recurrent</b>           | <b>40,430,688</b>        | <b>0.63%</b>   |
|                  |  | Compensation to Employees  | -                        | 0.00%          |
|                  |  | Operations and Maintenance | 40,430,688               | 0.63%          |
|                  |  | <b>Sub Total</b>           | <b>40,430,688</b>        | <b>0.63%</b>   |
|                  | CPSB   | <b>Recurrent</b>           | <b>40,430,688</b>        | <b>0.63%</b>   |
|                  |  | Compensation to Employees  | 42,418,322               | 0.66%          |
|                  |  | Operations and Maintenance | 16,304,838               | 0.25%          |
|                  |  | <b>Sub Total</b>           | <b>58,723,160</b>        | <b>0.91%</b>   |
|                  | County Secretary                                   | <b>Recurrent</b>           | <b>38,560,317</b>        | <b>0.60%</b>   |
|                  |  | Compensation to Employees  | 14,773,185               | 0.23%          |
|                  |  | Operations and Maintenance | 23,787,132               | 0.37%          |
|                  |  | <b>Sub Total</b>           | <b>38,560,317</b>        | <b>0.60%</b>   |
|                  | Deputy governor                                    | <b>Recurrent</b>           | <b>24,601,533</b>        | <b>0.38%</b>   |
|                  |  | Compensation to Employees  | 11,082,895               | 0.17%          |
|                  |  | Operations and Maintenance | 13,518,638               | 0.21%          |
| <b>Sub Total</b> |  | <b>24,601,533</b>          | <b>0.38%</b>             |                |



| Sector  | Sub Sector         | Item Classification        | 2025/26 Estimates<br>(Ksh.) | % Total<br>Budget |
|---|--------------------|----------------------------|-----------------------------|-------------------|
|   | Delivery Unity     | <b>Recurrent</b>           | <b>26,608,054</b>           | <b>0.41%</b>      |
|   |                    | Compensation to Employees  | 16,191,760                  | 0.25%             |
|   |                    | Operations and Maintenance | 10,416,294                  | 0.16%             |
|   |                    | <b>Sub Total</b>           | <b>26,608,054</b>           | <b>0.41%</b>      |
|   |                    | <b>Sector Total</b>        | <b>481,513,666</b>          | <b>7.46%</b>      |
| FINANCE, ECONOMIC PLANNING,<br>REVENUE, SPECIAL PROGRAMS &<br>ICT | Finance            | <b>Recurrent</b>           | <b>193,160,320</b>          | <b>2.99%</b>      |
|   |                    | Compensation to Employees  | 85,956,937                  | 1.33%             |
|   |                    | Operations and Maintenance | 107,203,383                 | 1.66%             |
|   |                    | <b>Development</b>         | <b>121,125,301</b>          | <b>1.88%</b>      |
|   |                    | <b>Sub Total</b>           | <b>314,285,621</b>          | <b>4.87%</b>      |
|   | Economic Planning  | <b>Recurrent</b>           | <b>47,558,221</b>           | <b>0.74%</b>      |
|   |                    | Compensation to Employees  | 12,592,507                  | 0.20%             |
|   |                    | Operations and Maintenance | 34,965,714                  | 0.54%             |
|   |                    | <b>Development</b>         | <b>18,000,000</b>           | <b>0.28%</b>      |
|   |                    | <b>Sub Total</b>           | <b>65,558,221</b>           | <b>1.02%</b>      |
|   | Special Programmes | <b>Recurrent</b>           | <b>70,932,137</b>           | <b>1.10%</b>      |
|   |                    | Compensation to Employees  |                             | 0.00%             |
|   |                    | Operations and Maintenance | 70,932,137                  | 1.10%             |
|   |                    | <b>Development</b>         | <b>110,000,000</b>          | <b>1.70%</b>      |
|   |                    | <b>Sub Total</b>           | <b>180,932,137</b>          | <b>2.80%</b>      |
|   | Peace and Cohesion | <b>Recurrent</b>           | <b>24,158,080</b>           | <b>0.37%</b>      |
|   |                    | Compensation to Employees  |                             | 0.00%             |
|   |                    | Operations and Maintenance | 24,158,080                  | 0.37%             |
|   |                    | <b>Development</b>         | <b>0</b>                    | <b>0.00%</b>      |
|   |                    | <b>Sub Total</b>           | <b>24,158,080</b>           | <b>0.37%</b>      |
|   | Revenue Services   | <b>Recurrent</b>           | <b>14,822,560</b>           | <b>0.23%</b>      |
|   |                    | Compensation to Employees  | 7,750,080                   | 0.12%             |
|   |                    | Operations and Maintenance | 7,072,480                   | 0.11%             |
| <b>Development</b>  |                    | <b>2,000,000</b>           | <b>0.03%</b>                |                   |
| <b>Sub Total</b>  |                    | <b>16,822,560</b>          | <b>0.26%</b>                |                   |
| ICT and Innovation  | <b>Recurrent</b>   | <b>9,544,000</b>           | <b>0.15%</b>                |                   |

| Sector   | Sub Sector                               | Item Classification        | 2025/26 Estimates<br>(Ksh.) | % Total<br>Budget |
|--|--|----------------------------|-----------------------------|-------------------|
|  |  | Compensation to Employees  | 5,200,000                   | 0.08%             |
|  |  | Operations and Maintenance | 4,344,000                   | 0.07%             |
|  |  | <b>Development</b>         | <b>3,056,000</b>            | <b>0.05%</b>      |
|  |  | <b>Sub Total</b>           | <b>12,600,000</b>           | <b>0.20%</b>      |
|  |  | <b>Sector Total</b>        | <b>614,356,619</b>          | <b>9.52%</b>      |
| <b>LANDS &amp; PHYSICAL PLANNING,<br/>ROADS, URBAN HOUSING</b> | <b>Lands and Physical<br/>Planning</b>   | <b>Recurrent</b>           | <b>22,696,166</b>           | <b>0.35%</b>      |
|  |  | Compensation to Employees  | 14,354,285                  | 0.22%             |
|  |  | Operations and Maintenance | 8,341,882                   | 0.13%             |
|  |  | <b>Development</b>         | <b>43,828,376</b>           | <b>0.68%</b>      |
|  |  | <b>Sub Total</b>           | <b>66,524,542</b>           | <b>1.03%</b>      |
|  | <b>Roads and Infrastructure</b>          | <b>Recurrent</b>           | <b>15,005,318</b>           | <b>0.23%</b>      |
|  |  | Compensation to Employees  | 11,469,318                  | 0.18%             |
|  |  | Operations and Maintenance | 3,536,000                   | 0.05%             |
|  |  | <b>Development</b>         | <b>160,350,219</b>          | <b>2.48%</b>      |
|  |  | <b>Sub Total</b>           | <b>175,355,537</b>          | <b>2.72%</b>      |
|  | <b>Public Works</b>                      | <b>Recurrent</b>           | <b>11,888,926</b>           | <b>0.18%</b>      |
|  |  | Compensation to Employees  | 8,456,926                   | 0.13%             |
|  |  | Operations and Maintenance | 3,432,000                   | 0.05%             |
|  |  | <b>Development</b>         | <b>-</b>                    | <b>0.00%</b>      |
|  |  | <b>Sub Total</b>           | <b>11,888,926</b>           | <b>0.18%</b>      |
|  | <b>Housing and Urban<br/>Development</b> | <b>Recurrent</b>           | <b>8,268,000</b>            | <b>0.13%</b>      |
|  |  | Compensation to Employees  | -                           | 0.00%             |
| Operations and Maintenance                                     |  | 8,268,000                  | 0.13%                       |                   |
| <b>Development</b>   |  | <b>-</b>                   | <b>0.00%</b>                |                   |
| <b>Sub Total</b>   |  | <b>8,268,000</b>           | <b>0.13%</b>                |                   |
|  |  | <b>Sector Total</b>        | <b>262,037,005</b>          | <b>4.06%</b>      |
| <b>AGRICULTURE, LIVESTOCK &amp;<br/>FISHERIES</b>              | <b>Agriculture</b>                       | Recurrent                  | 49,751,260                  | 0.77%             |
|  |  | Compensation to Employees  | 40,391,260                  | 0.63%             |
|  |  | Operations and Maintenance | 9,360,000                   | 0.15%             |
|  |  | <b>Development</b>         | <b>184,325,663</b>          | <b>2.86%</b>      |
|  |  | <b>Sub Total</b>           | <b>234,076,923</b>          | <b>3.63%</b>      |

| Sector  | Sub Sector                                | Item Classification        | 2025/26 Estimates (Ksh.) | % Total Budget |
|---|---|----------------------------|--------------------------|----------------|
|   | Livestock Production                      | <b>Recurrent</b>           | <b>103,304,809</b>       | <b>1.60%</b>   |
|   |   | Compensation to Employees  | 86,213,726               | 1.34%          |
|   |   | Operations and Maintenance | 17,091,083               | 0.26%          |
|   |   | <b>Development</b>         | <b>98,344,779</b>        | <b>1.52%</b>   |
|   |   | <b>Sub Total</b>           | <b>201,649,588</b>       | <b>3.12%</b>   |
|   | Fisheries                                 | <b>Recurrent</b>           | <b>8,000,000</b>         | <b>0.12%</b>   |
|   |   | Compensation to Employees  | 4,178,731                | 0.06%          |
|   |   | Operations and Maintenance | 3,821,269                | 0.06%          |
|   |   | <b>Development</b>         | <b>7,911,755</b>         | <b>0.12%</b>   |
|   |   | <b>Sub Total</b>           | <b>15,911,755</b>        | <b>0.25%</b>   |
|   | <b>Sector Total</b>                       |                            | <b>451,638,266</b>       | <b>7.00%</b>   |
| EDUCATION & ECDE, VOCATIONAL TRAINING, YOUTH, SPORTS & GENDER | Education and Early Childhood Development | <b>Recurrent</b>           | <b>287,420,768</b>       | <b>4.45%</b>   |
|   |   | Compensation to Employees  | 183,183,370              | 2.84%          |
|   |   | Operations and Maintenance | 104,237,398              | 1.61%          |
|   |   | <b>Development</b>         | <b>40,000,000</b>        | <b>0.62%</b>   |
|   |   | <b>Sub Total</b>           | <b>327,420,768</b>       | <b>5.07%</b>   |
|   | Youth and Sports                          | <b>Recurrent</b>           | <b>25,244,451</b>        | <b>0.39%</b>   |
|   |   | Compensation to Employees  | 3,196,219                | 0.05%          |
|   |   | Operations and Maintenance | 22,048,232               | 0.34%          |
|   |   | <b>Development</b>         | <b>48,000,000</b>        | <b>0.74%</b>   |
|   |   | <b>Sub Total</b>           | <b>73,244,451</b>        | <b>1.13%</b>   |
|   | Gender Culture and Social Service         | <b>Recurrent</b>           | <b>27,669,716</b>        | <b>0.43%</b>   |
|   |   | Compensation to Employees  | 21,863,592               | 0.34%          |
|   |   | Operations and Maintenance | 5,806,124                | 0.09%          |
|   |   | <b>Development</b>         | <b>13,343,394</b>        | <b>0.21%</b>   |
|   |   | <b>Sub Total</b>           | <b>41,013,110</b>        | <b>0.64%</b>   |
|   | Technical and Vocational Training         | <b>Recurrent</b>           | <b>3,420,000</b>         | <b>0.05%</b>   |
|   |   | Compensation to Employees  | -                        | 0.00%          |
| Operations and Maintenance                                    |   | 3,420,000                  | 0.05%                    |                |

| Sector  | Sub Sector  | Item Classification        | 2025/26 Estimates<br>(Ksh.) | % Total<br>Budget |
|---|---|----------------------------|-----------------------------|-------------------|
|   |   | <b>Development</b>         | 26,048,637                  | 0.40%             |
|   |   | <b>Sub Total</b>           | <b>29,468,637</b>           | <b>0.46%</b>      |
|   |   | <b>Total</b>               | <b>471,146,966</b>          | <b>7.30%</b>      |
| <b>TOURISM, TRADE, MSME, PSM,<br/>CEPP &amp; DEVOLVED UNITS</b> | <b>Tourism and Wildlife</b>                         | <b>Recurrent</b>           | <b>106,209,717</b>          | <b>1.65%</b>      |
|   |   | Compensation to Employees  | 84,446,598                  | 1.31%             |
|   |   | Operations and Maintenance | 21,763,119                  | 0.34%             |
|   |   | <b>Development</b>         | <b>25,500,000</b>           | <b>0.40%</b>      |
|   |   | <b>Sub Total</b>           | <b>131,709,717</b>          | <b>2.04%</b>      |
|   | <b>Trade and Investment</b>                         | <b>Recurrent</b>           | <b>16,607,558</b>           | <b>0.26%</b>      |
|   |   | Compensation to Employees  | 6,270,355                   | 0.10%             |
|   |   | Operations and Maintenance | 10,337,203                  | 0.16%             |
|   |   | <b>Development</b>         | <b>75,000,000</b>           | <b>1.16%</b>      |
|   |   | <b>Sub Total</b>           | <b>91,607,558</b>           | <b>1.42%</b>      |
|   | <b>PSM</b>  | <b>Recurrent</b>           | <b>471,570,597</b>          | <b>7.31%</b>      |
|   |   | Compensation to Employees  | 287,647,549                 | 4.46%             |
|   |   | Operations and Maintenance | 183,923,048                 | 2.85%             |
|   |   | <b>Development</b>         | <b>4,000,000</b>            | <b>0.06%</b>      |
|   |   | <b>Sub Total</b>           | <b>475,570,597</b>          | <b>7.37%</b>      |
|   | <b>Devolved Units and<br/>Inspectorate</b>          | <b>Recurrent</b>           | <b>75,160,832</b>           | <b>1.16%</b>      |
|   |   | Compensation to Employees  | 29,100,032                  | 0.45%             |
|   |   | Operations and Maintenance | 46,060,800                  | 0.71%             |
|   |   | <b>Development</b>         | <b>510,500,000</b>          | <b>7.91%</b>      |
|   |   | <b>Sub Total</b>           | <b>585,660,832</b>          | <b>9.07%</b>      |
|   | <b>Civic Education and<br/>Public Participation</b> | <b>Recurrent</b>           | <b>11,092,567</b>           | <b>0.17%</b>      |
|   |   | Compensation to Employees  | -                           | 0.00%             |
|   |   | Operations and Maintenance | 11,092,567                  | 0.17%             |
|   |   | <b>Development</b>         | <b>-</b>                    | <b>0.00%</b>      |
| <b>Sub Total</b>  |   | <b>11,092,567</b>          | <b>0.17%</b>                |                   |
| <b>MSME and Cooperatives</b>                                    | <b>Recurrent</b>                                    | <b>5,242,333</b>           | <b>0.08%</b>                |                   |

| Sector  | Sub Sector   | Item Classification        | 2025/26 Estimates (Ksh.) | % Total Budget |
|---|--|----------------------------|--------------------------|----------------|
|   |  | Compensation to Employees  | 2,240,833                | 0.03%          |
|   |  | Operations and Maintenance | 3,120,000                | 0.05%          |
|   |  | <b>Development</b>         | -                        | 0.00%          |
|   |  | <b>Sub Total</b>           | 5,242,333                | 0.08%          |
|   |  | <b>Sector Total</b>        | 1,300,883,604            | 20.15%         |
| <b>WATER, ENVIRONMENT, NATURAL RESOURCES &amp; RENEWABLE ENERGY</b> | <b>Water and Sanitation</b>                          | <b>Recurrent</b>           | <b>50,188,940</b>        | <b>0.78%</b>   |
|   |  | Compensation to Employees  | 27,779,464               | 0.43%          |
|   |  | Operations and Maintenance | 22,409,476               | 0.35%          |
|   |  | <b>Development</b>         | <b>122,699,787</b>       | <b>1.90%</b>   |
|   |  | <b>Sub Total</b>           | <b>172,888,727</b>       | <b>2.68%</b>   |
|   | <b>Environment and Climate Change and Adaptation</b> | <b>Recurrent</b>           | <b>29,244,526</b>        | <b>0.45%</b>   |
|   |  | Compensation to Employees  | 24,225,794               | 0.38%          |
|   |  | Operations and Maintenance | 5,018,732                | 0.08%          |
|   |  | <b>Development</b>         | <b>174,000,000</b>       | <b>2.70%</b>   |
|   |  | <b>Sub Total</b>           | <b>203,244,526</b>       | <b>3.15%</b>   |
|   | <b>Mining and Natural Resources</b>                  | <b>Recurrent</b>           | <b>3,824,000</b>         | <b>0.06%</b>   |
|   |  | Compensation to Employees  | -                        | 0.00%          |
|   |  | Operations and Maintenance | 3,824,000                | 0.06%          |
|   |  | <b>Development</b>         | <b>2,000,000</b>         | <b>0.03%</b>   |
|   |  | <b>Sub Total</b>           | <b>5,824,000</b>         | <b>0.09%</b>   |
|   | <b>Renewable Energy</b>                              | <b>Recurrent</b>           | <b>4,920,000</b>         | <b>0.08%</b>   |
|   |  | Compensation to Employees  | -                        | 0.00%          |
|   |  | Operations and Maintenance | 4,920,000                | 0.08%          |
|   |  | <b>Development</b>         | <b>6,000,000</b>         | <b>0.09%</b>   |
|   |  | <b>Sub Total</b>           | <b>10,920,000</b>        | <b>0.17%</b>   |
|   | <b>Sector Total</b>                                  | <b>392,877,253</b>         | <b>6.09%</b>             |                |
| <b>HEALTH SERVICES</b>  | <b>Medical Services</b>                              | <b>Recurrent</b>           | <b>1,042,262,850</b>     | <b>16.15%</b>  |
|   |  | Compensation to Employees  | 702,912,564              | 10.89%         |
|   |  | Operations and Maintenance | 339,350,286              | 5.26%          |

| Sector              | Sub Sector                      | Item Classification        | 2025/26 Estimates<br>(Ksh.) | % Total<br>Budget |
|---------------------|---------------------------------|----------------------------|-----------------------------|-------------------|
|                     |                                 | <b>Development</b>         | <b>100,000,000</b>          | <b>1.55%</b>      |
|                     |                                 | <b>Total</b>               | <b>1,142,262,850</b>        | <b>17.70%</b>     |
|                     | <b>Public Health</b>            | <b>Recurrent</b>           | <b>483,863,640</b>          | <b>7.50%</b>      |
|                     | Compensation to Employees       | 367,689,962                | 5.70%                       |                   |
|                     | Operations and Maintenance      | 116,173,678                | 1.80%                       |                   |
|                     | <b>Development</b>              | <b>90,000,000</b>          | <b>1.39%</b>                |                   |
|                     | <b>Sub Total</b>                | <b>573,863,640</b>         | <b>8.89%</b>                |                   |
|                     | <b>Sector Total</b>             | <b>1,716,126,490</b>       | <b>26.59%</b>               |                   |
| <b>MUNICIPALITY</b> | <b>Municipal Administration</b> | <b>Recurrent</b>           | <b>81,599,804</b>           | <b>1.26%</b>      |
|                     |                                 | Compensation to Employees  | 19,506,344                  | 0.30%             |
|                     |                                 | Operations and Maintenance | 62,093,460                  | 0.96%             |
|                     |                                 | <b>Development</b>         | <b>129,282,232</b>          | <b>2.00%</b>      |
|                     |                                 | <b>Total</b>               | <b>210,882,036</b>          | <b>3.27%</b>      |
|                     |                                 | <b>Sector Total</b>        | <b>210,882,036</b>          | <b>3.27%</b>      |
|                     |                                 | <b>Grand total</b>         | <b>6,454,461,905</b>        | <b>100.00%</b>    |

## **6.5 Sector/Departmental Medium Term Expenditure Ceilings**

148. The departmental budget ceilings for financial year 2025/26 and over the medium term period are as provided in table 18 below.

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**Table 15:2025/26 & Medium Term Expenditure Ceilings**

| Programme  | Baseline Estimates 2023/24 |                      | Estimates            | CBROP                | Resource Requirement | Proposed ceilings    | Projection           |
|--|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2023/24                    | Actual expenditure   | 2024/25              | 2,024                | 2025/26              | 2025/26              | 2026/27              |
| County Assembly  | 579252680                  | 514765436            | 626,240,773          | 553,000,000          | 553,000,000          | 553,000,000          | 575,120,000          |
| County Executive   | 362,098,822                | 261,479,548          | 465,525,987          | 504,525,987          | 541,176,167          | 484,035,026          | 503,396,427          |
| Finance And Economic Planning  | 1,019,086,349              | 723,112,039          | 1,176,108,695        | 976,108,695          | 880,608,695          | 620,293,236          | 645,104,965          |
| Lands , Roads Housing And Public Works                                     | 300,042,217                | 273,265,792          | 396,889,428          | 396,889,428          | 396,889,428          | 286,765,005          | 298,235,605          |
| Agriculture , Livestock And Fisheries                                      | 605,177,372                | 445,256,635          | 495,072,151          | 534,395,844          | 1,030,046,093        | 431,055,150          | 448,297,356          |
| Education, Vocational Training , Youth ,Sports Culture And Social Services | 336,689,470                | 281,083,474          | 473,823,036          | 483,616,554          | 534,216,500          | 476,146,966          | 495,192,845          |
| Tourism , Trade , Cooperatives And Public Service Management               | 476,106,916                | 399,222,256          | 842,555,685          | 876,257,912          | 1,415,179,056        | 1,282,701,140        | 1,334,009,186        |
| Water Energy Environment And Natural Resources                             | 351,975,751                | 71,467,576           | 388,557,351          | 434,192,648          | 830,674,000          | 393,978,216          | 409,737,345          |
| Health Services  | 1,500,110,724              | 1,180,358,674        | 1,506,331,707        | 1,566,148,847        | 2,023,291,790        | 1,713,605,130        | 1,782,149,335        |
| Municipal Administration   | 188,270,078                | 102,299,125          | 338,954,449          | 352,512,627          | 387,763,890          | 230,882,036          | 240,117,317          |
| <b>Grand Total</b>   | <b>5,718,810,379</b>       | <b>4,252,310,555</b> | <b>6,710,059,262</b> | <b>6,677,648,542</b> | <b>8,592,845,619</b> | <b>6,472,461,905</b> | <b>6,731,360,381</b> |

*Source: County Economic Planning 2025*



## **CHAPTER SEVEN CONCLUSION**

149. The CFSP 2025 is prepared as a guiding tool for budget preparation for the financial year 2025/26. It broadly defines the expected revenues and expenditure over the medium term as well as proposing strategies of financing any anticipated deficit. The County Government is expected to prepare a balanced budget in the financial year 2025/26.
150. The set of policies outlined in the CFSP reflects circumstances that are in line with the fiscal responsibilities as outlined in the PFM Act, 2012. They are also consistent with the County Government strategic objectives pursued as a basis for allocation of public resources. These strategic objectives are provided in the County Government priorities spelled out in the national policies and Isiolo CIDP, 2023-2027.
151. The adoption of Programme Based Budgeting (PBB) will ensure that all County resources are linked to specific projects, outputs and outcomes. The use of the Integrated Financial Management Information System (IFMIS) and the introduction of e-Procurement System will also make it possible for the County to track the resources to achieve results in a more efficient and effective manner.
152. In the financial year 2025/26 budget, key priority areas are investment in provision of essential health services, Livelihood sectors such as agriculture and livestock, surface and underground water resources, road infrastructure network, Health tourism promotion and Education will receive considerate allocation while maintaining reasonable growth on other County sectors. Allocation of funds to these County key priority areas will generally reflect the critical needs of the County residents. It is envisaged that the enhancement of these key areas will drive the County economy up by creating greater supply hence improving the per capita income of households.
153. The County Government will adopt a zero-based budgeting approach for FY 2025/26, guiding resource allocation. Sectors must review and re-evaluate planned programs and projects, focusing on wealth creation, livelihood protection, job creation, business revitalization, and economic growth. The CFSP developed sector ceilings to guide the budget estimates for FY 2025/26. Sectors and departments are encouraged to realign their programs and subprograms to the ceilings and county government priorities outlined in the CIDP 2023-27 and ADP 2025/26.

Annex 1 SECTOR CEILINGS BY PROGRAMMES AND SUB PROGRAMMES.

| Programme  | Actual Expenditure | Baseline Estimates | Estimates          | CBROP              | Resource Requirement | Proposed ceilings  | Projection         |
|--|--------------------|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|
|  | 2022/23            | 2023/24            | 2024/25            | 2,024              | 2025/26              | 2025/26            | 2026/27            |
| <b>COUNTY ASSEMBLY</b>   |                    |                    |                    |                    |                      |                    |                    |
| <b>Legislative and oversight</b>                               | <b>593,540,000</b> | -                  | <b>626,240,773</b> | <b>553,000,000</b> | <b>553,000,000</b>   | <b>553,000,000</b> | <b>575,120,000</b> |
| General Administration Planning & Support Services             | 444,540,000        |                    | 70,000,000         | 70,000,000         | 70,000,000           | 70,000,000         | 72,800,000         |
| Legislative service  | 149,000,000        |                    | 556,240,773        | 483,000,000        | 483,000,000          | 483,000,000        | 502,320,000        |
| <b>SECTOR TOTAL</b>  | <b>593,540,000</b> | <b>-</b>           | <b>626,240,773</b> | <b>553,000,000</b> | <b>553,000,000</b>   | <b>553,000,000</b> | <b>575,120,000</b> |
| <b>County EXECUTIVE</b>  |                    |                    |                    |                    |                      |                    | -                  |
| SP1.1 County Governance affairs                                | 136,239,919        | 88,730,784         | 209,878,981        | 219,878,981        | 237,469,299          | 211,274,140        | 219,725,106        |
| SP1.2 administrative services                                  | 196,867,890        | 100,458,054        | 76,081,860         | 105,081,860        | 113,488,409          | 76,125,134         | 79,170,139         |
| <b>P1: County Governance and Coordination Affairs</b>          | <b>333,107,809</b> | <b>189,188,838</b> | <b>285,960,841</b> | <b>324,960,841</b> | <b>350,957,708</b>   | <b>287,399,274</b> | <b>298,895,245</b> |
| SP 2.1 General Administration Planning & Support Services      |                    | 31,647,996         | 30,541,500         | 30,541,500         | 32,984,820           | 30,763,160         | 31,993,686         |
| SP 2.2 Human Resource Planning & Development                   |                    | 9,800,000          | 8,645,000          | 8,645,000          | 9,336,600            | 10,990,800         | 11,430,432         |
| SP2.3 Board Operation & Management                             | 46,400,077         | 13,539,000         | 11,555,000         | 11,555,000         | 12,479,400           | 13,017,200         | 13,537,888         |
| SP 2.4 County Public Service Productivity & Values             |                    | 900,000            | 3,800,000          | 3,800,000          | 4,104,000            | 3,952,000          | 4,110,080          |
| <b>P2: County Human Resources Establishment and Deployment</b> | <b>46,400,077</b>  | <b>55,886,996</b>  | <b>54,541,500</b>  | <b>54,541,500</b>  | <b>58,904,820</b>    | <b>58,723,160</b>  | <b>61,072,086</b>  |
| SP 3.1 Administrative services                                 | 39,373,915         | 34,213,114         | 37,077,228         | 37,077,228         | 40,043,406           | 38,560,317         | 40,102,730         |
| <b>P3 coordination of devolved county administration</b>       | <b>39,373,915</b>  | <b>34,213,114</b>  | <b>37,077,228</b>  | <b>37,077,228</b>  | <b>40,043,406</b>    | <b>38,560,317</b>  | <b>40,102,730</b>  |
| SP 4.1 Efficiency monitoring & Community engagement            | 13,893,387         | 13,156,874         | 18,853,898         | 18,853,898         | 20,362,210           | 26,608,054         | 27,672,376         |
| <b>P4 Governor's Delivery Unit</b>                             | <b>13,893,387</b>  | <b>13,156,874</b>  | <b>18,853,898</b>  | <b>18,853,898</b>  | <b>20,362,210</b>    | <b>26,608,054</b>  | <b>27,672,376</b>  |
| SP 5.1 Deputy Governor administration affairs                  | 20,460,098         | 23,290,000         | 22,693,782         | 22,693,782         | 24,509,285           | 24,601,533         | 25,585,594         |
| <b>p5 Deputy Governors Affairs</b>                             | <b>20,460,098</b>  | <b>23,290,000</b>  | <b>22,693,782</b>  | <b>22,693,782</b>  | <b>24,509,285</b>    | <b>24,601,533</b>  | <b>25,585,594</b>  |
| SP 6.1 Legal Services  | -                  | 29,775,000         | 32,475,000         | 32,475,000         | 32,475,000           | 30,774,000         | 32,004,960         |
| S6.2 Legal & Legislative Services                              | -                  | 11,597,000         | 8,323,738          | 8,323,738          | 8,323,738            | 9,656,688          | 10,042,956         |
| <b>P 6: legal services</b>                                     | <b>-</b>           | <b>41,372,000</b>  | <b>40,798,738</b>  | <b>40,798,738</b>  | <b>40,798,738</b>    | <b>40,430,688</b>  | <b>42,047,916</b>  |
| SP 7.1 Intergovernmental relations and Coordination services   | -                  | 4,991,000          | 5,600,000          | 5,600,000          | 5,600,000            | 5,190,640          | 5,398,266          |
| <b>P67 Intergovernmental relations and Coordination</b>        | <b>-</b>           | <b>4,991,000</b>   | <b>5,600,000</b>   | <b>5,600,000</b>   | <b>5,600,000</b>     | <b>5,190,640</b>   | <b>5,398,266</b>   |
| <b>SECTOR TOTAL</b>  | <b>453,235,286</b> | <b>362,098,822</b> | <b>465,525,987</b> | <b>504,525,987</b> | <b>541,176,167</b>   | <b>481,513,666</b> | <b>500,774,213</b> |
| <b>FINANCE AND ECONOMIC PLANMING</b>                           |                    |                    |                    |                    |                      |                    |                    |
| <b>P1: Public Financial Management</b>                         | <b>921,170,734</b> | <b>517,436,873</b> | <b>876,607,483</b> | <b>676,607,483</b> | <b>516,607,483</b>   | <b>314,285,622</b> | <b>326,857,046</b> |
| SP6 Accounting Services  | 589,137,277        | 34,611,849         | 745,888,450        | 545,888,450        | 345,888,450          | 150,888,450        | 156,923,988        |
| sp General administration                                      | 25,447,580         | 76,532,103         | 115,350,161        | 115,350,161        | 150,350,161          | 144,413,545        | 150,190,086        |
| SP 1.2 Internal Control  | -                  | -                  | 1,552,500          | 1,552,500          | 6,552,500            | 4,614,600          | 4,799,184          |
| SP.1.3 Supply chain management                                 | 306,585,877        | 406,292,921        | 13,816,372         | 13,816,372         | 13,816,372           | 14,369,027         | 14,943,788         |
| <b>P2 Disaster Risk Management</b>                             | <b>464,455,404</b> | <b>345,639,248</b> | <b>173,460,000</b> | <b>173,460,000</b> | <b>233,460,000</b>   | <b>180,932,137</b> | <b>188,169,422</b> |
| General Administration Planning & Support Services             | -                  | -                  | 7,100,000          | 7,100,000          | 7,100,000            | 7,384,000          | 7,679,360          |
| Social Protection  | 114,003,802        | 145,000,000        | 20,350,000         | 20,350,000         | 80,350,000           | 41,697,737         | 43,365,646         |
| Disaster Risk Awareness Preparedness & Management              | 350,451,602        | 200,639,248        | 141,400,000        | 141,400,000        | 141,400,000          | 127,056,000        | 132,138,240        |

| Programme  | Actual Expenditure   | Baseline Estimates   | Estimates            | CBROP              | Resource Requirement | Proposed ceilings  | Projection         |
|--|----------------------|----------------------|----------------------|--------------------|----------------------|--------------------|--------------------|
|  | 2022/23              | 2023/24              | 2024/25              | 2,024              | 2025/26              | 2025/26            | 2026/27            |
| Coordination Training & Capacity Development   | -                    | -                    | 4,610,000            | 4,610,000          | 4,610,000            | 4,794,400          | 4,986,176          |
| <b>P3: Economic Planning, Policy Formulation and Budgeting</b>                                       | <b>29,237,640</b>    | <b>37,316,729</b>    | <b>42,001,398</b>    | <b>42,001,398</b>  | <b>42,001,398</b>    | <b>40,681,454</b>  | <b>42,308,712</b>  |
| 3.1 Planning and coordination  | 17,907,240           | 27,995,240           | 19,169,668           | 19,169,668         | 19,169,668           | 19,936,455         | 20,733,913         |
| 3.2 Budget Formulation and Coordination  | 11,330,400           | 9,321,489            | 22,831,730           | 22,831,730         | 22,831,730           | 20,744,999         | 21,574,799         |
| <b>P4: Tracking and Reporting on implementation of policies, plans and Budgets</b>                   | <b>24,972,649</b>    | <b>13,821,730</b>    | <b>32,573,814</b>    | <b>32,573,814</b>  | <b>32,573,814</b>    | <b>24,876,767</b>  | <b>25,871,838</b>  |
| 4.1 Monitoring and Evaluation systems  | 24,972,649           | 13,821,730           | 32,573,814           | 32,573,814         | 32,573,814           | 24,876,767         | 25,871,838         |
| <b>P 5: Cohesion and Peace Building</b>  | <b>27,608,976</b>    | <b>21,866,769</b>    | <b>25,152,000</b>    | <b>25,152,000</b>  | <b>25,152,000</b>    | <b>24,158,080</b>  | <b>25,124,403</b>  |
| SP1 Administrative Affairs   | -                    | -                    | 11,176,734           | 11,176,734         | 11,176,734           | 9,623,803          | 10,008,755         |
| SP 5.1 Peace and cohesion  | 27,608,976           | 13,061,503           | 11,755,266           | 11,755,266         | 11,755,266           | 12,225,477         | 12,714,496         |
| 5.2 countering violent extremism prevention  | -                    | 8,805,266            | 2,220,000            | 2,220,000          | 2,220,000            | 2,308,800          | 2,401,152          |
| <b>P6: Revenue Enhancement</b>   | <b>-</b>             | <b>29,790,000</b>    | <b>15,214,000</b>    | <b>15,214,000</b>  | <b>18,214,000</b>    | <b>16,822,560</b>  | <b>17,495,462</b>  |
| 0733013510 General Administration Planning & Support Services  | -                    | 20,035,000           | 12,071,000           | 12,071,000         | 12,071,000           | 12,553,840         | 13,055,994         |
| SB 6.1 Own Source Revenue Enhancement  | -                    | 9,755,000            | 3,143,000            | 3,143,000          | 6,143,000            | 4,268,720          | 4,439,469          |
| <b>P7: Communication and ICT</b>   | <b>-</b>             | <b>37,005,000</b>    | <b>11,100,000</b>    | <b>11,100,000</b>  | <b>12,600,000</b>    | <b>12,600,000</b>  | <b>13,104,000</b>  |
| SP6 ICT Innovation and Enterprises   | -                    | -                    | 1,500,000            | 1,500,000          | 3,000,000            | 3,000,000          | 3,120,000          |
| SP7.1 e-government services  | -                    | 37,005,000           | 9,600,000            | 9,600,000          | 9,600,000            | 9,600,000          | 9,984,000          |
| <b>SECTOR TOTAL</b>  | <b>1,467,445,403</b> | <b>1,002,876,349</b> | <b>1,176,108,695</b> | <b>976,108,695</b> | <b>880,608,695</b>   | <b>614,356,620</b> | <b>638,930,884</b> |
|  |                      |                      |                      |                    |                      |                    | -                  |
| <b>LANDS , ROADS HOUSING AND PUBLIC WORKS</b>  |                      |                      |                      |                    |                      |                    | -                  |
| <b>Land Survey, Planning and Management</b>  | <b>22,919,560</b>    | <b>72,680,782</b>    | <b>69,735,137</b>    | <b>69,735,137</b>  | <b>69,735,137</b>    | <b>66,524,542</b>  | <b>69,185,524</b>  |
| SP1.1 Land Use Planning  | -                    | 30,000,000           | 38,000,000           | 38,000,000         | 38,000,000           | 39,520,000         | 41,100,800         |
| SP 1.2 Administration and policy development   | 16,498,191           | 18,600,000           | 21,735,137           | 21,735,137         | 21,735,137           | 22,604,542         | 23,508,724         |
| SP 1.3 Land survey and Mapping   | 6,421,369            | 24,080,782           | 10,000,000           | 10,000,000         | 10,000,000           | 4,400,000          | 4,576,000          |
| <b>P2 :Road Improvement, Accessibility, Logistic and Connectivity</b>                                | <b>132,099,837</b>   | <b>125,793,280</b>   | <b>307,772,631</b>   | <b>307,772,631</b> | <b>307,772,631</b>   | <b>175,355,537</b> | <b>182,369,758</b> |
| SP2.1 Administration and planning services   | 10,571,494           | 12,641,000           | 15,128,190           | 15,128,190         | 15,128,190           | 15,733,318         | 16,362,651         |
| SP2.2 Opening, periodic and routine maintenance of roads   | 121,528,343          | 113,152,280          | 292,644,441          | 292,644,441        | 292,644,441          | 159,622,219        | 166,007,107        |
| <b>P3 Public Works services</b>  | <b>44,657,140</b>    | <b>10,193,160</b>    | <b>11,431,660</b>    | <b>11,431,660</b>  | <b>11,431,660</b>    | <b>11,888,926</b>  | <b>12,364,483</b>  |
| SP3.1 Administration and Planning services   | 44,657,140           | 10,193,160           | 11,431,660           | 11,431,660         | 11,431,660           | 11,888,926         | 12,364,483         |
| <b>P4 Housing and urban development</b>  | <b>-</b>             | <b>5,660,000</b>     | <b>7,950,000</b>     | <b>7,950,000</b>   | <b>7,950,000</b>     | <b>8,268,000</b>   | <b>8,598,720</b>   |
| SP4.1 Urban Development  | -                    | 5,660,000            | 7,950,000            | 7,950,000          | 7,950,000            | 8,268,000          | 8,598,720          |
| <b>SECTOR TOTAL</b>  | <b>199,676,537</b>   | <b>214,327,222</b>   | <b>396,889,428</b>   | <b>396,889,428</b> | <b>396,889,428</b>   | <b>262,037,005</b> | <b>272,518,485</b> |
| <b>Agriculture , livestock and fisheries</b>   |                      |                      |                      |                    |                      |                    |                    |
| <b>Programme 1: Sustainable crop development, Agricultural Land Use and Environmental Management</b> |                      |                      |                      |                    |                      |                    |                    |
| sp 1 General Administration & Support Services   |                      | 47,722,420           | 43,583,116           | 45,326,441         | 48,583,116           | 48,583,116         | 50,526,441         |
| SP Rehabilitation and expansion of irrigation schemes  | 534,070,365          | 885,100              | 6,334,634            | 6,588,019          | 116,400,000          | 173,076,923        | 180,000,000        |
| SP .Crop development & management  | 78,146,483           | 302,511,026          | 317,576,923          | 330,280,000        | 125,416,884          | 10,416,884         | 10,833,559         |
| SP Agribusiness and Market Development   | 27,500,000           | 1,070,000            | 21,918,919           | 22,795,676         | 2,000,000            | 2,000,000          | 2,080,000          |
| <b>Total Expenditure of Programme 1</b>  | <b>639,716,848</b>   | <b>352,188,546</b>   | <b>389,413,592</b>   | <b>404,990,136</b> | <b>292,400,000</b>   | <b>234,076,923</b> | <b>243,440,000</b> |
| <b>Programme 2: Livestock Production</b>   |                      |                      |                      |                    |                      |                    |                    |

| Programme   | Actual Expenditure | Baseline Estimates | Estimates          | CBROP              | Resource Requirement | Proposed ceilings  | Projection         |
|---|--------------------|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|
|   | 2022/23            | 2023/24            | 2024/25            | 2,024              | 2025/26              | 2025/26            | 2026/27            |
| General Administration & Support Services   |                    | 92,721,352         | 95,640,763         | 99,466,394         | 101,379,209          | 99,466,394         | 103,445,050        |
| SP 2. 1 Rangeland rehabilitation and management                                   |                    | 2,481,083          |                    | -                  | 306,000,000          | 10,000,000         | 10,400,000         |
| SP 2. 2 Enterprise Development and value addition                                 |                    | 200,000,000        | 2,500,000          | 2,600,000          | 24,600,000           | 42,600,000         | 44,304,000         |
| SP 2. 3 Promotion of marketing and value of livestock products                    | 130,223,064        |                    | 10,076,148         | 30,000,000         | 60,120,000           | 10,479,194         | 10,898,362         |
| SP 2. 4 Breeds Improvement and livestock risk reduction                           |                    | 17,743,151         |                    | -                  | 54,000,000           |                    | -                  |
| SP 2. 5 Livelihood diversification  |                    | 1,044,000          |                    | -                  | 31,350,000           | 7,350,000          | 7,644,000          |
| <b>Total Expenditure of Programme 2</b>   | <b>130,223,064</b> | <b>313,989,586</b> | <b>108,216,911</b> | <b>132,066,394</b> | <b>577,449,209</b>   | <b>169,895,588</b> | <b>176,691,412</b> |
| <b>Programme 3: Veterinary Services</b>   |                    |                    |                    |                    |                      |                    |                    |
| SP 3. 1 Livestock diseases and pests control                                      | 4,795,000          | 15,000,000         | 19,800,000         | 20,592,000         | 86,400,000           | 20,592,000         | 21,415,680         |
| SP 3. 2 Diagnostics and laboratory services                                       |                    | 600,000            | 3,025,000          | 3,146,000          | 12,000,000           | 8,146,000          | 8,471,840          |
| SP 3. 5 Veterinary public health services   |                    | 3,875,000          | 2,900,000          | 3,016,000          | 67,560,000           | 3,016,000          | 3,136,640          |
| <b>Total Expenditure of Programme 3</b>   | <b>4,795,000</b>   | <b>19,475,000</b>  | <b>25,725,000</b>  | <b>26,754,000</b>  | <b>165,960,000</b>   | <b>31,754,000</b>  | <b>33,024,160</b>  |
| <b>Programme 4: Fisheries Development and Management</b>                          |                    |                    |                    |                    |                      |                    |                    |
| SP 4. 1 Aquaculture Technology Development and Innovation Transfer                | 4,795,000          | 2,934,000          | 2,500,000          | 2,600,000          | 21,800,000           | 2,600,000          | 2,704,000          |
| SP 4. 2 Fish safety assurance, value addition and marketing                       | -                  | 1,940,000          | 4,500,000          | 4,680,000          | 11,020,000           | 4,680,000          | 4,867,200          |
| SP 5.1 General Administration & Support Services                                  |                    | 4,324,240          | 8,299,764          | 8,631,755          | 10,000,000           | 8,631,755          | 8,977,025          |
| <b>Total Expenditure of Programme 4</b>   | <b>4,795,000</b>   | <b>9,198,240</b>   | <b>15,299,764</b>  | <b>15,911,755</b>  | <b>42,820,000</b>    | <b>15,911,755</b>  | <b>16,548,225</b>  |
| <b>SECTOR TOTAL</b>   | <b>779,529,912</b> | <b>694,851,372</b> | <b>538,655,267</b> | <b>579,722,285</b> | <b>1,078,629,209</b> | <b>451,638,266</b> | <b>469,703,797</b> |
| <b>EDUCATION, VOCATIONAL TRAINING , YOUTH ,SPORTS CULTURE AND SOCIAL SERVICES</b> |                    |                    |                    |                    |                      |                    |                    |
| 0502083510 ECDE access & administration   | 176,923,076        | 177,287,827        | 214,989,728        | 214,989,728        | 161,000,000          | 214,989,728        | 223,589,317        |
| 0502103510 ECDE Retention   | 18,076,924         | 48,703,184         | 26,000,000         | 26,000,000         | 40,000,000           | 40,000,000         | 41,600,000         |
| 0502113510 Education Support Services   | 35,000,000         | 35,000,000         | 70,000,000         | 70,000,000         | 75,000,000           | 70,000,000         | 72,800,000         |
| 0502123510 ECDE Quality Assurance   | -                  | 745,035            | 1,376,000          | 1,376,000          | 4,376,000            | 2,431,040          | 2,528,282          |
| <b>P1::Early Childhood Development Education (ECDE)</b>                           | <b>230,000,000</b> | <b>261,736,046</b> | <b>312,365,728</b> | <b>312,365,728</b> | <b>280,376,000</b>   | <b>327,420,768</b> | <b>340,517,599</b> |
| VTC Access  | -                  | 21,693,342         | 21,693,342         | 21,693,342         | 69,000,000           | 18,000,000         | 18,720,000         |
| VTC Retention   | -                  | 1,465,185          | 15,220,957         | 15,220,957         | 5,000,000            | 5,000,000          | 5,200,000          |
| VTC Quality   | -                  | 3,681,843          | 6,219,843          | 6,219,843          | 15,000,000           | 6,468,637          | 6,727,382          |
| <b>P2: Vocational Education and Training</b>                                      | <b>-</b>           | <b>26,840,370</b>  | <b>43,134,142</b>  | <b>43,134,142</b>  | <b>89,000,000</b>    | <b>29,468,637</b>  | <b>30,647,382</b>  |
| Sports performance and management   | 12,292,683         | 2,255,600          | 42,052,451         | 48,052,451         | 33,000,000           | 48,052,451         | 49,974,549         |
| Sports Training and competitions  | 8,000,000          | -                  | 6,000,000          | 8,000,000          | 40,000,000           | 15,000,000         | 15,600,000         |
| <b>P3: Sports Development</b>   | <b>20,292,683</b>  | <b>2,255,600</b>   | <b>48,052,451</b>  | <b>56,052,451</b>  | <b>73,000,000</b>    | <b>63,052,451</b>  | <b>65,574,549</b>  |
| Youth Development   | 11,707,317         | 26,768,391         | 7,295,165          | 7,586,972          | 30,000,000           | 10,192,000         | 10,599,680         |
| <b>P4: Youth Empowerment</b>  | <b>11,707,317</b>  | <b>26,768,391</b>  | <b>7,295,165</b>   | <b>7,586,972</b>   | <b>30,000,000</b>    | <b>10,192,000</b>  | <b>10,599,680</b>  |
| Social services development   | -                  | -                  | 35,879,199         | 37,314,367         | 16,000,000           | 16,000,000         | 16,640,000         |
| <b>0505003510 P5 Social Services</b>  | <b>-</b>           | <b>-</b>           | <b>35,879,199</b>  | <b>37,314,367</b>  | <b>16,000,000</b>    | <b>16,000,000</b>  | <b>16,640,000</b>  |
| Arts & Culture development  | -                  | 28,370,780         | 1,663,567          | 1,730,110          | 1,010,000            | 1,730,110          | 1,799,314          |
| <b>P5: Culture and Arts Development</b>   | <b>-</b>           | <b>28,370,780</b>  | <b>1,663,567</b>   | <b>1,730,110</b>   | <b>1,010,000</b>     | <b>1,730,110</b>   | <b>1,799,314</b>   |

| Programme   | Actual Expenditure | Baseline Estimates | Estimates          | CBROP              | Resource Requirement | Proposed ceilings    | Projection           |
|---|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|----------------------|
|   | 2022/23            | 2023/24            | 2024/25            | 2,024              | 2025/26              | 2025/26              | 2026/27              |
| Gender-Dased Volence &r Harmful Practices   | 14,750,000         | 1,100,000          | 1,532,784          | 1,532,784          | 18,080,000           | 2,080,000            | 2,163,200            |
| Enterprise development fund   | -                  | 10,400,000         |                    |                    | -                    | -                    | -                    |
| <b>P6: Gender Mainstreaming</b>   | <b>14,750,000</b>  | <b>11,500,000</b>  | <b>1,532,784</b>   | <b>1,532,784</b>   | <b>18,080,000</b>    | <b>2,080,000</b>     | <b>2,163,200</b>     |
| Social-Economic Empowerment of PWDs   | -                  | 8,926,484          | 4,900,000          | 4,900,000          | 9,547,500            | 4,000,000            | 4,160,000            |
| Child protection  | -                  | 2,000,000          | 19,000,000         | 19,000,000         | 17,203,000           | 17,203,000           | 17,891,120           |
| <b>P7:Social Safety Net</b>   | <b>-</b>           | <b>10,926,484</b>  | <b>23,900,000</b>  | <b>23,900,000</b>  | <b>26,750,500</b>    | <b>21,203,000</b>    | <b>22,051,120</b>    |
| <b>SECTOR TOTAL</b>   | <b>276,750,000</b> | <b>368,397,671</b> | <b>473,823,036</b> | <b>483,616,554</b> | <b>534,216,500</b>   | <b>471,146,966</b>   | <b>489,992,845</b>   |
|   |                    |                    |                    |                    |                      |                      | -                    |
| <b>Tourism , Trade , Cooperatives and public service management</b>                   |                    |                    |                    |                    |                      |                      | -                    |
| <b>P1 Trade Development and promotion.</b>  | <b>23,032,815</b>  | <b>18,401,387</b>  | <b>15,470,876</b>  | <b>16,089,711</b>  | <b>23,000,000</b>    | <b>20,089,711</b>    | <b>20,893,299</b>    |
| Sp1.1 Trade Development and promotion.  | 23,032,815         | 18,401,387         | 15,470,876         | 16,089,711         | 23,000,000           | 20,089,711           | 20,893,299           |
| <b>p2Industrial Development and Investments promotion</b>                             | <b>-</b>           | <b>30,000,000</b>  | <b>-</b>           | <b>-</b>           | <b>36,000,000</b>    | <b>71,517,847</b>    | <b>74,378,561</b>    |
| SP 2.1Industrial Development and Investments promotion                                | -                  | 30,000,000         |                    |                    | 36,000,000           | 71,517,847           | 74,378,561           |
| <b>P3 Tourism Development, Promotion and Marketing</b>                                | <b>132,680,347</b> | <b>124,626,330</b> | <b>108,720,882</b> | <b>113,069,717</b> | <b>143,500,000</b>   | <b>128,069,717</b>   | <b>133,192,506</b>   |
| SP 3.1 Tourism promotion, and marketing   | 132,680,347        | 124,626,330        | 108,720,882        | 113,069,717        | 143,500,000          | 128,069,717          | 133,192,506          |
| <b>P4 Game reserve, Wildlife ecological management &amp; conservation development</b> | <b>12,993,960</b>  | <b>8,000,000</b>   | <b>3,500,000</b>   | <b>3,640,000</b>   | <b>9,368,400</b>     | <b>3,640,000</b>     | <b>3,785,600</b>     |
| SP 4.1 Wildlife protection  | 12,993,960         | 8,000,000          | 3,500,000          | 3,640,000          | 9,368,400            | 3,640,000            | 3,785,600            |
| <b>P5Public Service Management and Transformation</b>                                 | <b>179,408,349</b> | <b>364,418,172</b> | <b>470,469,422</b> | <b>489,288,199</b> | <b>533,513,360</b>   | <b>475,570,597</b>   | <b>494,593,421</b>   |
| SP 5.1 General Administration Planning & Support Services                             | 176,408,499        | 347,937,810        | 463,682,422        | 482,229,719        | 520,808,096          | 468,229,778          | 486,958,969          |
| SP 5.2 Public Service Productivity & Reform   | -                  | 1,043,362          | 2,787,000          | 2,898,480          | 5,217,264            | 3,014,419            | 3,134,996            |
| SP 5.3 Performance Management Framework   | 2,999,850          | 15,437,000         | 4,000,000          | 4,160,000          | 7,488,000            | 4,326,400            | 4,499,456            |
| <b>P6 Devolved Units</b>  | <b>-</b>           | <b>7,575,000</b>   | <b>229,000,800</b> | <b>238,160,832</b> | <b>600,000,000</b>   | <b>585,660,832</b>   | <b>609,087,265</b>   |
| SP 6.1 Devolved Units   | -                  | 7,575,000          | 229,000,800        | 238,160,832        | 600,000,000          | 585,660,832          | 609,087,265          |
| <b>P7 Civic Education and Public Participation</b>                                    | <b>-</b>           | <b>9,340,000</b>   | <b>10,353,000</b>  | <b>10,767,120</b>  | <b>43,222,296</b>    | <b>11,092,567</b>    | <b>11,536,270</b>    |
| SP 7.1 General Administration Planning & Support Services                             | -                  | 5,000,000          | 5,118,000          | 5,322,720          | 6,919,536            | 5,375,947            | 5,590,985            |
| SP 7.2 Civic Education  | -                  | 3,170,000          | 3,230,000          | 3,359,200          | 33,592,000           | 3,527,160            | 3,668,246            |
| SP 7.3 Public Participation   | -                  | 1,170,000          | 1,410,000          | 1,466,400          | 1,906,320            | 1,539,720            | 1,601,309            |
| '0734043510 Customer Service  | -                  |                    | 595,000            | 618,800            | 804,440              | 649,740              | 675,730              |
| <b>P8 MSME and Cooperatives</b>   | <b>-</b>           | <b>2,200,000</b>   | <b>5,040,705</b>   | <b>5,242,333</b>   | <b>6,575,000</b>     | <b>5,242,333</b>     | <b>5,452,026</b>     |
| SP 8.1 MSME and Cooperatives  | -                  | 2,200,000          | 5,040,705          | 5,242,333          | 6,575,000            | 5,242,333            | 5,452,026            |
| <b>SECTOR TOTAL</b>   | <b>348,115,471</b> | <b>564,560,889</b> | <b>842,555,685</b> | <b>876,257,912</b> | <b>1,395,179,056</b> | <b>1,300,883,604</b> | <b>1,352,918,948</b> |
| <b>Water energy environment and natural resources</b>                                 |                    |                    |                    |                    |                      |                      |                      |
| SP 1. 1: Rural water supply and storage services                                      | 158,326,923        | 136,037,512        | 157,148,596        | 153,148,596        | 375,250,000          | 162,289,051          | 168,780,613          |
| SP 1. 2. Rural Water services Governance  | -                  | 750,000            |                    | 750,000            | 7,250,000            | 1,092,000            | 1,135,680            |
| SP 1. 3.Rural water quality   | -                  | 4,000,000          |                    | 4,864,380          | 3,400,000            | 2,000,000            | 2,080,000            |
| SP 1.4 Adaptive capacity to natural disasters   | -                  | 3,000,000          | 7,218,919          | 3,000,000          | 31,500,000           | 7,507,676            | 7,807,983            |
| SP 1.5: urban water supply and storage services                                       |                    | 1,050,000          |                    | -                  | 48,000,000           | -                    | -                    |
| <b>Programme 1: Water supply and storage services</b>                                 | <b>158,326,923</b> | <b>144,837,512</b> | <b>164,367,515</b> | <b>161,762,976</b> | <b>465,400,000</b>   | <b>172,888,727</b>   | <b>179,804,276</b>   |
| SP2.1 Urban Sanitation services   |                    |                    |                    | -                  | 85,000,000           | -                    | -                    |

| Programme   | Actual Expenditure   | Baseline Estimates | Estimates          | CBROP              | Resource Requirement | Proposed ceilings  | Projection         |
|---|----------------------|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|
|   | 2022/23              | 2023/24            | 2024/25            | 2,024              | 2025/26              | 2025/26            | 2026/27            |
| SP2.2 Rural Sanitation services   |                      |                    |                    | -                  | 10,500,000           | -                  | -                  |
| <b>Programme 1: Sanitation services</b>                                     | -                    | -                  | -                  | -                  | <b>95,500,000</b>    | -                  | -                  |
| SP 3.1 Promotion of Sustainable Natural Resources exploitation              |                      | 2,040,000          | 27,489,836         | 27,489,836         | 21,000,000           | 21,000,000         | 21,840,000         |
| SP3.2 Environmental conservation  | 42,117,601           | 550,000            | 6,200,000          | 7,489,836          | 6,000,000            | 8,000,000          | 8,320,000          |
| S.P 3.3 Mining  | -                    | -                  | -                  | 8,000,000          | 5,824,000            | 5,824,000          | 6,056,960          |
| <b>Programme 3: Environment and Natural Resources management</b>            | <b>42,117,601</b>    | <b>2,590,000</b>   | <b>33,689,836</b>  | <b>42,979,672</b>  | <b>32,824,000</b>    | <b>34,824,000</b>  | <b>36,216,960</b>  |
| SP4.1 Enabling legal & implementation frameworks                            |                      | 1,006,732          |                    | 2,000,000          | 2,000,000            | -                  | -                  |
| SP4.2 institutional capacities for inclusive climate resilience             |                      | 19,565,040         |                    | 4,500,000          | 4,500,000            | 3,000,000          | 3,120,000          |
| SP 4.3 Promotion of climate smart practices                                 |                      | 180,940,282        | 180,000,000        | 212,450,000        | 212,450,000          | 171,244,526        | 178,094,307        |
| <b>Programme 4: Climate change mitigation and adaptation.</b>               | <b>-</b>             | <b>201,512,054</b> | <b>180,000,000</b> | <b>218,950,000</b> | <b>218,950,000</b>   | <b>174,244,526</b> | <b>181,214,307</b> |
| SP 5.1 Adoption of Renewable Energy Technologies                            |                      | 4,135,000          | 4,000,000          | 4,000,000          | 17,000,000           | 4,160,000          | 4,326,400          |
| SP 5.2 Green Energy Promotion   |                      | 3,790,000          | 6,500,000          | 6,500,000          | 1,000,000            | 6,760,000          | 7,030,400          |
| <b>Programme 5 : Energy Services</b>  | <b>-</b>             | <b>7,925,000</b>   | <b>10,500,000</b>  | <b>10,500,000</b>  | <b>18,000,000</b>    | <b>10,920,000</b>  | <b>11,356,800</b>  |
| <b>SECTOR TOTAL</b>   | <b>200,444,524</b>   | <b>356,864,566</b> | <b>388,557,351</b> | <b>434,192,648</b> | <b>830,674,000</b>   | <b>392,877,253</b> | <b>408,592,343</b> |
| <b>HEALTH SERVICES</b>  |                      |                    |                    |                    |                      |                    |                    |
| <b>0402003510 P1: General Administration, Planning and Support Services</b> |                      |                    |                    |                    |                      |                    | -                  |
| SP 1.1 Human Resource Management  | 1,033,839,871        | 968,741,288        | 652,615,510        | 678,720,130        | 691,300,000          | 648,720,130        | 674,668,935        |
| SP 1.2 Planning, monitoring, Evaluation and Learning                        | -                    | 4,071,674          | 2,402,000          | 2,498,080          | 25,200,000           | 25,200,000         | 26,208,000         |
| SP 1.3 Quality Assurance & Standards  | -                    | 4,402,000          | <b>2,473,116</b>   | 2,572,041          | 8,200,000            | 8,200,000          | 8,528,000          |
| SP1.4 Administration and support services                                   | -                    | -                  | -                  | -                  | 72,500,000           | 42,500,000         | 44,200,000         |
| Total Expenditure   | <b>1,033,839,871</b> | <b>977,214,962</b> | <b>657,490,626</b> | <b>683,790,251</b> | <b>797,200,000</b>   | <b>724,620,130</b> | <b>753,604,935</b> |
| <b>0403003510 P2: Curative and Rehabilitative Health Services</b>           |                      |                    |                    |                    |                      |                    | -                  |
| S.P 2.1 Curative, and Rehabilitative Health services                        | 204,752,674          | 79,725,578         | 40,809,654         | 42,442,040         | 42,442,040           | 70,500,000         | 73,320,000         |
| S.P 2.2 Pharmaceutical and Non-pharmaceutical commodities                   | -                    | 143,717,960        | 250,860,975        | 260,895,414        | 406,895,414          | 276,700,000        | 287,768,000        |
| S.P 2.3 Diagnostic services   | 23,398,512           | -                  | 9,701,285          | 10,089,336         | 50,089,336           | 32,400,000         | 33,696,000         |
| S.P 2.4 specialized medical services Rehabilitative Services                | -                    | -                  | 32,000,000         | 33,280,000         | 33,280,000           | 35,521,360         | 36,942,214         |
| <b>Total Expenditure</b>  | <b>228,151,186</b>   | <b>223,443,538</b> | <b>333,371,914</b> | <b>346,706,790</b> | <b>532,706,790</b>   | <b>415,121,360</b> | <b>431,726,214</b> |
| <b>0401003510 P3: Preventive and Promotive Health Services</b>              |                      |                    |                    |                    |                      |                    | -                  |
| S.P 3.1 Primary health care   | 118,786,592          | 222,778,565        | 411,066,377        | 427,509,032        | 449,090,000          | 416,090,000        | 432,733,600        |
| S.P 3.2 Nutrition   | 11,142,240           | 2,502,646          | 6,927,392          | 7,204,488          | 19,230,000           | 15,230,000         | 15,839,200         |
| S.P 3.3 Community Health Services   | 32,614,722           | 31,000,000         | 40,360,000         | 41,974,400         | 76,700,000           | 56,700,000         | 58,968,000         |
| S.P 3.4 Communicable diseases control                                       | -                    | 5,177,900          | 2,919,354          | 2,600,000          | 27,725,000           | 7,725,000          | 8,034,000          |
| S.P 3.5 Non-communicable diseases and injuries                              |                      | -                  | 14,576,044         | 15,159,086         | 46,250,000           | 26,250,000         | 27,300,000         |
| S.P 3.6 Sanitation and Environmental health                                 | -                    | -                  | 10,000,000         | 10,400,000         | 28,000,000           | 10,000,000         | 10,400,000         |
| S.P 3.7 Family & Reproductive Health  | -                    | -                  | 9,620,000          | 10,004,800         | 35,000,000           | 18,000,000         | 18,720,000         |
| S.P 3.9 Public health emergency   | -                    | 27,027,900         | 20,000,000         | 20,800,000         | 5,990,000            | 20,990,000         | 21,829,600         |
| S.P 3.10 Inter-sectoral collaboration                                       |                      |                    |                    |                    | 5,400,000            | 5,400,000          | 5,616,000          |
| <b>Total Expenditure</b>  | <b>162,543,554</b>   | <b>288,487,011</b> | <b>515,469,167</b> | <b>535,651,806</b> | <b>693,385,000</b>   | <b>576,385,000</b> | <b>599,440,400</b> |

| Programme  | Actual Expenditure   | Baseline Estimates   | Estimates            | CBROP                | Resource Requirement | Proposed ceilings    | Projection           |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2022/23              | 2023/24              | 2024/25              | 2,024                | 2025/26              | 2025/26              | 2026/27              |
| <b>SECTOR TOTAL</b>                                  | <b>1,424,534,611</b> | <b>1,489,145,511</b> | <b>1,506,331,707</b> | <b>1,566,148,847</b> | <b>2,023,291,790</b> | <b>1,716,126,490</b> | <b>1,784,771,549</b> |
| <b>Municipal Administration</b>                      |                      |                      |                      |                      |                      |                      |                      |
| <b>PI: Municipal administration &amp; management</b> | <b>306,265,798</b>   | <b>311,007,579</b>   | <b>338,954,449</b>   | <b>352,512,627</b>   | <b>387,763,890</b>   | <b>210,882,036</b>   | <b>219,317,317</b>   |
| SP 1.1 Administration and planning services          | 34,022,804           | 30,175,931           | 71,328,500           | 74,181,640           | 81,599,804           | 81,599,804           | 84,863,796           |
| SP1.2 Municipality amenities                         | 87,183,470           | 85,125,000           | 104,000,000          | 108,160,000          | 118,976,000          | 40,747,504           | 42,377,404           |
| SP1.3 Waste management                               | 7,000,000            | 7,500,000            | 8,200,000            | 8,528,000            | 9,380,800            | 8,446,000            | 8,783,840            |
| SP1.4 Municipal disaster management                  | 7,310,344            | 10,627,500           | 6,390,161            | 6,645,767            | 7,310,344            | 6,581,866            | 6,845,141            |
| 0207023510 Infrastructural Development               | 85,374,590           | 88,789,574           | 63,661,198           | 66,207,646           | 72,828,411           | 65,571,034           | 68,193,875           |
| 0207053510 Municipal Transport Services & Management | 85,374,590           | 88,789,574           | 85,374,590           | 88,789,574           | 97,668,531           | 7,935,828            | 8,253,261            |
| <b>SECTOR TOTAL</b>                                  | <b>306,265,798</b>   | <b>311,007,579</b>   | <b>338,954,449</b>   | <b>352,512,627</b>   | <b>387,763,890</b>   | <b>210,882,036</b>   | <b>219,317,317</b>   |
| <b>Grand Total</b>                                   | <b>6,049,537,542</b> | <b>5,364,129,981</b> | <b>6,753,642,378</b> | <b>6,722,974,983</b> | <b>8,621,428,735</b> | <b>6,454,461,905</b> | <b>6,712,640,381</b> |

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