

COUNTY GOVERNMENT OF ELGEYO MARAKWET

THE COUNTY TREASURY

**2024 COUNTY FISCAL STRATEGY PAPER (CFSP)
APPROVED**

FEBRUARY 2024

FOREWORD

I am delighted to present the 2024 County Fiscal Strategy Paper (CFSP), a crucial document that charts the course for Elgeyo Marakwet County's fiscal journey in the upcoming financial years. This marks the second CFSP prepared under the current administration, reflecting our commitment to realizing the developmental objectives outlined in the 2023-2027 County Integrated Development Plan (CIDP III).

The 2024 CFSP serves as a strategic roadmap, aligning the county's priorities with the national objectives outlined in the 2024 Budget Policy Statement (BPS) for the 2024/25 Financial Years. In the backdrop of a national economic slowdown, heightened inflation, and the challenges posed by national debt repayments, this document carefully navigates the fiscal landscape, acknowledging the need for prudence and adaptability.

However, the fiscal space presents challenges, including a slight increase in allocated funds to counties. In response, the Elgeyo Marakwet County Government has devised strategies to optimize resources. The reorganization of budget priorities within the 2024 CFSP reflects our dedication to achieving county strategic focus areas and BETA objectives. Also, focus will be put on revamping Own Source Revenue (OSR) management to enhance the revenue base and thus sustain the delivery of services. This will be strengthened through scaling up the use of technology to enhance efficiency in collections and seal leakages.

In recognition of the need for fiscal prudence, we are actively working towards reducing the wage bill pressure on the county resource envelope. In the upcoming 2024/25 Fiscal Year, we project a significant drop, bringing the wage bill percentage down to 43.45%. This reduction reflects our dedication to achieving a more sustainable balance between maintaining a capable workforce and adhering to fiscal regulations.

The 2024 CFSP also underscores the importance of effective budget implementation, emphasizing value for money and prudent financial management. Streamlining expenditure processes and embracing automation in crucial areas such as drugs management, procurement, revenue collection, and project management are central to our efforts.

The 2024 CFSP is a product of objective reviews, considering departmental capacities, outcomes, public input, and adherence to financial regulations. As the county embarks on this fiscal journey, its focus is on delivering quality services, fostering economic growth, and realizing the vision of transformative leadership through accountable governance.

ALPHAEUS K. TANUI

CECM FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENTS

The completion of the 2024 County Fiscal Strategy Paper (CFSP) has been a collaborative effort, and we extend our heartfelt gratitude to all those who played a crucial role in its development. This CFSP serves as a cornerstone in our organization's financial planning and decision-making processes, and the dedication of numerous individuals has made it a comprehensive and actionable guide. Our sincere appreciation goes to the entire team whose insightful ideas, meticulous analysis, and attention to detail have been instrumental in shaping the content of this plan. The participatory nature of this process, involving all County Departments led by respective CECMs, Chief Officers, Directors, and staff, highlights the collective commitment to the success of the CFSP. Special recognition is due to the core team of technical staff from the Department of Finance and Economic Planning; the Directorate of Economic Planning and Budgeting, for their diligent efforts in collecting, collating, and analyzing departmental findings. Their expertise has been invaluable in ensuring the quality and reliability of the data underpinning this strategic document. We extend our thanks to the County Executive Committee led by H.E Governor Wisely Rotich, whose visionary leadership has provided crucial policy direction and guidance. This guidance aims to align the CFSP's strategies with the county's long-term development aspirations outlined in the County Integrated Development Plan (CIDP) 2023-2027. The collaborative spirit exhibited by all departments during the input phase of the draft 2024 CFSP is highly commendable. As we move forward, it is our shared vision to ensure efficient and effective service delivery, coupled with sustainable development. The 2024 CFSP will be a guiding document, steering our government's development strategies in the upcoming 2024/25 Fiscal Year.

Thank you to everyone involved for your commitment, dedication, and invaluable contributions.

PETER CHESOS

CHIEF OFFICER FINANCE AND ECONOMIC PLANNING

ABBREVIATIONS

AiA	Appropriation in Aid
ADP	Annual Development Plan
BPS	Budget Policy Statement
CAIP	County Industrial & Aggregation Park
CBA	Collective Bargaining Agreement
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
COVID-19	Coronavirus 2019
ECDE	Early Childhood Development Education
EDA	Equitable Development Act
FY	Financial Year
FIF	Facility Improvement Financing
FLLoCA	Finance Locally Led Climate Action Program
GDP	Gross Domestic Product
KRA	Kenya Revenue Authority
ICT	Information Communication Technology
ICRMS	Integrated County Revenue Management System
KDSP	Kenya Devolution Support Program
KICOSA	Kenya Inter-County Sports and Cultural Association
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
VSD	Vocational Skills Development
OSR	Own Source Revenue

O&M	Operations and Maintenance
PFM	Public Finance Management
SRC	Salaries and Remuneration Commission
BETA	Bottom-Up Economic Transformation Agenda
DANIDA	Danish International Development Agency
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund

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CHAPTER ONE: INTRODUCTION

1.0 Overview

The County Fiscal Strategy Paper (CFSP) provides strategic direction that shapes the fiscal framework providing priorities and policy objectives. The primary focus of the CFSP is to provide a roadmap for the preparation of budgets for the upcoming financial year and, more broadly, over the medium-term Key Elements of the CFSP include:

1. **Strategic Priorities and Policy Goals:** At its core, the CFSP enumerates the broad strategic priorities and policy goals that the County Governments aim to achieve. It directs the fiscal decisions and resource allocations towards defined objectives that align with the developmental vision of the county and as aligned to the National 2024 Budget Policy Statement (BPS).
2. **Medium-Term Outlook:** The CFSP extends its influence over the medium term, offering a forward-looking perspective that transcends a single financial year. By articulating medium-term fiscal priorities, it establishes a coherent and sustainable trajectory for the county's development agenda.
3. **Programs, Policies, and Reforms for the Upcoming Financial Year:** In its specific application for the 2024/25 financial year, the CFSP outlines priority programs, policies, and reforms that the County Government intends to implement. These initiatives are crafted with a keen eye on addressing current challenges, fostering growth, and enhancing the overall well-being of the county's residents.
4. **Alignment with National Priorities:** A crucial aspect of the CFSP is its alignment with the national agenda, as reflected in the 2025 Budget Policy Statement (BPS). By aligning with the national government's priorities as contained in the Bottom-Up Economic Transformation Agenda (BETA), the CFSP contributes to a cohesive and coordinated approach to economic transformation and inclusive growth.
5. **Linkage to Medium-Term Expenditure Framework (MTEF):** The CFSP's influence extends into the Medium-Term Expenditure Framework (MTEF), ensuring that the outlined fiscal strategies are embedded in a realistic and sustainable budgetary framework. This connection strengthens the integration of strategic priorities into the county's financial planning processes.

The County Fiscal Strategy Paper serves as an instrument that not only guides budgetary decisions but also embodies the county's commitment to strategic planning, responsible financial management, and alignment with broader national development objectives. It reflects the essence of forward-thinking governance, emphasizing the importance of fiscal prudence and inclusive growth in the pursuit of a thriving and resilient county.

1.1 Legal Framework for County Fiscal Strategy Paper (CFSP)

The preparation and approval of the County Fiscal Strategy Paper (CFSP) for the 2024 financial year are firmly grounded in the provisions of the Public Finance Management (PFM) Act, specifically in section 117. The legal framework emphasizes various key aspects, ensuring a transparent and participatory process:

1. Timelines and Approval Process:

- The County Treasury is obligated, in accordance with section 117 of the PFM Act, to prepare and submit the CFSP to the County Executive Committee for approval.
- The approved CFSP is then submitted to the county assembly by the 28th of February each year, providing a clear timeline for the preparation and approval of this strategic fiscal document.

2. Alignment with National Objectives:

- The legal framework requires the County Treasury to articulate how the CFSP aligns with national objectives outlined in the Budget Policy Statement. This ensures coherence and synchronization between county and national development goals.

3. Specification of Strategic Priorities:

- The CFSP is mandated to specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the upcoming financial year and over the medium term. This aligns the fiscal strategy with the county's overarching development agenda.

4. Financial Outlook Inclusion:

- The County Treasury, in preparing the CFSP, must include a comprehensive financial outlook regarding county government revenues, expenditures, and borrowing for the upcoming financial year and over the medium term. This provides a holistic view of the county's fiscal position.

5. Stakeholder Engagement:

- The legal framework underscores the importance of seeking and considering the views of various stakeholders in the CFSP preparation process. These stakeholders include the Commission on Revenue Allocation, the public, interested persons or groups, and any other forum established by legislation. This participatory approach enhances transparency and inclusivity.

6. County Assembly Consideration and Adoption:

- The county assembly plays a crucial role in the approval process. Not later than fourteen days after submitting the CFSP, the county assembly is required to consider and may adopt it with or without amendments. Any increase or reduction in expenditure is regulated to not exceed one percent of the Vote's ceilings, as indicated by Section 37(1) of the PFM Act 2012 Regulations.

7. Engagement Framework:

- Section 26(3) of the PFM Act 2012 Regulations outlines an engagement framework between the County Executive Committee Member (CECM) Finance and the Budget Committee of the County Assembly. The relevant committee seeks the views of the CECM Finance on its recommendations before tabling a report for adoption by the County Assembly.

8. Consideration of Recommendations:

- The County Treasury is required to consider any recommendations made by the county assembly when finalizing the budget proposal for the concerned financial year, promoting collaboration and effective financial planning.

9. Publication and Publicization:

- The legal framework mandates the County Treasury to publish and publicize the CFSP, ensuring accessibility and transparency in the dissemination of fiscal information.

In adherence to these legal provisions, the CFSP process is structured to encourage stakeholder engagement, transparency, and alignment with both county and national development objectives.

1.2 Fiscal Responsibility Principles for the County Government

In the pursuit of prudent and transparent management of public resources, the County Government is committed to upholding fiscal responsibility principles as mandated by the Constitution, the Public Finance Management (PFM) Act, 2012, and the PFM regulations. The key fiscal responsibility principles include:

1. Recurrent Expenditure within Total Revenue:

- The County Government is dedicated to ensuring that its recurrent expenditure does not surpass its total revenue. This principle underscores the importance of fiscal discipline in managing day-to-day operational costs while maintaining financial sustainability.

2. Limit on Development Expenditure:

- Adhering to legal requirements, the County Government aims to keep its development expenditure below thirty percent of the total budget. The 2024-2025 FY development allocation stands at 33.6%

3. Wage Bill Limitation:

- Section 25(1)(b) of the PFM (County Governments) Regulations, 2015 stipulates that the County Government's wage bill should not exceed 35 percent of its total revenue. The County's wage bill stands at The County acknowledges the significance of this principle, but challenges persist due to various factors:
 - Continued pressure on wage bills stemming from the signed 2017 Collective Bargaining Agreement (CBA) agreements between County Governments and health workers.
 - The third Salary cycle review by the Salaries and Remuneration Commission (SRC) for the period 2023/2024-2024/2025.
 - Necessitated recruitment of additional employees to support service delivery for devolved functions.
 - Annual basic pay allowance increments.

Despite the challenges in meeting these principles, the County Government remains committed to transparently managing its fiscal affairs, addressing the complexities posed by external factors and making strategic decisions to uphold financial responsibility. Continuous efforts will be directed towards balancing the need for service delivery with the imperative of maintaining fiscal sustainability.

1.3 Development Allocations Guidelines

The allocation of development expenditure is guided by a comprehensive set of principles and frameworks, ensuring a fair and strategic distribution of resources. The key guidelines for development allocations are as follows:

1. Equitable Development Act, 2015:

- Development expenditure allocations adhere to the provisions outlined in the Equitable Development Act of 2015. This legal framework emphasizes fairness and impartiality in the distribution of resources, promoting balanced development across all regions of the county.

2. County Integrated Development Plan (CIDP) and Annual Development Plan (ADP):

- Allocations are closely tied to the County Integrated Development Plan (CIDP) and Annual Development Plan (ADP). These documents serve as the foundation for identifying development priorities, goals, and projects, ensuring that budget allocations are aligned with the county's long-term vision and annual objectives.

3. Strategic Objectives and Policy Goals in the CFSP:

- The County Fiscal Strategy Paper (CFSP) sets out strategic objectives and policy goals that guide the allocation of development expenditure. These objectives are formulated in alignment with the 2024 Budget Policy Statement (BPS), providing a coherent and synchronized approach to development planning.
- 4. Citizen Representation and Participation:**
- Development ceilings for departments and sectors are determined based on the aggregate cost of projects for Wards and County. This approach ensures that the priorities identified at the grassroots level, through citizen representation and participation, are given due consideration. It reflects a commitment to inclusive decision-making in the development planning process.
- 5. Statutory Framework for Citizen Representation:**
- The allocation process adheres to the statutory framework that promotes citizen representation and participation. This involves mechanisms outlined in the 2024/25 FY Annual Development Plan (ADP), fostering community engagement, and ensuring that the development agenda reflects the needs and aspirations of the local population.
- 6. Prioritization of Projects:**
- Development ceilings are determined based on the prioritization of projects within departments and sectors. Projects are evaluated and selected through a systematic process that considers the strategic goals of the CIDP, the ADP, and other relevant planning documents.

These guidelines establish a transparent and systematic approach to the allocation of development expenditure, integrating legal frameworks, long-term plans, and citizen input. The goal is to foster balanced and inclusive development, ensuring that resources are directed towards projects that align with the county's vision and address the needs of its diverse communities.

CHAPTER TWO: RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK

2.1 Overview

Global growth slowed down to 3.0 percent in 2023 and is projected to decline slightly at 2.9 percent in 2024. It is below the historical (2000–2019) average of 3.8 percent. Globally, the economy is experiencing diverse challenges. These challenges include global supply chain disruptions due to heightened geopolitical tensions, weakening demand particularly in China and Eurozone, elevated global interest and exacerbating debt servicing costs and significant losses and damages due to frequent extreme weather events. Additionally, most currencies in emerging market and frontier economies weakened against the U.S. Dollar, mainly due to the tightening of U.S. monetary policy.

Inflation in advanced economies has continued to ease, reflecting effects of monetary policy tightening and lower energy prices. Nevertheless, core inflationary pressures remained elevated.

Advanced economies are projected to record a slower growth in 2024 compared to 2023. Economic Growth in the emerging market and developing economies is projected to decline relatively modestly, although with notable shifts across regions. In sub-Saharan Africa, growth is projected to decline compared to 2022 reflecting worsening climate change related shocks, inflationary and exchange rate pressures, and domestic supply issues, including, notably, in the electricity sector.

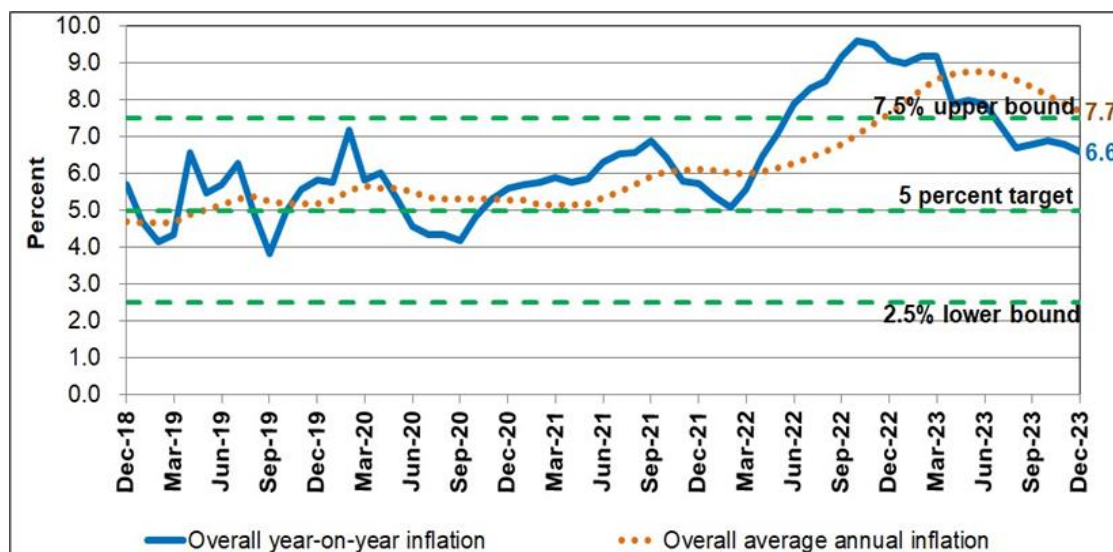
2.2 Recent Economic Developments and Outlook

2.2.1 Global and Regional Economic Developments

Global economic outlook has become more uncertain - reflecting the impact of the ongoing Russia-Ukraine conflict, elevated global inflation, the lingering effects of post COVID-19 pandemic, and increased oil prices across the globe. Global growth is projected to slow down to grow from 3.1% in 2023 to 3.2% in 2024. The USA real GDP growth is projected to slow down marginally from 2.5% to 2.4 %in 2023. Over 2023, Europe's economy grew by 1%; Of these, European Union and Eurozone countries grew by 0.7% each, while Eastern Europe countries grew by 1.6%. China's economy is projected to drop even further from the 5% growth recorded in 2023 to 3.5% growth in 2024 due to declining production from an aging population.

In the sub-Saharan Africa region, growth is projected at 4.2 percent in 2024 up from a growth of 3.6 percent in 2023. The growth is attributed to an increase in real GDP stemming from increased private consumption and investment.

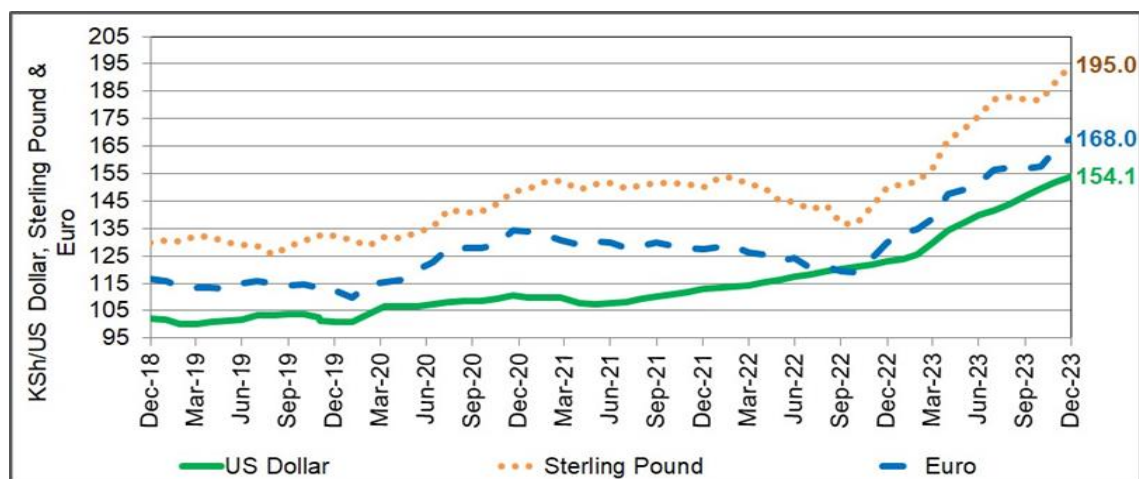
Figure 1: Domestic Economic Developments



Source of Data: Kenya National Bureau of Statistics

The Kenyan economy has remained resilient with real GDP growth of 5.5% in 2023 and is further projected to grow by 5.5% in 2024, primarily fueled by the expansion of services and increased household consumption. Like numerous nations globally, Kenya encountered inflationary challenges due to fluctuations in commodity prices. Additionally, there were challenges from volatile global financing conditions, leading to significant pressure on the exchange rate and foreign exchange reserves. The situation was exacerbated by the most severe drought in four decades, resulting in heightened food insecurity and impacting millions of livelihoods. In response to this complex economic environment, macroeconomic policies were implemented to find a balance. This involved adopting greater exchange rate flexibility, fiscal consolidation, and a more stringent monetary policy. Despite the interruption caused by the pandemic, Kenya persisted with fiscal consolidation efforts initiated in previous years to address mounting debt sustainability concerns. These measures, continued into 2022, contributed to the reduction of external and domestic imbalances. Inflation is anticipated to reduce from 6.7% in 2023 to 5.9% in 2024, driven by reduced inflation in food and energy prices. The monetary policy is anticipated to remain stringent in 2024. The fiscal deficit is projected to decrease from 5.6% of the GDP in 2023 and further to 5.4% in 2024, aligning with the fiscal consolidation trajectory. The current account deficit is estimated to narrow down to 5.2% of GDP in 2023 and 5.0% in 2024, owing to the recovery in global demand. However, the overall outlook is susceptible to significant risks, such as the prolonged impact of Russia's invasion of Ukraine on commodity prices, global financing constraints, drought, and a sluggish global economic recovery. To mitigate these risks, potential measures include diversifying exports and market destinations, boosting domestic resource mobilization, implementing comprehensive financial sector reforms, and expediting structural reforms.

Figure 2: Annual Real GDP Growth rates.



The growth momentum fluctuated in the first three quarters of 2022 averaging 4.5 percent despite subdued performance in agriculture and a general slowdown in manufacturing, retail, and wholesale trade. The economy grew by 4.3 percent in the first quarter and 3.7 percent in the second quarter of 2023 compared to a growth of 9.4 percent and 8.6 percent in similar quarters in 2022. In the third quarter of 2023, the economy grew by 5.3 percent compared to a growth of 6.2 percent in the corresponding quarter of 2022. Most sectors posted slower growth owing to the high inflation rates, falling exchange rates against major currencies and rising oil prices across the globe.

The growth in the third quarter of 2023 was mainly supported by growth in Agriculture and the continued resilience of service sectors. The growth was however hampered by declines in the performance of the Industrial sector (manufacturing, electricity, and water). Manufacturing subsector expanded by 2.0 percent in the third quarter of 2023 compared to 3.8 percent growth recorded in the same period of 2022. The growth in the industry was supported by the manufacture of food products that included bakery products and processing and preservation of fish. The activities in the services sector normalized and remained strong in the third quarter of 2023 with a 6.0 percent growth compared to 8.5 percent growth in the third quarter of 2022.

This performance is characterized by significant growths in Accommodation and Food Service; Information and Communication Technology; Transportation and Storage; Financial and Insurance; and Wholesale and Retail Trade Sub-Sectors.

2.2.3 External Sector Developments

The overall balance of payments position slowed down to a surplus of USD 1321.4 million, about 1.3 percent of GDP, in November 2023 from a surplus of USD 1802.8 million (1.6 percent of GDP) in November 2022. This was mainly due to a decline in the capital account balance by USD 10.8 million to register a surplus of USD 133.7 million compared to a surplus of USD 144.5 million in 2022. Net financial inflows reduced to USD 3030.6 million compared to USD 4329.1 million in November 2022. Most of the net financial inflows was attributed to financial derivatives and

direct investments. On the other hand, portfolio investments registered a net outflow over the financial period.

The current account deficit improved from USD 6012.3 million (5.4% of GDP) in November 2022 to USD 4196.5 million (4.2% of GDP) in November 2023. The current account balance was supported by an improvement in the trade balance account and resilient remittances.

2.3 National Fiscal Policy

Budget execution in the first five months of FY 2023/24 progressed relatively well. Revenues continued to record a growth albeit revenue shortfall reflecting improvement in business environment, tax policy measures and improved revenue administration by the Kenya Revenue Authority.

Overall expenditures were below set targets by Ksh. 335.7 billion in November 2023 on account of below target disbursement to key sectors such as recurrent expenditure, which fell short by Ksh. 166.7 billion, Development expenditure which had a reduced disbursement of Ksh. 106.1 billion, County Government's disbursement also fell short of required amounts by Ksh. 62.8 billion. The below target performance in expenditure in 2023 is mainly attributed to revenue performance shortfalls.

Revenue collection until November 2023 exhibited a modestly increased growth rate of 13.2 percent, surpassing the 10.6 percent growth observed in November 2022. This improved performance in revenue is attributed in part to the escalating cost of living, which has adversely impacted the business environment. By the end of November 2023, the cumulative total revenue, inclusive of Ministerial Appropriation in Aid (A-i-A), outlined in the 2024 Budget Policy Statement, reached Ksh 1,011.5 billion. However, this fell short of the target of Ksh 1,110.2 billion, resulting in a deficit of Ksh 98.7 billion.

Specifically, ordinary revenue for the period leading up to November 2023 amounted to Ksh 878.9 billion, missing the Ksh 977.1 billion target and reflecting a shortfall of Ksh 98.2 billion, despite experiencing an 11.7 percent growth. Notably, all major tax categories within ordinary revenue, except for Value Added Tax (VAT), failed to meet their respective targets during the review period. Income tax fell short by Ksh 76.6 billion, Excise taxes by Ksh 17.1 billion, and Import duty by Ksh 12.6 billion. On a positive note, Value Added Tax (VAT) and other revenue exceeded their targets by Ksh 2.2 billion and Ksh 12.0 billion, respectively. Ministerial A-i-A, inclusive of the Railway Development Levy, totaled Ksh 132.7 billion in November 2023, falling slightly short of the Ksh 133.2 billion target by Ksh 0.5 billion.

The aggregate expenditure and net lending for the period up to November 2023 totaled Ksh 1,160.8 billion, falling short of the target of Ksh 1,496.4 billion by Ksh 335.6 billion. This shortfall in expenditure was primarily attributed to disbursements below the target for recurrent expenditure by Ksh 166.7 billion, development expenditure by Ksh 106.1 billion, and disbursement to County Governments falling short by Ksh 62.8 billion. As of November 2023, the lower-than-target recurrent expenditure was due to subpar payments in various categories, including domestic interest Ksh 51.8 billion, operations and maintenance Ksh 83.7 billion, pensions Ksh 17.0 billion, external interest Ksh 6.2 billion, and contributions to the civil service

pension fund Ksh 7.3 billion. Additionally, the shortfall in development expenditures amounted to Ksh 106.1 billion, attributed to below-target disbursements for domestically financed programs Ksh 91.1 billion and foreign-financed programs Ksh 13.1 billion.

By the end of November 2023, the fiscal operations of the government yielded an overall deficit, including grants, amounting to Ksh 144.4 billion, notably lower than the anticipated deficit of Ksh 379.7 billion. This deficit was covered through a combination of net domestic borrowing, which amounted to Ksh 156.2 billion, and net foreign repayment of Ksh 23.4 billion.

The medium-term fiscal policy approach aims to support the Government's Bottom-Up Economic Transformation Agenda by consistently executing a growth-responsive fiscal consolidation plan. This plan is designed to slow down the annual increase in public debt while implementing an effective liability management strategy that does not compromise public service provision. The Government will also introduce measures to broaden the revenue base and streamline expenditures, leading to a reduction in fiscal deficits.

As a result of these reforms, it is anticipated that revenue collections are projected to increase to 20.2 percent of GDP in the fiscal year 2027/28, up from 19.0 percent in the fiscal year 2023/24. Simultaneously, total expenditures are projected to decrease to 23.7 percent of GDP from the current 24.2 percent over the same period. The implementation of these revenue and expenditure reforms is expected to bring about a reduction in the fiscal deficit, including grants, from Ksh 785.0 billion (4.9 percent of GDP) in the fiscal year 2023/24 to Ksh 771.0 billion (3.1 percent of GDP) in the fiscal year 2027/28.

2.4 Economic Outlook

The economy is projected to remain strong over the medium term. This is supported by the continued robust growth of the services sectors, the rebound in agriculture, and the ongoing implementation of measures to boost economic activity in priority sectors by the Government. The economy is expected to remain resilient and expand by 5.5 percent in 2024.

From the supply side, this growth will be driven by a strong recovery in the agriculture sector supported by the anticipated adequate rainfall in most parts of the country and a decline in global commodity prices that will reduce the cost of production. Additionally, Government intervention measures aimed at lowering the cost of production such as the ongoing fertilizer and seed subsidy program and provision of adequate affordable working capital to farmers will support growth of the sector.

On the demand side, growth will be driven by an improvement in aggregate demand. Aggregate demand will be supported by household private consumption and robust private sector investments coupled with Government investments as the public sector consolidates. This growth will also be supported by improvement in the external account supported by strong export growth and resilient remittances.

Consumption will mainly be driven by strong Private consumption which is expected to increase to 78.9 percent of GDP in 2024 from 78.1 percent of GDP in 2023. The easing of inflationary pressures will result in strong household disposable income, which will in turn support

household consumption. Government consumption is projected to decline in 2023 and 2024 in line with the fiscal consolidation program.

Aggregate investment is projected to remain stable at 19.4 percent of GDP in 2023 and 19.5 percent of GDP in 2024 mainly supported by the private sector. Investment will benefit from focus on public-private-partnership (PPP) projects and improvements in the Foreign Exchange market conditions. Interventions by the Government through the Hustlers’ Fund will strengthen MSMEs thereby correcting market failures for the vast majority of Kenyans at the bottom of the pyramid.

In the Balance of Payments statement, external financing needs will be met mainly by equity inflows and foreign direct investment given the conducive business climate that the Government has created, particularly the fiscal policy predictability.

2.4.1 Risks to the Economic Outlook

The county is home to Kerio Valley and the frequent attack from bandits continues to pose great security risks along the Kerio Valley and its environs. Prolonged rains continue to pose dangers, making the county susceptible to natural disasters including landslides, flooding and drought, these disasters pose a huge risk to life and property. The disasters also threaten food security, utilities, road network and public health. The occurrence of such disasters will require huge financial resources and thus pose fiscal risk to the county government.

In terms of management, the wage bill is a major risk to the fiscal outlook in the medium-term. The burden that wage-bill weighs on the budget is heavy and it is expected to continue posing fiscal risk to the County Government.

Nationally, there are downside risks emanating from domestic as well as external sources. On the domestic front, risks relate to unpredictable weather conditions due to the impact of climate change which could adversely affect agricultural production and result in domestic inflationary pressures and food insecurity. Tight fiscal space due to the impact of the multiple shocks that have affected the global and the domestic economy might lead to tight liquidity conditions for financing the budget.

On the external front, uncertainties in the global economic outlook stemming from the escalating geopolitical fragmentations could result in higher commodity prices which poses a risk to domestic inflation outcomes leading to further tightening of financial conditions. Additionally, weaker global demand due to the slowdown in the global economic recovery could adversely affect Kenya’s exports, foreign direct investments, and remittances. Continued strengthening of the US dollar against other global currencies arising from aggressive monetary policy tightening presents significant risks to financial flows and puts pressures on the exchange rate with implication to growth and inflation.

The upside risk to the domestic economy relates to early easing of global financing conditions and lower international fuel and food prices, which would strengthen Kenya’s external balances. The county Government continues to monitor the above risks and will take appropriate policy measures to safeguard the economy against the adverse effects of the risks if they were to materialize.

CHAPTER THREE: COUNTY FISCAL POLICY

3.1 Overview

In the medium term, the fiscal strategy of Elgeyo Marakwet County Government aims to foster steady economic growth and ensure effective service delivery. This strategic approach is in harmony with the objectives outlined in the nation's Medium-Term Plan IV (MTP IV). To address budgetary requirements, there will be targeted initiatives to broaden the revenue base and achieve the expected growth in revenue collection.

The County Government is committed to implementing a sound fiscal policy, concentrating on upholding macroeconomic stability. The principal goal is to establish a framework that not only supports economic activities but also facilitates the fulfillment of responsibilities entrusted to the County Government. All these efforts are carried out within the bounds of a sustainable public finance management system, with an emphasis on responsible financial practices.

3.2 CFSP Alignment to Budget Policy Statement

The County Fiscal Strategy Paper (CFSP) of the County Government strategically aligns its priorities and policy objectives with the national Budget Policy Statement (BPS) for 2024. This alignment is influenced by the overarching framework of the Bottom-up Economic Transformation Agenda (BETA) championed by the Kenya Kwanza administration. The BETA is dedicated to fostering economic revitalization and inclusive growth, with an emphasis on increased investments in key sectors expected to significantly impact the overall economy and household well-being.

The identified priority sectors include Agricultural Transformation, Micro, Small and Medium Enterprises (MSME), Housing and Settlement, Healthcare, Digital Superhighway, and Creative Industry. The emphasis is on promoting increased employment, ensuring a more equitable distribution of income, strengthening social security measures, expanding the tax revenue base, and enhancing foreign exchange earnings. The successful implementation of these measures is

anticipated to stimulate economic recovery, projecting a growth rate of 5.5 percent in 2024, aligning with the 5.5 percent economic growth recorded in 2023.

The County Government's fiscal policy stance for the medium term is strategically developed to actively support the Government's Bottom-Up Economic Transformation Agenda. This involves implementing a growth-friendly fiscal consolidation plan aimed at providing economic empowerment opportunities to residents and improving the overall delivery of services to the community.

3.3 Fiscal Performance

In the medium term, the Government is steadfast in its commitment to a fiscal rationalization approach, striving to maintain an overall fiscal balance as per the parameters outlined in the CFSP 2024. This dedication ensures a balance between recurrent and development expenditures. To achieve these objectives, the Government will persist in streamlining recurrent spending while intensifying efforts in resource mobilization. The county government will address the pressure on the budget caused by the wage bill by rationalizing staff replacements. Notably, these rationalization efforts have led to a reduction in the wage bill from 49 percent in 2023 to 43.4 percent in 2024.

To bolster revenue mobilization, the Government has implemented measures to enhance revenue performance and guard against potential revenue shortfalls. These measures encompass:

- Automated Revenue Collection - Ongoing efforts to automate collection processes, utilizing cashless payments and the Integrated County Revenue Management System (ICRMS), take precedence. This prioritization is aimed at streamlining payment procedures, resulting in increased efficiency and improved collections.
- Oversight of Cess Payments - Vigorous follow-ups on cess payments from millers and road contractors are actively pursued to ensure compliance and strengthen revenue streams.
- Enterprise Inventory - Initiating comprehensive inventories of business enterprises in urban areas is underway to ensure that targeted revenue collection is evidence-based and aligned with economic realities.
- Valuation Roll Review - The county government will conduct a review of the valuation roll to ensure that levies are updated, enhancing the collection of rates.

- Performance Contracting and Appraisal System - Individual officers are assigned personal targets through a Performance Contracting and Appraisal System, fostering accountability and providing incentives for efficient revenue collection practices.

3.4 Deficit, Debt policy and Debt Sustainability

As per the present evaluation, the county currently functions without any public debt. On a national scale, the Public Finance Management Act of 2012 and its associated regulations dictate the necessity for maintaining sustainable levels of public debt. Indicators reflecting the sustainability of external debt highlight that Kenya comfortably adheres to the established thresholds. This advantageous position is primarily credited to a substantial portion of the debt being arranged under concessional terms, characterized by both low costs, and extended maturity periods.

3.5 County Economic Performance and Prospects

3.5.1 Growth Prospects and Challenges

The county's path towards heightened economic possibilities relies on several growth possibilities which include the following areas.

- Enhanced Agricultural Productivity - Improving agricultural productivity is a crucial element in driving the county towards economic progress. The government is increasing the adoption of cash crops to boost household incomes, aligning with the county's wealth creation policy.
- Urban Expansion - Urban growth often results in heightened economic activity. Growing urban areas typically witness the emergence of new businesses and services, generating job opportunities and contributing to overall economic development. To support urban growth, the county government is implementing urban planning for its major urban centers, aiming to streamline development. The execution of the Iten Urban Economic plan is expected to stimulate urban growth, with positive effects across all sectors, creating a substantial number of both direct and indirect job opportunities.
- Ventures in Value Addition - Investments in ventures that enhance the value of products promise to increase economic gains by refining and diversifying local products. The county government, in collaboration with the national government, will establish the County Industrial and Aggregation Park (CAIP) to improve the value addition of agricultural produce in the county. This, in turn, is anticipated to boost county revenue collections from enterprises.
- Industrial Development - The revival of Fluorspar mining corporation is poised to significantly benefit residents and play a central role in accelerating development, fostering growth, and positively impacting lives in the region and the entire county. Once

operational, the county government will receive royalties from fluorspar mining, leading to an increase in its revenues.

- Increased Irrigated Agriculture - Prioritizing and expanding irrigated agriculture is essential for ensuring consistent agricultural yields and lessening reliance on rain-fed farming. To unlock the substantial agricultural potential, the county is initiating strategic investments. These include the construction of smallholder irrigation dams, enhancements to infrastructure such as roads and power supply, and the improvement of marketing channels through cooperatives and farmer organizations. The adoption of climate-smart agriculture programs has the potential to enhance horticultural crop production and, consequently, elevate household incomes.

3.5.2 Risks to Fiscal Outlook in the County

The county's fiscal outlook faces a range of challenges that could jeopardize its economic stability and development plans. These challenges include external geopolitical factors and internal issues. The allocation from the National Treasury to county governments remains stagnant, leading to no growth in the equitable share from the national government. This static allocation implies a reduction in funds for county programs, potentially slowing down the county's development agenda.

Additionally, below-target Own Source Revenue Collections create unfunded budget plans, adversely impacting service delivery to citizens. The county government grapples with fiscal constraints, particularly in the productive sector, primarily due to the persistent pressure of the wage bill on the county budget. This pressure has been exacerbated by the stagnation of the equitable share of revenue from the national government and subpar performance in local revenue collection. Furthermore, the county is susceptible to natural disasters like landslides, flooding, and drought, posing significant risks to life, property, food security, utilities, road networks, and public health. Dealing with such disasters requires substantial financial resources, presenting a fiscal risk to the county government. Climate change poses further risks, leading to unfavorable weather conditions that could impact agricultural production and result in inflationary pressures.

Uncertainties in the global economic outlook due to the escalating geopolitical conflicts has led to high commodities prices in the country which has led to increased tightening of financial conditions. Inflation has generally remained in excess or less of 2.5 percentage points from the Government target range of 5 percent from June 2022 to June 2023. The continued strengthening of the US Dollar against global currencies has presented significant risks to financial flows and increased pressure on the exchange rate with consequences on growth and inflation.

CHAPTER FOUR: COUNTY BUDGET FRAMEWORK

4.1 Fiscal Performance of County Governments in FY 2022/23

In FY 2022/23, the County Government had a total budget of Ksh. 6,256,186,220 out of which Ksh. 4,606,532,480 was CRA allocation, Ksh. 246,239,212 own source revenue, Ksh. 218,097,043 conditional grants allocation and Ksh. 1,185,317,485 rolled over funds from FY 2021/22. From the total revenue, Ksh. 3,991,288,162 was allocated to recurrent while Ksh. 2,264,898,059 was allocated to development. The table below presents the overview of fiscal performance of the county during the financial year 2022/2023.

Table 1: Fiscal Outturn in FY 2022/23

REVENUE SOURCE	2022/23 FY Approved 1st Supplementary	Actual Disbursement	Variance	% Disbursement
Equitable Share	4,606,532,480	4,606,532,480	-	100
CRF Returns 2021/22	1,185,317,485	1,185,317,485	-	100
Local Revenue	246,239,212	213,564,131	32,675,081	86.73
DANIDA - Universal Healthcare in Devolved Units Programme	8,137,400	4,849,500	3,287,900	59.6
Kenya Urban Support Programme		2,339,915	-2,339,915	
Agriculture Sector Development Support Project (ASDSP)	14,162,596	8,011,716	6,150,880	56.57
Kenya Climate Smart Agriculture Project (KCSAP)	85,593,752	80,593,752	5,000,000	94.16
World Bank-Emergency Locusts Response	75,879,000	74,041,566	1,837,434	97.58
World Bank Nutrition International	15,000,000	15,000,000	-	100
Kenya Informal Sector Settlement Program -KISP	8,324,295	8,024,004	300,291	96.39
Financially Locally Led Climate Change –FLOCCA	11,000,000	11,000,000	-	100
Total	6,256,186,220	6,209,274,549	46,911,671	99.25

4.1.1 County Governments' Own-Source Revenue (OSR)

In FY 2022/23, the total Own Source Revenue collected amounted to Ksh 213,564,131 against a target of Ksh 246,239,212. There was a deficit of Ksh. 32,575,081 translating to a 13% shortfall. The under-performance in own source revenue collection is attributed to under collection of public hospitals fees by Ksh. 42,981,184. In addition, there was prolonged drought which led to decline in production of mangoes, potatoes, and other agricultural produce. This in turn reduced the collections in cess by Ksh. 1,796,601. Furthermore, lack of an updated valuation roll led to under collection in property rent by Ksh. 916,511 against a target of Ksh. 1,500,392

Table 2: County Governments' Own-Source Revenue (OSR) for period July 2022 to June 2023 (FY 2022/2023)

Revenue Sources	Approved Estimates (Net)	Actual Ksh (Net)	Variance	Percent of Total (%)
CESS	12,909,654	11,113,053	1,796,601	86%
Land Rate	1,500,392	583,881	916,511	39%
Single/Business Permits	10,443,090	16,716,265	(6,373,175)	162%
Property Rent	1,730,500	2,245,389	(514,889)	130%
Parking Fees	2,749,530	3,336,580	(587,050)	121%
Market Fees	2,922,923	6,455,098	(3,532,175)	221%
Advertising	1,103,580	1,500,300	(396,720)	136%
Hospital Fees	200,000,000	157,018,816	42,981,184	79%
Public Health Service Fees	2,013,975	2,488,526	(474,551)	124%
Physical Planning and Development	150,550	1,764,000	(1,613,450)	1172%
Hire Of County Assets	218,230	-	218,230	0%
Conservancy Administration	1,436,927	878,460	558,467	61%
Administration Control Fees and Charges	185,000	30,600	154,400	17%
Park Fees	1,056,923	153,200	903,723	14%

Revenue Sources	Approved Estimates (Net)	Actual Ksh (Net)	Variance	Percent of Total (%)
Other Fines, Penalties, and Forfeiture Fees	810,000	393,979	416,021	49%
Miscellaneous Receipts	7,007,938	8,885,984	(1,878,046)	127%
Total Receipts	246,339,212	213,564,131	32,575,081	87%

4.1.2 County Governments' Budget Absorption

The total expenditure for the FY 2022/2023 amounted to Ksh 5,116,043,371 against an approved budget of Ksh 6,256,186,221, representing an under spending of Kshs 1,140,142,850. Absorption rate of recurrent budget was high amounting to Kshs 3,729,311,699 against an approved budget of Kshs 3,991,288,162 reflecting an absorption rate of 93.4%. The absorption of the development budget amounted to Ksh 1,386,731,672 against an approved budget Ksh 2,264,898,059, reflecting an absorption rate of 61.23%. The main reasons for under-performance were slow implementation pace by contractors, El Niño rains and insecurity along the Kerio Valley.

Table 3: Overall absorption Rates for FY 2022/2023

CODE	Department	Recurrent		Development		Total (Recurrent and Development)		Bal
		Approved Budget	Actual Expenditure	Approved Budget	Actual Expenditure	Total Approved budget	Actual total Expenditure	
4361	County Assembly	733,192,337	680,405,779			733,192,337	680,405,779	
4362	Office of the Governor	203,237,177	186,847,384			203,237,177	186,847,384	
4363	Finance and Economic Planning	242,746,177	219,441,752			242,746,177	219,441,752	
4364	Agriculture and Irrigation	99,199,387	83,171,807	541,430,254	324,752,464	640,629,641	407,924,271	
4368	Water, Environment and Climate Change	2,305,442	2,249,937	257,592,762	166,197,268	259,898,204	168,447,205	
4366	Education & Technical Training	267,934,098	213,949,072	237,627,613	141,502,796	505,561,711	355,451,868	
4367	Health and Sanitation	1,756,342,428	1,701,139,949	452,627,160	141,156,788	2,208,969,588	1,842,296,737	
4365	Lands and Physical Planning	77,059,204	71,131,982	89,077,879	39,652,366	166,137,083	110,784,348	
4369	Roads, Transport & Public Works	122,127,201	118,214,564	553,333,784	504,400,796	675,460,985	622,615,360	
4371	Trade, Tourism & Industrialization	38,552,344	34,878,707	20,124,819	10,808,194	58,677,163	45,686,901	
4372	Youth, Sports, Gender and Social Services	62,586,817	60,211,668	82,624,640	46,721,539	145,211,457	106,933,207	
4373	ICT & Public Service	245,668,514	241,040,205	27,959,148	9,046,736	273,627,662	250,086,941	
4374	County Public Service Board	44,980,938	44,603,656	2,500,000	2,492,725	47,480,938	47,096,381	

CODE	Department	Recurrent		Development		Total (Recurrent and Development)		Bal
		Approved Budget	Actual Expenditure	Approved Budget	Actual Expenditure	Total Approved budget	Actual total Expenditure	
4377	Livestock, Fisheries and Co-operative Development	95,356,098	72,025,237	-		95,356,098	72,025,237	1,
TOTAL		3,991,288,162	3,729,311,699	2,264,898,059	1,386,731,672	6,256,186,221	5,116,043,371	1,

FY 2023/2024 FINANCIAL PERFORMANCE

The revenue collected in the first half of FY 2023/2024 was Ksh. 124,057,382 against the annual target of Ksh.220,326,633. This translates to 56.3%. The Revenue streams which posted significant performance during the period include Market Fees, Property Rent, Physical Planning and Development, Public Health Fees, Cess and Facility Improvement Funds. This is as shown in the table below.

Table 4: Revenue Collection for Period July 2023 to Dec 2024 (F/Y 2023/2024)

REVENUE SOURCE	APPROVED ESTIMATES 2023/24	HALF YEAR TARGET	HALF YEAR ACTUALS
Auction/ Animal stock sale fees	3,000,000	1,500,000	575,401
Cesses	14,000,000	7,000,000	8,383,537
Single Business Permit	19,944,405	9,972,203	1,415,015
Lands Rates	2,500,000	1,250,000	315,723
Plot Rent	2,500,000	1,250,000	1,402,630
Bus Park/motorcycle fees	4,000,000	2,000,000	2,230,250
Slaughterhouses fees	1,897,551	948,776	478,990
Hide and skins	52,500	26,250	300
stall/ground	-	-	168,500
House rent	-	-	1,229,489
Conservancy fees	2,000,000	1,000,000	47,350
Signboards, Billboards, promotion/advertising	3,000,000	1,500,000	370,600
Hire of stadium/field/Social premises	500,000	250,000	-
Public Health Facilities Operation-FIF	147,500,000	73,750,000	98,068,415
Water supply -Metered water charges	1,595,672	797,836	-
Public Health Services	2,500,000	1,250,000	667,500
Game and Natural Park fees -Tourism	1,600,000	800,000	310,190
Market fees and others	4,194,250	2,097,125	4,747,124
Administrative Services	-	-	-
(i) Building plan Approval Fees (physical planning)	1,500,000	750,000	73,500
(ii) Weights and Scales	229,142	114,571	22,900
(iii) Application Fees	2,000,000	1,000,000	204,900
(iv) clearance fees	200,000	100,000	42,200
Other Fees and Charges	-	-	-
(i) Fines and Impounding charges	1,500,000	750,000	172,660

REVENUE SOURCE	APPROVED ESTIMATES 2023/24	HALF YEAR TARGET	HALF YEAR ACTUALS
(ii) Tender Documents	-	-	-
Receipts not classified anywhere (Specify)	-	-	-
Others miscellaneous Receipts	4,113,113	2,056,557	-
(i) VSD (Meat inspection, movement permits)		-	364,330
(ii) Recoveries		-	919,880
(iv) Others		-	1,845,999
		-	
		-	
TOTALS	220,326,633	110,163,317	124,057,382

4.3 FY 2023/2024 ABSORPTION RATES

The absorption rates among departments in the county for the first half year of FY 2023/24 are as shown in table 5 and table 6 below.

Table 5: Recurrent absorption

CODE	DEPARTMENT	Approved Budget	Cumulative Expenditure.	Balance	Absorption rates
R.4361	County Assembly	732,213,522	360,510,985	371,702,537	49.24%
R.4362	Governor's Office	145,279,638	101,556,482	43,723,156	69.90%
R.4363	Finance and Economic Planning	198,242,036	109,974,631	88,267,405	55.47%
R.4364	Agriculture & Irrigation.	150,216,569	65,139,038	85,077,531	43.36%
R.4365	Water, Environment and Climate Change	54,768,511	24,982,423	29,786,088	45.61%
R.4366	Education & Technical Training	276,378,471	166,156,373	110,222,098	60.12%
R.4367	Health & Sanitation	1,677,654,881	952,040,132	725,614,749	56.75%
R.4368	Lands and Physical Planning	51,900,726	34,366,601	17,534,125	66.22%
R.4369	Roads, Transport & Public Works	99,969,154	68,279,018	31,690,136	68.30%
R.4371	Trade, Tourism & Industrialization	65,165,191	33,792,708	31,372,483	51.86%
R.4372	Youth, Sports, and Gender	53,307,152	22,293,558	31,013,594	41.82%
R.4373	ICT & Public Service	272,676,827	184,705,760	87,971,067	67.74%
R.4374	County Public Service Board	52,046,441	33,086,856	18,959,585	63.57%
	Sub total	3,829,819,119	2,156,884,565	1,672,934,554	56.32%

Table 6: Development Absorption

CODE	DEPARTMENT	Approved Budget	Cumulative Expenditure.	Balance	% on Total Expenditure
D.4361	County Assembly			-	
D.4362	Governor & D/Governor's Office	-	-	-	
D.4363	Finance and Economic Planning	-	-	-	
D.4364	Agriculture & Irrigation.	741,297,796	42,812,071	698,485,725	5.78%
D.4365	Water, Environment and Climate Change	442,283,543	37,926,146	404,357,397	8.58%
D.4366	Education & Technical Training	347,380,548	26,520,165	320,860,383	7.63%
D.4367	Health & Sanitation	511,924,396	144,233,258	367,691,138	28.17%
D.4368	Lands and Physical Planning	144,734,810	6,095,900	138,638,910	4.21%
D.4369	Roads, Transport & Public Works	577,846,121	11,723,338	566,122,783	2.03%
D.4371	Trade, Tourism & Industrialization	382,372,928	2,859,860	379,513,068	0.75%
D.4372	Youth, Sports, and Gender	127,414,646	4,643,300	122,771,346	3.64%
D.4373	Public Service Management	50,065,361	0	50,065,361	0.00%
D.4374	County Public Service Board	2,500,000	0	2,500,000	0.00%
	Sub total	3,327,820,149	276,814,038	3,051,006,111	8.32%

During the first half of FY 2023/24, the recurrent and development absorption rates are 56.3 percent and 8.32 percent, respectively.

4.4 FY 2024/2025 EXPENDITURE

4.4.1 RECURRENT EXPENDITURE

4.4.1.1 PERSONAL EMOLUMENTS (PE) EXPENDITURE

Table 7: Personnel Emoluments Analysis

CODE	DEPARTMENT	APPROVED PE FY 23/24	ESTIMATES FY 24/25	DIFFERENCE
R. 4361	COUNTY ASSEMBLY	-	-	-
R.4362	OFFICE OF THE GOVERNOR	106,806,184	127,179,990	20,373,806
R.4363	FINANCE AND ECONOMIC PLANNING	171,653,623	204,790,629	33,137,006
R.4364	AGRICULTURE AND IRRIGATION	135,614,131	76,355,884	(59,258,247)

CODE	DEPARTMENT	APPROVED PE FY 23/24	ESTIMATES FY 24/25	DIFFERENCE
	LIVESTOCK AND FISHERIES	-	65,630,302	65,630,302
R.4365	WATER, ENVIRONMENT AND CLIMATE CHANGE	36,403,180	41,528,523	5,125,343
R.4366	EDUCATION AND TECHNICAL TRAINING	267,337,764	310,352,925	43,015,161
R.4367	HEALTH SERVICES	1,332,768,320	1,465,597,861	132,829,541
R.4368	LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT	35,364,251	45,068,704	9,704,453
R.4369	ROADS, TRANSPORT AND PUBLIC WORKS	87,925,415	108,564,586	20,639,171
R.4371	COOPERATIVES, TRADE, INDUSTRIALIZATION, TOURISM AND WILDLIFE	55,037,244	64,923,977	9,886,733
R.4372	SPORTS, YOUTH AFFAIRS, CULTURE, CHILDREN AND SOCIAL SERVICES	38,858,536	42,512,724	3,654,188
R.4373	ADMINISTRATION, DEVOLUTION AND ENFORCEMENT	120,774,111	81,084,724	(39,689,387)
	PUBLIC SERVICE AND CORPORATE AFFAIRS	-	55,533,177	55,533,177
R.4374	COUNTY PUBLIC SERVICE BOARD	40,495,702	38,892,153	(1,603,549)
TOTAL		2,429,038,461	2,728,016,159	298,977,698

4.4.1.2 OPERATIONS AND MAINTENANCE

Table 8: Operations and Maintenance

CODE	DEPARTMENT	NORMAL O&M FY 23/24	NORMAL O&M FY 24/25	DIFFERENCE
R.4361	COUNTY ASSEMBLY	-	-	-
R.4362	OFFICE OF THE GOVERNOR	35,473,454	27,954,448	(7,519,006)
R.4363	FINANCE AND ECONOMIC PLANNING	18,488,413	14,569,582	(3,918,831)
R.4364	AGRICULTURE AND IRRIGATION	13,640,088	5,147,058	(8,493,030)
	LIVESTOCK AND FISHERIES	-	5,147,058	5,147,058
R.4365	WATER, ENVIRONMENT AND CLIMATE CHANGE	7,365,331	5,804,165	(1,561,166)
R.4366	EDUCATION AND TECHNICAL TRAINING	9,040,707	7,124,425	(1,916,282)
R.4367	HEALTH SERVICES	13,561,061	10,686,638	(2,874,423)
R.4368	LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT	8,060,770	6,352,197	(1,708,573)
R.4369	ROADS, TRANSPORT AND PUBLIC WORKS	12,043,739	9,490,930	(2,552,809)

CODE	DEPARTMENT	NORMAL O&M FY 23/24	NORMAL O&M FY 24/25	DIFFERENCE
R.4371	COOPERATIVES, TRADE, INDUSTRIALIZATION, TOURISM AND WILDLIFE	6,827,947	5,380,685	(1,447,262)
R.4372	SPORTS, YOUTH AFFAIRS, CULTURE, CHILDREN AND SOCIAL SERVICES	6,448,616	5,081,758	(1,366,858)
R.4373	ADMINISTRATION, DEVOLUTION AND ENFORCEMENT	7,902,716	3,113,822	(4,788,894)
	PUBLIC SERVICE AND CORPORATE AFFAIRS	-	3,113,822	3,113,822
R.4374	COUNTY PUBLIC SERVICE BOARD	8,550,739	5,033,416	(3,517,323)
TOTAL		147,403,581	114,000,004	(33,403,577)

The total O&M is Ksh 1,416,315,010. This comprises Ksh 114,000,004 as general day-to-day running of departmental operation, Ksh. 1,230,044,561 Mandatory O&M which is composed of the following: County Assembly Ceiling, Emergency fund provision, FIF, Street Lighting Bills, medical drugs, fire engine operations, Staff medical scheme, Iten Marathon, KICOSCA and Public Participation costs among other provisions and conditional grants of Ksh. 72,590,234 comprising Kenya Devolution Support Programme (KDSP) II, Primary Health care and Community Health promoter's stipend.

4.4.1.3 OVERALL RECURRENT EXPENDITURE ANALYSIS

Table 9: summary of Total Recurrent Estimate Allocation

CODE	DEPARTMENT	TOTAL PE FY 23/24	TOTAL PE FY 24/25	DIFFERENCE
R.4361	COUNTY ASSEMBLY	732,213,522	693,567,522	(38,646,000)
R.4362	OFFICE OF THE GOVERNOR	145,279,638	158,134,438	12,854,800
R.4363	FINANCE AND ECONOMIC PLANNING	198,242,036	271,410,211	73,168,175
R.4364	AGRICULTURE AND IRRIGATION	150,216,569	81,502,942	(68,713,627)
	LIVESTOCK AND FISHERIES	-	72,577,359	72,577,359
R.4365	WATER, ENVIRONMENT AND CLIMATE CHANGE	54,768,511	47,332,688	(7,435,823)
R.4366	EDUCATION AND TECHNICAL TRAINING	276,378,471	319,477,350	43,098,879
R.4367	HEALTH SERVICES	1,677,654,881	1,850,164,733	172,509,852
R.4368	LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT	51,900,726	66,997,245	15,096,519

R.4369	ROADS, TRANSPORT AND PUBLIC WORKS	99,969,154	118,037,516	18,068,362
R.4371	COOPERATIVES, TRADE, INDUSTRIALIZATION, TOURISM AND WILDLIFE	65,165,191	72,484,875	7,319,684
R.4372	SPORTS, YOUTH AFFAIRS, CULTURE, CHILDREN AND SOCIAL SERVICES	53,307,152	59,594,482	6,287,330
R.4373	ADMINISTRATION, DEVOLUTION AND ENFORCEMENT	272,676,827	227,798,546	(44,878,281)
	PUBLIC SERVICE AND CORPORATE AFFAIRS	-	61,307,695	61,307,695
R.4374	COUNTY PUBLIC SERVICE BOARD	52,046,441	43,925,569	(8,120,872)
TOTAL		3,829,819,119	4,144,313,171	314,494,052

4.4.2 DEVELOPMENT EXPENDITURE

4.4.2.1 SUMMARY OF DEVELOPMENT ALLOCATIONS FOR FY 2024/25

Table 9: Summary of Development Allocation

CODE	DEPARTMENT	WARD PROJECT FY 23/24	COUNTY LEVEL FY 23/24	TOTAL FY 23/24	WARD PROJECTS (EDA)	COUNTY LEVEL	TOTAL (KSH)
D.4361	County Assembly				0	0	0
D.4362	Office of Governor				5,300,000	0	5,300,000
D.4363	Finance and Economic Planning				0	0	0
D.4364	Agriculture and Irrigation	92,122,086	365,466,288	457,588,374	26,845,819	294,101,923	320,947,742
	Livestock and Fisheries				52,898,580	40,150,000	93,048,580
D.4365	Water, Environment and Climate Change	232,167,997		232,167,997	212,851,634		212,851,634
D.4366	Education, Science and Technology	181,873,437		181,873,437	204,410,196		204,410,196
D.4367	Health Services	126,905,632		126,905,632	225,488,729		225,488,729
D.4368	Lands, Physical Planning, Housing and	27,154,611	50,000,000	77,154,611	23,712,891	313,419,270	337,132,161

CODE	DEPARTMENT	WARD PROJECT FY 23/24	COUNTY LEVEL FY 23/24	TOTAL FY 23/24	WARD PROJECTS (EDA)	COUNTY LEVEL	TOTAL (KSH)
	Urban Development						
D.4369	Roads, Public Works, and Transport	249,326,071		249,326,071	213,280,983	150,644,148	363,925,131
D.4371	Cooperatives, Trade, Industrialization, Tourism and Wildlife	16,277,909	350,000,000	366,277,909	26,529,493	250,000,000	276,529,493
D.4372	Sports Youth Affairs , Culture Children and Social Services	66,805,143		66,805,143	68,847,890	0	68,847,890
D.4373	Administration, Devolution and Enforcement	26,841,393		26,841,393	39,281,064	0	39,281,064
	Public Service and Corporate Affairs	-			0		0
D.4374	County Public Service Board	-			0	0	0
	TOTAL (KSHS)	1,019,447,279	765,466,288	1,784,913,567	1,099,447,279	1,048,315,341	2,147,762,620

4.4.2.2 ANALYSIS OF DEVELOPMENT PRIORITIES

Table 10: Analysis of Development Priorities

CODE	DEPARTMENT	WARD PROJECTS (EDA)	CONDITIONAL GRANTS	WARD ADJUSTMENTS	TOTAL
R4361	County Assembly	-	-		-
R4362	Office of the Governor	5,300,000	-	1,000,000	6,300,000
R4363	Finance and Economic Planning	-	-	-	-
R4364	Agriculture and Irrigation	26,845,819	294,101,923	8,950,000	329,897,742
	Livestock Fisheries	52,898,580	40,150,000	7,500,000	100,548,580
R4365	Water, Environment and Climate Change	212,851,634	-	34,100,000	246,951,634
R4366	Education & Technical Training	204,410,196	-	16,850,000	221,260,196

CODE	DEPARTMENT	WARD PROJECTS (EDA)	CONDITIONAL GRANTS	WARD ADJUSTMENTS	TOTAL
R4367	Health Services	25,488,729	-	9,000,000	234,488,729
R4368	Lands, Physical Planning, Housing and Urban Development	23,712,891	313,419,270	8,250,000	345,382,161
R4369	Roads, Transport & Public Works	213,280,983	150,644,148	45,900,000	409,825,131
R4371	Cooperatives, Trade, Industrialization, Tourism and Wildlife	26,529,493	250,000,000	2,500,000	279,029,493
R4372	Sports Youth Affairs, Culture Children and Social Services	68,847,890	-	3,150,000	71,997,890
R4373	Administration, Devolution and Enforcement	39,281,064	-	2,800,000	42,081,064
	Public Service and Corporate Affairs	-	-	-	-
R4374	County Public Service Board	-	-	-	-
TOTAL		1,099,447,279	1,048,315,341	140,000,000	2,287,762,620

Note: The 2023/24 FY development figures includes 'Roll-over funds from 2022/23 FY

4.4.3 2024/25 CFSP OVERALL EXPENDITURE ANALYSIS

Table 11: Overall Expenditure Analysis

Expenditure Type	Budget Allocation	Percentage of Estimated Budget (%)
Ward (EDA) Development	1,099,447,279	17.47%
Development Conditional Grants	1,048,315,341	16.66%
Compensation to Employees	2,727,998,158	43.36%
Mandatory O&M	1,231,724,774	19.54%
Recurrent Conditional Grants	72,590,234	1.15%

Utilities and operations	114,000,003	1.81%
TOTAL	6,295,075,789	100.00%

From the above summary, development allocations are Ksh 1,099,447,279 ward (EDA) and Ksh 1,048,315,341 Conditional grants translating to 17.47% and 16.66% of the total budget respectively indicating 34.13% development allocation of the total budget. The balance makes up the recurrent expenditure totaling Ksh. 4,007,313,171 which is 65.87% of the total budget.

4.5 Resource envelop of the Medium Term

Table 12: Resource Envelope

REVENUE SOURCE	APPROVED FY 2022/23	APPROVED FY 2023/24	ESTIMATES FY 2024/25	PROJECTIONS FY 2025/26
CRA Share	4,606,532,480	4,801,453,188	4,873,385,244	5,117,054,506
Transfer for Library Services		5,795,078		
Conditional Grants		774,096,643	1,120,905,574	1,176,950,853
Nutrition International		10,000,000		
Local Revenue	367,100,000	270,326,632	300,784,971	312,674,220
TOTAL REVENUE	4,973,632,480	5,861,671,541	6,295,075,789	

4.5.1 Collaboration with National Government and Development Partners

Collaboration and partnership between the national government and development partners will be undertaken through existing intergovernmental frameworks such as Intergovernmental Budget & Economic Council (IBEC). Examples of collaborations and partnerships are conditional allocations from Development Partners and national government as per the 2024 Budget Policy Statement (BPS) include IDA (World Bank) Credit (Financing Locally- Led Climate Action (FLLoCA) Program – County Climate Resilience Investment (CCRI) Grant, World Bank - Emergency Locust Response Project (ELRP) , World bank - Kenya Informal Settlement Improvement Project (KISIP II), Kenya Livestock Commercialization Project (KELCOP), Food Systems Resilience Project (FSRP), World Bank-Kenya Devolution Support Program (KDSP) II and DANIDA Grant - Primary Health

Care in Devolved Context from development partners. Conditional grants from the national government include Road Maintenance Fund, Leasing of Medical Equipment, transfer for library services and Aggregated Industrial Parks Programme. These conditional allocations are projected by 2024 BPS to be Kshs. 1,120,905,574.

4.5.2 Medium-Term Expenditure Estimates

Table 13: Medium-Term Expenditure Estimates

Department/ Sector	Description	Approved	Approved	Estimates	Projected	Projected
					Estimates	Estimates
		FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027
County Assembly	Rec	733,192,337	706,848,845	701,876,015	728,245,898	764,658,193
	Dev	-			-	-
Office of the Governor	Rec	203,237,177	162,511,550	143,969,165	166,041,160	174,343,218
	Dev	-		6,300,000	5,565,000	5,843,250
Finance & Economic Planning	Rec	242,746,177	219,145,884	213,022,344	284,980,722	299,229,758
	Dev	-			-	-
Agriculture and Irrigation	Rec	99,199,387	156,927,049	77,771,696	85,578,089	89,856,994
	Dev	541,430,254	593,410,019	320,947,742	336,995,129	353,844,886
	Rec	95,356,098		69,148,262	76,206,227	80,016,538

Department/ Sector	Description	Approved	Approved	Estimates	Projected Estimates	Projected Estimates
		FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027
Livestock and Fisheries	Dev	-		93,048,580	97,701,009	102,586,059
Water, Environment and Climate Change	Rec	2,305,442	56,072,511	44,380,814	49,699,322	52,184,289
	Dev	257,592,762	534,173,687	247,451,634	223,494,216	234,668,926
Education & Technical Training	Rec	267,934,098	375,248,122	306,547,124	335,451,218	352,223,778
	Dev	237,627,613	173,159,403	222,260,196	214,630,706	225,362,241
Health Services	Rec	1,756,342,428	1,771,655,761	1,805,596,625	1,942,672,970	2,039,806,618
	Dev	452,627,160	408,098,433	223,388,729	236,763,165	248,601,324
Lands, Physical Planning, Housing and Urban Development	Rec	77,059,204	68,637,885	56,468,893	70,347,107	73,864,463
	Dev	89,077,879	128,436,166	355,782,161	353,988,769	371,688,208
Roads, Transport & Public Works	Rec	122,127,201	186,415,670	112,065,786	123,939,392	130,136,361
	Dev	553,333,784	257,581,778	413,125,131	382,121,388	401,227,457
Cooperatives, Trade, Industrialization, Tourism and Wildlife	Rec	38,552,344	75,157,946	69,003,947	76,109,119	79,914,575
	Dev	20,124,819	369,083,480	279,029,493	290,355,968	304,873,766

Department/ Sector	Description	Approved	Approved	Estimates	Projected Estimates	Projected Estimates
		FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027
Sports, Youth Affairs, Culture Children and Social Services	Rec	62,586,817	94,837,553	44,836,674	62,574,206	65,702,916
	Dev	82,624,640	59,835,603	71,997,890	72,290,285	75,904,799
Administrati on, Devolution & Enforcement	Rec	245,668,514	315,721,588	258,458,323	239,188,473	251,147,897
	Dev	27,959,148	29,096,981	39,281,064	41,245,117	43,307,373
Public service and corporate affairs	Rec			58,787,280	64,373,080	67,591,734
	Dev					
County Public Service Board	Rec	44,980,938	52,046,441	45,380,222	46,121,847	48,427,940
	Dev	2,500,000		-	-	-
TOTAL	Rec	3,991,288, 162	4,241,226, 805	4,007,313, 170	4,351,528, 830	4,569,105, 271
	Dev	2,264,898, 059	2,552,875, 550	2,287,762, 620	2,255,150, 751	2,367,908, 289
GRAND TOTAL		6,256,186, 221	6,794,102, 355	6,295,075, 791	6,606,679, 581	6,937,013, 560

ANNEXES

Annex 1: Recurrent Departmental Ceilings

CODE	DEPARTMENT	COMMITTEES APPROVED PE FOR FY 24/25	COMMITTEE'S APPROVED NORMAL O&M FY 24/25	COMMITTEE'S APPROVED MANDATORY O&M FOR FY 24/25	COMMITTEE'S APPROVED CONDITIONAL O&M FOR FY 24/25	COMMITTEE'S FINAL APPROVED RE FOR FY 24/25
R. 4361	COUNTY ASSEMBLY	-		701,876,015	-	701,876,015
R.4362	OFFICE OF THE GOVERNOR	123,597,246	19,371,942	1,000,000	-	143,969,189
R.4363	FINANCE AND ECONOMIC PLANNING	197,925,926	10,096,465	5,000,000	-	213,022,390
R.4364	AGRICULTURE AND IRRIGATION	74,204,889	3,566,821	-	-	77,771,710
	LIVESTOCK AND FISHERIES	63,781,453	3,566,821	1,800,000	-	69,148,274
R.4365	WATER, ENVIRONMENT AND CLIMATE CHANGE	40,358,637	4,022,185	-	-	44,380,822
R.4366	EDUCATION AND TECHNICAL TRAINING	301,610,080	4,937,102	-	-	306,547,182
R.4367	HEALTH SERVICES	1,424,311,010	7,405,653	338,790,000	35,090,234	1,805,596,897
R.4368	LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT	43,799,089	4,401,961	8,267,851	-	56,468,901
R.4369	ROADS, TRANSPORT AND PUBLIC WORKS	105,488,737	6,577,048	-	-	112,065,786
R.4371	COOPERATIVES, TRADE, INDUSTRIALIZATION, TOURISM AND WILDLIFE	63,095,026	3,728,720	2,180,213	-	69,003,959
R.4372	SPORTS, YOUTH AFFAIRS, CULTURE, CHILDREN AND SOCIAL SERVICES	41,315,113	3,521,569	-	-	44,836,682

CODE	DEPARTMENT	COMMITTEES APPROVED PE FOR FY 24/25	COMMITTEE'S APPROVED NORMAL O&M FY 24/25	COMMITTEE'S APPROVED MANDATORY O&M FOR FY 24/25	COMMITTEE'S APPROVED CONDITIONAL O&M FOR FY 24/25	COMMITTEE'S FINAL APPROVED RE FOR FY 24/25
R.4373	ADMINISTRATION, DEVOLUTION AND ENFORCEMENT	78,800,514	2,157,824	140,000,000	37,500,000	258,458,338
	PUBLIC SERVICE AND CORPORATE AFFAIRS	53,968,771	2,157,824	2,660,695	-	58,787,290
R.4374	COUNTY PUBLIC SERVICE BOARD	38,892,153	3,488,069	3,000,000	-	45,380,222
TOTAL		2,651,148,159	79,000,004	1,204,574,774	72,590,234	4,007,313,171

Annex 2: Development Departmental Ceilings

CODE	DEPARTMENT	WARD PROJECTS (EDA)	CONDITIONAL GRANTS	WARD ADJUSTMENTS	TOTAL
R4361	County Assembly	-	-		-
R4362	Office of the Governor	5,300,000	-	1,000,000	6,300,000
R4363	Finance and Economic Planning	-	-	-	-
R4364	Agriculture and Irrigation	26,845,819	294,101,923	8,950,000	329,897,742
	Livestock Fisheries	52,898,580	40,150,000	7,500,000	100,548,580
R4365	Water, Environment and Climate Change	212,851,634	-	34,100,000	246,951,634
R4366	Education & Technical Training	204,410,196	-	16,850,000	221,260,196
R4367	Health Services	225,488,729	-	9,000,000	234,488,729
R4368	Lands, Physical Planning, Housing and Urban Development	23,712,891	313,419,270	8,250,000	345,382,161
R4369	Roads, Transport & Public Works	213,280,983	150,644,148	45,900,000	409,825,131
R4371	Cooperatives, Trade, Industrialization, Tourism and Wildlife	26,529,493	250,000,000	2,500,000	279,029,493
R4372	Sports Youth Affairs, Culture Children and Social Services	68,847,890	-	3,150,000	71,997,890
R4373	Administration, Devolution and Enforcement	39,281,064	-	2,800,000	42,081,064
	Public Service and Corporate Affairs	-	-	-	-
R4374	County Public Service Board	-	-	-	-
TOTAL		1,099,447,279	1,048,315,341	140,000,000	2,287,762,620

Annex 3: Summary (Recurrent and Development) Departmental Ceilings

PART II: EXPLANATORY NOTES

CODE	DEPARTMENT	COMMITTEE'S FINAL APPROVED RE FOR FY 24/25	COMMITTEE'S FINAL APPROVED DE FOR FY 24/25	TOTAL RE+DE FOR FY 24/25
R. 4361	COUNTY ASSEMBLY	701,876,015	-	701,876,015
R.4362	OFFICE OF THE GOVERNOR	143,969,165	6,300,000	150,269,165
R.4363	FINANCE AND ECONOMIC PLANNING	213,022,344	-	213,022,345
R.4364	AGRICULTURE AND IRRIGATION	77,771,696	329,897,742	407,669,438
	LIVESTOCK AND FISHERIES	69,148,262	100,548,580	169,696,842
R.4365	WATER, ENVIRONMENT AND CLIMATE CHANGE	44,380,814	246,951,634	291,332,448
R.4366	EDUCATION AND TECHNICAL TRAINING	306,547,124	221,260,196	527,807,320
R.4367	HEALTH SERVICES	1,805,596,625	234,488,729	2,040,085,354
R.4368	LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT	56,468,893	345,382,161	401,851,054
R.4369	ROADS, TRANSPORT AND PUBLIC WORKS	112,065,786	409,825,131	521,890,917
R.4371	COOPERATIVES, TRADE, INDUSTRIALIZATION, TOURISM AND WILDLIFE	69,003,947	279,029,493	348,033,440
R.4372	SPORTS, YOUTH AFFAIRS, CULTURE, CHILDREN AND SOCIAL SERVICES	44,836,674	71,997,890	116,834,564
R.4373	ADMINISTRATION, DEVOLUTION AND ENFORCEMENT	258,458,323	42,081,064	300,539,387
	PUBLIC SERVICE AND CORPORATE AFFAIRS	58,787,280	-	58,787,280
R.4374	COUNTY PUBLIC SERVICE BOARD	45,380,222	-	45,380,222
	TOTAL	4,007,313,170	2,287,762,620	6,295,075,790

A: RESOURCE ENVELOPE FOR 2024/25 FY

Table 1: Resource Sources for 2024/25 FY

NO	STREAM	SUPP FY 23/24	CFSP FY 24/25
1	CRA Share	4,801,453,188	4,873,385,244
2	Transfer for Library Services	5,795,078	-
3	Local Revenue	270,326,632	297,784,971
4	Balance b/d	931,450,814	-

5	Revolving bank account balance b/d	980,000	-
CONDITIONAL ALLOCATION			
6	Provision of fertilizer subsidy Programme	63,970,782	-
7	Kenya Climate Smart Agriculture Project (KCSAP)	90,000,000	-
8	Kenya Livestock Commercialization Project (KeLCoP)	36,500,000	40,150,000
9	Livestock Value Chain Support Project	35,809,200	-
10	Agriculture Support Development Support Programme (ASDSP) II	1,042,262	-
11	Emergency Locust Response Project (ELRP)	138,144,044	121,025,000
12	Financing Locally-Led Climate Action (FLLoCA) Program CCIS Grant	17,091,850	-
13	Financing Locally-Led Climate Action (FLLoCA) Program CCRI Grant	212,500,000	-
14	Kenya Urban Support Programme (KUSP)	6,097,085	-
15	Kenya Informal Settlement Improvement (KISIP II)	58,324,295	278,419,270
16	Aggregated Industrial Parks Programme (CAIPS)	100,000,000	250,000,000
17	Nutrition International	10,000,000	-
18	DANIDA	14,617,125	5,947,500
19	Food Systems Resilience Project (FSRP)	0	173,076,923
20	Community Health Promoters	0	29,142,734
21	Kenya Devolution Support Programme II	0	37,500,000
22	Kenya Urban Support Programme (KUSP) UIG	0	35,000,000
23	Road Maintenance Levy Fund (RMLF)	0	150,644,148
TOTAL		6,794,102,355	6,295,075,790

e 1: There is an increase of Ksh. **71,502,683** in Equitable (CRA) share as provided for in the 2024 Budget Policy Statement (BPS) from the 2023/24 FY allocation. An excerpt of the 2024 BPS showing the exact county allocation has been attached as Annex 1.

Note 2: Local Revenue (Own Source Revenue - OSR) is projected to increase by Ksh. 76,490,989. The increase is from three sources: (i) 25,658,339 from non-FIF Streams, (ii) Ksh. 50,000,000 for the Facility Improvement Fund (FIF) and, (iii) Ksh. 832,650 from Appropriations in Aid (AIA) from abattoirs (slaughterhouses). The projected increase in local revenue has been informed by positive trends attributed to enhanced revenue raising strategies as evidenced by the current FY analysis indicated in Annexes 2, 3 & 4 attached.

Note 3: Conditional grants sources increased by **Ksh. 354,982,246** from Ksh. 765,923,328 in 2023/24 FY to Ksh. 1,120,905,574 in 2024/25 FY as indicated in the County Governments Additional Allocations Bill, 2024 attached as Annex 5.**B: ALLOCATION CLASSIFICATIONS AND OVERALL ALLOCATIONS FOR 2024/25 FY**

The expenditure allocations of CFSPs are classified into two components. Each component has sub-components and Divisions as depicted in Table 2.

Table 2: Allocation Classifications

Expenditure Component	Sub-Component	Divisions	Description/Objectives
Development	Ward/EDA Projects	-	To comply with the Elgeyo Marakwet County Equitable Development Act (EDA) Section 6 (2) & (3) provisions which requires that each Ward be allocated funds based on agreed parameters which includes equal share, population size, land area, poverty level and ASAL coverage
	Flagship/County Level Projects	-	These are development projects whose benefits are not confined to one Ward, but two or more Wards as guided by EDA Section 6 (3) (ii). Such projects that facilitate effective and efficient delivery of the county mandates by providing premises and conducive environment.
	Conditional Grants – Development	-	These are funds allocated to counties through County Revenue Allocation Act (CARA)/Grants Act/County Governments Additional Allocation Act for specific Development purposes as per the respective Conditional Grants Conditions.
Recurrent	Personal Emoluments (PE)	Existing staff current salary and upcoming Financial Year mandatory adjustments	These provisions are based on what each county staff earns in the current FY with the following associated adjustment items in the 2024/25 FY whose CFSP workings apply; Adjustments for mandatory annual salary increment as per applicable Salaries and Remuneration Commission (SRC) circulars. Adjustments for emerging new contributory salary components for employers e.g. Housing Levy, Pensions Schemes, NSSF, NITA etc.

Expenditure Component	Sub-Component	Divisions	Description/Objectives
		Existing staff promotions allocation	These are provisions budgeted for staff promotions which fall under two categories, Common cadre promotions. These are promotions which are for common establishments as provided by schemes of services for personnel in the County Public Service providing for automatic promotions every three years for every staff still in the common cadre. Non-common cadre promotions made to facilitate succession planning, management and career progression within the County public service. These promotional positions are competitive in nature and are informed by the approved County Staff Establishment and subject to meeting of the set qualifications requirements by staff competing for them.
		Existing staff Re-designation allocations	This provision is to place staff according to their acquired qualifications attained while serving in the county public service or having been deployed within the county departments. Facilitate the implementation of the Collective Bargaining Agreement (CBA) signed between County Governments and Kenya Medical Practitioners Pharmacist and Dentist Union (KMPDU)
		Replacement positions allocations for staff exits	Allocated amounts to be used to recruit new staff to replace staff who retired, left service, or passed on.
	Operations & Maintenance (O&M)	Mandatory O&M	This type of O&M are those allocations that are important and essential for delivering county mandates. The benefits of this type of O&M allocations accrue to a wide scope of Wards, Departments, and staff. Examples include medical drugs, FIF, staff medical insurance, etc.
		Normal O&M (Operations and Utilities)	This type of O&M allocations is for general office operations e.g. electricity bills, fuel, stationery amongst other necessary costs to run offices.
		County Assembly Budget Ceilings	CRA recommends the annual County Assemblies budget ceilings, and The Senate approves in the County Revenue Allocation Acts (CARAs)
		Conditional Grants – Recurrent	These are recurrent-in-nature funds allocation from Conditional Grants as listed in the County Governments Additional Allocations Bills/Grant Bills (CGAAB) They are for specific Recurrent purposes as per the Funds conditions contained in the CGAAB

C: OVERALL ALLOCATIONS FOR 2024/25 FY BASED ON ALLOCATION CLASSIFICATIONS IN No. B ABOVE

Table 3: Overall Allocation for 2024/25 FY

Expenditure Component	Sub-Component	Divisions	Amount Allocated for 2024/25 FY (Ksh.)	Justifications & Reference Documents	
Development	Ward/EDA Projects	-	1,099,447,279	Approved 2024/25 FY Development (ADP)	
	County Level Projects	-	140,000,000	-	
	Conditional Grants – Development	-	1,048,315,341	As per the Conditional Grants list attached in the County Governments Additional Allocation Bill (CGAAB)	
	Sub-total	-	2,287,762,620		
Recurrent	Personal Emoluments (PE)	Existing staff current salary adjusted with mandatory increments for 2024/25 FY	2,429,038,461	2,727,998,158	Adjustments for salary increments as per the SRC Circulars attached
		Existing staff promotions allocations Common Cadre	39,137,757		As per the HR Manuals, schemes of services for career progression within common establishment
		Existing staff promotions allocations Non-Common Cadre	14,999,994	For career progression, succession management and filling of vacant positions as per the approved county staff establishment within the non-common cadre establishment	
		Existing staff Re-designation allocations	3,496,920		
		Replacement positions allocations for staff exits.	17,177,172		Provision by County Assembly in the First 2023/24 FY Supplementary budget for recruitment of staff to replace those who have left service through retirement and other natural attritions.
		ECDE Teachers Salary Increment	22,680,000		This salary increment is to cushion ECDE teachers from the negative effects of inflations. In addition, all the staff have

Expenditure Component	Sub-Component	Divisions	Amount Allocated for 2024/25 FY (Ksh.)	Justifications & Reference Documents	
Development	Ward/EDA Projects	-	1,099,447,279	Approved 2024/25 FY Development (ADP)	
	County Level Projects	-	140,000,000	-	
	Conditional Grants – Development	-	1,048,315,341	As per the Conditional Grants list attached in the County Governments Additional Allocation Bill (CGAAB)	
	Sub-total	-	2,287,762,620		
				been added salary by SRC, so it is logical to add ECDE teachers at the county level	
	Operations & Maintenance (O&M)	Mandatory O&M	536,157,252	1,416,315,010	This O&M are important for county mandates delivery whose benefits of this type of O&M allocations accrue to a wide scope of Wards, Departments, and staff
		Normal O&M (Operations & Utilities)	114,000,003		These allocations enable the county departments to cater for the day to day running of their departments
		County Assembly Budget Ceilings	693,567,522		Set by Senate from the recommendations by CRA
		Conditional Grants – Recurrent	72,590,234		As per the Conditional Grants list attached in the County Governments Additional Allocation Bill (CGAAB)
	Sub-total	-	4,007,313,171		
GRAND TOTAL			6,295,075,789		

Note 4: Development allocation is 34% of total budget including Conditional Grants.

Note 5: Recurrent allocation is 66% of which 43.5% is allocation for PE and 22.5% for O&M (11.5% for County Executive and 11% for County Assembly)

Table 4: 2023/24 FY Development Allocation Summary

1.1 Annex 7: Final Development Expenditure Ceilings for FY 2024/2025

CODE	DEPARTMENT	WARD PROJECTS (EDA)	CONDITIONAL GRANTS	WARD ADJUSTMENTS	TOTAL
R4361	County Assembly	-	-		-
R4362	Office of the Governor	5,300,000	-	1,000,000	6,300,000
R4363	Finance and Economic Planning	-	-	-	-
R4364	Agriculture and Irrigation	26,845,819	294,101,923	8,950,000	329,897,742
	Livestock Fisheries	52,898,580	40,150,000	7,500,000	100,548,580
R4365	Water, Environment and Climate Change	212,851,634	-	34,100,000	246,951,634
R4366	Education & Technical Training	204,410,196	-	16,850,000	221,260,196
R4367	Health Services	225,488,729	-	9,000,000	234,488,729
R4368	Lands, Physical Planning, Housing and Urban Development	23,712,891	313,419,270	8,250,000	345,382,161
R4369	Roads, Transport & Public Works	213,280,983	150,644,148	45,900,000	409,825,131
R4371	Cooperatives, Trade, Industrialization, Tourism and Wildlife	26,529,493	250,000,000	2,500,000	279,029,493
R4372	Sports Youth Affairs, Culture Children and Social Services	68,847,890		3,150,000	71,997,890
R4373	Administration, Devolution and Enforcement	39,281,064	-	2,800,000	42,081,064
	Public Service and Corporate Affairs	-	-	-	-
R4374	County Public Service Board	-	-	-	-
TOTAL		1,099,447,279	1,048,315,341	140,000,000	2,287,762,620

Note 7: There are no funds proposed for allocation to Flagship/County Level Projects because the Ksh. 170,000,000 allocated in 2023/24 FY has been allocated to PE to address the sharp increase in PE for FY 2024/25.

Table 5: Conditional Grants - Development for 2024/25 FY

Department	Conditional Grant	Allocation (Ksh.)
Agriculture, Livestock, Fisheries, and Irrigation	Food Systems Resilience Project (FSRP)	173,076,923
Agriculture, Livestock, Fisheries, and Irrigation	Emergency Locust Response Project (ELRB)	121,025,000
Agriculture, Livestock, Fisheries, and Irrigation	Kenya Livestock Commercialization Project (KeLCoP)	40,150,000
Lands, Physical Planning, Housing & Urban Development	Kenya Urban Support Programme (KUSP) - UIG	35,000,000
Lands, Physical Planning, Housing & Urban Development	Kenya Informal Settlement Improvement (KISIP II)	278,419,270
Roads, Transport and Public Works	Road Maintenance Levy Fund (RMLF)	150,644,148
Cooperatives, Trade, Industrialization, Tourism & Wildlife	Aggregated Industrial Parks Programme (CAIPS)	250,000,000
	TOTAL	1,048,315,341

Table 6: Recurrent Allocation Summary for 2024/25 FY

CODE	DEPARTMENT	APPROVED PE FOR FY 24/25	APPROVED NORMAL O&M FY 24/25	APPROVED MANDATORY O&M FOR FY 24/25	APPROVED CONDITIONAL O&M FOR FY 24/25	FINAL APPROVED RE FOR FY 24/25
R. 4361	COUNTY ASSEMBLY	-		701,876,015	-	701,876,015
R.4362	OFFICE OF THE GOVERNOR	123,597,246	19,371,942	1,000,000	-	143,969,189
R.4363	FINANCE AND ECONOMIC PLANNING	197,925,926	10,096,465	5,000,000	-	213,022,390
R.4364	AGRICULTURE AND IRRIGATION	74,204,889	3,566,821	-	-	77,771,710
	LIVESTOCK AND FISHERIES	63,781,453	3,566,821	1,800,000	-	69,148,274
R.4365	WATER, ENVIRONMENT AND CLIMATE CHANGE	40,358,637	4,022,185	-	-	44,380,822
R.4366	EDUCATION AND TECHNICAL TRAINING	301,610,080	4,937,102	-	-	306,547,182
R.4367	HEALTH SERVICES	1,424,311,010	7,405,653	338,790,000	35,090,234	1,805,596,897
R.4368	LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT	43,799,089	4,401,961	8,267,851	-	56,468,901
R.4369	ROADS, TRANSPORT AND PUBLIC WORKS	105,488,737	6,577,048	-	-	112,065,786
R.4371	COOPERATIVES, TRADE, INDUSTRIALIZATION, TOURISM AND WILDLIFE	63,095,026	3,728,720	2,180,213	-	69,003,959
R.4372	SPORTS, YOUTH AFFAIRS, CULTURE, CHILDREN AND SOCIAL SERVICES	41,315,113	3,521,569	-	-	44,836,682
R.4373	ADMINISTRATION, DEVOLUTION AND ENFORCEMENT	78,800,514	2,157,824	140,000,000	37,500,000	258,458,338
	PUBLIC SERVICE AND CORPORATE AFFAIRS	53,968,771	2,157,824	2,660,695	-	58,787,290
R.4374	COUNTY PUBLIC SERVICE BOARD	38,892,153	3,488,069	3,000,000	-	45,380,222
TOTAL		2,651,148,159	79,000,004	1,204,574,774	72,590,234	4,007,313,171

Table 7: PE Comparison between Approved FY 2023/24 and Proposed FY 2024/25 Allocations.

Code	Department	Approved PE 23/24 (Ksh.)	TOTAL PE 24/25 (Ksh.)	INCREASE (Ksh.)
4362	Office of the Governor	106,806,184	127,179,990	20,373,806
4363	Finance and Economic Planning	171,653,623	204,790,629	33,137,006
4364	Agriculture and Irrigation	135,614,131	76,355,884	-59,258,247
4377	Livestock and Fisheries		65,630,302	65,630,302
4365	Water, Environment and Climate Change	36,403,180	41,528,523	5,125,343
4366	Education & Technical Training	267,337,764	310,352,925	43,015,161
4367	Health Services	1,332,768,320	1,465,597,861	132,829,541
4368	Lands, Physical Planning, Housing and Urban Development	35,364,251	45,068,704	9,704,453
4369	Roads, Transport & Public Works	87,925,415	108,546,586	20,621,171
4371	Cooperatives, Trade, Industrialization, Tourism and Wildlife	55,037,244	64,923,977	9,886,733
4372	Sports Youth Affairs, Culture Children and Social Services	38,858,536	42,512,724	3,654,188
4373	Administration, Devolution & Enforcement	120,774,111	81,084,724	-39,689,387
	Public service and corporate affairs		55,533,177	55,533,177
4374	County Public Service Board	40,495,702	38,892,153	-1,603,549
	TOTAL	2,429,038,461	2,727,998,158	298,959,697

Table 8: Breakdown of PE increase of Ksh. 298,959,697 in 2024/25 FY from 2023/24 FY

Department	SRC Salary Increments adjustments for 2024/25 FY (Ksh.)	New Positions		Common Cadre Promotions 2024 (Ksh.)	Non-Common Cadre Promotions (Ksh.)	Redesignations (Ksh.)	ECDE Teachers Salary Increment (Ksh.)	Housing Levy 24/25 (Ksh.)	NSSF 24/25 (Ksh.)	NITA 24/25 (Ksh.)	Total PE Increase (Ksh.)
		Allocation (Ksh.)	Number								
Office of the Governor	17,161,190			188,100	585,624		-	1,564,259	833,832	40,800	20,373,806
Finance and Economic Planning	27,582,862			167,691	327,953	785,779	-	2,532,841	1,612,080	127,800	33,137,006
Agriculture and Irrigation	(64,991,489)	3,367,422	6	242,276	364,221	15,712	-	1,043,292	659,520	40,800	-59,258,247

Department	SRC Salary Increments adjustments for 2024/25 FY (Ksh.)	New Positions		Comm on Cadre Promotions 2024 (Ksh.)	Non-Comm on Cadre Promotions (Ksh.)	Redesignations (Ksh.)	ECDE Teachers Salary Increment (Ksh.)	Housing Levy 24/25 (Ksh.)	NSSF 24/25 (Ksh.)	NITA 24/25 (Ksh.)	Total PE Increase (Ksh.)
		Allocation (Ksh.)	No.								
Livestock and Fisheries	60,488,839	2,731,921	5	299,282	449,919		-	889,941	727,200	43,200	65,630,302
Water, Environment and Climate Change	(985,777)	5,146,900	8	-	181,203	58,200	0	471,857	236,160	16,800	5,125,343
Education & Technical Training	11,042,268	2,410,304	4	801,000	228,388	64,923	22,680,000	4,087,638	1,088,640	612,000	43,015,161
Health Services	54,649,078			36,392,145	11,316,772	1,796,920	-	20,148,026	8,017,200	509,400	132,829,541
Lands, Physical Planning,	7,632,899	1,146,749	2	114,987	172,283	-	-	360,696	264,240	12,600	9,704,453

Department	SRC Salary Increments adjustments for 2024/25 FY (Ksh.)	New Positions		Comm on Cadre Promotions 2024 (Ksh.)	Non-Comm on Cadre Promotions (Ksh.)	Redesignations (Ksh.)	ECDE Teachers Salary Increment (Ksh.)	Housing Levy 24/25 (Ksh.)	NSSF 24/25 (Ksh.)	NITA 24/25 (Ksh.)	Total PE Increase (Ksh.)
		Allocation (Ksh.)	No.								
Housing and Urban Development											
Roads, Transport & Public Works	16,893,389			612,450	526,100	28,485	-	1,408,759	1,079,988	72,000	20,621,171
Cooperatives, Trade, Industrialization, Tourism and Wildlife	5,492,896	2,373,877	3		295,265	319,787	-	840,189	529,920	34,800	9,886,733
Sports Youth Affairs,	1,869,765			227,667	374,962	305,479	-	541,995	313,920	20,400	3,654,188

Department	SRC Salary Increments adjustments for 2024/25 FY (Ksh.)	New Positions		Comm on Cadre Promotions 2024 (Ksh.)	Non-Comm on Cadre Promotions (Ksh.)	Redesignations (Ksh.)	ECDE Teachers Salary Increment (Ksh.)	Housing Levy 24/25 (Ksh.)	NSSF 24/25 (Ksh.)	NITA 24/25 (Ksh.)	Total PE Increase (Ksh.)
		Allocation (Ksh.)	o .								
Culture Children and Social Services											
Administration, Devolution & Enforcement	(41,881,318)	-	-	92,160	139,041	121,635	-	1,057,175	745,920	36,000	-39,689,387
Public service and corporate affairs	54,311,218	-	-				-	729,479	463,680	28,800	55,533,177
County Public	(2,368,722)				38,263		-	525,791	191,520	9,600	-1,603,549

Department	SRC Salary Increments adjustments for 2024/25 FY (Ksh.)	New Positions		Comm on Cadre Promotions 2024 (Ksh.)	Non-Comm on Cadre Promotions (Ksh.)	Redesignations (Ksh.)	ECDE Teachers Salary Increment (Ksh.)	Housing Levy 24/25 (Ksh.)	NSSF 24/25 (Ksh.)	NITA 24/25 (Ksh.)	Total PE Increase (Ksh.)
		Allocation (Ksh.)	Number								
Service Board											
TOTAL	146,897,097	17,177,172	28	39,137,757	14,999,994	3,496,920	22,680,000	36,201,937	16,763,820	1,605,000	298,959,697

Note 8: The increase in PE of Ksh. **298,959,697** in FY 2024/25 from FY 2023/24 has been caused by nine items, namely,

- i. SRC salary increments for all staff amounting to Ksh. 146,897,097. Beginning July 2024, there will be upward reviews of staff basic salary, commuter, and house allowances. These increases are automatically updated in the IPPD Payroll by the State Department of Public Service Directorate of Personnel Management (DPM). SRC Circulars containing the salary increases are attached as **Annexes 6 & 7**.

- ii. Allocation for recruitment of new staff as replacement of staff who have exited service. These positions are 28 with an allocation of Ksh.17,177,172.
- iii. Allocation of Ksh. 39,137,757 for Common Cadre staff promotions. These are promotions which are automatic every three years for every staff still in the common cadre category. These promotions were not done in 2023/24 FY so there are backlogs which have led to issuance of strike notices by the Unions of the affected staff. To evade labour unrest and industrial strikes and their effects on service delivery this allocation is inevitable. A sample of Strike Notice issued by Kenya Medical Practitioners and Dentist Union (KMPDU) one of the county staff Notices are attached as **Annex 8**.
- iv. Allocation of Ksh. 14,999,994 for non-common cadre staff promotions to ensure succession planning is sustainable and improve terms for staff who have acquired additional qualifications and necessary to evade the KMPDU strike notice issued as part of the implementation framework for the CBA signed between county governments and KMPDU in 2017.
- v. An allocation of Ksh. 3,496,920 for staff redesignations. This provision is to place staff according to their qualifications and current job deployments. This was also part of the conditions for the implementation of the signed CBA between County Governments and KMPDU for doctors returning from studies and training.
- vi. Allocation of Ksh. 22,680,000 as ECDE teachers' salary increment as a step towards better terms in the future. This allocation is for a salary increment of 945 ECDE each getting an increment of Ksh. 4,000 monthly from January 2025 (6 months of 2024/25 FY).
- vii. Allocation of Ksh. 36,201,937 as our County Government's employer contribution of **1.5%** of each staff **gross salary** as per the Affordable Housing Program. Kindly note that at staff level each of them is deducted 1.5% of his/her gross salary for the Affordable Housing Program. These deductions are done automatically from the payroll (IPPD). IPPD is updated remotely by the State Department of Public Service Directorate of Personnel Management (DPM) whenever such deductions are made. Reference can be made from 'Affordable Housing Bill 2023 whose implementation has already been affected. An excerpt of the Bill is attached as **Annex 9**.
- viii. The NSSF Act compelling employers to pay employer contributions for NSSF came into effect in February 2024. For the County Executive staff this legal provision translates to Ksh. 16,763,820 for the FY 2024/25 all staff calculated as per the formula provided for in the based on each staff Job Group. An excerpt of the **NSSF act** is attached as **Annex 10**.

- ix. Allocation of Ksh. 1,605,000 for National Industrial and Training Authority (NITA) for continuous staff training provided in **Section 5 Cap 237** of the Industrial Training Act compelling employers to pay levy to NITA at a monthly rate of 50 shillings per employee. An excerpt of the NITA Act is attached as **Annex 11**.

Table 9: Where increased PE of Ksh. 298,959,697 was sourced from.

Source	Amount (Ksh.) used to address PE increase
Equitable (CRA) Share	66,502,683 of the total CRA Share increase of 71,502,683
Flagship/County Level Projects reduction	170,000,000 (this amount was part of the 250,000,000 flagships allocation for Industrial Park in 2023/24 FY. Wards had contributed the other 80,000,000)
County Executive Normal O&M Reduction	33,403,578
Local Revenue (Non-FIF streams) increase	10,664,642
PE to be relieved by staff exiting in 2023/24 FY	18,388,798
TOTAL	298,959,697

Note 9: The remainder of 5,000,000 from the increase in Equitable (CRA) share was allocated to County Assembly ceilings.

Table 10: Summary numbers of used to compute 2024/25 FY PE

DEPARTMENT	Existing staff (IPPD)	Existing staff (Manual)	New Positions	ECDE Teachers	Casuals (Conservancy)	Casuals (Other)	Security (OOG)	TOTAL
Office of the Governor	48	5	0	0	0	13	25	91
Finance and Economic Planning	184	0	0	0	0	29	0	213
Agriculture and Irrigation	62	0	6	0	0	0	0	68
Livestock and Fisheries	63	2	5	0	0	3		73
Water, Environment and Climate Change Management	26	0	8	0	0	2	0	36
Education & Technical Training	70	1	4	945		0	0	1,020
Health Services	814	26		0	0	10	0	850
Lands, Physical Planning, Housing & Urban Development	21	0	2	0	85	0	0	108
Roads, Transport & Public Works	103	0	0	0	0	8	0	111
Cooperatives, Trade and Enterprise Development, Tourism development	52	0	3	0	0	3	0	58
Sports, youth Affairs, Culture, Children and Social Services	25	0	0	0	0	9	0	34
Administration, Devolution & Enforcement	60	0		0	0	0	0	60
Public service and corporate affairs	47	1	0	0	0	0	0	48
County Public Service Board	16	0	0	0	0	0	0	16
Totals	1,591	35	28	945	85	77	25	2,786

Note 10: Conservancy Casuals are those casuals paid on daily wages to manage and maintain cleanliness in urban areas

Note 11: Other casuals are those casuals who have been serving since 2015 but whose terms are still not determined

Note 12: Security staff are staff seconded by the National Police Service to guard state officers and key official premises. This facilitative allowance treated as PE allocations for these security staff are to cater for stipulated allowances and stipends.

Note 13: New Positions are for recruitment of new staff to fill vacancies left by staff who left service in the current and previous Financial Years

Note 14: List by names of all staff and positions in Table 10 and respective allocations adding to the total PE figure of Ksh. 2,727,998,158 is attached as Annex 12 for reference.

Table 11: Specific Cadres of New (Replacement) Positions

Department	Position	Job Group	No. of Positions
Agriculture & Irrigation	Agricultural Assistant III	H	4
	Agricultural Assistant II	G	2
Livestock & Fisheries	Assistant Livestock Production III	H	2
	Livestock Production Assistant II	G	3
Water, Environment and Climate Change	Environmental Management Officer II	J	4
	Forester III	H	4
Lands, Physical Planning, Housing and Urban Development	Fire Officer	J	1
	Fireman	F	1
Cooperatives, Trade, Industrialization, Tourism and Wildlife	Cooperatives Officer II	J	2
	Tourism Officer	K	1
Education & Technical Training	Youth Polytechnic Instructor [3]	H	4
Total			28

Note 15: The choice of cadres to be replaced are based on an analysis of priority cadres required by our County Government to deliver on the desired development objectives as per the CIDP staffing gaps in departments

Table 12: Operations & Maintenance (O&M) Summary for 2024/25 FY

DEPARTMENT	MANDATORY O&M (Ksh.)	NORMAL O&M (Ksh.)	CONDITIONAL GRANTS REC (Ksh.)	TOTAL O&M (Ksh.)
County Assembly	701,876,015	-	-	701,876,015
Office of the Governor	1,000,000	27,954,448	-	143,969,189
Finance and Economic Planning	5,000,000	14,569,582	-	213,022,390
Agriculture and Irrigation	-	5,147,058	-	77,771,710
Livestock and Fisheries	1,800,000	5,147,058	-	69,148,274
Water, Environment and Climate Change	-	5,804,165	-	44,380,822
Education & Technical Training	-	7,124,425	-	306,547,182
Health Services	338,790,000	10,686,638	35,090,234	1,805,596,897
Lands, Physical Planning, Housing and Urban Development	8,267,851	6,352,197	-	56,468,901
Roads, Transport & Public Works	-	9,490,930	-	112,065,786
Cooperatives, Trade, Industrialization, Tourism and Wildlife	2,180,213	5,380,685	-	69,003,959
Sports Youth Affairs, Culture Children and Social Services	-	5,081,758	-	44,836,682
Administration, Devolution & Enforcement	140,000,000	3,113,822	37,500,000	258,458,338
Public service and Corporate affairs	2,660,695	3,113,822	-	58,787,290
County Public Service Board	3,000,000	5,033,416	-	45,380,222
Total	1,204,574,774	114,000,004	72,590,234	4,007,313,171

Note 16: County Assembly budget ceiling has been estimated to increase by 5,000,000. The final ceiling level will be approved in the County Allocation Revenue Act (CARA) of The Senate adjusted accordingly at the Budget Estimates approval stage.

Table 14: Conditional Grants- Recurrent

Department	Item	Projected 2024-25 (Ksh.)
Finance and Economic Planning	Kenya Devolution Support Program (KDSP) II	37,500,000
Health Services	DANIDA – Primary Health	5,947,500
	Community Health Promoters	29,142,734
	Totals	72,590,234

Note 17: Work Plans for the Conditional Grants will be submitted to relevant County Assembly Committees once they are approved by the respective donors.

Table 15: Normal O&M (Operations and Utilities) Items

CODE	DEPARTMENT	NORMAL O&M FY 23/24	NORMAL O&M FY 24/25	COMMITTEE AMENDMENTS FOR FY 24/25
R. 4361	COUNTY ASSEMBLY	-	-	
R.4362	OFFICE OF THE GOVERNOR	35,473,454	27,954,448	19,371,942
R.4363	FINANCE AND ECONOMIC PLANNING	18,488,413	14,569,582	10,096,465
R.4364	AGRICULTURE AND IRRIGATION	13,640,088	5,147,058	3,566,821
	LIVESTOCK AND FISHERIES	-	5,147,058	3,566,821
R.4365	WATER, ENVIRONMENT AND CLIMATE CHANGE	7,365,331	5,804,165	4,022,185
R.4366	EDUCATION AND TECHNICAL TRAINING	9,040,707	7,124,425	4,937,102
R.4367	HEALTH SERVICES	13,561,061	10,686,638	7,405,653
R.4368	LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT	8,060,770	6,352,197	4,401,961
R.4369	ROADS, TRANSPORT AND PUBLIC WORKS	12,043,739	9,490,930	6,577,048
R.4371	COOPERATIVES, TRADE, INDUSTRIALIZATION, TOURISM AND WILDLIFE	6,827,947	5,380,685	3,728,720
R.4372	SPORTS, YOUTH AFFAIRS, CULTURE, CHILDREN AND SOCIAL SERVICES	6,448,616	5,081,758	3,521,569
R.4373	ADMINISTRATION, DEVOLUTION AND ENFORCEMENT	7,902,716	3,113,822	2,157,824
	PUBLIC SERVICE AND CORPORATE AFFAIRS	-	3,113,822	2,157,824
R.4374	COUNTY PUBLIC SERVICE BOARD	8,550,739	5,033,416	3,488,069
TOTAL		147,403,581	114,000,004	79,000,004

O&M items listed in the IFMIS print-out which does not fall under mandatory or essential O&M

Note 19: The indicated Normal O&M of Ksh. 114,000,003 is less than the amount allocated for the same purposes in FY 2023/24 by Ksh. 33,403,578 because of the limited fiscal space given the other priority considerations including the huge PE increase detailed in the above sections

Table 16: Overall Allocation for FY 2024/25

COD E	DEPARTMENT	WARD PROJECTS (EDA)	CONDITIO NAL GRANTS	WARD ADJUSTME NTS	TOTAL DEVELOPM ENT	APPROVED PE FOR FY 24/25	APPROVE D NORMAL O&M FY 24/25	APPROVE D MANDAT ORY O&M FOR FY 24/25	APPROVED CONDITION AL O&M FOR FY 24/25	APPROVED RE FOR FY 24/25	GRAND TOTALS
R. 4361	COUNTY ASSEMBLY					-		701,876,015		701,876,015	701,876,015
R.43 62	OFFICE OF THE GOVERNOR	5,300,000	-	1,000,000	6,300,000	123,597,223	19,371,942	1,000,000	-	143,969,165	150,269,165
R.43 63	FINANCE AND ECONOMIC PLANNING	-	-	-	-	197,925,880	10,096,464	5,000,000	-	213,022,345	213,022,344
R.43 64	AGRICULTURE AND IRRIGATION	26,845,819	294,101,923	8,950,000	329,897,742	74,204,875	3,566,821	-	-	77,771,696	407,669,438
	LIVESTOCK AND FISHERIES	52,898,580	40,150,000	7,500,000	100,548,580	63,781,441	3,566,821	1,800,000	-	69,148,262	169,696,842
R.43 65	WATER, ENVIRONMENT AND CLIMATE CHANGE	247,451,634	-	34,100,000	246,951,634	40,358,630	4,022,185	-	-	44,380,814	291,332,448
R.43 66	EDUCATION AND TECHNICAL TRAINING	204,410,196	-	16,850,000	221,260,196	301,610,022	4,937,102	-	-	306,547,124	527,807,320

COD E	DEPARTMENT	WARD PROJECTS (EDA)	CONDITIO NAL GRANTS	WARD ADJUSTME NTS	TOTAL DEVELOPM ENT	APPROVED PE FOR FY 24/25	APPROVE D NORMAL O&M FY 24/25	APPROVE D MANDAT ORY O&M FOR FY 24/25	APPROVED CONDITION AL O&M FOR FY 24/25	APPROVED RE FOR FY 24/25	GRAND TOTALS
R.43 67	HEALTH SERVICES	225,488,729	-	9,000,000	234,488,729	1,424,310,738	7,405,653	338,790,000	35,090,234	1,805,596,625	2,040,085,354
R.43 68	LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT	23,712,891	313,419,270	8,250,000	345,382,161	43,799,081	4,401,961	8,267,851	-	56,468,893	401,851,054
R.43 69	ROADS, TRANSPORT AND PUBLIC WORKS	213,280,983	150,644,148	45,900,000	409,825,131	105,488,737	6,577,048	-	-	112,065,786	521,890,917
R.43 71	COOPERATIVES, TRADE, INDUSTRIALIZAT ION, TOURISM AND WILDLIFE	26,529,493	250,000,000	2,500,000	279,029,493	63,095,014	3,728,720	2,180,213	-	69,003,947	348,033,440
R.43 72	SPORTS, YOUTH AFFAIRS, CULTURE, CHILDREN AND SOCIAL SERVICES	68,847,890	-	3,150,000	71,997,890	41,315,105	3,521,569	-	-	44,836,674	116,834,564
R.43 73	ADMINISTRATIO N, DEVOLUTION AND ENFORCEMENT	39,281,064	-	2,800,000	42,081,064	78,800,499	2,157,824	140,000,000	37,500,000	258,458,323	300,539,387
	PUBLIC SERVICE AND CORPORATE AFFAIRS	-	-	-	-	53,968,761	2,157,824	2,660,695	-	58,787,280	58,787,280
R.43 74	COUNTY PUBLIC SERVICE BOARD	-	-	-	-	38,892,153	3,488,069	3,000,000	-	45,380,222	4,380,222

COD E	DEPARTMENT	WARD PROJECTS (EDA)	CONDITIO NAL GRANTS	WARD ADJUSTME NTS	TOTAL DEVELOPM ENT	APPROVED PE FOR FY 24/25	APPROVE D NORMAL O&M FY 24/25	APPROVE D MANDAT ORY O&M FOR FY 24/25	APPROVED CONDI TIONAL O&M FOR FY 24/25	APPROVED RE FOR FY 24/25	GRAND TOTALS
TOTAL		1,099,447,279	1,048,315,341	140,000,000	2,287,762,620	2,651,148,159	79,000,004	1,204,574,774	72,590,234	4,007,313,170	6,295,075,790

Table 17: Where the additional Equitable (CRA) share and Local Revenue were allocated to.

Revenue Source	Increase (Ksh.)	Where the additional funds went
Equitable (CRA) Share	71,502,683	5,000,000 allocated to County Assembly as addition to budget ceiling
		66,502,683 went into addressing the sharp increase in County Executive PE as detailed in Note 8 above.
Local Revenue (Non-FIF streams)	25,658,339	10,664,642 went into addressing the sharp increase in County Executive PE as detailed in Note 8 above. 14,993,697 was allocated to mandatory O&M costs including operationalization of fire engines, street lighting, revenue administration costs etc.

Table 18: 2024 CFSP Preparation Activity Timelines

No.	ACTIVITY	RESPONSIBILITY	TIMELINE	VENUE
1.	Obtaining of relevant reference documents: a) Draft Budget Policy Statement (BPS) b) January 2024 Payroll c) Latest SRC Circulars d) Relevant Cabinet/CHRAC Minutes e) Letters of staff transfers from one department to another	Director Economic Planning and Budgeting	15 th – 19 th Jan 2024	-
2.	Personal Emoluments (PE) and O&M analysis exercise for each Department	Respective COs & CPSB Secretary	22 nd – 26 th Jan	CECMs/COs'/ CPSB Offices
3.	1st joint Meeting for all CECMs, COs and CPSB for strategic resolutions regarding 2024/25 FY allocations	County Secretary & CECM FEP	30 th Jan	ICRH Hall
4.	County Human Resource Advisory Committee (CHRAC) Meeting for staff PE related discussions i.e replacements, promotions etc	County Secretary	5 th Feb	ICRH Hall
5.	Obtain Final BPS Submitted by National Treasury for the Final BPS submitted to Parliament	CEC FEP	14 th Feb	-
6.	2 nd joint meeting for CECMs, CPSB members, COs, and Directors for Zero draft presentation	County Secretary & CECM FEP	19 th Feb	ICRH Hall
7.	Public Participation Forum for 2024 CFSP	CEC FEP	22 nd Feb	Iten MTC Hall
8.	Cabinet Meeting for approval	CECM FEP	26 th Feb	Governor's boardroom
9.	Submission to County Assembly	CECM FEP	28 th Feb	

Note 20: Relevant Memos for indicated meetings and adverts in Table 18 are attached as Annex 13