COUNTY GOVERNMENT OF ELGEYO MARAKWET

THE COUNTY TREASURY

2025 COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP)

OCTOBER 2025

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FOREWORD

The 2025 County Budget Review and Outlook Paper (CBROP) for Elgeyo Marakwet is an integral part of our budget process and an essential element of good financial management. It provides a review of the County's fiscal performance for the financial year 2024/25 and outlines the implications of this performance on our medium-term fiscal framework. By doing so, the CBROP strengthens the link between policy priorities, planning, and budgeting, ensuring that resources are directed towards initiatives that deliver maximum impact for our citizens.

This document not only evaluates the county's revenue and expenditure performance but also reflects on the broader economic environment at both national and global levels. It highlights challenges and opportunities that influence our fiscal outlook, while also identifying lessons that will help improve the efficiency and effectiveness of resource allocation. In particular, it provides a framework for addressing variances between planned targets and actual performance, and for instituting corrective measures where necessary.

Looking forward, the 2025 CBROP will guide the preparation of the 2026/27 budget and provide a foundation for fiscal strategies aligned with the County Integrated Development Plan (CIDP III 2023–2027) and other development blueprints. It will also play a critical role in enhancing transparency, accountability, and fiscal discipline; values that are central to our governance.

With this CBROP, we reaffirm our commitment to prudent financial management, inclusive growth, and sustainable development. I am confident that the insights and strategies contained in this document will help steer Elgeyo Marakwet County towards greater economic resilience and improved service delivery for all our people.

ALPHAEUS K. TANUI

CECM FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENTS

The development of the 2025 County Budget Review and Outlook Paper (CBROP) has been a collaborative effort that brought together the dedication and expertise of officers from the County Treasury and other departments. Their contributions, both technical and advisory, were instrumental in ensuring the successful completion of this document.

We extend our sincere appreciation to the County Executive Committee Member (CECM) for Finance and Economic Planning for providing overall leadership, and to the Director and technical officers from the Economic Planning and Budgeting Directorate for their commitment and hard work throughout the process.

This CBROP is expected to play an important role in strengthening fiscal discipline, promoting transparency and accountability, and guiding the County in aligning resources with development priorities over the medium term.

KIPRUTO CHESOS

CHIEF OFFICER, FINANCE AND ECONOMIC PLANNING

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ABBREVIATIONS AND ACRONYMS

A/C	Account
ADP	Annual Development Plan
ASDSP	Agricultural Sector Development Support Programme
BETA	Bottom-up Economic Transformation Agenda
CAIP	County Aggregation and Industrial Park
CBROP	County Budget Review and Outlook Paper
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CG	County Government
CIDP	County Integrated Development Plan
COB	Controller of Budget
COVID-19	CoronaVirus Disease- 2019
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
DANIDA	Danish International Development Agency
EDA	Equitable Development Act
ELRP	Emergency Locust Recovery Program
FIF	Facility Improvement Fund
FLoCCA	Financing Locally-Led Climate Change Action
FY	Financial Year
GDP	Gross Domestic product
IBEC	Intergovernmental Budget and Economic Council
ICT	Information and Communication Technology
KDSP	Kenya Devolution Support Programme
KISP	Kenya Informal Settlement Program
Kshs	Kenya Shillings
KUSP	Kenya Urban Support Programme
MTEF	Medium-Term Expenditure Framework
MTFF	Medium-Term Fiscal Framework
OSR	Own Source Revenue
PBB	Programme Based Budget
PFMA	Public Financial Management Act
POS	Point of Sale
PPP	Public Private Partnership
RLMF	Road Levy Maintenance Fund
SDGs	Sustainable Development Goals
SRC	Salaries and Remunerations Commission
UK	United Kingdom
USA	United States of America
WECOS	Wealth Creation and Optimization Strategy

CHAPTER ONE
INTRODUCTION

1.1 Background

This is the 12th County Budget Review and Outlook Paper (CBROP) prepared by the County Government of Elgeyo Marakwet in line with the provisions of Section 118 of the Public Finance Management (PFM) Act, 2012. The 2025 CBROP reviews the fiscal performance of the financial year 2024/2025, incorporates the updated macroeconomic forecast, and takes into account the experiences and lessons drawn from the implementation of the budget estimates for the financial year 2024/2025.

1.2 Legal Framework for the Publication of the County Budget Review and Outlook Paper

The County Budget Review and Outlook Paper is prepared in accordance with Section 118 of the Public Financial Management Act, 2012. The law provides that:

1. The County Treasury shall;
    a. Prepare a County Budget Review and Outlook Paper in respect of the County for each of the financial year and
    b. Submit the paper to the County Executive Committee by 30th September of that year.
2. The County Budget Review and Outlook Paper shall include:
    a. Actual fiscal performance in the previous year compared to the budget appropriation for that year;
    b. The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
    c. Information on –
        i. any changes in the forecasts compared with the County Fiscal Strategy Paper; and
        ii. how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year;

d. Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

3. The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.
4. Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall—
   a. Arrange for the Paper to be laid before the County Assembly; and

   b. As soon as practicable after having done so, publish and publicize the Paper.

1.3 Fiscal Responsibility Principles in the Public Financial Management Law

In line with the constitution, the Public Financial Management Act, 2012 sets out the fiscal responsibility principles to ensure prudency and transparency in the management of public resources. The PFM law under Section 107 (b) states that:

1. The County government’s expenditure shall not exceed its total revenue.

2. Over the medium term a minimum of 30% of the county government ‘s budget shall be allocated to development expenditure.

3. The county government's expenditure on wages and benefits to employees shall not exceed 35 percent of the total revenue by regulations.

4. Over the medium term, the government’s borrowings shall be used only for the purpose of financing development expenditure; and short-term borrowings shall only be restricted to management of cash flows and shall not exceed five (5%) of most recent audited county government revenue.

5. The County debt shall be maintained at a sustainable level as approved by the County assembly.

6. Fiscal Risks shall be managed prudently.

7. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in future.

As will be shown in the subsequent chapters of this document, the county government has laid strategies to comply with these principles and legal requirements.

1.4 Objectives of 2024 County Budget Review and Outlook Paper

The objective of the 2025 CBROP is to provide a review of the fiscal performance for the financial year 2024/2025 and assess how this performance affects the financial objectives and fiscal responsibility principles outlined in the 2024 County Fiscal Strategy Paper (CFSP). Together with the updated macroeconomic outlook, the CBROP will form the basis for revising the current budget in the context of any supplementary estimates and in setting the broad fiscal parameters underpinning the next budget and the medium term.

The Public Finance Management Act (PFMA), 2012, provides the legal framework and standards for compliance within the Medium-Term Expenditure Framework (MTEF) budgeting process. In this regard, the 2025 CBROP will provide indicative sector ceilings to guide the preparation of the FY 2026/2027 budget and the medium-term framework. These ceilings are informed by the overall resource envelope and medium-term macro-fiscal projections as presented in Chapter Three and Chapter Four of this document.

Further, the 2025 CBROP will serve as the foundation for the development of the 2026 County Fiscal Strategy Paper (CFSP), including the prioritization of programmes and projects for implementation over the medium term, as outlined in the Third County Integrated Development Plan (CIDP III 2023–2027). The CBROP will therefore play a critical role in linking policy, planning, and budgeting to ensure efficient resource allocation and alignment with county development priorities.

The document is organized in five chapters as follows: Chapter One presents the background information, legal framework, fiscal responsibility principles, and objectives of the CBROP; Chapter Two reviews the fiscal performance for FY 2024/25 and its implications on the financial objectives of the 2025

CFSP; Chapter Three highlights recent economic developments and the macroeconomic outlook; Chapter Four provides the proposed resource allocation framework, including indicative sector ceilings; while Chapter Five presents the conclusion.

CHAPTER TWO

2. REVIEW OF FISCAL PERFORMANCE IN FY 2024/25

2.1 Overview

The 2025 CBROP aligns with the county's priorities and challenges, guided by the CIDP 2023-2027, County Government policies, and priorities from public consultative forums, as reflected in the Annual Development Plan and the FY 2024/2025 Programme Based Budget.

2.2 Overview of Fiscal Performance in FY 2024/25

During the period under review, the county government had a total budget of Kshs.7,899,869,159 which comprised Kshs.4,752,778,430 as recurrent budget and Kshs.3,147,090,729 as development budget.

2.3 Revenue Performance

2.3.1 Internal Revenue

During the period under review, the county government collected a total of Kshs.370,933,238 against a target of Kshs. 357,429,871 translating to 103.78% performance. There was an overcollection of Kshs. 13,508,367. This performance is attributed to rolling out of an integrated revenue management system, enhanced compliance and enforcement and widening of revenue base. Centralization of collection of forest produce cess at the County Conservator of forest's office saw an increase in its collection. Table 2 presents the breakdown of internal revenue realized during the financial year 2024/2025.

Table 2: Internal Revenue Breakdown FY 2024/25

Revenue Sources	Approved Estimates (Net) (Kshs.) A	Actual (Net) (Kshs.) B	Variance (Kshs.) C=B-A	Percent of Total (%)
Cess	28,700,000	21,931,823	6,768,117	76.4%
Land Rate	3,200,000	545,019	2,654,981	17.03%
Single Business Permits	25,800,000	20,590,117	5,209,883	79.8%
Property Rent	5,000,000	4,225,552	774,448	84.5%
Parking Fees	7,750,000	4,517,719	3,232,281	58.3%
Market Fees	5,750,000	6,777,596	(1,027,596)	117.9%
Advertising	7,300,000	5,358,730	1,941,270	73.4%
Hospital Fees	245,000,000	288,021,595	(43,021,595)	117.6%
Public Health Service Fees	5,000,000	3,439,561	1,560,439	68.8%
Physical Planning and Development	4,419,999	2,468,250	1,951,749	55.9%
Hire of County Assets	550,000	353,000	197,000	64.2%
Conservancy Administration	3,800,000	1,382,400	2,417,600	36.4%
Administration Control Fees and charges	456,614	169,900	286,714	37.2%
Park Fees	2,000,000	263,550	1,736,450	13.2%
Other Fines, Penalties and forfeiture Fees	2,200,000	635,316	1,564,684	28.9%
Hide and Skin	100,000	700	99,300	0.7%
Miscellaneous Receipts Not classified elsewhere	10,403,258	10,252,410	250,148	98.6%
TOTAL	**357,429,871**	**370,933,238**	**13,503,367**	**103.8%**

Source: *County Treasury*

2.3.2 External Revenue

For the period under review, the county was allocated an equitable share amounting to Kshs.4,826,732,019 from the national government. Table 3 shows external revenue breakdown from the national government and donors.

Table 3: External Revenue Performance Report FY 2023/24

REVENUE SOURCE	2024/25 FY Approved 1st Supplementary(Kshs.)	Actual Disbursement (Kshs.)	Variance (Kshs.)	% Disbursement
CRA Share	4,826,732,019	4,826,732,152	-133	100
Balance b/d	1,154,737,550	1,154,737,550	-	100

REVENUE SOURCE	2024/25 FY Approved 1st Supplementary(Kshs.)	Actual Disbursement (Kshs.)	Variance (Kshs.)	% Disbursement
Conditional Allocation	-		-	-
DANIDA	5,947,500	5,947,500	-	**100.00**
Kenya climate Smart Agriculture program	10,918,919	-	10,918,919	**-**
Kenya Livestock commercialization project	40,150,000	39,998,624	151,376	**99.62**
Emergency Locust Response project	121,025,000	-	121,025,000	**-**
Food Systems Resilience Project (FSRP)	173,076,923	70,127,132	102,949,791	**40.52**
Financing Locally Led Climate Action Program (FLoCCA)	180,000,000	10,293,610	169,706,390	**5.72**
Kenya Urban Support Programme (KUSP)-UDG	18,278,289	8,942,278	9,336,011	48.92
Nutrition International (NI)	477,400	-	477,400	**-**
Kenya Informal Settlement ImprovementProgram II	261,751,540	260,000,000	1,751,540	**99.33**
IFAD-Kenya Informal Settlement Improvement (KISIP II)	239,000,000		239,000,000	**-**
County Aggregated Industrial Park(CAIP)	250,000,000	-	250,000,000	**-**
Kenya Urban Support Programme	35,000,000	32,309,300	2,690,700	**92.31**
KDSP-II	37,500,000	-	37,500,000	**-**
Community Health Promoters	37,200,000	-	37,200,000	-
RMLF	150,644,148	52,755,391	97,888,757	35.02
Totals	**1,560,969,719**	**480,373,835**	**1,080,595,884**	**30.77**

Source: County Treasury

2.4 Expenditure Performance

The total expenditure for the period under review amounted to Kshs.**5,728,454,599** against an approved supplementary budget of Kshs.**7,899,869,159** representing an underspending of Kshs.**2,171,414,560** which translates to under absorption of **27.49%.** The under absorption is largely attributed to undisbursed external funds which had been budgeted for, consisting mainly of conditional grants. When the actual disbursed figures are compared with aggregate expenditure, under-absorption reduces from **27.49%** in Table 3a to **16%** in Table 3b hereunder respectively.

Table 3a: Aggregate Expenditure

DEPARTMENT	Approved Supp. Recurrent (Kshs.)	Development (Kshs.)	Total Budget (Kshs.)	Total Actual Expenditure (Kshs.)	Balance (Kshs.)	% on Total Expenditure
County Assembly	642,494,863	-	642,494,863	619,899,693	22,595,170	96.5
Office of Governor	156,433,728	-	156,433,728	153,322,687	3,111,041	98.0
Ministry of Finance and Economic Planning	262,703,653	-	262,703,653	258,183,966	4,519,687	98.3
Ministry of Agriculture, Livestock and Fisheries	242,711,641	441,686,606	684,398,247	415,932,771	268,465,476	60.8
Ministry of Environment, Water and Natural Resources	60,491,463	672,593,415	733,084,878	464,089,786	268,995,092	63.3
Ministry of Education, Science and Technology	454,995,476	124,825,490	579,820,966	527,336,287	52,484,679	90.9
Ministry of Health	2,050,387,845	275,161,899	2,325,549,744	2,119,476,675	206,073,069	91.1
Ministry of Lands, Housing and Physical Planning	61,157,840	659,613,707	720,771,547	172,861,525	547,910,022	24.0
Ministry of Roads, Public Works and Transport	222,512,048	401,373,805	623,885,853	443,377,794	180,508,059	71.1
Ministry of Trade, Tourism, Co-operative Development and Energy	83,678,021	524,048,680	607,726,701	103,714,276	504,012,425	17.1
Ministry of Youth, Sports, Culture and	109,027,197	36,354,000	145,381,197	122,930,058	22,451,139	84.6

DEPARTMENT	Approved Supp. Recurrent (Kshs.)	Development (Kshs.)	Total Budget (Kshs.)	Total Actual Expenditure (Kshs.)	Balance (Kshs.)	% on Total Expenditure
Gender						
ICT and Public Service	360,804,433	11,433,127	372,237,560	282,493,322	89,744,238	75.9
Public Service Board	45,380,222	-	45,380,222	44,835,759	544,463	98.8
Totals	**4,752,778,430**	**3,147,090,729**	**7,899,869,159**	**5,728,454,599**	**2,171,414,560**	**72.5**

Source: County Treasury

Table 3b: Analysis of aggregate expenditure vs actual disbursed funds

DEPARTMENT	Approved Supp. Recurrent (Kshs.)	Development (Kshs.)	Total Budget (Kshs.)	Undisbursed Funds (Kshs.)	Total Budget Less Undisbursed (Kshs.)	Total Actual Expenditure	Balance	% on Total Expenditure
County Assembly	642,494,863	-	642,494,863	-	642,494,863	619,899,693	22,595,170	96.48
Office of Governor	156,433,728	-	156,433,728	-	156,433,728	153,322,687	3,111,041	98.01
Ministry of Finance and Economic Planning	262,703,653	-	262,703,653	-	262,703,653	258,183,966	4,519,687	98.28
Ministry of Agriculture, Livestock and Fisheries	242,711,641	441,686,606	684,398,247	235,045,086	449,353,161	415,932,771	33,420,390	92.56
Ministry of Environment, Water and Natural Resources	60,491,463	672,593,415	733,084,878	169,706,390	563,378,488	464,089,786	99,288,702	82.38
Ministry of Education, Science and Technology	454,995,476	124,825,490	579,820,966	-	579,820,966	527,336,287	52,484,679	90.95
Ministry of Health	2,050,387,845	275,161,899	2,325,549,744	37,677,400	2,287,872,344	2,119,476,675	168,395,669	92.64
Ministry of Lands, Housing and Physical Planning	61,157,840	659,613,707	720,771,547	251,778,251	468,993,296	172,861,525	296,131,771	36.86

DEPARTMENT	Approved Supp. Recurrent (Kshs.)	Development (Kshs.)	Total Budget (Kshs.)	Undisbursed Funds (Kshs.)	Total Budget Less Undisbursed (Kshs.)	Total Actual Expenditure	Balance	% on Total Expenditure
Ministry of Roads, Public Works and Transport	222,512,048	401,373,805	623,885,853	97,888,757	525,997,096	443,377,794	82,619,302	84.29
Ministry of Trade, Tourism, Co-operative Development and Energy	83,678,021	524,048,680	607,726,701	250,000,000	357,726,701	103,714,276	254,012,425	28.99
Ministry of Youth, Sports, Culture and Gender	109,027,197	36,354,000	145,381,197	-	145,381,197	122,930,058	22,451,139	84.56
ICT and Public Service	360,804,433	11,433,127	372,237,560	37,500,000	334,737,560	282,493,322	52,244,238	84.39
Public Service Board	45,380,222	-	45,380,222	-	45,380,222	44,835,759	544,463	98.80
Totals	**4,752,778,430**	**3,147,090,729**	**7,899,869,159**	**1,079,595,884**	**6,820,273,275**	**5,728,454,599**	**1,091,818,676**	**84**

2.4.1 Recurrent Expenditure Absorption Rates

Total Recurrent Expenditure amounted to Kshs.4,506,331,494 against an approved budget of Kshs. 4,752,778,430**.** This represents an absorption rate of 95.57 percent. The table below shows the analysis of the recurrent expenditure

Table 4: Analysis of the Recurrent Expenditure

DEPARTMENT	Approved Supp. Budget Development	Undisbursed Funds	Total Budget Less Undisbursed	Total Development Expenditure	Balance	% on Total Expenditure	% on Total Expenditure (Less Undisbursed Funds)
County Assembly	642,494,863		642,494,863	619,899,693	22,595,170	96.48	96.48
Office of Governor	156,433,728		156,433,728	153,322,687	3,111,041	98.01	98.01
Ministry of Finance and Economic Planning	262,703,653		262,703,653	258,183,966	4,519,687	98.23	98.28
Ministry of Agriculture, Livestock and Fisheries	242,711,641		242,711,641	226,835,130	15,876,511	93.46	93.46

DEPARTMENT	Approved Supp. Budget Development	Undisbursed Funds	Total Budget Less Undisbursed	Total Development Expenditure	Balance	% on Total Expenditure	% on Total Expenditure (Less Undisbursed Funds)
Ministry of Environment, Water and Natural Resources	60,491,463		60,491,463	59,920,597	570,866	99.06	99.06
Ministry of Education, Science and Technology	454,995,476		454,995,476	446,656,797	8,338,679	98.18	98.17
Ministry of Health	2,050,387,845		2,050,387,845	1,951,722,668	98,665,177	95.19	95.19
Ministry of Lands, Housing and Physical Planning	61,157,840		61,157,840	60,732,178	425,662	99.30	99.30
Ministry of Roads, Public Works and Transport	222,512,048		222,512,048	218,084,302	4,427,746	98.01	98.01
Ministry of Trade, Tourism, Co-operative Development and Energy	83,678,021		83,678,021	80,729,805	2,948,216	96.48	96.48
Ministry of Youth, Sports, Culture and Gender	109,027,197		109,027,197	103,047,590	5,979,607	94.52	94.52
ICT and Public Service	360,804,433	37,500,000	323,304,433	282,360,322	78,444,111	78.23	87.34
Public Service Board	45,380,222		45,380,222	44,835,759	544,463	98.8	98.80
Totals	**4,752,778,430**	**37,500,000**	**4,715,278,430**	**4,506,331,494**	**246,446,936**	**94.81**	**95.57**

Source: County Treasury

Kindly note that the absorption of ICT and Public service was affected by the undisbursed KDSP funds which when excluded increases its absorption from 78% to 87%.

2.4.2 Development Expenditure Absorption Rates

Total cumulative development expenditure for the period under review amounted to Kshs.**1,222,123,105** against an approved supplementary budget of **Kshs. 3,147,090,729.** This reflects an absorption rate of **38.83%**. This absorption has been distorted by the undisbursed conditional allocations amounting to Kshs. **1,042,095,884** resulting in an underrepresentation by 19.2%. Table 6 shows the breakdown of Development expenditure by departments and absorption as a percentage of total expenditure and as a percentage of total expenditure excluding undisbursed funds.

Table 5: Development Expenditures

DEPARTMENT	Approved Supp. Budget Development	Undisbursed Funds	Total Budget Less Undisbursed	Total Development Expenditure	Balance	% on Total Expenditure	% on Total Expenditure (Less Undisbursed Funds)
County Assembly	-		-	-	-	-	-
Office of Governor	-		-	-	-	-	-
Ministry of Finance and Economic Planning	-		-	-	-	-	-
Ministry of Agriculture, Livestock and Fisheries	441,686,606	235,045,086	206,641,520	189,097,641	252,588,965	42.81	91.51
Ministry of Environment, Water and Natural Resources	672,593,415	169,706,390	502,887,025	404,169,189	268,424,226	60.09	80.37
Ministry of Education, Science and Technology	124,825,490		124,825,490	80,679,490	44,146,000	64.63	64.63
Ministry of Health	275,161,899	37,677,400	237,484,499	167,754,007	107,407,892	60.97	70.64
Ministry of Lands, Housing and Physical Planning	659,613,707	251,778,251	407,835,456	112,129,347	547,484,360	17.00	27.49
Ministry of Roads, Public Works and Transport	401,373,805	97,888,757	303,485,048	225,293,492	176,080,313	56.13	74.24
Ministry of Trade, Tourism, Co-operative Development and Energy	524,048,680	250,000,000	274,048,680	22,984,471	501,064,209	4.39	8.39

DEPARTMENT	Approved Supp. Budget Development	Undisbursed Funds	Total Budget Less Undisbursed	Total Development Expenditure	Balance	% on Total Expenditure	% on Total Expenditure (Less Undisbursed Funds)
Ministry of Youth, Sports, Culture and Gender	36,354,000		36,354,000	19,882,468	16,471,532	54.69	54.69
ICT and Public Service	11,433,127		11,433,127	133,000	11,300,127	1.16	1.16
Public Service Board	-		-		-		
Totals	**3,147,090,729**	**1,042,095,884**	**2,104,994,845**	**1,222,123,105**	**1,924,967,624**	**38.83**	**58.06**

Source: County Treasury

2024/2025 Financing and Balance

The analysis in Table 6 shows that Kshs.1,924,967,624 for development was not absorbed in the financial year 2024/2025. This translates to 61.17% of the total capital allocation.

2.5 Implication of FY 2024/25 Fiscal Performance on Fiscal Responsibility Principles and Financial Objectives Contained in the 2025/26 County Fiscal Strategy Paper

2.5.1 Implications on the financial objectives

The performance in the FY 2024/25 affected the financial objectives set out in the 2025 County Fiscal Strategy Paper and the Budget for FY 2025/26. Revenue projections and expenditure needed some slight adjustments to reduce the chances of generating pending bills at the end of the period.

During the period under review, the County Government had planned to collect revenue amounting to Kshs.357,429,871 . At the close of the financial year, the county had collected Kshs.370,933,238 translating to 103.78% performance. Despite the overall positive performance in revenue collection, the over performance was attributed to the FIF streams with the other OSR dreams having a shortfall of Kshs. 28,057,029 from a target of Kshs. 107,429,871.

2.5.2 Implication on Fiscal Responsibility Principles

The FY 2024/2025 fiscal performance highlights that the County Government will maintain revenue enhancement efforts and ensure at least 30% of expenditures are development-focused. Employee compensation exceeded the 35% budget limit, prompting staff rationalization programs that have reduced compensation costs by 3%.

2.5.3 Management of Fiscal Risks

In FY 2024/25, Elgeyo Marakwet County has identified several fiscal risks that may affect budget implementation and service delivery. These include:

High Wage Bill against County Revenue Base

The County's wage budgeted wage bill for the year under review was Kshs. 3,157,303,254 with expenditure on the same being Kshs. 2,900,000,000. The wage bill stood at 39.97 per cent which is above the requisite not more than 35% of the total county revenues, exerting pressure on the equitable share and limits fiscal space for development expenditure. In addition, underperformance of Own Source Revenue (OSR) has aggravated the accumulation of pending bills, particularly in recurrent obligations.

To mitigate the above risk, the county has instituted a freeze of new recruitment of staff safe for key competency cadres at their entry points, staff audits and rationalization processes and enhancement of resource mobilization through integrated revenue management systems.

Settlement of Pending Bills

As of 30 June 2024, the County's pending bills was Kshs.103.64 million. The pending bills consisted of Kshs.92.86 million for recurrent expenditures and Kshs.10.78 million for development expenditures.

During the year under review, pending bills amounting to Kshs.101.44 million, comprising Kshs.92.86 million (91.5 per cent) for recurrent programmes and Kshs.8.58 million (8.5 per cent) for development programmes were settled.

The reduction of stock of pending bills was attributed to the county adopting and implementation of the Pending Bills Action Plan as rolled out by the Intergovernmental Budget and Economic Council (IBEC) ***Table: County's List of Pending Bills for 2024-2025 FY***

	Pending Bills as of 1st July 2024 (Kshs.)	Settled Pending Bills in FY 2024/25 (Kshs.)	Pending bills incurred in FY 2024/25 (Kshs.)	Outstanding pending bills as of 30 June 2025 (Kshs.)
Recurrent	92,857,123	92,857,123	3,076,122	3,076,122
Development	10,779,484	8,585,135	6,874,261	9,068,610
Total	**103,636,607**	**101,442,258**	**9,950,383**	**12,144,732**

Source: County Treasury

CHAPTER THREE:

3 RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

3.1 Macroeconomic Outlook

In the past three years, Kenya's economy has demonstrated remarkable resilience. It has consistently grown at a pace that outperforms both the global and regional averages. The economy has been able to withstand adverse impacts of domestic and external shocks. In 2024, the economy grew by 4.7 percent supported by positive growths in all sub-sectors except construction, mining and quarrying. Further, in the first quarter of 2025, the economy remained strong with a growth of 4.9 percent, the growth being primarily underpinned by strong performance in the agriculture sector, a recovery of the industry sector, and the resilience of the services sector. All economic sectors recorded positive growth rates in the first quarter of 2025, with varied magnitudes across activities.

Leading indicators of economic activity in the second and third quarters of 2025 point to improved performance. This performance will be driven by strong performance in agriculture, supported by favourable weather and increased access to subsidized inputs, alongside easing monetary policy aimed at boosting private sector credit. Key service sub-sectors such as tourism, Information Communication and Technology (ICT), and finance are anticipated to contribute significantly, with rebounding and digital economy initiatives gaining momentum. Construction is expected to have a strong growth boosted by increased activities in major public works due to repayments of pending bills. This is evident by the increase in consumption of cement, ballast and sand in the second quarter of 2025. Additionally, the ongoing works in affordable housing continue to attract investment and create jobs.

Overall year-on-year inflation declined and has remained below the midpoint of the policy target range of 5.0 ± 2.5 percent since June 2024. The year-on-year inflation was stable at 4.5 percent in August 2025 compared to 4.4 percent in August 2024. The stable inflation has been supported by: abundant supply of food attributed to favorable weather conditions coupled with government interventions; lower fuel inflation attributed to the stability of the exchange rate; lower international oil prices; and the decline in non-core inflation reflecting impact of previous monetary policy tightening. Core inflation increased to 3.0 percent in August 2025 from 2.2 percent in August 2024, largely driven by higher prices of processed food items. Core inflation is compiled from non-volatile commodities such as manufactured food items, health services, education services and ICT. Non-core inflation decreased to 9.2 percent in August 2025 from 10 percent in August 2024, mainly on account of relatively lower energy prices. Non-core Consumer Price Index (CPI) component is largely composed of fresh vegetable farm produce; energy items and select transport components, which are predominantly driven by volatility in global energy prices and domestic weather conditions.

As regards interest rates, the Central Bank of Kenya has gradually eased monetary policy by lowering the Central Bank Rate (CBR) from 13.0 percent in August 2024 to 9.5 percent in August 2025. This is meant to augment the previous policy actions aimed at stimulating lending by banks to the private sector and supporting economic activities. It also seeks to ensure that inflationary expectations remain firmly anchored and the exchange rate remains stable. In addition, the Cash Reserve Ratio (CRR) was reduced to 3.25 percent in February 2025 from 4.25 percent, to complement the lowering of the CBR and support lending to the private sector.

The short term interest rates have declined in line with the easing of the monetary policy. The interbank rate declined to 9.5 percent in August 2025 compared to 13.0 percent in August 2024 and has remained within the prescribed corridor around the CBR (set at CBR ±75 basis points). The 91 -day Treasury Bills rate declined to 8.0 percent in August 2025 from 15.9 percent in August 2024. The 182-day Treasury Bills rate declined to 8.1 percent in August 2025 from 163 percent in August 2024 while the 364-day Treasury Bills also declined to 9.6 percent from 16.9 percent over the same period. The decrease in government domestic borrowing rates has led to lower debt servicing costs.

Concerning external sector developments, the current account deficit was USD 2,098.2 million (1.5 percent of GDP) in June 2025 compared to USD 1,925.6 million (1.5 percent of GDP) in June 2024. The current account balance was supported by resilient goods exports, an improvement in net receipts on the services account, net primary income and net secondary income balance. The current account deficit in the 12 months to June 2025 was more than fully financed by financial account inflows, resulting in an overall balance of payments surplus of USD 2,832 million. Net Secondary income remained resilient and increased by USD 43 1.7 million during the review period owing to an increase in remittances. Diaspora remittances increased by 12.1 percent to USD 5,084.0 million in the 1 2 months to June 2025 compared to USD 4,536.0 million in a similar period in 2024. The remittances increased foreign exchange inflows, with some going to investment while others supported household consumption.

3.2 Medium Term Fiscal Framework

3.2.1 Global Growth Outlook

Global economic growth is projected to pick up slightly to 3.1 percent in 2026 compared to 3.0 percent in 2025. This reflects the positive impact of easing monetary policy as inflationary pressures subside, stronger domestic demand in emerging markets and developing economies, and a gradual recovery in global trade. This modest improvement is expected to offset the effects of a slowdown in advanced economies, where tighter financial conditions and demographic headwinds continue to weigh on growth. Overall, the outlook suggests a cautiously optimistic rebound, though risks from geopolitical tensions, debt vulnerabilities, and climate-related shocks remain significant.

Table 6: Global Economic Performance

	Growth (%)			
	Actual		Projections	
Economy	2023	2024	2025	2026
World	3.5	3.3	3.0	3.1
Advanced Economies	1.8	1.8	1.5	1.6
Of which: USA	*2.9*	*2.8*	*1.9*	*2.0*
Euro Area	*0.5*	*0.9*	*1.0*	*1.2*
Japan	*1.4*	*0.2*	*0.7*	*0.5*
Emerging and Developing Economies	4.7	4.3	4.1	4.0
Of which: China	*5.4*	*5.0*	*4.8*	*4.2*
India	*9.2*	*6.5*	*6.4*	*6.4*
Sub-Saharan Africa	3.6	4.0	4.0	4.3
Of which: South Africa	0.8	0.5	1.0	1.3
Nigeria	2.9	3.4	3.4	3.2

Source: IMF World Economic Outlook, July 2025

In advanced economies, growth will remain modest at 1.5 percent in 2025 and 1.6 percent in 2026. Growth in the USA is projected to expand by 1 .9 percent in 2025 and 2.0 percent in 2026, supported by resilient consumption and an expected easing financial conditions, while the Euro Area is forecast to grow by 1.0 percent in 2025 and 1.2 percent in reflecting gains from lower inflation and improving real incomes but constrained by structural and geopolitical challenges.

Emerging Market and Developing Economies are projected to grow moderately at 4.1 percent in 2025 and 4.0 percent in 2026. This growth is supported by stronger performance in South Asia and Sub-Saharan Africa, steady growth in Middle East and CentraJ Asia, but slower momentum in China and Latin America. At the regional level, Sub-Saharan Africa is projected to grow steadily at 4.0 percent in 2025 and improve to 4.3 percent in 2026, reflecting gradual recovery across the region. The growth is supported by robust growth in non-resource-rich countries, increased private consumption, improving investments, and a decline in inflation. However, the outlook remains constrained by high debt levels, climate vulnerabilities, external risks from global trade tensions, commodity price fluctuations, and structural constraints.

3.2.2 Domestic Growth Outlook

Kenya's economic performance is projected to pick up in 2025 and 2026, with real GDP growth projected at around 5.3 percent. On the supply side, growth will be driven by resilient agriculture, steady services, and gradual improvement in industry. The agriculture sector will be driven by favourable weather conditions and productivity-enhancing government interventions. Linkages with other sub-sectors will boost the agro-processing industries, merchandise exports, as well as households' incomes.

The industrial sector is projected to pick up in the medium term due to the reduced cost of production and stable exchange rate. Notably, the construction sub-sector is expected to recover following the settlement of verified pending bills, which will facilitate the resumption of stalled projects, improve liquidity for contractors, and stimulate growth in associated sectors including manufacturing and materials supply. Kenya's fast-growing services, including the financial sector and ICT, are projected to maintain momentum. Ongoing efforts by the government to promote eco-friendly tourism practices, expand community-based tourism, and invest in port facilities to promote cruise tourism, are expected to drive the growth of the hospitality sector in the medium term.

On the demand side, private consumption and investment are projected to maintain a steady pace supported by a conducive macroeconomic environment. Prudent monetary policy and lower inflation will support disposable incomes of households and firms. Moreover, remittance inflows to Kenya are projected to remain resilient and provide further support.

Growth of public consumption is projected to remain subdued, in line with the planned fiscal adjustment in the medium term. As a percentage of GDP recurrent expenditure is projected to decline, while development expenditure is projected to gradually pick up. The Government also plans to mobilize funds for planned major infrastructural projects through PPPs and will enhance liquidity to the private sector by clearing pending bills particularly the approved payments related to the roads sector. The settlement of the road sector pending bills will be facilitated through a bond issued by the Kenya Roads Board.

3.3 Fiscal Risks to the Outlook

There are several downside risks to Kenya's macroeconomic outlook, and could hinder growth and macroeconomic stability. Domestic risks relate to extreme weather events which could pose a serious threat to agricultural performance. Disruptions in food production due to droughts and floods could lead to higher food prices, exacerbating inflation, and straining household incomes. Additionally, climate-related damage to infrastructure could disrupt economic activities and increase government expenditure on disaster response and reconstruction.

Externally, the rise in costs of fuel and food imports could put upward pressure on inflation, eroding household purchasing power and increasing the cost of doing business. Additionally, uncertainty regarding trade policies and tariffs may hinder economic activities, along with increased financial market volatility and tighter financial conditions.

Elgeyo Marakwet county, especially along the Kerio Valley, faces ongoing security challenges due to frequent attacks by bandits. The county also is vulnerable to natural disasters such as landslides, flooding, and drought, which threaten lives, property, food security, utilities, transportation networks, and public health. These events will demand substantial financial resources, further increasing the fiscal risk to the county government.

However, there are potential upside scenarios. Accelerated implementation of structural reforms under BETA and the Fourth Medium-Term Plan, including further improvements in public financial management; expenditure efficiency, and governance, could enhance investor confidence and spur economic activities.

A favourable global economic environment, marked by stable commodity prices, fall in oil prices, and strong external demand, could also support higher-than-expected growth, improving Kenya's overall economic resilience.

CHAPTER FOUR

4 RESOURCE ALLOCATION FRAMEWORK

4.1. Adjustment to 2023/24 Budget

A supplementary budget was prepared for the 2024/25 fiscal year to achieve several key objectives: to incorporate roll-over, outstanding commitments and pending bills from the previous year, incorporate conditional grants from development partners that were disbursed after the 2023/24 fiscal year had closed, and reallocate funds to projects identified by Ward Development Committees (WDC) while also accounting for additional revenue from local sources. This makes the supplementary budget a crucial tool for financial flexibility, ensuring the county's fiscal plan remains current with new funding, outstanding obligations, and changing local needs.

Medium-Term Expenditure Framework

The FY 2024/25 budget framework for the county government is a strategic plan to boost the local economy and improve financial management. It centers on the Wealth Creation and Optimization Strategy (WECOS) to stimulate growth and a structured Public Financial Management (PFM) approach to ensure fiscal discipline.

To secure the progress already made, the county will prioritize two key policy measures:

- **Automation:** Modernizing systems will help streamline operations, increase efficiency, and enhance revenue collection, which is a critical part of the PFM framework.
- **Fast-tracking project completion:** Accelerating the finish of ongoing projects will deliver services and infrastructure to the public faster, directly supporting the WECOS by creating economic opportunities and improving livelihoods of residents.

By focusing on these measures, the county government aims to build on its foundation of economic growth while ensuring resources are managed transparently and effectively.

4.2. Resource Allocation Framework

4.2.1. Implementation of the FY 2025/26 Budget

The implementation of the FY 2025/26 budget has commenced positively, with first-quarter performance showing encouraging progress toward meeting own-source revenue targets. This achievement is supported by ongoing reforms in compliance enforcement, automation and digitization of revenue collection systems, and deliberate strategies to expand the county's revenue base. These measures have not only improved efficiency but also enhanced transparency and accountability in revenue administration.

The Medium-Term Fiscal Framework (MTFF) for FY 2025/26 emphasizes the need for prudent fiscal management, efficiency in the use of public resources, and effective allocation of funds to stimulate and sustain economic activities. In line with this, the County Government of Elgeyo Marakwet is channeling more resources to high-impact development projects, and strengthened monitoring and evaluation systems to ensure value for money.

4.2.2. Medium Term Expenditure Framework.

Over the medium term, the county will prioritize operating within a balanced budget framework to ensure the achievement of its financial and economic goals, while focusing on advancing its key priorities. The government's fiscal policy will strategically allocate resources to high-impact areas such as Infrastructure, Agriculture, Health, Water, and Education, while promoting sustainable resource use to support long-term growth and development.

Allocation and utilization of resources in the medium term will be guided by priorities outlined in the County Integrated Development Plan (CIDP) and other County plans and in accordance with section 107 of the PFM Act 2012. For effective utilization of public finances for enhanced expenditure productivity, the County Government will prioritize expenditures within the overall sector ceilings and strategic sector priorities. The County Government unveils its ambitious Wealth Creation and Optimization strategy, charting a course towards a prosperous future built on 3 pillars of agricultural transformation, enhanced trade and market access, and robust collective community actions.

In addition, County Government in partnership with the national government will work on the construction of County Aggregation and Industrial Park whose main objective is to grow manufacturing and investments through Agro-Industries and enhance productivity of agriculture sector in a sustainable manner hence creating inclusive decent jobs, increase farmers' income; Increase foreign exchange, provide platform where farmers, processors, exporters, research institutions, industrial bodies and Government can engage for agro-industrial development.

Allocation of these resources should ensure the following: Completion of on-going and stalled programmes/projects, Linkage of the Programme/sub-programmes with Kenya Vision 2030, MTP IV, the Government's Bottom-up Economic Transformation Agenda (BETA), CIDP 2023-27, SDGs and other international commitments; the extent to which the programme is addressing core poverty alleviation interventions, job and wealth creation; Level to which the Programme is addressing the core mandate of the department Prioritize alternative applications of public funds by applying the principle of marginal utility using measures of cost effectiveness. Provision of counterpart funding for donor funded projects. Cost effectiveness, efficiency and sustainability of the Programme/projects within the MTEF period. Linkage with other programmes to be implemented in the County.

4.2.3. Financial Year 2025/26 Budget Framework

The 2025/26-2027/28 MTEF builds up on the National Government's efforts to stimulate and sustain the Bottom Up Transformation Agenda (BETA). This framework is strategically aligned to support economic recovery, address persistent risks, elevated inflation, food insecurity, climate change effects and strengthen resilience in line with key national and regional development priorities. This will be achieved through implementation of the programmes aimed at economic recovery, priorities in the MTP V of the Kenya Vision 2030 and the priorities in the CIDP 2023-2027.

The County Government will continue with its policy of expenditure prioritization with a view to achieving the aspirations of the Wealth Creation and Optimization Strategy (WECOS), which is anchored on wealth creation through agricultural value chains, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies, creation of employment opportunities and improving the general welfare of the people. Realization of these objectives will have implications in the budget ceilings provided in this County Budget Review and Outlook Paper. The following criteria will serve as a guide for allocating resources:

(i) Linkage of Programmes to the BETA;
(ii) Linkage of Programmes to the wealth creation strategy;
(iii) Degree to which a programme addresses job creation and poverty reduction;
(iv) Degree to which the programme is addressing the core mandate of the Spending entities;
(v) Expected outputs and outcomes from a programme;
(vi) Cost effectiveness and sustainability of the programme;

4.2.4. Revenue Projections

In FY 2025/2026, the County government aims to raise Kshs.457,429,872 as its own source revenue. To achieve this target, the county intends to build staff capacity and move towards sealing revenue leakages by automating the revenue collections. Further, the county is expected to receive Kshs.5,515,146,712 as equitable share from the National as outlined in the County Allocation of Revenue Act, 2025 and a further Kshs.833,110,863 as conditional grants. Further, the county has adopted resource mobilization strategies to bridge funding gaps.

Table 7: Resource Envelope

Revenue Sources	Approved 2024/25	Estimates 2025/26	Projections 2026/27
CRA Equitable Share	4,826,732,019	5,515,146,712	5,733,894,864
Conditional grants	112,8962,740	833,110,863	733,755,012
Own Source Revenue	357,429,871	457,429,872	457,429,872
TOTAL	**6,313124630**	**6,956,331,595**	**6,925,079,748**

Source: County Treasury

The County Government will over the medium term ensure compliance with the fiscal responsibility principles as outlined in section 107 of the PFM Act 2012. The County Government is expected to enhance expenditure productivity in the proposed year and manage the rising wage bill to be within the required limit. The County Government will continue to allocate resources while adhering to the fiscal responsibility principle and further ensuring budget credibility. The projected resource envelope is Kshs.6.9 billion.

To achieve the county's fiscal targets, revenue mobilization strategies will be enhanced to improve the performance of own-source revenues. Key measures will include:

- Scaling up automation of revenue streams to minimize leakages, reduce transaction costs, and improve efficiency in revenue administration.
- Comprehensive mapping of additional revenue sources to identify untapped and under-collected streams, thereby broadening the county's revenue base.
- Systematic recovery of outstanding arrears on land rates and plot rents to enhance liquidity and fiscal space.
- Digitization of all county land mutations and property records to facilitate accurate valuation and prompt administration of property taxes.
- Systematic physical mapping of business premises to improve monitoring of billable entities and ensure full capture of taxable economic activities.
- Full automation of parking fee collection systems to strengthen efficiency, transparency, and compliance in revenue administration.
- Enhanced enforcement and compliance measures, including regular spot checks and audits, to reduce revenue leakages and improve tax discipline.
- Continuous taxpayer education and sensitization to improve public awareness and voluntary

compliance in the payment of taxes, fees, and licenses.

4.2.5 FY 2026/27 and Medium-Term Budget Framework

In FY 2026/27 and over the medium term, resource allocation for priority programmes will be organized under five key sectors: Infrastructure, Health, Productive and Economic, Social and Public Administration and Governance. The primary focus will be on strategic interventions outlined in the Elgeyo Marakwet Wealth Creation and Optimization Strategy (WECOS) which focuses majorly on agricultural value chains such as coffee, pyrethrum, dairy, tea and natural resources (including minerals and forestry). This value chain approach aims to ensure more efficient and rational resource allocation by minimizing duplication, reducing overlaps, avoiding fragmentation, and improving coordination in the implementation of programmes and projects. It further promotes a Whole-of-Government approach to service delivery, fostering greater synergy and effectiveness across sectors.

4.2.5. Expenditure Forecasts

In pursuing a balanced budget requirement, the County Government has projected that overall expenditure will equal the forecasted county receipts for FY 2025/26. In this regard, the county government's total expenditure will be Kshs. 8.8 billion in the FY 2025/26, inclusive of balance brought forward from FY 2024/25. Compensation to employees will account for 32.1 percent of the total County budget. Although, this proportion of the County wage bill is still way above the envisaged level of 35 percent of total revenues as recommended in section 25 of the PFM (County Government Regulations), 2015. In trying to adhere to this provision, the County Government has initiated austerity measures including rationalization of staff across the public service for common cadres, recruitment of only key technical competencies to replace retiring staff at entry levels.

The growth in County allocation for salaries and wages is mainly on account of the rise in annual salary increments and harmonization of wages across the public service by Implementation of wage policies such as the (**SRC)** guidelines, minimum wage orders, or Public Service Commission circulars can raise salary costs. Further, allocation for other recurrent expenditures shall decrease despite the marginal increase in County revenues because of the wage increase and adherence to

30% allocation to development expenditures.

CHAPTER FIVE

5 CONCLUSION AND WAY FORWARD

5.1 Conclusion

The performance of county departments in FY 2024/25 continues to highlight both progress and persistent challenges in achieving the objectives outlined in the 2024 County Fiscal Strategy Paper. While notable gains have been realized in aligning resource allocation with transformative frameworks such as Kenya Vision 2030, the EMC CIDP 2023–2027, and the Bottom-Up Economic Transformation Agenda (BETA), fiscal pressures remain significant. The wage bill continues to consume a disproportionate share of recurrent expenditure, constraining the county's fiscal flexibility.

Nevertheless, the county has sustained investments in key flagship programmes, including the County Aggregation and Industrial Park, which holds great promise for enhancing value addition, expanding markets, and spurring job creation. Revenue mobilization efforts—anchored on automation, enforcement, and expansion of the revenue base—are beginning to yield gradual improvements but will require consistent implementation to bridge financing gaps.

In line with the principles of the Public Finance Management (PFM) Act, 2012, the county government remains committed to fiscal responsibility, ensuring that expenditure is sustainable while protecting priority investments in health, infrastructure, agriculture, education, and social services. The budget framework therefore reflects a delicate balance between maintaining fiscal discipline and advancing inclusive growth.

5.2 Way Forward

Looking ahead, the county government will strengthen fiscal consolidation efforts while scaling up investments in priority programmes that drive long-term socio-economic transformation. The FY 2026/27 budget cycle will emphasize:

- Enhancing local revenue performance by fully leveraging automated revenue systems, sealing remaining loopholes in collection, and intensifying compliance and enforcement measures.
- Maintaining a lean and efficient public service through staff rationalization measures and

productivity enhancement to keep the wage bill within sustainable levels.

- Deepening partnerships with development partners, the private sector, and communities to mobilize additional resources and expand service delivery.
- Prioritizing high-impact programmes identified in the 2023–2027 CIDP III across the five key sectors—Health; Infrastructure; Productive and Economic; Social; and Governance and Administration—anchored on the nine strategic pillars.
- Promoting inclusive development by ensuring investments are equitably distributed across wards, with deliberate focus on youth, women, and vulnerable groups.

The projected sector ceilings provided in this CBROP will guide departments and sub-sectors in formulating the FY 2026/27 budget estimates. By sustaining fiscal discipline, enhancing accountability, and fostering innovation in service delivery, Elgeyo Marakwet County is positioned to achieve greater resilience, inclusivity, and prosperity in the medium term.

ANNEXES

Annex 1: County Government Operations FY 2025/26-2027/28

Sub Sector / Department	2025/26 APPROVED BUDGET			2026/27 PROJECTIONS BUDGET			2027/28 PROJECTIONS		
	Recurrent	Development	Total	Recurrent	Development	Totals	Recurrent	Development	Totals
COUNTY ASSEMBLY	682,127,598	26,872,402	709,000,000	723,180,000	737,643,600	752,396,472	767,444,401	782,793,289	798,449,155
OFFICE OF THE GOVERNOR	154,970,028	867,825	155,837,853	158,954,610	162,133,702	165,376,376	168,683,904	172,057,582	175,498,734
FINANCE AND ECONOMIC PLANNING	233,217,089	2,700,000	235,917,089	240,635,431	245,448,139	250,357,102	255,364,244	260,471,529	265,680,960
AGRICULTURE, LIVESTOCK, FISHERIES AND IRRIGATION	266,753,125	698,923,122	965,676,247	984,989,772	1,004,689,567	1,024,783,359	1,045,279,026	1,066,184,606	1,087,508,299
WATER, ENVIRONMENT AND CLIMATE CHANGE	63,798,949	667,007,468	730,806,417	745,422,545	760,330,996	775,537,616	791,048,368	806,869,336	823,006,723
EDUCATION AND TECHNICAL TRAINING	452,101,451	281,729,426	733,830,877	748,507,495	763,477,644	778,747,197	794,322,141	810,208,584	826,412,756
HEALTH SERVICE	2,115,547,025	604,300,799	2,719,847,824	2,774,244,780	2,829,729,676	2,886,324,270	2,944,050,755	3,002,931,770	3,062,990,406
LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT	104,627,885	881,315,595	985,943,480	1,005,662,350	1,025,775,597	1,046,291,109	1,067,216,931	1,088,561,269	1,110,332,495
ROADS, PUBLIC WORKS AND TRANSPORT	191,486,144	222,841,244	414,327,388	422,613,936	431,066,214	439,687,539	448,481,290	457,450,915	466,599,934
COOPERATIVES, TRADE, INDUSTRIALIZATION, TOURISM AND WILDLIFE	81,150,411	538,348,154	619,498,565	631,888,536	644,526,307	657,416,833	670,565,170	683,976,473	697,656,003
SPORTS, YOUTH AFFAIRS, CULTURE, CHILDREN AND SOCIAL SERVICES	98,047,543	30,611,740	128,659,283	131,232,469	133,857,118	136,534,260	139,264,946	142,050,245	144,891,249

PUBLIC SERVICE, DEVOLUTION, ADMINISTRATION, COMMUNICATIONS, ICT AND E-GOVERNANCE	373,958,322	13,500,000	387,458,322	395,207,488	403,111,638	411,173,871	419,397,348	427,785,295	436,341,001
COUNTY PUBLIC SERVICE BOARD	62,809,907	-	62,809,907	64,066,105	65,347,427	66,654,376	67,987,463	69,347,213	70,734,157
TOTAL	4,880,595,477	3,969,017,775	8,849,613,252	9,026,605,517	9,207,137,627	9,391,280,380	9,579,105,988	9,770,688,107	9,966,101,869

Source: County Treasury

Annex 2: Total Sector Ceilings for the MTEF Period 2024/25-2025/26

SECTOR	Sub Sector /Department	APPROVED		PROJECTIONS	
		2024/25	2025/26	2026/27	2027/28
Public Service Administration & Governance	County Assembly	642,494,863	709,000,000	752,396,472	798,449,155
	Office of the Governor & Executive Administration	156,433,728	155,837,853	165,376,376	175,498,734
	Finance & Economic Planning	262,703,653	235,917,089	250,357,102	265,680,960
	Public Service, Devolution, Administration, Communications, ICT & -governance	372,237,560	387,458,322	411,173,871	436,341,001
	County Public Service Board	45,380,222	62,809,907	66,654,376	70,734,157
Infrastructure	Roads, Transport, and Public Works	623,885,853	414,327,388	439,687,539	466,599,934
	Water, Environment and Climate Change	733,084,878	730,806,417	775,537,616	823,006,723
	Lands, Physical Planning, Housing, & Urban Development	720,771,547	985,943,480	1,046,291,109	1,110,332,495
Social Protection and Empowerment	Sports, Youth affairs, Culture, Children and Social Services	145,381,197	128,659,283	136,534,260	144,891,249
	Education and Technical Training	579,820,966	733,830,877	778,747,197	826,412,756
Health	Health Services	2,325,549,744	2,719,847,824	2,886,324,270	3,062,990,406
Productive and Economic Sector	Cooperatives, Trade, Industrialization, Tourism and Wildlife	607,726,701	619,498,565	657,416,833	697,656,003
	Agriculture, Livestock, Fisheries and Irrigation	684,398,247	965,676,247	1,024,783,359	1,087,508,299
TOTALS		**7,899,869,159**	**8,849,613,252**	**9,391,280,380**	**9,966,101,869**

Source: County Treasury

Annex 3: Budget Process Activity Calendar

TIMELINE	BUDGET ACTIVITY
30th August	County Executive Committee Member for Finance and Economic Planning issues **Budget circular** to all county entities which contains recommended ceilings for each department/entity, key policy areas and issues to be taken into consideration when preparing the budgets) as per **s.128 of PFM Act, 2012.**
1st September	County Executive Member for Finance and Economic Planning **submits Annual Development Plan (ADP)** to County Assembly for approval, with copy to the CRA and National Treasury as per **s.126(3) of PFM Act, 2012** The ADP contains long term and medium-term plans as per **s.125(1)(a) of PFM Act, 2012**
30th September	**County Budget Review and Outlook Paper (CBROP)** to be prepared by county treasury and submitted to the county executive committee as stated in; **s.118(1)-(2) of PFM Act, 2012;** County Executive committee considers and approves CBROP with or without amendments, and **s.118(3) of PFM Act, 2012;** County Treasury causes CBROP to be laid before county assembly.
By 15th October	CBROP is published and publicized as per **s.118(4)(b) of PFM Act, 2012**
28th February	County Treasury prepares and submits **County Fiscal Strategy Paper (CFSP)** to the County Assembly. The CFSP must be aligned to national objectives in the Budget Policy Statement as per **s. 117(1) & (2), s.117(4) and s. 117(1) of PFM Act, 2012**
14th March	County Treasury submits **County Debt Management Strategy (CDMSP)** to County Assembly as per **s.123(1) of PFM Act, 2012**
	The CECM Finance and Economic Planning will submit the CDMSP to CRA and Intergovernmental Budget and Economic Council (IBEC) by CECM, Finance and Economic Planning as per **s.123(3) of PFM Act, 2012**
14th March	Within 14 days of the County Fiscal Strategy being submitted to the county assembly, the County Assembly shall consider and adopt it with or without amendments. as per **s.117(6) of PFM Act, 2012**
21st March Mid-March to Mid-April	County Fiscal Strategy Paper to be published and publicized.as per s.117(8) of PFM Act, 2012
30th April	CECM for Finance and Economic Planning submits **Budget Estimates** to the county assembly which must be in line with the Approved County Fiscal Strategy Paper as per **s. 129(2) of PFM Act, 2012**
30th April	County Assembly Clerk submits **Budget Estimates for County Assembly** with a copy to the CECM for Finance

TIMELINE	BUDGET ACTIVITY
	and Economic Planning as per **s.129(3) of PFM Act, 2012**
15th May	CECM Finance and Economic planning presents **comments on the budget estimates** to the county assembly as per **s.129(4) of PFM Act, 2012** CECM Finance and Economic Planning publishes and publicizes Budget Estimates as per **s.129(6) of PFM Act, 2012**
15th June	County government must submit Annual cash flow projection to the Controller of Budget (COB) as per **s.127(1) of PFM Act, 2012**
Before County Assembly considers the estimates	Before the County Assembly considers the estimates the relevant committee of the County Assembly shall meet and consider the estimates and make recommendations to the County Assembly, but should take into account the views of the CECM for Finance as per **s.131(2) of PFM Act, 2012**
30th June	County Assembly to consider estimates with a view to approving with or without amendments in time for the County Appropriation Law to be passed by 30th June as **per s.131 s.131(2) and s.131(3) of PFM Act, 2012**
30th June	After the county Assembly has approved estimates, CEC for finance and Economic Planning shall prepare and submit a County Appropriation Bill to the county assembly as **per s.129(7) of PFM Act, 2012**
30th June	Appropriation Bill to be passed by the County Assembly as per **s.131(1) of PFM Act, 2012**
As soon as the Budget Estimates have been approved	CECM Finance and Economic Planning makes a pronouncement on revenue raising measures as per **s.132(1) of PFM Act, 2012** At the same time as making the pronouncement under s.132 (1) the CEC Finance must submit the **Finance Bill** to the county assembly as per **s.132(2) s.131(1) of PFM Act, 2012**
As soon as the Budget Estimates have been approved	The County Assembly may consider the revenue measures but must (a) ensure the total amount of revenue is consistent with the fiscal framework and the County Allocation of Revenue Act, and (b) must take into account various matters including the recommendation of the CECM for Finance and Economic Planning as per **s.132(3) & (4) of PFM Act, 2012**
Not later than 90 days after the Appropriation Act passed	The County Assembly must consider the Finance Bill and approve with or without amendments.133 of PFM Act, 2012